



MARLBOROUGH
DISTRICT COUNCIL

Annual Plan 2010/2011

Final



**Includes Amendments to
2009-2019 Long Term Council Community Plan**

COUNCIL'S MISSION

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



Picture: ANZAC Day, Seymour Square, Blenheim

Front Cover: 2009 Rainbow Rage Mountain Bike Adventure Race (106km) – climb up to Island Saddle, Molesworth Station.

Photographer: Mark Hawkins

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MDC Directory

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Web: www.marlborough.govt.nz

ADDRESSES

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

67 High Street, Picton

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Assets and Services Depot

Freswick Street, Blenheim

Reserves Depot

Pollard Park, Blenheim

SOLICITOR

P J Radich of Radich Law, Blenheim

BANKERS

Bank of New Zealand, Blenheim

AUDITOR

Auditor General, Audit New Zealand, Christchurch

GENERAL STATISTICS

Population (Census count 7 March 2006)	46,179
Population (Resident 7 March 2006)	42,558
Inter-Census Population Movement	(+) 8.6%
District Area	17,517 square kilometres
Rateable Land Value	\$8,834,110,600
Rateable Capital Value	\$15,609,004,200
Number of Rate Assessments	25,262

as at 30 June 2009

This Annual Plan was adopted at a meeting of the Marlborough District Council on 24 June 2010.

MAYOR'S INTRODUCTION

I am pleased to present the Annual Plan for the 2010 – 2011 financial year.

Thank you for taking the time to read this Plan. You will find a great deal of information about the Council's priorities and plans set out in what I hope is a clear and useful document.

In this document, you will see we are concentrating heavily on core services; water and sewerage. With Marlborough growing rapidly, that has to be our top priority. These core services, along with our spending on roads and bridges, will absorb almost 70% of the Council's capital spending programme for the next 12 months.

Originally we were looking at a rates increase of more than 9% for the coming year.

In the light of the economic climate, Council did not believe that was acceptable. We have worked hard to identify cost savings and reviewed the timing and financing of capital projects to reduce that figure. Following Council deliberations, a 3.3% increase in overall rates and charges was achieved. The actual impact on individual properties will vary according to its value, location and the services it receives.

In making their decisions Councillors listened to the community in approving the extra funding it did but also made the 'hard' decisions that needed to be made for the District as a whole.

Council also referred a number of other items that were not ready for budget consideration to Committee for further development and consideration in future years.

As a result, I hope you will find this a careful programme of rates restraint, essential projects and sensible planning.

Two of the key issues addressed in our Annual Plan are Water and Kerbside Recycling.

Water Supply

Raising the quality and supply of drinking water is a top priority for the Council. Water supply improvements include:

- A major treatment plant upgrade in Bomford Street.
- New water reservoirs on the Wither foothills to accommodate population growth and the need for reliable supply.
- Upgrade of the Essons Valley treatment plant for Picton.
- A new supply reservoir at Victoria Domain in Picton.

Council is still awaiting a central government decision on the level of subsidy available to treat Seddon's water supply. Unfortunately, government has yet to make this decision. The timing and type of water treatment measures for the Awatere will depend on the level of subsidy.

Kerbside Recycling

Kerbside recycling in Blenheim and Picton will be introduced at a cost of \$49.30 per property (cost calculated to cover a nine-month period of the 2010-11 financial year).

Other Changes

Changes to the LTCCP relating to support for the uptake of energy efficient domestic heating and home insulation and changes to the Development Contributions Policy for reserves contributions were also adopted.

I look forward with confidence to our implementation of the Annual Plan.



Alistair Sowman
Mayor

ELECTED COUNCIL MEMBERS

BLLENHEIM WARD



Jenny Andrews
(Deputy Mayor)



Warwick Brice



Jill Bunting



Alistair Sowman



Liz Davidson



Tom Harrison



Gerald Hope



Graeme Taylor

WAIRAU/AWATERE WARD



Andrew Barker



Francis Maher



Peter Jerram

PICTON WARD



Cliff Bowers



Nigel Weetman

PELORUS/NORTHERN MARLBOROUGH SOUNDS WARD



Graeme Barsanti

COUNCIL COMMITTEES AND MEMBERS

The Marlborough District Council has five standing committees, a joint committee with Kaikoura District Council, two statutory committees, five sub-committees, and under a Memorandum of Understanding with a majority of tangata whenua iwi, the Maori Advisory Komiti. The present committees and their membership are as follows:

ASSETS & SERVICES COMMITTEE

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

- o Clr Francis Maher - Chairperson
- o Clr Nigel Weetman - Deputy
- o Clr Warwick Brice
- o Clr Gerald Hope
- o Mr Richard Hunter (iwi representative)
- o Mayor - ex officio

Regional Transport Committee

This Committee prepares for approval by Council the Regional Land Transport Strategy, or any variations to or any report on the Strategy; the Regional Land Transport Programme; or any variations to the Programme, any regional fuel tax scheme for its region; and provides Council with any advice and assistance in relation to its transport responsibilities.

- o Clr Graeme Barsanti - Chairperson
- o Clr Cliff Bowers
- o Clr Jill Bunting
- o Clr Francis Maher
- o Access and Mobility Forum Representative
- o Nelson Marlborough District Health Board Representative
- o D Hume (NZ Transport Agency)
- o New Zealand Police Representative
- o Marlborough Chamber of Commerce representative
- o R Hunter (iwi representative - Assets & Services Committee)
- o Marlborough Environment Centre representative

COMMUNITY AND FINANCIAL PLANNING COMMITTEE

This committee is responsible for the Long Term Council Community Plan, Annual Plan, Annual Report, economic development, community and social development, youth elderly and access issues, arts, culture and heritage, grants and donations, sister cities, financial performance, general administration, property management, Council subsidiaries, libraries, customer services, democratic process.

- o Clr Gerald Hope - Chairperson
- o Clr Graeme Barsanti - Deputy
- o Clr Jenny Andrews
- o Clr Cliff Bowers
- o Clr Francis Maher
- o Clr Graeme Taylor
- o Clr Nigel Weetman
- o Mayor - ex officio
- o Iwi representative

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 making recommendations on the allocation of Council's Community Grants and Donations.

- o Clr Jenny Andrews - Chairperson
- o Clr Graeme Barsanti
- o Clr Graeme Taylor
- o Arts representative (K Parker)
- o Two iwi representatives
- o Sports Trust (rep) representative (K Hartshorne)
- o Four community representatives (R Carr, G Duncan, L Ivamy and R Weaver)

Housing for the Elderly Sub-Committee

The focus of this Sub-Committee is issues related to Council's Housing for the Elderly portfolio.

- Clr Jenny Andrews - Chairperson
- Clr Tom Harrison
- Clr Graeme Taylor
- Grey Power representative (J Brett)

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 - Chairperson
- Six community representatives (J Hopkins, Mr B Lankshear, Mrs B Lankshear, P Bradshaw, D Keenan, K Stewart)

Youth Funding Sub-Committee

This Sub-Committee considers requests for funding assistance from the Youth Initiative Plan funds.

- Mayor Alistair Sowman - Chairperson
- Chairperson, Community and Financial Planning (Clr Gerald Hope)
- Three youth representatives (one from each college)

ENVIRONMENT COMMITTEE

This Committee is responsible for biosecurity, animal control, liquor licensing, building control, resource consent processing, monitoring of consents, compliance control, dangerous goods, fencing of swimming pools, food and health monitoring, harbour management, historic places.

- Clr Graeme Taylor - Chairperson
- Clr Jenny Andrews - Deputy
- Clr Andrew Barker
- Clr Graeme Barsanti
- Clr Cliff Bowers
- Clr Liz Davidson
- Clr Tom Harrison
- Clr Peter Jerram
- Iwi representative
- Mr Chris Bowron (rural representative)

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 Andrew Barker - Chairperson
- Clr Graeme Barsanti
- Clr Tom Harrison

ENVIRONMENTAL POLICY COMMITTEE

This Committee is responsible for the Regional Policy Statement and Resource Management Plan development.

- Clr Jill Bunting - Chairperson
- Clr Francis Maher - Deputy
- Clr Andrew Barker
- Clr Graeme Barsanti
- Clr Cliff Bowers
- Clr Liz Davidson
- Clr Gerald Hope
- Clr Peter Jerram
- Clr Graeme Taylor

HEARING COMMITTEE

This committee makes decisions on applications for resource consents. (There are two Hearing Committees and each is made up of a chairperson and two members).

- Clr Cliff Bowers - Chairperson
- Clr Liz Davidson - Chairperson
- Clr Jenny Andrews
- Clr Graeme Barsanti
- Clr Jill Bunting
- Clr Tom Harrison

CIVIL DEFENCE EMERGENCY 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 Alistair Sowman - Chairperson
- Clr Graeme Barsanti
- Clr Jill Bunting
- Clr Gerald Hope
- Clr Francis Maher
- Clr Graeme Taylor

MAORI ADVISORY KOMITI

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

Currently the committee is in recess.

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

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited and Marlborough Airport Limited

- Mayor Alistair Sowman (Director)
- Chair of Community & Financial Planning Committee - Clr Gerald Hope (Director)
- Chief Executive - Andrew Besley (Director)

Port Marlborough NZ Limited

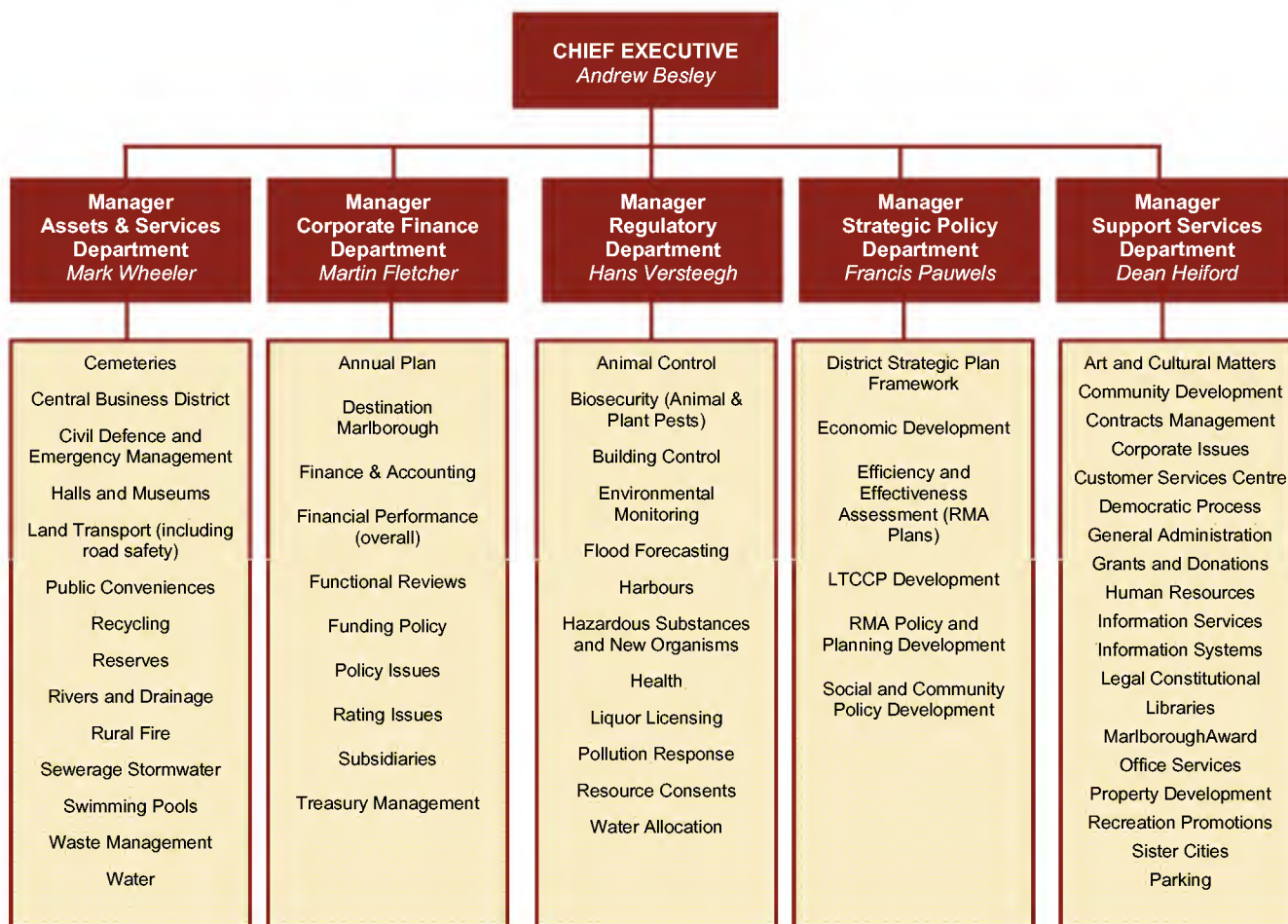
Manager, Corporate Finance - Martin Fletcher (Director)

Marlborough Regional Forestry

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

- Clr Andrew Barker (Chairperson)
- Mayor Alistair Sowman

COUNCIL MANAGEMENT STRUCTURE AND RESPONSIBILITIES



MAJOR PROJECTS 2010-2011

Significant investment is being made in a number of major projects in 2010-11. The majority of this investment is being made to improve key district infrastructure assets such as water, sewerage, roading and regional community facilities. While the delivery of some projects, especially in the sewerage activity, are programmed to be later than that forecast in the LTCCP, the delay will only be short term and is not expected to significantly affect current and forecast levels of service.

Water Supply

Treatment and upgrade of Blenheim's water supply is progressing. \$9,672,000 investment is planned. Major components are:

- New Lower Taylor River Reservoir and connections.
- Bomford St major treatment plant upgrade.

Picton's water upgrades have been significantly assisted by funding from the Council's infrastructure reserve. Expenditure of \$968,000 is planned, including:

- Completion of Victoria Domain reservoir.
- Essons Valley treatment upgrade.
- Design and consent for Speeds Road upgrade.

Havelock will benefit from:

- An upgraded reservoir and higher capacity pipeline.
- Design planning for a treatment plant.

Plans for upgrading water treatment in Renwick and Seddon are progressing but significant funding hurdles will need to be overcome. Reprogramming of \$7.5 M of works primarily in Picton, Renwick, Riverlands and Havelock has occurred following the relaxation of the New Zealand Drinking Water Standards by three years.

Wastewater (Sewerage)

In order to meet environmental health requirements, significant upgrading of Blenheim's wastewater infrastructure is needed. A resource consent hearing starting in May 2010 will guide the details of the scheme, which is budgeted for construction in 2011-12. Pump station and pipeline upgrading is planned in 2010-11. (\$1,008,200)

Picton has a modern sewage treatment plant, but requires investment in sewer reticulation to improve capacity and condition. In particular, the current outfall pipe needs replacement. A submarine, shorter outfall is planned for 2011-12. Design work and resource consent applications are also planned in 2010-11. (\$826,000) The construction of these projects has been reprogrammed to 2011-12 to allow for design and consenting to be completed. The total value of work reprogrammed is \$18.8 M.

Rivers and Drainage

Flooding in Picton in recent years has highlighted the need for investment in rivers and drainage works. A significant upgrade to the Kent Street/Buller Street catchment is planned (\$800,000). Improvements to the Waitohi River culverts are also scheduled. Ongoing renewals and small upgrades to the Wairau River flood protection system are budgeted.

Land Transport

A \$7.727 million investment will be made in roading, guided by the Council's asset management plan and the National Land Transport Plan. A variety of renewal projects will be undertaken including \$1.653 million for resealing, \$675,000 for widening, \$872,000 for pavements and \$583,000 for metalling unsealed roads. \$818,000 will be spent on road improvements in Kaiuma Bay Road, funded by developer contributions and a targeted rate. Approximately \$1 million will be invested to secure the strata title of the Wynen Street car park as part of the new Farmers development in Blenheim. The Alfred Street car park in Blenheim will be completed in 2010-11.

Other Projects

- Marlborough Regional Aquatic Centre redevelopment is scheduled for completion by August 2011.
- The \$1.68 million Blenheim i-SITE will be developed adjacent to the existing railway station site in time for the start of the Rugby World Cup.
- Investment in the next stage of the subdivision Boulevard Park on Taylor in Blenheim. Future sales are expected to cover these costs and generate a surplus for reinvestment.
- A projected \$1.4 million budget provision is being made for new and improved Reserves, funded by income from development.

AMENDMENTS TO THE LONG TERM COUNCIL COMMUNITY PLAN 2009-2019

The 2009 - 19 Long Term Council Community Plan has been amended as follows:

Community Support Activity

Reason for the amendment

In 2009 Central Government's budget announced an extension to the previous Energy Efficiency and Conservation Authority's (EECA) grant scheme for insulation and home heating devices. A related scheme also has provision for solar water heating system grants. The EECA insulation Fund's goal is to have up to 60,500 homes being insulated each year by 2012/13. It is designed to reduce health risks from living in cold, damp homes and provide energy efficiency gains. The solar water heating scheme is projected to reduce 1,800 - 2,700 kWh (kilowatt hours) from homeowner's electricity use.

No budget provision has been made for any energy efficiency services provided by Council because the uptake of these initiatives is unknown, and the effects of any uptake will be cost neutral to the District at large.

Details of the amendment

Amendments are required to permit Energy Efficiency and Health Choices to be included in the Activity Group: People, and more definitively under the Activity: Community Support.

Council will support the EECA proposal by providing services for such energy projects within available resources, and within parameters that it may set from time to time. These services together with interest and an appropriate administration charge will be recovered over a number of years by a targeted rate on those properties that obtain a service.

	Deciding to go ahead with the scheme	Deciding not to go ahead with the scheme
Benefits in terms of the 'four wellbeings'	By deciding to go ahead with the Scheme, the Council will be promoting the economic and environmental wellbeing of the Marlborough District. Improving the insulation of homes is likely to make homes more energy efficient. Installing approved heating devices is likely to improve air quality. Installing solar water heating systems is likely to result in lower energy demands.	Nil
Costs in the terms of the 'four wellbeings'	Nil	If Council does not go ahead with the EECA Schemes, it will miss out on an opportunity to promote the economic, health and environmental wellbeing of the Marlborough District.
Promotion of community outcomes	Energy efficiency Health choices	If Council does not go ahead with the EECA Schemes, it will miss out on an opportunity to promote the economic, health and environmental wellbeing of the Marlborough District.
Impact on capacity to meet present and future needs	Nil	Nil

Parts of the Long Term Council Community Plan Amended

Revenue and Financing Policy

Page 146 Under the 8.1. table - Amend 'Fees and Charges' and 'Borrowing' for Community Support to 'Yes', it will be a source of funding for operating expenses

Page 147 Under the 8.2 table - Amend 'Fees and Charges' and 'Borrowing' for Community Support to 'Yes', it will be a source of funding for operating expenses

- Page 148 Under the 8.3 table narrative for Community Support - Add 'Energy Efficiency' and 'Health Choices'
- Pages 149 & 152 Under the 8.3 narrative for Community Support, - Add 'Council service costs for energy projects will be recovered over a number of years by a targeted rate on properties that obtain a service.'
- Page 153 Under the 8.3 narrative for Community Support, - Add 'The health and wellbeing of the community benefits from energy efficiency initiatives.'
- Page 157 Under the 8.3 narrative for Community Support, - Add new name 'Energy Efficiency Initiatives' and 100% under Sep Targeted Rates.'
- Page 165 Under 12 - Changes to Existing Funding Policy, - Add new bullet point at the end' Council proposes within available resources to facilitate Central Government objectives of promoting energy efficiency, energy conservation, and the use of renewable energy sources. It will do this by providing homeowner services which together with interest and an appropriate administration charge will be recovered over a number of years through a targeted rate on those properties that obtain a service.'

Treasury Management Policy

- Page 137 Under 2.1 Liability Management Policy Purpose, - Add new bullet point 'Debt for energy efficiency projects.'

Funding Impact Statement (New Rates)

Energy Efficiency Rates (2010-11 - \$ Nil GST incl)

These targeted rates will be calculated on the extent of energy efficiency services provided to rating units and are calculated as a percentage of the service amount (*inclusive of associated costs*), until the service amount is recovered.

Repayment percentages and rates will be set in the 2011-12 financial year. The rate will be assessed on the services provided to rating units in 2010-11 plus any capitalised interest and other costs relating to advances made in that year. Repayments will commence from 1 July 2011 for these advances. The indicative energy rate for 2011-12 to cover both interest and principal is 17.330910% of the service provided based on an interest rate of 7%.

Consequential Impacts

Amendments to the cost of service statement will result when service costs and loan raising occur. However, as the level of uptake from this new initiative is uncertain and the scheme will be cost neutral to Council, it is not intended to update the financial information in this plan to reflect the scheme. Actual expenditure will be reported in the 2010-2011 financial statements.

Development Contributions Policy

Reason for the amendment

The amendments to Council's Development Contributions policy are to:

- provide clarity around the meaning of "rural" in regard to minimum controlled activity lot size,
- provide consistency between the reserve rate charged and the demand on services created irrespective of zoning in plans.

Details of the amendment

Under the Development Contributions Policy, the schedule of charges has a different rate of charge for urban at 6% and rural at 3%. In addition to this there is an exemption for rural reserve contributions where the new lots meet the minimum controlled activity lot size as defined by the district plan.

The differential between Rural and Urban is historical, existing in RMPs prior to the establishment of Development Contributions Policy. The differential was based on the premise that those in rural areas with large lot sizes are less inclined to create the same demand for reserves. As an extension of that concept, the Development Contribution Policy includes:

"in the case of Rural Subdivision where the new lots meet the minimum controlled activity lot size as defined in the District plans, then no reserve contribution will apply".

The amendment clarifies which rural zones are not charged development contributions when the new lot meets the minimum controlled activity lot size, by specifying these zones in the policy as follows:

"In the case of rural subdivisions when the new lots meet the lot sizes tabled for Rural 3 and Rural 4 Zones as defined in the Wairau Awatere RMP and Rural 1 and Rural 2 in the Marlborough Sounds RMP, then no reserve contribution will apply"

Under the policy if a new development is proposed in an area zoned as rural it will be assessed at 3%, even if as a result of the development, it creates an urban environment with smaller lot sizes. This previously created an inconsistency between the charge imposed and the demand on service created.

The second amendment provides further consistency between the charge imposed and the demand on services created by charging rural land the same rate as urban for lots 1 ha or less. The policy is:

“For the purpose of the reserves charge:

- Urban includes zones Urban and Rural Township; and
- Rural includes zones Rural 1,2,3,4 Rural residential and Sounds Residential and are charged the rural rate except where new lots of 1 ha or less are created, in which case the urban rate will apply.”

Plan	Zone	Urban	Rate	Rural	Rate	Rural	Rate
WARMP	Urban Residential	All	6%				
WARMP	Rural Township	All	6%				
WARMP	Township Residential	All	6%				
WARMP	Rural Residential	1 ha or less	6%	> 1 ha	3%		
WARMP	Rural 3	1 ha or less	6%	> than 1 ha and less than 8 ha	3%	8 ha or greater	0%
WAMP	Rural 4	1 ha or less	6%	> 1 ha and less than 20 ha	3%	20 ha or greater	0%
MSRMP	Urban Residential	All	6%				
MSRMP	Sounds Residential			All	3%		
MSRMP	Rural Township	All	6%				
MSRMP	Rural 1	1 ha or less	6%	> than 1 ha and less than 30 ha	3%	30 ha or greater	0%
MSRMP	Rural 2	1 ha or less	6%	> than 1 ha and less than 30 ha	3%	30 ha or greater	0%

Any residential development in a zone not included in the table above will be charged reserve contribution as if it were urban.

Provide clarity around the meaning of “rural” in regard to minimum controlled activity lot size

Zones Rural 1, Rural 2, Rural 3, Rural 4 and Rural Residential are charged as Rural, and Rural Township is charged as Urban. This is consistent with the rules as they existed for Financial Levies under the RMP prior to the establishment of Development Contributions Policy.

Zones Rural 1, Rural 2, Rural 3, Rural 4 have minimum controlled activity lot sizes of currently 8, 20 or 30 hectares. Rural Residential Zone minimum controlled activity lot size is currently 1ha.

Rural Residential includes properties located in Burleigh, Rarangi, Marlborough Ridge area, Rapaura, Benmorven, Dry Hills and Wairau Valley. All these areas are close to population centres and at one hectare will not meet recreation demands in the same way an eight hectare property will, thereby creating demand on reserve facilities in the wider district.

Excluding Rural residential zone from the minimum controlled activity lot size exemption clause creates a treatment consistent with the previous RMP financial contributions regime where the Rural Residential zone would have been charged the rural rate for all additional lots created.

Provide consistency between the reserve rate charged and the demand on services created irrespective of zoning in plans.

Prior to the amendment if a new development is proposed in an area zoned as rural it was assessed at 3%, even if as a result of the development, it created an urban environment with smaller lot sizes. This created an inconsistency between the charge imposed and the demand on services created.

The Marlborough District Council development contributions policy has already established the use of lot size as a measure of demand on reserve services by the inclusion of an exemption from charge of development contributions for reserves where the new lots meets the minimum controlled activity.

Consistently applying this relationship of lot size and demand, the amendment means that where a rural lot is subdivided to a lot size of less than 1 ha the urban rate will be charged.

Analysis of the Options Considered under Section 77 (1) of the Local Government Act

An alternative option was considered, where the supply of reticulated services to a newly created allotment created an urban environment and therefore would be charged the urban rate for reserves.

