

COUNCIL'S MISSION

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



2004 - 2014

MDC DIRECTORY



POSTAL ADDRESS

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and Rai Valley areas)*
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ADDRESSES

District Administration Building

15 - 21 Seymour Street, Blenheim

Picton Service Delivery Centre (includes Library)

67 High Street, Picton

Marlborough Library

*Corner Arthur and Seymour Streets,
Blenheim*

Animal and Plant Pests Depot

Nelson Street, Blenheim

Services and Reserves Depot

Parker Street, Blenheim

SOLICITOR

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

BANKERS

Bank of New Zealand, Blenheim

AUDITOR

*Controller and Auditor General,
Audit New Zealand, Christchurch*

GENERAL STATISTICS

- POPULATION 42,240 – (Census 6 March 2001)
- Inter-Census Population Movement (+) 5%
- DISTRICT AREA – 17,517 square kilometres

as at 30 June 2003

RATEABLE LAND VALUE	\$2,900,655,550
RATEABLE CAPITAL VALUE	\$6,022,593,550
NUMBER OF RATE ASSESSMENTS	22,967

This Long Term Council Community Plan was adopted at a meeting of the Marlborough District Council on 24 June 2004.

As indicated in the Revenue and Financing Policy, Council has completed an in-depth review of that Policy. Further information on the review is available on request from the Council Offices, or can be viewed on Council's web site.

www.marlborough.govt.nz/documents

Cover Photo:

Fokker Dr.1 triplanes - 2003 Easter Classic Fighters Air Show - Blenheim. Photo: © Alex Mitchell



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This Long term Council Community Plan has been prepared in accordance with the requirements of the Local Government Act 2002. In preparing the Community Plan, Council has given consideration to the requirements of Schedule 10 of the Act, and to Sections 93 (6) and (8). The Community Plan has been designed to provide the citizens of Marlborough, and other readers, with a comprehensive overview of the activities of this Council, including the rationale for those activities, the expenses associated with those activities, and the means by which activities are to be funded. In the interests of making the document a practical one for the general reader, some information has been summarised.

Extensive additional information is available on the Council and its activities, and interested readers are encouraged to refer to the Council's website www.marlborough.govt.nz or to enquire at any of the Council libraries or service centres. In particular, reference is made in this Community Plan to information contained in asset management plans, and to various plans associated with the Council's responsibilities under the Resource Management Act 1991. These include:

Infrastructure

- Water supply and reticulation asset management plans
- Stormwater system asset management plans
- Sewerage reticulation and treatment plants asset management plans
- Reserves & Amenities Plan
- Landfill and Transfer Stations Financial Plan
- Wairau River Floodway Management Plan

Resource Management

- Transitional Marlborough District Plans
- Transitional Regional Plans
- Marlborough Sounds Resource Management Plan (Set of three volumes)
- Proposed Wairau/Awatere Resource Management Plan (Set of three volumes)
- Marlborough Regional Policy Statement (RPS)

The Community Plan should be read in conjunction with these plans.

Mayor's INTRODUCTION



Welcome to the Marlborough District Council's first Long Term Council Community Plan. Although there is much that will be familiar to readers of past plans, in fact this document is built upon a new and quite different process. The starting point for this plan has been the identification of thirteen community outcomes – statements about the sort of community that people have told us they want to live in. As could be expected, the community outcomes encompass a wide range of topics, from housing, education, and health, to concerns about the environment and energy use, as well as aspirations for the wellbeing of our young people and the elderly. Above all we heard people say that they want Marlborough to be a prosperous community, where everyone has the opportunity to earn a good income, and where they can take a full and active part in society.

These aspirations will, I'm sure, be shared by us all. I hope therefore that the coming years will see Marlborough working together to make sure that we achieve them. As a unitary authority, the range of activities that Council is involved in is considerable, but our role in achieving many of the outcomes will be as a partner, not as the main provider. In other areas, Council will play a more active role. This plan describes the fifteen major functions of Council, such as water supply, sewerage, harbour control, environmental planning, and land transport. These activities make a very important contribution to the community outcomes, but even here we will often be working in partnership with other organisations.

Working in this way ensures that best use is made of the resources that Council has available to it. This is an especially important consideration, as this Plan includes some substantial new spending proposals. Council is very conscious of the rating impact that new activities represents, and gave careful consideration to the proposals for new spending that are presented here. Some are the unavoidable costs of development: as Marlborough grows, we must expand our infrastructure to accommodate the growth in population and in business activity. Other increases are the result of changes in the legislative environment, or are costs passed down to us from decisions made by Central government. Finally, there are increases that are the result of changing attitudes. We are more aware, now, of the impacts that our activities have on the environment, and more concerned to see that our actions today do not cause irreparable damage for our children and grandchildren. We are also becoming more aware of our heritage, and our unique identity, and wanting to ensure that this also is protected and celebrated. The additional expenditure that has been proposed in areas such as these reflects submissions that Council has been receiving from the community for some years.

Finding the appropriate balance between all that we might wish for, and what we can realistically afford, is a matter of great debate, and appropriately so. Council gave careful consideration to the feedback that the community provided on the draft Community Plan, and made a number of changes as a result. I am confident that the resulting plan, as it is implemented, will make a positive contribution to the wellbeing of all Marlburians.

Tom Harrison
MAYOR

Chief Executive's INTRODUCTION



In late 2002, a new Local Government Act was introduced, replacing the previous Act which had been in force since 1974. The new Act introduced a number of changes, commencing with a new definition of the purpose of local government:

“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.”

To help achieve this purpose, the new Act introduces two important planning tools. One of these is the requirement to produce the document that you are reading now - a Long Term Council Community Plan (LTCCP). Among other things, the LTCCP sets out council's significant activities, the rationale for those activities, and their basis of funding. An LTCCP must cover a period of at least 10 years, with the first three years being covered in more detail than the other years.

Councils were obliged under the Act to produce their first LTCCP by 1 July 2004. Councils are obliged to adopt their second LTCCP for the period commencing 1 July 2006. The intention of this is to synchronise the planning cycle of all local authorities, and to place the adoption of plans into the middle of council election periods. In some respects, this first LTCCP is a testing ground for the 2006 Plan. In other respects, it continues a line of development that began in 1993 with the introduction of long range financial planning, and the ongoing efforts to provide greater transparency to the decisions taken by Council.

The second planning tool introduced by the Act is the identification of community outcomes. An outcome in this sense is the result of an action or activity, and community outcomes are those things that have been identified by a community as describing the desired future – the results that people want to see. The Act makes it clear that community outcomes are not owned by a local authority – they belong to the community, and ultimately it is the community's responsibility whether or not they are achieved. The role of a council is to facilitate the identification of the outcomes, and to report on the community's progress towards them. The LTCCP is however expected to show clear linkages between Council's activities and the community outcomes.

This is the first Long Term Council Community Plan to be produced for the Marlborough community under the new Local Government Act. It describes the sort of place that Marlborough could become over the period 2004 – 2014, and the things that the District Council will do to help achieve this. The Long Term Plan is a document of partnership, developed with assistance from many people and organisations. It is also a document of beginning. Because this is the first plan, there is a lot that may need to be changed as we progress towards 2014, and beyond. The plan will be reviewed and updated in 2006, and every three years after that. Please consider this plan as a first step – we welcome your suggestions for improving it, and hope that you will join us in our efforts to make it truly a community plan.

