

## ***Council's Mission:***

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



**JULY 2003 – JUNE 2004**

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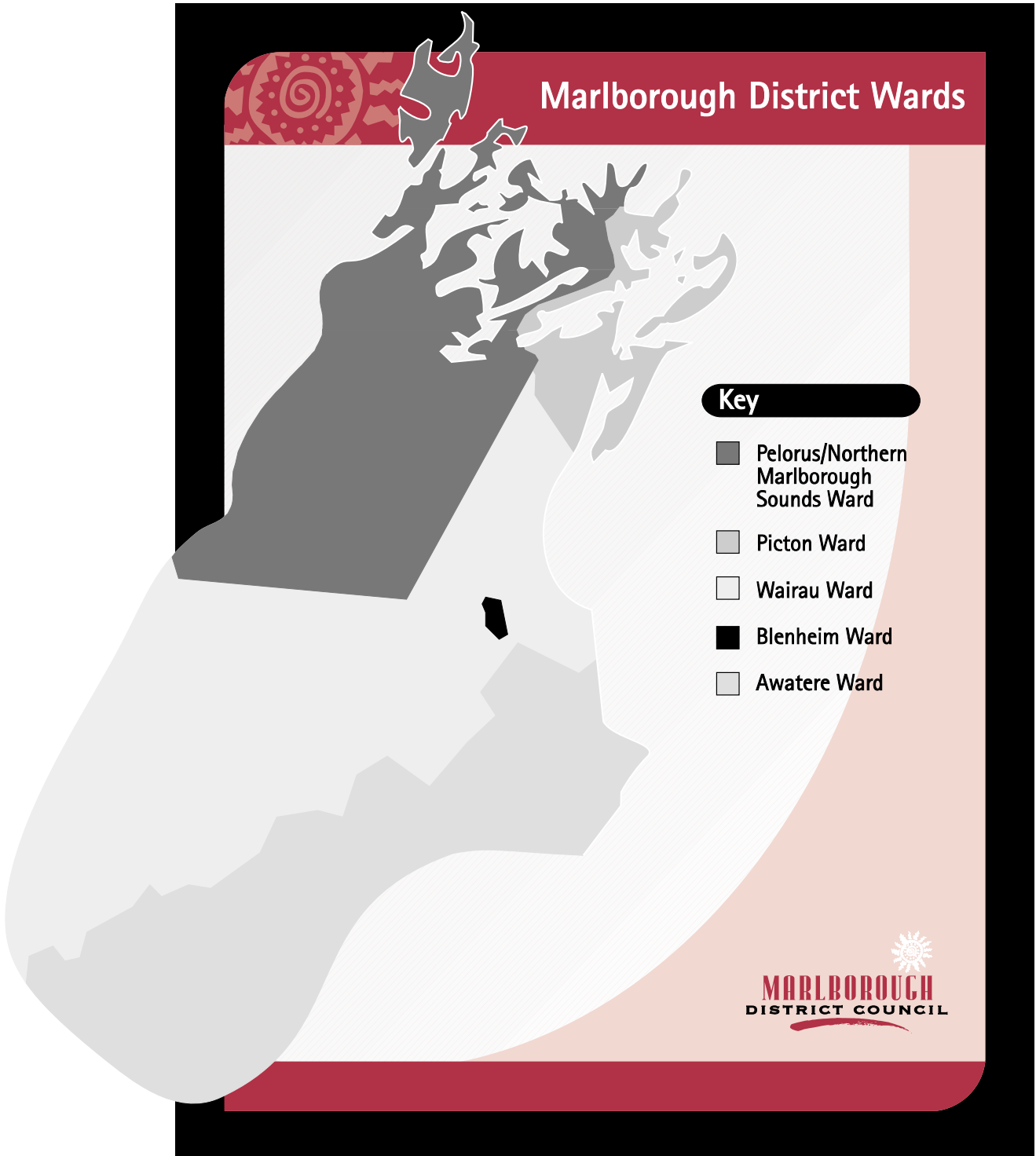
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# MARLBOROUGH DISTRICT ELECTORAL WARDS





## FROM THE MAYOR'S DESK

There is no harder task for Council than determining how the costs of meeting genuine community needs are to be borne. This task is made doubly difficult when the relative contributions of central and local government to funding core services are changing. In recent years, there has been an increasing trend to shift the burden of meeting basic needs onto local government. The impact of this is felt in different ways. In some cases, it is a simple withdrawal of government funding that leaves a shortfall that must be met by Council – an example is the reduction in Transfund roading subsidies that has resulted in an additional cost that Council must find for regional land transport. Another example is the change in policy for the insurance of flood protection assets. Government is now largely declining to underwrite losses to river control systems, leaving responsibility for this with Council. In other cases, changes in government policy create significant costs to Council in simply complying with new requirements. The new Local Government Act has many positive elements, and Council is strongly committed to the principles that it is based on. The new Act does, however, bring with it extensive requirements for planning and accountability that will require a considerable amount of ongoing work by staff and councillors. Changes in the world around us also bring increased costs. Increased insurance charges following the events of the last two years have affected Council, as have greatly increased electricity charges. One of the biggest drivers of increased costs has been the growth of the region. This brings with it new requirements for infrastructure, and also changes to the expectations that residents have of the services that Council should be providing. It is important to keep a perspective on what a region with our population can afford. However much we may agree on the desirability of a service, in some cases our ability to pay means that some things have to be reduced or put to one side.

All these constraints have pressed greatly on Council this year, and consequently the proposals contained in this year's draft



**Tom Harrison**  
*Mayor*

Annual Plan will require an increase in overall rates. All ratepayers can be assured, however, that Council has given careful scrutiny to every proposed expenditure, and I have no doubt that the work programme that lies behind this Plan will deliver concrete benefits to all residents and ratepayers, and that Council services will be delivered in the most efficient and effective manner possible.

I have remarked already on the pressures of regional growth. While it is exciting to see the region progressing so confidently, the rate of change can sometimes bring with it some undesirable effects. For some time, one of Council's goals has been encouraging growth, but it has become increasingly apparent that growth by itself is not always a good thing. Bigger is not always better. Council has therefore changed one of its goals this year, from "growth" to "development". This may seem a subtle change, but it signals an intention to focus more on the quality of life, rather than the quantity of growth. Our three main goals are now Community, Sustainability, and Development. Growth will continue, but it is important that it be managed in a way that benefits the whole community. That is what local government is about, and this Plan tries to ensure that both the costs and the benefits are fairly shared.

# CHIEF EXECUTIVE'S INTRODUCTION

Late last year the Local Government Act 2002 was enacted. This new legislation represents significant changes to the way in which local government must operate. The Act places renewed emphasis on councils' role in local decision-making.

The Local Government Act 2002 is an enabling piece of legislation 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 new Act 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. In a district such as Marlborough these new responsibilities will be tempered with the fact that there is a small rating base. Council has been preparing for this new environment over the last year. Irrespective of the new legislation Council's future plans will continue to embody core principles of stewardship, prudence, and responsiveness. This year's Annual Plan continues the focus on providing services to meet community needs. Marlborough has experienced a considerable amount of growth over the last twelve months and this plan seeks to respond to the growing demands on Council infrastructure and services. The maintenance, replacement and extension of



**Andrew Besley**  
*Chief Executive*

the District's critical infrastructure in terms of sewerage, water reticulation, stormwater and roading, along with responding to the legislative requirements of both the Resource Management Act and the new Local Government Act are the main drivers for Council's need for more resources. In addition to the new Local Government Act other legislation was enacted last year, which will have an impact on Council services. These include the Local Government Rating Act 2002 and the Civil Defence Emergency Management Act 2002. The 2003/2004 year will be a busy and exciting year for both councillors and staff as we work towards meeting the requirements of these new Acts. Council's management and staff continue to be committed to delivering excellence of service, and we look forward to implementing the Annual Plan for 2003/04.

# ELECTED COUNCIL MEMBERS



*Tom Harrison  
(Mayor)*

## Blenheim Ward



*Jenny Andrews*



*Frank Connor*



*John Craighead*



*Liz Davidson*



*David Dew*



*Alistair  
Sowman*

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## Wairau Ward



*Francis Maher*



*Ian Mitchell*



*Larry Pigou*

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## Awatere Ward



*Andrew Barker  
(Deputy Mayor)*

## Picton Ward



*Cliff Bowers*



*Cheryl Cairns*

## Pelorus/Northern Marlborough Sounds



*Graeme  
Barsanti*

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# COUNCIL COMMITTEES AND MEMBERS

The Marlborough District Council has five standing committees, two statutory committees, five sub-committees, and under a memorandum of understanding with a majority of tangata whenua iwi, the Māori Advisory Komiti.

The present committees and their membership are as follows:

## FINANCE & ADMINISTRATION

This committee is responsible for annual reports, funding policy, organisational reviews, financial performance, financial services including rate collection and treasury management, general administration, property management and development, council subsidiaries, corporate issues, libraries, customer services, 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 Frank Connor  
Clr Larry Pigou  
Mr Barry Mason (iwi representative)  
Mayor Tom Harrison (ex officio)

## Liquor Licensing Sub-Committee

Council has delegated its powers, duties and discretions under the Sale of Liquor Act 1989 to this Sub-Committee to act as the Marlborough District Licensing Agency.

Clr Alistair Sowman - Chair  
Clr Jenny Andrews  
Clr Frank Connor  
Clr John Craighead

## COMMUNITY DEVELOPMENT

This committee is responsible for annual plans, Local Government Act 2002 implementation (including Long Term Council Community Plan), overall strategic and policy issues, economic development, community and social development, youth, elderly and access issues, art, culture and heritage, grants and donations, and sister cities.

Chairperson – Clr Alistair Sowman  
Deputy Chairperson – Clr Francis Maher  
Clr Jenny Andrews  
Clr Cheryl Cairns  
Clr John Craighead  
Clr David Dew  
Clr Ian Mitchell  
Clr Larry Pigou  
Mayor Tom Harrison (ex officio)

## Grants Sub-Committee:

This Sub-Committee carries out Council's partnership with Creative New Zealand to ensure local arts funding is available to the Marlborough area by distribution of grants. This Sub-Committee has the power to recommend to Council loans to sporting, recreation and community organisations from the Recreation Facilities Loan Fund. The Sub-Committee has also been tasked with allocation of Council's Annually Applied Grants and Donations.

Clr Jenny Andrews - Chair  
Clr Andrew Barker  
2 iwi representatives  
Creative Marlborough representative  
Sports Trust representative  
4 community representatives

## Sister City Sub-Committee:

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

Clr Graeme Barsanti - Chair  
Clr Cheryl Cairns  
Mayor Tom Harrison  
5 community representatives

## Youth, Elderly and Access Sub-Committee:

The focus of the Sub-Committee is issues related to youth, elderly and access which includes Council's elderly person's housing.

Clr Jenny Andrews - Chair  
Clr Cheryl Cairns  
Clr Frank Connor  
Clr John Craighead

## 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, civil defence and emergency management (including rural fire control), roading, parking, and road safety.

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



### **Animal Control Sub-Committee:**

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

Clr Liz Davidson - Chair  
Clr Jenny Andrews  
Clr John Craighead

### **Regional Land Transport Committee:**

The function of the Regional Land Transport Committee is to prepare for approval by Council the Regional Land Transport Strategy prepared under Section 175 of the Land Transport Act 1998 and the Regional Programme prepared under Section 42F of the Transit New Zealand Act 1989.

Clr Cliff Bowers - Chair  
Clr Graeme Barsanti  
Clr David Dew  
Land Transport Safety Authority representative  
Transfund New Zealand representative  
Transit New Zealand representatives (2)  
NZ Police representative  
Railway Operator  
Commercial Road User  
Private Road User  
Cycling representative  
NZCCS representative  
Taxi representative  
Marlborough Chamber of Commerce representative

## **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 and regional planning.

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. The makeup of each committee may change from time to time.

Any three out of the following pool:

Chairperson – Clr Francis Maher  
Clr Ian Mitchell  
Clr Liz Davidson  
Clr Cheryl Cairns  
Clr Andrew Barker  
Clr John Craighead

## **MARLBOROUGH CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP**

This committee has been formed in accordance with the Civil Defence And Emergency Management Act 2002.

The Group is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by Section 17(1)(i) of the Act.

Mayor Tom Harrison  
Clr David Dew (or Council nominee)  
Clr Ian Mitchell (or Council nominee)  
Clr Larry Pigou (or Council nominee)  
Clr Graeme Barsanti (for three years)

## **MÄORI ADVISORY KOMITI**

This committee was established under a Memorandum of Understanding in 1997. The memorandum sets out the intention of both parties to support a partnership between tangata whenua iwi and Council.

Currently, there are six iwi represented on the committee:

Ngai Tahu Whanau o Wairau  
Ngati Apa Ki Te Waipounamu Trust  
Ngati Koata No Rangitoto Ki Te Tonga Trust  
Ngati Rarua Iwi Trust  
Ngati Toarangitira Manawhenua Ki Te Tau Ihu Trust  
Te Atiawa Manawhenua Ki Te Tau Ihu Trust

## **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**

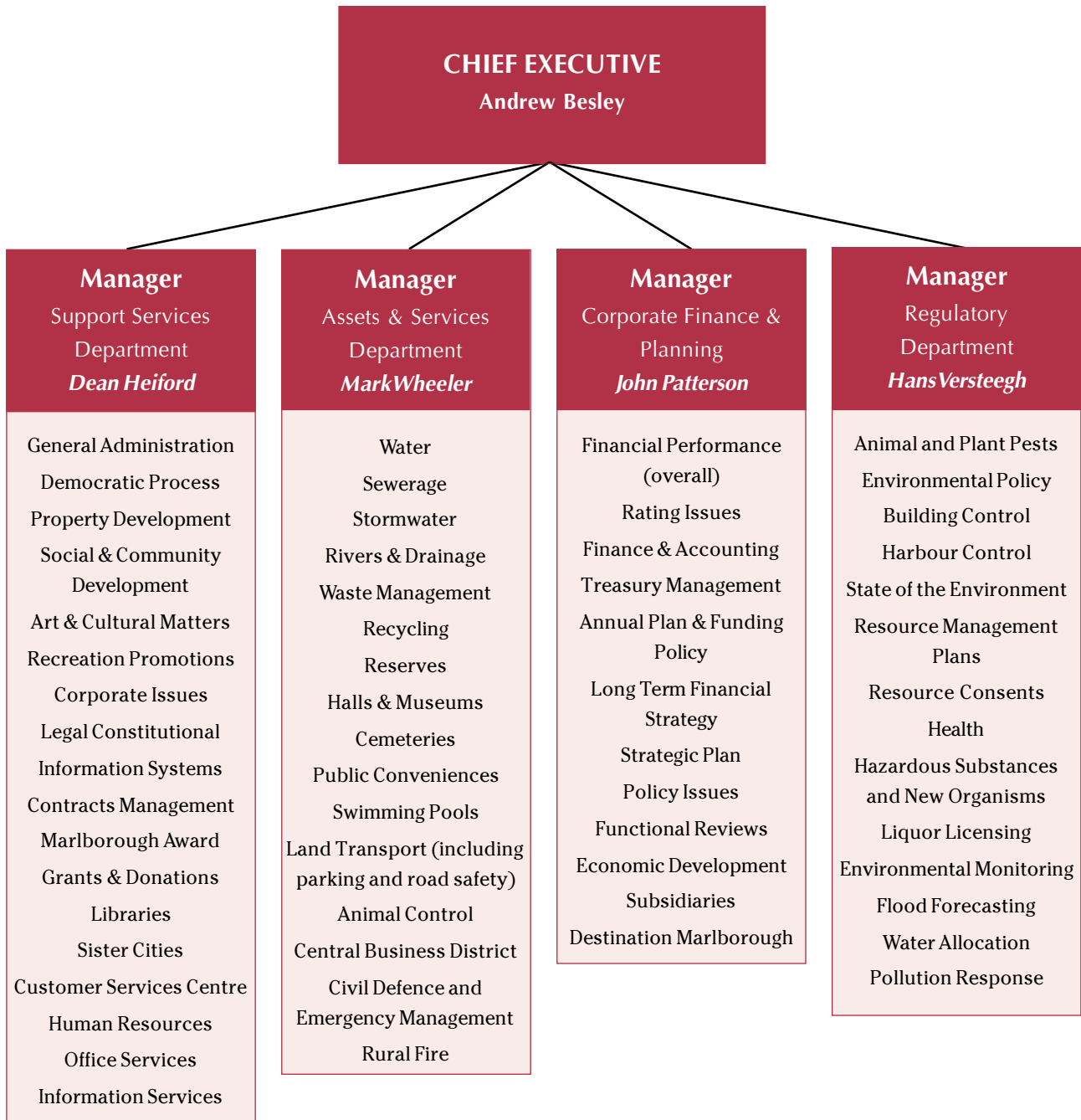
Clr David Dew (Chairperson)

### **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 2003/04 with rates in the previous year, and with anticipated rates for 2004/05. A table showing the indicative rating impact on benchmark properties for each year to 2012/13 is included in the Funding Impact statement in this draft plan.

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.

The revaluation of properties carried out by Quotable Value in 2002 has had a significant impact on the incidence of rating. While this is reflected on the example properties shown, individual ratepayers will be affected by the revaluation based on the change in valuation of their property compared to the average change within their geographic area and the district as a whole. Council will not collect any more or less rates as a result of the revaluation.

### 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 activity 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 and Recreation Grants  
Halls, Museums and Memorials

#### Other Services includes:

Emergency Management  
Economic Development  
Pest Control  
Waste Management  
Public Conveniences  
Cemeteries

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## 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. The planned introduction of compulsory Drinking Water Standards will have a significant impact on Blenheim residents. \$1.153 million has been provided in 2003/04 for treatment to comply with compulsory Drinking Water Standards.

### Significant Capital Works (2003/2004)

#### Sewerage

- Continuation of the Blenheim Sewerage upgrade \$3,430,000
- Main operating pump station \$675,000

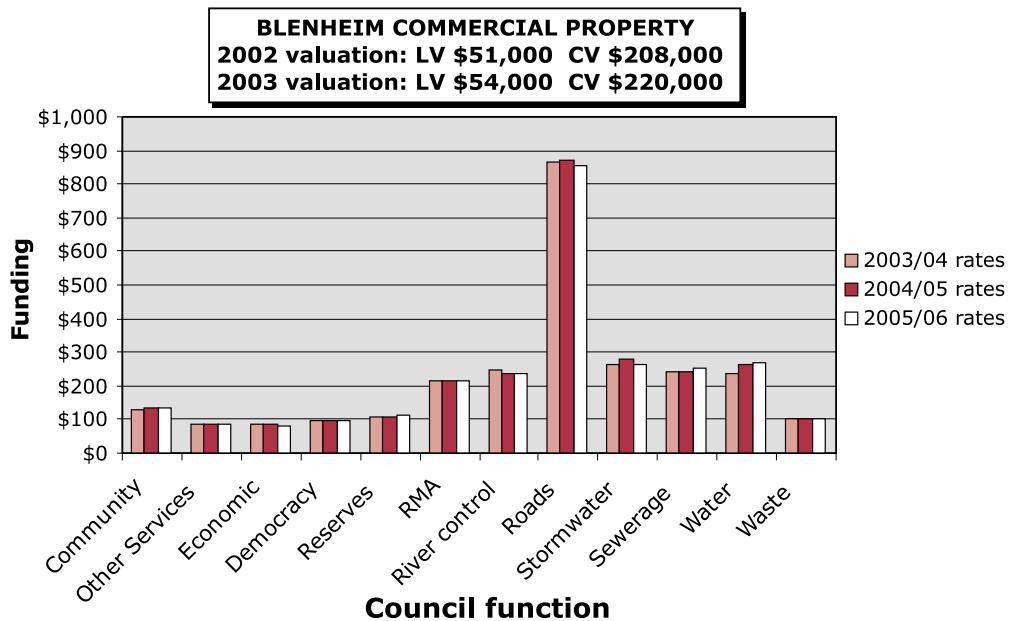
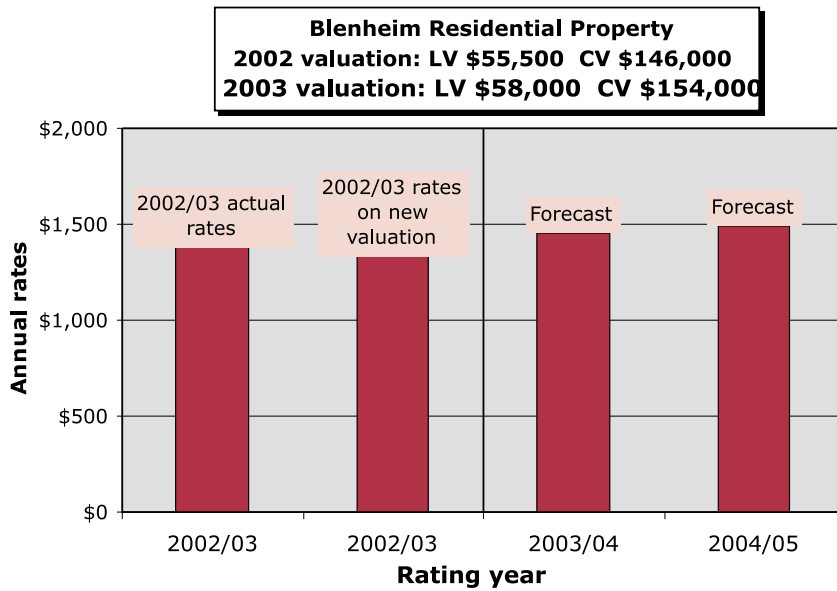
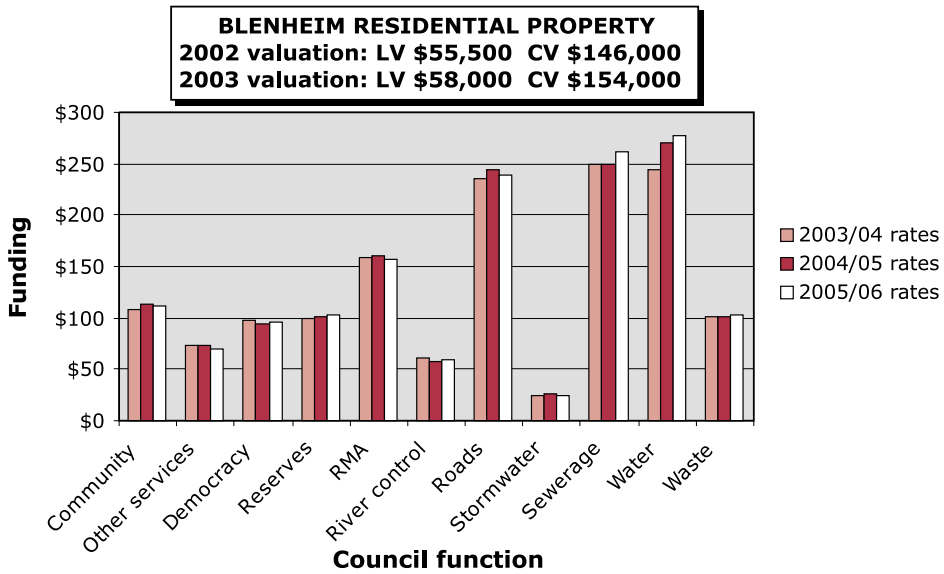
#### Water

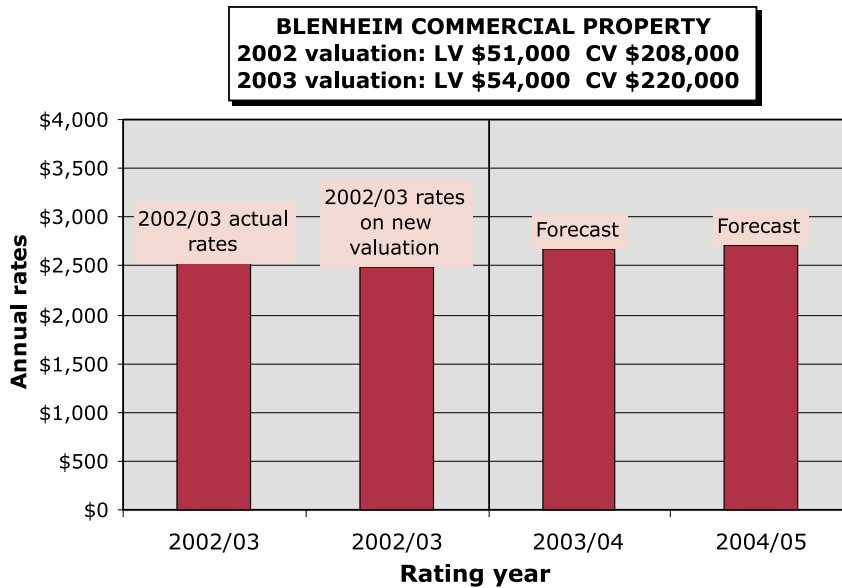
- Reticulation \$714,000
- Treatment study to achieve compliance with Drinking Water Standards \$62,000
- Lateral Renewals \$120,000
- Public Conveniences (RSA Upgrade) \$70,000

Blenheim's rates will decline as a result of the completion of the 10 year programme of river control works. The Wairau River rate declines \$208,114 in the 2003/04 financial year.

#### Central Business District (CBD)

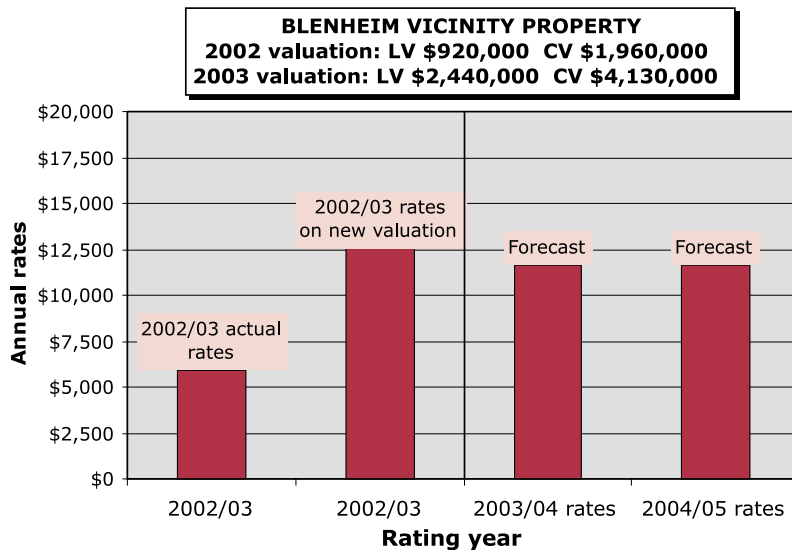
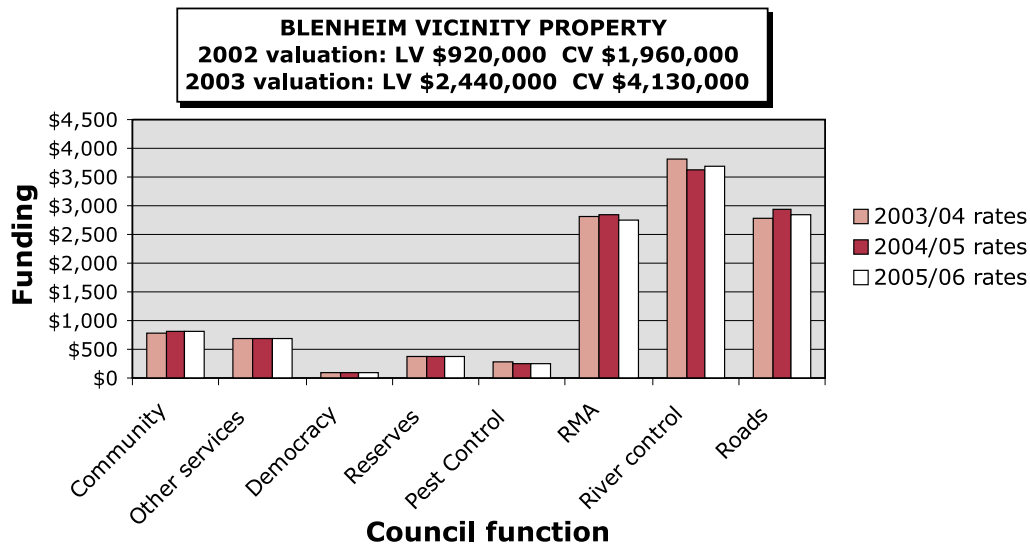
It is proposed to implement security cameras in the CBD. Part of the implementation cost is being financed from reserve funds and the balance is being funded by rates from the commercial and industrial ratepayers and the Blenheim residential ratepayers.