This approach raised the following issues:

- Which and how many services would need to be provided to consider the new lot to be “urban” and charged the urban rate for reserves?
- What relationship does the provision of reticulated services have to the demand on reserves?

Parts of the Long Term Council Community Plan Amended

Financial/Development Contributions Policy

Page 177 s5.1 Additional Information regarding Development Contributions payable

Remove

“In the case of rural subdivisions where the new lots meet the minimum controlled activity lot size as defined in the District plans then no reserve contribution will apply. Where reserve contributions do apply they will be assessed at 3%.”

Replace with

- “For the purpose of the reserves charge: Urban includes zones Urban and Rural Township; and Rural includes zones Rural 1,2,3,4, Rural residential and Sounds Residential and are charged the rural rate except where new lots of 1 ha or less are created, in which case the urban rate will apply.”
- “In the case of rural subdivisions when the new lots meet the lot sizes tabled below for Rural 3 and Rural 4 Zones as defined in the Wairau Awatere RMP and Rural 1 and Rural 2 in the Marlborough Sounds RMP, then no reserve contribution will apply”.

Consequential Impacts

As the main purpose of this amendment is the clarification of Council’s intentions, material change to the amount of revenue collected is not expected.

Other Changes

Council Controlled Organisations

Reason for amendment

The removal of Destination Marlborough (DM) from the list of Council Controlled Organisations (CCOs) in the 2009-2019 Long Term Council Community Plan is to recognise that it does not meet the statutory criteria for being a CCO.

Details of the amendment

DM was established as a Charitable Trust in November 1997. In the past DM was listed as a CCO, as Marlborough District Council was the original settler in the establishment of the Trust.

Following a review of the Local Government Act 2002 it was confirmed that DM did not meet the statutory criteria for a CCO. In addressing the statutory issue, removing DM from the list of CCOs has the following other advantages in that it:

- Clarifies DM taxation status as being exempt from income tax.
- Simplifies by reducing DM and Council’s financial reporting requirements.
- Provides Council with greater flexibility on how it structures any assistance provided to DM.

Council can still achieve an appropriate accountability arrangement with DM by attaching suitable conditions to any funding approved.

Consequential Impacts

Nil.

PART I: PURPOSE OF THIS PLAN

The 2010-11 Annual Plan is prepared in compliance with the Local Government Act 2002. It includes the annual budget and funding impact statement for the 2010-11 financial year, and identifies any variations from the financial information included in the Long Term Council Community Plan for this period.

The plan supports the Long Term Council Community Plan in providing integrated decision-making and co-ordination of Council's resources; contributes to Council's accountability to the Marlborough community; and extends opportunities for participation by the public in decision-making processes relating to the costs and funding of activities.

Additional information on the Council's activities, including the community outcomes to which the activities contribute, is provided in the Long Term Council Community Plan. For more detailed information, interested readers should refer to the relevant resource management plan(s), to specific policies and strategies, or to asset management plans.

For more information on these and other plans, see the Council's website www.marlborough.govt.nz or enquire at the Marlborough District Library or Council service centres.

Statement on Variances from the Long Term Council Community Plan

Information in this plan may vary from that provided in the Long Term Council Community Plan. Changes may have been required as a result of revised projections based on new information arising, or from changes to the operating environment. Variances from the Long Term Council Community Plan are noted for estimated expenditures and revenues associated with each of Council's activities. In any specific instance where a change is considered to be noteworthy, an explanation is provided.

PART II: COUNCIL ACTIVITIES

Our Business - Activities & Services

Introduction

The Local Government Act 2002 resulted in a change in the way local authorities determine which services they will provide. Councils no longer have any predetermined 'core business' such as roads and rubbish. Instead, Councils must now show how they will help achieve the District's community aspirations for the future, as well as deliver a number of services required by law.

Aligning its services with community aspirations and the Council's own vision better ensures that Council is heading in the right direction in meeting customer needs and wants. In this Plan, the Council has structured its activities into seven Activity Groups:

- Democratic Process.
- People.
- Emergency Management.
- Land and Water Services.
- Environmental Policy and Information.
- Regulatory.
- Regional Development.

Many of the goods and services Council delivers contribute to more than one outcome and an awareness of the overlaps means that community benefit obtained from each is maximised.

Identifying Services

Determining what services Council will and will not provide is not always easy. There is a range of services that Council could provide. Some are required by law while others are discretionary. All have varying levels of community or customer demand. However, these services must all be funded and ratepayers have told us that having an affordable level of rates is important to them in these troubled economic times. This means that the Council cannot realistically deliver everything that the community may want. It has to prioritise and make some choices. In consulting on this Annual Plan, Council has used ratepayer input to make what it believes are the right choices.

As part of the process of identifying services for the LTCCP, every activity has been recently reviewed and critically evaluated from a customer driven perspective as intended by recent changes to local government legislation.

In the following sections, Council's planned services for each activity are outlined, along with information on the reason why these services are considered appropriate, how much the service costs and how it will be funded.

How Levels of Service have been Selected

The Council is tasked with providing a range of activities to promote the communities' well-being and to meet statutory requirements. Within these activities the levels of service that the Council intends to provide are identified to enable our community to understand what they can expect for their money.

The decisions about the chosen level of service and what budget is assigned to an activity are made by your Councillors, with regard to:

- Short and long term benefits and costs to the district.
- Community outcomes.
- Customer demand.
- Community priorities.
- Statutory requirements.
- Commitments already made (such as through strategies, plans or construction underway)
- Affordability and willingness to pay by the District's population.

Council undertakes to provide an overall level of service that residents rate highly, and will survey Marlborough residents annually to see that this level of service is actually being achieved. Several of the activities in the Plan are provided by other organisations. In these cases, levels of service are incorporated into the respective contracts and service agreements, and are reported on at agreed times.

Community Outcomes and Activities Summary Table

Community outcome	Activity group	Council activities
Environmental sustainability	Land and water services	Land transport Rivers and land drainage Wastewater (sewerage) Stormwater Water supply Solid waste management
	Environmental policy and information	Environmental science and monitoring Environmental policy Biosecurity (pest management)
	Regulatory	Resource consents Environmental protection Harbours
	Regional Development	Research Centre
Prosperity	Land and water services	Land transport Rivers and land drainage
	Environmental policy and information	Environmental science and monitoring Environmental policy Biosecurity (pest management)
	Regulatory	Resource consents
	Regional development	Regional development Marketing and tourism Events management Research Centre
Knowledge and learning	People	Library services
Enterprise and endeavour	Regional development	Regional development Marketing and tourism Research Centre
Full participation	Democratic process	Democratic process
	People	Community support Library services
	Regional development	Events management
Positive aging	People	Community housing Community safety Community support
Positive youth	People	Community safety Community support
Safety and security	People	Community safety
	Emergency management	Emergency management
	Regulatory	Harbours Animal control
Energy efficiency	Regulatory	Building control
	People	Community support
Affordable housing	People	Community housing
	Regulatory	Building control
Health choices	Regulatory	Environmental health Environmental protection
	People	Community support
Essential services	Land and water services	Land transport Rivers and land drainage Wastewater (sewerage) Stormwater Water supply Solid waste management
	Regulatory	Land memoranda
Heritage	People	Culture and heritage Libraries
	Land and water services	Community facilities
Fun and recreation	Land and water services	Community facilities
	Regulatory	Harbours
Physical activity	People	Community support
	Land and water services	Community facilities Land transport
Creativity	People	Culture and heritage Library services

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify, in relation to each group of activities, how it will assess and manage the asset management implications of changes in demand for, or consumption of services, and to changes in levels and standards of service.

Council will assess and manage the asset management implications (including any additional asset capacity that may subsequently be estimated to be required) arising from changes in demand for, or consumption of the services associated with this group of activities, and changes to preferred service provision levels and standards, by monitoring issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant Asset Management Plans.

Decisions regarding what additional asset capacity may be required, how provision of additional capacity will be undertaken, and the estimated costs of provision of additional asset capacity, are contingent upon an analysis of all relevant information, including consultation that may be undertaken with affected communities, and according to the characteristics of each case. Any decisions that may be taken will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act. Known changes to asset capacity are discussed in the context of specific activities.

Maintenance, renewal and replacement of assets will be undertaken according to policies set out in relevant Asset Management Plans. The costs of maintenance, renewal and replacement of assets will be met by utilising the optimal mix of funding instruments available, and according to the Council's revenue and financing policy.

Of all Council's activity groups, Land and Water Services is the most dependent upon a "hard" asset base. Detailed information on Council's forward planning for the management of most of these assets is provided in the Asset Management Plans for stormwater, water supply, wastewater, roading, rivers and drainage and in the Regional Land Transport Strategy. The Council's Waste Management Strategy provides information on the asset base servicing that activity. New Asset Management Plans are also being prepared for the Council's river control assets, its stock of community housing, and for parks and reserves.

Significant issues affecting asset management and planning are discussed in the context of the relevant activities. For detailed information interested readers are directed to the various Asset Management Plans and Strategies, copies of which can be viewed at Council Service Centres.

For those activities that do not rely on a Council-owned asset, major issues or changes likely to affect either demand or levels of service are noted, including the intended response.

Changes to Demand

For the purposes of anticipating changes to demand or levels of service, regional population growth over the period of the plan is assumed to average 1.4% per annum. This growth is expected to impact primarily in the 40+ age group. Overall household density is projected to decline slightly over the period of the plan. Infrastructure planning, as set out in the Council's Asset Management Plans, has factored long term population growth and demographic change and commercial development into its projections for the maintenance and renewal of existing assets.

Changes to Levels of Service

In the main Council is attempting to maintain existing levels of service. Where an improvement in the level of service is anticipated this is identified in the Activity Plans and trends shown in the performance targets contained therein, later in this document.

Significant Negative Effects

Where an activity may have a negative effect on any aspect of wellbeing, this is also explained.

How to Read the Activity Section

The activities section is divided into seven high level activity groups that contain one or more activities. In these challenging economic times Council has in the main focused on maintaining the level of services provided and only making infrastructure investments and other improvements where there is either a legislative imperative or high community need. Other service level improvements are possible, but only at an increased cost to ratepayers. As a result you will find in many cases that the specific targets for the next three years and outlined targets for the remainder of the period remain the same.

<p>ACTIVITY GROUP</p> <p>Activities within this group Rationale</p>	<ul style="list-style-type: none"> The name of the Activity Group. 								
<p>ACTIVITY: NAME</p> <p>Operating costs of this activity represents % of activity revenue</p> <table border="1"> <thead> <tr> <th>Outcome</th> <th>Related Community Outcome</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table> <p>How this activity relates to Community Outcomes What is this activity about?</p>	Outcome	Related Community Outcome			<ul style="list-style-type: none"> The activities within the Activity Group. The rationale for the delivery of the Group of Activities. 				
Outcome	Related Community Outcome								
<p>LEVELS OF SERVICE</p> <p>Performance targets (for the financial year)</p> <table border="1"> <thead> <tr> <th>Level of service</th> <th>Indicator</th> <th>LTCCP Baseline</th> <th>10-11</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Level of service	Indicator	LTCCP Baseline	10-11					<ul style="list-style-type: none"> The name of the Activity. A table detailing: <ul style="list-style-type: none"> The cost of this activity as a % of total operating costs. The outcomes sought to be achieved by this activity.
Level of service	Indicator	LTCCP Baseline	10-11						
<p>OPERATING AND CAPITAL COSTS AND FUNDING FORECASTS</p> <p>Service area</p> <table border="1"> <thead> <tr> <th> </th> <th>2010-11\$000's</th> </tr> </thead> <tbody> <tr> <td>LTCCP</td> <td>Budget</td> </tr> </tbody> </table>		2010-11\$000's	LTCCP	Budget	<ul style="list-style-type: none"> How this activity relates to Community Outcomes. A description of what the Activity is about. 				
	2010-11\$000's								
LTCCP	Budget								
	<ul style="list-style-type: none"> Levels of service. A description of the service to be provided. The indicator used to measure achievement. The targets for 2010/11. 								
	<p>The operating and capital costs forecast for the Annual Plan and the means by which they are funded.</p>								



Democratic Process

Picture: Marlborough District Council Administration Building, Seymour Street, Blenheim

ACTIVITY GROUP: DEMOCRATIC PROCESS

Activities in this Group

The activities in this group comprises a single activity; Democratic Process.

Rationale for the Delivery of this Group of Activities

The Democratic Process activity includes the planning and support for the meetings of Council and its Committees, the provision of information regarding Council business, and the general oversight of the processes that support local government in Marlborough, including local elections every three years. Carrying out this activity enables Marlborough residents' and ratepayers' interests to be represented in a fair and reasonable manner, and provides opportunities for the District's communities to participate in the decision-making processes that affect them.

This activity group contributes to the community outcome of full participation.

ACTIVITY: DEMOCRATIC PROCESS

Operating costs of this activity represent approximately 3.3% of total activity expenditure.

Outcome	Related Community Outcome
The District's communities are able to participate in the decision-making processes that affect them.	Full participation.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of full participation by providing timely, understandable information to the community to enable its participation in local government.

What is this Activity About?

The Marlborough District Council is a unitary authority, with the functions, duties and powers of both a regional council and a territorial authority conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being to enable democratic local decision-making and action by and on behalf of communities; and to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

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 2002 and under the Resource Management Act 1991.

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

LEVELS OF SERVICE: DEMOCRATIC PROCESS

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations. Undertake citizenship ceremonies and other civic duties. Manage 2010 election processes in accordance with Local Electoral Act.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.5
Provide a service that is timely and responsive to residents needs.	Percentage of agendas and attachments available to the public at least three working days prior to meetings. Percentage of Council meetings advertised in the local media no less than five working days prior to meeting date.	100% 100%	100% 100%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11

Democratic Process	LTCCP \$000's	Budget \$000's
Operating Costs	2,697	2,423
Funded by		
Rates	2,371	2,158
General Revenues Applied	258	243
Other Revenue	22	22
Total Revenue	2,651	2,423
Operating Deficit Funded from Reserve	46	-
	2,697	2,423
Capital Expenditure	41	40
Funded by		
Depreciation Reserve Transfer	21	20
Asset Disposals	20	20
	41	40

Explanation of Variances

Variances are not considered significant.



People

Picture: Marlborough District Library, Blenheim

ACTIVITY GROUP: PEOPLE

Activities in this Group

The activities in this group include:

- Culture and Heritage (including support for arts, memorials and museums).
- Community Housing.
- Community Safety.
- Community Support.
- Library Services.

Rationale for the Delivery of this Group of Activities

These activities encompass a range of services that require Council input. Council undertakes these activities because of the positive contribution they make to the Marlborough community by increasing diversity, knowledge and education. This activity group contributes to the community outcomes of full participation, positive aging, positive youth, safety and security, affordable housing, heritage, physical activity, knowledge and learning, creativity and prosperity.

ACTIVITY: CULTURE AND HERITAGE	
Operating costs of this activity represent less than 1.0% of total activity expenditure.	
Outcome	Related Community Outcome
<p>Marlborough's heritage resources are acknowledged, valued and enjoyed by present and future generations.</p> <p>Marlborough is an enlivened and creative region in which the arts are widely practised and enjoyed, and where they are recognised as being essential to a healthy and prosperous community.</p>	Heritage, Creativity.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of heritage and creativity by making funding available to arts and heritage providers in accordance with Council's arts and heritage strategies.

What is this Activity About?

This activity involves promoting "cultural wellbeing". "Cultural wellbeing" is one of the four well beings that local government is charged with promoting through the Local Government Act. Council defines "culture" as encompassing the customs, practices, languages, values and world views that define social groups in Marlborough.

Practices such as arts, design, and architecture, reflect and create our cultural identity. Likewise, the ways in which we approach and understand our heritage shapes our image of ourselves, and the image we convey to future generations.

The Marlborough culture is unique: nowhere else in the world is there the same combination of people, place, and practice. Cultural identity - the sense of connection with other people through a shared culture - can make a strong contribution to a person's overall wellbeing.

Responding to community changes requires a continual balance between the old and the new.

Over the period of this Plan, some new investments may need to be made in the district's heritage assets. The Council's Arts and Culture Strategy, and its Heritage Strategy, sets out the roles played by Council in detail, and the ways in which it intends working with the community to achieve positive outcomes for culture and heritage.

These include:

- Forming partnerships with organisations and institutions that contribute to cultural wellbeing (eg; Marlborough Museum, Past Perfect museums database project).
- Supporting projects that reflect and strengthen Marlborough cultural identity.
- Managing the cultural and heritage assets and resources that it is responsible for in a sustainable manner.
- Providing annual heritage operating grants and a pool of grants funds for the arts and heritage sector to apply for each year.

LEVELS OF SERVICE: CULTURE AND HERITAGE			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5
Manage relationships with third party providers to ensure service quality and value including: <ul style="list-style-type: none"> • Identify programmes and proposals to increase the provision and preservation of art and culture. • Review existing programmes to ensure still addressing art and cultural issues. 	Percentage of proposed programmes approved by Council and external funding providers.	100%	100%
	Percentage of programmes reviewed, with results presented to, and recommendations endorsed by Council.	100%	100%
	Percentage of grants allocated and reports provided to the relevant Committee of Council.	100%	100%
	Percentage acceptance by Council of the achievements reported annually.	90%	90%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Culture and Heritage	LTCCP	Budget
	\$000's	\$000's
Operating Costs		
Arts	180	235
Heritage	357	404
Memorials	86	77
Total Operating Costs	623	716
Funded by		
Rates	557	639
General Revenues Applied	66	77
Total Revenue	623	716
Capital Expenditure		
Memorials	132	8
Total Capital Expenditure	132	8
Funded by		
Depreciation Reserve Transfer	-	8
Other Reserve Transfers	132	-
	132	8

Explanation of Variances

Variances are not considered significant.

ACTIVITY: COMMUNITY HOUSING

Operating costs of this activity represents 1.5% of total activity expenditure.

Outcome	Related Community Outcome
Marlborough residents have access to affordable housing options.	Affordable housing, Positive ageing.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of affordable housing and positive ageing through the provision of attractive, affordable housing for the elderly units.

What is this Activity About?

This activity involves Council considering ways and means by which it can assist the people of Marlborough to have access to housing suitable to their needs. Council considers the most effective means of discharging this responsibility to be:

- Maintaining a community where people and businesses can prosper.
- Providing an option for elderly people to access appropriate and affordable housing.

Housing is also a key element in the equation of economic sustainability, with direct linkages to the capacity of a community to attract and retain a labour force.

Council will continue to implement the maintenance plans for the Housing for the Elderly units to ensure a minimum living standard. The age and difficulty in maintaining these units is a long term issue.

Council has an advocacy and facilitation role beyond the current provision of Housing for the Elderly. Council will continue to work closely with Housing New Zealand and the Marlborough Sustainable Housing Trust to attract more funding and provision of housing options for the Marlborough community.

LEVELS OF SERVICE: COMMUNITY HOUSING

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.7	6.7
Provide a community housing service that is sustainable.	Percentage of planned maintenance for the housing for elderly portfolio completed.	80%	90%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11

Community Housing	LTCCP \$000's	Budget \$000's
Operating Costs	1,007	1,071
Operating Surplus Transferred to Reserves	91	-
	1,098	1,071
Funded by		
Other Revenue	1,098	1,035
Total Revenue	1,098	1,035
Operating Deficit Funded from Reserve	-	36
	1,098	1,071
Capital Expenditure	104	-
Debt Repayment	129	-
	233	-
Funded by		
Depreciation Reserve Transfer	194	-
Other Reserve Transfers	39	-
	233	-

Explanation of Variances

Variances are not considered significant.

ACTIVITY: COMMUNITY SAFETY	
Operating costs of this activity represent less than 0.4% of total activity expenditure.	
Outcome	Related Community Outcome
People in Marlborough enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.	Safety and security, Positive Ageing, Youth.

How this Activity Contributes to Related Community Outcomes

This activity contributes primarily to the Community Outcome of safety and security by identifying (through survey and police liaison) and addressing safety issues in our community. Providing a safe and secure environment also contributes to Community Outcomes of positive ageing and youth.

What is this Activity About?

This activity involves Council in a number of activities and relationships aimed at addressing some of the root causes of behaviours that affect community safety. This necessarily entails working closely with agencies in the policing, education, and health sectors.

Community safety has been identified in this Plan as one of the main components of community wellbeing. Council has reviewed its role in community safety and has resolved to commit to longer term arrangements with police and Central Government as they become available. Within Council’s Safer Communities Marlborough section, a number of projects operate all of which contribute to community wellbeing using a variety of social, situational and tertiary crime prevention approaches to support the New Zealand Crime Reduction Strategy.

The majority of these projects are delivered via Government funding directly by Council and include Street Safe Marlborough Community Safety Patrol Group, Neighbourhood Support Marlborough (NSM), Restorative Justice, the Marlborough Youth Transition Service, Crime Prevention Through Environmental Design (CPTED), Motivational Outdoor Therapy for young offenders, the Marlborough Graffiti Vandalism Reduction Project and U-Can, which is an initiative to inform migrant arrivals in Marlborough how to keep themselves safe in our community.

Safer Communities Marlborough also hosts the Community Max Programme providing paid employment for young people aged 16 to 24 who are unable to find other work.

Safer Communities Marlborough maintains strong partnership links with police, government agencies, the community and other Council sections to improve the safety of our community.

LEVELS OF SERVICE: COMMUNITY SAFETY			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents’ expectations.	Resident satisfaction with this service as measured by survey, where 10 = “service delivered extremely well”.	6.4	6.4
	Percentage of residents that perceive of safety after dark in their neighbourhood and town as measured by survey.	Neighbourhood: 85% Town: 57%	85% 59%
Manage relationships with third party providers to ensure service quality and value including identifying programmes and proposals to address safety issues.	Percentage of proposed programmes approved by Council and external funding providers.	100%	100%
Review existing programmes to ensure still addressing safety issues.	Percentage of programmes reviewed, with results presented to, and recommendations endorsed by Council.	100%	100%
Programmes delivered within agreed timeframes and budgets.	Percentage of grants allocated and reports provided to the relevant committee of Council.	100%	100%
	Percentage acceptance by Council of the achievements reported annually.	90%	90%

Operating and Capital Costs and Funding Forecast 2010-11		
Community Safety	LTCCP	Budget
	\$000's	\$000's
Operating Costs		
Safer Communities	221	213
Security	65	63
Total Operating Costs	286	276
Funded by		
Rates	84	81
General Revenues Applied	10	10
Subsidies & Grants	192	185
Total Revenue	286	276
Capital Expenditure		
Security	52	50
Total Capital Expenditure	52	50
Funded by		
Depreciation Reserve Transfer	52	50
	52	50

Explanation of Variances

Variances are not considered significant.

ACTIVITY: COMMUNITY SUPPORT	
Operating costs of this activity represent less than 0.8% of total activity expenditure.	
Outcomes	Related Community Outcome
Marlborough's communities are robust and resilient. Young people are supported in their lifestyle choices. More people, more active, more often. Older people are valued and recognised as an integral part of the community.	Full participation; Positive youth; Physical activity; Positive ageing; Energy Efficiency and Health Choices.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of full participation, positive youth, physical activity and positive ageing by coordinating a series of forums with the elderly and youth and working with these groups to implement the key activities identified. This activity contributes to energy efficiency and health choices.

What is this Activity About?

This activity involves strengthening community cohesion, supporting social networks within the community, recognising the value and needs of older people and providing a positive environment for the development of our young people. This activity will also facilitate Central Government objectives of promoting energy efficiency, energy conservation, and the use of renewable energy sources. Council's role will extend to providing homeowner services for such energy promotions within available resources, and recovering the cost of those services together with interest and an appropriate administration charge over a number of years through a targeted rate on those properties that obtain a service. It also includes support for physical recreation and activity.

Council is responsible for a number of community-owned assets such as sports fields, walkways, parks, all of which provide a range of active lifestyle options for members of the community. The main means by which Council encourages the use of these facilities is through providing assistance to sporting and recreational clubs and organisations, including its investment in Sport Marlborough, its support for Stadium 2000 and for Marlborough's aquatic facilities.

A district Physical Activity Plan has been developed that includes strategies to address barriers that make it difficult for people to be more physically active. The Council's Walking and Cycling Strategy is an important policy instrument, by making safe and convenient transport routes available for walkers and cyclists.

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council has worked in partnership with key agencies to establish the Positive Ageing Accord to identify the aspirations of this sector and actions to take place to achieve these. Monthly Older Persons Forums are held to give a voice to the sector and enable issues to be raised and addressed.

Similarly Council has a Youth Policy and Youth Initiatives Plan that works towards achieving a better environment and services for this sector with active input from youth. Monthly Council Youth Forums are held to provide a voice for youth and to take effect of the Policy and Plan which provides direction for the allocation of Council's Youth Funding.

The volunteer sector underpins much of the service delivery of community services in Marlborough. Advocating the needs of the sector is an ongoing issue particularly given the changes being experienced in the age and ethnicity of the community. Relationships are been made with key organisations to build the capacity of the sector through provision of training and support. Council also assists through provision of community grants with set criteria to target needs in the community. Relationships with other funding providers are maintained to try and maximise the funds available.

Community support is provided by Council in a number of ways including via third parties: organisations and agencies working with particular groups within the community, providing funding, advocacy or addressing specific issues directly through service provision.