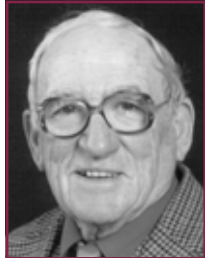
Andrew Besley
CHIEF EXECUTIVE

ELECTED Council Members

BLLENHEIM WARD



Jenny Andrews



Frank Connor



John Craighead



Tom Harrison
Mayor



Liz Davidson



David Dew



Alistair Sowman

WAIRAU WARD



Francis Maher



Ian Mitchell



Larry Pigou

AWATERE WARD



Andrew Barker
(Deputy Mayor)

PICTON WARD



Cliff Bowers

PELORUS/NORTHERN MARLBOROUGH SOUNDS WARD



Cheryl Cairns



Graeme Barsanti

COUNCIL Committees & Members

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

The present committees and their membership are as follows:

FINANCE & ADMINISTRATION

This committee is responsible for annual reports, funding policy, organisational reviews, financial performance, financial services including rate collection and treasury management, general administration, property management and development, council subsidiaries, corporate issues, libraries, customer services, democratic process, liquor licensing and information systems.

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

• Liquor Licensing Sub-Committee

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

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

COMMUNITY DEVELOPMENT

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

Chairperson – Clr Alistair Sowman
 Deputy Chairperson – Clr Francis Maher
 Clr Jenny Andrews
 Clr Cheryl Cairns
 Clr John Craighead

Clr David Dew
 Clr Ian Mitchell
 Clr Larry Pigou
 Mayor Tom Harrison (ex officio)

• Grants Sub-Committee:

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

Clr Jenny Andrews - Chair
 Clr Andrew Barker
 Two iwi representatives
 Creative Marlborough representative
 Sports Trust representative
 Four community representatives

• Sister City Sub-Committee:

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

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

• Youth, Elderly and Access Sub-Committee:

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

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

ASSETS & SERVICES

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

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

• Animal Control Sub-Committee:

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

Clr Liz Davidson - Chair
 Clr Jenny Andrews
 Clr John Craighead

• Regional Land Transport Committee:

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

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

ENVIRONMENT

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

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

HEARINGS

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

Any three out of the following pool:

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

MARLBOROUGH CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP

This committee has been formed in accordance with the Civil Defence And Emergency Management Act 2002. The Group is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by Section 17(1)(i) of the Act.

Mayor Tom Harrison
 Clr Ian Mitchell
 Clr Larry Pigou
 Clr Alistair Sowman
 Clr Graeme Barsanti (until local election 2004)

MAORI ADVISORY KOMITI

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

Currently, there are six iwi represented on the committee:

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

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited

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

Port Marlborough NZ Limited and Marlborough Airport Limited

- Clr David Dew (Chairperson)

Marlborough Regional Forestry

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

- Clr Andrew Barker (Chairperson)
- Mayor Tom Harrison

COUNCIL Staff Structure



PART I: Community Outcomes

There are thirteen community outcomes underlying the 2004 – 2014 Long Term Council Community Plan.

These are that, in 2014, Marlborough will be:

- A community that sustains and enriches the environment for future generations.
- A prosperous community where all people have the means to earn adequate incomes and enjoy standards of living that allow them to participate fully in society, and to have choices about how to live their lives.
- A community where knowledge and learning is prized, creativity is celebrated, and enterprise and endeavour is supported and rewarded.
- A community that values and supports all its members, and that welcomes visitors and new arrivals.
- A community where people can age positively, where older people are highly valued for their experience, wisdom and character, and where they are recognised as an integral part of families and communities.
- A community where young people are vibrant and optimistic, encouraged to take up challenges, and supported in their lifestyle choices.
- A community where people enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.
- A community where energy use is efficient, with a decreasing dependency on non-renewable sources.
- A community where people have access to a range of affordable and quality housing options.
- A community where people are served by a health infrastructure that is suited and responsive to their needs, and where they can make healthy choices for their own lifestyles.
- A community that is served by a strong infrastructure of essential services, where daily life and business is able to be conducted safely and easily.
- A community that acknowledges, values and enjoys its heritage.
- A community that has fun.

Process

These outcomes were developed over the period 2001 – 2003. The basic process used in developing the outcomes was:

- Stage I: Identification of existing information on community outcomes.
- Stage II: Testing this information to see if it was still relevant.
- Stage III: Comparing this work with the outcomes that were being identified by neighbouring communities.
- Stage IV: Reviewing the draft outcomes to ensure they could reflect local priorities.

Stage I

Stage I consisted of an historical review of previous consultation and planning documents, both of Council and other agencies. Key documents included the Council’s Long Term Financial Strategy, the Annual Plans of recent years, the Regional Policy Statement, and the Marlborough Economic Development Trust’s Progress Marlborough strategy. This stage also included a preliminary analysis of the breadth and diversity of Marlborough’s different communities, to consider whether there were particular information gaps associated with any communities. At this stage of the exercise, sustainable management of our environmental resource was identified as the fundamental foundation for community wellbeing. The significant issues in this regard are expressed in the Regional Policy Statement, and encompass the protection of water ecosystems; the protection of land ecosystems; enabling community wellbeing; protection of visual features; and the control of waste.

For its part, Progress Marlborough identified issues associated with employment (including raising income levels, and education and training for work), infrastructure (water management, transport, energy, and telecommunications) and social inclusion, as priorities for action.

Stage II

In December 2002 a workshop of councillors, staff, invited groups and community representatives was held around the question “What things make up the quality of life in Marlborough?” The workshop identified the basic components of quality of life as being:



The things that underpinned these four basic elements were also discussed. As well as confirming the essential need to sustain a healthy environment, the workshop concluded that each person’s quality of life is affected by their assessment of such things as:



This framework (incorporating elements of environmental wellbeing) was subsequently distributed for comment to 30 selected community organisations, and was included in the Council’s draft 2002/03 Annual Plan.

Stage III

The Marlborough “quality of life” elements were subsequently reviewed alongside the outcomes that government agencies, local authorities, and community organisations were working toward across the top of the South Island. The shared issues that were identified were:

- Environment
- Transport
- Energy
- Economic

- Housing
- Income
- Health
- Iwi and Maori capacity
- Culture and Identity
- Safety and Security

These regional issues provided a basic reference set of possible outcomes for the LTCCP, and assisted in establishing systems and processes for sharing information and monitoring progress towards shared outcomes.

Stage IV

In the final stage, the “Top of the South” issues were reviewed against Marlborough priorities. Some of the outcomes that emerged drew on specific consultation that was undertaken with parts of the community, enabling further refinement and focussing. The final set of community outcomes are presented for the first time in this plan.

Although these outcomes underpin the Long Term Council Community Plan for 2004 - 2014, they will be reviewed in advance of the 2006 Plan. They should be viewed therefore as “interim” outcomes that have been formulated for the transition to the 2006 Plan.