## BLenheim VICINITY

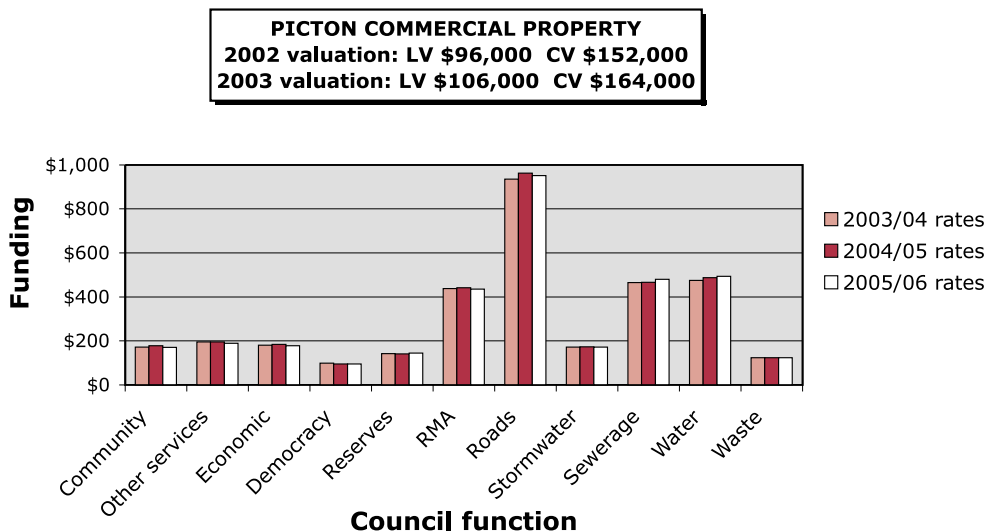
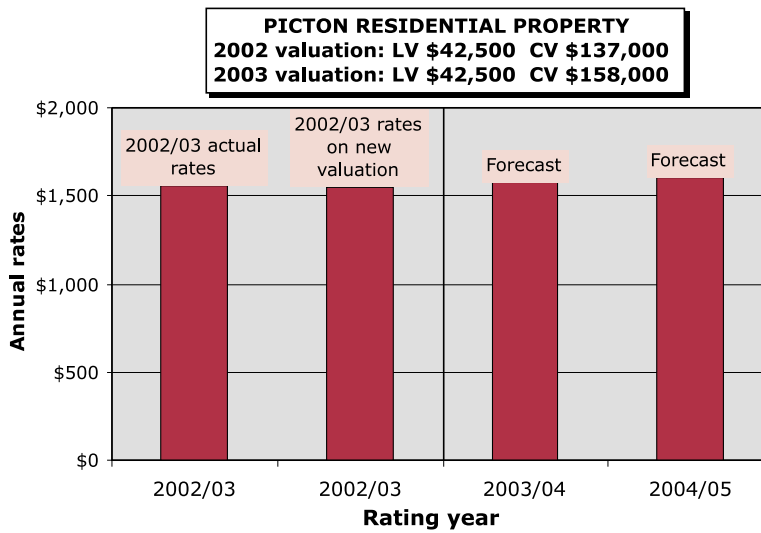
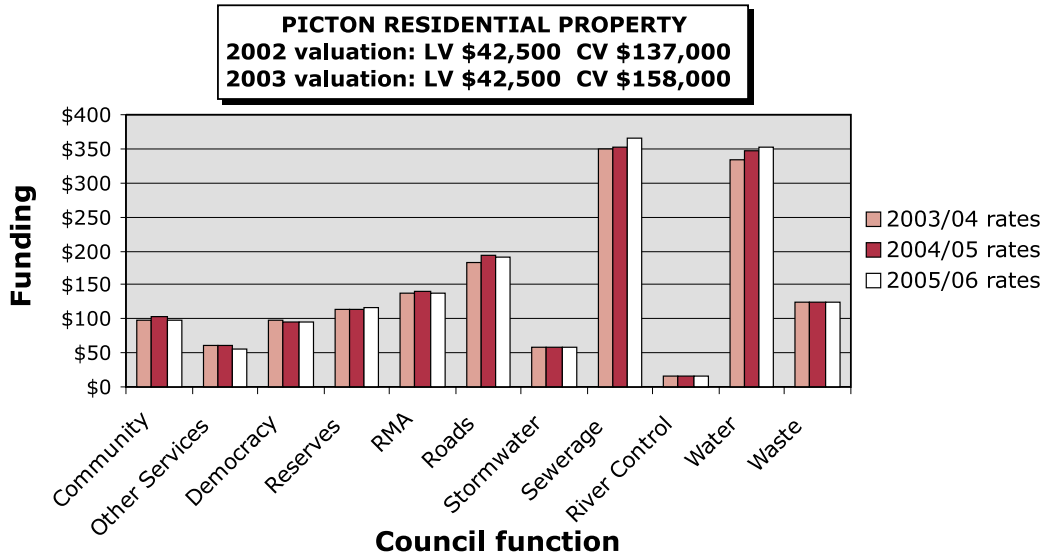
Rates in this area are affected by the completion of the ten year programme of River control works in 2003/04. The Wairau River rate declines \$208,114. The recent revaluation of property rates by Quotable Value has had a significant impact on the level of rates paid by some landowners in this area.

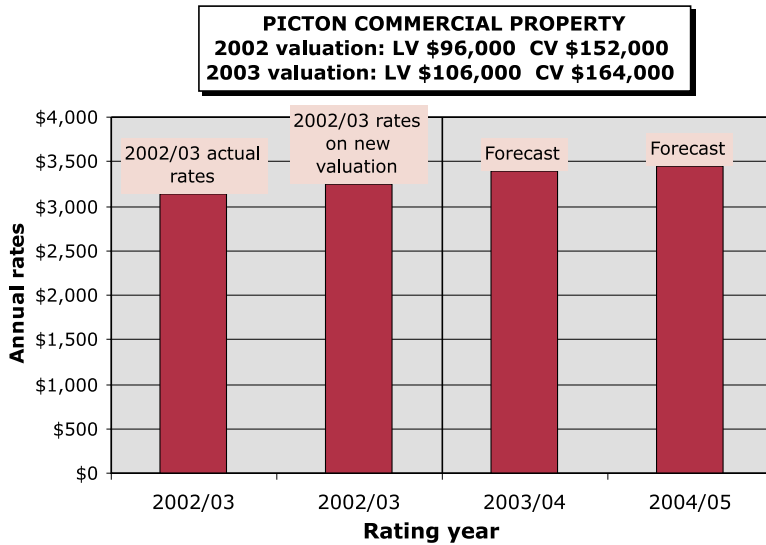


# PICTON

Increases in insurance and power along with infiltration costs have required an increase in both the Picton water and sewerage rates.

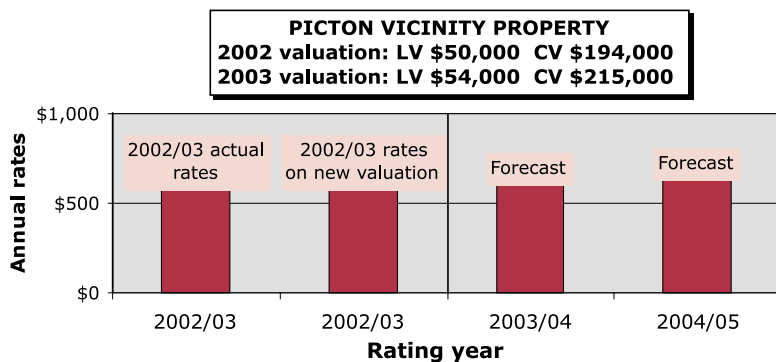
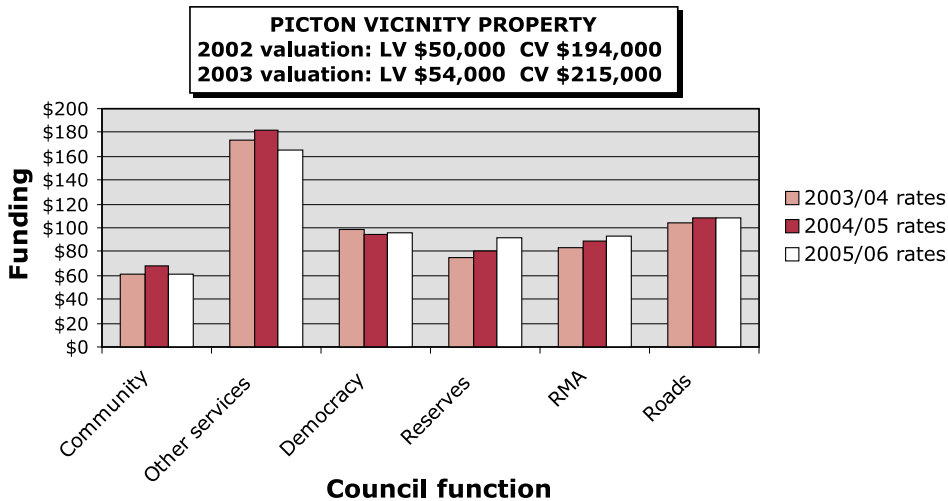
The planned introduction of compulsory Drinking Water Standards will have a significant impact on Picton residents. In order to comply it is likely that the water would need to be treated at a cost of \$1.230 million. This has been signalled to occur in the 2004/05 financial year.





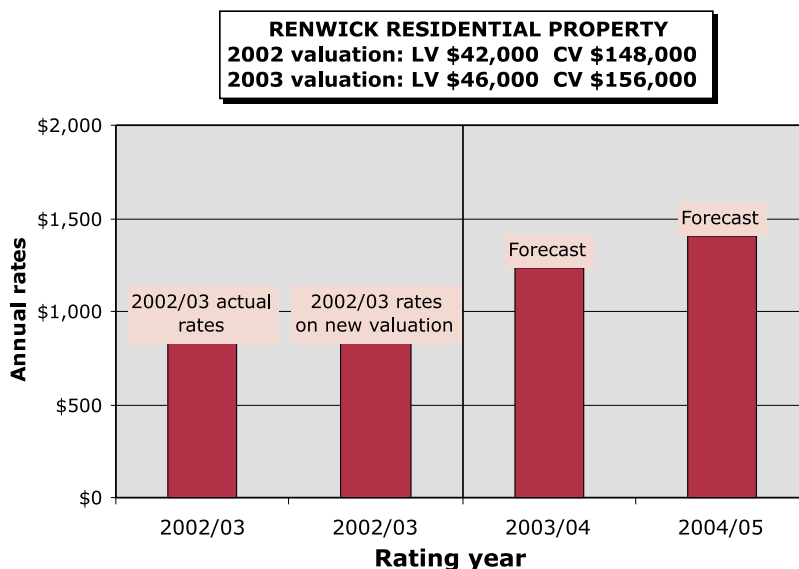
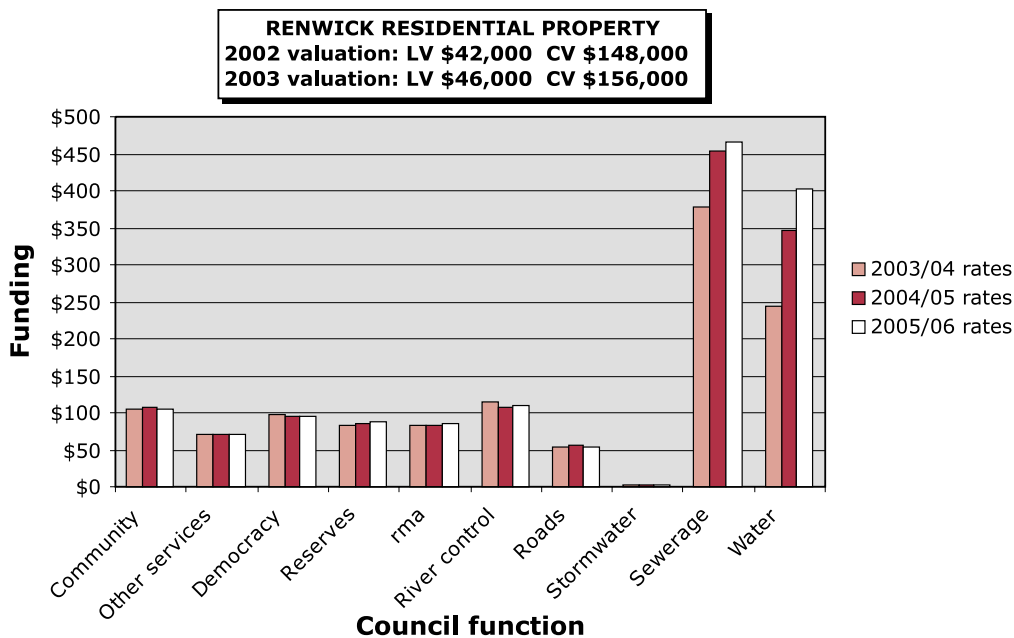
## PICTON VICINITY

The recent revaluation of property rates by Quotable Value has had a significant impact on the level of rates paid by landowners in this area.



# RENWICK

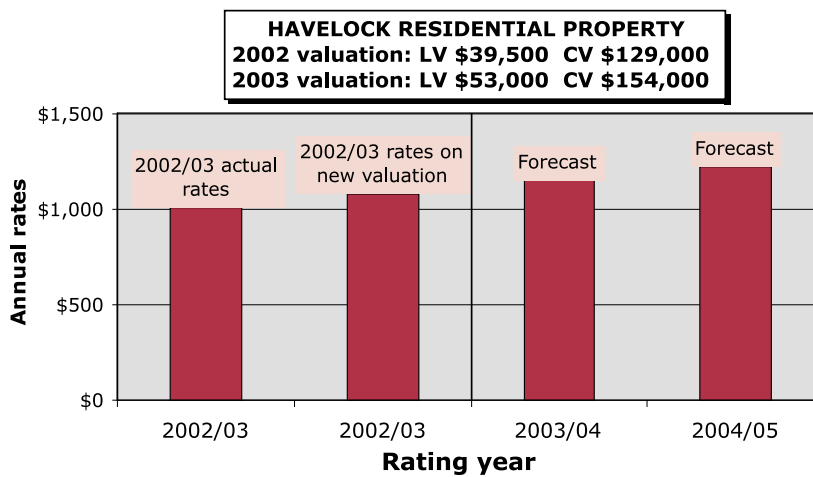
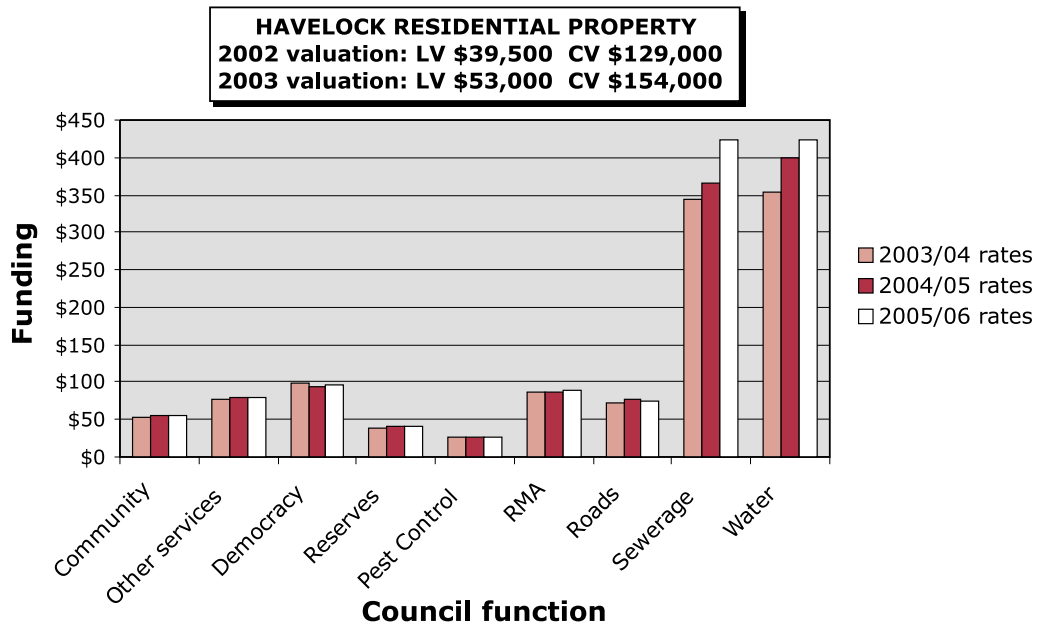
The Renwick Sewerage Scheme is planned to be commenced during the 2003/2004 financial year. The total cost of the scheme is yet to be finalised but provision of \$4.135 million has been provided for in this plan. The works carried out are to be funded by income from Marlborough Regional Forestry with rating to commence from the 2003/2004 financial year. All ratepayers in the area were given the opportunity to pay a lump sum payment spread in equal instalments over the next three years or an annual rate to cover both interest and principal over the next 20 years. Those on the annual rate will incur a rise in rates each year for the coming three years to coincide with the timing of payments associated with the lump sum. 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 \$208,114. 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 \$1.14 million as signalled in the 2005/2006 financial year.





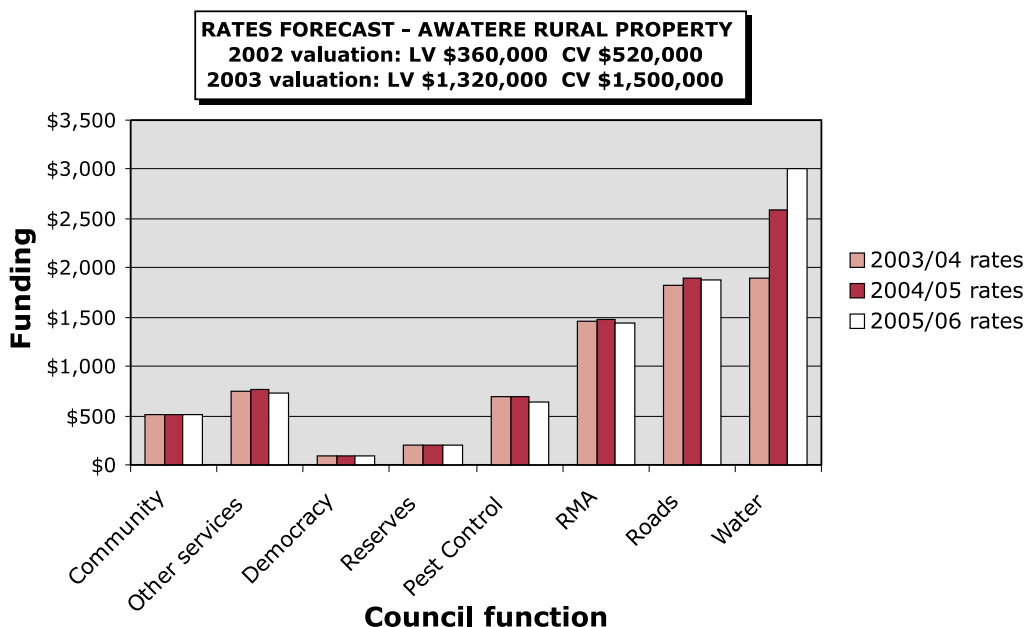
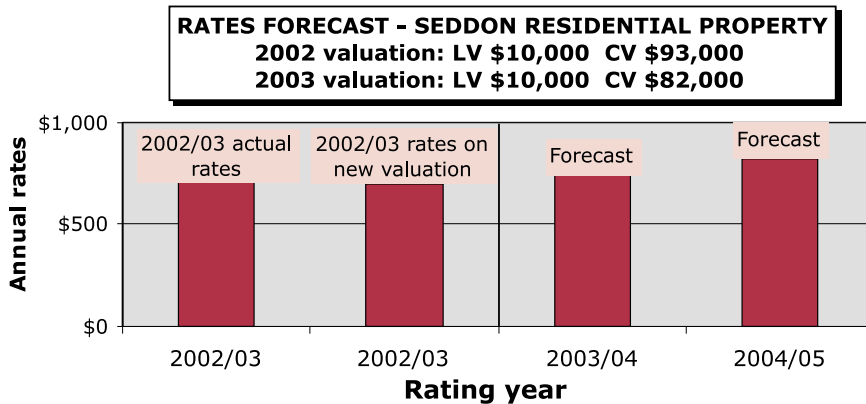
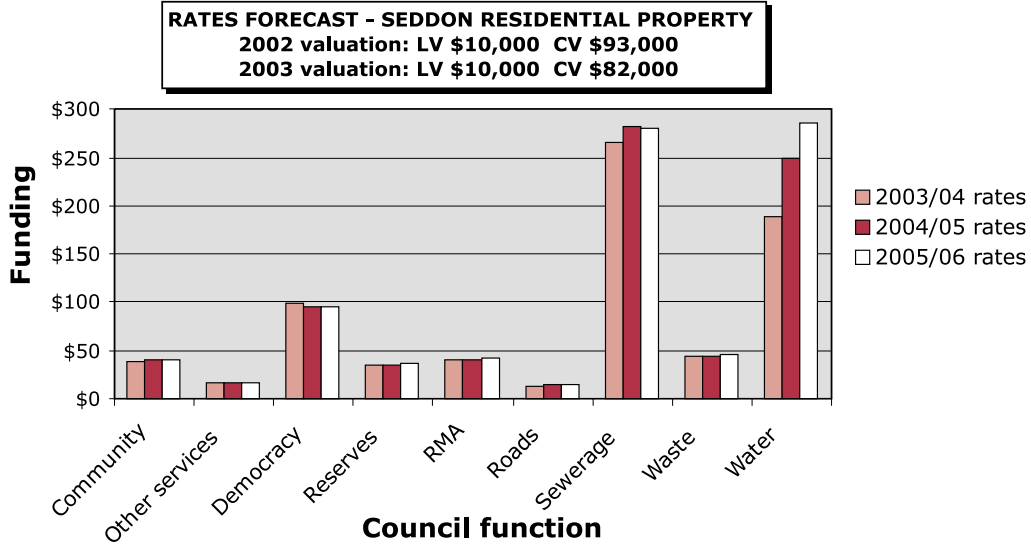
# HAVELOCK

Allowance has been made in 2004/05 for water supply treatment of unsecure catchments (\$175,000). The treatment of the water supply will be necessary if the Drinking Water Standards are made compulsory. 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.

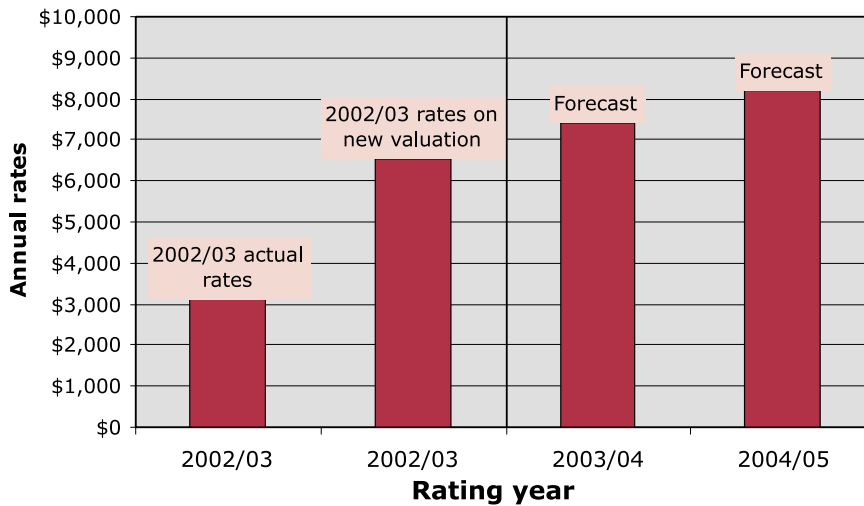


# AWATERE

The cubic metre rate for water is proposed to increase from 45 cents m<sup>3</sup> to 52 cents m<sup>3</sup> as a result of the anticipated volume of consumption not being met in the current financial year. The planned introduction of compulsory Drinking Water Standards, if introduced, will significantly affect the water supply metered charge rate. An allowance (\$1,330,000) has been made in the 2005/06 financial year for the treatment of the water.



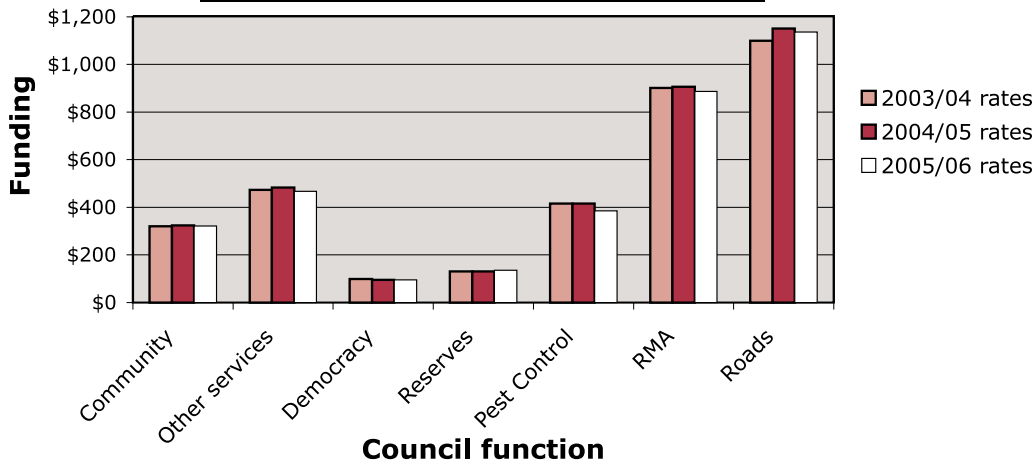
**RATES FORECAST - AWATERE RURAL PROPERTY**  
**2002 valuation: LV \$360,000 CV \$520,000**  
**2003 valuation: LV \$1,320,000 CV \$1,500,000**



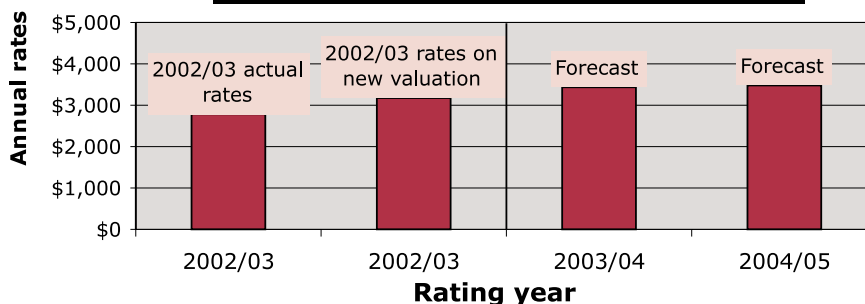
## GENERAL RURAL AND ADMINISTRATIVE RURAL

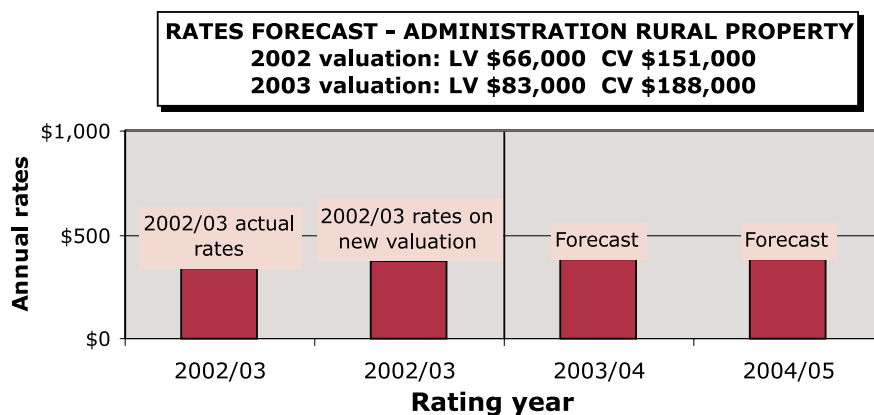
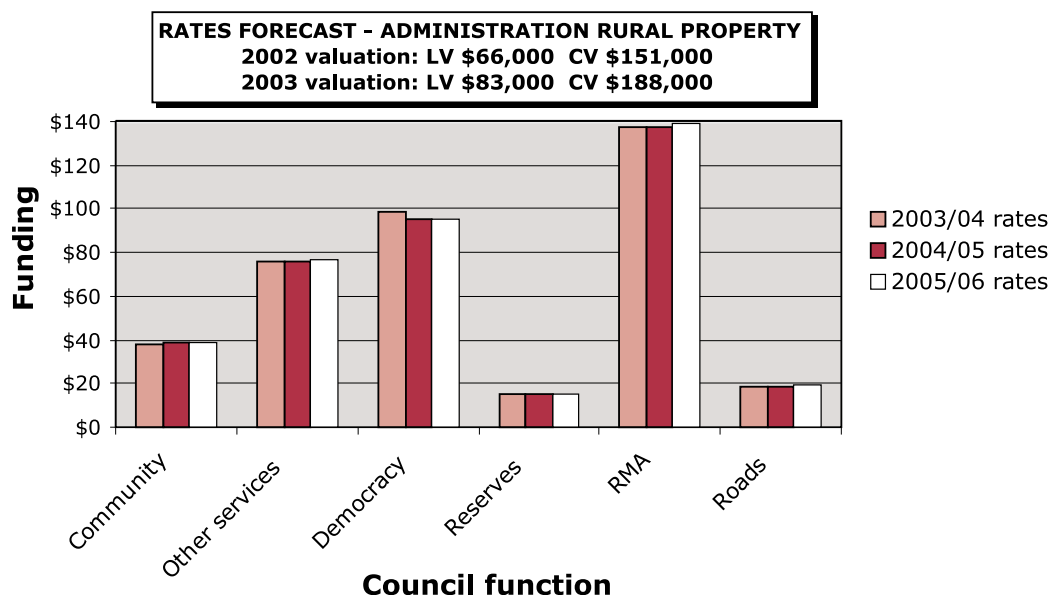
The Bovine Tb control works programme has increased by \$300,000 to a total programme of \$3.45 million. The Animal Health Board is funding the majority of this increased programme with Council's contribution amounting to approximately \$40,000.

**RATES FORECAST - GENERAL RURAL PROPERTY**  
**2002 valuation: LV \$637,000 CV \$882,000**  
**2003 valuation: LV \$800,000 CV \$1,070,000**



**RATES FORECAST - GENERAL RURAL PROPERTY**  
**2002 valuation: LV \$637,000 CV \$882,000**  
**2003 valuation: LV \$800,000 CV \$1,070,000**





## District Wide

Several activities affect the level of rates collected across the district. The following areas have been identified as the main reasons for movement in general type rates and charges:

**Emergency Management** \$46,443

In order to comply with the requirements of the Civil Defence Emergency Management Act and to increase the planning and readiness for rural fire and other disasters.

**Waste Management** \$48,000

To fund increased costs associated with hazardous waste, green waste and the disposal of car bodies.

**Land Transport** \$545,537

Council has proposed an increase in its seal widening programme across the district of \$420,000 per annum and safety improvements to the Wairau Plains arterial roads of \$500,000 per annum.

Council's share of the proposed programmes is \$480,000 per annum. In addition to the additional capital programme increased power costs of \$30,000 per annum and reduced Transfund subsidy of 1% (\$60,000) have contributed to increased rates.

**Reserves** \$131,445

Council has increased maintenance budgets associated with new and existing reserves as a result of development.

### *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:

- Management of the Wither Hills
- New Ministry of Health requirements for water supply quality
- Forestry roading
- Taylor River development

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 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. Development**

To ensure that planning for the District is undertaken in a manner that encourages social and economic development, 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.

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:**

## **Sustainability**

## **Community**

## **Development**

- 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 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 residents, and visitors to Marlborough, have access to services and facilities that foster community health and well-being.
- Marlborough is a lively and creative region with a strong sense of its culture and heritage.
- The collective 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.
- The movement of people and goods within and through the District is convenient and safe.
- 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 life supporting capacity of Marlborough’s lands and waterways is sustained.
- Council-provided sewage collection, treatment and disposal services provide protection against public health risks without endangering the environment.
- 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 water reticulation systems are reliable and sustainable, and meet agreed community health standards.
- Marlborough’s solid and hazardous waste is managed in an environmentally and economically acceptable manner.
- 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.
- 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.
- 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 is reduced.
- There is effective dog and stock control in the District.
- Property holdings provide the maximum benefit to the community by either achieving a commercial return on investment or appropriate levels of utilisation.