LEVELS OF SERVICE - COMMUNITY SUPPORT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.2	≥ 7.2
Manage Council Community Grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes. Outputs and outcomes of programmes reported to Council annually.	New measure. 100%.	≥90% 100%
Implement Positive Ageing Accord.	Number of Older Peoples Forums held annually with minimum 90% attendance.	10	10

Level of Service	Indicator	LTCCP Baseline	2010-11
	Frequency of Seniors Expo.	New measure.	Senior Expo held
	Timeliness in establishing the baseline for incremental improvement in awareness of services available.	Baseline established for incremental improvement in awareness of services available.	
Review and implement Youth Initiative Plan annually.	Number of Youth Forums held annually with minimum 90% attendance.	10	10
	Percentage of Actions in Youth Initiatives Plan completed each year.	90%	90%
Build capacity of the Volunteer Sector through provision of training in partnership with key providers.	Number of training courses provided per annum where attendance numbers meet targets.	3	>3

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Community Support	LTCCP \$000's	Budget \$000's
Operating Costs		
Grants and Donations	509	499
Recreation	81	73
Total Operating Costs	590	572
Funded by		
Rates	505	486
General Revenues Applied	56	56
Total Revenue	561	542
Operating Deficit Funded from Reserve	29	30
	590	572

Explanation of Variances

Variances are not considered significant.

ACTIVITY: LIBRARY SERVICES	
Operating costs of this activity represents 1.9% of total activity expenditure.	
Outcome	Related Community Outcome
Lifelong learning opportunities and improved knowledge, literacy and information skills for Marlborough's residents.	Full participation; knowledge and learning; creativity; heritage.

How this Activity Contributes to Related Community Outcomes

This activity contributes to knowledge and learning, creativity, full participation and heritage Community Outcomes through the provision of well resourced, accessible facilities, that provide information in both print and digital formats, in an environment that stimulates and supports life long learning.

What is this Activity About?

This activity involves providing the community with a professional library service which encourages a joy of reading and the pursuit of knowledge, through the provision of a wide range of current, timely and historical resources in various formats in a safe and accessible environment. The Council provides library services to all Marlborough residents through a network of library facilities. These comprise of a District Library in Blenheim and a branch library in Picton (a combined Library and Council Service Centre). Council also supports school based community libraries in Ward, Seddon, Havelock, Rai Valley and Waitaria Bay, along with a community library in Renwick and Linkwater.

All age groups are catered for - from birth (through the "Bookstart" programme offered to every mother with a new baby born in Marlborough) to senior citizens (some of whom are confined to their own home and make use of the homebound service).

The libraries' collection consists of over 137,000 items, covering a wide range of general interest and popular titles, both fiction and non-fiction, pre-school and children's titles, large print, local history, bicultural, along with non-book resources. The Collection Development Policy currently being reviewed identifies how the collections will be maintained and developed to meet the needs of a growing and diverse population.

As well as providing comprehensive book collections for informational and recreational use, access is available to electronic databases and the World Wide Web. Free internet access is provided through the Aotearoa People's Network Kaharoa. The Marlborough District Libraries' catalogue is also available on-line, providing 24/7 access to the libraries holdings. Music is available on CD, along with sheet music, videos, DVDs, CD ROMs, talking books, magazines and jigsaw puzzles.

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

LEVELS OF SERVICE: LIBRARY SERVICES			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.4	≥8.4
A range of current resources supporting the tastes, interests and reading levels of users is provided.	Average age of library resources.	<10 years.	<10 Years
	Frequency of books being taken out. (Turnover Rate)	4.5	4
	Percentage of books requested, not currently available, provided within five days.	New measure.	95%
Provide access to information electronically.	Percentage year on year growth in users accessing library services electronically.	17,000	10% Growth

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Library Services	LTCCP	Budget
	\$000's	\$000's
Operating Costs	1,412	1,388
<i>Funded by</i>		
Rates	1,143	1,120
General Revenues Applied	125	126
Other Revenue	144	142
Total Revenue	1,412	1,388
Capital Expenditure	267	270
<i>Funded by</i>		
Depreciation Reserve Transfer	267	270
	267	270

Explanation of Variances

Variances are not considered significant.



Emergency Management

*Picture: SH 1 – Welds Pass
(between Blenheim and Seddon)*

ACTIVITY GROUP: EMERGENCY MANAGEMENT

Activities in this Group

This activity group comprises a single activity: Emergency Management.

Rationale for the Delivery of this Group of Activities

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, tsunamis, 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 with responsibility for the prevention, detection, and suppression of Rural Fires in the South Marlborough area. In carrying out this responsibility, it must comply with the standards set by the National Rural Fire Authority under Section 14A(2)(k) of the Fire Service Act 1975 and maintain a current Fire Plan in accordance with Part 2 Fire Control Measures of the Forest and Rural Fires Regulations 2005.

This activity group contributes to the community outcome of safety and security.

ACTIVITY: EMERGENCY MANAGEMENT

Operating costs of this activity represent less than 0.9% of total activity expenditure.

Outcome	Related Community Outcome
The region is well prepared for emergency events and any harm or loss from emergency events is minimised.	Safety and security.

How this Activity Contributes to Community Outcomes

This Activity contributes to the Safety and Security Community Outcome through the provision of tested Emergency Management Plans and a well planned, maintained and competent rural fire fighting capability.

What is this Activity About?

Council is a key member of the Marlborough Civil Defence Emergency Management Group (CDEM) with responsibility for the administration and implementation of a Civil Defence Emergency Management Group Plan. Amongst other requirements the Plan describes:

- The hazards and risks to be managed by the Group are prioritised according to risk. Major risks include:
 - Earthquake.
 - Biological pests and new organisms.
 - Animal disease epidemic.
 - Flooding.
 - Wildfire.
 - Drought.
 - Tsunami.
 - Hazardous goods spillage.
 - Transportation accident. (air, maritime, rail/or road)
- Emergency management policies and procedures in place to manage the hazards and risks.
- Arrangements for declaring a state of emergency in the area.
- Arrangements for cooperation and coordination with other Emergency Management Groups.
- The goals of the Marlborough Civil Defence Emergency Management Group Plan are:
 - A community where the potential effects of all hazards have been minimised.
 - People and communities that provide for their own safety and wellbeing (resilience).
 - A CDEM Group that enables the community to respond to and recover from emergency events in a timely and integrated manner.

The objectives of the Plan are:

1. To minimise the adverse effects of natural and man-made hazards upon life, the social and economic fabric of communities, infrastructure, property and the natural environment.
2. To ensure that there is an effective region wide emergency management capability to respond to and recover from natural and man-made disasters.
3. To provide effective and efficient emergency management through partnership and improved coordination.
4. To reduce or mitigate the risks to lifeline infrastructure from natural and man-made hazards.

Rural Fire

As the Rural Fire Authority for the Marlborough South area, Council has responsibility for preparation and implementation of the Marlborough District Council Fire Plan. The operational part of the Plan is updated each year prior to the summer fire season.

There is a review whether an enlarged rural fire district should be established which will be run by a Rural Fire Board. Consequently Marlborough District Council may no longer be a Rural Fire Authority under the legislation from 2010/11.

LEVELS OF SERVICE: EMERGENCY MANAGEMENT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Timeliness of completing the review of the CDEM Group Plan.	-	February 2011
	Timeliness of the completion of the annual update to Plan, including contact details.	October	October
	Level of compliance with the 10 year exercise programme for testing the CDEM Plan.	100%	100%
	% compliance with testing programme for radios, sector kits and emergency generator	100%	100%
Provide a well planned, maintained and competent Rural fire fighting capability.	Timeliness for completion of the annual review of the Rural Fire-fighting Operational Plan.	October	October
	Timeliness of the Rural Fire Fighting Plan's approval by the Authority.	-	-
	Number of registered Rural Fire force members.	40	43
	% of registered Rural Fire force members who have completed their Fire Fighter Unit Standards.	70%	70%

Council Activities: Emergency Management

Level of Service	Indicator	LTCCP Baseline	2010-11
	% of Rural Fire Force members who have attended at least 50% training events.	50%	60%
	% of 3 monthly checks on water way equipment and vehicles completed.	70%	75%
	% of two yearly pressure tests carried out on pumps, hose and water way equipment.	100%	100%
	Timeliness for completion of the annual vehicle maintenance.	November	November
	% of changes in Fire Season status advertised.	100%	100%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Extensive additional information on levels of service is available in the Civil Defence Emergency Management and Rural Fire Plans.

Operating and Capital Costs and Funding Forecast 2010-11

Emergency Management	LTCCP \$000's	Budget \$000's
Operating Costs	689	639
Operating Surplus Transferred to Reserves	59	40
	748	679
Funded by		
Rates	629	561
General Revenues Applied	75	69
Subsidies & Grants	13	19
Other Revenue	31	30
Total Revenue	748	679
Capital Expenditure	32	31
Funded by		
Depreciation Reserve Transfer	12	31
Other Reserve Transfers	20	-
	32	31

Explanation of Variances

Variances are not considered significant.



Land and Water Services

Picture: Canvastown Playground, Marlborough

ACTIVITY GROUP: LAND AND WATER SERVICES

Activities in this Group

The activities in this group include:

1. Community facilities (including parks, reserves, swimming pools and cemeteries).
2. Land Transport.
3. Rivers and land drainage.
4. Wastewater.
5. Stormwater.
6. Water supply.
7. Waste management.

Rationale for the Delivery of this Group of Activities

This group encompasses the delivery of a range of vitally important public services. The activities all involve major capital assets, which require ongoing funding to operate and maintain and for upgrading to meet changing demand. Public provision of these activities is presumed to be one of the most important roles of local government.

ACTIVITY: COMMUNITY FACILITIES	
Operating costs of this activity represent approximately 7.7% of total activity expenditure.	
Outcome	Related Community Outcomes
<p>Marlborough's communities and visitors experience the District's open spaces and recreation facilities for recreation, relaxation and physical activity.</p> <p>Marlborough people have a respectful and comforting environment to remember those they have lost.</p>	<p>Fun and recreation, physical activity, heritage.</p>

How this Activity Contributes to Related Community Outcomes

This activity contributes primarily to fun and recreation and physical activity by providing attractive parks, reserves, open spaces and other infrastructure for the community. The activity also contributes towards the heritage community outcome by providing cemeteries.

What is this Activity about?

Council provides and maintains a wide range of open spaces and built facilities which meet a diversity of community needs. These services have a statutory base, either under the Local Government Act 2002's broad objectives to meet community outcomes and specific legislation covering the provision of some assets and services such as the Reserves Act 1977, Burial and Cremation Act 1964, and the New Zealand Walkway Act 1990. The Resource Management Act 1991 also provides Council with important responsibilities and powers in relation to sustaining natural and physical resources and the environment.

Community facilities can be categorised as follows:

Recreation Reserves

Marlborough District Council provides, maintains and protects reserves, gardens, trees, lawns, playgrounds other open spaces and amenity facilities that meet the community needs while enhancing people's appreciation of the environment and encouraging active lifestyles. Recreation reserve provision includes the management of reserve assets including trees, gardens, lawn, structures, outdoor furniture and Council owned buildings. Council undertakes recreation reserve provision to meet community expectations in terms of keeping the reserves well maintained and providing new and replacement facilities for public use.

Sportsgrounds

Throughout the Marlborough district we provide and maintain sportsgrounds for year round use by residents and visitors for both formal and informal use. The Council endeavours to cater for a wide range of sporting codes including but not limited to netball, softball, cricket, soccer, hockey and rugby.

Cemeteries

Marlborough District Council provides access to essential cemetery services at an affordable price and in accordance with legislative requirements to protect the public health of the community. Council promotes heritage values through continued planning for and protection of historical and cultural cemetery assets.

Public Toilets

Marlborough District Council undertakes to plan for, provide and maintain accessible and safe public toilets for the use by residents and visitors at appropriate locations throughout the district. The current quantity of public convenience is comparable with other New Zealand towns and ongoing improvements are being made at these facilities across the district.

Aquatic Facilities

A major \$14 million development of the Stadium is underway with significant improvements to the aquatic facilities. Council also supports the provision of this activity by means of financial grants to the operators of aquatic facilities in Blenheim, Picton and Seddon. These grants enhance the provision and accessibility of these assets for public use. Council support of these activities is consistent with the objectives of the Top of the South Regional Physical Activity Strategy, and the Marlborough District Physical Activity and Recreation Strategy, which promote healthy communities through opportunities for physical activities. The appropriate demand and supply analysis and community satisfaction surveys for the Marlborough Stadium aquatic facilities are carried out by the facility operators and where necessary are discussed with the Council to assist short and long term decision making.

Walking and Cycling Routes

Marlborough District Council currently provides, maintains and manages some 100 km of reserve based walking and cycle tracks throughout the district which enables people to have safe and unimpeded access to the outdoors for the benefit of physical recreation and enjoyment of the outdoor environment.

Community Halls

Council owns and assists with the maintenance of a number of community halls, usually in conjunction with local community groups.

The Wither Hills Farm Park, Blenheim and Victoria Domain in Picton offer a range of experiences and excellent views.

LEVELS OF SERVICE: COMMUNITY FACILITIES			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents expectations	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6
Provide up to date relevant information to residents.	Number of newspaper articles. % of changes to sport park availability advertised by 11.00 am each day. % of public maps and brochures are updated within one month of significant change in facilities. % of public maps and brochures are restocked within 24 hours of request from agencies. Number of bimonthly audits undertaken on the relevancy of web pages and brochures.	8 90% New measure New measure New measure	>12 95% 90% 90% 6
Provide a selection of cemetery services that meet the commemorative needs of the community.	Number of plots available annually for burials. % compliance with maintenance contract specifications.	214 95%	Up to 300 95%
Provide reserves and amenities which are equitably distributed and available to all.	% of residents in urban area living within 10 minutes walk or 500 metre radius from a district or neighbourhood reserve. % of CBD and urban public toilet that are disabled accessible as measured by Accessibility Audit.	98% 86%	98% 86%
Maintenance of the District's reserves, gardens and amenities	% compliance with the maintenance contract specifications.	90%	95%
Provide reserves and amenities which are perceived as "Safe"	% of graffiti at reserves and amenities removed within 24 hours of identification. % of new reserves, public conveniences and reported problem areas that receive a Crime Prevention through Environmental Design (CPTED) Audit. Number of material (ie; moderate probability of injury) deficiencies identified by Playground Safety audits. % of significant Playground Safety audit recommendations actioned within one month.	50% 70% 5 90%	95% 100% <5 90%
Provide strategic planning for reserves and amenities within the district.	% of reserves with Management Plans as required under the Reserves Act. % of any newly acquired reserves that have management plans written within five years of their establishment.	0% 0%	40% 100%
Deliver an ongoing improvement programme for reserves and amenities.	% of programmed maintenance and renewal works in the Annual Plan achieved. % of improvement works included in the Annual Plan achieved.	New measure New measure	90% 80%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Community Facilities	LTCCP \$000's	Budget \$000's
Operating Costs		
Cemeteries	504	464
Halls	222	211
Public Conveniences	677	647
Reserves	3,595	3,558
Swimming Pools	595	771
Total Operating Costs	5,593	5,651
Funded by		
Rates	4,576	4,639
General Revenues Applied	513	535
Subsidies & Grants	11	10
Other Revenue	205	175
Total Revenue	5,305	5,359
Operating Deficit Funded from Reserve	288	292
	5,593	5,651
Capital Expenditure		
Cemeteries	152	103
Halls	157	10
Public Conveniences	505	155
Reserves	1,193	1,427
Swimming Pools	4,143	4,020
Total Capital Expenditure	6,150	5,715
Debt Repayment	123	123
	6,273	5,838
Funded by		
Depreciation Reserve Transfer	487	435
Other Reserve Transfers	5,179	5,170
New Loans	607	233
	6,273	5,838

Explanation of Variances

- The major change affecting capital expenditure is the concept/construction of a superloo facility for central Blenheim (\$300,000) being reprogrammed to 2012/13.
- Swimming pools operating costs include the increased operating costs of the enlarged indoor aquatic facility.

ACTIVITY: LAND TRANSPORT

Operating costs of this activity represent approximately 24.4% of total activity expenditure.

Outcome	Related Community Outcomes
Marlborough's land transport system is integrated, safe, responsive and sustainable.	Essential Services, Prosperity; Physical activity; Environmental sustainability.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Essential Services and Prosperity Community Outcomes by providing an efficient and safe transport network for the District to facilitate the movement of people and goods. The network also contributes to the Physical Activity and Environmental Sustainability Community Outcomes by enabling walking and cycling and as a conveyance for community services.

What is this Activity About?

Council is responsible for all roads in Marlborough except the state highways, which are the responsibility of the New Zealand Transport Agency. As owner of the local roading network Council provides and maintains roads to standards that achieve an acceptable balance between user levels of service and cost. In addition Council is responsible for all roading related assets - footpaths, berms, street trees and plots, kerb and channelling, street lighting and carparks. Some wharves are also owned and maintained. There is a continued emphasis on alternate modes such as walking and cycling. A Blenheim bus service is operational.

This activity is carried out so that the movement of people and freight within and through the district can be convenient and safe.

Marlborough District Council delivers its programmes through the New Zealand Transport Agency's (NZTA) Marlborough Roads office who manage Council's roads on its behalf. This is achieved through a formal contract and a close management relationship between Council and Marlborough Roads.

NZTA is a key partner in Council's land transport management and provides financial assistance for maintenance, renewals and capital expenditure on the road network. Marlborough's highways are also managed by Marlborough Roads. The State Highway network is of significant strategic importance in achieving community outcomes.

Council also works closely with the New Zealand Police on road safety issues and maintains and annually reviews a road safety strategy for the district.

LEVELS OF SERVICE: LAND TRANSPORT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.1
Provide a safe transport infrastructure.	Number of vehicle crashes per year involving injury where contributing factor is 'Road Conditions'.	3	<4
Provide a quality transport infrastructure.	Average road roughness standards for: 1. Urban sealed roads. 2. Rural Sealed roads. NB: 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). Smooth Travel Exposure 1. Urban Sealed roads 2. Rural Sealed roads NB: this measure takes roughness and adjusts it for traffic volumes. District Surface Condition Index. NB: The Surface Condition Index is a weighted derivation from pavement defects eg; number of potholes, amount of flushing etc and the age of the surfacing treatment. Lower values indicate a higher standard.	97 86 79% 94% 18	<100 <90 79% 94% <18
Provide a service that is timely and responsive to community needs.	% of minor faults on footpaths repaired within 20 working days of detection. Overall parking occupancy rate. 1. Kerbside 2. Off Street	100% 59% 79%	100% <70% <85%
Provide a sustainable land transport infrastructure.	% of programmed maintenance works in the Land Transport Asset Management Plan achieved. % of renewal and improvement works included in the Land Transport Asset Management Plan achieved.	100% 95%	100% 95%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations. Targets for cyclist and pedestrian safety will be developed in conjunction with the Walking and Cycling Strategy. Extensive additional information on levels of service is available in the Land Transport Asset Management Plan.

Council Activities: Land and Water Services

Operating and Capital Costs and Funding Forecast 2010-11		
Land Transport	LTCCP	Budget
	\$'000's	\$'000's
Operating Costs		
Parking	1,625	1,737
Roading	16,109	16,137
Total Operating Costs	17,734	17,874
Operating Surplus Transferred to Reserves	2,945	994
	20,679	18,868
Funded by		
Rates	9,876	8,936
General Revenues Applied	1,214	1,132
Subsidies & Grants	6,519	5,295
Other Revenue	3,070	3,505
Total Revenue	20,679	18,868
Capital Expenditure		
Parking	4,223	4,225
Roading	8,695	7,727
Total Capital Expenditure	12,918	11,952
Debt Repayment	528	470
	13,446	12,422
Funded by		
Depreciation Reserve Transfer	6,458	7,618
Other Reserve Transfers	3,023	1,060
Asset Disposals	-	551
New Loans	3,965	3,193
	13,446	12,422

Explanation of Variances

The release of the National Land Transport programme by central government in August 2009 has seen a drop in funding for local roading improvement projects, this is reflected in budgets for capital expenditure and subsidy revenue.

ACTIVITY: RIVERS AND LAND DRAINAGE	
Operating costs of this activity represents 5.7% of total activity expenditure.	
Outcome	Related Community Outcomes
Residents and their property are safeguarded from the risks of river and stream flooding. Agricultural drainage of the lower Wairau Plains is provided. Environmental disadvantages of river control and drainage works are mitigated against.	Essential services, Environmental sustainability, Prosperity.

How this Activity Contributes to Related Community Outcomes

This activity contributes primarily to the Essential Services and Prosperity Community Outcomes by providing protection from flooding and erosion and improving the productivity of drainage impaired soils. This activity also contributes to environmental sustainability by using Gibsons Creek to recharge the Wairau Aquifer.

What is this Activity About?

The activity is primarily about managing flood hazard and drainage in the more developed area of Marlborough. Requirements in different areas have developed according to the risks of social and economic damage experienced or projected from anticipated hazards.

Wairau Floodplain Floodways

To maintain and upgrade the floodways passing across the main Wairau floodplain to provide a capacity for flood sizes up to a 1 in 100 year return period for the Wairau River and other major floodplain rivers of the Lower Wairau, Wairau Diversion, Opawa, Taylor, Omaka, Riverlands Co-op Floodway and others. This floodplain is generally that land downstream of the Waihopai confluence, north of New Renwick Road, or otherwise bounded by the hills and the sea.

Wairau Floodplain Tributaries

For tributaries of the Wairau floodplain (including the Wairau above the Waihopai confluence) to keep the river channels as clear of trees and debris as economically practical.

Soil Conservation

To manage the Wither Hills Farm Park so that little or no sediment is deposited in watercourses at the base of the hills.

Lower Wairau Floodplain Land Drainage

To provide agricultural drainage for the Wairau floodplain land generally to the east of Blenheim and O'Dwyers Road. This involves controlling weed and sediment for some 175 kilometres of deliberately excavated drains or natural watercourses, operating floodgated culverts into the major rivers, and providing pumping stations generally with a capacity of removing 15 mm of rainfall in 24 hours. The riparian margins of selected channels are managed in an aesthetic and ecologically sensitive manner.

Gravel Extraction

To manage gravel extraction from river channels throughout Marlborough so as to improve their flood control performance in a manner that is not detrimental to the environment. This requires limiting gravel extraction to specific amounts and specific locations.

Blenheim, Riverlands and Renwick Stormwater Outfall Channels

To ensure a system of drains, natural watercourses, pumping stations, and floodgates adequately provide for the disposal of urban stormwater from the pipe networks operated by Council's Services section. The required level of service is to provide for a 1 in 50 year return period flood event.

Gibsons Creek Rewatering

To supply water from the Wairau and Waihopai rivers into Gibsons Creek to meet the requirements of the Southern Valleys Irrigation Scheme and to provide further water for environmental objectives of a continuous flow to the sea in the Gibsons Creek/Opawa system, and which will also provide for substantial groundwater recharge.

Council River Control Floodway Reserve Land

To allow Council owned floodway land to have secondary uses of public access/recreation, ecological/amenity plantings, or for economic gain by forestry or pastoral leasing as appropriate.

Sounds Watercourses Flood Management

To obtain a river capacity and standard of protection for flood sizes of up to 1 in 50 year return period for the Waitohi, Waikawa and their tributaries flowing through the urban areas of Picton and Waikawa.

Flood Hazard Advice

To provide flood hazard advice to other sections of Council for LIMS and PIMS documents, for resource consents, building consents and Resource Management Plans. The 1 in 50 year return period flood is used as a key indicator of flood hazard.

Flood Response Actions

To provide a flood hazard response system during flood events to carry out emergency repairs, and advise the public and public agencies (police, civil defence etc) of potential flood danger.

LEVELS OF SERVICE: RIVERS AND LAND DRAINAGE			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well").	6.8	6.8
Provide a sustainable flood protection service.	% of programmed maintenance and renewal works in the Rivers Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Rivers Asset Management Plan achieved.	New measure	80%
To monitor, maintain and upgrade floodways to provide a capacity for a flood size up to 1 in 100 year return event for Wairau Plains and 1 in 50 year return event for Blenheim Stormwater Outfalls and Waitohi and Waikawa Rivers.	% of the floodway network inspected within 2 weeks of a flood event.	100%	100%
	% of the floodway network inspected by way of routine inspection annually.	New measure	90%
	% of remedial works post a flood event completed within 6 months of the event.	New measure	95%
	% of serious deficiencies identified as part of a routine inspection addressed within 1 month of identification.	New measure	95%
Effective Drains and Pumping stations are maintained.	% of drains and pumping stations inspected at least annually.	100%	100%
	% of deficiencies, particularly the clearance of weed, actioned within 6 months of identification.	90%	90%
River channels for tributaries of the Wairau floodplain will be kept as clear of trees and debris as economically practical.	% of public concerns investigated and receiving an initial response within 48 hours.	New measure	95%
	% of courses of action agreed post investigation implemented in the timeframe agreed.	New measure	90%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	New measure	<5

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Rivers and Land Drainage	LTCCP	Budget
	\$'000's	\$'000's
Operating Costs		
River Leases	205	196
Rivers Outside Wairau Floodplain	198	250
Wairau Floodplain Drainage	715	703
Wairau Floodplain Rivers	3,300	3,030
Total Operating Costs	4,418	4,179
Operating Surplus Transferred to Reserves	3,139	3,014
	7,557	7,193
Funded by		
Rates	3,710	3,448
General Revenues Applied	28	33
Other Revenue	3,819	3,712
Total Revenue	7,557	7,193
Capital Expenditure		
Rivers Outside Wairau Floodplain	845	820
Wairau Floodplain Drainage	465	450
Wairau Floodplain Rivers	538	520
Total Capital Expenditure	1,848	1,790
Debt Repayment	31	32
	1,879	1,822
Funded by		
Depreciation Reserve Transfer	90	77
Other Reserve Transfers	965	545
New Loans	824	1,200
	1,879	1,822

Explanation of Variances

Variances are not considered significant.