How Council will Work with Others

Community outcomes will not be achieved by any one organisation acting independently, nor without other things being achieved beforehand. Outcomes are achieved over time, by a series of intermediate steps. The LTCCP shows how Council activities contribute to the achievement of the community outcomes. Council activities are designed to contribute to various community outcomes over the long term, but they are primarily directed at achievable, intermediate outcomes in the short to medium term.

Council will contribute to these outcomes in several capacities: as a Provider, a Purchaser, a Regulator, an Educator and Advocate, and as a Partner:

• Provider

Council may directly provide goods or services that help to achieve an outcome - for example, the provision of water supply services helps to make Marlborough a safe and healthy place to live.

Council has an important role as a provider in achieving the Infrastructure, Environment and Health outcomes, and to a lesser extent the Housing, Safety and Security, Positive Aging, and Heritage outcomes.

• Purchaser

As an alternative to providing a service itself, Council may pay another organisation the whole or part costs of providing a service. Rubbish collection services in Picton and Blenheim, for example, are paid for by Council, even though they are actually delivered by a contractor. In other cases, Council makes a contribution towards a portion of the cost of a service, with the remainder being funded from other sources. Contributions may be in the form of grants or loans, or can take other forms (for example, rates remission).

As a purchaser, Council makes a contribution to achieving the Prosperity, Infrastructure, Health, Knowledge and Innovation, Safety and Security, Youth, Fun, and Heritage outcomes.

• Regulator

Council may apply rules, regulations and bylaws, that encourage or discourage activities that may affect an outcome. Council may also act as the agent of central government in this capacity. An example is the regulation of navigation lights on moorings - this activity helps to ensure that the Sounds waterways are safe for commercial and recreational boating and shipping, and helps make Marlborough an easy place to get around in.

Council has an important regulatory role in achieving the Environment, Health and Infrastructure outcomes, and to a lesser extent the Energy, Housing, Safety and Security, and Heritage outcomes.

• Educator and Advocate

Council may distribute information to ensure people are appropriately informed about the issues confronting the region, and about the consequences of choices they may make. For example, education forms a major plank in the waste minimisation strategy - by giving people information about how they can manage their household wastes, we reduce the total volume of waste that is produced, and make Marlborough both a healthier place to live, and one where future generations are not burdened by the costs of our waste. Council may also act as an advocate, providing information on behalf of or in support of another party.

As an Educator and Advocate, Council has a role in achieving the Environment, Prosperity, Energy, Supportive Communities, Safety and Security, Positive Aging, Youth, and Heritage outcomes.

• Partner

In virtually every case, Council will not be the only contributor to an outcome. Even in the outcomes where it makes a substantial contribution, achievements are hugely dependent upon working closely with others. Whether or not it has a particular role to play, Council will assist and collaborate with anyone that is working towards the community outcomes, according to the opportunities and resources that are jointly available.

Among the many organisations that will have a contribution to make to these outcomes, the following organisations have already indicated their commitment to working with Council:

- Nelson Marlborough District Health Board
- Work and Income
- The Marlborough Regional Development Trust
- Destination Marlborough
- Marlborough 4 Fun
- Sport Marlborough
- Nelson Marlborough Institute of Technology
- Land Transport Safety Authority

Working with Maori

The Mana Whenua of Marlborough iwi is acknowledged through this plan. Marlborough District Council will work with iwi, and with Maataa Waka, to find ways and means of achieving positive outcomes for Maori in Marlborough, and in particular, building the capacity of Maori to contribute to Council's decision-making processes.

How the Outcomes Relate to Other Planning Documents and Processes

These community outcomes are linked both in the history of their development, and in their intentions, to an extensive network of related planning documents and processes. Key documents are the Regional Policy Statement, the Marlborough Sounds Resource Management Plan, the Proposed Wairau/Awatere Resource Management Plan, and the Regional Land Transport Strategy. The LTCCP is also linked to the plans and processes of other organisations, including the plans of neighbouring local authorities.

Measuring Progress

Progress towards the community outcomes will be made at activity level, and, in the longer term, at the overall level of the outcome. The indicators for the community outcomes are based on the indicators that are being applied to the regional outcomes, and will be further specified as this work progresses. Progress at this level will reflect the achievements of the whole community:

OUTCOME	INDICATORS OF PROGRESS
Environment - a community that sustains and enriches the environment for future generations.	Improved environmental indicators (as monitored by Council, the Ministry for the Environment, and the Department of Conservation).
Prosperity - a prosperous community where all people have the means to earn adequate incomes and enjoy standards of living that allow them to participate fully in society, and to have choices about how to live their lives.	Improved economic and employment indicators (as monitored by Work and Income, NZ Trade and Enterprise, and Statistics New Zealand).
Infrastructure - a community that is served by a strong infrastructure of essential services, where daily life and business is able to be conducted safely and easily.	Improved public health and safety indicators (as monitored by the Land Transport Safety Authority, Police, Ministry of Health, and Statistics New Zealand) and reduced incidences of local system failure (as monitored by Council).
Energy - a community where energy use is efficient, with a decreasing dependency on non-renewable sources.	Improved energy efficiency indicators (as monitored by the Energy Efficiency and Conservation Authority).
Housing - a community where people have access to a range of affordable and quality housing options.	Improved housing indicators (as monitored by Housing New Zealand and Statistics New Zealand) and positive reporting from advocacy groups.
Health - a community where people are served by a health infrastructure that is suited and responsive to their needs, and where they can make healthy choices for their own lifestyles.	Improved health indicators (as monitored by the District Health Board and the Ministry of Health) and positive reporting from advocacy groups.
Knowledge and innovation - a community where knowledge and learning is prized, creativity is celebrated, and enterprise is supported and rewarded.	Improved educational and economic indicators (as monitored by the Tertiary Education Commission, Work and Income, and Statistics New Zealand).
Safety and security - a community where people enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.	Improved indicators of offending (as monitored by the Police) and positive reporting from service agencies and advocacy groups.
Supportive communities - a community that values and supports all its members, and that welcomes visitors and new arrivals.	Improved indicators of social cohesion (as monitored by the Ministry for Social Development and Police) and of tourism (as monitored by Destination Marlborough and Statistics New Zealand) and positive reporting from advocacy groups.
Positive aging - a community where people can age positively, where older people are highly valued for their experience, wisdom and character, and where they are recognised as an integral part of families and communities.	Improved indicators of positive aging (as monitored by the District Health Board) and positive reporting from advocacy groups.
Youth - a community where young people are vibrant and optimistic, encouraged to take up challenges, and supported in their lifestyle choices.	Improved indicators of youth health and wellbeing (as monitored by the Ministry for Youth Affairs) and positive reporting from advocacy groups.
Fun - A community that has fun.	Improved indicators of participation (as monitored by Marlborough Festival and Events) and physical activity (as monitored by Sport Marlborough).
Heritage - a community that acknowledges, values and enjoys its heritage.	Increased community awareness of the extent and state of Marlborough's heritage resources (as monitored by Council) and positive reporting from advocacy groups.

Performance indicators that relate specifically to Council's activities are included in Part 2 of the plan.

Monitoring and Reporting

Council will collect information on the state of the environment, the state of the economy, and the state of the community, using data gathered by Council, provided by partner organisations and/or sourced from Statistics New Zealand or other information providers. Information will be published from time to time in the form of updates and reports. A report on the overall progress towards the community outcomes will be included every three years in the Council's Annual Report.