**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 Community Well-being and Quality of Life

The goals that Council has set are long term ones, and achieving them will require the resources of the entire community. Council is working with other organisations and community leaders to develop indicators that can show progress towards these high level goals. The objective is to establish an ongoing report on the overall health of the Marlborough community, incorporating indicators of economic well-being, but also including other measures that reflect the quality of life in Marlborough. A draft framework has been developed that incorporates the following elements:

Quality of life is:

Feeling loved and respected by others	Having a place where we feel we belong
Having a strong sense of personal identity	Feeling safe from personal danger

Whether people feel these things depends on each person's assessment of the state of their own, and of other people's:

Quality of health	Opportunities for work and income	Standard of housing	Mobility
Access to recreation and leisure opportunities	Community cohesion	Knowledge and learning	Access to culture and heritage resources

It is also affected by the quality of the environment:

Visual character	Air quality	Water quality	Soil quality	Biodiversity
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## Partnerships and priorities

This is a high level framework. Each one of these elements (and there may be others that should be included) can be broken down into smaller pieces. By focussing on these smaller pieces, by identifying what can be done to improve them, and by directing and coordinating the resources that are required, overall progress can be made towards a better quality of life. A key objective is to enable the community to work in partnership, and to make the best use of our strengths. There is a well-known whakatauki that expresses this: Nau te raurau, Naku te raurau, Ka ki te kete - with your basket, and with my basket, together we will fill the kete.

Determining what the people of Marlborough believe are the things that make up community well-being and quality of life will be explored further as part of Council's community planning project, to be undertaken through 2003 – 2005.

# SIGNIFICANT ACTIVITIES

Performance indicators for the services that the Council provides are listed in the following section, which details the significant activities undertaken by Council. Performance against internal goals is incorporated into the Chief Executive's performance agreement with Council and managed through the organisation's performance management system for all staff.

## 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 Local Government Act 2002 describes the purpose of local government as being to enable democratic local decision-making and action by and on behalf of communities; and to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future. In considering the range and diversity of the communities that are represented in Marlborough, Marlborough District Council recognises the special relationship it has with tangata whenua, and acknowledges the specific responsibilities it has to Maori under the Local Government Act and under the Resource Management Act.

The Marlborough District Council is a unitary authority, with the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act.

Objectives for 2003/2004	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 meetings wherever possible.</li> <li>• Agendas and attachments available at least three working days prior to meetings wherever possible.</li> <li>• Council's Annual Plan and Report adopted in accordance with statutory requirements.</li> </ul>
To implement the requirements of the new Local Government Act.	<ul style="list-style-type: none"> <li>• All requirements for 2003/04 complied with.</li> </ul>

## Democratic Process - Operating Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Democratic Process	1,904	1,922	1,814	1,859	1,931	1,819	1,847	1,932	1,827	1,860
<b>Total Operating Costs</b>	<b>1,904</b>	<b>1,922</b>	<b>1,814</b>	<b>1,859</b>	<b>1,931</b>	<b>1,819</b>	<b>1,847</b>	<b>1,932</b>	<b>1,827</b>	<b>1,860</b>
<b>FUNDED BY:</b>										
Rates	1,837	1,841	1,753	1,798	1,850	1,758	1,786	1,851	1,766	1,799
Other Revenue	2	22	2	2	22	2	2	22	2	2
General Revenues Applied	65	59	59	59	59	59	59	59	59	59
	<b>1,904</b>	<b>1,922</b>	<b>1,814</b>	<b>1,859</b>	<b>1,931</b>	<b>1,819</b>	<b>1,847</b>	<b>1,932</b>	<b>1,827</b>	<b>1,860</b>
<b>CAPITAL WORKS:</b>										
Democratic Process	-	4	-	-	4	-	-	4	-	-
<b>Total Capital Works</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>FUNDED BY:</b>										
Transfers from Depn Reserve	-	4	-	-	4	-	-	4	-	-
Other Reserves	-	-	-	-	-	-	-	-	-	-
	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>



# 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.
- Marlborough is a lively and creative region with a strong sense of its own culture and heritage.

## Description

Marlborough District Council considers social and community development to be cornerstones of the well-being of Marlborough's community, and views recreation, arts and culture as essential to the health and well-being of society. Council also believes that a strong community is knowledgeable of its heritage, and preserves and respects the achievements of the past.

The Council undertakes the following roles in achieving community outcomes:

- A partner of groups and individuals actively involved in building and strengthening community well-being in Marlborough.
- A planner, co-ordinator and facilitator of community development
- A custodian and manager of community resources and assets.
- A provider of information and resources that assist and promote community development.

Objectives for 2003/2004	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> </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>• Report on Sport Marlborough programme as contracted by Council.</li> </ul>
To create opportunities for Marlborough residents and communities to participate in a wide variety of arts and cultural activity, appealing to the region's diverse range of ages, cultures and interests.	<ul style="list-style-type: none"> <li>• Administer the Creative Communities New Zealand Funding Scheme in line with partnership agreement.</li> <li>• Report on Marlborough Festivals and Events Trust programme as supported by Council.</li> </ul>
To ensure that Marlborough's heritage resources are appropriately recognised, protected and promoted.	<ul style="list-style-type: none"> <li>• An initial stocktake of Marlborough's heritage resources commenced by 30 June 2004.</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> </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</li> </ul>	<ul style="list-style-type: none"> <li>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>• Provide grants and donations for social and community development groups from within existing budgets.</li> </ul>

	<ul style="list-style-type: none"> <li>• Provide assistance as required to community groups to access funds from other sources.</li> <li>• Provide support to 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>• Implement recommendations of the Review of Cemetery operations.</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	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	492	489	486	487	486	486	486	486	486	462
Reserves	2,003	1,969	2,041	2,027	2,027	2,030	2,033	2,011	2,034	2,032
Halls, Museums and Memorials	215	202	203	203	204	203	204	213	204	167
Libraries	1,115	1,134	1,135	1,133	1,120	1,134	1,145	1,150	1,168	1,191
Cemeteries	268	268	269	272	274	276	277	278	278	279
Public Conveniences	360	364	369	374	373	374	374	466	471	474
Community Development	1,272	1,144	1,144	1,146	1,145	1,099	1,086	1,086	1,086	1,087
Special Work Schemes	42	42	42	42	42	42	42	42	42	43
<b>Total Operating Costs</b>	<b>5,767</b>	<b>5,612</b>	<b>5,689</b>	<b>5,684</b>	<b>5,671</b>	<b>5,644</b>	<b>5,647</b>	<b>5,732</b>	<b>5,769</b>	<b>5,735</b>
<b>FUNDED BY</b>										
Rates	4,453	4,489	4,562	4,560	4,539	4,502	4,512	4,597	4,626	4,592
Subsidies	5	5	5	5	5	5	5	5	5	5
Other Revenue	623	547	552	557	562	561	566	571	576	581
<b>Total Revenue</b>	<b>5,081</b>	<b>5,041</b>	<b>5,119</b>	<b>5,122</b>	<b>5,106</b>	<b>5,068</b>	<b>5,083</b>	<b>5,173</b>	<b>5,207</b>	<b>5,178</b>
General Revenues Applied	686	571	570	562	565	576	564	559	562	557
	<b>5,767</b>	<b>5,612</b>	<b>5,689</b>	<b>5,684</b>	<b>5,671</b>	<b>5,644</b>	<b>5,647</b>	<b>5,732</b>	<b>5,769</b>	<b>5,735</b>
<b>CAPITAL WORKS</b>										
Swimming Pools	-	5	-	6	-	-	7	8	-	-
Reserves	337	292	239	226	200	178	158	203	95	58
Halls, Museums and Memorials	41	-	8	-	20	2	-	5	4	-
Libraries	222	235	250	259	286	306	217	244	274	292
Cemeteries	35	-	37	25	65	-	-	-	-	-
Public Conveniences	80	16	73	5	35	-	4	30	65	-
Community Development	340	-	-	-	-	200	-	-	-	-
<b>Total Capital Works</b>	<b>1,055</b>	<b>548</b>	<b>607</b>	<b>521</b>	<b>606</b>	<b>686</b>	<b>386</b>	<b>490</b>	<b>438</b>	<b>350</b>
Debt Repayment	70	71	74	74	76	51	51	52	53	28
	<b>1,125</b>	<b>619</b>	<b>681</b>	<b>595</b>	<b>682</b>	<b>737</b>	<b>437</b>	<b>542</b>	<b>491</b>	<b>378</b>
<b>FUNDED BY</b>										
Borrowings	220	16	98	10	65	-	-	30	65	-
Transfers from -										
Depreciation Reserve	443	355	370	388	404	465	456	370	395	428
Other Reserves	462	248	213	197	213	272	(19)	142	31	(50)
	<b>1,125</b>	<b>619</b>	<b>681</b>	<b>595</b>	<b>682</b>	<b>737</b>	<b>437</b>	<b>542</b>	<b>491</b>	<b>378</b>

Note - Refer to note 2 on page 57 for elimination of internal interest.

# Economic Development

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

- *The collective wealth of Marlborough residents and ratepayers is increased.*

## Overview

Council's decisions and actions can significantly assist the development of the regional economy by encouraging local business initiatives, attracting new investments, and by presenting Marlborough as a competitive tourist destination. As a provider of infrastructure, as a regulator of business activity, and as an institution for democratic decision-making, Council is both a facilitator and encourager of development in the region. Council has determined that its role in economic development includes:

- To ensure 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 Council's regulatory responsibilities are balanced with community benefits.
- To ensure that accurate and up to date information on the District is widely available.
- To promote a positive image of Marlborough in its publications and activities.

Council provides funding of \$400,000 to Destination Marlborough and \$50,000 to the Marlborough Economic Trust as organisations which assist the region to achieve economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, adding value to Marlborough enterprises, and enriching the quality of life for Marlborough residents. A proposal to join these two organisations into a new entity has been made in principle, which would involve Council over time transferring its existing funding for the two organisations to the new entity. The general functions of Destination Marlborough and the Marlborough Economic Trust would continue to be undertaken, but once operational the new organisation would be expected to pursue new initiatives (including securing supplementary funding) consistent with a broader focus of regional development.

Council also provides funding of \$120,000 to the Marlborough Research Centre. This funding is not affected by the proposed merger of Destination Marlborough and the Marlborough Economic Trust.

All organisations receiving funding under this activity are required to provide an annual report to the Council describing its operations and achievements for the year, including how it has contributed to the development of the regional economy.

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 Targets
Assist the establishment of the Marlborough Regional Development Trust.	<ul style="list-style-type: none"> <li>• Report on progress towards the establishment of the proposed Regional Development Trust.</li> </ul>
Assist in the introduction of a high speed internet infrastructure for the Marlborough region.	<ul style="list-style-type: none"> <li>• High speed internet services are available to at least 75% of Marlborough residents by 30 June 2004.</li> </ul>
Promote the economic development of the Marlborough region.	<ul style="list-style-type: none"> <li>• Report on regional development programmes supported by Council.</li> </ul>
Promote Marlborough as a tourist destination.	<ul style="list-style-type: none"> <li>• Report on regional promotion programmes supported by Council.</li> </ul>
Identify opportunities for major regional initiatives in aviation and aquaculture.	<ul style="list-style-type: none"> <li>• Opportunities identified by 31 October 2003.</li> <li>• Preferred initiative confirmed by 31 December 2003.</li> </ul>

## Economic Development Operating Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	67	67	67	67	67	67	67	67	67	67
<b>Total Operating Costs</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>
<b>FUNDED BY</b>										
Rates	375	375	375	375	375	375	375	375	375	374
Transfers from Reserves	50	50	50	50	50	50	50	50	50	50
General Revenues Applied	63	63	63	63	63	63	63	63	63	64
<b>TOTAL REVENUE</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>488</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

The Civil Defence and Emergency Management Act 2002 imposes statutory obligations on Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, response, and recovery after an event. The Act requires an "all hazards" approach – this includes earthquakes, floods, tsunami, oil spills, hazardous substances, and landslips, to name a few.

The Council is also a Rural Fire Authority under the Forest and Rural Fires Act 1977, and must meet requirements for the prevention, detection, and suppression of rural fires.

Objective for 2003/2004	Performance Indicators
The Marlborough region is adequately prepared for emergency events.	<ul style="list-style-type: none"> <li>Regional hazards are identified and planned for.</li> <li>All staff and volunteers are appropriately trained, qualified, and resourced.</li> <li>Emergency management equipment, control facilities and communication systems are well maintained and upgraded as required.</li> <li>Applications for Rural Fire permits meet all requirements of the Forest and Rural Fires Regulations 1979 and are issued within five working days.</li> <li>Public is well informed of the likelihood and consequences of possible hazards.</li> <li>Emergency events are responded to promptly and efficiently.</li> </ul>

## Emergency Management Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Emergency Management	535	531	490	487	487	486	485	485	486	491
<b>Total Operating Costs</b>	<b>535</b>	<b>531</b>	<b>490</b>	<b>487</b>	<b>487</b>	<b>486</b>	<b>485</b>	<b>485</b>	<b>486</b>	<b>491</b>
<b>FUNDED BY</b>										
Rates	410	407	366	363	363	362	361	361	361	359
Subsidies	8	8	8	8	8	8	8	8	8	16
Other Revenue	50	50	50	50	50	50	50	50	50	50
Total Revenue	468	465	424	421	421	420	419	419	419	425
General Revenues Applied	66	66	66	66	66	66	66	66	66	66
	<b>535</b>	<b>531</b>	<b>490</b>	<b>487</b>	<b>487</b>	<b>486</b>	<b>485</b>	<b>485</b>	<b>486</b>	<b>491</b>

## CAPITAL WORKS

Emergency Management	24	27	27	24	25	28	24	25	28	25
<b>Total Capital Works</b>	<b>24</b>	<b>27</b>	<b>27</b>	<b>24</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>25</b>	<b>28</b>	<b>25</b>
<b>FUNDED BY</b>										
Transfers from -										
Depreciation Reserve	24	27	27	24	25	28	24	25	28	25
	<b>24</b>	<b>27</b>	<b>27</b>	<b>24</b>	<b>25</b>	<b>28</b>	<b>24</b>	<b>25</b>	<b>28</b>	<b>25</b>

## Land Transport

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

- *The movement of people and goods within and through 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 2003/2004	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) 110 for urban roads, and</li><li>(b) 95 for rural roads.</li></ul></li><li>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.</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>
Commence a programme to mitigate the adverse effects of log transport.	<ul style="list-style-type: none"><li>• Provision of funds in the 2004/05 Annual Plan following community consultation and refinement of suitable options.</li></ul>
Create and sustain a roading and paving environment in the Central Business District that is conducive to retail shopping.	<ul style="list-style-type: none"><li>• Continue Blenheim CBD upgrade.</li><li>• Inspect and report on street cleanliness and asset condition of Blenheim CBD area at least twice annually.</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>
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.

- Maintain estimated occupancy rates (on and off-street) at no more than 85%.
- Increased compliance with parking limits.

## Land Transport Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	9,516	9,670	9,330	8,542	8,707	8,818	9,031	9,227	9,438	9,389
Subdivision Works	34	36	38	41	43	45	48	50	52	55
Parking	582	580	577	576	570	567	567	567	561	540
<b>Total Operating Costs</b>	<b>10,132</b>	<b>10,286</b>	<b>9,945</b>	<b>9,159</b>	<b>9,320</b>	<b>9,430</b>	<b>9,646</b>	<b>9,844</b>	<b>10,051</b>	<b>9,984</b>
Operating Surplus										
Transferred to Reserves	222	30	669	1,133	1,064	942	1,074	947	1,052	1,294
	<b>10,354</b>	<b>10,316</b>	<b>10,614</b>	<b>10,292</b>	<b>10,384</b>	<b>10,372</b>	<b>10,720</b>	<b>10,791</b>	<b>11,103</b>	<b>11,278</b>
<b>FUNDED BY</b>										
Rates	6,055	6,115	6,449	6,040	6,088	6,072	6,295	6,321	6,542	6,633
Subsidies	3,720	3,618	3,560	3,663	3,690	3,676	3,782	3,807	3,877	3,980
Other Revenue	579	583	605	589	606	624	643	663	684	665
<b>Total Revenue</b>	<b>10,354</b>	<b>10,316</b>	<b>10,614</b>	<b>10,292</b>	<b>10,384</b>	<b>10,372</b>	<b>10,720</b>	<b>10,791</b>	<b>11,103</b>	<b>11,278</b>
<b>CAPITAL WORKS</b>										
Roads, Streets and Bridges	4,855	4,876	4,810	4,916	5,031	5,019	5,264	5,434	5,555	5,817
Subdivision Works	113	113	113	113	113	113	113	113	113	113
Parking	105	5	5	5	5	5	5	5	5	5
<b>Total Capital Works</b>	<b>5,073</b>	<b>4,994</b>	<b>4,928</b>	<b>5,034</b>	<b>5,149</b>	<b>5,137</b>	<b>5,382</b>	<b>5,552</b>	<b>5,673</b>	<b>5,935</b>
Debt Repayment	305	307	1,310	212	212	212	212	212	293	208
	<b>5,378</b>	<b>5,301</b>	<b>6,238</b>	<b>5,246</b>	<b>5,361</b>	<b>5,349</b>	<b>5,594</b>	<b>5,764</b>	<b>5,966</b>	<b>6,143</b>
<b>FUNDED BY</b>										
Borrowings	70	80	-	-	-	-	-	-	-	-
Sinking Fund Withdrawals	-	-	704	-	-	-	-	-	80	-
Transfers from -										
Depreciation Reserve	4,162	4,327	4,060	3,340	3,524	3,636	3,829	4,034	4,245	4,174
Other Reserves	1,146	894	1,474	1,906	1,837	1,713	1,765	1,729	1,641	1,969
	<b>5,378</b>	<b>5,301</b>	<b>6,238</b>	<b>5,246</b>	<b>5,361</b>	<b>5,349</b>	<b>5,594</b>	<b>5,763</b>	<b>5,966</b>	<b>6,143</b>

Notes: Refer to note 2 on page 57 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.
- The ecological values of Marlborough rivers and watercourses are balanced with the needs of flood protection.
- Council floodway reserve land is available for secondary usage of public recreation, commercial utilisation and conservation of environmental values.
- The life-supporting capacity of Marlborough's lands and waterways is sustained.
- 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

The Wairau River is as large and powerful as any river in New Zealand with a long history of flood damage requiring river control works. These intervention works have enabled the floodplain to be developed productively. Being a natural system there has also been natural counter reaction to this intervention, especially in the form of gravel build up and sedimentation. The 10 year major Wairau upgrading programme is nearing completion, but continual monitoring and maintenance of the river channel system is required, including strategic gravel and other sediment removal.

The low lying floodplain also requires considerable drainage measures, particularly to combat aquatic weed that impedes the 200 km of minor watercourses and drains. Such measures also have to be done

carefully to minimise detrimental impact on the ecological and fishery values of these small watercourses for which there is much increasing community awareness.

Marlborough is currently undergoing significant development especially viticulture, lifestyle houses on the plains and the Sounds, and urban development. Much of this development is on land that has flood or erosion hazard, and recent legislation requires mitigation measures as a condition of subdivision or other resource consent conditions. The Rivers and Drainage section is involved in assessing this flood hazard and either approving, and in many cases carrying out, mitigation measures.

With the greatly increased land prices for development there is greater pressure being put on Council owned floodway reserve land for public recreational and other uses. This applies not only for the Wairau but also the Taylor, Spring Creek, Wither Hills streams and other rivers.

Objectives for 2003/2004	Performance Indicators
Completion of stopbanking upgrading on Wairau and Lower Opawa Rivers.	<ul style="list-style-type: none"> <li>• Stopbanks upgraded to adequately sustain a 1 in 100 year return period flood as per 1994 Wairau River Floodways Management Plan.</li> </ul>
Completion of rural pumping station upgrading.	<ul style="list-style-type: none"> <li>• Rural pumping stations upgraded based on 1996 Wairau Drainage Plan.</li> </ul>
Development of ecologically friendly aquatic weed control methodology in Spring Creek, Taylor River, Grovetown area watercourses and other priority rivers and drains.	<ul style="list-style-type: none"> <li>• Aquatic weed control strategies are developed that achieve desired drainage standards while ensuring ecological values are looked after.</li> </ul>
Upgrade Riverlands Coop floodway system and its tributary Wither Hills streams following a revision of required standards.	<ul style="list-style-type: none"> <li>• The Riverlands catchment system upgraded to cope with a 1 in 100 year return period event.</li> </ul>
Review and upgrade as required the spillway standards for the Taylor Dam to cope with a probable maximum flood.	<ul style="list-style-type: none"> <li>• A report clarifying existing standard and upgrading of spillway carried out if required.</li> </ul>
Improved flood hazard analysis and advice throughout Marlborough including examination of likely appropriate mitigation measures.	<ul style="list-style-type: none"> <li>• Development of GIS plans showing flood hazard, and the provision of information to the Regulatory Department and the public on feasible and acceptable flood hazard mitigation measures.</li> </ul>
Examine the feasibility and initiate resource consent consultation procedures for gravel banking control of the inlet to the Wairau Diversion.	<ul style="list-style-type: none"> <li>• Consultation documents produced.</li> </ul>
Monitor and maintain flood control works and drainage channels to the required standard.	<ul style="list-style-type: none"> <li>• Channels are monitored especially during flood events in areas of high gravel extraction and with respect to drainage channels especially during periods of high weed growth.</li> <li>• Appropriate contracts are in place to ensure maintenance work is carried out effectively.</li> <li>• A supply of quarried rock is available for emergency and maintenance bank protection work.</li> </ul>

## Rivers and Land Drainage Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Wairau Floodplain Rivers	1,784	1,781	1,781	1,789	1,783	1,783	1,785	1,785	1,785	1,835
Wairau Floodplain Drainage	521	521	522	524	524	524	524	524	524	517
Rivers outside Wairau	110	110	110	111	111	110	111	111	111	111
Wairau River Leases	25	25	25	25	25	25	25	25	25	25
<b>Total Operating Costs</b>	<b>2,440</b>	<b>2,437</b>	<b>2,438</b>	<b>2,449</b>	<b>2,443</b>	<b>2,442</b>	<b>2,445</b>	<b>2,445</b>	<b>2,445</b>	<b>2,488</b>
Operating Surplus:										
Transferred to Reserves	(1,337)	(1,334)	(1,335)	(1,346)	(1,340)	(1,339)	(1,342)	(1,342)	(1,342)	(1,385)
	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>
<b>FUNDED BY</b>										
Other Revenue	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103
<b>Total Revenue</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>	<b>1,103</b>
<b>CAPITAL WORKS</b>										
Wairau Floodplain Rivers	530	337	305	325	325	495	495	495	495	495
Wairau Floodplain Drainage	215	175	75	75	75	75	75	75	75	75
<b>Total Capital Works</b>	<b>745</b>	<b>512</b>	<b>380</b>	<b>400</b>	<b>400</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>570</b>
<b>FUNDED BY</b>										
Transfers from -										
Depreciation Reserve	119	122	123	124	124	125	126	127	127	119
Other Reserves	626	390	257	276	276	445	444	443	443	451
	<b>745</b>	<b>512</b>	<b>380</b>	<b>400</b>	<b>400</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>570</b>	<b>570</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 (Estimate)
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 2003/2004

To provide sewage collection, treatment and disposal to a high standard.

### Performance Indicators

- Respond to 95% of unplanned interruptions or blockages of the sewerage system of such events within two hours, and to restore toilet facilities to all customers affected within six hours of notification.
- Where extended interruption occurs, to provide alternative toilet facilities after the six hour period.
- 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.



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> <li>• Monitor groundwater flows against sewer flows and report on the effectiveness of the infiltration improvement programme.</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	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	2,149	2,410	2,425	2,550	2,772	3,115	3,069	3,061	3,065	3,097
Picton	765	682	687	749	696	747	851	903	901	972
Havelock	94	98	104	121	105	105	105	105	111	123
Renwick	18	35	53	53	53	53	53	53	53	53
Seddon	47	46	46	62	61	49	49	49	49	51
Spring Creek	38	49	58	52	64	52	52	52	51	35
<b>Total Operating Costs</b>	<b>3,111</b>	<b>3,320</b>	<b>3,373</b>	<b>3,587</b>	<b>3,751</b>	<b>4,121</b>	<b>4,179</b>	<b>4,223</b>	<b>4,230</b>	<b>4,331</b>
Operating Surplus:										
Transferred to Reserves	749	831	700	436	670	471	541	588	654	682
	<b>3,860</b>	<b>4,151</b>	<b>4,073</b>	<b>4,023</b>	<b>4,421</b>	<b>4,592</b>	<b>4,720</b>	<b>4,811</b>	<b>4,884</b>	<b>5,013</b>
<b>FUNDED BY</b>										
Rates	3,292	3,567	3,460	3,345	3,725	3,876	3,961	4,007	4,034	4,119
Other Revenue	568	584	613	678	696	716	759	804	850	894
<b>Total Revenue</b>	<b>3,860</b>	<b>4,151</b>	<b>4,073</b>	<b>4,023</b>	<b>4,421</b>	<b>4,592</b>	<b>4,720</b>	<b>4,811</b>	<b>4,884</b>	<b>5,013</b>
<b>CAPITAL WORKS</b>										
Blenheim	4,268	352	579	919	4,590	317	277	102	103	103
Picton	238	253	91	71	352	1,298	58	56	16	71
Havelock	52	13	24	107	2	3	3	2	2	1
Renwick	4,135	-	-	-	-	-	-	-	-	-
Seddon	1	1	6	96	1	1	1	1	1	1
Spring Creek	15	152	1	1	2	2	2	1	1	-
<b>Total Capital Works</b>	<b>8,709</b>	<b>771</b>	<b>701</b>	<b>1,194</b>	<b>4,947</b>	<b>1,621</b>	<b>341</b>	<b>162</b>	<b>123</b>	<b>176</b>
Debt Repayment	1,610	378	384	402	525	553	551	566	625	542
	<b>10,319</b>	<b>1,149</b>	<b>1,085</b>	<b>1,596</b>	<b>5,472</b>	<b>2,174</b>	<b>892</b>	<b>728</b>	<b>748</b>	<b>718</b>
<b>FUNDED BY</b>										
Borrowings	4,635	374	237	628	4,065	760	-	-	-	-
Sinking Fund Withdrawals	205	-	-	-	-	4	3	19	75	-
Transfers from -										
Depreciation Reserve	607	570	691	614	893	800	569	389	329	384
Other Reserves	4,872	205	157	354	514	610	320	320	344	334
	<b>10,319</b>	<b>1,149</b>	<b>1,085</b>	<b>1,596</b>	<b>5,472</b>	<b>2,174</b>	<b>892</b>	<b>728</b>	<b>748</b>	<b>718</b>

Notes: Refer to note 2 on page 57 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.

Objective for 2003/2004	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	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	634	633	636	639	635	636	638	639	634	625
Picton	157	158	160	160	162	162	163	162	161	161
Other Schemes	73	73	73	73	73	74	74	74	75	75
<b>Total Operating Costs</b>	<b>864</b>	<b>864</b>	<b>869</b>	<b>872</b>	<b>870</b>	<b>872</b>	<b>875</b>	<b>875</b>	<b>870</b>	<b>861</b>
Operating Surplus: Transferred to Reserves	-	11	22	30	24	33	43	56	83	-
	<b>864</b>	<b>875</b>	<b>891</b>	<b>902</b>	<b>894</b>	<b>905</b>	<b>918</b>	<b>931</b>	<b>953</b>	<b>861</b>
<b>FUNDED BY</b>										
Rates	786	810	817	820	803	804	807	809	819	727
Other Revenue	58	65	74	82	91	101	111	122	134	133
<b>Total Revenue</b>	<b>844</b>	<b>875</b>	<b>891</b>	<b>902</b>	<b>894</b>	<b>905</b>	<b>918</b>	<b>931</b>	<b>953</b>	<b>860</b>
General Revenues Applied	20	-	-	-	-	-	-	-	-	1
	<b>864</b>	<b>875</b>	<b>891</b>	<b>902</b>	<b>894</b>	<b>905</b>	<b>918</b>	<b>931</b>	<b>953</b>	<b>861</b>
<b>CAPITAL WORKS</b>										
Blenheim	170	170	264	170	140	130	172	130	134	130
Picton	80	75	55	55	55	55	55	34	34	34
Other Schemes	18	18	18	18	28	28	28	31	42	42
<b>Total Capital Works</b>	<b>268</b>	<b>263</b>	<b>337</b>	<b>243</b>	<b>223</b>	<b>213</b>	<b>255</b>	<b>195</b>	<b>210</b>	<b>206</b>
Debt Repayment	107	107	107	107	107	107	107	107	323	263
	<b>375</b>	<b>370</b>	<b>444</b>	<b>350</b>	<b>330</b>	<b>320</b>	<b>362</b>	<b>302</b>	<b>533</b>	<b>469</b>
<b>FUNDED BY</b>										
Borrowings	26	25	-	-	-	-	-	-	-	-
Sinking Fund Withdrawals	-	-	-	-	-	-	-	-	221	195
Transfers from -										
Other Reserves	349	345	444	350	330	320	362	302	312	274
	<b>375</b>	<b>370</b>	<b>444</b>	<b>350</b>	<b>330</b>	<b>320</b>	<b>362</b>	<b>302</b>	<b>533</b>	<b>469</b>

*Note: Refer to note 2 on page 57 for the 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	KILOMETRES OF PIPELINE	NUMBER OF CONNECTIONS (Estimate)
Blenheim	105	9,440
Picton	41	2,020
Havelock	6	230
Renwick	11	650
Riverlands	3	89
Wairau Valley	13	42
Awatere	134	600

## Southern Valleys Irrigation Scheme

Council is proposing to construct a reticulated piped irrigation for the Southern Valleys area at an estimated cost of \$15,620,000. Incorporated in the Funding Impact Statement later in this Plan is a proposed annual rate of \$391.21 per hectare of irrigable land (GST exclusive) for the constituted Southern Valleys Irrigation Scheme Area.

This annual rate will fund interest and principal of a 20-year loan. It is proposed to explore the ability of Council to offer landowners, in next year's Annual Plan, the option of making a one off payment in lieu of annual rates.

This proposed scheme does not initially provide for any storage, and this will have some impact on the reliability of the scheme.