ACTIVITY: WASTEWATER - (SEWERAGE)	
Operating costs of this activity represents 10.6% of total activity expenditure.	
Outcome	Related Community Outcomes
Public and environmental health risks of urban sewage are minimised. Sewerage from industrial zones is able to be processed at the Blenheim Sewage Treatment Plant.	Environmental sustainability; Essential services.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the environmental sustainability and essential services Community Outcomes by providing a collection network and treatment facility that allows for the safe return to the environment of liquid waste.

What is this Activity About?

Council operates four wastewater schemes - in Blenheim, Picton, Havelock and Seddon. Renwick, Spring Creek and Grovetown sewage is reticulated into the Blenheim system.

A scheme for Grovetown and Spring Creek was connected to a new pipeline to convey the effluent from both towns back to the Blenheim Sewage Treatment Plant in February 2010. Investigation is underway for the provision of a sewer network for St. Andrews. Consultation has commenced with the community.

Treatment in all schemes with the exception of Picton is by oxidation ponds. In Picton the treatment system is an extended aeration activated sludge plant.

Council has recently completed a \$5 million upgrade to the Blenheim industrial treatment system which is being funded by users - predominantly wineries - to enable significant growth in industrial effluent, particularly during vintage, to be processed.

Collection, treatment and disposal of wastewater contributes to:

- The health of communities.
- Minimising adverse environmental effects.
- Minimising infiltration of ground water to the sewerage reticulation network which can cause effluent overflows.
- Industrial and residential development.

LEVELS OF SERVICE: WASTEWATER- (SEWERAGE)			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	6.8
Provide a level of service quality that minimises environmental risks.	% of total flow treated prior to discharge through outfall for dispersal to receiving water in accordance with resource consent conditions.	99.5%	100%
Provide a reliable wastewater service with adequate system capacity and performance.	Number of overflows in the entire system resulting from a 1 in 2 year storm.	0	0
	Number of identified blockages occurring per 100 km of sewer main per year (main pipeline blockages only).	34	<35
Provide a service that is timely and responsive to customer needs.	% of unplanned service interruptions or blockages responded to within two hours.	95%	98%
	% of toilet facilities restored to all customers affected by unplanned interruptions within 6 hours of notification or alternative facilities provided.	100%	100%
Provide a sustainable wastewater service.	% of programmed maintenance and renewal works in the Wastewater Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Wastewater Asset Management Plan achieved.	New measure	80%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations. Extensive additional information on levels of service is available in the Wastewater Asset Management Plan.

Operating and Capital Costs and Funding Forecast 2010-11		
Wastewater (Sewerage)	LTCCP	Budget
	\$000's	\$000's
Operating Costs		
Combined	8,451	7,647
Renwick	26	21
Grovetown	136	98
Total Operating Costs	8,613	7,766
Operating Surplus Transferred to Reserves	263	656
	8,876	8,422
Funded by		
Rates	6,220	6,449
Other Revenue	2,656	1,973
Total Revenue	8,876	8,422
Capital Expenditure		
Combined	21,780	2,967
Total Capital Expenditure	21,780	2,967
Debt Repayment	1,368	985
	23,148	3,952
Funded by		
Depreciation Reserve Transfer	3,415	1,615
Other Reserve Transfers	6,708	1,337
New Loans	13,025	1,000
	23,148	3,952

Explanation of Variances

- Capital expenditure is reduced due to Blenheim sewer treatment upgrade (\$7 million) and Picton sewer outfall renewal and pump station upgrades (\$11.79 million) being reprogrammed to 2011/12 to enable design and consenting to be finalised.
- Reserve transfers, new loans and debt servicing costs (included in operating costs) have decreased accordingly.
- Note that operating costs and capital expenditure reflect the Combined Sewerage Scheme. The LTCCP was prepared on the basis of separate sewerage schemes as compared to combined.

ACTIVITY: STORMWATER	
Operating costs of this activity represents 2.1% of total activity expenditure.	
Outcome	Related Community Outcomes
Residents and their property are protected from the risks of stormwater flooding.	Essential services, Environmental sustainability.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of environmental sustainability and essential services by providing an urban drainage network that effectively manages flood risk and possible surface contamination.

What is this Activity About?

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

1. Safety of the community by minimising the incidence of flooding.
2. Minimising damage to properties from flooding.
3. Reduced erosion.
4. Industrial and residential development.

Stormwater systems are complex and expensive because of the large water volumes required to be handled. As a result a degree of prioritisation is required before a service is provided or upgraded. 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.

Significant stormwater flooding occurred in Picton and Blenheim during heavy rainfall events in July and August 2008 particularly in low lying areas. These events highlighted the need for future upgrades which are being investigated and works programmed.

Stormwater management in Blenheim is a challenge for the town, both currently and when future potential growth is concerned. Many challenges are created by the flat topography and unique and sensitive receiving environments. A stormwater strategy is being developed to provide direction and an integrated approach to managing stormwater. The development of the strategy will support a resource consent application for a comprehensive discharge consent for Blenheim's stormwater network.

Viability of stormwater management will be a significant factor in the identification of new residential development areas, particularly around Blenheim. Impacts of climate change are also a factor in future planning.

LEVELS OF SERVICE: STORMWATER			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.6
Minimise the environmental risks of stormwater discharge.	Number of reported events that do not comply with their relevant stormwater discharge resource consent.	30	<30
Provide a reliable stormwater service.	% of properties that meet the following stormwater system capacity targets 1: <ul style="list-style-type: none"> • No surface flooding with a five year return period causing nuisance to property, roads and public open space. • No surface flooding with a 10 year return period causing nuisance to important recreational fields and roads without alternative access. • No flooding with a 50 year return period floods residential property, commercial and industrial buildings. • No flooding with a 100 year return periods floods major communal facilities related to supply of electricity and telephone, water and sewage disposal. 	95%	96%
		95%	96%
		New measure	90%
		New measure	80%

¹ Excepting flooding that results from poor management of the overflow path on private property.

Council Activities: Land and Water Services

Level of Service	Indicator	LTCCP Baseline	2010-11
	<ul style="list-style-type: none"> No more than one blockage per 15 km of stormwater main per year. 	1	1
Provide a service that is timely and responsive to current needs.	% of complaints responded to within: <ul style="list-style-type: none"> One hour if floodwater is a threat to a dwelling. 48 hours for other complaints. 	95%	95%
Provide a stormwater service that is sustainable.	% of programmed maintenance and renewal works in the Stormwater Asset Management Plan achieved. % of improvement works included in the Stormwater Asset Management Plan achieved.	New measure New measure	90% 80%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Extensive additional information on levels of service is available in the Stormwater Asset Management Plan.

Operating and Capital Costs and Funding Forecast 2010-11

Stormwater	LTCCP \$000's	Budget \$000's
Operating Costs		
Blenheim	1,227	1,045
Picton	376	321
Other Schemes	205	199
Total Operating Costs	1,808	1,565
Operating Surplus Transferred to Reserves	170	343
	1,978	1,908
Funded by		
Rates	1,367	1,387
General Revenues Applied	170	178
Other Revenue	441	343
Total Revenue	1,978	1,908
Capital Expenditure		
Blenheim	1,461	415
Picton	35	34
Other Schemes	310	301
Total Capital Expenditure	1,806	750
Debt Repayment	162	232
	1,968	982
Funded by		
Depreciation Reserve Transfer	1,099	349
Other Reserve Transfers	84	343
New Loans	785	290
	1,968	982

Explanation of Variances

Blenheim capital expenditure is reduced due to the first of four staged catchment upgrades (of \$1 million each) proposed in the Blenheim Stormwater Strategy being reprogrammed by one year.

ACTIVITY: WATER SUPPLY	
Operating costs of this activity represents 11.8% of total activity expenditure.	
Outcome	Related Community Outcomes
Residents have access to a safe and reliable water supply.	Environmental Sustainability and Essential services.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environmental Sustainability and Essential Services by providing an adequate supply of drinking water.

What is this Activity About?

Council operates seven drinking water supply systems - in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere.

Council drinking water supplies are necessary so that larger communities can receive an adequate supply of potable, ie; drinkable water thereby contributing cost effectively to:

- The health of the community.
- Community safety through the fire fighting capability of the water supply system.
- Industrial and residential development.

Council operates a piped irrigation scheme for the Southern Valleys' area of the Wairau Plains and provides a small irrigation supply to the Riverlands area. Providing reticulated irrigation supply enables a wider range of land uses contributing to the economic wellbeing of the community.

LEVELS OF SERVICE: WATER SUPPLY			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.6
Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	% compliance with E.coli criteria for Priority one (P1) bacteriological determinand of Drinking Water Standards NZ (DWSNZ). As measured by number of samples required by the DWSNZ .	98%	98%
Provide a reliable water supply service.	% compliance with the following water system capacity and peak demand targets: Per property: 4 m ³ /day. For commercial and industrial zones where the section size is greater than 800 m ² target is 4 m ³ /day per 800 m ² . For rural schemes an additional 50 l/ha/day for stock. Provide a minimum water pressure at new subdivisions of 300 kPa. The water reticulation system shall be able to provide the following fire fighting flows from hydrants except in the Awatere Valley and Wairau Valley township: <ul style="list-style-type: none"> • Residential Zone: 25 l/s. • Commercial Zone: 50 l/s. • Industrial Zone: 100 l/s. General fire conditions as per the New Zealand Fire Service Code of Practice (NZPAS 4509:2008).	95%	97%
Provide a service that is timely and responsive to customer needs.	% of service interruptions responded to within: 30 minutes for major loss of supply creating a situation causing or likely to cause damage to persons or property. 60 minutes for substantial leaks not falling into the first priority. % of supplies restored to customers affected by an interruption within 8 hours of notification.	98% 100%	98% 100%
Provide a sustainable water supply.	% of programmed maintenance and renewal works in the Water Supply Asset Management Plan achieved.	New measure	90%

Council Activities: Land and Water Services

Level of Service	Indicator	LTCCP Baseline	2010-11
	% of improvement works included in the Water Supply Asset Management Plan achieved.	New measure	80%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations. Targets for water quality will be developed in response to any amendments made to the Health Act 1956. Extensive additional information on levels of service is available in the Water Supply Asset Management Plan.

Operating and Capital Costs and Funding Forecast 2010-11		
Water Supply	LTCCP \$000's	Budget \$000's
Operating Costs		
Awatere	698	577
Blenheim	4,750	4,246
Havelock	246	217
Picton	2,045	1,539
Renwick	355	340
Riverlands	379	311
Southern Valleys	1,559	1,396
Wairau Valley	38	37
Total Operating Costs	10,070	8,663
Operating Surplus Transferred to Reserves	5,377	747
	15,447	9,410
Funded by		
Rates	9,951	8,566
Subsidies & Grants	3,709	-
Other Revenue	1,787	844
Total Revenue	15,447	9,410
Capital Expenditure		
Awatere	4,449	75
Blenheim	10,796	9,818
Havelock	450	186
Picton	4,737	968
Renwick	988	146
Riverlands	1,066	110
Southern Valleys	13	12
Total Capital Expenditure	22,499	11,315
Debt Repayment	1,746	1,268
	24,245	12,583
Funded by		
Depreciation Reserve Transfer	2,969	1,859
Other Reserve Transfers	7,855	1,359
New Loans	13,421	9,365
	24,245	12,583

Explanation of Variances

- Capital expenditure is lower as the relaxation of compliance dates in the NZ Drinking Water Standards has resulted in schemes being reprogrammed in the next three years:
 - Havelock storage (\$350,000)
 - Picton - Speeds Road (\$2.85 million)
 - Renwick (\$825,000 including universal water metering) and
 - Riverlands (\$969,000)
- Awatere water treatment has been deferred due to uncertainty over Central Government funding assistance. Even with assistance annual operating costs for a fully compliant scheme would be very high. Consideration will be given to an interim, lower cost treatment upgrade over the next 12 months
- Other reserve transfers and new loans have decreased accordingly.

ACTIVITY: SOLID WASTE MANAGEMENT	
Operating costs of this activity represents 7.6% of total activity expenditure.	
Outcome	Related Community Outcomes
Public and environmental health risks of solid and hazardous waste are minimised.	Essential services, environmental sustainability.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of environmental sustainability and essential services by providing safe disposable facilities by means of a sanitary, environmentally sustainable landfill and recycling facilities.

What is this Activity About?

Council provides waste management services for public health and environmental reasons. Council has expressed its commitment to a long-term goal of "towards zero waste and a sustainable Marlborough". This entails reducing the volume of waste created in Marlborough, encouraging re-use of materials, and/or recycling materials into other products. Opportunities to recover other resources are also explored. Where these options have been exhausted, are unavailable, or are not economically feasible, safe containment of some waste products by land-filling may remain the optimal treatment.

Specific targets and actions are available in the Waste Strategy and Plan for Marlborough 2005 - 2010. This Strategy and Plan is due for renewal in 2010 for implementation in 2012.

As its first line of action for working towards zero waste, Council coordinates education programmes for waste minimisation and sustainability as well as providing support for research programmes and recycling initiatives. These programmes target schools, households, businesses and industry.

Kerbside refuse collection is provided in Picton and Blenheim and waste transfer stations are operated at seven locations throughout Marlborough. Four coin operated skip bins service communities in parts of the Marlborough Sounds. Hazardous waste collection facilities are provided at all transfer stations, and a greenwaste composting facility is provided at the Blenheim Transfer Station. A substantial Resource Recovery Centre has been constructed at this site. The facility receives, sorts and bales the recyclable materials 'dropped off' by the public and collected at the other transfer stations. It is planned that kerbside recycling be introduced for Blenheim and Picton from October 2010 and progressively to other areas after that.

Residual waste for containment is transported to the regional landfill south of Blenheim on the Taylor Pass Road.

LEVELS OF SERVICE: SOLID WASTE MANAGEMENT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5
Reduce environmental and public health risks of waste.	% of organic wastes in landfill.	20%	15%
	% of plastics in landfill ² .	10%	5%
	Number of transfer stations not having hazardous waste collection facilities transfer stations.	1	1
	% compliance with resource consent conditions for landfill sites.	98%	99%
Provide a sustainable waste management service.	% of programmed maintenance and renewal works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	90%	90%
	% of improvement works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	90%	95%
	Timeliness of review of Waste Strategy and Plan.	-	-

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

² Target assumes the adoption of kerbside recycling.

Operating and Capital Costs and Funding Forecast 2010-11		
Solid Waste Management	LTCCP	Budget
	\$'000's	\$'000's
Operating Costs		
Landfills	2,751	2,417
Transfer Stations	494	290
Refuse Collections	1,968	1,444
Waste Minimisation	1,290	1,422
Total Operating Costs	6,503	5,573
Operating Surplus Transferred to Reserves	155	270
	6,658	5,843
Funded by		
Rates	2,716	2,455
General Revenues Applied	99	131
Subsidies & Grants	201	170
Other Revenue	3,642	3,087
Total Revenue	6,658	5,843
Capital Expenditure		
Landfills	154	171
Refuse Collections	207	200
Total Capital Expenditure	361	371
Debt Repayment	376	433
	737	804
Funded by		
Depreciation Reserve Transfer	380	436
Other Reserve Transfers	-	18
New Loans	357	350
	737	804

Explanation of Variances

The reduction in refuse collections operating expenditure relates to:

- Cessation of contribution towards Regional Landfill operational costs which are now funded principally by user charges; and
- Blenheim and Picton kerbside recycling budgeted for a nine month service period rather than the planned twelve.



Environmental Policy and Information

Picture: Water Quality, Momorangi Bay

ACTIVITY GROUP: ENVIRONMENTAL POLICY AND INFORMATION

Activities for this Group

The activities for this group include:

- Environmental Policy.
- Environmental Science and Monitoring.
- Biosecurity (Pest Management).

The financial aspects for this Activity Group are shown below in the table entitled “Operating and Capital Costs and Funding Forecast - Environmental Policy and Information”. Operating costs of this activity represents 6.8% of total activity expenditure.

Rationale for Council Involvement in this Group of Activities

This group of activities encompass a statutory framework which contributes to the community outcomes of prosperity, environmental sustainability.

The Marlborough District Council is a unitary authority and as such has both regional and district functions, powers and duties in relation to the Resource Management Act 1991. Under this Act the Council is charged with the responsibility of:

- Preparing a Regional Policy Statement, a Regional Coastal Plan, Regional Plan(s), and a District Plan.
- State of the environment monitoring.

Council Activities: Environmental Policy and Information

The Council also has the responsibility under the Biosecurity Act 1993 of preparing and implementing Regional Pest Management Strategies.

ACTIVITY: ENVIRONMENTAL POLICY

Operating costs of this activity represents 7.1% of total activity expenditure.

Outcome	Related Community Outcomes
Sustainable management of Marlborough's natural and physical resources.	Environmental sustainability, prosperity.

How this Activity Contributes to Related Community Outcomes

This activity contributes primarily to the community outcome of environmental sustainability by providing a planning framework for the sustainable management of Marlborough's natural and physical resources. This activity also contributes to the prosperity Community Outcome by proactively supporting the growth of new and existing economic activity.

What is this Activity About?

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

The Council has an operative resource management policy framework consisting of the Marlborough Regional Policy Statement, Marlborough Sounds Resource Management Plan and Wairau/Awatere Resource Management Plan.

The Regional Policy Statement is currently being reviewed due to statutory requirements but also to meet the sustainability challenges created by increasing resource use and changing community expectations. The review process provides the opportunity to prepare a resource management framework that enables appropriate resource use, while maintaining or enhancing the quality of the land, water and air resources, indigenous eco systems and the built environment that sustains our community.

LEVELS OF SERVICE: ENVIRONMENTAL POLICY

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2010-11
<p>A reviewed resource management policy framework.</p> <p>A resource management framework that reflects current and emerging issues.</p>	Timeliness of review and adoption of key strategy documents.	New measure	<p>Notification of a new Marlborough Regional Policy Statement by 31 August 2010.</p> <p>The completion of a growth strategy for the Marlborough townships and small settlements by June 2011.</p> <p>A water re-allocation conceptual framework completed by December 2010.</p>
The sustainable management of natural and physical resources.	<p>Physical, chemical and biological soil parameters.</p> <p>Physical, chemical and biological freshwater quality parameters.</p> <p>Freshwater and coastal water bathing sites gradings.</p> <p>Average Groundwater Nitrate levels.</p> <p>Average monthly winter concentration of PM10 at:</p> <ul style="list-style-type: none"> • Redwoodtown • Middle Renwick Road <p>The ecological condition of Significant Natural Area (SNA) sites.</p>	<p>New measure(s).</p> <p>New measure(s).</p> <p>New measure.</p> <p>New measure.</p> <p>New Measure(s).</p> <p>New measure(s).</p>	<p>Positive long- term (5yr+) trend in ground water quality as measured against baseline</p> <p><37 mg/m³</p> <p><27 mg/m³</p>

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

ACTIVITY: ENVIRONMENTAL SCIENCE AND MONITORING	
Outcome	Related Community Outcome
Knowledge, information and services to enable the management of Marlborough's natural and physical resources in a sustainable way.	Environmental sustainability, prosperity.

How this Activity Contributes to Related Community Outcomes

This activity contributes primarily to the community outcome of environmental sustainability by providing resource information to measure our progress toward desired environmental outcomes for Marlborough's key natural and physical resources. This activity also contributes to the prosperity Community Outcome by ensuring resources are available to support economic growth.

What is this Activity About?

This activity involves the monitoring of natural and physical resources, carrying out science based investigations, providing advice, and facilitating sustainable resource management programmes.

The monitoring of natural and physical resources is carried out to:

- Obtain information about the condition of the environment.
- Raise awareness of environmental issues.
- Assist in identifying areas where there is a need to improve the quality of the environment and enable Council to support a range of methods that can be applied to address specific issues.
- Allow Council to assess the effectiveness of its policies and methods contained in the RMA policy and planning documents.

Science based investigations are dynamic and will change to reflect new environment pressures. Emphasis has been placed on monitoring and developing sustainable programmes associated with water resources. This reflects the value of water to the community and its vulnerability to over use and contamination.

Other monitoring programmes involve measuring air quality, land use, land cover, contamination, soil quality, and the extent and condition of biodiversity. Monitoring of river flood flows is also undertaken for real time emergency response and to support flood design and planning.

This activity also involves implementing sustainable resource management programmes that promote sustainable resource use, for instance Council is active in promoting the restoration and protection of biodiversity values on private land. The activity also involves education and advocacy with the resource users and the wider community.

LEVELS OF SERVICE: ENVIRONMENTAL SCIENCE AND MONITORING			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Effective Environmental Monitoring Network is operated.	Percentage availability of the Environmental Monitoring network.	New measure	99%
Monitor, undertake investigations, gather and analyse information, and report on the state of Marlborough's natural resources including: <ul style="list-style-type: none"> • Soil quality. • Contaminated sites. • Water quality. • Water quantity. • Air quality. 	Timeliness of completion data integrity audit.	New measure	30 June.
	Number of technical monitoring report cards completed.	New measure	5
	Timeliness completion of resource investigations and reporting to the Environment Committee.	New measure	30 June
	Completion date of a comprehensive State of the Environment report.	Published (2008/09)	
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Percentage of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%.
	Date the Marlborough Environment Awards made.	2008/09	Marlborough Environment Awards made.
Restoration and protection of indigenous biodiversity on private land.	Long-term (5yr +) trends in number of protected (Significant Natural Areas) biodiversity sites.	41 (2008)	55

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

ACTIVITY: BIOSECURITY (PEST MANAGEMENT)	
Outcome	Related Community Outcome
The economic and ecological impacts of pests in the District are minimised.	Prosperity, environmental sustainability.

How this Activity Contributes to Related Community Outcomes

This activity contributes to community outcomes of environment sustainability and prosperity by reducing the impacts of animal and plant pests on pastoral farming and our natural environment.

What is this Activity About?

Introduction

This activity is delivered in accordance with a Regional Pest Management Strategy which is prepared in conjunction with stakeholders, the community, and in compliance with the Biosecurity Act 1993, the Resource Management Act 1991 and the Regional Policy Statement. The Council is also involved as a stakeholder with nationally led pest management programmes, for instance the National Pest Management Strategy for Bovine Tb.

Regional Pest Management Strategy

The Regional Pest Management Strategy (RPMS) defines and declares 37 plant and animal species as pests in the region. The pests are divided into three groups:

- **Total Control Pests** - pests to be eradicated throughout the region. The onus for control is shared between the land occupiers, Council and in particular circumstances, the Department of Conservation.
- **Containment Pests** - pests that require control to prevent spread and to reduce overall pest density levels over time. The control of these pests is primarily the responsibility of the land occupier.
- **Surveillance Pests** - pests which have significance but where the only control is the banning of sale, propagation and distribution. Council provides advice and education as well as carrying out monitoring to determine impacts and distribution.

A major part of Council's pest management activity is therefore directed towards providing advice to land occupiers on identifying and controlling pests and monitoring to ensure compliance with pest control programmes. Council also has an active service delivery role in controlling pests that are classified as total control.

LEVELS OF SERVICE: BIOSECURITY (PEST MANAGEMENT)			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.4
Prepare and publish a Regional Pest Management Strategy Operational Plan annual report	Timeliness completion of annual report to Environment Committee.	New Measure	30 October
Control the spread and impacts of animal and plant pests.	% of active Total Control pest sites controlled annually before they set seed (includes all species).	New Measure	100%
	Number of hours spent looking for plant pest spread outside of known sites.	500 hours	500 hours
	Number of properties where the maximum allowable rabbit population levels as measured by RPMS Modified Mclean Scale indices are exceeded for: <ul style="list-style-type: none"> • Upper Awatere/Clarence level 4. • Remainder of District level 3. 	6 4	<10 <15
	Number of Total Control pests as measured by plant numbers destroyed. (excluding boneseed, spartina and eelgrass)	6,000	5,000
	% of properties issued with a containment pest control programme that have undertaken control actions, without enforcement, as verified by inspection and audit regimes.	80-90%	85%

Council Activities: Environmental Policy and Information

Level of Service	Indicator	LTCCP Baseline	2010-11
	Level of land occupier compliance with Regional Pest Management Strategy rules as measured by the number of directions issued.	30	<50
Provide community and industry awareness of pest management responsibility through communication, education and advocacy.	% of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Environmental Policy and Information	LTCCP \$000's	Budget \$000's
Operating Costs		
Environmental Policy	1,475	1,644
Environmental Science and Monitoring	2,393	2,354
Biosecurity (Pest Management)	1,350	1,215
Total Operating Costs	5,218	5,213
Funded by		
Rates	4,548	4,500
General Revenues Applied	556	566
Subsidies & Grants	10	10
Other Revenue	1	37
Total Revenue	5,115	5,113
Operating Deficit Funded from Reserve	103	100
	5,218	5,213
Capital Expenditure		
Environmental Science and Monitoring	51	49
Total Capital Expenditure	51	49
Funded by		
Depreciation Reserve Transfer	51	49
	51	49

Explanation of Variances

- The increase in Environmental Policy operating costs reflects the development of planning and strategy documents.
- The decrease in Biosecurity (Pest Management) operating costs is due mainly to reduction in Animal Health Board contribution payments.



Regulatory

Picture: Picton Marina, Picton

ACTIVITY GROUP: REGULATORY

Activities for this Group

The activities for this group include:

- Resource Consents.
- Building Control.
- Compliance.
- Environmental Health.
- Environmental Protection.
- Project and Land Memoranda.
- Animal Control.
- Harbours.