PART II: Council Activities

Council's activities are presented in 15 groups.

Activity Group	Community outcomes that this group primarily contributes to:
Democratic Process	All the community outcomes are supported by this activity.
Community Services	Health, Prosperity, Fun, Knowledge and Innovation, Safety and Security, Supportive communities, Youth, Positive Aging, Heritage, Housing.
Regional Development	Prosperity, Knowledge and Innovation.
Emergency Management	Infrastructure, Safety and Security.
Land Transport	Infrastructure, Health, Prosperity.
Rivers and Drainage	Infrastructure, Prosperity, Environment.
Wastewater (Sewerage)	Infrastructure, Health, Environment.
Stormwater	Infrastructure, Health.
Water Supply	Infrastructure, Health, Prosperity.
Waste Management	Infrastructure, Health, Energy, Environment.
Harbour Control	Environment, Infrastructure, Safety and Security, Prosperity, Fun.
Consent Processes, Licensing, and Compliance	Environment, Housing, Energy, Infrastructure, Prosperity.
Environmental Policy and Planning	Environment, Energy, Infrastructure, Prosperity.
Animal and Plant Pests (Biosecurity)	Environment, Prosperity, Health.
Animal Control	Health, Safety and Security.

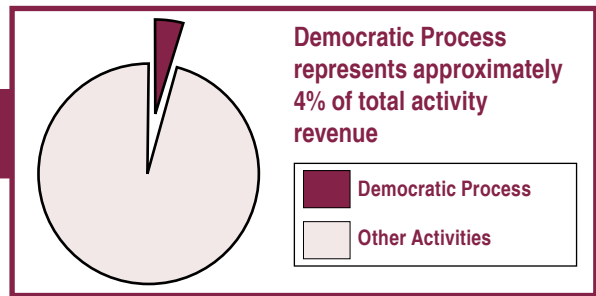
In the following section, the activities that Council undertakes and the asset base that supports the activity are briefly described. A pie chart shows the proportion of total Council revenue (including rates, charges, and subsidies) that an activity represents. Major issues or changes that are anticipated are noted, including the intended response. Where an activity may have a negative effect on any aspect of wellbeing, this is also explained. Information is also provided on how progress will be measured:

INDICATOR	TARGET
This box describes what we will be watching to see if we are going in the right direction.	This is the target we are trying to meet over the course of this plan – it may be a specific quantity or time measure, or it could be a change relative to a previous achievement (reducing or increasing). Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Additional information on the Council's activities, including extensive information on the assets underlying activities such as water supply, sewerage, and land transport, is also available. Rather than duplicate this information in the LTCCP, Council has tried here to serve the interests of the general reader. 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.

Democratic Process



What We Do & Why We Do It

This 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 underpin representative local government in Marlborough, including elections. Carrying out this activity enables Marlborough residents' and ratepayers' interests to be represented in a fair and equitable manner, and provides opportunities for the District's communities to participate in the decision-making processes that affect them.

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 and under the Resource Management Act.

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.

Asset Description

This group of activities depends heavily on people and information – the elected councillors, assisted by the knowledge and experience of staff, coupled with organisational information, systems, and processes.

Issues and Changes

The introduction of Single Transferable Vote (STV) voting for the October 2004 elections represents a major change in the way in which council members are elected. Central Government is planning an information campaign to ensure that voters are well informed on the STV process. The identification of community outcomes in advance of the 2006 Long Term Council Community Plan will encompass widespread community engagement and consultation. Planning for the 2006 Plan has been underway since 2002.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, the assets underlying this activity are people and information. Council will undertake ongoing consultation as an integral part of the community planning process, and monitor issues as they arise. Adjustments to its human resource and information resource capacity will be made, as they are required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Significant negative effects associated with this group of activities:

No significant negative effects have been identified for this group of activities.

How We Check Progress

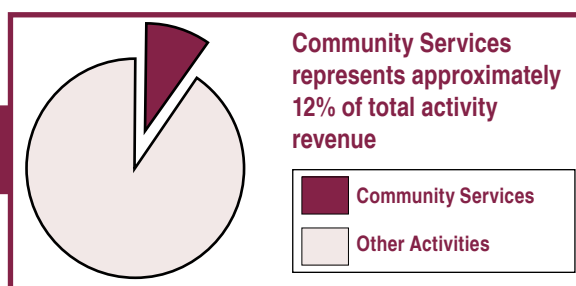
INDICATOR	TARGET 2004 - 2006
Compliance with the provisions of the Local Government Act, Local Government Official Information and Meetings Act, and Standing Orders.	100%.
Notification of meetings.	Advertised in local media no less than five working days prior to meeting date.
Public availability of agendas and attachments.	At least three working days prior to meetings.
Voter turnout.	Top quartile of New Zealand local authorities.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Democratic Process - Operating Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Democratic Process	1,942	1,865	1,868	1,961	1,863	1,875	1,959	1,863	1,881	1,968
Total Operating Costs	1,942	1,865	1,868	1,961	1,863	1,875	1,959	1,863	1,881	1,968
FUNDED BY										
Rates	1,698	1,647	1,649	1,715	1,645	1,658	1,717	1,650	1,667	1,726
General Revenues Applied	222	216	217	224	216	215	220	211	212	220
Other Revenue	22	2	2	22	2	2	22	2	2	22
	1,942	1,865	1,868	1,961	1,863	1,875	1,959	1,863	1,881	1,968

Community Services



What We Do & Why We Do It

This group of activities includes:

- Arts and Heritage (including memorials and museums).
- Cemeteries.
- Community development.
- Community housing.
- Halls and reserves.
- Library services.
- Public conveniences.
- Recreational facilities (e.g. swimming pools).

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

Council provide grants and donations for social and community development groups from within existing budgets, and assists community groups to access funds from other (non-Council) sources. It also works with specific sectors of the community, including youth, and the elder community, helps to provide liaison between community organisations, and develops partnerships with and between central government and non-governmental organisations.

Access to information is a pre-requisite for effective participation in all realms of activity. As well as providing an important recreational and educational resource, the public library system ensures that there is equitable opportunity for people to access the information they need to participate fully in their community as informed citizens.

The Council undertakes these activities by way of the following roles:

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

Asset Description

Council owns 170 residential units that are available for rental by older persons. Other assets supporting this group of activities are the public library and its collections, community halls, playing fields, parks and reserves, memorials, and cemeteries. An Asset Management Plan is in place for the Council's parks and reserves.

This group of activities also depends heavily on people and information. Council operates personnel policies that are designed to attract and retain people with the experience and expertise to perform these functions to the highest standard. Council's information assets are managed so as to ensure they are also of high quality, and accessible to all staff.

Issues and Changes

Many of the organisations that Council works with in this area are highly dependent upon the contributions made by volunteers. Council will be seeking to find ways and means of assisting these organisations to recruit and retain their volunteers, to provide appropriate training, and to ensure that the volunteer experience is a positive and a rewarding one. Another aspect of this issue is the increasing complexity and compliance costs associated with the administration of organisations. This is another area where Council may review the forms of assistance that it is able to provide, for example by exploring assistance with training in risk management, planning, and good governance.