Objectives for 2003/2004	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>(a) Respond within two hours to complaints of lost supply.</li> <li>(b) Restore any lost supply within eight hours of the fault.</li> <li>(c) 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>
To provide effective irrigation supplies.	<ul style="list-style-type: none"> <li>• To commence construction of the Southern Valleys Irrigation Scheme with the view to commissioning by December 2004.</li> </ul>

## Water Supply Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	1,778	1,970	2,192	2,249	2,250	2,250	2,256	2,258	2,257	2,268
Picton	649	731	816	856	894	890	892	893	894	895
Renwick	151	156	221	281	280	281	280	281	280	276
Havelock	110	116	127	133	135	134	134	134	134	122
Awatere	262	262	321	380	380	381	396	411	412	413
Riverlands	229	304	309	313	317	322	327	332	342	351
Wairau Valley	18	24	29	29	29	29	29	29	29	29
Southern Valleys	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
<b>Total Operating Costs</b>	<b>4,447</b>	<b>4,813</b>	<b>5,265</b>	<b>5,491</b>	<b>5,535</b>	<b>5,537</b>	<b>5,564</b>	<b>5,588</b>	<b>5,598</b>	<b>5,604</b>
to Reserves	923	1,067	1,122	1,156	1,202	1,291	1,389	1,591	1,598	1,667
	<b>5,370</b>	<b>5,880</b>	<b>6,387</b>	<b>6,647</b>	<b>6,737</b>	<b>6,828</b>	<b>6,953</b>	<b>7,179</b>	<b>7,196</b>	<b>7,271</b>
<b>FUNDED BY</b>										
Rates	5,222	5,688	6,142	6,340	6,365	6,386	6,438	6,586	6,521	6,518
Other Revenue	148	192	245	307	372	442	515	593	675	753
<b>Total Revenue</b>	<b>5,370</b>	<b>5,880</b>	<b>6,387</b>	<b>6,647</b>	<b>6,737</b>	<b>6,828</b>	<b>6,953</b>	<b>7,179</b>	<b>7,196</b>	<b>7,271</b>
<b>CAPITAL WORKS</b>										
Blenheim	1,087	3,896	1,612	243	678	334	354	339	540	240
Picton	195	1,663	154	1,287	91	91	91	90	92	91
Renwick	25	138	1,152	12	12	18	78	12	12	12
Havelock	35	180	79	59	4	5	5	4	4	2
Awatere	115	124	1,393	62	63	81	464	62	63	62
Riverlands	1,000	1	1	1	1	1	1	16	161	1
Riverlands	-	135	-	-	-	-	-	-	-	-
Riverlands	15,620	-	-	-	-	-	-	-	-	-
<b>Total Capital Works</b>	<b>18,077</b>	<b>6,137</b>	<b>4,391</b>	<b>1,664</b>	<b>849</b>	<b>530</b>	<b>993</b>	<b>523</b>	<b>872</b>	<b>408</b>
Debt Repayment	763	907	1,007	1,031	1,026	1,026	1,035	1,035	1,169	1,311
	<b>18,840</b>	<b>7,044</b>	<b>5,398</b>	<b>2,695</b>	<b>1,875</b>	<b>1,556</b>	<b>2,028</b>	<b>1,558</b>	<b>2,041</b>	<b>1,719</b>
<b>FUNDED BY</b>										
Borrowings	16,984	5,081	3,492	834	154	-	300	-	-	-
Transfers from -										
Depn Reserve	608	925	856	842	800	637	732	506	799	510
Other Reserves	1,248	1,038	1,050	1,019	921	919	996	1,052	1,242	1,209
	<b>18,840</b>	<b>7,044</b>	<b>5,398</b>	<b>2,695</b>	<b>1,875</b>	<b>1,556</b>	<b>2,028</b>	<b>1,558</b>	<b>2,041</b>	<b>1,719</b>

Note: Refer to note 2 on page 57 for the elimination of internal interest.

## Solid and Hazardous Waste Management

Activities in this group are associated with the following outcome:

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

### Description

Council provides waste management services for public health reasons and to protect the environment. Council is committed to the principles of "reduce, reuse and recycle", and endeavours wherever practicable to recover resources from the waste stream. 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 facilities are provided at the Blenheim transfer station along with a hazardous waste collection facility.

Council conducts education for waste minimisation and sustainability as well as providing support for research programmes and recycling initiatives.

Objectives for 2003/2004	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> <li>A landfill gas collection system is designed.</li> </ul>
To encourage better waste minimisation and sustainability practices.	<ul style="list-style-type: none"> <li>Provide an education programme on waste minimisation and sustainability for schools, communities and industry.</li> <li>Develop a waste minimisation strategy and programme which reflects the NZ waste strategy.</li> <li>Work with other local authorities to produce nationally based programmes.</li> <li>Support resource recovery initiatives.</li> </ul>

## Solid and Hazardous Waste Management

### Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Landfill & Transfer Stations	1,990	1,981	2,006	2,030	2,040	2,047	2,108	2,171	2,173	2,147
Blenheim Refuse	606	602	602	604	603	603	604	603	603	607
Picton Refuse	162	161	161	162	161	161	161	161	161	162
<b>Total Operating Costs</b>	<b>2,758</b>	<b>2,744</b>	<b>2,769</b>	<b>2,796</b>	<b>2,804</b>	<b>2,811</b>	<b>2,873</b>	<b>2,935</b>	<b>2,937</b>	<b>2,916</b>
<b>FUNDED BY</b>										
Other Revenue	828	839	850	863	876	891	905	923	941	954
<b>Total Revenue</b>	<b>828</b>	<b>839</b>	<b>850</b>	<b>863</b>	<b>876</b>	<b>891</b>	<b>905</b>	<b>923</b>	<b>941</b>	<b>954</b>
General Revenues Applied	1,930	1,905	1,919	1,933	1,928	1,920	1,968	2,012	1,996	1,962
	<b>2,758</b>	<b>2,744</b>	<b>2,769</b>	<b>2,796</b>	<b>2,804</b>	<b>2,811</b>	<b>2,873</b>	<b>2,935</b>	<b>2,937</b>	<b>2,916</b>
<b>CAPITAL WORKS</b>										
Landfill & Transfer Stations	15	15	893	150	15	15	1,320	68	15	15
<b>Total Capital Works</b>	<b>15</b>	<b>15</b>	<b>893</b>	<b>150</b>	<b>15</b>	<b>15</b>	<b>1,320</b>	<b>68</b>	<b>15</b>	<b>15</b>
Debt Repayment	181	181	207	212	212	212	252	254	363	249
	<b>196</b>	<b>196</b>	<b>1,100</b>	<b>362</b>	<b>227</b>	<b>227</b>	<b>1,572</b>	<b>322</b>	<b>378</b>	<b>264</b>
Transfers to Reserves	376	383	379	381	373	380	362	368	244	343
	<b>572</b>	<b>579</b>	<b>1,479</b>	<b>743</b>	<b>600</b>	<b>607</b>	<b>1,934</b>	<b>690</b>	<b>622</b>	<b>607</b>
<b>FUNDED BY</b>										
Borrowings	-	-	893	150	-	-	1,320	68	-	-
Transfers from -										
Depn / Amort. Reserve	572	579	586	593	600	607	614	622	622	607
	<b>572</b>	<b>579</b>	<b>1,479</b>	<b>743</b>	<b>600</b>	<b>607</b>	<b>1,934</b>	<b>690</b>	<b>622</b>	<b>607</b>

Note - Refer to note 2 on page 57 for the elimination of internal interest.

## Harbour Control

Activities in this group are associated with the following outcome:

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

### Description

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. Harbour control is undertaken primarily to ensure safety in Marlborough's water ways as required by legislation.

The Council is tasked with the responsibility of addressing matters of navigation and safety as required in the Local Government Act and the Marine Transport Act. Council intends to increase its involvement in

the Harbours area, and will be introducing new bylaws that provide for appropriate levies and charges to be made.

The Marine Transport Act also 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 2003/2004	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 by 5% over 2002/03 levels.</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 Navigation Safety Bylaws (2002) and associated Infringement Regulations.</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 2004.</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	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	806	965	966	969	966	967	969	971	973	971
<b>Total Operating Costs</b>	<b>806</b>	<b>965</b>	<b>966</b>	<b>969</b>	<b>966</b>	<b>967</b>	<b>969</b>	<b>971</b>	<b>973</b>	<b>971</b>
Operating Surplus Transferred To Reserves	-	63	70	70	70	70	70	70	70	70
	<b>806</b>	<b>1,029</b>	<b>1,036</b>	<b>1,039</b>	<b>1,036</b>	<b>1,037</b>	<b>1,039</b>	<b>1,041</b>	<b>1,043</b>	<b>1,041</b>
<b>FUNDED BY</b>										
Rates	363	354	349	352	349	350	352	354	356	284
User Charges	218	675	687	687	687	687	687	687	687	757
<b>Total Revenue</b>	<b>581</b>	<b>1,029</b>	<b>1,036</b>	<b>1,039</b>	<b>1,036</b>	<b>1,037</b>	<b>1,039</b>	<b>1,041</b>	<b>1,043</b>	<b>1,041</b>
General Revenues Applied	225	-	-	-	-	-	-	-	-	-
	<b>806</b>	<b>1,029</b>	<b>1,036</b>	<b>1,039</b>	<b>1,036</b>	<b>1,037</b>	<b>1,039</b>	<b>1,041</b>	<b>1,043</b>	<b>1,041</b>
<b>CAPITAL WORKS</b>										
Harbour Control	235	85	25	25	25	25	25	25	25	25
<b>Total Capital Works</b>	<b>235</b>	<b>85</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	25	25	25	25	25	25	25
Other Reserves	210	60	-	-	-	-	-	-	-	-
	<b>235</b>	<b>85</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>

## 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, 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. Compliance is monitored by way of a sample audit process, and Council encourages consent holders to undertake monitoring functions.

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 and inspection of premises and enforcement of standards to ensure compliance with the Health Act 1956, Sale of Liquor Act 1989, Local Government Act 2002, Dangerous Goods Act 1974 and Hazardous Substance and New Organisms Act 1996 and Council Bylaws. Council is also responsible for the abatement of nuisances, control of pollution to air and land, and environmental noise monitoring.

Objectives for 2003/2004	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	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING COSTS</b>										
Resource Consents	1,762	1,807	1,807	1,823	1,814	1,813	1,816	1,816	1,816	1,800
Building Consents	936	931	924	933	928	927	930	930	929	932
Resource Consent Hearings	510	508	508	513	510	509	511	510	510	513
Environmental Health	312	306	306	309	308	308	308	308	309	310
<b>Total Operating Costs</b>	<b>3,520</b>	<b>3,552</b>	<b>3,545</b>	<b>3,578</b>	<b>3,560</b>	<b>3,557</b>	<b>3,565</b>	<b>3,564</b>	<b>3,564</b>	<b>3,555</b>
<b>FUNDED BY</b>										
Other Revenue	1,358	1,363	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325
<b>Total Revenue</b>	<b>1,358</b>	<b>1,363</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>	<b>1,325</b>
General Revenues Applied	2,162	2,189	2,220	2,253	2,235	2,232	2,240	2,239	2,239	2,230
	<b>3,520</b>	<b>3,552</b>	<b>3,545</b>	<b>3,578</b>	<b>3,560</b>	<b>3,557</b>	<b>3,565</b>	<b>3,564</b>	<b>3,564</b>	<b>3,555</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	3	3	4	4	4	4	5	4	5	3
Other Reserves	4	4	3	3	3	3	2	3	2	4
	<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

*The activities of this group are associated with the following outcomes:*

- *The production of policy statements and resource management plans that promote the sustainable management of Marlborough's natural and physical resources.*
- *Extensive and reliable information is available on the state of Marlborough's environment.*
- *Local communities participating actively in sustainable management of the Marlborough's resources.*

### Description

Under the Resource Management Act 1991 (RMA), the Council is required to prepare a regional policy statement and resource management plans for the District and to monitor and review these documents to ensure their ongoing effectiveness. The Marlborough Regional Policy Statement underpins the District's resource management framework and sets out the community's approach to significant resource issues. The two resource management plans: the Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan combine the regional coastal plan, the district plan and the regional plan into single integrated planning documents.

The RMA also requires the Council to gather information, undertake monitoring and keep records of the state of the environment. A State of the Environment Report for Marlborough is prepared annually, which 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 Environmental Policy and Information Group actively engages iwi, industry and the wider community in its monitoring and investigation work and also when preparing or making changes to its resource management documents. Environmental education, particularly with school groups, is also becoming an important part of the Group's activities.



Objectives for 2003/2004	Performance Indicators
To develop Policy Statements and Plans.	<ul style="list-style-type: none"> <li>Commence the review of the Marlborough Regional Policy Statement.</li> <li>Respond to legislative changes to the Resource Management Act.</li> <li>Monitor the effectiveness of provisions within the resource management plans and undertake changes where necessary.</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 investigations to assist in the sustainable management of natural and physical resources.</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 river flow and rainfall information to the Council's Rivers group, the Marlborough Express and others as part of the public information process.</li> <li>Provide resource information to assist in the assessment of applications for resource consents and in the development of policy.</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 for and promote best practice relating to resource use and development issues.</li> </ul>

## Environment Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	1,341	1,328	1,327	1,334	1,330	1,329	1,330	1,330	1,330	1,336
Environment Monitoring	973	964	959	965	961	962	962	959	959	953
<b>Total Operating Costs</b>	<b>2,314</b>	<b>2,292</b>	<b>2,286</b>	<b>2,299</b>	<b>2,291</b>	<b>2,291</b>	<b>2,292</b>	<b>2,289</b>	<b>2,289</b>	<b>2,289</b>
<b>FUNDED BY</b>										
Rates	1,986	1,967	1,958	1,968	1,958	1,955	1,954	1,951	1,951	1,950
Other Revenue	5	-	-	-	-	-	-	-	-	-
General Revenues Applied	323	325	328	331	333	336	338	338	338	339
	<b>2,314</b>	<b>2,292</b>	<b>2,286</b>	<b>2,299</b>	<b>2,291</b>	<b>2,291</b>	<b>2,292</b>	<b>2,289</b>	<b>2,289</b>	<b>2,289</b>
<b>CAPITAL WORKS</b>										
<b>Environment Monitoring</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	12	14	17	19	22	25	27	27	26	27
Other Reserves	37	35	32	30	27	24	22	22	23	22
	<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>

## 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 2003/2004	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 new infestations of containment control plant pests outside known areas.</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 exist and control is required under the Regional 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 Pests Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	3,433	3,480	3,546	3,633	3,806	4,383	3,734	3,733	3,733	3,736
Regional Pest Management	559	528	518	513	511	511	512	512	512	502
<b>Total Operating Costs</b>	<b>3,992</b>	<b>4,008</b>	<b>4,064</b>	<b>4,146</b>	<b>4,317</b>	<b>4,894</b>	<b>4,246</b>	<b>4,245</b>	<b>4,245</b>	<b>4,238</b>
<b>FUNDED BY</b>										
Rates	734	701	690	691	686	685	687	686	686	679
Subsidies	2,705	2,755	2,822	2,902	3,078	3,656	3,006	3,007	3,006	3,005
Other Revenue	376	376	376	376	376	376	376	376	376	376
<b>Total Revenue</b>	<b>3,815</b>	<b>3,832</b>	<b>3,888</b>	<b>3,969</b>	<b>4,140</b>	<b>4,717</b>	<b>4,069</b>	<b>4,069</b>	<b>4,068</b>	<b>4,060</b>
General Revenues applied	177	176	176	177	177	177	177	177	177	177
	<b>3,992</b>	<b>4,008</b>	<b>4,064</b>	<b>4,146</b>	<b>4,317</b>	<b>4,894</b>	<b>4,246</b>	<b>4,246</b>	<b>4,245</b>	<b>4,237</b>

## 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.

Objective for 2003/2004	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 and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	224	224	224	224	224	224	224	224	224	223
<b>Total Operating Costs</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>223</b>
Operating Surplus:										
Transferred to Reserves	1	1	1	1	1	1	1	1	1	2
	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>
<b>FUNDED BY</b>										
Other Revenue	225	225	225	225	225	225	225	225	225	225
	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>225</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.

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 2003/2004	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>

## Property Operating and Capital Costs and Funding Forecasts

Financial Year	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	(\$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	142	142	142	142	142	142	142	141	141	141
Rental Housing	718	720	723	726	763	765	765	673	615	618
Forestry	11	11	11	11	11	11	11	11	11	11
Land Development	8	8	8	8	8	8	8	8	8	8
<b>Total Operating Costs</b>	<b>879</b>	<b>881</b>	<b>884</b>	<b>887</b>	<b>924</b>	<b>926</b>	<b>926</b>	<b>833</b>	<b>775</b>	<b>778</b>
Operating Surplus:										
Transferred to Reserves	314	319	324	329	300	307	317	420	397	395
	<b>1,193</b>	<b>1,200</b>	<b>1,208</b>	<b>1,216</b>	<b>1,224</b>	<b>1,233</b>	<b>1,243</b>	<b>1,253</b>	<b>1,172</b>	<b>1,173</b>
<b>FUNDED BY</b>										
Other Revenue	1,193	1,200	1,208	1,216	1,224	1,233	1,243	1,253	1,172	1,173
<b>Total Revenue</b>	<b>1,193</b>	<b>1,200</b>	<b>1,208</b>	<b>1,216</b>	<b>1,224</b>	<b>1,233</b>	<b>1,243</b>	<b>1,253</b>	<b>1,172</b>	<b>1,173</b>
<b>CAPITAL WORKS</b>										
Rental Housing	142	140	141	136	123	126	127	129	137	135
<b>Total Capital Works</b>	<b>142</b>	<b>140</b>	<b>141</b>	<b>136</b>	<b>123</b>	<b>126</b>	<b>127</b>	<b>129</b>	<b>137</b>	<b>135</b>
Debt Repayment	95	95	95	94	94	94	94	1,594	3	-
Surplus - to Reserves	66	69	61	68	76	78	80	107	177	182
	<b>303</b>	<b>304</b>	<b>297</b>	<b>298</b>	<b>293</b>	<b>298</b>	<b>301</b>	<b>1,830</b>	<b>317</b>	<b>317</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	112	113	106	107	102	107	110	115	126	126
	<b>303</b>	<b>304</b>	<b>297</b>	<b>298</b>	<b>293</b>	<b>298</b>	<b>301</b>	<b>1,830</b>	<b>317</b>	<b>317</b>

Note - Refer to note 2 on page 57 for the 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 council-controlled trading organisation (CCTO) and is owned 100% by the Council.

Objectives for 2003/2004	Performance Indicators
To operate as a successful holding company.	<ul style="list-style-type: none"> <li>Prepare and forward financial statements to Council in accordance with legislative requirements.</li> </ul>
To provide the means for bringing the main trading enterprises of the Marlborough District Council together into one structure.	<ul style="list-style-type: none"> <li>Report annually to Council on the performance of the subsidiary trading enterprises.</li> </ul>
To separate the commercial trading activities of the Council from the other functions carried out by the Council.	<ul style="list-style-type: none"> <li>Report annually to Council on the level and rate of its borrowings.</li> </ul>
To obtain commercial borrowing facilities at the most attractive rates attainable.	

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

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$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>										
<b>Operating Costs</b>	3,044	3,874	3,548	3,246	2,865	2,427	1,958	1,496	1,491	1,485
<b>Revenue</b>	3,753	5,056	5,335	5,454	5,386	5,170	4,951	4,672	4,865	5,139
<b>Net Surplus/Deficit</b>	<b>709</b>	<b>1,182</b>	<b>1,787</b>	<b>2,208</b>	<b>2,521</b>	<b>2,743</b>	<b>2,993</b>	<b>3,176</b>	<b>3,374</b>	<b>3,654</b>
<b>Statement of Financial Position</b>										
<b>Public Equity</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>
Current Assets	45	45	45	45	45	45	45	45	45	45
Less Current Liabilities	0	0	0	0	0	0	0	0	0	0
<b>Working Capital</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
Non Current Assets	46,000	54,600	50,600	46,900	42,200	36,800	31,000	25,300	25,300	25,300
Non Current Liabilities	40,220	48,820	41,120	36,420	31,020	25,220	19,520	19,520	19,520	19,520
<b>Net Assets</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</b>	<b>5,825</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).

### Objective for 2003/2004

To operate a successful port company.

### Performance Indicator

- Report on performance against targets agreed in the company's Statement of Corporate Intent.

## PORT MARLBOROUGH NEW ZEALAND LIMITED FORECAST FINANCIAL INFORMATION (Stand Alone)

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$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>										
<b>Operating Costs</b>	8,635	9,550	9,492	9,373	9,106	8,731	8,488	8,701	8,637	8,817
<b>Revenue</b>	14,719	16,758	18,156	19,351	19,822	20,160	20,839	21,320	22,276	23,265
<b>Net Surplus/Deficit</b>	<b>6,084</b>	<b>7,208</b>	<b>8,664</b>	<b>9,978</b>	<b>10,716</b>	<b>11,429</b>	<b>12,351</b>	<b>12,619</b>	<b>13,639</b>	<b>14,448</b>
Taxation	2,008	2,378	2,859	3,293	3,536	3,772	4,076	4,164	4,501	4,768
<b>Net Surplus/ Deficit after Tax</b>	<b>4,076</b>	<b>4,830</b>	<b>5,805</b>	<b>6,685</b>	<b>7,180</b>	<b>7,657</b>	<b>8,275</b>	<b>8,455</b>	<b>9,138</b>	<b>9,680</b>
<b>Statement of Financial Position</b>										
<b>Public Equity</b>	<b>34,557</b>	<b>37,595</b>	<b>41,007</b>	<b>44,882</b>	<b>48,942</b>	<b>53,261</b>	<b>57,951</b>	<b>62,642</b>	<b>67,822</b>	<b>73,268</b>
Current Assets	2,295	2,465	3,011	3,014	2,863	3,035	3,061	7,137	14,112	16,269
Less Current Liabilities	1,727	1,910	1,898	1,875	1,821	1,746	1,698	1,740	1,727	1,763
<b>Working Capital</b>	<b>568</b>	<b>555</b>	<b>1,113</b>	<b>1,139</b>	<b>1,042</b>	<b>1,289</b>	<b>1,363</b>	<b>5,397</b>	<b>12,385</b>	<b>14,506</b>
Non Current Assets	52,729	64,680	63,534	63,183	61,940	60,612	59,028	57,245	55,437	58,762
Non Current Liabilities	18,740	27,640	23,640	19,440	14,040	8,640	2,440	0	0	0
<b>Net Assets</b>	<b>34,557</b>	<b>37,595</b>	<b>41,007</b>	<b>44,882</b>	<b>48,942</b>	<b>53,261</b>	<b>57,951</b>	<b>62,642</b>	<b>67,822</b>	<b>73,268</b>

# MARLBOROUGH REGIONAL FORESTRY

## (JOINT COMMITTEE)

### 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.

Objective for 2003/2004	Performance Indicators
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 (Stand Alone)

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$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	839	819	824	784	818	778	839	830	748	792
Revenue	4,664	5,527	5,340	5,157	5,236	5,743	5,746	6,023	6,044	4,383
<b>Net Surplus/Deficit</b>	<b>3,825</b>	<b>4,708</b>	<b>4,516</b>	<b>4,373</b>	<b>4,418</b>	<b>4,965</b>	<b>4,907</b>	<b>5,193</b>	<b>5,296</b>	<b>3,591</b>
<b>Statement of Financial Position</b>										
<b>Public Equity</b>	<b>29,132</b>	<b>32,540</b>	<b>35,755</b>	<b>38,829</b>	<b>41,747</b>	<b>45,212</b>	<b>48,619</b>	<b>52,313</b>	<b>56,109</b>	<b>58,200</b>
Current Assets	3,011	6,024	8,845	11,525	14,050	17,124	20,140	23,009	26,395	28,066
Less Current Liabilities	372	372	372	372	372	372	372	372	372	372
<b>Working Capital</b>	<b>2,639</b>	<b>5,652</b>	<b>8,473</b>	<b>11,153</b>	<b>13,678</b>	<b>16,752</b>	<b>19,768</b>	<b>22,637</b>	<b>26,023</b>	<b>27,694</b>
Non Current Assets	36,963	36,923	36,884	36,845	36,806	36,765	36,726	36,687	36,647	36,607
Non Current Liabilities	10,470	10,035	9,602	9,169	8,737	8,306	7,875	7,011	6,561	6,101
<b>Net Assets</b>	<b>29,132</b>	<b>32,540</b>	<b>35,755</b>	<b>38,829</b>	<b>41,747</b>	<b>45,212</b>	<b>48,619</b>	<b>52,313</b>	<b>56,109</b>	<b>58,200</b>

# STATEMENT OF CASHFLOWS

## CONSOLIDATED

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
<b>OPERATING ACTIVITIES</b>										
Rates	31,525	32,225	32,757	32,570	33,010	33,196	33,672	34,087	34,242	34,257
Tax Refund	0	0	168	0	0	0	0	0	0	0
User Charges & Other Receipts	34,808	37,163	38,420	39,649	40,507	41,913	41,983	42,811	43,489	42,434
Interest	704	849	968	1,139	1,304	1,475	1,678	1,879	2,289	2,954
	67,037	70,237	72,313	73,358	74,821	76,584	77,333	78,777	80,020	79,645
<b>Cash Disbursed For:</b>										
Payments to Suppliers & Employees	39,465	39,355	39,117	39,623	39,990	40,490	39,969	40,470	40,298	40,421
Interest Paid	4,242	5,379	5,480	5,318	5,118	4,872	4,461	4,263	4,298	4,299
Taxes Paid	2,054	2,428	2,859	3,345	3,592	3,832	4,140	4,232	4,574	4,845
	45,761	47,162	47,456	48,286	48,700	49,194	48,570	48,965	49,170	49,565
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	21,276	23,075	24,857	25,072	26,121	27,390	28,763	29,812	30,850	30,080
<b>INVESTING ACTIVITIES</b>										
<b>Cash Provided From:</b>										
Disposal of Fixed Assets Withdrawal From Sinking Funds	213	236	256	223	218	227	226	223	234	216
	205	0	704	10	140	71	57	1,543	630	482
	418	236	960	233	358	298	283	1,766	864	698
<b>Cash Applied To:</b>										
Sinking Fund and Other Investments	2,147	2,420	3,972	7,130	4,743	7,418	8,767	13,466	12,507	12,632
Purchase of Fixed Assets	43,154	28,533	14,079	11,927	13,862	11,838	10,814	8,973	9,383	14,265
	45,301	30,953	18,051	19,057	18,605	19,256	19,581	22,439	21,890	26,897
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	-44,883	-30,717	-17,091	-18,824	-18,247	-18,958	-19,298	-20,673	-21,026	-26,199
<b>Cash Provided From:</b>										
Term Loans	26,635	10,477	0	800	300	0	0	0	0	0
	26,635	10,477	0	800	300	0	0	0	0	0
<b>Cash Applied To:</b>										
Term Loans	3,283	0	4,000	5,000	5,840	5,400	6,200	2,807	0	0
	3,283	0	4,000	5,000	5,840	5,400	6,200	2,807	0	0
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	23,352	10,477	-4,000	-4,200	-5,540	-5,400	-6,200	-2,807	0	0
<b>NET INCREASE (DECREASE) IN CASH</b>	-255	2,835	3,766	2,048	2,334	3,032	3,265	6,332	9,824	3,881
ADD OPENING CASH BALANCE	8,297	8,042	10,877	14,643	16,691	19,025	22,057	25,322	31,654	41,478
<b>CLOSING CASH BALANCE</b>	<b>8,042</b>	<b>10,877</b>	<b>14,643</b>	<b>16,691</b>	<b>19,025</b>	<b>22,057</b>	<b>25,322</b>	<b>31,654</b>	<b>41,478</b>	<b>45,359</b>
Represented By:										
Cash & Deposits	8,042	10,877	14,643	16,691	19,025	22,057	25,322	31,654	41,478	45,359



# STATEMENT OF FINANCIAL PERFORMANCE

## CONSOLIDATED

### STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - for the year ending 30th june

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Net Cost of Council Activities</b>										
Democratic Process	1,904	1,922	1,814	1,859	1,931	1,819	1,847	1,932	1,827	1,860
Community, Recreation, Culture and Heritage	5,685	5,539	5,616	5,611	5,598	5,571	5,574	5,659	5,696	5,662
Economic Development	488	488	488	488	488	488	488	488	488	488
Emergency Management	535	531	490	487	487	486	485	485	486	491
Land Transport	9,604	9,758	9,417	8,664	8,825	8,935	9,151	9,349	9,556	9,495
Rivers and Land Drainage	2,440	2,437	2,438	2,449	2,443	2,442	2,445	2,445	2,445	2,488
Sewerage	2,638	2,847	2,900	3,114	3,278	3,648	3,706	3,750	3,759	3,866
Stormwater	643	643	648	653	649	651	654	656	649	657
Water	3,912	4,279	4,732	4,959	5,004	5,006	5,033	5,057	5,067	5,083
Solid and Hazardous Waste Management	2,368	2,354	2,379	2,406	2,414	2,421	2,483	2,545	2,547	1,935
Harbour Control	806	965	966	969	966	967	969	971	973	971
Consents and Compliance	3,520	3,552	3,545	3,578	3,560	3,557	3,565	3,564	3,564	3,555
Environment	2,314	2,292	2,286	2,299	2,291	2,291	2,292	2,289	2,289	2,289
Animals & Plant Pests	3,992	4,008	4,064	4,146	4,317	4,894	4,246	4,245	4,245	4,238
Animal Control	224	224	224	224	224	224	224	224	224	223
Property	749	751	754	757	794	796	796	703	765	768
	<b>41,822</b>	<b>42,592</b>	<b>42,759</b>	<b>42,664</b>	<b>43,269</b>	<b>44,195</b>	<b>43,958</b>	<b>44,362</b>	<b>44,580</b>	<b>44,068</b>
General District Expenses	909	889	898	914	918	937	924	907	898	850
Marlborough Regional Forestry Expenditure	433	443	475	468	525	518	601	620	575	643
<b>Total Expenditure of Council Services</b>	<b>43,114</b>	<b>43,874</b>	<b>44,082</b>	<b>43,996</b>	<b>44,663</b>	<b>45,600</b>	<b>45,433</b>	<b>45,839</b>	<b>46,004</b>	<b>45,510</b>
<b>Subsidiaries Expenditure</b>										
<b>MDC Holdings Ltd</b>										
<b>Consolidated</b>	<b>9,284</b>	<b>10,197</b>	<b>10,137</b>	<b>10,017</b>	<b>9,747</b>	<b>9,371</b>	<b>9,129</b>	<b>9,340</b>	<b>9,274</b>	<b>9,454</b>
<b>Total Expenditure</b>	<b>52,398</b>	<b>54,071</b>	<b>54,219</b>	<b>54,013</b>	<b>54,410</b>	<b>54,971</b>	<b>54,562</b>	<b>55,179</b>	<b>55,278</b>	<b>54,964</b>
Revenue										
District wide-General Rates & Charges	5,759	5,752	5,674	5,737	5,763	5,672	5,709	5,863	5,791	5,769
Geographic Areas General Rates & Charges	13,417	13,489	13,882	13,524	13,537	13,493	13,803	13,878	14,146	14,065
Targeted Rates & Charges	12,220	12,853	13,067	13,174	13,572	13,893	14,019	14,203	14,160	14,278
Subsidies & Grants	6,437	6,386	6,393	6,577	6,780	7,345	6,800	6,825	6,895	7,007
Interest	908	1,056	1,344	1,673	1,989	2,301	2,676	3,047	3,618	4,473
Other - Marlborough District Council	8,565	8,509	8,469	8,511	8,523	8,498	8,496	8,523	8,509	8,506
Other - Marlborough Regional Forestry	3,980	4,741	4,406	4,086	4,005	4,313	4,144	4,220	4,077	2,416
Other - Subsidiaries	15,126	17,175	18,590	19,770	20,262	20,625	21,306	21,803	22,488	23,010
<b>Total Revenue</b>	<b>66,362</b>	<b>69,911</b>	<b>71,776</b>	<b>73,003</b>	<b>74,382</b>	<b>76,089</b>	<b>76,903</b>	<b>78,312</b>	<b>79,635</b>	<b>79,474</b>
<b>Less Total Expenses</b>	<b>52,398</b>	<b>54,071</b>	<b>54,219</b>	<b>54,013</b>	<b>54,410</b>	<b>54,971</b>	<b>54,562</b>	<b>55,179</b>	<b>55,278</b>	<b>54,964</b>
<b>Surplus / (Deficit)</b>	<b>13,965</b>	<b>15,839</b>	<b>17,557</b>	<b>18,990</b>	<b>19,972</b>	<b>21,118</b>	<b>22,342</b>	<b>23,133</b>	<b>24,357</b>	<b>24,509</b>
Taxation	2,038	2,412	2,888	3,329	3,576	3,816	4,124	4,216	4,558	4,829
<b>Net Surplus / (Deficit) after Taxation</b>	<b>11,927</b>	<b>13,427</b>	<b>14,669</b>	<b>15,661</b>	<b>16,396</b>	<b>17,302</b>	<b>18,218</b>	<b>18,917</b>	<b>19,799</b>	<b>19,680</b>