Rationale for the Delivery of this Group of Activities

Council is charged with a number of statutory responsibilities administered on behalf of the Crown. As a Unitary Authority, Council is responsible for both regional and district functions. It has obligations, and powers under various Acts of Parliament, notably the Resource Management Act 1991, the Building Act 2004, the Sale of Liquor Act 1989, the Hazardous Substances and New Organisms Act 1996, the Health Act 1956, and the Local Government Act 2002. This group of activities comprises the formulation of policies and regulations that are consistent with the requirements of

relevant legislation and appropriate to the particular circumstances of Marlborough, the issuing of consents and application of regulatory powers, and the monitoring of compliance with consents.

This activity group contributes to the following community outcomes: environmental sustainability, prosperity, energy efficiency, affordable housing, safety and security, healthy choices, fun and recreation.

ACTIVITY: RESOURCE CONSENTS	
Operating costs of this activity represents 4.4% of total activity expenditure.	
Outcome	Related Community Outcomes
A high quality and equitable resource consent service that effectively manages Marlborough's built environment and natural resources in a way that best secures a sustainable level of development that meets the needs of the community.	Environmental sustainability, prosperity.

How this Activity Contributes to Related Community Outcomes

This activity primarily contributes to the Community Outcomes of environmental sustainability and prosperity by managing the physical and built environment through the administration of the resource consenting process in a manner consistent with Council's plans and policies developed under the Resource Management Act 1991.

What is this Activity About?

This activity involves discharging Council's statutory obligations under the Resource Management Act 1991 (The Act). The Act sets out a range of powers, duties and functions and the statutory processes that must be followed when processing and determining applications for resource consent.

The Act's purpose is to promote sustainable management of natural and physical resources. This Activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds and the Wairau/Awatore Resource Management Plans.

Specifically this Activity processes five different types of resource consents:

- Land Use Permits
- Water Permits
- Discharge Permits
- Subdivision Permits
- Coastal Permits

LEVELS OF SERVICE: RESOURCE CONSENTS			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	5.9
Provide a consent processing service that is timely and responsive to customer needs.	% of resource consent applications processed within statutory timeframes.	54.8%	65%
Provide a consent processing service that is fair, consistent and cost effective.	% of complaints regarding fees charged for processing resource consent applications compared to total number of consents. % of resource conditions upheld following appeal.	0.5% 75%	<0.5% >75%
Education applicants on the RMA and the resource consent application and approval process.	% of incomplete applications rejected.	21.5%	18%

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast 2010-11		
Resource Consents	LTCCP	Budget
	\$000's	\$000's
Operating Costs	3,235	3,197
<i>Funded by</i>		
Rates	1,108	1,081
General Revenues Applied	135	136
Other Revenue	1,992	1,980
Total Revenue	3,235	3,197
Capital Expenditure	5	4
<i>Funded by</i>		
Depreciation Reserve Transfer	2	1
Other Reserve Transfers	3	3
	5	4

Explanation of Variances

Variances are not considered significant.

ACTIVITY: BUILDING CONTROL	
Operating costs of this activity represents 3.4% of total activity expenditure.	
Outcome	Related Community Outcome
Residents and visitors live and work in buildings that are healthy and safe.	Affordable housing and Energy efficiency.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcome of affordable housing and energy efficiency by ensuring that all buildings are constructed in accordance with the minimum standards of the New Zealand Building Code. New Zealand Building Code aims to reduce the use of non-renewable energy sources.

What is this Activity About?

This activity involves giving effect to the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories. The categories are **Territorial Authority** responsibilities and **Building Consent Authority** responsibilities.

Territorial Authority responsibilities carried out by the Building Control Section include:

- Issuing building consents subject to waivers or modifications of the Building Code.
- Issuing certificates of acceptance.
- Issuing amended compliance schedules.
- Administering and enforcing the provisions of building warrants of fitness.
- The extent of compliance on change of use and specified intend life changes.
- Functions in relation to earthquake-prone, dangerous or unsanitary buildings.
- Determining whether building work is exempt under the First Schedule to the Building Act 2004.
- Other functions and duties required by the Building Act 2004.
- Providing a copy of relevant applications to the New Zealand Historic Places Trust.
- The territorial authority must act as a building consent authority within its district.
- Keep building related records.
- Swimming pool fencing control.

Building Consent Authority responsibilities carried out by this section include:

- Granting and issuing building consents.
- Inspecting building work for which it has granted consent.
- Issuing notices to fix.
- Issuing code compliance certificates.
- Issuing compliance schedules.

This Activity also involves other functions under separate legislation including:

- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act.
- The Marlborough District Council is required to have an accredited Building Consent Authority.

The most significant component of this activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing a Code Compliance Certificate. The standard of compliance required is set out in the Building Regulations and it's compliance with the New Zealand Building Code.

LEVELS OF SERVICE: BUILDING CONTROL			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	% of respondents to customer surveys that rate the level of service as satisfactory or higher.	New measure	80%
Provide a consent processing service that is timely and responsive to customer needs.	% of applications processed within 15 working days of receipt.	New measure	80%
Provide a service that minimises risks to public safety.	% of swimming pools inspected annually.	15%	>15%
	% of building warrants of fitness audited annually.	20%	20%
	% of building under construction inspected to ensure that Code Compliance is achieved.	100%	100%

Operating and Capital Costs and Funding Forecast 2010-11		
Building Control	LTCCP	Budget
	\$000's	\$000's
Operating Costs	2,326	2,520
Funded by		
Rates	588	351
General Revenues Applied	73	45
Other Revenue	1,665	2,124
Total Revenue	2,326	2,520

Explanation of Variances

Increased operating costs relate to rating accreditation requirements under the Building Act 2004 and are offset by increased other revenue which relates to fees increases.

Activity - Compliance

Compliance is made up of three Sub Activities:

- Environmental Health.
- Environmental Protection.
- Land Memoranda.

The information continued in the sections entitled "How Does this Activity Contribute to Related Community Outcomes", "What is this Activity About", "Legislative Framework", "Issues and Changes" and "Levels of Service" are shown under the respective Sub Activities.

The financial aspects for this Activity are shown below in the table entitled "Operating and Capital Costs and Funding Forecast - Compliance". Operating costs of this activity represents 2.3% of all the activity expenditure.

ACTIVITY: ENVIRONMENTAL HEALTH	
Operating costs of this activity represents less than 0.5% of all the activity expenditure.	
Outcome	Related Community Outcomes
To ensure residents of Marlborough and visitors to the district have confidence that they live and stay in an environment that is safe.	Health choices.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Health choices by providing an effective permitting and inspection regime of registered food and alcohol premises to ensure public health is maintained. Statutory nuisances are managed and bylaws enforced.

What is this Activity About?

The activity involves the protection of public health through:

- The registration and inspection of premises that prepare or sell food;
- The investigation of complaints about consumed foods, including the manner of its preparation and the state of premises used for food preparation;
- The education of food premises operators about food safety through direct contact and provision of written information material.

The activity also involves providing reports for the purposes of the Sale of Liquor Act 1989 and licensing and monitoring for compliance with licence conditions of that Act. It also provides reports for the purposes of the Gambling Act 2003.

Further, the activity involves investigation of nuisance complaints concerning noise, smoke, odours, pest control and hazardous substances.

LEVELS OF SERVICE: ENVIRONMENTAL HEALTH			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
To approve and monitor food safety generally encourage operators of food premises through education and enforcement to take responsibility for providing safe and suitable food.	% of registered food premises inspected at least once per annum.	100%	100%
	% of other registered premises inspected at least once per annum.	100%	100%
	Number of random inspections made of all markets with 10 food stalls or more.	6	6
	Number of inspections of annual events having more than 10 food stalls.	6	6
Encourage operators of registered premises to take responsibility for providing a safe environment.	% of environmental health complaints of a critical nature responded to within one working day.	100%	100%
	Number of food complaints relating to Council inspected premises.	38	32
Encourage operators of licensed premises to establish a reasonable system of control over the sale and supply of liquor to the public with the aim of contributing to the reduction of liquor abuse.	% of liquor licensing applications processed within statutory timeframes.	100%	100%

Level of Service	Indicator	LTCCP Baseline	2010-11
Proactively monitor and investigate environmental conditions that may directly or indirectly affect public health with particular emphasis on statutory nuisances, bylaw, air quality and noise complaints.	% of incidents that potentially threaten public health that are responded to and investigated within seven working days of notification.	100%	100%

ACTIVITY: ENVIRONMENTAL PROTECTION	
Operating costs of this activity represents less than 1.0% of all the activity expenditure.	
Outcome	Related Community Outcomes
Ensuring statutory compliance with the Resource Management Act 1991, Resource Management Plans, resource consents, bylaws and Local Government Act.	Environmental sustainability, Health choices.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environmental sustainability by ensuring that Resource Management Act, Resource Management Plans and resource consents are complied with. Also contributions are made to the Community Outcome Health choice by monitoring land uses, subdivisions, discharges water takes and coastal activities.

What is this Activity About?

The Activity involves ensuring compliance with the above Acts. This involves investigating complaints or reports of alleged breaches, follow up, finding resolutions to issues, issuing infringement notices or instigating prosecution processes through the judicial system.

Potential actions include:

- Compliance checks
- Avoidance remedy or mitigation of adverse effects
- Punitive action or a Court decision

Legal mechanisms for achieving compliance include:

- Infringement notices
- Abatement notices
- Interim enforcement orders
- Enforcement orders
- Prosecution

The activity also involves finding non-regulatory solutions that both address the matter at issue and improving public understanding of the aims of the Resource Management Act 1991 with ongoing education of the public in sustainable resource use, undertake site inspections and respond to information requests.

LEVELS OF SERVICE: ENVIRONMENTAL PROTECTION			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	5.9
Monitor resource consents to ensure the consent holder is in compliance.	% of resource consents monitored for compliance within two years of issue.	New measure	55%
	% of resource consent non-compliance has follow up action taken.	100%.	100%
Proactively monitor and investigate alleged breaches of the Resource Management Act 1991, Resource Management Plans and Consents.	% of complaints responded to within seven working days.	New measure	95%
	% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.	New measure	95%

Level of Service	Indicator	LTCCP Baseline	2010-11
Effective enforcement action undertaken on breaches under the Resource Management Act 1991.	% of abatement and infringement notices upheld on appeal.	100%	95%

ACTIVITY: LAND MEMORANDA

Operating costs of this activity represents less than 0.2% of all the activity expenditure.

Outcome	Related Community Outcomes
Information provided on request and to the extent required by the relevant statutes and/or regulations.	Essential services.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the essential services Community Outcomes by providing information that enables the public to make informed property related investment decisions.

What this Activity is About

The activity involves the timely, accurate and complete supply of information Council either holds, or has been statutorily advised of, by means of a Land Information Memorandum.

LEVELS OF SERVICE: PROJECT AND LAND MEMORANDA

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2010-11
Provision of Land Information Memoranda	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9
	Percentage of Land Information Memoranda requests processed within statutory timeframes.	100%	100%
	Number of liability claims made because of incomplete or inaccurate information supplied.	1	<3

Operating and Capital Costs and Funding Forecast 2010-11

Compliance	LTCCP \$000's	Budget \$000's
Operating Costs		
Environmental Health	414	359
Environmental Protection	734	721
Project and Land Memoranda	574	124
Total Operating Costs	1,722	1,204
Funded by		
Rates	877	761
General Revenues Applied	107	96
Other Revenue	738	347
Total Revenue	1,722	1,204
Capital Expenditure		
Environmental Protection	-	4
Environmental Health	4	-
Total Capital Expenditure	4	4
Funded by		
Depreciation Reserve Transfer	-	4
Other Reserve Transfers	4	-
	4	4

Explanation of Variances

Land Information Memoranda reduced operating costs and other revenue reflect the decrease in economic activity.

ACTIVITY: ANIMAL CONTROL	
Operating costs of this activity represents less than 0.9% of all the activity expenditure.	
Outcome	Related Community Outcomes
Ensuring Council fulfils the obligations that are imposed on it or the public by the provisions of the Dog Control Act 1996, and Bylaws.	Safety and security.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Safety and Security Community Outcome by providing effective managing of dogs and wandering livestock.

What this Activity is About

The activity involves Dog Control and the Control of Animals (excluding dogs) on public land and public roads.

LEVELS OF SERVICE: ANIMAL CONTROL			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of service that meets or exceeds resident's expectations.	Resident's satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5
To provide an effective dog control service including registration is in accordance with the Dog Control Act 1996.	% of compliance with the conditions of animal control contract 2008/54.	New measure	100%
	% of complaints regarding dog attacks, rushes and lost and found investigated within 24 hours of receipt.	New measure	100%
To provide an effective education programme on dog safety and responsible dog ownership.	Number of presentations undertaken to primary age groups of children.	30	30
To provide an effective service for dealing with wandering livestock on public land and roads.	% of complaints regarding wandering livestock investigated within 24 hours.	New measure	100%

Operating and Capital Costs and Funding Forecast 2010-11		
Animal Control	LTCCP	Budget
	\$000's	\$000's
Operating Costs		
Dog Control	614	593
Other Animal Control	73	54
Total Operating Costs	687	647
Operating Surplus Transferred to Reserves	18	-
	705	647
Funded by		
Rates	51	41
General Revenues Applied	6	5
Other Revenue	648	578
Total Revenue	705	624
Operating Deficit Funded from Reserve	-	23
	705	647

Explanation of Variances

Variances are not considered significant.

ACTIVITY: HARBOURS	
Operating costs of this activity represents 1.2% of all the activity expenditure.	
Outcome	Related Community Outcome
Proactively manage the safe and sustained use of the maritime areas of Marlborough so that it can continue to provide physical, spiritual, economic and environmental benefits to its current and future stakeholders.	Environmental sustainability, Safety and security, Fun and recreation.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Safety and Security (on the waterways) Community Outcome by providing operational aids to navigation and patrols to monitor compliance with bylaws. Fun and recreation Community Outcome is contributed to by the establishment and patrol of water-ski lanes and swimming areas. Also the Environmental sustainability Community Outcomes is contributed to by providing adequate means of managing marine oil spills.

What is this Activity About?

This activity involves ensuring safety in Marlborough's marine waterways. The Marlborough Sounds contain 4,136 square kilometres (total water area) and approximately 1,500 kilometres of coastline that is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries. The Council is tasked with the responsibility of addressing matters of navigation safety within this area, as required by legislation.

The Council is also required to prepare, maintain and review a Regional Oil Spill Contingency Plan, a responsibility which extends to the 12 mile territorial sea boundary.

In broad terms, the activity can be sub-divided into three areas: Operations/Control, Aids to Navigation and Marine Oil Spill Response.

- Operations**
 The operational area promotes public education, harbour patrols, maintenance of swimming and waterski lanes, implementation of risk control measures, development of the Safety Management System, and follow-up of accidents and incidents.

 This area also monitors and manages compliance with statutes, bylaws and regulations that directly affects Marlborough's coastal region and its users.
- Aids to Navigation**
 Council provides a network of 72 navigation aids to enable all users to travel safely on the region's marine waterways. Aids to navigation are currently maintained under contract.
- Marine Oil Spill Response**
 Under the provisions of the Maritime Transport Act 1994, Council has responsibility for preparedness and response to marine oil spills that occur within the territorial sea. This activity is funded from the Oil Pollution Fund, administered by Maritime New Zealand.

LEVELS OF SERVICE: HARBOURS			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Effective public education to provide a safe environment for all users.	% of planned public education campaigns delivered per annum including having the annual review of a Safe Sounds Boating brochure ready for distribution by Labour week-end.	New measure	95%
	Number of weekends in period commencing at Labour Weekend through to end of Easter of the following year where patrols undertaken.	New measure	>20
	Number of daily patrols undertaken from mid-December through to end of January of the following year targeting known 'hot-spots'.	40	40
	% of navigation warnings issued within two hours of a reported event that may impact on navigation safety.	100%	100%
	Development and or review of the Harbour Safety Plan.	Yearly	Yearly
	% of funded mitigation measures completed.	New measure	80%
High degree of compliance with statutes, bylaws and regulations that directly affects Marlborough's coastal region and its users.	Number of random light inspections of marine farms undertaken.	203	>200
	% of accident and incident investigation, as appropriate, commenced within five working days.	100%	100%

Level of Service	Indicator	LTCCP Baseline	2010-11
Navigation aids, swimming and water-ski lanes maintained effectively.	% of time aids to navigation are working.	97%	>97%
	% of pre summer season inspections of swimming and water-ski lanes undertaken.	100%	100%
	Number of further inspections of swimming and water-ski lanes undertaken during the summer season.	>2 of each	>2 of each

Operating and Capital Costs and Funding Forecast 2010-11		
Harbour Control	LTCCP \$000's	Budget \$000's
Operating Costs	1,639	853
Operating Surplus Transferred to Reserves	310	-
	1,949	853
Funded by		
Rates	323	593
General Revenues Applied	40	76
Other Revenue	1,586	184
Total Revenue	1,949	853
Capital Expenditure	507	64
Funded by		
Depreciation Reserve Transfer	136	64
Other Reserve Transfers	371	-
	507	64

Explanation of Variances

Reduced operating costs and other revenue relate to the timing of proposed bylaw changes.



Regional Development

Picture: i-SITE, Information Centre, Blenheim

ACTIVITY GROUP: REGIONAL DEVELOPMENT

The activities in this group include:

- Regional Development.
- Marketing and Tourism.
- Events Management.
- Research Centre.

Rationale for the Delivery of this Group of Activities

Council's decisions and actions can significantly assist the development of the regional economy by encouraging local business initiatives and innovation, attracting new investments, and by presenting Marlborough as a competitive tourist destination. As a provider of infrastructure, as a regulator of many business activities, Council is both a facilitator and

encourager of development in the region. For the bulk of this activity Council is primarily a purchaser of regional development services.

How this Activity Contributes to Related Community Outcomes

This activity group contributes to the community outcomes of prosperity, full participation, environmental sustainability and enterprise and endeavour.

ACTIVITY: REGIONAL DEVELOPMENT

Operating costs of this activity represents 0.3% of all the activity expenditure.

Outcome	Related Community Outcome
Improved quality of life for all residents.	Prosperity. Enterprise and endeavour.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Prosperity and Enterprise and endeavour by working collaboratively with key industry support to identify and take advantage of commercial development opportunities within the District.

What is this Activity About?

This activity is aimed at developing the regional economy to achieve long term economic growth to the benefit of the Marlborough community. It is about identifying where the direction of growth needs to be, how we will get there and what needs to be done. The activity is delivered by a range of public sector partners, including the Council, in support of the private sector and also involves making investments in the right area. Responsibility for the co-ordination of this activity lies with the Council. It is important to recognise that regional development is not just supporting businesses, but also about ensuring our community and workforce have the health, skills and knowledge to play their part in the development of Marlborough's economy. The Council will continue to develop an implement the outcomes of the Blenheim Town Centre Study and North and South Marlborough Growth Studies.

LEVELS OF SERVICE: REGIONAL DEVELOPMENT

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.2
Co-ordinate effective economic development delivery.	<p>Marlborough's GDP growth rate ranking amongst Local Authorities. (BERL)</p> <p>Unemployment rates compare to the national rate.</p> <p>Inter-census change in average household income equal or better than national trend.</p>	<p>In 2007 Marlborough's GDP growth rate was 42 out of 72 Local Authorities.</p> <p>Unemployment rate as at March 2008 was 3.7% (NZ 4.1%)</p> <p>Increase in average household income per the 2006 census was 18% (NZ 13%)</p>	<p><36</p> <p>Unemployment rate is equal to or less than the national rate.</p>

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

ACTIVITY: MARKETING AND TOURISM

Operating costs of this activity represents 0.9% of all the activity expenditure.

Outcome	Related Community Outcome
Marlborough is a preferred place for New Zealanders and people from overseas to visit, enjoy and experience.	Prosperity. Enterprise and endeavour.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Prosperity and Enterprise and endeavours by providing funding to Destination Marlborough to enable it to promote the District and the many activity within it to potential visitors.

What is this Activity About?

This activity is delivered by Destination Marlborough, a Charitable Trust. Destination Marlborough was established for the purpose of promoting and marketing Marlborough as a visitor destination to national and international tourists.

Destination Marlborough is the Regional Tourism Organisation for the Marlborough district. It is one of 30 Regional Tourism Organisations throughout New Zealand recognised by Regional Tourism Organisations NZ. The role of Destination Marlborough is to market and develop the Marlborough region as a visitor destination, providing a quality experience to visitors, achieving economic and social benefits for suppliers, businesses and the community and ensuring the integrity of the region's environment is maintained.

Destination Marlborough also operates the Picton and Blenheim i-SITE Visitor Centres which are part of New Zealand's national i-SITE Visitor Information Network.

Further information on Destination Marlborough is available at <http://www.destinationmarlborough.com/>

LEVELS OF SERVICE: MARKETING AND TOURISM			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	6.8
Manage third party providers to ensure service quality and value.	Achievement of Reporting requirements.	Reporting requirements met.	Reporting requirements are met.
Effective promotion of Marlborough as a destination.	% change in visitor nights in Marlborough compared to national trends.	Guest nights for the year ended March 2008 increased by 12.2% (NZ 6.9%)	% change in visitor nights equal or better than national trends

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

ACTIVITY: EVENTS MANAGEMENT	
Operating costs of this activity represents 0.2% of all the activity expenditure.	
Outcome	Related Community Outcome
Marlborough is highly regarded nationally and internationally for the quality of its events and conference facilities.	Prosperity, Full participation.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Prosperity and Full Participation Community Outcomes by providing funding to the Marlborough Festival and Events Trust to organise events for Marlburians to enjoy and to attract visitors to the district.

What is this Activity About?

This activity is delivered by the Marlborough Festival and Events Trust, a charitable Trust.

As well as making a substantial contribution to physical activity, cultural identity, and social cohesion, events have a significant role to play in attracting visitors to Marlborough, showcasing our products, and promoting the Marlborough brand. The new Convention Centre is expected to make a substantial contribution to regional development, by attracting trade shows and conventions, and by providing an important element in the District's overall infrastructure.

LEVELS OF SERVICE: EVENTS MANAGEMENT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.3	7.3
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements Participation numbers at Blenheim Christmas Parade and the Christmas eve celebration.	Reporting requirements met. <5,000	Reporting requirements are met. >5,000

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

ACTIVITY: RESEARCH CENTRE	
Operating costs of this activity represents 0.2% of all the activity expenditure.	
Outcome	Related Community Outcome
Marlborough's primary industries have access to world class research and advisory services that add value to their productivity and competitiveness.	Prosperity, Environmental Sustainability and Enterprise and endeavour.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Prosperity, Environmental sustainability and Enterprise and endeavours by providing financial assistance to Marlborough Research Centre Trust to continue research on how the productivity, quality and environmental sustainability particularly of Marlborough vineyards.

What is this Activity About?

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

Further information on the Marlborough Research Centre [Trust](http://www.wineresearch.org.nz) is available at <http://www.wineresearch.org.nz>

LEVELS OF SERVICE: RESEARCH CENTRE			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2010-11
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	7.0
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements. Number of published research papers.	Reporting requirements met. 23	Reporting requirements are met. >20

Operating and Capital Costs and Funding Forecast 2010-11		
Regional Development	LTCCP	Budget
	\$000's	\$000's
Operating Costs		
Events and Conferences	172	163
Marketing and Tourism	1,191	694
Regional Development	160	224
Research Centre	136	136
Total Operating Costs	1,659	1,217
Funded by		
Rates	867	1,030
General Revenues Applied	88	110
Total Revenue	955	1,140
Operating Deficit Funded from Reserve	704	77
	1,659	1,217
Capital Expenditure		
Marketing and Tourism	-	1,680
Total Capital Expenditure	-	1,680
Debt Repayment	24	23
	24	1,703
Funded by		
Other Reserve Transfers	(655)	23
New Loans	679	1,680
	24	1,703

Explanation of Variances

Marketing and tourism operating costs are:

- Increased by grants for Destination Marlborough to fund website development and to obtain the Government subsidy for an Australian marketing campaign in conjunction with the Wellington region.
- Decreased by the removal of grant funding for the new i-SITE, which is now budgeted as loan funded capital.



Council Controlled Organisation

Picture: Blenheim Airport, Woodbourne

COUNCIL CONTROLLED ORGANISATION

MDC Holdings Limited

MDC Holdings is owned 100% by the Marlborough District Council. Council established MDC Holdings Limited for the purposes of separating the commercial trading activities of the Council from the other functions carried out by the Council; to provide the means for bringing the main trading enterprises of the Marlborough District Council together into one structure; and to obtain commercial borrowing facilities at the most attractive rates attainable. This is the primary objective of MDC Holdings.

Port Marlborough New Zealand Limited and Marlborough Airport Limited are subsidiaries of MDC Holdings Limited. While the Marlborough District Council owns 100% of the shares through MDC Holdings Limited, Port Marlborough operates as a separate commercial entity in a completely commercial manner.

Marlborough Airport Limited is responsible for the maintenance of the runways and taxiways used by civil aircraft as well as the provision of a terminal facility with associated minor freight handling.

Performance Targets

Prepare and forward financial statements to Council in accordance with legislative requirements.

Report annually to Council on the performance of the subsidiary trading enterprises.

Report annually to Council on the level and rate of its borrowings.

The long-term target ratio of shareholders' funds to total assets is 7.6%. This ratio will be reviewed annually.