The changing structure of the Marlborough population will also impact on this group of activities, and consideration is being given to how best to meet the needs of an aging population. Although specific changes have yet to be considered, recreational facilities, library services, and housing are examples where, in the period of this plan, there may need to be changes made in the type of service that is provided.

Changing technologies are having a specific impact on the delivery of library services, with an increasing proportion of information being held or distributed electronically. In order to provide extended access to the library's catalogue, especially for rural residents and community libraries, it is intended that remote electronic access will be provided toward the end of 2004. As more and more Marlborough households become equipped with high speed internet capability, and as people become more used to accessing information electronically, the range of services delivered by the library is likely to undergo change.

The adoption and implementation of new strategies for arts and culture, and for heritage, will help Council achieve positive outcomes in these areas. The intended outcome of the heritage strategy is that Marlborough's heritage resources will be acknowledged, valued and enjoyed by present and future generations. The intended outcome of the Arts and Culture strategy 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. Provision has been made in the draft budget for additional funding to implement these strategies, including \$50,000 for arts and culture, and \$100,000 for heritage.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities.

How We Check Progress

INDICATOR	TARGET 2004-2006
Usage and membership of library services.	Increase on 2003 base.
Average cost per issue of library resources.	< \$2.
Average age of library resources.	< 10 years.
Compliance with NZS 5828 for safety of playground equipment.	100% (annual inspections).

Compliance with contract specifications for maintenance of public conveniences.	100% (monthly inspections).
Public satisfaction with Council-provided community services.	Zero complaints received.
Participation rates in physical activities.	Increase on 2003 base.
Participation rates in arts and cultural activities.	Increase on 2003 base.
Participation rates in community festivals and events.	Increase on 2003 base.
Average earnings of arts professionals.	Increase on 2003 base.
Visitor spending at festivals and events.	Increase on 2003 base.
Occupancy rates of community housing.	90%.
Volunteer participation rates.	Increase on 2001 (Census) base.
Offending rates.	Positive reporting by Police and community advocacy groups
Response times for complaints and faults.	<ul style="list-style-type: none"> Investigate complaints relating to operations and facilities within 12 hours. Remedy minor faults within public conveniences within 24 hours of notification.

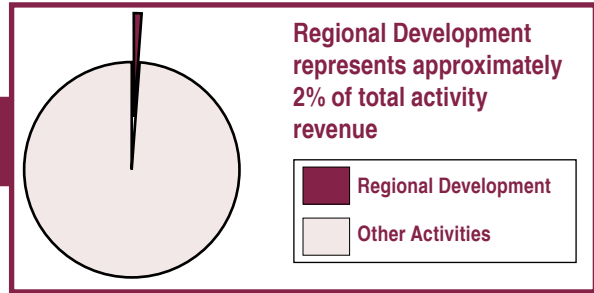
Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Community Services - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Arts, Memorials, Museums	564	490	489	491	470	471	470	471	470	469
Cemeteries	257	258	259	262	264	264	265	265	265	262
Community Development	808	615	615	610	605	605	605	604	605	605
Community Housing	752	761	770	778	823	832	786	705	716	727
Halls and Reserves	2,220	2,248	2,275	2,247	2,246	2,249	2,251	2,227	2,253	2,181
Libraries	1,141	1,143	1,149	1,153	1,156	1,166	1,170	1,179	1,185	1,204
Public Conveniences	377	379	382	384	386	386	387	391	394	398
Special Work Schemes	42	42	42	42	42	42	42	42	42	43
Swimming Pools	462	460	460	460	459	459	459	459	459	460
Total Operating Costs	6,623	6,396	6,441	6,427	6,451	6,474	6,435	6,343	6,389	6,349
Operating Surplus										
Transferred to Reserves	-	8	10	19	-	-	34	40	32	26
	6,623	6,404	6,451	6,446	6,451	6,474	6,469	6,383	6,421	6,375
FUNDED BY										
Rates	4,617	4,674	4,701	4,688	4,662	4,679	4,690	4,684	4,716	4,682
Subsidies	5	5	5	5	5	5	5	5	5	5
General Revenues Applied	599	593	601	596	594	589	583	580	581	582
Other Revenue	1,120	1,132	1,144	1,157	1,164	1,177	1,191	1,114	1,119	1,106
Total Revenue	6,341	6,404	6,451	6,446	6,425	6,450	6,469	6,383	6,421	6,375
Operating Deficit										
Transferred to Reserves	282	-	-	-	26	24	-	-	-	-
	6,623	6,404	6,451	6,446	6,451	6,474	6,469	6,383	6,421	6,375
CAPITAL WORKS										
Arts, Memorials, Museums	-	8	-	20	2	-	5	4	-	-
Cemeteries	-	37	25	65	-	-	-	-	-	-
Community Development	-	-	-	-	200	-	-	-	-	200
Community Housing	120	120	120	120	120	120	120	120	120	120
Halls and Reserves	385	254	211	195	178	158	188	95	58	53
Libraries	194	250	259	286	306	217	244	274	292	247
Public Conveniences	16	73	5	35	-	4	30	65	-	-
Swimming Pools	5	-	6	-	-	7	8	-	-	-
Total Capital Works	720	742	626	721	806	506	595	558	470	620
Debt Repayment	155	159	159	164	139	139	115	52	51	51
	875	901	785	885	945	645	710	610	521	671
Funded by										
Borrowings	-	98	10	95	-	4	30	65	-	-
Transfers from -										
Depreciation Reserve	415	455	477	500	720	438	468	493	513	669
Other Reserves	460	348	298	290	225	203	212	52	8	2
	875	901	785	885	945	645	710	610	521	671

Note - Refer to note 2 on page 60 for elimination of internal interest.

Regional Development



What We Do & Why We Do It

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

- To ensure Council's infrastructure is able to cope with present and future business and industry needs.
- To ensure that Council services are provided in the most efficient and cost effective manner.
- To ensure that the compliance costs associated with Council's regulatory responsibilities are balanced with community benefits.
- To ensure that accurate and up to date information on the District is widely available.
- To facilitate and participate in specific projects that assist in regional development
- To promote a positive image of Marlborough in its publications and activities.

For the bulk of this activity Council is primarily a purchaser of regional development services. It provides funding of \$375,000 to Destination Marlborough; \$155,000 to the Marlborough Regional Development Trust, and \$124,000 to the Marlborough Research Centre. These three organisations are important partners for the Council in assisting the region to achieve economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, adding value to Marlborough enterprises, and enriching the quality of life for Marlborough residents. The three organisations work closely with each other, with Council, and with other development-focussed groups and organisations in the district.

All organisations receiving funding under this activity are required to provide an annual report to the Council describing its operations and achievements for the year, including how it has contributed to the development of the regional economy. Council will continue to encourage closer organisational relationships between the various groups that are working in this sector.

Asset Description

This group of activities depends heavily on people and information, and on relationships between Council and stakeholders. Council operates personnel policies that are designed to attract and retain people with the experience and expertise to perform these functions to the highest standard. Council's information assets are managed so as to ensure they are also of high quality, and accessible to all staff.