# STATEMENT OF MOVEMENTS IN EQUITY

## CONSOLIDATED

### STATEMENT OF MOVEMENTS IN EQUITY FORECASTS - for the year ending 30th june

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at beginning of year	550,403	562,329	575,756	590,425	606,087	622,483	639,785	658,003	676,920	696,719
<b>Surplus / (Deficit) and Revaluations</b>										
Net Surplus / (Deficit) after Taxation	11,927	13,427	14,669	15,661	16,396	17,302	18,218	18,917	19,799	19,680
<b>Closing Equity</b>	<b>562,329</b>	<b>575,756</b>	<b>590,425</b>	<b>606,087</b>	<b>622,483</b>	<b>639,785</b>	<b>658,003</b>	<b>676,920</b>	<b>696,719</b>	<b>716,399</b>

# STATEMENT OF FINANCIAL POSITION

## CONSOLIDATED

### STATEMENT OF FINANCIAL POSITION FORECASTS- for the year ending 30th june

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Ratepayers' Equity</b>											
Accumulated Funds/ Retained Earnings	410,170	421,787	429,472	437,820	445,641	453,515	463,287	471,376	480,816	490,024	498,314
Ordinary Reserves	22,613	22,923	28,665	34,986	42,826	51,349	58,879	69,008	78,484	89,076	100,465
Revaluation Reserve	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620
<b>EQUITY</b>	<b>550,403</b>	<b>562,329</b>	<b>575,756</b>	<b>590,425</b>	<b>606,087</b>	<b>622,483</b>	<b>639,785</b>	<b>658,003</b>	<b>676,920</b>	<b>696,719</b>	<b>716,399</b>
<b>Represented By:-</b>											
<b>Current Assets</b>											
Cash & Deposits	8,296	8,042	10,877	14,643	16,691	19,025	22,057	25,322	31,654	41,478	45,359
Receivables & Prepayments	7,588	7,411	7,677	7,858	8,014	8,075	8,119	8,207	8,270	8,394	8,522
Stocks	237	241	245	249	253	257	261	266	270	275	279
	<b>16,122</b>	<b>15,694</b>	<b>18,799</b>	<b>22,750</b>	<b>24,958</b>	<b>27,357</b>	<b>30,437</b>	<b>33,796</b>	<b>40,195</b>	<b>50,147</b>	<b>54,160</b>
<b>Less:-</b>											
<b>Current Liabilities</b>											
Payables & Accruals	7,907	7,530	7,714	7,704	7,683	7,631	7,558	7,512	7,556	7,544	7,582
Deposits Trusts & Agencies	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605
	<b>10,513</b>	<b>10,136</b>	<b>10,320</b>	<b>10,310</b>	<b>10,289</b>	<b>10,237</b>	<b>10,164</b>	<b>10,118</b>	<b>10,162</b>	<b>10,150</b>	<b>10,188</b>
<b>Working Capital</b>	<b>5,609</b>	<b>5,558</b>	<b>8,479</b>	<b>12,440</b>	<b>14,670</b>	<b>17,120</b>	<b>20,274</b>	<b>23,678</b>	<b>30,033</b>	<b>39,997</b>	<b>43,972</b>
<b>Non Current Assets</b>											
Deferred Taxation	184	200	216	19	35	51	67	83	99	115	131
Investments	5,856	8,197	11,016	14,953	22,202	27,204	34,949	44,058	56,380	68,656	81,213
Fixed Assets	573,583	606,618	624,330	627,633	629,395	632,849	633,902	633,459	630,925	628,518	631,700
	<b>579,623</b>	<b>615,015</b>	<b>635,562</b>	<b>642,605</b>	<b>651,632</b>	<b>660,103</b>	<b>668,919</b>	<b>677,600</b>	<b>687,405</b>	<b>697,289</b>	<b>713,044</b>
<b>Less:</b>											
<b>Term Liabilities</b>	<b>34,830</b>	<b>58,245</b>	<b>68,285</b>	<b>64,620</b>	<b>60,215</b>	<b>54,741</b>	<b>49,407</b>	<b>43,275</b>	<b>40,518</b>	<b>40,568</b>	<b>40,618</b>
<b>NET ASSETS</b>	<b>550,403</b>	<b>562,329</b>	<b>575,756</b>	<b>590,425</b>	<b>606,087</b>	<b>622,483</b>	<b>639,785</b>	<b>658,003</b>	<b>676,920</b>	<b>696,719</b>	<b>716,399</b>

# STATEMENT OF CASHFLOWS

## MARLBOROUGH DISTRICT COUNCIL

### STATEMENT OF CASH FLOW FORECASTS - for the year ending 30th june

10 Year Annual Plan	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
<b>OPERATING ACTIVITIES</b>										
<u>Cash Provided From:</u>										
Rates	31,673	32,376	32,911	32,727	33,170	33,359	33,838	34,256	34,414	34,432
User Charges & Other Receipts	19,633	20,384	20,145	20,169	20,443	21,471	20,906	21,213	21,269	19,700
Interest	1,296	1,433	1,576	1,703	1,871	2,048	2,232	2,428	2,547	2,722
Dividends Received	709	1,182	1,787	2,208	2,521	2,743	2,993	3,176	3,374	3,654
	53,311	55,375	56,419	56,807	58,005	59,621	59,969	61,073	61,604	60,508
<u>Cash Disbursed For:</u>										
Payments to Suppliers & Employees	33,764	33,840	33,741	34,078	34,279	34,781	34,149	34,361	34,218	34,241
Interest Paid	1,879	2,309	2,736	2,916	3,153	3,345	3,435	3,438	3,478	3,485
Subvention Payment	619	619	619	619	619	619	619	619	619	619
	36,262	36,768	37,096	37,613	38,051	38,745	38,203	38,418	38,315	38,345
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17,049	18,607	19,323	19,194	19,954	20,876	21,766	22,655	23,289	22,163
<b>INVESTING ACTIVITIES</b>										
<u>Cash Provided From:</u>										
Disposal of Fixed Assets	213	236	256	223	218	227	226	223	234	216
Withdrawal From Sinking Funds	205	0	704	10	140	71	57	1,543	630	482
	418	236	960	233	358	298	283	1,766	864	698
<u>Cash Applied To:</u>										
Sinking Fund and Other Investments	2,147	2,420	3,972	7,130	4,743	7,418	8,767	13,466	12,507	12,632
Purchase of Fixed Assets	35,389	14,733	13,279	10,266	13,062	11,038	10,148	8,473	8,883	8,599
	37,536	17,153	17,251	17,396	17,805	18,456	18,915	21,939	21,390	21,231
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	-37,118	-16,917	-16,291	-17,163	-17,447	-18,158	-18,632	-20,173	-20,526	-20,533
<b>FINANCING ACTIVITIES</b>										
<u>Cash Provided From:</u>										
Term Loans	21,935	1,577	0	0	0	0	0	0	0	0
	21,935	1,577	0	0	0	0	0	0	0	0
<u>Cash Applied To:</u>										
Term Loans	2,283	0	0	0	140	0	0	367	0	0
	2,283	0	0	0	140	0	0	367	0	0
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	19,652	1,577	0	0	-140	0	0	-367	0	0
<b>NET INCREASE (DECREASE) IN CASH</b>	-417	3,267	3,032	2,031	2,367	2,718	3,134	2,115	2,763	1,630
ADD OPENING CASH BALANCE	8,094	7,678	10,945	13,977	16,008	18,375	21,093	24,227	26,342	29,105
<b>CLOSING CASH BALANCE</b>	<b>7,677</b>	<b>10,945</b>	<b>13,977</b>	<b>16,008</b>	<b>18,375</b>	<b>21,093</b>	<b>24,227</b>	<b>26,342</b>	<b>29,105</b>	<b>30,735</b>
<b>Represented By:</b>										
Cash & Deposits	<b>7,677</b>	<b>10,945</b>	<b>13,977</b>	<b>16,008</b>	<b>18,375</b>	<b>21,093</b>	<b>24,227</b>	<b>26,342</b>	<b>29,105</b>	<b>30,735</b>

# STATEMENT OF FINANCIAL PERFORMANCE

## MARLBOROUGH DISTRICT COUNCIL

### STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - for the year ending 30th june

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Net Cost of Council Activities</b>										
Democratic Process	1,904	1,922	1,814	1,859	1,931	1,819	1,847	1,932	1,827	1,860
Community, Recreation, Culture and Heritage	5,685	5,539	5,616	5,611	5,598	5,571	5,574	5,659	5,696	5,662
Economic Development	488	488	488	488	488	488	488	488	488	488
Emergency Management	535	531	490	487	487	486	485	485	486	491
Land Transport	9,604	9,758	9,417	8,664	8,825	8,935	9,151	9,349	9,556	9,495
Rivers and Land Drainage	2,440	2,437	2,438	2,449	2,443	2,442	2,445	2,445	2,445	2,488
Sewerage	2,638	2,847	2,900	3,114	3,278	3,648	3,706	3,750	3,759	3,866
Stormwater	643	643	648	653	649	651	654	656	649	657
Water	3,912	4,279	4,732	4,959	5,004	5,006	5,033	5,057	5,067	5,083
Solid and Hazardous Waste Management	2,368	2,354	2,379	2,406	2,414	2,421	2,483	2,545	2,547	1,935
Harbour Control	806	965	966	969	966	967	969	971	973	971
Consents and Compliance Environment	3,520	3,552	3,545	3,578	3,560	3,557	3,565	3,564	3,564	3,555
Animals & Plant Pests	2,314	2,292	2,286	2,299	2,291	2,291	2,292	2,289	2,289	2,289
Animal Control	3,992	4,008	4,064	4,146	4,317	4,894	4,246	4,245	4,245	4,238
Property	224	224	224	224	224	224	224	224	224	223
	749	751	754	757	794	796	796	703	765	768
	<b>41,822</b>	<b>42,592</b>	<b>42,759</b>	<b>42,664</b>	<b>43,269</b>	<b>44,195</b>	<b>43,958</b>	<b>44,362</b>	<b>44,580</b>	<b>44,068</b>
General District Expenses	909	889	898	914	918	937	924	907	898	850
Subvention Payment to MDC Holdings Ltd	619	619	619	619	619	619	619	619	619	619
Marlborough Regional Forestry Expenditure	433	443	475	468	525	518	601	620	575	643
<b>Total Expenditure</b>	<b>43,733</b>	<b>44,493</b>	<b>44,701</b>	<b>44,615</b>	<b>45,282</b>	<b>46,219</b>	<b>46,052</b>	<b>46,458</b>	<b>46,623</b>	<b>46,129</b>
<b>Revenue</b>										
District wide-General Rates & Charges	6,036	6,034	5,961	6,029	6,060	5,974	6,016	6,175	6,108	6,091
Geographic Areas General Rates & Charges	13,417	13,489	13,882	13,524	13,537	13,493	13,803	13,878	14,146	14,065
Targeted Rates & Charges	12,220	12,853	13,067	13,174	13,572	13,893	14,019	14,203	14,160	14,278
Subsidies & Grants	6,437	6,386	6,393	6,577	6,780	7,345	6,800	6,825	6,895	7,007
Interest	1,500	1,640	1,952	2,237	2,556	2,874	3,230	3,596	3,876	4,241
Dividends	709	1,182	1,787	2,208	2,521	2,743	2,993	3,176	3,374	3,654
Other - Marlborough District Council	8,565	8,509	8,469	8,511	8,523	8,498	8,496	8,523	8,509	8,506
Other - Marlborough Regional Forestry	3,980	4,741	4,406	4,086	4,005	4,313	4,144	4,220	4,077	2,416
<b>Total Revenue</b>	<b>52,814</b>	<b>54,784</b>	<b>55,868</b>	<b>56,297</b>	<b>57,505</b>	<b>59,082</b>	<b>59,451</b>	<b>60,546</b>	<b>61,096</b>	<b>60,208</b>
<b>Less Total Expenses</b>	<b>43,733</b>	<b>44,493</b>	<b>44,701</b>	<b>44,615</b>	<b>45,282</b>	<b>46,219</b>	<b>46,052</b>	<b>46,458</b>	<b>46,623</b>	<b>46,129</b>
<b>Surplus / (Deficit)</b>	<b>9,082</b>	<b>10,290</b>	<b>11,167</b>	<b>11,682</b>	<b>12,223</b>	<b>12,863</b>	<b>13,400</b>	<b>14,088</b>	<b>14,473</b>	<b>14,078</b>

# STATEMENT OF MOVEMENTS IN EQUITY

## MARLBOROUGH DISTRICT COUNCIL

### STATEMENT OF MOVEMENTS IN EQUITY FORECASTS - for the year ending 30th june

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at beginning of year	543,274	552,355	562,645	573,812	585,495	597,718	610,581	623,981	638,069	652,542
Surplus / (Deficit) and Revaluations										
Net Surplus / (Deficit) after Taxation	9,082	10,290	11,167	11,682	12,223	12,863	13,400	14,088	14,473	14,078
<b>Closing Equity</b>	<b>552,355</b>	<b>562,645</b>	<b>573,812</b>	<b>585,495</b>	<b>597,718</b>	<b>610,581</b>	<b>623,981</b>	<b>638,069</b>	<b>652,542</b>	<b>666,620</b>

# STATEMENT OF FINANCIAL POSITION

## MARLBOROUGH DISTRICT COUNCIL

### STATEMENT OF FINANCIAL POSITION FORECASTS- for the year ending 30th june

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Ratepayers' Equity											
Accumulated Funds/ Retained Earnings	403,041	411,813	416,361	421,207	425,049	428,750	434,083	437,354	441,965	445,847	448,535
Ordinary Reserves	22,613	22,923	28,665	34,986	42,826	51,349	58,879	69,008	78,484	89,076	100,465
Revaluation Reserve	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620
<b>EQUITY</b>	<b>543,274</b>	<b>552,355</b>	<b>562,645</b>	<b>573,812</b>	<b>585,495</b>	<b>597,718</b>	<b>610,581</b>	<b>623,981</b>	<b>638,069</b>	<b>652,542</b>	<b>666,620</b>
<b>Represented By:-</b>											
<b>Current Assets</b>											
Cash & Deposits	8,094	7,677	10,945	13,977	16,008	18,375	21,093	24,227	26,342	29,105	30,735
Receivables & Prepayments	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379	5,379
Stocks	42	42	42	42	42	42	42	42	42	42	42
	<b>13,516</b>	<b>13,099</b>	<b>16,366</b>	<b>19,398</b>	<b>21,429</b>	<b>23,796</b>	<b>26,514</b>	<b>29,649</b>	<b>31,764</b>	<b>34,526</b>	<b>36,156</b>
<b>Less:-</b>											
<b>Current Liabilities</b>											
Payables & Accruals	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469	6,469
Deposits Trusts & Agencies	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605	2,605
	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>	<b>9,075</b>
<b>Working Capital</b>	<b>4,441</b>	<b>4,024</b>	<b>7,291</b>	<b>10,323</b>	<b>12,355</b>	<b>14,721</b>	<b>17,440</b>	<b>20,574</b>	<b>22,689</b>	<b>25,451</b>	<b>27,081</b>
<b>Non Current Assets</b>											
Investments	19,596	21,937	24,756	28,693	35,942	40,944	48,689	57,798	70,120	82,396	94,953
Fixed Assets	526,683	553,505	559,300	563,783	565,930	570,661	573,076	574,251	573,534	572,969	572,860
	<b>546,279</b>	<b>575,442</b>	<b>584,056</b>	<b>592,476</b>	<b>601,872</b>	<b>611,604</b>	<b>621,766</b>	<b>632,049</b>	<b>643,655</b>	<b>655,365</b>	<b>667,813</b>
<b>Less:</b>											
<b>Term Liabilities</b>	<b>7,447</b>	<b>27,112</b>	<b>28,702</b>	<b>28,987</b>	<b>28,732</b>	<b>28,608</b>	<b>28,624</b>	<b>28,642</b>	<b>28,275</b>	<b>28,275</b>	<b>28,275</b>
<b>NET ASSETS</b>	<b>543,274</b>	<b>552,355</b>	<b>562,645</b>	<b>573,812</b>	<b>585,495</b>	<b>597,718</b>	<b>610,581</b>	<b>623,981</b>	<b>638,069</b>	<b>652,542</b>	<b>666,620</b>

# STATEMENT OF ACCOUNTING POLICIES

## Reporting Entity

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 2002. 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 2002. Any assets acquired subsequent to 1 July 2002 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 2002. The basis of valuation is the estate based 'Net Present Value 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 2002. 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.

Roads, bridges, wharves, street lighting, water, sewer, stormwater and river control and drainage assets were valued at depreciated replacement cost as at 1 July 2001. 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 and land under roads). In the case of land under roads, an average of adjacent undeveloped land value has been applied.

Reserves, public conveniences and war memorial 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 and war memorial building 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 years ended 30 June 2002/13.

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.

Carparks were valued at depreciated replacement cost at 1 July 2001 by Marlborough Roads Limited. The valuation was peer reviewed by Opus International Consultants.

## Depreciation

Depreciation is provided on a straight line basis on all fixed assets other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

Life	Rate
<b>Roads, Streets and Bridges</b>	
- Land under roads	Not depreciated
- Pavement formation	Not depreciated
- Pavement layers	80 - 100 years 1 - 1.25%
- Pavement surface	13 years 7.692%
- Culverts	20 - 50 years 2 - 5%
- Kerb and channel	80 years 1.25%
- Concrete stormwater channels	80 years 1.25%
- Earth water channels	Not depreciated
- Footpaths	30 - 80 years 1.25 - 3.33%
- Bridges	40 - 100 years 1 - 2.5%
- Footbridges	50 - 100 years 1 - 2%
- Retaining walls	30 years 3.33%
- Street berms	Not depreciated
- Traffic signs	20 years 5%
- Street lighting	20 years 5%
- Traffic islands	50 years 2%
- Street trees	40 years 2.5%
- Street furniture	25 years 4%
- Paved and cobbled areas	30 years 3.33%
- Council wharves	40 years 2.5%
- Port Marlborough wharves and marinas	10 - 50 years 2 - 10%
<b>Carparks</b>	
- Parking meters	10 years 10%
- Land	Not depreciated
- Formation	Not depreciated
- Basecourse	80 years 1.25%

- Surfacing	20 years	5%
- Markings	3 years	33.33%
<b>Buildings (excluding properties intended for sale)</b>		
	100 years	1%
<b>Council Computers (excluding GEMs)</b>		
	4 years	25%
<b>Council GEMS computer equipment</b>		
	5 years	20%
<b>Plant, equipment (excluding Council infrastructural assets)</b>		
	5 - 13.33 years	7.69 - 20%
<b>Mowers/chainsaws</b>		
	1 - 2 years	50 - 100%
<b>Sewerage</b>		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
- Oxidation ponds		
Liner	Not depreciated	
Waveband	75 years	1.33%
- Treatment plant	20 - 100 years	1 - 5%
<b>Stormwater</b>		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
<b>Water</b>		
- Pipes	50 - 100 years	1 - 1.67%
- Reservoirs	80 years	1.25%
- Surface connections	100 years	1%
- Pumps	10 years	10%
- Pump stations	20 - 60 years	1.67 - 5%
- Treatment plant	20 - 100 years	1 - 5%
- Dams	150 years	.667%
<b>Rivers and Drainage</b>		
- Pump stations	35 - 100 years	1 - 2.86%
- Stopbanks/earthworks	Not depreciated	
- Rock and gabion protection	Not depreciated	
- Trees and tree retards	Not depreciated	
- Culverts and gates	Not depreciated	
- Channels	Not depreciated	
- Dam	100 years	1%
<b>Library books</b>		
	13.33years	7.69%

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 net present value of the after care cost, which is estimated will be incurred following the closure of the landfill.

### Accounting for Deferred 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**

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.

## **Activities Funded From Targeted Rates**

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 targeted rate charged only to that specific group. Such rates are shown separately as revenue earned by the particular significant activity.

## **Restricted Reserves**

- (a) **Revenue**  
Revenue related to restricted reserves is reported in the Statement of Financial Performance. It is not available for ordinary purposes.
- (b) **Expenditure**  
Operating expenditure from a restricted 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 restricted reserves revenue less allowable expenditure as in (b) above, is appropriated from accumulated funds to restricted reserves each year. These appropriations are shown in note 9.

## **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 ended 30 June 2004 to 2013 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:*

### ACTIVITY

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community, Culture, Recreation and Heritage	82	73	73	73	73	73	73	73	73	73
Land Transport and Other Services	528	528	528	495	495	495	495	495	495	489
Sewerage	473	473	473	473	473	473	473	473	471	465
Stormwater	221	221	221	221	221	221	221	221	221	204
Water	535	534	533	532	531	531	531	531	531	521
Waste Management	390	390	390	390	390	390	390	390	390	381
Commercial and Other Property	130	130	130	130	130	130	130	130	10	10
	<b>2,359</b>	<b>2,349</b>	<b>2,348</b>	<b>2,314</b>	<b>2,313</b>	<b>2,313</b>	<b>2,313</b>	<b>2,313</b>	<b>2,191</b>	<b>2,143</b>

## 3. Capital Expenditure Summary (GST Exclusive)

Capital Expenditure			2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Funded by User Charges and General Rates</b>												
Cemeteries	Fairhall	Fairhall Cemetery Extension	0	0	12,000	15,000	25,000	0	0	0	0	0
	Omaka	Capital Purchases	30,000	0	25,000	0	0	0	0	0	0	0
	Tuamarina	Capital Purchases	0	0	0	0	15,000	0	0	0	0	0
	Awalere	Fences and hedges	5,000	0	0	0	0	0	0	0	0	0
	Havelock	Gazebo refurbishment	0	0	0	10,000	0	0	0	0	0	0
	Picton	Picton Cemetery Extension	0	0	0	0	25,000	0	0	0	0	0
				<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 Rates</b>												
Memorials	Blenheim	Structures and Improvements	0	0	0	0	0	0	0	0	0	0
	SS Fountain	Structures and Improvements	35,000	0	0	0	20,000	0	0	0	0	0
	Awalere	Capital Expenditure	0	0	5,000	0	0	0	0	0	0	0
	Flaxbourne	Capital Expenditure	0	0	2,500	0	0	0	0	0	0	0
	Havelock	Capital Expenditure	0	0	0	0	0	0	4,500	0	0	0
	Picton	Capital Expenditure	5,500	0	0	0	0	0	0	0	0	0
	Rai	Capital Expenditure	0	0	0	0	0	0	0	0	4,000	0
			<b>40,500</b>	<b>0</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>0</b>
<b>Funded by Rates</b>												
Museums	Flaxbourne	Capex	0	0	0	0	0	2,000	0	0	0	0
			<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>0</b>

Capital Expenditure

2003/04 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10 2010/11 2011/12 2012/13

		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Funded by Loans and Rates</b>										
Public Conveniences										
Blenheim	Capital Expenditure	70,000	0	65,000	0	0	0	0	65,000	0
Renwick	Structures and Improvements	0	0	0	0	30,000	0	0	0	0
Rural	Structures and Improvements	5,000	0	0	0	0	0	30,000	0	0
Other	Int. Interest - P/Debt	0	0	0	0	0	0	0	0	0
Awatere	Capital Expenditure	0	8,000	0	0	0	0	0	0	0
Flaxbourne	Capital Expenditure	0	0	0	4,500	0	0	0	0	0
Havelock	Capital Expenditure	0	0	0	0	0	0	0	0	0
Picton	Capital Expenditure	0	8,000	0	0	0	0	0	0	0
Unspec Sounds	Capital Expenditure	5,000	0	0	0	0	0	0	0	0
Rai	Capital Expenditure	0	0	8,000	0	0	0	4,000	0	0
Canvastown	Structures and Improvements	0	0	0	0	4,500	0	0	0	0
		<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>

**Funded by Rates and Reserves**

Community Development		340,000	0	0	0	0	200,000	0	0	0
		<b>340,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Funded by Land Subdivision Reserve Account**

Reserves	Unspecified	Doc Grant/fencing general exp	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
	Esplanade	Esplanade Reserve and Strips	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Athletic Park	Capital Expenditure	0	0	5,000	25,000	25,000	0	30,000	0	0
	A & P Park	Capital Expenditure	20,000	20,000	10,000	15,000	20,000	0	0	0	0
	Burleigh	Capital Expenditure	0	0	10,000	0	0	0	0	0	0
	Ching Park	Structures and Improvements	5,000	0	0	0	0	0	0	0	0
	Churchwood Park	Structures and Improvements	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	5,000	0
	Eltham Road Reserve	Capital expenditure	0	15,000	0	0	0	0	0	0	0
	Fultons Creek Reserve	Structures and Improvements	0	0	0	0	10,000	0	0	0	0
	George Powell Reserve	Capital expenditure	0	0	10,000	0	0	0	0	0	0
	Hammond Place Reserve	Structures and Improvements	5,000	0	0	0	0	0	0	0	0
	Harling Park	Capital expenditure	5,000	5,000	5,000	20,000	5,000	0	20,000	0	0
	Henderson St Reserve	Structures and Improvements	0	5,000	0	0	0	0	0	0	0
	Horton Park	Capital expenditure	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	7,500
	Murphys Creek	Structures and Improvements	0	0	0	0	0	0	0	0	0
	Oliver Park	Structures and Improvements	10,000	5,000	25,000	5,000	7,500	5,000	0	5,000	0
	Pollard Park General	Capital expenditure	30,000	15,000	30,000	20,000	15,000	20,000	0	0	0
	Pollard Park Golf	Structures and Improvements	10,000	15,000	0	15,000	15,000	15,000	0	0	0
	Rata Park	Structures and Improvements	15,000	0	0	10,000	0	0	0	0	0
	Rewi Murray										
	Polo Ground	Structures and Improvements	0	0	25,000	0	0	0	50,000	0	0
	Riversdale Park	Capital expenditure	0	0	10,000	0	0	0	0	0	0
	Riverside Park	Capital expenditure	0	30,000	0	15,000	0	0	0	0	0
	Seymour Square	Capital expenditure	20,000	0	0	10,000	0	35,000	0	40,000	0
	Sutherland Stream	Structures and Improvements	10,000	0	10,000	0	0	0	0	0	0
	Taylor Dam	Structures and Improvements	5,000	20,000	0	0	5,000	0	0	0	0
	Whitehead Park	Structures and Improvements	0	0	15,000	0	0	0	0	0	0
	Eric Young Reserve	Structures and Improvements	10,000	0	0	0	0	0	0	0	0
	McKendry Park	Structures and Improvements	0	0	0	0	0	0	0	0	0
	Taylor River	Structures and Improvements	30,000	30,000	0	0	0	0	0	0	0
	Kowhai Drive	Structures and Improvements	5,000	0	0	0	0	0	15,000	0	0
	Renwick Domain	Capital Expenditure	5,000	0	5,000	0	15,000	35,000	0	0	0
	Rousehill Reserve	Structures and Improvements	0	0	0	0	0	0	25,000	0	0
	Awarua Park	Reseal netball court	0	0	0	0	0	0	0	0	0
	Upper Spring Creek										
	Wither Farm Park	Capital expenditure	0	0	8,000	0	0	0	0	0	0
	Wither Recreation	Capital	0	0	0	0	0	0	0	0	0
	Wither Forest	Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Auckland St/										
	Wairau Reserve	Capital	0	5,000	0	0	0	0	0	0	0
	Beach Road Reserve	Capital expenditure	0	0	0	0	6,000	0	0	0	0
	Bobs Bay Reserve	Capital expenditure	0	0	0	0	0	0	0	0	0
	Endeavour Park	Capital expenditure	65,000	65,000	0	0	0	0	0	0	0
	Essons Valley	Capital expenditure	0	0	0	0	0	0	0	0	0
	Fisherman's Reserve	Capital	0	0	0	0	5,000	0	0	0	0
	Memorial Park	Capital	0	0	0	0	0	0	0	0	0
	Nelson Square	Capital	0	0	0	0	0	0	0	0	0
	Picton Foreshore	Capital	0	0	0	25,000	0	0	0	10,000	0
	Rimu St Reserve	Capital	0	0	0	0	0	0	0	0	0
	Scotland St Reserve	Capital	0	0	0	0	0	0	5,000	0	0