PART III: FINANCIAL INFORMATION

INCOME STATEMENT

for the year ending 30 June 2011

	LTCCP \$000's	Budget \$000's
INCOME		
Rates	51,656	48,862
Subsidies and Grants	10,653	5,689
Dividends	538	604
Other Income	34,618	32,039
Total Revenue	97,465	87,194
EXPENDITURE BY FUNCTION		
Democratic Process	2,697	2,423
Culture and Heritage	623	716
Community Housing	1,007	1,071
Community Safety	286	276
Community Support	590	572
Library Services	1,412	1,388
Emergency Management	689	639
Community Facilities	5,593	5,651
Land Transport	17,734	17,874
Rivers and Land Drainage	4,418	4,179
Wastewater (Sewerage)	8,613	7,766
Stormwater	1,808	1,565
Water Supply	10,070	8,663
Solid Waste Management	6,503	5,573
Environmental Policy and Information	5,218	5,213
Resource Consents	3,235	3,197
Building Control	2,326	2,520
Compliance	1,722	1,204
Animal Control	687	647
Harbour Control	1,639	853
Regional Development	1,659	1,217
Total Expenditure by Function	78,529	73,207
Less Internal Interest	6,129	6,243
External Expenditure by Function	72,400	66,964
Other Expenditure	1,194	3,734
Marlborough Regional Forestry	6,678	5,395
Total Expenditure	80,272	76,093
Surplus before tax	17,193	11,101
Income tax expense	-	-
Surplus after tax	17,193	11,101

STATEMENT OF COMPREHENSIVE INCOME

for the year ending 30 June 2011

	LTCCP \$ 000's	Budget \$ 000's
SURPLUS/(DEFICIT) FOR THE YEAR	17,193	11,101
OTHER COMPREHENSIVE INCOME		
Gains on infrastructural asset revaluation	25,059	21,229
Gains on land and buildings revaluation	6,296	7,023
Total other comprehensive income for the year, net of tax	31,355	28,252
Total comprehensive income for the year	48,548	39,353

STATEMENT OF CHANGES IN EQUITY

for the year ending 30 June 2011

	LTCCP \$ 000's	Budget \$ 000's
ACCUMULATED FUNDS, ORDINARY AND COUNCIL CREATED RESERVES AND RESTRICTED RESERVES		
Accumulated Funds at Start of Year	552,327	571,409
Net Surplus for the year	17,193	11,101
Accumulated Funds at End of Year	569,520	582,510
ASSET REVALUATION RESERVES		
Asset Revaluation Reserves at Start of Year	600,564	628,411
Revaluation Adjustment	31,355	28,252
Revaluation Reserves at End of Year	631,919	656,663
Equity at end of year	1,201,439	1,239,173

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	LTCCP \$000's	Budget \$000's
RATEPAYERS' EQUITY		
Accumulated Funds	542,617	551,891
Ordinary and Council Created Reserves	23,978	30,376
Restricted Reserves	2,925	243
Revaluation Reserves	631,919	656,663
Total Ratepayers Equity	1,201,439	1,239,173
CURRENT ASSETS		
Cash and Cash Equivalents	1,663	5,961
Trade and Other Receivables	7,324	9,044
Other Financial Assets	4,907	-
Inventories	248	253
Non Current Assets held for Sale	387	387
Total Current Assets	14,529	15,645
CURRENT LIABILITIES		
Trade and other Payables	12,582	11,875
Employee Benefit Liabilities	1,145	1,157
Total Current liabilities	13,727	13,032
Working Capital	802	2,613
NON CURRENT ASSETS		
Trade and Other Receivables	53	143
Intangible Assets	531	549
Biological Assets	9,385	11,051
Other Financial Assets	6,075	18,100
Property Plant & Equipment	1,242,382	1,247,504
Total Non Current Assets	1,258,426	1,277,347
NON CURRENT LIABILITIES		
Landfill Aftercare Provision	802	575
Employee Benefits	1,064	823
Borrowings	55,923	39,388
Total Non Current Liabilities	57,789	40,786
Net Assets	1,201,439	1,239,174

STATEMENT OF CASH FLOWS

for the year ending 30 June 2011

	LTCCP \$000's	Budget \$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Targeted Geo General Rates and Charges	29,895	29,505
Other Targeted Rates and Charges	21,761	19,357
User Charges and Other Revenues	42,428	34,478
Payments to suppliers and employees	(59,978)	(56,994)
Interest paid	(2,775)	(2,539)
Net cash flows from operating activities	31,331	23,807
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of assets	4,159	7,259
Dividends	538	604
Movements in Investments	(535)	999
Purchase of Fixed assets	(70,621)	(38,790)
Net cash flows from investing activities	(66,459)	(29,928)
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in external borrowing	35,024	6,239
Net cash flows from financing activities	35,024	6,239
NET INCREASE/(DECREASE) IN CASH	(104)	118
Cash and equivalents at the beginning of the year	1,767	5,842
Cash and equivalents at the end of the year	1,663	5,960

STATEMENT OF ACCOUNTING POLICIES

1. Reporting entity

Marlborough District Council (MDC) is a unitary authority located in New Zealand that is governed by the Local Government Act 2002.

The primary objective of MDC is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, MDC has designated itself a public benefit entity (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).

These prospective financial statements of MDC are for the year ending 30 June 2011.

MDC is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.

These prospective financial statements therefore reflect the activities and position of MDC plus the Council's 88.5% share in the joint committee Marlborough Regional Forestry, which is also domiciled in New Zealand.

The prospective financial statements were authorised for issue by Council on 25 March 2010.

2. Basis of Preparation

(a) *Statement of Compliance*

The prospective financial statements of MDC have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice. They comply with NZIFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

(b) *Measurement Base*

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

(c) *Functional and Presentational Currency*

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's). The functional currency of MDC is New Zealand dollars.

(d) *Changes in Accounting Policies*

The accounting policies set out below have been applied consistently to the prospective financial statements in MDC's previous LTCCP (2009-19); to the financial statements for the year ended 30 June 2009; and to these prospective financial statements.

There are no standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to MDC.

(e) *Critical Accounting Estimates and Assumptions*

In preparing these prospective financial statements MDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumption are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

3. Significant Accounting Policies

(a) *Interests in Joint Committees*

There is a contractual arrangement whereby MDC and Kaikoura District Council (KDC) undertake an activity that is subject to joint control.

The Council's share of jointly controlled assets and any liabilities incurred jointly with KDC are recognised in the Council's financial statements on a proportionate basis and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of Council's share of the output of jointly controlled assets, and its share of the joint committee expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Council and their amount can be measured reliably.

Where Council transacts with the joint committee, unrealised profits and losses are eliminated to the extent of Council's share in the joint venture, except to the extent that unrealised losses provide evidence of impairment of the asset.

(b) Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

Rates revenue is recognised by MDC as being income on the due date of each instalment. Water Billing is recognised on an accrual basis.

Government Grants

NZTA roading subsidies (received in respect of maintaining the roading infrastructure) and other government grants/subsidies are recognised as revenue upon entitlement ie; when conditions pertaining to eligible expenditure have been fulfilled. This revenue is reflected in the financial statements as subsidy income. Other Government assistance received includes contributions towards the upkeep of Returned Servicemen Association cemetery plots, community housing and environmental control.

Provision of Services

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

Vested Assets

Assets vested in Council, with or without conditions, are recognised as revenue when control over the assets is obtained.

Sales of Goods

Sales of goods are recognised when goods are delivered and title has passed.

Interest and Dividends

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Financial/Development Contributions

Financial/Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise Financial/Development contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service. Development contributions are classified as part of "Other revenue".

(c) Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using effective interest method.

(d) Income Tax

Income tax expense comprises both current tax and deferred tax.

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

Taxable profit differs from net profit as reported in the Income Statement because it excludes items that are never taxable or deductible and it further excludes items of income or expense that are taxable or deductible in other years.

The Council's liability for current tax is calculated using effective tax rates at the time of issue of these prospective financial statements. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset when the Council has a legal enforceable right to set off the recognised amounts and intends to settle on a net basis.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised.

Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Council intends to settle its current tax assets and liabilities on a net basis.

(e) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. All operating lease contracts contain review clauses in the event that the Council exercises its option to renew. The lessee does not have an option to purchase the property at expiry of the lease period.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(g) Trade and other Receivables

Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Income Statement where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(h) Financial Assets

Investments are recognised on a trade-date basis and are initially measured at cost, including transaction costs. At subsequent reporting dates debt securities that the Council has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale, and are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

(i) Impairment

At each balance sheet date the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists and for indefinite life intangibles, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset the Council estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value in use.

For assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

For non-revalued assets impairment losses are recognised as an expense immediately.

For revalued assets, other than investment property, the impairment loss is treated as a revaluation decrease to the extent it reverses previous accumulated revaluation increments for that asset class.

Where an impairment loss subsequently reverses the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase to the extent that any impairment losses had been previously charged to equity.

(j) Derivative Financial Instruments

The Council uses derivative financial instruments (primarily interest rate hedges and foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at fair value and are remeasured to fair value at subsequent reporting dates.

For hedges that do not result in the recognition of an asset or a liability amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged firm commitment or forecasted transaction affects net profit or loss, for example, when the future sale actually occurs.

Derivatives entered into by the Council do not qualify for hedge accounting.

Changes in the fair value of these derivative financial instruments are recognised in the Income Statement as they arise.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provision has been made for obsolescence for inventories held for maintenance purposes, where applicable.

(l) Non-current Assets Held for Sale

Non-current assets (or disposal groups) classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The valuation of net realisable value was carried out by Abel Properties Limited.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(m) Property, Plant and Equipment

The Council has the following classes of property, plant and equipment:

- Land and buildings.

- Improvements on land.
- Library books and parking meters.
- Infrastructure assets.
- Other.

Revaluation

Where assets are revalued the revalued amounts are their fair values at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity that the carrying amount does not differ materially from that which would be determined using fair values at balance date - generally every year.

Revaluation increments and decrements are credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve this balance is expensed in the Income Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

Land and Buildings

MDC land was valued by QV Valuations (Registered Valuers) as at 30 June 2007. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2007.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees.

Buildings were valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2007. The basis of valuation was fair value.

Assets acquired subsequent to valuation are shown at cost less depreciation.

In the case of Marlborough Regional Forestry, land and improvements were valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2009.

Improvements

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

Landfill

MDC has amortised the cost of the Blenheim landfill development over its 45 year life and charged the amortisation to operating costs. The amortisation rate is based on volume utilisation divided by the capacity of the landfill site.

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.

Infrastructural Assets

Infrastructural assets are recorded at valuation, plus additions at cost, less accumulated depreciation.

Roads, bridges, wharves, street lighting, street berms and street furniture assets were valued at depreciated replacement cost as at 30 June 2009. Manjit Dergun and Andrew Wise of Opus International Consultants Limited conducted the valuation of roads, bridges, wharves, street lighting and street furniture. Marlborough Roads valued the street berms. River control and drainage assets were valued at depreciated replacement cost as at 30 June 2008. The river control and drainage valuation was performed by the Council's Rivers and Drainage Engineer, Brin Williman. Lex Hayward of Alexander Hayward Limited conducted an independent peer review of the valuation.

Carparks were valued at depreciated replacement cost at 30 June 2009 by Opus International Consultants Ltd.

Water, Sewer and Stormwater assets were valued at depreciated replacement cost (DRC) as at 1 July 2008, water assets were further valued at DRC as at 30 June 2009. The valuation was performed

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by Council engineering staff directly associated with managing these assets. An independent review of the valuation was conducted by Alexander Hayward Limited.

Reserves, public conveniences and war memorials land were valued by QV Valuations (Registered Valuers). The value is based on 'fair value' as at 30 June 2007.

Reserves, public conveniences and war memorial buildings and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on fair value as at 30 June 2007.

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

Other Fixed Assets

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.

Depreciation

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

Depreciation on revalued assets is charged to the Income Statement.

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

Asset	Life	Rate
Roads, Streets and Bridges		
- 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%
Carparks		
- 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%

Buildings (excluding properties intended for sale)	100 years	1%
Council Computers	4 years	25%
Council Finance 1 computer equipment	5 years	20%
Plant, equipment (excluding Council infrastructural assets)	5 - 13.33 years	7.69 - 20%
Mowers/chainsaws	1 - 2 years	50 - 100%
Sewerage		
- 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%
Stormwater		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
Water		
- 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%
Rivers and Drainage		
- 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%
Library books	13.33 years	7.69%

Disposals

On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining, net of any related deferred taxes, in the revaluation reserve is transferred directly to retained earnings.

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

(n) Intangible Assets - Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overhead costs.

The computer software has a finite life of four to five years. Amortisation is included in the Income Statement.

(o) Forestry Assets

Forestry assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the Income Statement. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

The fair value of all trees is based on estate based Net Present Value (NPV) method, using the present value of future cash flows discounted at a pre-tax market determined rate.

(p) Investment Property

The classification of property is a matter of professional judgement that requires analysis of the substance of the circumstances surrounding its occupation. The decision as to whether a property or part of a property is classified as 'Investment Property' is based on the criteria in NZ IAS 40, Investment Property and recognising the following:

Properties leased to third parties under operating leases will generally be classified as 'Investment Property' unless:

- The occupants provide services that are integral to the operation of the owner's business and/or these services could not be provided efficiently and effectively by the lessee in another location.
- The owner of the property is a public benefit entity, and the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.
- The property is being held for future delivery of services.
- If the lessor uses services of the owner and those services are integral to the reasons for their occupancy of the property.

Investment property is measured initially at its cost, including transaction costs. Investment property is then stated at its fair value at the balance sheet date.

Gains or losses arising from changes in the fair value of investment property are included in net profit or loss for the period in which they arise.

(q) Trade and Other Payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

(r) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, these loans and borrowings are subsequently measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the loan or borrowing. Amortised cost is calculated taking into account any issue costs, and any discount or premium on drawdown.

Bank loans are classified as current liabilities (either advances or current portion of term debt) unless the company and MDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Employee Entitlements

Provision is made in respect of the Council's liability for retiring gratuity allowances, annual and long service leave, and sick leave.

The retiring gratuity liability and long service leave liability are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (eg; annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

(t) Provisions

Provisions are recognised when the Council has a present obligation as a result of a past event and it is probable that the Council will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

MDC has a legal obligation to provide ongoing maintenance and monitoring services at the Blenheim landfill site after closure. To provide for these estimated costs of aftercare, a charge is made each year based on the net present value of the after care cost which it is estimated will be incurred following the closure of the landfill.

(u) Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the special uses that the Council intends to make of its accumulated surpluses. These components of equity are:

- Retained earnings.
- Ordinary revenues.
- Revaluation reserves.
- Reserves.

Special reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

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Restricted reserves are those reserves subject to specific conditions accepted as binding by the Council and which may not be revised by Council without reference to the Courts or a third party. Transfer from these reserves can be made by certain specified purposes or when certain specified conditions are met.

Council created reserves are reserves established by Council decision. The Council may later the purpose of the reserve without reference to any third party or the Courts. Transfer to and from these reserves is at the discretion of Council.

(v) Goods and Services Tax

These financial statements have been prepared exclusive of GST, except for receivables and payables, which are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

(w) Cost Allocation

The cost of providing support services for the Council are accumulated and are allocated to each activity using appropriate allocation bases which reflect the usage and /or capacity for each significant activity.

(x) Foreign Currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or rates that approximate those rates. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

In order to hedge its exposure to certain foreign exchange risks, the Council enters into forward contracts in accordance with the Council treasury policies (see above for details of the Council's accounting policies in respect of such derivative financial instruments).

ASSUMPTIONS, DISCLOSURES AND COMPLIANCE

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

Legislative Framework

Local Government may be significantly affected by changes in legislation. It is assumed that existing legislation will apply for the term of this plan.

Population

It is extremely difficult to accurately determine the level of growth in Marlborough over the next 10 years. Using census data provided since 1981 by Statistics New Zealand the population growth has been forecast for the population centres within the District. From these growth forecasts the resulting demands on District services, particularly infrastructure, have been modelled and included in Asset Management Plans. On average growth is expected to be approximately 1.4% per annum.

Revenue

Revenue from user charges have been determined using average level of demand for services. Fluctuations are likely to occur on an annual basis but it is expected that the average targets will be achieved.

Forestry income and expenditure has been forecast using age profile of forest with harvesting undertaken at 30 years of age. Log prices (in \$NZ) have been estimated using the average of the past three years. It has been assumed that these prices will be maintained over the period of the Plan.

Inflation

The costs, revenues and asset values reflected in this plan take account of expected inflation impacts for the coming 12 months.

Revaluations

Council's infrastructure assets and land and buildings have been revalued in the 2010/11 year based on inflation impacts as above.

Economic Life

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the Statement of Accounting Policies. The useful lives are consistent with Council's experience with respect to its ongoing replacement programme.

Range of Services

That Council will continue to perform its existing range of activities. In addition, Council will continually review how the services it is responsible for can be most effectively delivered and whether service levels can be improved.

Financial Assistance

The financial assistance (subsidies) currently received by Council will continue at the current levels of assistance, including the anticipated subsidy for the Seddon water project.

Use of Infrastructure Upgrade Reserve

The Infrastructure Upgrade Reserve has been used to support and address affordability issues for essential water and sewerage projects in Picton and Renwick.

Investments

This plan has been prepared on the basis that MDC will hold its current investments until they mature, due to their favourable interest receivable, this interest has been included in revenue.

Interest Rates/Term of Loans

All loans, unless specifically approved by Council, have been raised for a period of 20 years with an interest rate of 7.00%. Interest on investments and bank deposits are calculated at 5.00%. These rates will be monitored annually.

Climate Change

That climate change will have minimal impact over the period of this Plan.

Natural Disasters

Council has included in the financial figures what it considers to be reasonable provisions to meet the impacts of natural disasters. Should such an event occur Council will review the adequacy of these provisions.

Emissions Trading Scheme

The estimated impact of the Emissions Trading Scheme has not been included in this Plan. This decision has been made for the following reasons:

- The Government has signalled the imminent review of the scheme.
- The costs associated with the scheme are not yet certain.
- The value of credits from existing forestry holdings have yet to be quantified with certainty.

Council as a result of its significant forestry holdings is likely to be a net beneficiary from the scheme for an extended period, but because of the uncertainty surrounding the scheme and resulting costs and benefits, a conservative approach of exclusion has been adopted.

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 year ended 30 June 2011 are likely to vary from the information presented, and the variations may be material.

These financial statements comply with FRS42.

2. Interest

2.1 Elimination of Internal Interest

To enable each activity to bear its true cost, where funds are "borrowed" by one activity of Council from another interest is charged on that borrowing at the same rate applicable to external borrowing. This interest is recorded as an expense in the Significant Activity Accounts.

This internal interest has been eliminated from the consolidated Income Statement as follows:

2.2 Interest Expense	LTCCP	Budget
	\$000's	\$000's
Total Interest Expense	8,904	8,782
Less Internal Interest Expense	(6,129)	(6,243)
Interest Expense	2,775	2,539

3. Capital Expenditure

These figures do not include Marlborough Regional Forestry capital expenditure.

	LTCCP	Budget
	\$000's	\$000's
CAPITAL EXPENDITURE - SUMMARY		
Water	22,499	11,315
Sewerage	21,780	2,967
Roads (including wharves and subdivisional works)	8,695	7,727
Community Facilities	6,150	5,715
Rivers and Drainage	1,848	1,790
Stormwater	1,806	750
Information and Office Services	629	549
Parking	4,223	4,225
Landfills and Waste Management	361	371
Library Services	267	270
Plant Operations	201	109
Harbour Control	507	64
Regional Development	-	1,680
Democracy, Culture, Heritage and Community	329	98
Environmental, Consents and Compliance	61	57
Emergency Management	32	31
Land Development	2,576	2,500
TOTAL MDC	71,964	40,218

Notes to the Financial Statements

3. Capital Expenditure <i>continued</i>	LTCCP \$000's	Budget \$000's
CAPITAL EXPENDITURE - DETAIL		
DEMOCRATIC PROCESS (Funded by Rates and Charges)		
Democratic process	41	40
TOTAL DEMOCRATIC PROCESS	41	40
PEOPLE (Funded by Rates and Charges)		
Culture and Heritage		
Renwick Memorials Improvements	124	-
Other Memorials Improvements	8	8
Culture and Heritage sub-total	132	8
Community Housing		
Community Housing	104	-
Community Safety		
Community Security Security Cameras	52	50
Library services		
Libraries Books and equipment	267	270
TOTAL PEOPLE	555	328
EMERGENCY MANAGEMENT (Funded by Rates and Charges)		
Civil Defence Plant and Equipment	12	12
Fire Protection Plant and Equipment	20	19
TOTAL EMERGENCY MANAGEMENT	32	31
LAND AND WATER		
COMMUNITY FACILITIES		
Cemeteries (Funded by Rates and Charges)		
Awatere Development	2	2
Fairhall Development	57	55
Flaxbourne Development	15	-
Havelock Development	5	5
Omaka Development	6	6
Picton Development	26	25
Tuamarina Development	10	10
Other Development	31	-
Cemeteries sub-total	152	103
Halls (Funded by Rates and Charges)		
Halls	157	10
Public Conveniences (Funded by Rates and Charges)		
Blenheim Improvements	356	45
Picton Improvements	149	110
Public Conveniences sub-total	505	155
Reserves (Funded by Land Subdivision Income)		
Reserves Additions, Improvements, Replacements	1,193	1,427
Swimming Pools (Funded by Rates and Charges)		
Picton New Facility	21	20
Blenheim Improvements	4,122	4,000
Swimming Pools sub-total	4,143	4,020
TOTAL COMMUNITY FACILITIES	6,150	5,715

Notes to the Financial Statements

3. Capital Expenditure <i>continued</i>		LTCCP \$000's	Budget \$000's
LAND TRANSPORT			
Parking (Funded by User Charges)			
Blenheim	Land, Buildings and Plant	4,223	4,225
Roading (Funded by Rates and Charges, Subsidies and User Charges)			
General Roding	Vested Assets	644	624
	Associated Improvements	685	675
	Bridges	453	-
	Drainage	525	316
	Environment	-	38
	Major rehabilitation	515	250
	Pavement rehabilitation	901	872
	Sealed road resurfacing	2,008	1,653
	Structures Component Replacement	223	161
	Traffic Services	223	289
	Unsealed road metalling	582	583
	Sealed pavement	309	-
			-
	Cycle Facilities	103	-
Kaiuma Bay Road	Unsealed pavement	-	818
Kenepuru Road	Sealed pavement	124	120
	Traffic Services	1	1
Passenger Transport	Bus shelters	52	-
Street Plots		93	15
Street Trees		13	13
Roding Related Works	Additions: Cycle Facilities	-	100
	Additions: Footpaths (concrete)	89	86
	Additions: Kerb & Channel	93	90
	Additions: Sealed pavement	211	205
	Additions: Signs	26	26
	Additions: Street furniture	5	5
	Additions: Streetlighting	41	40
	Additions: Vehicle crossings	12	12
	Renewals: Footpaths (sealed)	427	315
	Renewals: Kerb and Channel	-	92
	Renewals: Street Furniture	31	30
	Renewals: Vehicle crossings	42	41
Wharves	Additions: Wharves.	110	107
Subdivisional Works	Additions: Sealed pavement	154	150
TOTAL LAND TRANSPORT		12,918	11,952

3. Capital Expenditure continued		LTCCP	Budget
		\$000's	\$000's
RIVERS AND LAND DRAINAGE (Funded by Rates and Charges)			
Rivers outside Wairau Valley			
Waitohi	Additions: Culverts, Gates, Concrete wall:	824	800
Picton/Waikawa	Additions: Rock and Gabion protection	21	20
Drainage			
Blenheim	Additions: Pump stations	134	130
	Additions: Drainage channels	104	100
Rural	Additions	228	220
Rivers Wairau Valley			
Lower Wairau	Additions: Rock and Gabion protection	72	70
Wairau Diversion	Additions: Stopbanks	10	10
Wairau Tuamarina	Additions: Stopbanks, trees and retards	154	150
Wairau gravel extraction	Additions: Rock and Gabion protection	83	80
Lower Opawa	Additions: Stopbanks	31	30
Riverlands and Witherhills Streams	Additions: Stopbanks	21	20
Taylor below Burleigh	Additions: Stopbanks	21	20
Taylor above Burleigh	Additions: Stopbanks	21	20
Rivers land purchases	Additions: Land	103	100
Wither Hills soil conservation	Additions: Drainage channels	21	20
TOTAL RIVERS AND LAND DRAINAGE		1,848	1,790
WASTEWATER (SEWERAGE) (Funded by Rates and Charges, Development Contributions, Levies and User Charges)			
Sewerage: Combined schemes	Additions: Vested Assets - External	228	221
	Additions: Telemetry field equipment	2	3
	Additions: Connections	125	92
	Additions: Oxidation ponds	156	150
	Additions: Pipelines	1,272	1,233
	Renewals: Pipelines	9,219	350
	Additions: Pump stations	3,868	195
	Renewals: Pump stations	16	15
	Additions: Treatment plant	6,443	340
	Additions: Engineering	451	368
sub-total Combined Sewerage Schemes		21,780	2,967
TOTAL WASTEWATER (SEWERAGE)		21,780	2,967
STORMWATER (Funded by Rates and Charges and Development Contributions)			
Stormwater: Blenheim	Additions: Vested Assets	269	260
	Additions: Connections	72	70
	Additions: Pipelines	1,068	35
	Renewals: Pipelines	52	50
Stormwater: Picton	Additions: Connections	5	5
	Additions: Pipelines	21	20
	Renewals: Pipelines	9	9
Stormwater: Renwick	Additions: Connections	5	5
	Additions: Pipelines	289	280
	Renewals: Pipelines	10	10
Stormwater: Spring Creek	Additions: Connections	2	2
Stormwater: Havelock	Additions: Connections	1	1
	Additions: Pipelines	3	3
TOTAL STORMWATER		1,806	750