Although Council's property assets are not formally treated as being associated with this activity (they underpin the whole of Council's activities) the way in which land and buildings is managed and developed has a crucial impact on regional development, and properties held or managed by Council have a major role to play in achieving community outcomes associated with regional development. For example, many Council properties help provide the recreation and lifestyle opportunities that make Marlborough such a great place to live. They include sports parks, reserves, libraries halls, swimming pools, recreation centres, and housing for the elderly. Our property portfolio also includes the roading network, car parks, Council buildings and utility sites.

From time to time land is bought for roading, reserves and other community purposes in advance, so that adequate land is available when required. Council also holds a small portfolio of properties that provide a financial return.

The property portfolio is progressively reviewed, to ensure that it is being used efficiently and meets the needs of the community. Properties may be purchased to enhance the district's infrastructure, whilst some properties (including areas of unformed legal road) may over the course of time no longer be needed or useful. Subject to legislative requirements and Council approval, such properties may be marked for disposal.

Issues and Changes

Picton and Blenheim Developments

Council, in partnership with the Port Company and in consultation with the people of Picton, is investigating ways to develop lands in the area of the Picton foreshore. The development of this land is seen to be pivotal in creating a waterfront area that is attractive and successful place for residents, visitors, and the wider community. Options for development will be explored during the period of this plan.

Other developments that may be considered over the period of this plan include further work on the overall development of Picton (including Endeavour Park, Westshore, Waitohi Domain and Memorial Park), and options for continued developments in the Blenheim CBD and Taylor riverside.

The Blenheim Working Men's Club and Returned Services Association have signalled their intention to develop a new facility, partly on land owned by Council adjacent to the Taylor River. The combined clubs intend to build a small conference facility for their members and have approached Council to join them on developing a concept plan which caters for a future convention centre and hotel complex.

Public consultation will be undertaken on any development proposals that arise.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, the assets underlying this activity are people and information. Council will monitor issues as they arise, and make such adjustments to its human resource and information resource capacity as may be required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Targeted tourism rate

Council has introduced a targeted tourism rate to fund a proportion of the costs of supporting Destination Marlborough. The proposed rate would be applied as a Uniform Annual Charge on the following classifications:

- Group 1 Properties used for Residential Baches or Other Dwelling Units, that also provide short term rental accommodation (\$80-00 GST exclusive).
- Group 2 Properties used for Commercial Rental Accommodation (excluding those in Group 1) where less than 30 people can be accommodated (\$170-00 GST exclusive).
- Group 3 Properties used for Commercial Rental Accommodation (excluding those in Group 1) where 30 or more people can be accommodated (\$230-00 GST exclusive).
- Group 4 Properties used for Tourism Activities (excluding those described for Groups 1 - 3 above) (\$170-00 GST exclusive). Tourism Activities are those which are primarily servicing tourists.

It is expected the rate will provide funding of between \$75,000 and \$100,000 per annum.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

INDICATOR	TARGET 2004-2006
Average land values.	Increase on 2003 base.
Capitalisation of land.	Increase on 2003 base.
Levels of unemployment.	Decrease on 2003 base.
Median household income.	Increase on 2003 base.
Business turnover.	Net gain in new businesses on 2003 base.
Research and development activity.	Positive reporting by Council-funded providers*.
External investments and partnerships.	Positive reporting by Council-funded providers*.
Visitor spending.	Positive reporting by Council-funded providers*.

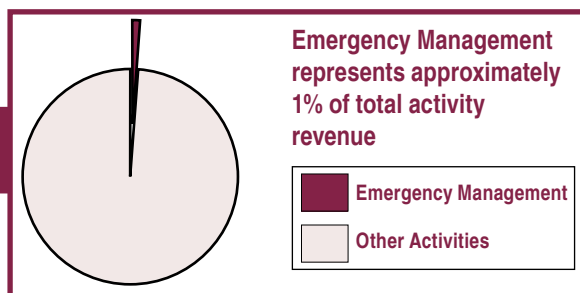
* For the bulk of this activity, Council is primarily a purchaser of regional development services from other organisations. Levels of service and performance expectations are incorporated into the funding arrangements with these bodies.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Regional Development - Operating Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Destination Marlborough	375	375	375	375	375	375	375	375	375	375
Marlborough Regional Development Trust	155	155	155	155	155	155	155	155	155	155
Marlborough Research Centre	124	124	124	124	124	124	124	124	124	124
Other	284	14	14	14	14	14	14	14	14	15
Total Operating Costs	938	668	668	668	668	668	668	668	668	669
FUNDED BY										
Rates	602	558	558	558	557	558	559	559	559	558
General Revenues Applied	66	60	61	61	61	60	60	60	59	61
Transfers from Reserves	270	50	49	49	50	50	49	49	50	50
TOTAL REVENUE	938	668	668	668	668	668	668	668	668	669

Emergency Management



What We Do & Why We Do It

The Civil Defence and Emergency Management Act 2002 imposes statutory obligations on Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, response, and recovery after an event. The Act requires an “all hazards” approach – this includes earthquakes, floods, tsunami, oil spills, hazardous substances, and landslips, to name a few. Council is part of the Marlborough Civil Defence Emergency Management Group, and is required to have in place a Civil Defence Emergency Management Group plan. Amongst other requirements, the plan describes:

- the hazards and risks to be managed by the Group;
- 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 co-operation and co-ordination with other Emergency Management Groups.

The Council is also a Rural Fire Authority under the Forest and Rural Fires Act 1977. It must meet requirements for the prevention, detection, and suppression of rural fires, and must comply with the Rural Fire Management Code of Practice for equipment standards and competency requirements for fire fighting personnel.

Asset Description

The Marlborough District Council operates and maintains an Emergency Management Control Centre in Blenheim. The centre was opened in 2003, and provides an equipped base for the oversight of emergency management in the district. A fleet of fire response vehicles is provided for the use of rural fire parties.

Issues and Changes

The Marlborough Emergency Management Plan identifies several major risk areas where the likelihood and/or severity of an event poses a significant emergency management risk. These include:

- Earthquake.
- Biological pests and new organisms.
- Animal disease epidemic.
- Flooding.
- Wildfire.
- Drought.
- Tsunami.
- Hazardous goods spillage.
- Transportation accident (air, maritime, rail or road).

The Plan sets out the treatments and responses to these events, and to other events that have been identified as a potential risk to the district. Implementation of the plan, including relevant preparations and training, will be taking place over the period of this plan, and closer alignment is expected.