**Capital Expenditure**

		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Rural Wways Grp	Shelly Beach Reserve	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Victoria Domain	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Waikawa Foreshore	Capital expenditure	0	0	8,000	0	0	0	0	0	0	
	Waitohi Domain	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Havelock Domain	Capital expenditure	0	0	0	0	0	10,000	0	0	0	
	Renwick Founders	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Seddon Domain	Capital expenditure	20,000	0	0	0	0	0	0	0	0	
	Ward Domain	Capital expenditure	0	0	0	0	5,000	0	0	0	0	
	Double Bay Reserve	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Okiwi Bay Reserve	Capital expenditure	0	0	0	4,500	0	0	0	0	0	
	Anakiwa Reserve	Capital expenditure	0	0	0	0	0	0	0	0	0	
	Port Underwood Reserve	Capital	0	0	0	0	0	0	0	0	0	
	Tirimoana Reserve	Capital expenditure	0	0	0	0	3,500	0	0	0	0	
	Koromiko Deer Park	Capital	0	0	0	3,500	0	0	0	0	0	
	Urban W/ways2	Blenheim	Capital	0	0	0	0	0	0	0	0	0
		<b>337,000</b>	<b>292,000</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>57,000</b>	

**Funded by Rates**

Swimming Pools											
Picton	Capital expenditure	0	4,500	0	0	0	0	6,500	0	0	0
Awakere	Capital expenditure	0	0	0	6,000	0	0	0	8,000	0	0
		<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>0</b>

**Funded by Loans and Rates (exceptions noted)**

Stormwater											
Blenheim	Blenheim NW reticulation (*)	0	0	94,300	0	9,700	0	42,400	0	3,500	0
	<b>(*) Funded by Development Impact Levies</b>										
	Stormwater Services Pump Stations	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	50,000	50,000	50,000	50,000	50,000	50,000
Havelock	Stormwater Services Pump Stations	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	3,000	3,000	3,000
	Stormwater Pipeline (Renewal)	0	0	0	0	0	0	0	0	2,000	2,000
Picton	Stormwater Services Pump Stations Structural	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	20,000	20,000
	Stormwater Pipeline (Renewal)	55,000	50,000	30,000	30,000	30,000	30,000	30,000	9,000	9,000	9,000
Renwick	Stormwater Services Pump Stations Structural	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	0
	Stormwater Pipeline (Renewal)	0	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000
Spring Creek	Stormwater Services Pump Stations Structural	711	711	711	711	711	711	711	711	711	711
	Stormwater Pipeline (NEW)	0	0	0	0	0	0	0	0	9,000	9,000
Other	Stormwater Pipeline (NEW)	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>267,933</b>	<b>262,933</b>	<b>337,233</b>	<b>242,933</b>	<b>222,633</b>	<b>212,933</b>	<b>255,333</b>	<b>194,933</b>	<b>209,433</b>	<b>205,933</b>

**Funded by Loans, Rates and User Charges**

Waste Management											
Regional	Regional Landfill	15,000	15,000	892,973	149,580	15,000	15,000	1,320,411	67,610	15,000	15,000
<b>Total Waste</b>		<b>15,000</b>	<b>15,000</b>	<b>892,973</b>	<b>149,580</b>	<b>15,000</b>	<b>15,000</b>	<b>1,320,411</b>	<b>67,610</b>	<b>15,000</b>	<b>15,000</b>

**Funded by Loans and Rates**

Water											
Awakere	Treatment Plant Structural (NEW)	50,000	60,000	1,330,000	0	0	0	0	0	0	0
	Pipeline (NEW)	0	0	0	0	0	2,000	40,000	0	0	0
	Reservoirs (NEW)	0	0	0	0	0	15,000	360,000	0	0	0
	Water Services Pump Stations Structural (NEW)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
	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 Mechanical (Renewals) -Telemetry	2,844	2,188	1,148	438	1,204	2,516	2,516	547	875	600

Capital Expenditure  
2012/13

2003/042004/052005/062006/072007/082008/092009/102010/112011/12

<b>Blenheim</b>	Water Pipeline (NEW)	714,000	1,094,000	430,000	22,000	455,100	109,000	128,700	118,000	318,000	\$
	Water Treatment Plant	62,000	1,153,000	0	0	0	0	0	0	0	20,000
	Reservoirs (NEW)	37,000	680,000	960,000	0	0	0	0	0	0	0
	Services Pump Stations Structural	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Services Pump Stations Electrical	48,000	745,000								
	Water Pipeline	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Water Connections-Laterals	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
	Water Pumping Stations Mechanical (Renewals)	5,688	4,375	2,297	875	2,406	5,081	5,081	1,094	1,750	0
<b>Havelock</b>	Pipeline	0	0	0	55,000	0	0	0	0	0	0
	Treatment Plant Structural	30,000	175,000	0	0	0	0	0	0	0	0
	Services Pump Stations Electrical	0	0	75,000	0	0	0	0	0	0	0
	Services Pump Stations Structural	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0
	Water Pipeline (Renewal)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Telemetry Field Equipment	813	625	328	125	344	719	719	156	250	250
<b>Picton</b>	Water Pipeline (NEW)	21,000	340,000	11,000	285,000	18,000	18,000	18,000	18,000	19,000	19,000
	Reservoirs (NEW)	10,000	250,000	45,000	930,000	0	0	0	0	0	0
	Treatment Plant Mechanical	50,000	640,000	0	0	0	0	0	0	0	0
	Services Pump Stations Structural	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	Services Pump Stations Electrical	15,000	335,000	0	0	0	0	0	0	0	0
	Water Pipeline (Renewal)	60,000	60,000	60,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
	Water Connections Laterals	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Water Pumping Stations Mechanical	1,625	1,250	656	250	688	1,438	1,438	313	510	410
<b>Renwick</b>	Reservoirs (NEW)	0	20,000	520,000	0	0	0	0	0	0	0
	Treatment Plant Civil	0	50,000	620,000	0	0	0	0	0	0	0
	Services Pump Stations Electrical	2,000	55,000	0	0	0	5,000	65,000	0	0	0
	Services Pump Stations Structural	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
	Water Pipelines (NEW)	13,000	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 Mechanical	813	625	328	125	344	719	719	156	250	250
<b>Riverlands</b>	Reservoirs (NEW)	0	0	0	0	0	0	0	0	0	0
	Treatment Plant Structural	900,000	0	0	0	0	0	0	0	0	0
	Services Pump Stations Electrical	100,000	0	0	0	0	0	0	15,000	160,000	0
	Water Pipelines (NEW)	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Water Pipeline (Renewal)	0	0	0	0	0	0	0	0	0	0	
<b>Wairau Valley</b>	Treatment Plant (NEW)	0	135,000	0	0	0	0	0	0	0	0
<b>Southern Valleys</b>		15,620,000									
<b>Total Water</b>		<b>18,075,643</b>	<b>6,136,923</b>	<b>4,391,617</b>	<b>1,664,673</b>	<b>848,946</b>	<b>530,283</b>	<b>992,983</b>	<b>524,126</b>	<b>871,485</b>	<b>409,360</b>

Funded by Internal User Charges

Plant	Equipment	136,800	274,300	284,300	145,300	149,300	391,300	119,300	149,300	118,300	146,300
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Funded by Loans, Rates and Trade Waste Charges

<b>Sewerage</b>	<b>Blenheim</b>	Sewer Pipeline (NEW)	3,430,000	240,000	325,000	177,000	488,000	160,000	170,000	0	0	0
		Sewer Oxidation Ponds	80,000	0	0	635,000	3,920,000	0	0	0	0	0
		Services Pump Stations Electrical	650,000	6,000	150,000	5,000	78,000	50,000	0	0	0	0
		Services Pump Stations Structural	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
		Telemetry Field Equipment	6,500	5,000	2,625	1,000	2,750	5,750	5,750	1,250	2,000	2,000
		Sewer Pipeline (Renewal)	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000	76,000
	<b>Havelock</b>	Sewer Oxidation Ponds (NEW)	38,271	0	12,000	105,000	0	0	0	0	0	0
		Services Pump Stations Structural	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244
		Telemetry Field Equipment	2,031	1,563	820	313	859	1,797	1,797	391	625	0
		Services Pump Stations Mechanical	10,000	10,000	10,000	0	0	0	0	0	0	0
	<b>Picton</b>	Sewer Pipeline (NEW)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
		Services Pump Stations Structural	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
		Services Pump Stations Electrical	144,000	160,000	0	15,000	230,000	0	0	0	0	15,000
		Sewer Treatment Plant Mechanical	0	0	0	0	20,000	340,000	0	0	0	0
		Telemetry Field Equipment	3,656	2,813	1,477	563	1,547	3,234	3,234	703	1,125	1,125
		Sewer Pipeline (Renewal)	75,000	75,000	75,000	40,000	85,000	940,000	40,000	40,000	0	40,000
	<b>Seddon</b>	Sewer Treatment Plant Structural	0	0	5,000	95,000	0	0	0	0	0	0
		Sewer Connections	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
		Telemetry Field Equipment	406	313	164	68	172	359	359	78	125	170
<b>Spring Creek</b>	Oxidation Ponds	13,000	150,000	0	0	0	0	0	0	0	0	
	Services Pump Stations Structural	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0	
	Telemetry Field Equipment	1,219	988	492	188	516	1,078	1,078	234	375	0	
<b>Renwick</b>	Sewer Pipeline	3,670,000	0	0	0	0	0	0	0	0	0	
	Services Pump Stations Structural	465,000	0	0	0	0	0	0	0	0	0	
<b>Total Sewerage</b>		<b>8,708,327</b>	<b>770,871</b>	<b>701,822</b>	<b>1,193,371</b>	<b>4,946,088</b>	<b>1,621,462</b>	<b>341,462</b>	<b>161,900</b>	<b>123,494</b>	<b>176,539</b>	

Capital Expenditure  
2012/13

2003/042004/052005/062006/072007/082008/092009/102010/112011/12

		Funded by Loans, Subsidies, Rates and Development Impact Levies	\$	\$	\$	\$	\$	\$	\$	\$	
Land Transport	Subdivisional Works	112,750	112,750	112,750	112,750	112,750	112,750	112,750	112,750	112,750	
		<b>Funded by User Charges</b>									
Parking	Carpark capital Blenheim	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
	Carpark capital Picton	100,000	Funded by Sale Proceeds			0	0	0	0	0	0
		105,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
NS Renewals	Footpaths-NS Renewals	82,730	82,730	82,730	82,730	82,730	82,730	82,730	82,730	82,730	
	Vehicle Crossings-NS Renewals	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
	Street Furniture-NS Renewals	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
NS Capital	Kerb & Channel-NS Renewals	55,000	55,000	55,000	55,000	55,000	55,000	198,862	187,990	188,457	
	Footpaths-NS Capital	40,000	40,000	40,000	78,000	78,000	78,000	78,000	78,000	78,000	
	Vehicle Crossings-NS Capital	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
	Street Plots	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
	Street Trees	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	
	Kerb & Channel-NS Capital	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
	Street Lights-NS Capital	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	
	Blenheim Other projects (see below)	45,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318	
	Blenheim CBD projects (see below)	120,000	120,000	Funded by Loan			0	0	0	0	
	Other Special Projects (see below)	14,600	0	81,400	0	0	0	60,000	0	0	
	NS Seal extensions	56,667	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
	Sounds Kenepuru (see below)	0	120,000	0	120,000	0	120,000	0	120,000	0	
	Archers Road	92,000	0	92,000	0	92,983	0	0	0	0	
	Other Roading Related Works	0	0	0	0	0	0	0	100,000	100,000	
Wharves	Wharves Renewals	20,000	0	20,000	0	20,000	0	20,000	20,000	20,000	
Sub Renewals	Sealed Pavement	320,697	323,407	326,117	328,827	331,537	334,247	336,957	339,667	342,377	
	Unsealed Pavement	363,590	362,235	360,880	359,525	358,170	356,815	355,460	354,105	352,750	
	Area Wide Pavement Treatment	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	
	Culvert	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	100,000	
	Maintenance Chip Seal	1,060,000	1,140,000	1,220,000	1,300,000	1,380,000	1,460,000	1,540,000	1,620,000	1,700,000	
	Asphaltic Surfacing	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	
	Bridges	0	0	0	0	0	0	0	160,000	160,000	
Spec Purp Renewals	Maintenance Chip Seal Rainbow	60,000	0	0	60,000	0	0	60,000	0	60,000	
Sub Capital	Culverts	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	
	Seal Widening	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
	Safety Improvement Works	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	
	Seal Extensions French Pass Rd	0	100,000	0	0	100,000	0	0	100,000	0	
	Traffic Islands/Services	60,000	0	0	0	0	0	0	0	0	
	<b>Total Roading</b>	<b>4,855,497</b>	<b>4,875,585</b>	<b>4,810,340</b>	<b>4,916,295</b>	<b>5,030,633</b>	<b>5,019,005</b>	<b>5,264,222</b>	<b>5,433,610</b>	<b>5,555,432</b>	
	<b>Total Land Transport</b>	<b>5,073,247</b>	<b>4,993,335</b>	<b>4,928,090</b>	<b>5,033,045</b>	<b>5,148,383</b>	<b>5,136,755</b>	<b>5,381,972</b>	<b>5,551,360</b>	<b>5,673,182</b>	
		<b>Funded by Rates and Reserves</b>									
Rivers Operations	Wairau Floodplain	30,000	30,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
	Lower Wairau	60,000	30,000	40,000	40,000	40,000	140,000	140,000	140,000	140,000	
	Wairau Diversion	100,000	100,000	100,000	100,000	100,000	50,000	50,000	50,000	50,000	
	Wairau (Tuamarina to Waihopai)	20,000	0	0	0	0	0	0	0	0	
	Are Are / Lamberts	50,000	50,000	0	0	0	0	0	0	0	
	Gibsons Creek	0	0	0	20,000	20,000	45,000	45,000	45,000	45,000	
	Pulaka	50,000	50,000	20,000	20,000	0	0	0	0	0	
	Lower Opawa	0	0	20,000	60,000	100,000	40,000	40,000	40,000	40,000	
	Opawa Loop	30,000	0	0	0	0	0	0	0	0	
	Riverlands / Wither Streams Channel Upgrade	40,000	57,000	85,000	45,000	25,000	0	0	0	0	
	Taylor River	100,000	0	0	0	0	0	0	0	0	
	Taylor Dam	50,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Drainage	Other Rivers in WV	130,000	130,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
	Pump Station Capital - Blenheim	40,000	0	0	0	0	0	0	0	0	
	Pump Station Capital - Rural	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
	Rural Zone A	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
	Drainage Works (Capital)										
	<b>Total Rivers &amp; Drainage</b>	<b>745,000</b>	<b>512,000</b>	<b>380,000</b>	<b>400,000</b>	<b>400,000</b>	<b>570,000</b>	<b>570,000</b>	<b>570,000</b>	<b>570,000</b>	
		<b>Funded by User Charges and Reserves</b>									
Property	Housing	141,500	140,000	140,700	136,200	122,500	126,000	126,500	129,000	137,200	
	Buildings & Improvements										
		<b>Funded by Rates</b>									
Elections	Computer Equipment	0	3,600	0	0	3,600	0	0	3,600	0	

<i>Capital Expenditure</i>			2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Funded by Reserves</b>												
<b>Office Services</b>												
OffServManagement	Office Equipment		80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
	Buildings/Other Imps		370,000	423,500	80,000	126,000	16,500	64,000	37,000	52,000	140,000	0
Admin Fleet	Capital Purchases		0	36,000	0	36,000	0	36,000	0	36,000	0	36,000
<b>Funded by Reserves</b>												
<b>Information Services</b>												
ISManagement	Computerequipment		405,800	369,000	347,000	432,000	397,000	1,459,000	432,000	357,000	397,000	432,000
<b>Funded by Rates</b>												
<b>Civil Defence</b>	Office Equipment	4000	4,000	4,000	4,000	4,400	4,000	4,000	4,400	4,000	4,000	
	Computer Equipment	0	0	600	3,800	0	0	4,400	0	0	3,800	0
	Radio Telephones	3,500	5,500	3,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
	Sundry Plant	1,000	2,000	1,000	1,000	2,000	1,000	1,000	1,000	2,000	1,000	2,000
			<b>8,500</b>	<b>12,100</b>	<b>12,300</b>	<b>9,000</b>	<b>10,400</b>	<b>13,400</b>	<b>9,000</b>	<b>10,400</b>	<b>12,800</b>	<b>10,000</b>
<b>Funded by Rates and Reserves</b>												
District Library	Purchases & hardware		222,200	234,700	250,200	258,700	285,700	305,700	217,200	243,700	274,200	291,700
<b>Funded by Rates</b>												
Biosecurity Management	Capital Purchases		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Funded by Rates and User Charges</b>												
Building Control												
Revenue	Capital Purchases		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Funded by Rates and User Charges</b>												
Consents	Res Mgmt Control	Capital Purchases	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
	Health Liquor	Capital Purchases	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
			<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Funded by Rates</b>												
Environ Unit												
Hydrology	Telemetry		46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
	General-Monitoring equipment		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
			<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>	<b>49,000</b>
<b>Funded by Rates and User Charges</b>												
Harbours	NavAids	Capital Purchases	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
	Harbour Vessel		210,000	60,000								
	Swimming	Capital Purchases	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
			<b>235,000</b>	<b>85,000</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>Funded by Rates</b>												
Fire Protection	Pumpsetc		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total Capital Expenditure</b>			<b>35,389,150</b>	<b>14,733,462</b>	<b>13,278,935</b>	<b>10,265,502</b>	<b>13,061,750</b>	<b>11,038,033</b>	<b>10,147,861</b>	<b>8,472,629</b>	<b>8,882,794</b>	<b>8,597,037</b>

#### 4. Overhead Accounts

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

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

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Special Purpose Reserve</b>										
Opening Balance	22,613	22,923	28,665	34,986	42,826	51,349	58,879	69,008	78,484	89,076
Transfer from/(to) Accumulated Fund 310	5,742	6,321	7,840	8,523	7,530	10,129	9,476	10,592	11,389	
<b>Closing Balance</b>	<b>22,923</b>	<b>28,665</b>	<b>34,986</b>	<b>42,826</b>	<b>51,349</b>	<b>58,879</b>	<b>69,008</b>	<b>78,484</b>	<b>89,076</b>	<b>100,465</b>
<b>Revaluation Reserves</b>										
Opening Balance	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620	117,620
Transfer from/(to) Accumulated Fund										
<b>Closing Balance</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>	<b>117,620</b>
<b>Total Reserves and Bequests</b>										
Opening Balance	140,233	140,543	146,285	152,606	160,446	168,969	176,499	186,628	196,104	206,696
Transfer from/(to) Accumulated Fund	310	5,742	6,321	7,840	8,523	7,530	10,129	9,476	10,592	11,389
<b>Closing Balance</b>	<b>140,543</b>	<b>146,285</b>	<b>152,606</b>	<b>160,446</b>	<b>168,969</b>	<b>176,499</b>	<b>186,628</b>	<b>196,104</b>	<b>206,696</b>	<b>218,085</b>

## 6. 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 loan 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.

### Borrowings

	2003/04 Budgets \$000	2004/05 Budgets \$000	2005/06 Budgets \$000	2006/07 Budgets \$000	2007/08 Budgets \$000	2008/09 Budgets \$000	2009/10 Budgets \$000	2010/11 Budgets \$000	2011/12 Budgets \$000	2012/13 Budgets \$000
Cemeteries	0	0	25	10	65	0	0	0	0	0
Public Conveniences	80	0	0	0	0	0	0	0	0	0
Community Security	140	0	0	0	0	0	0	0	0	0
Waste Management	0	0	0	0	0	0	0	0	0	0
Parking - Picton	0	0	0	0	0	0	0	0	0	0
Roading - Undergrounding	0	0	0	0	0	0	0	0	0	0
Roads: Blenheim CBD Works	70	0	0	0	0	0	0	0	0	0
Picton Stormwater	26	0	0	0	0	0	0	0	0	0
Blenheim Sewerage	3,896	0	0	0	0	0	0	0	0	0
Picton Sewerage	498	0	0	0	0	0	0	0	0	0
Havelock Sewerage	20	0	0	0	0	0	0	0	0	0
Renwick Sewerage	221	0	0	0	0	0	0	0	0	0
Seddon Sewerage	0	0	0	0	0	0	0	0	0	0
Spring Creek Sewerage	0	0	0	0	0	0	0	0	0	0
Blenheim Water	434	1,577	0	0	0	0	0	0	0	0
Havelock Water	0	0	0	0	0	0	0	0	0	0
Picton Water	0	0	0	0	0	0	0	0	0	0
Renwick Water	0	0	0	0	0	0	0	0	0	0
Awatere Water	0	0	0	0	0	0	0	0	0	0
Riverlands Water	930	0	0	0	0	0	0	0	0	0
Wairau Valley Water	0	0	0	0	0	0	0	0	0	0
Southern Valleys Water	15,620	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>21,935</b>	<b>1,577</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 7. Bank Account/Reserves

The Bank account is budgeted to increase from \$8 million in 2003/04 to \$31 million in 2012/13. 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.

## 8. Net Surplus after Taxation of Marlborough District Council

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

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Capital Expenditure	35,389	14,733	13,279	10,266	13,062	11,038	10,148	8,473	8,883	8,599
Loan Repayments	4,225	2,420	3,268	7,120	4,743	7,347	8,710	12,291	11,877	12,632
	<b>39,614</b>	<b>17,153</b>	<b>16,547</b>	<b>17,386</b>	<b>17,805</b>	<b>18,385</b>	<b>18,858</b>	<b>20,764</b>	<b>20,760</b>	<b>21,231</b>
Surplus	9,082	10,290	11,167	11,682	12,223	12,863	13,400	14,088	14,473	14,078
New Loans	21,935	1,577								
Net Movement in Reserves	8,384	5,050	5,124	5,481	5,364	5,295	5,232	6,453	6,053	6,937
Asset Sales	213	236	256	223	218	227	226	223	234	216
	<b>39,614</b>	<b>17,153</b>	<b>16,547</b>	<b>17,386</b>	<b>17,805</b>	<b>18,385</b>	<b>18,858</b>	<b>20,764</b>	<b>20,760</b>	<b>21,231</b>

# 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 includes new activities for Renwick Sewerage and the Southern Valleys Irrigation Scheme.

### **Legislative Framework**

Local government is bound by legislation. Significant changes result from the recent introduction of the Local Government Act 2002 and the Local Government (Rating) Act 2002. Most of the provisions of these Acts take effect from 1 July 2003.

This plan has been prepared on the basis of the provisions in the new legislation which apply to the transitional 2003-4 year.

Future changes in legislation or central government policy could significantly impact on local government and the communities it serves. Currently, there are reviews being undertaken by central government that could affect the requirements on Council with regard to water quality standards, and with regard to its obligations under the Resource Management Act. Whatever outcomes these reviews may have, 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 (Animal Health Board Contributions) received by Council for carrying out Bovine Tb control will continue unchanged. The level of Transfund subsidy for roading functions has been reduced from 48% to 47% in the 2004/05 financial year.

### **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

### **Depreciation**

Council provides for the future replacement of its assets by providing for depreciation for its fixed assets. 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 depreciation 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 depreciation cost for this scheme within the plan and has consulted with the community to ensure that there is agreement with this approach.

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. Council has undertaken consultation to ensure that this community is in agreement with the approach.

The proposed Southern Valleys Irrigation Scheme will provide for the future replacement of the Scheme through a metered charge. This will be the responsibility of the management entity established.

### **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 and continuing under the new Local Government Act. 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 or any other 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).

The 2003/2004 Annual Plan has been published incorporating the requirements of the Local Government Act 2002 and those provisions of the Local Government Act 1974 which continue in force for the transitional year.

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

This plan was adopted on 24 May 2001 pursuant to Section 122K of the Local Government Act 1974 and covers the period 1 July 2001 – 30 June 2011. Accordingly, Section 223D(3)(a) of the Local Government Act 1974 requires Council to publish an outline of the adopted Long Term Financial Strategy within the Annual Plan.

### **Annual Plan 2003/2004**

This document is intended to constitute compliance with all aspects of Section 281 of the Local Government Act 2002.

## Legal Requirements

### **Legislation**

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

- Local Government Act 2002
- 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
- Local Government (Rating) Act 2002

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.

### **Financial and Development Contributions**

Section 106 of the Local Government Act 2002 requires Council to adopt a policy on development and financial contributions. Council currently levies these contributions under the Resource Management Act and intends to continue doing so until a review of the relevant sections of the Local Government Act 2002 is able to be carried out. Council intend to conduct a review during the 2003/04 financial year.

## Equal Employment Opportunities Policy

The Council's Equal Employment Opportunities Policy is designed to achieve equal opportunity in the Council workplace. The policy involves the identification and elimination of institutional barriers that cause or perpetuate inequality. The following is a summary of the Council's policy:

*For any given position, the best available person for the job will be appointed regardless of their gender, race, religion, disability or any other factor irrelevant to performance in the position.*

The Policy is implemented by way of a programme focused on three objectives:

1. Increasing knowledge and awareness of the principles of equal employment, by ensuring that all staff are advised and understand their rights and responsibilities.
2. Achieving workplace equality in recruitment and performance management, by ensuring systems and processes support the principles of equal employment.
3. Continual improvement, by monitoring and reviewing organisational performance.

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 recruitment processes have had training that incorporates an awareness of equal employment opportunities.

# RATE MOVEMENTS 2003 - 2013

## 2003-2004

Total Rates and Charges are estimated at \$31,701,967 (GST exclusive). This represents an increase of \$3,753,270 of which \$1,721,324 relates to the Southern Valleys' Irrigation Scheme, and \$346,553 relates to the new Renwick Sewerage Scheme and a number of Picton ratepayers changing from Sewerage Loan Rates to payment by Lump Sum. The remaining \$1,685,393 represents a 6.05% increase on last year's levy and relates to the following:

Democratic Process	<b>\$192,239</b>	Implementation costs for the new Local Government Act (\$100,000), increase in elected members' remuneration (\$64,739) and reimbursement costs for advisory groups (\$27,500)
Reserves	<b>\$131,445</b>	Additional funding for maintenance of new reserves.
Blenheim Aquatic Centre	<b>\$50,000</b>	50% of increased power costs
Grants	<b>\$36,000</b>	Youth Trust \$5,000, Edwin Fox \$10,000 and Marlborough Historical Society \$21,000
Halls	<b>\$6,107</b>	Additional funding for upgrades
Public Conveniences	<b>\$31,240</b>	Replacement of RSA public conveniences plus funding for new facilities provided in 2002-03.
Emergency Management	<b>\$46,443</b>	Additional funding for emergency management issues in relation to planning and management procedures for rural fires and disaster events.
Roads, Streets and Bridges	<b>\$545,537</b>	Reduction in Transfund Subsidy, increase in seal widening programme and increased power costs for street lighting.
Crime Prevention Camera Network	<b>\$86,540</b>	Depreciation, debt servicing and maintenance costs for Blenheim CBD camera network.
Rivers and Land Drainage	<b>(\$208,114)</b>	Reduced costs for river control works.
Blenheim Sewerage	<b>\$333,319</b>	Additional loan repayments to meet debt servicing costs on capital expenditure for pipeline, pump stations and associated works.
Picton Sewerage	<b>\$68,162</b>	Increased costs for insurance, power, mains maintenance and infiltration programme.
Picton Water	<b>\$85,305</b>	Increased costs for insurance, power and mains maintenance.
Renwick Water	<b>\$21,850</b>	Increased costs for insurance, power, water treatment and other operating costs.
Waste Management	<b>\$48,000</b>	Additional funding for hazardous waste, green waste and disposal of car bodies.
Harbour Control	<b>\$37,343</b>	Increased insurance costs, as well as monitoring costs associated with navigation aids.
Regulatory	<b>\$181,840</b>	Increased funding to meet regulatory demands.
Bio-security	<b>\$43,000</b>	Additional funding as a result of the Bovine Tb programme and regional pest control.
Spartina Grass	<b>\$50,000</b>	50% of joint control initiative with Department of Conservation for the Havelock estuary.