Notes to the Financial Statements

3. Capital Expenditure <i>continued</i>		LTCCP \$000's	Budget \$000's
WATER SUPPLY (Funded by Rates and Charges, Development Contributions and User Charges)			
Blenheim	Additions: Vested Assets	201	195
	Additions: Connections	103	100
	Renewals: Connections	131	127
	Additions: Pipelines	740	252
	Renewals: Pipelines	52	50
	Additions: Pump stations	550	534
	Renewals: Pump stations	15	14
	Additions: Reservoirs	2,647	2,100
	Additions: Treatment plant	6,121	5,943
	Additions: Engineering	236	503
sub-total Blenheim		10,796	9,818
Havelock	Additions: Connections	7	7
	Renewals: Pipelines	2	2
	Additions: Reservoirs	361	100
	Additions: Treatment plant	72	70
	Additions: Engineering	8	7
sub-total Havelock		450	186
Picton	Additions: Connections	12	12
	Renewals: Connections	28	28
	Additions: Pipelines	2,087	133
	Renewals: Pipelines	36	35
	Additions: Pump stations	587	70
	Additions: Reservoirs	912	155
	Additions: Treatment plant	989	499
	Additions: Engineering	86	36
sub-total Picton		4,737	968
Renwick	Additions: Connections	15	15
	Additions: Pipelines	437	69
	Renewals: Pipelines	5	5
	Additions: Pump stations	93	-
	Renewals: Pump stations	7	7
	Additions: Treatment plant	412	45
	Additions: Engineering	19	5
sub-total Renwick		988	146
Awatere	Additions: Connections	10	10
	Additions: Pipelines	454	-
	Renewals: Pipelines	67	64
	Renewals: Pump stations	1	1
	Additions: Treatment plant	3,837	-
	Additions: Engineering	80	-
sub-total Awatere		4,449	75
Riverlands	Additions: Pipelines	614	1
	Additions: Reservoirs	407	80
	Additions: Treatment plant	26	25
	Additions: Engineering	19	4
sub-total Riverlands		1,066	110
Southern Valleys	Additions: Pump stations	13	12
sub-total Southern Valleys		13	12
TOTAL WATER SUPPLY		22,499	11,315

Notes to the Financial Statements

3. Capital Expenditure <i>continued</i>		LTCCP \$000's	Budget \$000's
SOLID WASTE MANAGEMENT (Funded by Rates and Charges and User Charges)			
Landfills	Ongoing landfill stages	154	171
Urban refuse collection	Kerbside recycling crates	207	200
TOTAL SOLID WASTE MANAGEMENT		361	371
TOTAL LAND AND WATER		67,362	34,859
ENVIRONMENTAL POLICY AND INFORMATION (Funded by Rates and Charges)			
Total Environmental	Asset additions	51	49
TOTAL ENVIRONMENTAL POLICY AND INFORMATION		51	49
REGULATORY (Funded by Rates and Charges and User Charges)			
Total Consents and Compliance	Asset additions	10	8
Harbours	Boats, navigation aids, instruments and p	507	64
TOTAL REGULATORY		517	72
REGIONAL DEVELOPMENT (Funded by Rates and Charges and User Charges)			
Marketing and Tourism	Asset additions	-	1,680
TOTAL REGIONAL DEVELOPMENT		-	1,680
TOTAL SIGNIFICANT ACTIVITIES		68,558	37,060
Land Development (Funded from Subdivision Proceeds)			
Blenheim	Development Costs	2,576	2,500
Plant Operations (Funded by Internal Charges)			
Plant Operations	Plant and equipment	201	109
Office Administration (Funded by Internal Charges)			
Information Services	Computer equipment	493	417
Office Administration	Office equipment and fittings	136	132
TOTAL OTHER ACTIVITIES		3,406	3,158
TOTAL MDC		71,964	40,218

4. Overhead Accounts

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

5. Expenditure Disclosures

5.1 Other Expenditure	LTCCP \$000's	Budget \$000's
External Interest Expense	-	2,539
Internal Interest Expense - Infrastructure Upgrade Reserve	486	365
Insurance	230	305
Depreciation	142	136
Rates	111	119
Land Development Expenditure	18	81
Bank Charges	-	81
Property Management	128	62
Other	80	46
Total Other Expenses	1,194	3,734

5.2 Expenditure Disclosures	LTCCP \$000's	Budget \$000's
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The following amounts are included in the Income Statement within expenditure by function and other expenditure. They are disclosed here as total Council amounts.

Personnel costs	16,194	16,697
Audit Fees	195	116
Lease - Admin vehicles	416	310
Lease - Other	3	16
Rent	143	112
Grants and Donations	2,586	1,698
Depreciation	16,592	16,525

6. Other Income

	LTCCP \$000's	Budget \$000's
Fees and charges	12,015	6,796
Marlborough Regional Forestry	7,261	6,612
Regulatory fees and charges	6,259	4,946
Rental income	474	4,779
Gain on sale (fixed assets and property developments)	1,549	1,500
Contributions - Vested Assets	1,343	1,300
Interest	-	1,064
Infringements	451	555
Petroleum tax	413	400
Contributions on Subdivision	1,514	150
Development Impact Levies	31	30
Other Revenue	3,308	3,907
Total Other Income	34,618	32,039

7. Loans

Total budgeted borrowings/loan requirements are outlined below, the amount which Marlborough District Council expect to be able to fund internally is identified, the remainder has been budgeted as external loans.

	LTCCP	Budget
	\$000's	\$000's
Cemeteries	616	513
Public Conveniences	1,470	1,027
Reserves	1,200	966
Swimming Pools	767	417
Roads and Streets	572	62
CBD Works	3,705	2,106
Roading Related Works	1,740	987
Wharves	220	104
Parking	11,040	8,220
Rivers outside the Wairau Floodplain	1,024	1,368
Wairau Floodplain Drainage	-	501
Sewerage: Renwick	366	290
Sewerage: Grovetown	1,418	1,395
Sewerage: Combined schemes	44,098	23,688
Total Stormwater	4,584	2,276
Water: Awatere	690	233
Water: Blenheim	28,305	21,609
Water: Havelock	1,215	599
Water: Picton	7,923	3,566
Water: Renwick	483	49
Water: Riverlands	1,050	550
Water: Southern Valleys	11,318	9,832
Water: Wairau Valley	13	14
Landfills	9,026	5,512
Transfer Stations	443	112
Refuse Collections	207	198
Waste Minimisation	1,966	1,943
Infrastructure Upgrade Reserve	13,249	6,735
Regional Development: Marketing and Tourism	798	1,776
Marlborough Regional Forestry		460
Total Loans	149,506	97,108
Less Internal Loans	(90,501)	(57,720)
Less Sinking Funds on External Loans	(3,082)	-
External Loans	55,923	39,388

RATE MOVEMENTS 2010-11

Total Rates and Charges for 2010-11 are estimated at \$49,296,783 GST exclusive (\$56,383,196 GST inclusive). This represents an increase of \$1,574,677 (3.30%) on last year's levy. With the change in the GST rate this translates to an increase of \$2,695,826 GST inclusive (5.02%).

The rating effect will be different for individual properties because of movements in general-type rates not impacting uniformly on all geographic rating areas and movements in targeted separate rates (such as Sewerage and Water etc) affecting only properties in those areas.

SIGNIFICANT CONTRIBUTORS TO THE OVERALL INCREASE ARE AS FOLLOWS:		
Democracy	(\$202,492)	Reduced operating costs including LTCCP costs and audit fees that were incurred last year.
Swimming Pools	\$229,617	Increased operating costs for upgraded aquatic facilities.
Rivers outside the Wairau Floodplain	\$109,548	Increased debt servicing costs associated with new culverts, gates and concrete walls upgrades and other operating costs.
Stormwater	\$100,606	Depreciation and design costs for Blenheim Stormwater Strategy.
Waste Management	\$145,122	Reduced contribution from refuse collection.
Environmental	\$263,028	Reflects the development of planning and strategy documents.
Regional Development	\$241,915	Includes increased grants for Destination Marlborough to fund website development and to obtain the Government subsidy for an Australian marketing campaign in conjunction with the Wellington region.
Consents and Compliance	(\$312,933)	Reflects the decrease in economic activity.
Harbour Control	\$311,953	Reduced revenue forecasts associated with the proposed Harbour Control Bylaw.
Southern Valleys' Irrigation Loan Rate	(\$270,825)	Reduction of debt servicing costs as a result of conversion of funding from sinking fund loan to table mortgage.
Combined Sewerage Scheme Rates and Charges	\$175,663	Increased electricity and other operating costs offset in part by reduced debt servicing costs arising from deferred capital expenditure.
Awatere Water	\$35,115	Increased costs and reduced water consumption.
Blenheim Water	\$378,933	Funding debt servicing costs for increasing Blenheim water capacity and providing full water treatment.
Blenheim/Picton Refuse and Recycling Collection	\$328,117	Reduced contribution to landfill and an increase in rating units have reduced the refuse collection rate from \$77 to \$62. A new rate of \$49.30 is for the provision of new kerbside collection recycling scheme for Blenheim and Picton residential properties from 1 October. Total charge is \$111.30.
Picton Forum	(\$12,400)	Reduction in grant to Picton Forum.

Additional information on the summarised rate movements is included in the Rate Movements Section and Funding Impact Statement of the Annual Plan.

Indicative Impact on Benchmark Properties

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

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

	LAND VALUE	CAPITAL VALUE	ACTUAL 2009-10	PLAN \$ MVT 2010-11	PLAN \$ GST INCR 2010-11	FINAL PLAN TOTAL 2010-11	TOTAL % RATE MVT 2010-11
Blenheim Residential	190,000	345,000	1,986	133	35	2,155	8.47%
Blenheim Residential	170,000	315,000	1,933	134	34	2,101	8.68%
Blenheim Residential	205,000	450,000	2,083	134	37	2,254	8.20%
Blenheim Vacant Section	180,000	180,000	1,664	62	29	1,756	5.49%
Blenheim Commercial	108,000	475,000	2,499	125	44	2,668	6.77%
Blenheim Commercial	385,000	1,016,000	7,908	246	136	8,290	4.83%
Picton Residential * 1	130,000	370,000	2,042	87	35	2,164	5.97%
Picton Residential * 2	190,000	350,000	2,360	85	41	2,486	5.32%
Picton Vacant Section * 1	121,000	121,000	1,609	18	27	1,654	2.81%
Picton Commercial * 1	315,000	440,000	4,815	33	81	4,928	2.36%
Picton Motels (19 units) * 2	450,000	1,225,000	8,449	48	142	8,639	2.25%
Blenheim Vicinity	1,575,000	2,800,000	4,941	119	84	5,145	4.12%
Blenheim Vicinity	850,000	1,630,000	2,846	68	49	2,963	4.11%
Blenheim Vicinity	6,600,000	10,800,000	16,904	459	289	17,652	4.42%
Blenheim Vicinity	4,300,000	6,900,000	11,281	302	193	11,776	4.39%
Blenheim Vicinity	3,600,000	5,600,000	9,736	254	166	10,156	4.31%
Renwick Residential * 3	155,000	350,000	1,575	42	27	1,645	4.40%
Renwick Residential * 4	150,000	270,000	1,657	13	28	1,698	2.46%
Spring Creek Residential	135,000	320,000	1,218	46	21	1,285	5.51%
Grovetown Residential * 5	175,000	365,000	1,832	478	38	2,348	28.15%
Grovetown Residential * 5	140,000	220,000	1,521	436	33	1,991	30.86%
Rarangi Residential	305,000	310,000	1,029	21	17	1,067	3.74%
Picton Vicinity	2,600,000	2,750,000	3,518	218	62	3,798	7.95%
Ngakuta Bay - bach	180,000	395,000	598	30	10	639	6.76%
General Rural - French Pass	3,800,000	4,600,000	8,013	400	140	8,553	6.73%
General Rural - Manaroa	4,300,000	5,200,000	9,203	447	161	9,811	6.61%
General Rural - Opouri Valley	2,750,000	3,250,000	5,304	283	93	5,680	7.09%
General Rural - on Awatere Water	1,350,000	1,750,000	3,627	215	64	3,907	7.70%
Havelock Residential	225,000	360,000	1,845	41	31	1,917	3.90%
Seddon Residential	95,000	290,000	1,266	54	22	1,342	5.98%
Admin Rural - farm	9,958,000	10,750,000	7,989	792	146	8,927	11.74%
Admin Rural - bach	250,000	410,000	486	22	8	516	6.15%
Admin Rural - bach	415,000	600,000	606	34	11	651	7.43%

GST has been calculated on the basis of 12.5% for the period 1 July 2010 to 30 September 2010 and 15% for the period 1 October 2010 to 30 June 2011.

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

*2 These properties opted to make Sewer Treatment Lump Sum payments.

*3 This property opted to make lump sum payments.

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

*5 These properties pay the Sewerage Loan Rate and in 2010-11 commence Combined Sewerage Scheme rates and charges.

FUNDING IMPACT STATEMENT

The Funding Impact Statement provides the following information:

- A Summary Source and Application of Funds Statement for 2010-11.
- Detailed explanations of the types of rates that are to be set, their purpose, and the basis on which they are calculated.
- A narrative description of the geographic areas that are used for Targeted General-type Rates and Charges.
- General Information in respect of rates instalment dates and penalties for late payment.
- **The GST inclusive (incl) amounts shown in this Statement have been calculated using GST at 12.5% for the period 1 July 2010 to 30 September 2010 and GST at 15% for the period 1 October 2010 to 30 June 2011.**

Summary Source and Application of Funds Statement (GST excl) for the Year Ending 30 June 2011

	LT CCP \$000's	Budget \$000's
Targeted Geo General Rates and Charges	29,895	29,505
Other Targeted Rates and Charges	21,761	19,357
User Charges and Other Operating Revenue	24,514	18,430
Subsidies and Grants	10,653	10,653
Dividends	538	604
Marlborough Regional Forestry	7,261	5,395
Proceeds from Borrowings (External)	36,827	6,239
Proceeds from Investments	-	999
Asset Disposals	4,159	7,259
Sources of funds	135,608	98,441
Operating Expenditure	62,754	59,533
Cash Movement	-	118
Capital Expenditure	70,621	38,790
Loan Repayments	1,803	-
Net Movement to Reserves	430	-
Applications of funds	135,608	98,441

Terminology

Unless otherwise specified:

- Net Movement to Reserves represents surplus funds transferred for application of funds in future years. Net Movement from Reserves represents application of available funds.
- 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.
- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are not based on property values).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, e.g. Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau River rates and the Kenepuru Road rate, which are levied on capital value, or the Southern Valleys' Irrigation rate which is based on irrigable hectares).
- LTCCP refers to Council's Long Term Community Plan which was adopted on 25 June 2009.
- Council has the following policies to determine what constitutes a "separately used or inhabited part of a rating unit":
 - That in situations where a rating unit contains both a commercial or industrial type use, and a residential or rural type use, they will be treated as two separate uses and be assessed two sets of charges, except for those predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.
 - For those predominantly residential rating units where the owner of the rating unit resides and operates a business or businesses from the same rating unit, they will be assessed only one uniform targeted charge for geographic area general-type works.

Funding Impact Statement

- Where services such as water, sewerage and refuse collection are supplied, separate charges will be assessed on the separately used or inhabited portions, except for those predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.
- Where a number of different businesses are located on one rating unit, each separate business will be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
- Where rating units contain separate residential habitable dwellings that are capable of independent habitation (*i.e. they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc*), uniform charges will be assessed on each dwelling.
- If a rating unit contains a dwelling and a flat (*as shown as a "nature of improvements" on the Council valuation roll*) and the flat contains a kitchen; uniform charges will be assessed on the dwelling and flat.
- GST incl amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers. GST has been calculated on the basis of 12.5% for the period 1 July 2010 to 30 September 2010 and 15% for the period 1 October 2010 to 30 June 2011.
- GST exclusive (excl) amounts are used to indicate Rate Revenue Movements affecting the Council.

The Council has adopted the following differential rating categories for general-type rates:

Residential or Rural

All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation. "Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category. Forestry is included in this category for the purposes of the General Works and Services Rate.

Commercial or Industrial

All land used for a commercial or industrial purpose. "Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision. "Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods. For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as "utilities".

Homestay or Farmstay

Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes, where a Building Act or Resource Consent was required for such a use.

Utilities

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

Multiple Land Uses

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

Targeted General Type Rates and Charges

\$29,505,228 GST excl
(\$33,746,605 GST incl)

Although general-type rates and charges have increased overall by 3.32% (\$947,560 GST excl), 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.

Geographic Area General Works and Services Rates

\$19,211,821 GST excl
(\$21,973,520 GST incl)

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 in one or more of the following categories of rateable land:

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

For these rates Utilities will be treated as falling within the commercial or industrial differential category.

Funding Impact Statement

These rates (*which are funded on a land value basis*) fund the Geographic Area's share of the Net Cost of Operations, Capital Expenditure and Debt Servicing Cost charges, after making provision for other targeted rates and charges, general revenue and utilisation of various reserves.

Overall, these rates will increase by \$731,024 (3.96%) GST excl; however there are varying impacts on the geographic areas and their differential rates.

General Works and Services rate amounts (GST incl) set in each geographic area are as follows:

		Levy (GST excl)	Levy (GST incl)	Cents in \$ (GST incl)
Blenheim	Res/Rural	4,660,411	5,330,344	0.313598
Blenheim	Com/Ind	2,943,430	3,366,548	1.051389
Blenheim	Hsty/Fsty	718	822	0.498046
Blenheim Vicinity	Res/Rural	4,165,006	4,763,725	0.179536
Blenheim Vicinity	Com/Ind	145,960	166,942	0.281578
Blenheim Vicinity	Hsty/Fsty	986	1,128	0.205045
Picton	Res/Rural	1,268,235	1,450,544	0.378127
Picton	Com/Ind	622,236	711,682	0.815514
Picton	Hsty/Fsty	1,939	2,218	0.487474
Picton Vicinity	Res/Rural	180,764	206,749	0.109388
Picton Vicinity	Com/Ind	13,069	14,948	0.229615
Picton Vicinity	Hsty/Fsty			0.139445
General Rural	Res/Rural	4,696,441	5,371,554	0.193487
General Rural	Com/Ind	109,010	124,680	0.269999
General Rural	Hsty/Fsty	1,030	1,178	0.212615
Admin Rural	Res/Rural	386,058	441,554	0.081636
Admin Rural	Com/Ind	16,187	18,514	0.140461
Admin Rural	Hsty/Fsty	341	390	0.096342

Geographic Area General Works and Services Charges **\$10,293,407 GST excl**
(\$11,773,085 GST incl)

A targeted Geographic General Area Works and Services rate on the basis of a fixed amount on every separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective area's share of the Net Cost of Operations, Capital Expenditure and Debt Servicing Cost costs, after making provision for targeted rates and charges, general revenue and utilisation of various reserves.

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.

Overall, these charges will increase by \$216,536 (2.15%) GST excl, but there are varying impacts on the geographic areas and their differential charges.

Total Revenue sought from General Works and Services Charges in each geographic area (*including Utilities*) will be as follows:

	Levy (GST excl)	Levy (GST incl)	Unit Charge (GST incl)
• Blenheim	5,322,947	6,088,122	519
• Blenheim Vicinity	1,595,639	1,825,012	467
• Picton	1,212,813	1,387,155	507
• Picton Vicinity	164,064	187,648	439
• General Rural	1,618,172	1,850,784	359
• Admin Rural	369,906	423,080	309
• Utilities	9,866	11,284	434

Debt Servicing Rates and Charges

**\$1,241,749 GST excl
(\$1,420,250 GST incl)**

Grovetown Sewerage Loan Rate

**\$97,901 GST excl
(\$111,974 GST incl)**

The Grovetown Sewerage Loan Rate is calculated on the land value of every rating unit in the Grovetown Sewerage Special Rating Area to fund debt servicing costs on an interest only basis for the first 10 years and then on a table mortgage basis.

A CPI increase of \$1,920 (2.00% GST excl) has been applied to the interest requirements to move towards the amount required to service the future table mortgage requirements.

On a rating unit with a land value of \$175,000, the sewerage loan rate will increase from \$896.41 to \$929.58. The new cents in the dollar rate is 0.531186 cents GST incl.

Under the Local Government (Rating) Act 2002, Council is able to offer ratepayers in the Grovetown Sewerage Scheme's Rating Area an opportunity to make a lump sum contribution in lieu of the existing loan rate. To this end, Council at its meeting held on 18 February 2010 resolved to include a Capital Project Funding Plan in its 2010/11 Annual Plan so that it could offer ratepayers a one-off opportunity to make a lump contribution as from 2011/12 in lieu of the existing loan rate.

Council has given equal weight to the financial interests of those ratepayers who may elect to make a lump sum contribution and to those who may decide not to do so.

If a lump sum contribution is made there will be no liability for any targeted loan rates as from 2011/12 unless new capital works result in further loans being raised in the future.

If a lump sum contribution is not made the targeted loan rate to meet debt servicing costs on the existing loans will continue until 2038/39.

Picton Sewerage Treatment Loan Rate

**\$60,694 GST excl
(\$69,419 GST incl)**

The Picton Sewerage Treatment Loan Rate is calculated on the land value of every rating unit in the Picton Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs.

The new loan rate is 0.040886 cents in the dollar GST incl.

A decrease of \$9,983 (14.12%) GST excl in the rate levy will occur as a result of subdivisional growth and as a result of conversion of funding from sinking fund loan to table mortgage.

On a rating unit with a land value of \$130,000, the Picton Sewerage Treatment Loan rate will decrease from \$60.88 to \$53.15 GST incl.

Renwick Sewerage Loan Rate

**\$32,118 GST excl
(\$36,735 GST incl)**

The Renwick Sewerage Loan Rate is calculated on the land value of every rating unit in the Renwick Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs.

A decrease of \$11,124 (25.72%) GST excl will occur as a result of subdivisional growth and as a result of conversion of funding from sinking fund loan to table mortgage.

On a rating unit with a land value of \$150,000, the loan rate will decrease from \$123.50 to \$94.74 with a new rate in the dollar of 0.063160 cents GST incl.

Miscellaneous Loan Rates/Charges

**\$1,487 GST excl
(\$1,701 GST incl)**

These rates and charges are 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 \$476 0.020976 cents in the \$ GST incl
(Calculated on the basis of the land value of every rating unit in the Havelock Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen).
- Spring Creek Sewerage Loan Rate \$308 0.080360 cents in the \$ GST incl

(Calculated on the basis of the land value of every rating unit in the Spring Creek Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen).

- Wairau Valley Water Loan Charge \$917 \$229.30 uniform charge GST incl

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

Decreases have occurred in the loan rates as a result of reduced debt servicing costs from conversion of funding from sinking fund loan to table mortgage. An increase has occurred on the water loan charge due to the GST rate increase.

Southern Valleys' Irrigation Loan Rate **\$1,049,549 GST excl**
(\$1,200,421 GST incl)

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure. The targeted loan rate will decrease from \$400 to \$322.98 GST incl as a result of reduced debt servicing costs from conversion of funding from sinking fund loan to table mortgage.

Roading Rates and Charges **\$122,747 GST excl**
(\$140,392 GST incl)

French Pass Road Charge **\$26,556 GST excl**
(\$30,373 GST incl)

This charge is calculated on every rating unit in the French Pass Rating Area, to be applied towards the cost of sealing between Matapehe Hill and French Pass. The charge will increase from \$97 to \$98.60 GST incl on each rating unit and the charge will continue until 30 June 2015.

Hebberds Road Charge **\$7,003 GST excl**
(\$8,010 GST incl)

This charge is calculated on every rating unit with legal frontage to, or being serviced by the unsealed portion at the end of Hebberds Road, to be applied towards the cost of sealing to the end of Hebberds Road. The rate will fund 50% of the cost of sealing to the end of Hebberds Road. The charge will increase from \$1,313 to \$1,334.90 GST incl due to the GST rate increase on each rating unit and the charge will continue until 30 June 2012.

Kaiuma Bay Road Rate **\$53,975 GST excl**
(\$61,734 GST incl)

This rate is calculated on the land value of every rating unit in the Kaiuma Bay Rating Area. The rate will fund 25% of the road upgrade costs in the Kaiuma Bay Road rating area and will continue until 30 June 2012. The rate levy will increase due to the GST rate increase and the rate in the dollar for this rate will increase from 0.346983 cents to 0.352766 cents GST incl.

Kenepuru Road Rate **\$34,982 GST excl**
(\$40,011 GST incl)

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding to be applied towards roading improvements in the targeted area. The rate levy will increase due to the GST rate increase and the rate in the dollar based on capital value will increase from 0.011223 cents to 0.011410 cents GST incl.

Okiwa Bay Jetty Charge **\$231 GST excl**
(\$264 GST incl)

This charge funds expenditure incurred on replacing the former Okiwa Bay jetty and is calculated on every rating unit in the Okiwa Bay Jetty Rating Area in respect of which no contribution to the lump sum scheme was chosen. The charge will increase from \$20 to \$20.30 GST incl due to the GST rate increase and the charge will be discontinued after 2010-11.