Managing Change

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 to demand for, or consumption of this service, 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.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

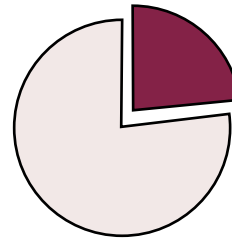
INDICATOR	TARGET 2004-2006
Identification of hazards.	Regional hazards are identified and planned for.
Staff competencies.	All staff and volunteers are appropriately trained, qualified, and resourced.
Facility quality.	Emergency management equipment, control facilities and communication systems are well maintained and upgraded as required.
Emergency response reserves.	Build emergency response reserves to \$15m.
Treatment planning.	A treatment plan is implemented for all identified risks.
Fire permitting compliance.	Rural fire permit processes comply with statutory requirements.
Response to events.	Emergency events are responded to promptly and efficiently.
Recovery from events.	<ul style="list-style-type: none"> The immediate welfare needs of those affected have been met. Systems have been established/re-established to assist individual and community self-sufficiency. Essential services have been restored to minimum operating levels.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Emergency Management - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Emergency Management	542	514	527	527	526	525	525	525	526	531
Total Operating Costs	542	514	527	527	526	525	525	525	526	531
Operating Surplus:										
Transferred to Reserves	18	42	42	42	43	42	42	43	42	43
	560	556	569	569	569	567	567	568	568	574
FUNDED BY										
Rates	445	442	453	453	453	451	452	453	453	451
Subsidies	8	8	8	8	8	8	8	8	8	16
General Revenues Applied	57	56	58	58	58	58	57	57	57	57
Other Revenue	50	50	50	50	50	50	50	50	50	50
	560	556	569	569	569	567	567	568	568	574
CAPITAL WORKS										
Emergency Management	27	31	27	25	28	24	25	28	25	25
Total Capital Works	27	31	27	25	28	24	25	28	25	25
FUNDED BY										
Transfers from -										
Depreciation Reserve	25	29	25	23	26	22	23	26	23	23
Other Reserves	2	2	2	2	2	2	2	2	2	2
	27	31	27	25	28	24	25	28	25	25

Land Transport



Land Transport represents approximately 23% of total activity revenue

Land Transport
 Other Activities

What We Do & Why We Do It

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of Transit New Zealand. As owner of the local roading network Council has legal requirements to provide roads to certain standards. In addition Council is responsible for all roading related assets - footpaths, berms, street trees and plots, kerb and channelling, undergrounding (in conjunction with Marlborough Lines), street lighting and carparks.

This activity is carried out so that the movement of people and goods within and through the District can be convenient and safe. Land transport is part of the essential infrastructure of the district, vital to well being and development.

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

Asset Description

This asset comprises all of Council's roading network and associated infrastructure, including over 1,500 km of sealed and unsealed roads, bridges, footpaths, kerb and channel systems, street lighting and urban furniture (such as seating and bicycle stands). The Roading Asset Management Plan and the Regional Land Transport Strategy set out the features of the current land transport system and the strategies for meeting future transport needs. Copies of these documents can be viewed at Council offices, and the offices of Marlborough Roads.

Issues and Changes

An ongoing issue for Marlborough is the extent of its sealed roads, and the desire of owners of residential properties to have sealed roads. Relatively few concerns are recorded in urban areas or throughout the sealed network. Marlborough Roads has established revised condition measuring systems for the unsealed network to undertake intervention maintenance before "ride" becomes unacceptable. Current maintenance standards have been achieved through various consultation processes and form part of the Asset Management Plan.

Many road users express concerns about road safety issues. Road safety is a fundamental objective for Marlborough Roads, and traffic services and safety budgets are continually reviewed to enable works such as intersection upgrades, installation of better signage (including tourism signage), road markings, edge delineation, guard-railing, and such like.

Marlborough's increasing proportion of older residents will require roading and related assets that enable maximum mobility. Town centre upgrades and undergrounding projects are being managed by Marlborough Roads to ensure that retail centres can maintain their business focus and that entrances to townships are welcoming. Parking facilities are continually reviewed to ensure that the needs of residents, retailers, and visitors are being met in an affordable manner. Public transport options for the district are also under consideration.

Environmental impacts associated with road transport include disposal of stock effluent, and the impacts of heavy traffic servicing the forestry and aquaculture industries. Marlborough Roads works closely with the relevant industries, and with affected communities, and endeavours to achieve positive outcomes for all parties.

The full costs associated with this activity are shared between local and central government. Even with the contribution of central government, Land transport is one of the largest expenditures for Council, and much of the cost is borne across the entire community. Some roading initiatives deliver benefits to particular local communities, for example seal extension projects. Council has a policy that requires the cost of major road improvements (primarily seal extensions) to be equally shared between the district's ratepayers and those ratepayers in the immediate area of benefit. Marlborough Roads maintains close community relationships through a number of customer focussed initiatives, that help to ensure service levels are both affordable and appropriate to customer needs.

Marlborough Roads recognise that the ongoing development of the land transport infrastructure is an interactive process involving all sections of the community, and will seek further opportunities to consult in more detail so that funding and levels of service options are fully considered. This will include consideration of the levels of service that may be fundable or to some extent tradable, e.g. providing better footpaths, but accepting rougher sealed roads.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Relationships with Transfund, Land Transport Safety Authority, and New Zealand Police

In order for Council to meet its obligations for Transfund financial assistance, Council's land transport programme must satisfy the requirements of the Land Transport Management Act and in particular contribute to the following:

- Assisting economic development
- Assisting safety and personal security
- Improving access and mobility
- Protecting and promoting public health
- Ensuring environmental sustainability.

The Council works closely with the Land Transport Authority and the New Zealand Police on road safety issues, and maintains and annually reviews a road safety strategy for the district. In partnership with these organisations, Council is committed to a continuing reduction in the number of injury crashes and accident contributing behaviours.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

INDICATOR	TARGET 2004-2006
Resident's satisfaction with roading network.	>80% for sealed roads. >50% for unsealed roads.
Numbers of motor vehicle crashes.	< 8 motor vehicle crashes involving injury where a reported contributing factor is "Road Conditions".
Condition of road surfaces.	Average road roughness standards for sealed roads of: (a) <110 for urban roads. (b) <95 for rural roads. <i>Note: A newly sealed road has an average roughness value of 50-70. A very rough gravel road will have a roughness value higher than 300.</i>
Street cleanliness and CBD condition.	Inspect and report on street cleanliness and asset condition of Blenheim CBD area at least twice annually.
Condition of footpath surfaces.	Minor faults on footpaths repaired within 20 working days of detection. Unevenness greater than 8mm repaired within 5 days.
Condition of street trees and plots.	99 new or replacement street trees planted each year.
Compliance with parking limits.	Increasing.
Parking occupancy rates.	< 85%.

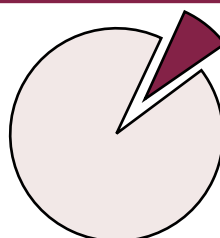
Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Land Transport - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
OPERATING COSTS										
Roads, Streets and Bridges	10,071	9,412	8,693	8,863	8,975	9,100	9,289	9,426	9,594	9,863
Parking	598	595	593	588	586	585	585	579	574	559
Total Operating Costs	10,669	10,007	9,286	9,451	9,561	9,685	9,874	10,005	10,168	10,422
Operating Surplus										
Transferred to Reserves	1,361	1,741	2,447	2,204	2,242	2,320	2,175	2,384	2,380	2,040
	12,030	11,748	11,733	11,655	11,803	12,005	12,049	12,389	12,548	12,462
FUNDED BY										
Rates	6,605	6,664	6,528	6,507	6,555	6,670	6,717	6,907	6,948	6,947
Subsidies	3,950	3,606	3,754	3,688	3,759	3,825	3,805	3,915	4,016	3,906
General Revenues Applied	840	829	820	814	826	830	829	849	850	853
Other Revenue	635	649	631	646	663	680	698	718	734	756
Total Revenue	12,030	11,748	11,733	11,655	11,803	12,005	12,049	12,389	12,548	12,462
CAPITAL WORKS										
Roads, Streets and Bridges	5,007	4,778	4,889	4,898	4,966	5,131	5,301	5,423	5,685	5,469
Parking	5	5	5	5	5	5	5	5	5	5
Total Capital Works	5,012	4,783	4,894	4,903	4,971	5,136	5,306	5,428	5,690	5,474
Debt Repayment	314	293	219	219	219	219	219	219	215	215
	5,326	5,076	5,113	5,122	5,190	5,355	5,525	5,647	5,905	5,689
FUNDED BY										
Transfers from -										
Depreciation Reserve	4,109	3,704	3,065	3,214	3,294	3,458	3,631	3,788	3,948	4,127
Other Reserves	1,217	1,372	2,048	1,908	1,896	1,897	1,894	1,859	1,957	1,562
	5,326	5,076	5,113	5,122	5,190	5,355	5,525	5,647	5,905	5,689