## 2004-2005 (no provision for inflation)

Total rates and charges are estimated at \$32,404,758 (GST exclusive), which is \$702,791 (2.22%) "more" than that estimated for 2003/04. The increase is principally attributable to the following movements:

• Renwick Sewerage Debt Servicing (increase)	\$24,324
• Blenheim Sewerage (increase)	\$232,794
• Havelock Sewerage (increase)	\$6,119
• Picton Sewerage (decrease)	(\$1,123)
• Spring Creek Sewerage (increase)	\$14,102
• Awatere Water (increase)	\$32,250
• Blenheim Water (increase)	\$233,874
• Havelock Water (increase)	\$9,664
• Picton Water (increase)	\$53,376
• Renwick Water (increase)	\$4,415
• Riverlands Water (increase)	\$119,140
• Wairau Valley Water (increase)	\$12,723
• Wairau River Control Works (decrease)	(\$108,028)
• General-type rates and charges (increase)	\$69,560

## 2005-2006 (no provision for inflation)

Total rates and charges are estimated at \$32,939,686 (GST exclusive), which is \$534,928 (1.65%) "more" than that estimated for 2004/05. The increase is principally attributable to the following movements:

• Renwick Sewerage Debt Servicing (increase)	\$24,324
• Blenheim Sewerage (increase)	\$9,887
• Havelock Sewerage (increase)	\$5,650
• Picton Sewerage (increase)	\$944
• Picton Sewerage Treatment Lump Sum Rate (decrease)	(\$160,755)
• Seddon Sewerage (increase)	\$3,075
• Spring Creek Sewerage (increase)	\$9,566
• Awatere Water (increase)	\$95,591
• Blenheim Water (increase)	\$215,198
• Havelock Water (increase)	\$14,362
• Picton Water (increase)	\$30,133
• Renwick Water (increase)	\$73,678
• Riverlands Water (increase)	\$20,125
• Wairau Valley Water (increase)	\$5,322
• Wairau River Control Works (decrease)	(\$132,471)
• General-type rates and charges (increase)	\$320,299

## 2006-2013 (no provision for inflation)

The following rates and charges are estimated:

• 2006-2007	\$32,755,331
• 2007-2008	\$33,196,977
• 2008-2009	\$33,386,562
• 2009-2010	\$33,865,480
• 2010-2011	\$34,283,245
• 2011-2012	\$34,441,574
• 2012-2013	\$34,458,874

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

	Land Value	Capital Value	02/03 ACTUAL	02/03 REVAL EQUIV	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	12/13 BUDGET
Blenheim Residential	58,000	154,000	1,361	1,315	1,413	1,454	1,490	1,498	1,539	1,542	1,556	1,578	1,577	1,575
Blenheim Residential	51,000	140,000	1,344	1,289	1,386	1,419	1,449	1,457	1,495	1,501	1,514	1,536	1,533	1,534
Blenheim Residential	65,000	225,000	1,466	1,411	1,520	1,567	1,605	1,612	1,659	1,663	1,676	1,700	1,700	1,698
Blenheim Vacant Section	54,000	54,000	1,107	1,069	1,149	1,192	1,223	1,225	1,263	1,261	1,273	1,289	1,291	1,290
Blenheim Commercial	54,000	220,000	2,500	2,452	2,640	2,676	2,716	2,703	2,734	2,750	2,810	2,820	2,837	2,804
Blenheim Commercial	132,000	265,000	4,817	4,750	5,127	5,239	5,348	5,287	5,356	5,370	5,503	5,503	5,562	5,473
Picton Residential Note 1	42,500	158,000	1,561	1,464	1,555	1,572	1,600	1,606	1,614	1,640	1,689	1,716	1,724	1,746
Picton Residential Note 2	69,000	156,000	1,755	1,814	2,246	2,270	1,856	1,856	1,863	1,903	1,959	1,985	1,998	2,032
Picton Vacant Section Note 1	44,000	44,000	1,151	1,189	1,244	1,257	1,278	1,275	1,280	1,301	1,338	1,349	1,357	1,380
Picton Commercial Note 1	106,000	164,000	3,149	3,172	3,369	3,398	3,450	3,435	3,443	3,498	3,571	3,602	3,626	3,676
Picton Motels (12 units) Note 3	110,000	495,000	3,603	3,632	3,968	4,024	4,099	4,107	4,114	4,172	4,248	4,279	4,310	4,404
Blenheim Vicinity	780,000	1,250,000	3,073	4,139	3,946	3,900	3,895	3,856	3,857	3,931	3,973	4,017	4,062	4,094
Blenheim Vicinity	375,000	390,000	2,037	1,980	1,944	1,928	1,931	1,913	1,915	1,941	1,963	1,986	2,008	2,021
Blenheim Vicinity	10,290,000	10,820,000	30,738	43,232	42,254	41,890	42,092	41,449	41,445	42,132	42,612	43,178	43,749	44,072
Blenheim Vicinity	2,440,000	4,160,000	9,087	12,560	11,829	11,680	11,652	11,519	11,517	11,774	11,893	12,028	12,165	12,271
Blenheim Vicinity	2,100,000	4,040,000	8,220	11,433	10,663	10,518	10,470	10,363	10,360	10,608	10,712	10,828	10,946	11,045
Renwick Residential Note 4	46,000	156,000	860	774	1,542	1,769	1,870	1,247	1,281	1,295	1,302	1,308	1,312	1,311
Renwick Residential Note 5	46,000	102,000	818	737	887	1,191	1,371	1,438	1,473	1,483	1,490	1,496	1,500	1,499
Spring Creek Residential	36,000	130,000	918	859	913	999	1,058	1,017	1,111	1,032	1,044	1,039	1,038	911
Rarangi Residential	96,000	186,000	619	676	710	708	713	711	713	712	721	729	736	738
Picton Vicinity	590,000	695,000	3,533	3,529	3,712	3,703	3,782	3,700	3,699	3,717	3,775	3,811	3,867	3,855
Ngakuta Bay-bach	54,000	215,000	595	560	594	595	624	614	618	613	624	631	635	634
General Rural - no water	800,000	1,070,000	3,789	3,166	3,453	3,440	3,503	3,427	3,431	3,426	3,472	3,524	3,574	3,546
General Rural - Awatere Water	1,320,000	1,500,000	3,686	6,515	7,200	7,411	8,209	8,505	8,511	8,511	8,763	8,951	9,043	9,004
Havelock Residential	53,000	154,000	1,064	1,032	1,104	1,156	1,226	1,307	1,336	1,337	1,342	1,348	1,374	1,386
Seddon Residential	10,000	82,000	691	671	723	739	816	856	862	847	869	886	880	881
Admin Rural - farm	3,560,000	4,000,000	2,491	7,867	8,290	8,261	8,282	8,277	8,252	8,252	8,298	8,435	8,481	8,398
Admin Rural - bach	83,000	188,000	377	359	384	382	380	383	387	382	389	399	396	395
Admin Rural - bach	77,000	198,000	371	346	370	369	366	370	373	369	375	385	382	382

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

\*2 This property has opted to make Sewer Treatment Lump Sum payments over two years.

\*3 This property made its Lump Sum contribution to the Sewer Treatment Plant in 1999-00.

\*4 This property has opted to make lump sum payments to the new sewerage scheme over three years.

\*5 This property has opted to make loan repayments over a 20 year term, in lieu of lump sum payments.

02/03 Reval Equiv. is what would have been levied in 2002/03 if the new valuations were used, (instead of the old valuations).

# FUNDING IMPACT STATEMENT

## Terminology:

Unless otherwise specified –

- the terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be. It is recommended that this section is read in conjunction with the Revenue and Financing Policy contained in this Plan.
- In the context of a rate, the term Charge refers to a Rate calculated as a fixed amount.

## GENERAL TYPE RATES AND CHARGES

Although general-type rates and charges have increased overall by 8.00% (\$1,442,739 GST exclusive), 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, and also the result of the District-wide revaluation which takes effect from 1 July 2003.

**It is important for ratepayers to appreciate that a District-wide revaluation does not increase Council's rate revenue, but it does redistribute the rate levy between ratepayers.**

**The only factors responsible for an individual's rate increases are:**

- **If property values move “more than the average for a particular rating area”; or “more than the average for a separate rating area such as a water supply area”; or**
- **If a policy change alters the method of setting rates; or**
- **If Council increases its rating requirement.**

A detailed report on the 2002 revaluation was provided to the Finance and Administration Committee on 28 November 2002 and it was noted therein that the 29 Benchmark Properties had value movements between 0% and 359.35% for land values, and between (-) 11.83% and (+) 244.83% for capital values.

With the exception of valuation movements affecting the District-wide rate (which favour Blenheim, Picton, Picton Vicinity and Admin Rural), all other valuation movements only redistribute the rating incidence “within particular rating areas”. These latter valuation movement variances are very significant in some instances.

### **District-wide General Rate (\$4,107,233 GST inclusive)**

This rate is based on the land value of rating units, differentially classified on the basis of land use, in one or more of the following categories of rateable land.

- Predominantly residential or rural
- Predominantly commercial or industrial
- Rating units with a homestay/farmstay type land use occurring on a predominantly residential/rural rating

unit where a Building Act consent and/or Resource consent is required.

The purpose of the differentials is to recognise the provision or availability of services to the three classes of rating units.

The District Wide General Rate funds the “District Wide Component” of the net cost of operations, capital expenditure and debt servicing charges of various activities, after making provision for targeted rates, general revenue, general charges and utilisation of various reserves.

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

*There is an overall 7.08% increase in this rate, which produces an additional \$241,347 (GST exclusive). This increase is principally attributable to increased expenditure for regulatory activities, public conveniences and harbour control.*

### **Uniform Annual General Charge [District-wide] (\$2,706,719 GST inclusive)**

The District Wide Uniform Annual General Charge ensures that rating units, including separately used or inhabited parts, contribute on a uniform basis to fully fund the cost of democracy (including the costs of elected members, public consultation and policy advice); 60 percent of environmental health; and 18 percent of recreation promotions.

*The uniform charge will increase from \$118 to \$129 to meet additional public consultation and Councillor costs. The increase will produce an additional \$232,360 (GST exclusive) – 10.69% increase.*

## TARGETED RATES

### **Geographic Area General Works and Services Rates (\$10,852,838 GST inclusive)**

General Works and Services Rates are set differentially for six geographic areas, depending on where the land is situated.

Within each geographic area, the rating units are further differentiated into categories of rateable land in accordance with the use to which the land is put; the basis being the same as that used to define land use categories for the District Wide General Rate.

These rates fund the “Geographic Area Component” of the net cost of operations, capital expenditure and debt servicing charges, after making provision for targeted rates, general revenue, general charges and utilisation of various reserves.

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

*There is an overall 10.29% increase in the geographic area rates amounting to \$899,793 (GST exclusive) which*

primarily results from Roads, Streets and Bridges; Stormwater; Emergency Management, Consents and Compliance, Spartina Grass Control, Crime Protection Camera Network and Bio-security funding movements.

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

• Blenheim	\$5,065,596
• Blenheim Vicinity	\$1,959,750
• Picton	\$1,189,565
• Picton Vicinity	\$223,206
• General Rural	\$2,287,103
• Administrative Rural	\$127,618

### **Geographic Area Works and Services Uniform Annual Charges (\$4,241,706 GST inclusive)**

A Geographic Area Works and Services rate on the basis of a fixed amount per separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective area's share of parks and reserves, libraries, waste management, swimming pools, 82% of recreation promotions, civil defence, social and community development, and 40% of environmental health.

These charges are set differentially for six geographic areas, depending on where the land is situated; on the same basis as for the Geographic Area General Works and Services Rates. There is also a differential charge for utilities.

*There is an overall 1.87% increase in geographic area charges which amounts to \$69,239 (GST exclusive).*

Total Revenue sought from General Works and Services Charges in each geographic area [including Utilities] are as follows:

• Blenheim	\$2,281,586
• Blenheim Vicinity	\$692,078
• Picton	\$627,080
• Picton Vicinity	\$68,415
• General Rural	\$491,920
• Administrative Rural	\$80,627

## **DEBT SERVICING RATES AND CHARGES**

### **Blenheim Consolidated Loan Rate (\$219,971 GST inclusive)**

The Blenheim Consolidated Loan Rate funds debt servicing costs for the District Administration Building, Parking Areas and Public Conveniences relating to the former Blenheim Borough Council. It is calculated on a land value basis on all rating units in the Blenheim Ward.

*The 31.63% (\$90,466 GST exclusive) decrease in this rate for 2003-04 is mainly the result of reductions in Roading loan repayments. On a rating unit with a land value of \$58,000 (and a previous land value of \$55,500), the rate will "decrease" from \$36.94 to \$25.21 (\$11.73 decrease).*

### **Picton Consolidated Loan Rate (\$30,990 GST inclusive)**

The Picton Consolidated Loan Rate is calculated on the land value of all rating units in the Picton Ward and funds debt servicing costs for minor loans relating to the former Picton Borough Council.

*Although there is only a minimal change in Council's rating requirement, the recent revaluation will redistribute the previous levy.*

### **Picton Sewage Treatment Loan Rate (\$70,592 GST inclusive)**

The Picton Sewage Treatment Loan Rate is calculated on the land value of all rating units in the Picton Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.

It funds debt servicing costs.

*A reduction has occurred as a result of withdrawing the accumulated sinking funds and loan repayment reserve and then refinancing the initial loan. On a rating unit with a land value of \$69,000 (and a previous land value of \$55,000), the rate will "decrease" from \$150.72 to \$113.22 (\$37.50 decrease).*

### **Picton Sewage Treatment Lump Sum Rate (\$180,849 GST inclusive)**

The Picton Sewage Treatment Lump Sum Rate is calculated on the land value of all rating units in the Picton Sewerage Special Rating Area in respect of which the lump sum option was chosen. (It will be levied for a two year period commencing 1 July 2003).

### **Renwick Sewerage Loan Rate (\$27,365 GST inclusive)**

The Renwick Sewerage Loan Rate is calculated on the land value of all rating units in the Renwick Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.

It funds debt servicing costs.

### **Renwick Sewerage Lump Sum Rate (\$285,188 GST inclusive)**

The Renwick Sewerage Lump Sum Rate is calculated on the land value of all rating units in the Renwick Sewerage Special Rating Area in respect of which the lump sum option was chosen. (It will be levied for a three year period commencing 1 July 2003).

### **Miscellaneous Loan Rates/Charges (\$1,954 GST inclusive)**

These rates and charges are to be applied to debt servicing costs on sewerage and water loans in separate rating areas where lump sum payments were not made.

- Havelock Sewerage Loan Rate \$619

[Calculated on the basis of the land value of all rating units in the Havelock Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen]

- Spring Creek Sewerage Loan Rate \$433  
[Calculated on the basis of the land value of all rating units in the Spring Creek Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen]
- Wairau Valley Water Loan Charge \$902

[This charge is calculated as a fixed amount on every rating unit in the Wairau Valley Water Rating Area in respect of which no contribution to the lump sum scheme was chosen].

*No increases have occurred.*

#### **Southern Valleys' Irrigation Loan Rate (\$1,936,490 GST inclusive)**

This new rate will be set and assessed, on the basis of a fixed amount per hectare, on all irrigable land in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure.

Land owners in the rating area were consulted individually by way of letter outlining the proposal. In addition, landowners adjacent to the rating area were provided with an opportunity to be involved with the scheme on a contractual basis, on terms and conditions to be confirmed.

*Based on a scheme cost of \$15,620,000 and 4,400 irrigable hectares, the loan rate per hectare will be \$440.11 (GST inclusive)*

## **ROADING RATES AND CHARGES**

#### **Archers Road Rate (\$23,583 GST inclusive)**

This charge is calculated on each separately used or inhabited part of every rating unit in the separate Archers Road Rating Area, to be applied towards seal extension works on Archers Road.

*Funding for this seal extension will continue until 30.06.08, with additional sealing works being staged in accordance with revenue flows.*

*No increase in the charge - current charge \$268.00 on each separately used or inhabited part of every rating unit.*

#### **French Pass Road Rate (\$26,093 GST inclusive)**

This charge is calculated on each separately used or inhabited part of a rating unit in the French Pass Rating Area, to be applied towards the cost of sealing between Matapehe Hill and French Pass.

*The charge remains at \$97.00 on each separately used or inhabited part of every rating unit and will continue until 30.06.15.*

#### **Kenepuru Road Rate (\$35,894 GST inclusive)**

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding, to be applied towards roading improvements in that area.

*Although there is no change in Council's rating requirement, the recent revaluation will redistribute the previous levy between ratepayers.*

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

This charge funds expenditure incurred on replacing the former Okiwa Bay jetty and is calculated on each separately used or inhabited part of every rating unit in the Okiwa Bay Jetty Rating Area in respect of which no contribution to the lump sum scheme was chosen. The \$20.00 charge will be discontinued after 2010-11.

*No increase has occurred.*

#### **Tyntesfield Road Rate (\$7,425 GST inclusive)**

This charge is calculated on each separately used or inhabited part of a rating unit in the Tyntesfield Road Rating Area, to be applied towards the cost of upgrading and sealing Tyntesfield Road.

*The uniform charge of \$371.25 on each separately used or inhabited part of every rating unit will continue until 30.06.06.*

## **WAIRAU VALLEY RIVER WORKS**

#### **Wairau Valley River Works Rates (\$3,011,792 GST inclusive)**

This differential rate covers the costs of river planning, control and flood protection in the Wairau Valley Rivers Rating Area and is calculated on a Capital Value basis on all rating units in the Wairau Catchment. The differentials reflect the benefits derived by each group.

*There is a 7.21% decrease in the overall rate requirement (\$208,114 GST exclusive) as a result of the 10 year programme being completed.*

The recent District-wide revaluation of properties resulted in significant capital value movements in the three areas that comprise the Wairau Valley Rivers Rating Area.

If the existing funding basis was maintained, the revaluation movements would cause a significant shift in rating incidence from the Blenheim Urban and Other Urban Areas, to the Blenheim Vicinity Area.

Council considers that the revaluation movements do not reflect an equivalent change in benefits, and it proposes to alter the existing funding policy to provide firstly that the percentage of the total funding requirement from each area is fixed at the 2002-03 levels; and then to apply the previously established benefit weightings within each area.

The funding requirements from each area will therefore remain as follows:

Blenheim Vicinity	47.57%
Blenheim Urban	47.84%
Other Urban	4.59%

It should be noted that the derived rates in the dollar will not reflect the previous allocations because the Blenheim Vicinity's capital value has moved so much (57.11%), [in comparison to Blenheim Urban (3.20%), and Other Urban (6.50%)].

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

Rural A Rating Units	0.115471	(\$11.55)
Rural B Rating Units	0.098151	(\$9.82)
Rural C Rating Units	0.069282	(\$6.93)
Rural D Rating Units	0.017321	(\$1.73)
Blenheim Urban 1 Rating Units	0.117080	(\$11.71)
Blenheim Urban 2 Rating Units	0.082645	(\$8.26)
Blenheim Urban 3 Rating Units	0.055097	(\$5.51)
Blenheim Urban 4 Rating Units	0.041323	(\$4.13)
Other Urban 1 Rating Units in Wairau Catchment	0.118923	(\$11.89)
Other Urban 2 Rating Units in Wairau Catchment	0.076451	(\$7.65)

## SEWERAGE RATES AND CHARGES

### **Blenheim/Riverlands Sewerage (Total \$2,300,368 GST inclusive)**

*An overall increase of \$374,984 (GST inclusive) will occur.*

#### **Blenheim Sewerage Capital Works Rate (\$983,678 GST inclusive)**

This rate is assessed on the land value of all rating units in the Blenheim/Riverlands Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs.

*There is a 25.14% (\$175,652 GST exclusive) increase in this rate to meet debt servicing costs on new loans raised for pipelines, pump stations and associated works.*

*On a rating unit with a land value of \$58,000 (and a previous land value of \$55,500), the rate will increase from \$84.29 to \$105.13 (\$20.84 increase).*

#### **Blenheim Sewerage Charges (\$1,316,690 GST inclusive)**

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Blenheim/Riverlands Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit.

*The charges fund the balance of expenditure and will increase from \$114 to \$134 on each separately used or inhabited part of every serviced rating unit and from \$57.00 to \$67.00 on each separately used or inhabited part of every serviceable rating unit. This 15.57% increase (\$157,666 GST exclusive) is for increased operating costs. Parts of rating*

*units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be levied an additional trade waste charge.*

### **Havelock Sewerage (Total \$91,004 GST inclusive)**

*An overall increase of \$7,258 (GST inclusive) will occur.*

#### **Havelock Sewerage Capital Works Rate (\$19,310 GST inclusive)**

This rate is calculated on the basis of the land value of all rating units in the Havelock Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs.

*There is a 4.65% increase in the rate to meet debt servicing costs (\$762 GST exclusive).*

*On a rating unit with a land value of \$53,000 (and a previous land value of \$39,500) the rate will increase from \$52.95 to \$54.44 (\$1.49 increase).*

#### **Havelock Sewerage Charges (\$71,694 GST inclusive)**

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Havelock Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit.

*This funds the balance of expenditure and will increase from \$237 to \$266 for each separately used or inhabited part of every serviced rating unit and from \$118.50 to \$133.00 for each separately used or inhabited part of every serviceable rating unit.*

*The 9.80% (\$5,690 GST exclusive) increase is principally for power and insurance.*

### **Picton Sewerage (Total \$641,647 GST inclusive)**

*An overall increase of \$76,682 (GST inclusive) will occur.*

#### **Picton Sewerage Capital Works Rate (\$22,819 GST inclusive)**

This rate is assessed on the basis of the land value of all rating units in the Picton Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs.

*Although there is no increase in the funding requirement for this rate, the recent revaluation will redistribute the previous levy between ratepayers.*

*On a rating unit with a land value of \$69,000 (and a previous land value of \$55,000) the rate will increase from \$10.87 to \$12.11 (\$1.24 increase).*

#### **Picton Sewerage Charges (\$618,828 GST inclusive)**

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Picton Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit.

*This funds the balance of expenditure and will increase from \$235 to \$274 per serviced rating unit and from \$117.50 to \$137 per serviceable rating unit. The 13.57% (\$68,162 GST exclusive) increase principally relates to cost increases for insurance, power, mains maintenance and the infiltration programme. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than an average domestic rating unit, will be levied an additional trade waste charge.*

**Seddon Sewerage  
(Total \$59,990 GST inclusive)**

*An overall increase of \$3,218 (GST inclusive) will occur.*

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

This rate is assessed on the basis of the land value of all rating units in the Seddon Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs.

Although there is minimal change in the rate requirement, the recent revaluation will redistribute the previous levy.

*On a rating unit with a land value of \$10,000 (unchanged with the recent revaluation) the rate will increase from \$56.26 to \$57.06 (\$0.80 increase).*

**Seddon Sewerage Charges (\$45,726 GST inclusive)**

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Seddon Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit.

*This funds the balance of expenditure and will increase from \$197 to \$211 for each separately used or inhabited part of every serviced rating unit and from \$98.50 to \$105.50 for each serviceable part of a rating unit. The 7.21% increase (\$2,733 GST exclusive) relates to increased operating costs.*

**Spring Creek Sewerage  
(Total \$44,891 GST inclusive)**

*An overall increase of \$327 (GST inclusive) will occur.*

**Spring Creek Capital Works Rate (\$4,192 GST inclusive)**

This rate is assessed on the basis of the land value of all rating units in the Spring Creek Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs.

*Although there is no increase in the funding requirement, the recent revaluation will redistribute the previous levy.*

*On a rating unit with a land value of \$36,000 (and a previous land value of \$30,000) the rate will increase from \$23.29 to \$23.76 (\$0.47 increase).*

**Spring Creek Sewerage Charges (\$40,699 GST inclusive)**

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Spring Creek Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit.

*This funds the balance of expenditure and will increase from \$263 to \$270 per serviced part of a rating unit and from \$131.50 to \$135.00 per serviceable part of a rating unit. The 0.81% increase (\$291 GST exclusive) relates to increased operating costs.*

## STORMWATER CHARGE

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

This charge funds the cost of a stormwater and stream protection scheme on each separately used or inhabited part of every rating unit in the Okiwi Bay Stormwater Rating Area.

*No increase in the charge – current charge \$100.00 per separately used or inhabited part of every rating unit.*

## WATER SUPPLY RATES AND CHARGES

**Awatere Water Supply  
(Total \$269,524 GST inclusive)**

The following charges fund operations, capital expenditure and debt servicing.

**Awatere Water Charge (\$15,000 GST inclusive)**

This rate is calculated as a fixed amount per meter.

**Awatere Water Metered Charge (\$254,524 GST inclusive)**

Metered water will increase from \$0.45 to \$0.52 per cubic metre.

*Although the maintenance/reading charge of \$25.00 per meter will remain unchanged, the metered charge will need to increase to meet increased operating costs and to compensate for consumption being less than previously budgeted. (Consumption has now been estimated at 490,000 m<sup>3</sup> compared to 537,930 m<sup>3</sup>) – overall rates increase of 4.85% (\$11,072 GST exclusive).*

**Blenheim Water Supply  
(Total \$2,303,610 GST inclusive)**

An overall rates increase of \$30,263 (GST inclusive) will occur.

**Blenheim Water Capital Works Rate (\$666,607 GST inclusive)**

This rate is assessed on the land value of all rating units in the Blenheim Water Supply Area and funds Capital Expenditure and Debt Servicing costs.

*On a rating unit with a land value of \$58,000 (and a previous land value of \$55,500) the rate will increase from \$69.08 to \$70.81 (\$1.73 increase). The 3.44% (\$19,695 GST exclusive) increase is for increased debt servicing costs.*



The following charges fund the balance of expenditure other than capital and debt servicing costs.

**Metered and Uniform Charges (\$1,637,002 GST inclusive)**

*The 0.50% increase (\$7,205 GST exclusive) relates to increased operating costs.*

**Blenheim Metered Water Charge (\$224,550 GST inclusive)**

This rate is assessed on the basis of the volume of water supplied to metered rating units (excluding the Burleigh Extension).

*Metered water will increase from \$0.44 to \$0.45 per cubic metre with a minimum quarterly charge of \$36.50.*

**Blenheim Water Charges (\$1,412,452 GST inclusive)**

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

*It will increase from \$144 to \$146 per part of a serviced rating unit and from \$72 to \$73 per part of a serviceable rating unit.*

**Burleigh Extension Metered Water Charge (\$5,400 GST inclusive)**

This rate is assessed on the basis of the volume of water supplied to metered rating units (excluding residential connections) in the Burleigh Extension.

*Metered water will increase from \$0.44 to \$0.45 per cubic metre with a minimum quarterly charge of \$36.50.*

**Havelock Water Supply (Total \$135,549 GST inclusive)**

*An overall rates increase of \$1,971 (GST inclusive) will occur.*

**Havelock Water Capital Works Rate (\$38,930 GST inclusive)**

This targeted rate is calculated on the land value of all rating units in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs.

*Although there is no increased rating requirement, for a rating unit with a land value of \$53,000 (and a previous land value of \$39,500) the rate will decrease from \$109.36 to \$108.60 because of the revaluation impact.*

The following charges fund costs other than capital and debt servicing.

**Metered and Uniform Charges (\$96,619 GST inclusive)**

*The 2.08% increase (\$1,752 GST exclusive) relates to increased operating costs.*

**Havelock Metered Water Charge (\$42,648 GST inclusive)**

Metered water will increase from \$1.20 to \$1.22 per cubic metre with a minimum quarterly charge of \$55.00.

**Havelock Water Charges (\$53,971 GST inclusive)**

This targeted rate is calculated as a fixed amount for each non-metered separately used or inhabited part of every serviced rating unit in the Havelock Water Supply Area; and half that amount for each separately used or inhabited part of every non metered serviceable rating unit.

*This charge funds the balance of expenditure not met from meter charges and will increase from \$211 to \$216 per part of a serviced rating unit and from \$105.50 to \$108.00 per part of a serviceable rating unit.*

**Picton Water Supply (Total \$900,076 GST inclusive)**

*An overall increase of \$95,968 (GST inclusive) will occur.*

**Picton Water Capital Works Rates (\$270,050 GST inclusive)**

These rates are assessed on the land value of all rating units in the Picton Water Supply Area.

They fund Capital Expenditure and Debt Servicing costs and are set differentially for each of the following two areas -

- On Koromiko rating units subject to the special pipeline agreement
- On Other rating units in the balance of the Picton Water Supply Area

*Although there is no increase in the funding requirement, the recent revaluation will redistribute the previous levy between ratepayers.*

The following charges fund the balance of expenditure other than capital and debt servicing costs.

**Metered and Uniform Charges (\$630,026 GST inclusive)**

*The 17.97% increase (\$85,305 GST exclusive) relates to increased costs for insurance, power and mains maintenance.*

**Picton Metered Water Charges (\$139,213 GST inclusive)**

**Ordinary Rate**

A Picton Metered Water Ordinary Rate, for metered rating units, subject to a minimum quarterly charge.

*Water for ordinary metered consumers will increase from \$0.6455 to \$0.7341 per cubic metre with a minimum quarterly charge of \$56.50.*

### **Koromiko Rate**

A Picton Metered Water Koromiko Rate, for metered rating units.

*Water for Koromiko Special Agreement Consumers will increase from \$0.5164 to \$0.5873 per cubic metre.*

### **Onsold Rate**

A Picton Metered Water Onsold Rate, for metered units, for water provided to extraordinary connections and subsequently onsold, subject to a minimum quarterly charge.

*Water for consumers on-selling will increase from \$0.7161 to \$0.8144 per cubic metre with a minimum quarterly charge of \$56.50.*

### **Picton Water Charge (\$490,813 GST inclusive)**

This targeted charge is calculated as a fixed amount for each non-metered separately used or inhabited part of every serviced rating unit in the Picton Water Supply Area and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit.

*This charge funds the balance of expenditure not met from meter charges and will increase from \$191 to \$226 per part of a serviced rating unit from \$95.50 to \$113.00 per part of a serviceable rating unit.*

### **Renwick Water Supply (Total \$185,098 GST inclusive)**

*An overall increase of \$24,582 (GST inclusive) will occur.*

### **Renwick Water Capital Works Rate (\$37,461 GST inclusive)**

This rate is calculated on the land value of all rating units in the Renwick Water Supply Area and funds Capital Expenditure and Debt Servicing costs.

*Although there is no increase in the funding requirements, the recent revaluation will redistribute the previous levy between ratepayers.*

### **Metered and Uniform Charges (\$147,637 GST inclusive)**

*The 19.98% increase (\$21,850 GST exclusive) relates to increased costs for power, insurance and other operating costs.*

### **Renwick Metered Water Charges (\$17,242 GST inclusive)**

*Metered water will increase from \$0.474 to \$0.56 per cubic metre for water usage in excess of 727 cubic metres per annum, with a minimum quarterly charge of \$47.75*

### **Renwick Water Charge (\$130,395 GST inclusive)**

This targeted charge is calculated as a fixed amount for

each non-metered separately used or inhabited part of every serviced rating unit in the Renwick Water Supply Area; and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit.

*The charge funds the balance of expenditure and will increase from \$159 to \$191 per part of a serviced rating unit and from \$79.50 to \$95.50 per part of a serviceable rating unit.*

### **Riverlands Water Supply (\$127,645 GST inclusive)**

The following rates fund the cost of operations, capital expenditure and debt servicing.

#### **Uniform Charge**

This rate is differentially calculated as a fixed annual amount for each serviced rating unit in the Riverlands Water Supply Area as follows –

- Ordinary (Land used for Domestic purposes) connections - \$124, such charge entitling the consumer to a maximum of 436 cubic metres.
- Extraordinary (Land used for Commercial, Industrial purposes etc) connections - \$509, such charge entitling the consumer to a maximum of 436 cubic metres.

*There are no increases in the uniform charges.*

#### **Metered Charge**

A rate calculated as a fixed charge per cubic metre of water supplied in excess of 436 cubic metres per annum.

*This will remain unchanged at \$0.30 per cubic metre.*

### **Wairau Valley Water Supply (\$16,108 GST inclusive)**

This rate is calculated as a fixed annual amount for each serviced rating unit in the Wairau Valley Water Supply Area; and half that amount for each serviceable rating unit.

It funds the cost of operations, capital expenditure and debt servicing.

*The charge will increase from \$352 to \$375 per connection and from \$176.00 to \$187.50 per serviceable part of a rating unit.*

*The 6.42% increase (\$864 GST exclusive) relates to increased operating costs.*

## **REFUSE COLLECTION CHARGES**

### **Blenheim Refuse Collection Charge (\$612,480 GST inclusive)**

This rate is calculated as a fixed amount for each separately used or inhabited part of a rating unit, in the Blenheim Ward and environs, in respect of which Council

is prepared to provide a service.

This funds the cost of refuse collection in that area.

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

#### **Picton Refuse Collection Charge (\$184,599 GST inclusive)**

This rate is calculated as a fixed amount for each separately used or inhabited part of a rating unit in the Picton refuse collection area, in respect of which Council is prepared to provide a service.

This funds the cost of refuse collection in that area.

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

## **AGENCY RATES AND CHARGES**

#### **Rarangi Works and Service Charge (\$6,270 GST inclusive)**

This \$30 rate is calculated as a fixed amount on each separately used or inhabited part of every rating unit in the separate Rarangi Rating area, such rate to be applied to funding community costs, in particular the Volunteer Fire Brigade.

*This remains unchanged.*

#### **Tuamarina/Waikakaho Hall Charge (\$1,452 GST inclusive)**

This rate is calculated as a fixed amount of \$12 on each separately used or inhabited part of every rating unit in the Tuamarina/Waikakaho Special Rating Area, such rate to be applied to funding replacement insurance costs for the Tuamarina/Waikakaho Hall.