Wairau Valley River Works Rates **\$3,186,281 GST excl**
(\$3,644,309 GST incl)

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 every rating unit in the Wairau Catchment. The differentials reflect the benefits derived by each group.

The funding requirements from each area are as follows:

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

Funding Impact Statement

A 0.31% increase (\$9,801 GST excl) in the overall rates levy has occurred to fund increased operating costs.

The following is a schedule of the cents 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).

	Levy (GST excl)	Levy (GST incl)	Cents in the \$ (GST incl)	
• Rural A Rating Units	429,826	491,614	0.059517	(5.95)
• Rural B Rating Units	796,873	911,423	0.049400	(4.94)
• Rural C Rating Units	135,089	154,508	0.035115	(3.51)
• Rural D Rating Units	153,927	176,054	0.007142	(0.71)
• Blenheim Urban 1 Rating Units	968,075	1,107,235	0.054814	(5.48)
• Blenheim Urban 2 Rating Units	454,117	519,396	0.037761	(3.78)
• Blenheim Urban 3 Rating Units	57,930	66,258	0.026188	(2.62)
• Blenheim Urban 4 Rating Units	44,194	50,547	0.020098	(2.01)
• Other Urban 1 Rating Units in Wairau Catchment	76,547	87,551	0.051501	(5.15)
• Other Urban 2 Rating Units in Wairau Catchment	69,703	79,723	0.030901	(3.09)

Combined Sewerage Scheme Rates and Charges

\$6,257,941 GST excl
(\$7,157,520 GST incl)

An overall increase of \$175,663 (GST excl) will occur (2.89%).

Combined Sewerage Scheme Capital Works Rate

\$2,456,710 GST excl
(\$2,809,862 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Sewerage Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined sewerage scheme. New loans fund design costs for works that are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment as well as expenditure for new pipelines and pump stations.

There is a 25.35% (\$834,250 GST excl) decrease in this rate due to reduced debt servicing costs arising from deferred capital expenditure and reallocation of tradewaste capital charges revenue.

On a Blenheim rating unit in the Blenheim Group area whose land value is \$190,000 the rate will decrease from \$244.02 to \$185.05 and the new rate in the dollar will be 0.097395 cents GST incl.

On a Havelock rating unit whose land value is \$225,000 the rate will decrease from \$257.18 to \$195.34 and the new rate in the dollar will be 0.086817 cents GST incl.

On a Picton rating unit whose land value is \$190,000 the rate will decrease from \$287.94 to \$218.29 and the new rate in the dollar will be 0.114890 cents GST incl.

On a Seddon rating unit whose land value is \$95,000 the rate will decrease from \$204.97 to \$155.03 and the new rate in the dollar will be 0.163187 cents GST incl.

Combined Sewerage Scheme Charge

\$3,801,231 GST excl
(\$4,347,658 GST incl)

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

There is a 36.18% (\$1,009,913 GST excl) increase in this charge for increased electricity and other operating costs.

The charge will increase from \$199 to \$279 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$99.50 to \$139.50 GST incl on every separately used or inhabited part of every serviceable rating unit.

Water Supply Rates and Charges**\$7,515,477 GST excl**
(\$8,595,827 GST incl)**Awatere Water Supply****\$557,496 GST excl**
(\$637,637 GST incl)

An increase of \$35,115 (GST excl) is required to meet reduced water consumption and increased costs (6.72%).

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

1. Awatere Water Charge**\$186,666 GST excl**
(\$213,499 GST incl)

The uniform charge will increase from \$342 to \$365 GST incl on every separately used or inhabited part of a rating unit within the Awatere Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

2. Awatere Metered Water Charge**\$370,830 GST excl**
(\$424,138 GST incl)

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

For the period 1 July 2010 to 30 September 2010 the metered charge will increase from \$1.20 to \$1.40 GST incl for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.

For the period 1 October 2010 to 30 June 2011 the metered charge will increase from \$1.20 to \$1.43 GST incl for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.

Blenheim Water Supply**\$3,996,386 GST excl**
(\$4,570,866 GST incl)

An overall increase of \$378,933 (GST excl) will occur (10.48%).

Blenheim Water Capital Works Rate**\$1,897,326 GST excl**
(\$2,170,066 GST incl)

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

A 27.49% increase of \$409,065 (GST excl) is required to fund Debt Servicing costs for increasing Blenheim water capacity and for providing full water treatment.

The rate levy for a property whose land value is \$190,000 will increase from \$156.93 to \$205.28 and the new rate in the dollar will be 0.108044 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges**\$2,099,060 GST excl**
(\$2,400,800 GST incl)

A decrease of \$30,132 (GST excl) will occur (1.42%).

1. Blenheim Metered Water Charge**\$277,333 GST excl**
(\$317,200 GST incl)

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

Metered water charges are as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$46.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 77.92 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will remain unchanged at \$0.60 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$46.75 to \$47.75 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.28 m³ instead of the volume of water supplied between 0 m³ and 77.92 m³. (The adjustment in volume allows the minimum charge to be a multiple of \$0.25).

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.60 to \$0.61 GST incl per cubic metre.

Funding Impact Statement

2. Blenheim Water Charges

\$1,815,071 GST excl
(\$2,075,987 GST incl)

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

The charges will remain at \$190 on every part of a serviced rating unit and \$95 on every part of a serviceable rating unit GST incl.

3. Burleigh Extension Metered Water Charge

\$6,656 GST excl
(\$7,613 GST incl)

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

Metered water charges are as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$46.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 77.92 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will remain unchanged at \$0.60 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$46.75 to \$47.75 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.28 m³ instead of the volume of water supplied between 0 m³ and 77.92 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.60 to \$0.61 GST incl per cubic metre.

Havelock Water Supply

\$234,417 GST excl
(\$268,114 GST incl)

An overall rates decrease of \$3,445 (GST excl) will occur (1.45%).

Havelock Water Capital Works Rate

\$94,444 GST excl
(\$108,020 GST incl)

This targeted rate is calculated on the land value of every rating unit in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. No increase has occurred.

For a rating unit whose land value is \$225,000 the rate will increase from \$281.66 to \$289.43. The new rate in the dollar will be 0.128638 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges

\$139,973 GST excl
(\$160,094 GST incl)

A decrease of \$3,445 GST excl (2.4%) will occur.

1. Havelock Metered Water Charge

\$53,200 GST excl
(\$60,848 GST incl)

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

Metered water charges are as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$88.25 GST incl and it will now provide for the volume of water supplied between 0 m³ and 51.61 m³ instead of the volume of water supplied between 0 m³ and 52.22 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.69 to \$1.71 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$88.25 to \$90.25 GST incl and it will now provide for the volume of water supplied between 0 m³ and 51.57 m³ instead of the volume of water supplied between 0 m³ and 52.22 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.69 to \$1.75 GST incl per cubic metre.

2. Havelock Water Charges

\$86,773 GST excl
(\$99,246 GST incl)

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

These charges fund the balance of expenditure not met from meter charges and will remain at \$359 on every part of a serviced rating unit and \$179.50 on every part of a serviceable rating unit GST incl.

Picton Water Supply

\$1,572,381 GST excl
(\$1,798,411 GST incl)

An overall decrease of \$33,123 (GST excl) will occur (2.06%).

Picton Water Capital Works Rates

\$548,128 GST excl
(\$626,922 GST incl)

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

An increase in the Capital Works Rate of \$44,230 (GST excl) will occur (8.78%) to meet Debt Servicing costs for water treatment, a new reservoir, and associated pipelines. For a rating unit whose land value is \$190,000 the rate will increase from \$225.73 to \$250.77. The new rate in the dollar for rating units subject to the special pipeline agreement will be 0.105587 cents in the dollar and the new rate for all other rating units will be 0.131984 cents in the dollar GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges

\$1,024,253 GST excl
(\$1,171,489 GST incl)

A decrease of \$77,353 (GST excl) will occur (7.02%) due to reduced costs for reticulation and water treatment costs.

1. Picton Metered Water Charges

\$218,441 GST excl
(\$249,842 GST incl)

Ordinary Charge

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

Metered water charges for ordinary metered consumers are as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$97.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 71.29 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will remain unchanged at \$1.3712 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$97.75 to \$100 GST incl and it will now provide for the volume of water supplied between 0 m³ and 71.35 m³ instead of the volume of water supplied between 0 m³ and 71.29 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.3712 to \$1.4016 GST incl per cubic metre.

Koromiko Charge

A Picton Metered Water Koromiko Charge is assessed on the basis of the volume of water supplied to metered rating units.

For the period 1 July 2010 to 30 September 2010 water for Koromiko Special Agreement consumers will remain unchanged at \$1.0970 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 water for Koromiko Special Agreement consumers will increase from \$1.0970 to \$1.1213 GST incl per cubic metre.

Onsold Charge

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

Metered water charges for consumers onselling are as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$97.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 64.26 m³.

Funding Impact Statement

The metered charge for the volume of water supplied in excess of the minimum charge volume will remain unchanged at \$1.5211 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$97.75 to \$100 GST incl and it will now provide for the volume of water supplied between 0 m³ and 64.31 m³ instead of the volume of water supplied between 0 m³ and 64.26 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.5211 to \$1.5549 GST incl per cubic metre.

2. Picton Water Charge

\$805,812 GST excl
(\$921,647 GST incl)

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

These charges fund the balance of expenditure not met from meter charges and will increase from \$391 to \$398 on every part of a serviced rating unit and increase from \$195.50 to \$199 on every part of a serviceable rating unit GST incl.

Renwick Water Supply

\$298,683 GST excl
(\$341,619 GST incl)

An overall increase of \$6,030 (GST excl) will occur (2.06%).

Renwick Water Capital Works Rate

\$79,987 GST excl
(\$91,485 GST incl)

This rate is calculated on the land value of every rating unit in the Renwick Water Supply Area and funds Capital Expenditure and Debt Servicing costs. No increase will occur.

For a rating unit whose land value is \$155,000 the rate levy will decrease from \$95.60 to \$96.33. The new rate in the dollar is 0.062150 cents GST incl.

Metered and Uniform Charges

\$218,696 GST excl
(\$250,134 GST incl)

An increase of \$6,030 (GST excl) will occur (2.84%) to meet increased operating costs.

1. Renwick Metered Water Charges

\$24,448 GST excl
(\$27,962 GST incl)

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

Metered water charges will increase as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will increase from \$64.25 to \$65.25 GST incl and it will now provide for the volume of water supplied between 0 m³ and 67.97 m³ instead of the volume of water supplied between 0 m³ and 70.60 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.91 to \$0.96 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$64.25 to \$66.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 67.17 m³ instead of the volume of water supplied between 0 m³ and 70.60 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.91 to \$0.99 GST incl per cubic metre.

2. Renwick Water Charge

\$194,248 GST excl
(\$222,172 GST incl)

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

These charges fund the balance of expenditure and will increase from \$257 to \$265 on every part of a serviced rating unit and from \$128.50 to \$132.50 on every part of a serviceable rating unit GST incl.

Riverlands Water Supply

\$388,312 GST excl
(\$444,132 GST incl)

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

Increased operations costs of \$37,694 GST excl (10.75%) and consumption volume being less than budgeted will increase the metered water charges as follows:

For the period 1 July 2010 to 30 September 2010 the minimum charge will remain unchanged at \$40 GST incl and it will provide for the volume of water supplied between 0 m³ and 45.45 m³ instead of the volume of water supplied between 0 m³ and 67.80 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.59 to \$0.88 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the minimum charge will increase from \$40 to \$41 GST incl and it will now provide for the volume of water supplied between 0 m³ and 46.07 m³ instead of the volume of water supplied between 0 m³ and 67.80 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.59 to \$0.89 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

\$434,513 GST excl
(\$496,974 GST incl)

Although operations and maintenance costs have decreased by \$24,477 GST excl (5.33%), the metered charge needs to increase because consumption volumes have been significantly less than budgeted volumes.

The metered charge is assessed on the basis of the volume of water supplied to metered connections. This charge funds the net operating costs of the Southern Valleys' Irrigation Scheme.

For the period 1 July 2010 to 30 September 2010 the metered charge will increase from \$0.21265 to \$0.22019 GST incl per cubic metre.

For the period 1 October 2010 to 30 June 2011 the metered charge will increase from \$0.21265 to \$0.22508 GST incl per cubic metre.

Wairau Valley Water Supply

\$33,289 GST excl
(\$38,074 GST incl)

An increase of \$17,289 (GST excl) is required to meet reduced water consumption (108.06%).

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

1. Wairau Valley Water Charge

\$12,436 GST excl
(\$14,224 GST incl)

Following recommendations from the Wairau Valley Township Residents Association and many residents the water charge is a fixed amount for each water meter connected to a rating unit in the Wairau Valley Water Supply.

The uniform charge of \$254 GST incl is for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

2. Wairau Valley Metered Water Charge

\$20,853 GST excl
(\$23,850 GST incl)

This charge is assessed on the basis of the volume of water supplied to each water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 450 cubic metres per annum.

For the period 1 July 2010 to 30 September 2010 the metered charge will increase from \$0.56 to \$1.18 GST incl for all usage in excess of 450 cubic metres for all consumers on the Wairau Valley water supply.

For the period 1 October 2010 to 30 June 2011 the metered charge will increase from \$0.56 to \$1.21 GST incl for all usage in excess of 450 cubic metres for all consumers on the Wairau Valley water supply.

Refuse and Recycling Charges

\$1,294,019 GST excl
(\$1,480,034 GST incl)

Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection Charge

\$1,222,413 GST excl
(\$1,398,134 GST incl)

This charge relates to both a refuse and kerbside recycling collection service for residential properties in Blenheim and Picton.

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

Funding Impact Statement

The kerbside recycling collection charge will be \$49.30 per service (for a nine month service period) and the refuse collection charge will be \$62 per service - total charge \$111.30 GST incl.

Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge

**\$71,606 GST excl
(\$81,900 GST incl)**

This charge relates to a refuse collection service for Blenheim and Picton "Commercial or Industrial" properties.

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

The collection charge will decrease from \$77 to \$62 GST incl per service due to reduced operating costs.

Landscape Charges (\$Nil GST Incl)

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

- Properties with Urban level 1 landscaping standards - \$35 GST incl
- Properties with Urban level 2 landscaping standards - \$45 GST incl
- Properties with Rural level 1 landscaping standards - \$49 GST incl
- Properties with Rural level 2 landscaping standards - \$100 GST incl

These charges will apply from 1 July 2011.

Energy Efficiency Rates \$Nil GST excl (and incl)

These targeted rates will be calculated on the extent of energy efficiency services provided to rating units and are calculated as a percentage of the service amount (*incl of associated costs*), until the service amount is recovered.

Repayment percentages and rates will be set in the 2011-12 financial year. The rate will be assessed on the services provided to rating units in 2010-11 plus any capitalised interest and other costs relating to advances made in that year. Repayments will commence from 1 July 2011 for these advances. The indicative energy rate for 2011-12 to cover both interest and principal is 17.330910% of the service provided GST incl based on an interest rate of 7%.

Tourism Charges

**\$151,382 GST excl
(\$173,143 GST incl)**

A targeted tourism rate is calculated on the basis of a fixed amount on every separately used or inhabited part of a rating unit set differentially for the following land uses to enable Destination Marlborough to market Marlborough. A CPI adjustment has been applied to the previous charges.

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - \$180 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$278 GST incl.

Properties used for tourism activities (excluding the two groups above) - \$204 GST incl.

Picton Forum Charge

**\$12,400 GST excl
(\$14,183 GST incl)**

A targeted Picton Forum rate is calculated on the basis of a fixed amount of \$3 GST incl on every separately used or inhabited part of any rating unit in the Picton Electoral Ward. The rate will be used to fund a grant to the Picton Ward forum.

The rate will decrease from \$6 to \$3.

Agency Rates and Charges

**\$9,559 GST excl
(\$10,933 GST incl)**

Rarangi Works and Service Charge

**\$8,108 GST excl
(\$9,273 GST incl)**

This \$30.50 GST incl charge is calculated as a fixed amount on every rating unit in the separate Rarangi Rating area, such charge to be applied to funding community costs, in particular the Volunteer Fire Brigade.

The charge will increase from \$30 to \$30.50 due to the GST rate increase.

Tuamarina/Waikakaho Hall Charge

**\$1,451 GST excl
(\$1,660 GST incl)**

This charge is calculated as a fixed amount of \$12.20 GST incl on every rating unit in the Tuamarina/Waikakaho Special Rating Area, such charge to be applied to the Tuamarina/Waikakaho Hall.

The charge will increase from \$12 to \$12.20 due to the GST rate increase.

General Revenue Sources

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

Dividends and Interest from Investments (\$7,976,984)

The \$7,976,984 total amount is comprised of Internal Loans Interest (\$6,243,247), Interest on General Funds (\$80,659), Interest on Investments (\$1,049,078) and Dividends (\$604,000).

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

Petroleum Tax (\$400,000)

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 eg: earthquake. The balance is retained by Council to assist in the extension of its infrastructure.

Contributions Received from Development and Subdivision (\$1,626,112)

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

Forestry Income (\$531,000)

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

The Following is for Information only and Does Not Form Part of the Funding Impact Statement

General Information

All estimated rates and charges are shown incl of goods and services tax unless otherwise stated. For the purposes of the foregoing:

- "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 (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties with an area of one hectare or less that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Grovetown and Spring Creek Sewerage Rating Areas. Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

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 south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; 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

Lot 1 DP 6129 Lots 1-2 DP 3716 Lots 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, 129 Pt Sec 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 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, Lots 1 & 2 DP 10989, Lots 1-4 DP 303945 Part Waikawa Section 2C2, Lots 1 - 5 DP 11736, Waikawa 3B Block XII Linkwater SD, 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.

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

Picton Vicinity Area (PV)

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

General Rural Area (GR)

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 (AR)

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 2010 to 30 June 2011 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	10 September 2010
Instalment Two	10 December 2010
Instalment Three	10 March 2011
Instalment Four	10 June 2011

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

Penalty Provisions (Additional Charges on Unpaid Rates)

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

Pursuant to Sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges that remain unpaid on 30 June 2011. Payments are applied to the oldest debt first.

Penalty Provisions (Unpaid Metered Water)

A penalty, 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.

CAPITAL PROJECT FUNDING PLAN FOR GROVETOWN SEWERAGE SCHEME

This Capital Project Funding Plan has been prepared in accordance with the provisions of the Local Government (Rating) Act 2002 and provided for the following matters:

- The purpose of the Funding Plan is to offer ratepayers a lump sum contribution option in lieu of the existing targeted loan rate.
- The Funding Plan will commence on 1 July 2010.
- The cost of the Funding Plan is \$1,394,897 (This is the amount of the existing Grovetown Sewerage Scheme Loans ie: the net loan indebtedness).
- A targeted loan rate has been calculated on the land value of every rating unit in the Grovetown Sewerage Rating Area and up until 2009/10 was determined on the basis of the initial scheme estimates and debt servicing costs. From 2010/11 this rate has been revised to take account of the final scheme costs and loan raising requirements.
- If the lump sum option is chosen, the amount to be funded will be 7.545304 cents in the dollar on the land value of all properties (GST inclusive at 15%). If the lump sum option is not chosen, the targeted loan rate will be levied until 2038/39 at a sufficient rate in the dollar to meet debt servicing costs.
- Targeted loan rates will only apply to those rating units within the Grovetown Sewerage Rating Area where no lump sum contribution election has been made.
- The number of rating units liable for the targeted loan rate will depend on how many rating units are subject to lump sum contributions. This number will only be known after the close of the lump sum contribution offer on 15 April 2011.
- Liability for targeted loan rates will continue to be calculated on rateable land values within the Grovetown Sewerage Scheme rating area.
- No circumstances have been identified under which the categories of rating unit to be liable for the targeted loan rate or the calculation basis of the targeted loan rate will change.
- Lump sum contributions will be calculated by dividing the net loan indebtedness by the scheme's total rateable land value and then applying the derived rate (plus GST) to the rateable land value of each property for which the lump sum contribution option has been chosen, eg:

$$\frac{\text{Net Loan Indebtedness}}{\text{Total Scheme Rateable Land Value}} + \text{GST} = \text{Land Value Lump Sum Rate in the dollar (to apply to the rateable land value of each property)}$$

- The lump sum contribution will be a one-off payment. Instalments will not be accepted.
- **Invitations to make a lump sum contribution will be posted to each eligible ratepayer on Monday 28 February 2011. Ratepayers will have until 15 April 2011 to elect to make a lump sum contribution.**
- **The due date for lump sum contribution payments is Thursday 9 June 2011.**
- A rating unit would be liable for the targeted rate until 2038/39 if a lump sum contribution is not made.
- Irrespective of whether the lump sum contribution or targeted loan rate option is chosen, rating units will continue to be liable for the Blenheim Group sewerage capital works rate and sewerage charges that are set by Council each year.
- As the Capital Project Funding Plan is only concerned with repayment/partial repayment of existing Grovetown Sewerage Scheme loans, the land value lump sum rate in the dollar for lump sum contribution payments is not subject to change.
- The Funding Plan expires on Thursday 9 June 2011.

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.
Activity	Means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation. eg; water supply, transport networks.
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.
Allotment	Has the meaning given to it in S218(2) of the Resource Management Act 1991.
Allotment Area	Is the total land area of an allotment.
Applicant	Is the person/persons that apply for resource consent, building consent or service connection.
Asset Management Plan	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.
Asset Sales	Refers to the sale of MDC assets e.g. cars, property.
Borrowings	Refers to the raising of loans for capital items, such as the sewerage scheme.
Capital Expenditure	Means the cost of capital works for network infrastructure, reserves and community infrastructure.
Catchment	Means the area served by a particular infrastructure investment.
Charge	These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.
Commercial	Means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.
Community Facilities	Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.
Community Infrastructure	Means: <ul style="list-style-type: none"> (a) Land, or development assets on land, owned or controlled by the territorial authority to provide public amenities, and (b) Includes land that the territorial authority will acquire for that purpose.
Community Outcomes	In relation to a district or region: <ul style="list-style-type: none"> (a) Means the outcomes for that district or region that are identified as priorities for the time being through a process under S91; and (b) Includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.
CV	Capital Value.
Development	Means: <ul style="list-style-type: none"> (a) Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) Does not include the pipes or lines of a network utility operator.
Development Contribution	Means a contribution: <ul style="list-style-type: none"> (a) Provided for in a development contribution policy included in the long-term council community plan of a territorial authority; and (b) Calculated in accordance with the methodology; and <ul style="list-style-type: none"> Comprising- <ul style="list-style-type: none"> (i) Money; or (ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or

(iii) Both.

Development Contribution Policy	Means the policy on development contributions included in the long-term council community plan of the territorial authority under S102(4)(d).
District	Means the district of a territorial authority.
District Plan	Means the District Plan of Marlborough District Council
District Wide	Applies to every property in the district.
Financial Contribution	Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.
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.
Goods and Services Tax (GST)	Means goods and services tax under the Goods and Services Tax Act 1985.
Greenfield Areas	Are defined as those areas where building capacity exists on the perimeter of the city.
Gross Floor Area (GFA)	Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding: <ul style="list-style-type: none"> ▪ Carparking. ▪ loading docks. ▪ vehicle access and manoeuvring areas/ramps. ▪ plant and equipment enclosures on the roof. ▪ service station canopies. ▪ Pedestrian circulation space in an enclosed retail shopping centre. ▪ Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.
Household Equivalent Unit (HEU)	Means an average residential dwelling occupied by a household of average size.
Impervious Surface Area	For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which: <ul style="list-style-type: none"> ▪ Falls within the definition of coverage. ▪ Is covered by decks. ▪ Is occupied by swimming pools. ▪ Is used for parking, manoeuvring or loading of motor vehicles. <p>Is paved with a continuous surface with a run-off coefficient of greater than 0.45.</p>
Income Statement	This can also be referred to as the Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
Industrial	Means: <ol style="list-style-type: none"> (a) Any premises used for any industrial or trade purposes; or (b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials: or <p>Any other premises from which containment is discharged in connection with any other industrial or trade process.</p> (c) Any activity where people use materials and physical effort to: <ul style="list-style-type: none"> ▪ Extract or convert natural resources. ▪ Produce goods or energy from natural or converted resources. ▪ Repair goods. <p>Store goods. (ensuing from an industrial process)</p>
Infrastructural Assets	These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
LGA	Means the Local Government Act 2002
Local Authority	Means a regional council or territorial authority.

LV	Land Value.
Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
Network Utility Operator	Has the meaning given to it by section 166 of the RMA
Non-Residential Development	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
Operational Assets	These are tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.
Other Revenue	Revenue 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.
Residential Development	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
RMA	Means the Resource Management Act 1991.
Service Catchment	Means the same as catchment.
Service Connection	Means a physical connection to a service provided by, or on behalf of, a territorial authority.
Sinking Funds	These are investment accounts funded by annual instalments to repay the principal components of loans. From 1 July 2009 the basis of loan funding changed from sinking fund loans to table mortgage.
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 shows the financial state of affairs at a particular point in time. It can also be referred to as the Balance Sheet.
Subdivision	Has the same meaning as Section 218 of the Resource Management Act 1991.
Subsidies	Amounts received from other agencies for the provision of services e.g. Transfund roading subsidies.
Third Party Funds	Means funding or subsidy, either in full or in part, from a third party. e.g. subsidies for the roading network.
Transfer to/from Reserves	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
Unit of Demand	Means the measure of demand for community facilities.
User Charges	The charges levied for use of MDC services e.g. building consent fees, health inspections.
Working Capital	This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.