*This remains unchanged.*

#### **Tuamarina Water Loan Charge (\$1,464 GST inclusive)**

This rate is calculated as a fixed amount of \$732 on each separately used or inhabited part of every rating unit in the Tuamarina Water Special Rating Area, such rate to be applied towards loan advances for the Tuamarina Water Supply.

This remains unchanged.

## **GENERAL REVENUE SOURCES**

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

These include –

#### **Dividends from Investments (\$709,000)**

- This income (combined with interest income) is firstly applied against rates (up to \$1.1 million per annum), then to the infrastructure assets insurance reserve, with any residual being applied to a Reserve for special project funding.

#### **Interest from Investments (\$3,934,164)**

- Funded to specified Reserves for particular purposes or events (e.g. Flood Damage Reserve).
- Used to subsidise general type rates and charges by way of general revenue allocation.
- Sinking Fund interest is applied against the sinking fund to which it relates and used for debt repayment.

#### **Petroleum Tax (\$335,000)**

- Used to subsidise general type rates and charges by way of general revenue allocation.

#### **Asset Sale Proceeds (not budgeted)**

- In general, 25% of all asset sales are used to build up an infrastructure disaster reserve in case of a major disaster e.g. earthquake. The balance is retained by Council to assist in the extension of its infrastructure.

#### **Contributions Received from Development and Subdivision (\$378,846)**

- Are applied towards the cost of infrastructure related to the development.

#### **Forestry Income (\$1,152,060)**

- Currently used to reimburse advances from reserves and also on a case by case basis to fund infrastructural development.

## **GENERAL INFORMATION**

- All estimated rates and charges are shown inclusive of goods and services tax unless otherwise stated.
- For the purposes of the foregoing:
  - “Predominant residential use” excludes Rest Homes and Residential Establishments that provide residential care.
  - Where commercial accommodation is the predominant purpose of a property, it will be included on the same basis as a motel or hotel in the “commercial or industrial land use” category.
  - Subject to the right of objection set out in Section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of any property in the district.

- The geographic areas can generally be described as follows:

**Blenheim Area (BM)**

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential, Service or Industrial (ie; includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street).

**Blenheim Vicinity Area (BV)**

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

From just north of the Rarangi Settlement following around the foothills in a southerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; to the coast on the south of the Vernon Lagoons.

**Picton Area (PN)**

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

**Schedule**

Lots 3-6 and 8-9 DP 7376, Lots 1-2 DP 10722, Lots 1-2 DP 11663, Lot 1 DP 11551 Lot 1 DP 6129 Lots 1-2 DP 3716  
 Lots 1-2 & 5 DP 3183 Lots 1-2 DP 9175 Pt Lot 1 DP 7160  
 Lot 1 DP 9268 Lot 1 DP 10871 Pt Secs 63-65 Picton Subn Blk III Cloudy Bay SD Secs 18, 89, 129 Pt Secs 66 & 159  
 Picton Subn Blk XV Linkwater SD Pt DP 467 Waitohi Valley Blk XI Linkwater Lots 1-2 DP 1353 All DP 1148 Pt Secs 37 & 103 Waitohi Reg Dist Blk XV Linkwater Lot 1 DP 5595 Lot 2 DP 5660 Secs 38, 39, 105, 106 & Pts 36-37 & 104 Waitohi Dist Blks XI XII XV Linkwater SD Lot 1 DP 6397 Lot 1 DP 7857 Lots 1-14, 18 DP 1086 Blk VIII Linkwater SD, Lots 1 & 2 DP 3080 Blk VIII Linkwater SD, Lot 16 DP 1086 Blk VIII Linkwater SD, Gaz 57 – 175 Part Section 2C2 Blk XI Arapawa SD, Lots 1 – 5 DP 11736, Waikawa 3B Block XII Linkwater SD Block XI, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD, Lot 2 DP 7961 Pt Secs 10 & 11 Waitohi Sub Reg, Pt Lot 1 DP 6881, Lot 3 DP 8884.

**Picton Vicinity Area (PV)**

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

**General Rural Area (RU)**

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

**Administrative Rural Area (AD)**

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

- The above rates and charges are for the period 1 July 2003 to 30 June 2004 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	11 September 2003
Instalment Two	11 December 2003
Instalment Three	11 March 2004
Instalment Four	11 June 2004

Each instalment is one quarter of the Annual Rates for the current year.

**PENALTY PROVISIONS (Additional Charges on Unpaid Rates)**

- A FIRST ADDITIONAL CHARGE equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the "Last Date for Payment", shall on the next day be added to that amount of unpaid rates.
- Pursuant to section 58 of the Local Government (Rating) Act 2002, a penalty of 10% will be added to rates that remain unpaid from previous years as at the date five working days after the date on which the Council passes a resolution authorising penalties. Payments are applied to the oldest debt first.

**PENALTY PROVISIONS (Unpaid Metered Water)**

- An additional charge equivalent in amount to 10% of the metered water amount remaining unpaid two months after the initial invoice date, shall be added to that amount which remains unpaid

# REVENUE AND FINANCING POLICY

1. The decision-making process required to adopt a revenue and financing policy is set out in the Local Government Act 2002.  
In essence the process involves determining -
  - (a) in relation to each activity to be funded -
    - (i) the community outcomes to which the activity primarily contributes;
    - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
    - (iii) the period in or over which those benefits are expected to occur; and
    - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
    - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
  - (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Council has adopted the option of preparing a Long Term Council Community Plan beginning 1 July 2004. The outcomes mentioned below have been independently established by Council, but will be re-considered in the course of preparing the Long Term Council Community Plan when community outcomes are determined.

2. Council's Revenue and Financing Policy deals with the revenue and financing mechanisms at an "Activity" level.
3. Terminology:  
Activities are a sub-set of Significant Activities e.g. One of Council's "Significant Activities" is Community, Recreation, Culture and Heritage, and Libraries is one "activity" within that significant activity.  
Unless otherwise specified, the term -
  - Uniform Annual Charge or Charge [other than a Uniform Annual General Charge] refers to a targeted rate calculated on each separately used or inhabited part of every rating unit; and
  - Land values, capital values or rating units refers to rateable land values, rateable capital values or rateable rating units as the case may be.

## Valuation System:

Independent valuations are provided to Council, under contract, by Quotable Value New Zealand.

## FUNDING OF THE OPERATIONAL REQUIREMENTS BY ACTIVITY

### Democratic Process

*Outcome:*

- 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.

*Funding Sources:*

District-wide uniform annual general charge.

### Community, Recreation, Culture and Heritage

*Outcomes:*

In general, activities in this group are associated with the following outcomes:

- Marlborough residents, and visitors to Marlborough, have access to services and facilities that foster community health and well-being.
- Marlborough is an enlivened and creative region with a strong sense of its own culture and heritage

In addition, some activities have specific outcomes which are shown below.

### Swimming Pools

*Funding Sources:*

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

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

### Aquatic Centre Complex

*Funding Sources:*

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

*Outcome:*

Well maintained gardens, reserves and walkways for public recreational use.

*Funding Sources:*

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

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

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

#### **District High Use Reserves**

60% to 95.55% by geographic areas' works and services uniform annual charges and from 4.45% to 40% from the district-wide general rate.

#### **District Leased Reserves**

User charges normally meet 100% of the costs. Balance from the district-wide general rate.

#### **District Low Use Passive Reserves**

##### **(a) Rural Reserves Adjoining Rivers**

District-wide general rate.

(b) **Other**

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

## Halls, Museums and Memorials

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

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

### Local Use Halls

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

### Wider Benefit Halls

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

### Museums

#### Outcome:

Marlborough's heritage resources are appropriately recognised, protected and promoted.

#### Funding Sources:

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

### Memorials

#### Outcome:

Marlborough's heritage resources are appropriately recognised, protected and promoted.

### District Memorials

100% by district-wide general rate.

### Locality Specific Memorials

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

## Libraries

#### Outcome:

A library service which is accessible and cost effective for the Marlborough community.

#### Funding Sources:

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

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

## Cemeteries

#### Outcome:

Cost effective cemetery services to meet the needs of the Marlborough community.

#### Funding Sources:

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.

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

## Public Conveniences

#### Outcome:

Attractive, hygienic public conveniences at locations designed to cater for public needs.

#### Funding Sources:

100% from district-wide general rate.

## Community Development

### Recreation and Events

#### Outcome:

Opportunities for Marlborough residents and communities to participate in a wide variety of arts and cultural activity, appealing to the region's diverse range of ages, cultures and interests.

#### Funding Sources:

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

### Community Grants - Heritage

100% from district-wide general rate.

### Community Grants - Other

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

### Special Work Schemes

District-wide general rate.

## Economic Development

#### Outcomes:

The collective wealth of Marlborough residents and ratepayers is increased because -

- Council's infrastructure is able to cope with present and future business and industry needs.
- Council services are provided in the most efficient and cost effective manner.
- Compliance costs associated with Council's regulatory responsibilities are balanced with community benefits
- Accurate and up to date information on the District is widely available.
- There is a positive image of Marlborough in its publications and activities.

### Tourism

#### Outcomes:

In partnership with Destination Marlborough. Promote Marlborough as a tourist destination

#### Funding Sources:

92.86% from geographic areas' works and services rate (commercial/industrial ratepayers only) and 7.14% from the district-wide general rate.

### Development Initiatives

#### Outcomes:

Marlborough District Council is -

- A partner of groups and individuals actively involved in building and strengthening community well being in Marlborough.
- A planner, co-ordinator and facilitator of community development
- A custodian and manager of community resources and assets.
- A provider of information and resources that assist and promote community development.

*Funding Sources:*

100% by district-wide general rate.

**Research Centre Grant**

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

**Emergency Management**

**Civil Defence**

*Outcome:*

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

*Funding Sources:*

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

**Fire Protection**

Exacerbator will be charged for the cost of fire fighting. Balance funded 99% by geographic areas' works and services rates and 1% from the district-wide general rate.

**Land Transport**

*Outcome:*

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

**Non-carriage**

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**

Transfund provides subsidies for a significant amount of works undertaken within this activity.

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

**Parking**

*Outcome:*

Parking is reasonably available for the use of shoppers and visitors.

**Parking (Blenheim Debt Servicing)**

Debt servicing charges funded by Blenheim Consolidated 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 (Picton Debt Servicing)**

Debt servicing charges funded by Picton Works and Services charge.

**Parking – Other Costs**

Infringement revenue is set to meet net operating costs.

**Rivers and Land Drainage**

*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.
- The ecological values of Marlborough rivers and watercourses are balanced with the needs of flood protection.
- Council floodway reserve land is available for secondary usage of public recreation, commercial utilisation and conservation of environmental values.
- The productive capacity of the land is improved.

**Wairau Valley Scheme**

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

Refer to Financial Impact Statement for information regarding change in policy.

**Other Schemes**

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**

*Outcome:*

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

*Definitions:*

For the purposes of this section –

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

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

**Blenheim/Renwick Sewerage**

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge, or a Trade Waste Charge. Serviceable parts of rating units in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from the separately used or inhabited parts of all rating units within the area of service by way of a land value rate.

The Renwick Sewerage area is an approved extension to the Blenheim Sewerage scheme. A targeted rate will be set over the separately used or inhabited parts of all rating units in the Renwick area for the capital costs of extending the scheme. Future operating costs and capital expenditure will be met on the same basis as outlined above.

#### ***Picton Sewerage***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge, or a Trade Waste Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

#### ***Havelock Sewerage***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

#### ***Seddon Sewerage***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

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

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

### **Stormwater**

#### ***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.

#### ***Blenheim Stormwater***

71.43% from commercial geographic area works and services rate and 28.57% from residential geographic area works and services rate.

#### ***Okiwi Bay***

A targeted rate on each separately used or inhabited part of every rating unit in the Okiwi Bay Stormwater Rating Area.

#### ***Other Stormwater***

Included in geographic areas' works and services rates in the appropriate locality.

### **Water Supply**

#### ***Outcome:***

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

#### ***Definitions:***

For the purposes of this Section –

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

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

#### ***Awatere Water***

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

#### ***Blenheim Water***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge on each separately used or inhabited part, or by a Metered Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

#### ***Picton Water***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge on each separately used or inhabited part, or by a Metered Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

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

#### ***Havelock Water***

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge on each separately used or inhabited part, or by a Metered Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.



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

#### **Renwick Water**

Operating costs are recovered from the separately used or inhabited parts of all rating units connected to the system by way of a Uniform Annual Charge on each separately used or inhabited, or by a Metered Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

Capital Expenditure and Debt Servicing costs are recovered from all rating units 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**

The rating units connected to the system are charged a Uniform Annual Charge. The separately used or inhabited parts of all serviceable rating units in the area of service are levied half the connected charge.

#### **Southern Valleys Irrigation Scheme**

This is a new scheme.

Capital Expenditure and Debt Servicing costs will be recovered from all rating units within the area of the scheme by way of a charge based on the number of hectares of irrigable land.

Operating costs are expected to be the responsibility of a community entity comprising affected land owners. It will be independent of Council.

## **Solid and Hazardous Waste Management**

#### *Outcome:*

Marlborough's solid and hazardous waste is managed in a manner that is environmentally and economically acceptable.

#### **Refuse Collection**

Uniform annual charge for each separately used or inhabited part of a rating unit or building in respect of which Council is prepared to provide a service.

#### **Other Waste Management**

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

## **Harbour Control**

#### *Outcome:*

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

#### *Funding Sources:*

User charges, then the district-wide general rate.

## **Consents and Compliance**

#### *Outcome:*

- 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.

#### **Resource Management Control**

User charges, then geographic areas' works and services rates.

#### **Resource Consent Hearings**

User charges, then district-wide uniform annual general charge.

#### **Building Control**

User charges, then geographic areas' works and services rates.

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

User charges, then 60% from district-wide uniform annual general charge and 40% from geographic areas' works and services uniform annual charges.

## **Environment**

#### *Outcome:*

- The production of policy statements and resource management plans that promote the sustainable management of Marlborough's natural and physical resources.
- Extensive and reliable information is available on the state of Marlborough's environment.
- Local communities participating actively in sustainable management of the Marlborough's resources.

#### **Environmental Reviews**

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

#### **Environmental Policy**

100% from the district-wide general rate.

## **Animal and Plant Pests**

#### *Outcome:*

- 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.

#### *Funding Sources:*

The Animal Health Board provides a significant subsidy for the Bovine Tb programme.

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

## **Animal Control**

#### *Outcome:*

There is effective dog and stock control in the District.

Funded 100% by dog fees and user charges.

## **Property**

This relates to commercial leases, rental housing, forestry and land development.

### *Outcome:*

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

### *Funding Sources:*

The same source as the activity with which the property is associated.

## **FUNDING OF CAPITAL REQUIREMENTS**

In general, the sources of funds for capital expenditure will be utilised in the following order –

- Vested assets
- Financial contributions
- Capital grants and subsidies
- User charges
- General revenue sources [see below]
- Council financial reserves, including Depreciation Reserves.
- Loan raising [which will impact on rates in the form of loan servicing charges]
- General and targeted rates [directly charged]

## **GENERAL REVENUE SOURCES**

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

These include –

### ***Dividends from Investments***

- This income (combined with interest income) is firstly applied against rates (up to \$1.1 million per annum), then to the infrastructure assets insurance reserve, with any residual being applied to a Reserve for special project funding.

### ***Interest from Investments***

- Funding to specified Reserves for particular purposes or events (eg Flood Damage Reserve).
- Used to subsidise general type rates and charges by way of general revenue allocation.
- Sinking Fund interest is applied against the Sinking Fund to which it relates and used for debt repayment.

### ***Petroleum Tax***

- Used to subsidise general type rates and charges by way of general revenue allocation.

### ***Asset sale proceeds***

- In general, 25% of all asset sales are used to build up an infrastructure disaster reserve in case of a major disaster e.g. earthquake. The balance is retained by Council to assist in the extension of its infrastructure.

### ***Contributions Received from Development and Subdivision***

- Are applied towards the cost of infrastructure related to the development.

### ***Forestry Income***

- Currently used to reimburse advances from reserves and also on a case by case basis to fund infrastructural development.

# TREASURY MANAGEMENT POLICY

The following joint policy ensures compliance with the Local Government Act 2002 for policies relating to Investment and Liability Management.

## 1. Philosophy

The Marlborough District Council has a diversified portfolio of investments ranging from trading enterprises within the Marlborough region (i.e. 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 agreed Council activity provides the public benefits over a number of years. It is felt that the capital cost (i.e. principal and associated interest) of these projects should be met by the public in the years in which they enjoy the benefits.

Council faces investment and borrowing risks similar to those faced by the public during their lives. 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
- 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 at least annually 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.

### Loans and Advances

These are made to –

- Trading enterprises – on an arms length basis and in accordance with normal commercial practice
- Community organisations - to facilitate the ongoing provision of community services or recreational opportunities. These are usually at a lower than commercial interest rate.

Council set 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 where appropriate. 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 the 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. Council will review the criteria annually.

Risks associated with investments 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 as defined in schedule 1.

### Settlement Risk

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

## 3. Liability Management Policy

### (a) 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 with the financial markets and where appropriate any external borrowing by Council is undertaken through MDCH and these markets. In the event that Council borrowed externally it would do so in accordance with MDCH policy and with the specific approval of Council. In order to ensure that Council achieves the best facility arrangements with financial institutions, Council is issued with uncalled capital from MDC Holdings Limited.

### Desired Weighted Average Term of 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 that 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.

### Specific 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)

### (b) 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.

## 4. Reporting

Quarterly reporting to the appropriate Committee of Council must contain:

- a commentary of movements in interest rates, borrowings and investments.
- details of current interest rates at call, 30 days, 90 days, 1 year, 2 years and 3 years along with comparatives for the previous month and year.
- details of investments held with financial institutions. Maturity date, amount and interest rate and average earning rate must be disclosed.
- a report which shows the general fund position (bank account balance and short term borrowings), deposits and bonds held and a summary of loans held, which shows details of the current and long term maturity structure.
- a statement that the Treasury Management policy has been complied with over the period being reported on.

### Monetary Investments Reporting

- (a) The District Treasurer will receive a report each time an Authorised Investment is made. The report is to contain:
  - (i) details of the Authorised Investment.
  - (ii) a statement of the return intended to be derived.
- (b) Monthly and quarterly reports will be provided by the investment adviser to Council containing:
  - (i) details of the current Authorised Investments.
  - (ii) benchmarking analysis.

# OTHER POLICIES

## POLICY ON SIGNIFICANCE

### General Approach to Significance

The Marlborough District Council will determine the significance of proposals and decisions in relation to issues, assets, or other matters by considering:

- The likely impact of the proposal or decision on:
  - the current and future social, economic, environmental, or cultural well-being of the district
  - any persons who are likely to be particularly affected by the issue, proposal, decision, or matter
  - the capacity of the council to perform its role and carry out its activities, now and in the future.
- The financial costs, and other resource requirements of the issue.

### Thresholds

Marlborough District Council will consider any decisions concerning the following as significant:

- Expenditure on issues, assets, or other matters (not including strategic assets) that represent more than 10% of Council's total budgeted annual income;
- Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy;
- The sale of the Council's shareholding in any council-controlled organisation;
- Entry into any partnership with the private sector to carry out a significant activity.

### Criteria

Degrees of significance will be determined after consideration of the following criteria:

- Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
- The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out.

- The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

### Procedure for Determining Significance

Decisions on significance will be made according to council standing orders, and applying the general approach to significance set out in this policy.

### Assets Considered by the Local Authority to be Strategic Assets

As set out in the Local Government Act 2002 [s.5], strategic asset means:

*An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:*

- *any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- *any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- *any equity securities held by the local authority in—*
- *a port company within the meaning of the Port Companies Act 1988;*
- *an airport company within the meaning of the Airport Authorities Act 1966*

The assets and groups of assets in terms of s.90(2) that Marlborough District Council considers to be strategic are:

- The local roading network as a whole;
- District stormwater networks;
- District water supply networks;
- District sewerage networks;
- River control assets;
- Shares in MDC Holdings Ltd;
- Commercial forestry known as Marlborough Regional Forestry.

# POLICY ON THE COMMITMENT OF COUNCIL RESOURCES TO PARTNERSHIPS WITH THE PRIVATE SECTOR

This policy sets out the circumstances and terms for the commitment of Council resources to partnerships with the private sector.

For the purposes of this policy, a partnership with the private sector is defined according to the Local Government Act 2002: *“any arrangement or agreement that is entered in between one or more local authorities and one or more persons engaged in business, but does not include an agreement in which the only parties are local authorities, or one or more local authorities and one or more Council organisations. A contract for the supply of any goods or services to, or on behalf of a local authority, is not defined as a partnership with the private sector.”*

## Circumstances Where Partnerships With the Private Sector Will be Considered:

Marlborough District Council will consider partnership arrangements with the private sector for the provision of infrastructure and services where:

- A need has been defined in measurable output terms;
- There is scope for the private sector to demonstrate particular skills and/or innovative capacity;
- The project size justifies the transaction and ongoing management costs of a partnership; and
- Such a partnership is likely to deliver better value for money, based on cost, time and financial arrangements than alternative delivery methods.

## Consultation

Consultation procedures mandated under sections 78 and 79 of the LGA 2002 will be applied in regard to any proposal for a partnership with the private sector to carry out a significant activity.

## Conditions to be Imposed

Before committing any resources to any form of private sector partnership, Marlborough District Council will establish the following conditions:

- Private participation will be subject to competitive tendering processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentialities where appropriate;
- Outputs will be clearly specified including measurable performance standards;
- Payments will only be made upon delivery of the specified services to the required standards;
- A clear and enforceable risk management regime will be agreed;
- All private sector parties will be fully accountable to the Marlborough District Council for the delivery of the specified products and/or services; and
- Marlborough District Council's information requirements for monitoring of outcomes will be agreed.

## Risk Assessment and Management

A comprehensive assessment of risks associated with any partnership proposal will be undertaken before any commitment to proceed.

A risk management regime will be agreed to as a condition of the partnership.

The prime principle for risk management within a partnership shall be to transfer risk to the party best placed to manage it.

## Monitoring and Reporting

Partnership contracts will be monitored and reported in accordance with an agreed financial and programme reporting regime.

The contribution of any partnership arrangement to community outcomes will be assessed and monitored as required under the Local Government Act 2002.

# RATE REMISSION AND POSTPONEMENT POLICIES

## RATES REMISSIONS POLICY

This policy was prepared pursuant to Sections 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure detailed in the same Act.

### Community, Sporting and Other Organisations

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

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Marlborough District Council.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

#### **Conditions and Criteria**

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

Applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.

Organisations making application should include the following documents in support of their application:

- Statement of Objectives;
- Full financial accounts;
- Details of any Leases (where applicable);
- Information on activities and programmes;
- Details of membership or clients.

#### **Application**

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

The Policy shall apply to such organisations as approved by the Council (or Council Officers with delegated authority) as meeting the relevant criteria.

Remissions to any qualifying organisation shall be on the basis of a 50% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

## Land Protected for Natural, Historic or Cultural Conservation Purposes

#### **Objective of the Policy**

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

#### **Conditions and Criteria**

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

Applications must be made in writing.

Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism. In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.
- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

#### **Application**

The extent of any remission shall be determined by the Council on a case by case basis.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## Residential Land in Commercial or Industrial Areas

#### **Objective**

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and the former authorities.

#### **Conditions and Criteria**

To qualify for remission under this part of the Policy, the rating unit must:

- Be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can

determine how their property has been zoned by inspecting the Marlborough District Council District Plan, copies of which are available from either the District Administration Office, or the Picton Service Delivery Centre).

- Be listed as a “residential” property for differential rating purposes. (Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council’s rating information database at the District Administration Office).
- The application for rate remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

#### **Application**

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider’s decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

### **Lansdowne Park**

#### **Objective of the Policy**

To make a contribution to the Marlborough Rugby Union due to the fact that the Union owns and fully maintains the land on which rugby is played.

(Council Policy for its own sports grounds is that basic grass cutting and general maintenance are provided at no cost to the sports codes involved. Sports groups are responsible however for the costs of other work associated with the preparation and maintenance of their grounds).

#### **Conditions and Criteria**

The rate remission to be the equivalent of a total rates waiver for the grounds at Lansdowne Park excluding any targeted rates covering water supply, sewage disposal or refuse collection, and excluding any land that is used for the consumption of liquor.

### **General -Type Uniform Annual Charges and Targeted Charges on Non-Contiguous Pastoral Rating Units**

#### **Objective of the Policy**

To provide relief from General-type Uniform Charges and Targeted Charges on rural pastoral land which is non-contiguous, provided it is farmed as a single entity.

#### **Conditions and Criteria**

Non-contiguous pastoral units may qualify for a remission of uniform annual general charges and targeted rates calculated as a fixed amount per rating unit where Council agrees that the economics of each farm property are inter-dependent on the other. The ratepayer will remain liable for at least one set of each type of rate or charge.

Only one residential unit can exist on the qualifying rating units except where the farm contains accommodation on a rent free basis for the owner or staff associated with the farm.

#### **Application**

Council or its delegated officer(s) shall determine whether the criteria are met.

### **Subdivisions That Create Four or More Rating Units**

#### **Objective of the Policy**

To provide a positive development incentive to commercial subdividers by remitting general-type uniform charges on unsold subdivided land with no more than one building, for a maximum period of three years.

#### **Conditions and Criteria**

To qualify for remission under this part of the Policy, the rating unit must remain in the subdivider’s name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold within three years of the lots being created.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

#### **Application**

Council or its delegated officer(s) shall determine whether the criteria are met.

### **Water Losses**

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

To provide ratepayers with a measure of relief, by way of partial rates remission where, as a result of the existence of a water leak on the property which they occupy, the payment of full water rates is inequitable.

#### **Conditions and Criteria**

The existence of a significant leak on the occupied property has been established and there is evidence that steps have been taken to repair the leak as soon as possible after its detection.

#### **Application**

Council will calculate the volume of water lost based on average water consumptions during similar periods of previous years.

When an application for water rates remission is approved pursuant to this policy, the amount of the remission will depend on when the leak is repaired.

- If the leak is repaired before the following quarterly reading, the remission will be equivalent to the assessed volume of water that has been lost through the leak, since the quarter prior to the leak being discovered; or



- If the leak is not repaired before the following quarterly reading, the remission calculation will be assessed on the next three month period; or
- Where there are extenuating circumstances, Council or its delegated officer[s] may extend the period for a re-assessment of the water rate.

Council or its delegated officer(s) shall determine whether the criteria are met.

## Land Affected by Natural Calamity

### **Objective of the Policy**

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

### **Conditions and Criteria**

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer(s).

## General -Type Uniform Annual Charges and Targeted Charges on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity

### **Objective of the Policy**

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

### **Conditions and Criteria**

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer(s).

## Rate Penalties

### **Objective of the Policy**

To enable Council to remit penalties where –

- payment has not been received by the penalty date, due to circumstances outside the ratepayer’s control; or
- it is deemed equitable to remit the penalty for other reasons

### **Conditions and Criteria**

Each application will be considered on its merits and remission may be granted where it is considered just and equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident of a family member]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in Council’s records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred; or

### **Application**

The extent of any remission will be determined by the Council or its delegated officer(s).

## Extreme Financial Hardship

### **Objective of the Policy**

To enable Council to grant remission, for cases of extreme financial hardship, on a case-by-case basis, of all or part of the rates.

### **Conditions and Criteria**

Council may remit rates in accordance with the policy where the application meets all of the following criteria:

- The ratepayer[s] must make application to Council on the prescribed form.
- Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.
- The ratepayer[s] must provide any evidence that Council deems appropriate to support the claim of extreme financial hardship.
- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

### **Application**

Applications for remissions shall be considered by the Council or its delegated officer[s]

## Levying Uniform Annual District-Wide Charges and Targeted Charges

### **Purpose of Policy**

To limit the incidence of District-Wide Uniform Annual General Charges and targeted rates calculated as a fixed amount per rating unit in certain circumstances.

### **Conditions and Criteria**

Council will assess the District-Wide Uniform Annual General Charge and targeted rates [calculated as a fixed amount per rating unit] on the basis of every separately used or inhabited part of a rating unit but, the following situations will be deemed not to create a separately used or inhabited part of a rating unit:

- In the case of a farm or business:

*Where the farm or business contains additional accommodation on a rent free basis for the owner, or staff associated with the farm.*

- In the case of a rating unit that contains one additional separately inhabited unit or dwelling, occupied by dependent family members:

*Where members of the owner's family inhabit the separate part of the property on a rent free basis.*

- In the case of an orchard or other horticultural type property:

*Where the orchard or horticultural operation contains an additional residence that provides accommodation on a rent free basis for the owner and staff of the operation.*

#### **Application**

Council will remit any rates in excess of those payable under this policy.

### **Sundry Remissions**

#### **Objective of the Policy**

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover.

#### **Conditions and Criteria**

The extent of any remission shall be determined by the Council or its delegated officer(s).

## **RATES POSTPONEMENT POLICY**

### **Extreme Financial Hardship**

#### **Objective of the Policy**

To assist ratepayers experiencing extreme financial hardship.

#### **Conditions and Criteria**

The ratepayer[s] must make application to the Council on the prescribed form.

When considering whether extreme financial circumstances exist, all of the ratepayer[s] personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- The ratepayer[s] must be the current occupier[s] of the rating unit which must be solely used for residential purposes.
- The Council must be satisfied that the ratepayer[s] is/are unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and

chattels at an adequate standard, as well as making provision for normal day to day living expenses.

- The ratepayer[s] must not own any other rating units or investment properties or other realisable assets.
- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are postponed, as a general rule the ratepayer[s] will be required to pay the first \$520 of the annual rate levy.

The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of the ratepayer[s]; or
- The ratepayer[s] ceases to be the owner or occupier of the rating unit; or
- The ratepayer[s] ceases to use the property as his/her residence; or
- A date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy by paying the postponed rates or any part thereof.

#### **Application**

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications for rate postponements shall be considered by the Council or its delegated officer[s].

## **MAORI FREEHOLD LAND**

### **Policy or Remission and Postponement of Rates**

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

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

#### **Conditions and Criteria**

Council has reviewed the matters set out in section 108 and Schedule 11 and has decided that the appropriate policy is to consider applications for remission or postponement of rates on Maori freehold land in terms of the policies adopted by council regarding remissions and postponements of rates on other land.



# GLOSSARY OF TERMS

## **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 sewerage scheme.

## **Charge**

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

## **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.

## **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**

The Local Government (Rating) Act 2002 refers to Rates as all rates including Uniform Annual General Charges and targeted rates calculated as a fixed amount per rating unit. Unless otherwise specified, a reference to a rate in this Plan is to cents in the dollar of property value or area.

## **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.

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