Notes: Refer to note 2 on page 60 for elimination of internal interest

Rivers and Land Drainage



Rivers and Land Drainage represents approximately 8% of total activity revenue



What We Do & Why We Do It

This activity is primarily focussed on the Wairau floodplain (downstream of the Waihopai River). Picton and Waikawa are also given a high priority. Outside of these areas, and taking account of all risks, costs, and benefits, a lower level of protection work is undertaken.

The Wairau River is as large and powerful as any river in New Zealand with a long history of flood damage requiring river control works. These intervention works have enabled the floodplain to be developed productively. The lower floodplain is particularly low lying because the coast is prograding due to marine processes. This low lying floodplain is not only very flood prone but also requires considerable drainage measures, particularly to combat aquatic weed that impedes the 200 km of minor watercourses and drains. Such measures also have to be done carefully to minimise detrimental impact on the ecological and fishery values of these small watercourses for which there is increasing community awareness.

Asset Description

The majority of the Wairau floodplain land downstream of the Waihopai confluence is protected from floods up to a 1 in 100 year return period flood standard. This involves river control works on the Wairau and Opawa river systems and their tributaries. Most of these rivers are in floodways, often with Council owning the land.

The main elements of this system are 175 km of stopbanks involving 3 million m³ of compacted earthworks, 480,000 m³ of rock riprap, 60 hectares of willow tree plantings. There is also the Taylor dam of 400,000 m³ of earthworks and 2000 m³ of structural concrete.

In association with the major stopbanked rivers in the management of minor watercourses and drains on the lower Wairau Plain for drainage and local floodwaters. The main elements of this are 180 km of channels involving 1.1 million m³ of excavation, 300 floodgated culverts, eight control gates and 28 pumping stations.

Besides other miscellaneous structures in both the flood control works and drainage works, Council also maintains some flood control works on the Waitohi and Waikawa rivers in Picton. Council no longer maintains stopbanks, rock work and tree work on the Wairau above the Waihopai confluence and other tributaries outside of the main floodplain.

Issues and Changes

Wairau River Flood Management

The Wairau River has the largest and most powerful floods of any comprehensively controlled river in New Zealand. The river control system has been recently upgraded to contain a 1 in 100 year return period flood event. Floods can occur at any time of year. While containing floods the river control works, especially the bank edge, rock/tree protection – can suffer significant damage and then be vulnerable to complete failure in the next flood. Immediate repair is essential and Council requires resources of rock, experienced contractors with machines and finance to be always readily at hand.

The Council approved 10 year Wairau River Floodways Management Plan is virtually completed. Some minor stopbanking upgrading on the Lower Opawa, Riverlands Floodway and Wairau is still outstanding.

Wairau Diversion Control Banking

The Wairau Diversion has been enlarged over the last few years by a combination of deliberate strategic sediment removal and natural scour. It has reached a stage that the combined capacity of the Lower Wairau and Wairau Diversion is up to design flood capacity.

Siltation of the lower Wairau has occurred (in parallel to scour of the Diversion) and is continuing. This siltation is of significant environmental concern and may also reduce flood capacity and affect drainage. A control structure at the head of the Diversion may be a desirable solution. Such a control structure would allow only major flood flows down the Diversion, and a base low flow. All other flows would be directed down the lower Wairau. The effect of such a control structure on reducing Lower Wairau siltation needs assessment.

If a control structure is needed, gravel banking, designed to overtop and be washed away in major floods, is seen as the most economic. Such gravel banking will need feasibility studies, resource consent and trials, and the issues involved in this need to be thoroughly examined and implemented.

Gibsons Creek Environmental Flows

Resource consent has been obtained for larger and more reliable flows to be diverted into Gibsons Creek from the Wairau as part of a joint intake with the Southern Valleys' Irrigation Scheme. Rewatering Gibsons creek from the Waihopai has been a river control amelioration activity for over 40 years. The increased flows will have significant environmental benefit including improved recharge of the Wairau aquifer, increasing flows and improving habitat in many downstream lower Wairau Plains spring fed watercourses, as well as increasing flows and improving aquatic habitat in the Gibsons Creek/Opawa system itself. Construction of the required works and devising an appropriate operational water management plan has started and will continue. The operational water plan will have to take into account the effect that increased flows have on groundwater levels and drainage.

Minor Watercourses and Drains Specific Management Policies

Council proactively manages for drainage over 200 kilometres of minor watercourses and drains in the lower Wairau Plains. Many of those watercourses have valuable ecological, aesthetic, riparian and amenity values. Council's future active management will have to be modified and fine tuned to incorporate these values. Individual specific management policies are to be developed for such watercourses. Top priorities are Spring Creek (and its tributaries), Taylor River through Blenheim, Grovetown lagoon and the Opawa Loop.

Blenheim Urban Stormwater Disposal

The Blenheim urban stormwater pipe network discharges into small watercourses (Fultons ck, Town Branch Drain, Wither stream, etc), which then feed (often) into pumping stations to dispose of this stormwater into the Taylor/Lower Opawa River system. Some stormwater pipes feed directly into pumping stations. The adequacy of these small watercourses and pumping stations needs review and upgrading. The review also needs to take into account future urban development and the beneficial storage effect of such watercourses. This also includes the Riverlands Industrial area where physical work has started and is progressing.

Sounds River Control

Council does carry out some river control works on various Marlborough Sounds rivers, albeit to a lesser scale than on the Wairau floodplain. Floodways are maintained on the urban section of the Waitohi River (Picton), and Waikawa Stream. Upgrading works are underway or programmed for the Waikawa Stream, Okiwi Bay streams. Further works are expected to be required on various Waikawa tributaries, Ngakuta Bay etc. Asset management plans need to be developed for these watercourse flood protection works.

Flood Hazard and Private Flood Mitigation Measures

Council does not completely flood protect all areas in Marlborough. Many new developments require flood mitigation measures to obtain consents under the relatively recent Resource Management Act and Building Act. Mitigation measures may be setting a minimum floor level, or may require comprehensive stopbanking. Rivers Section involvement is to provide advice in an efficient and effective manner and ensure that where mitigation measures are required that such mitigation measures are appropriately maintained and fit in with Council's river control works.

Secondary Floodway Land Use

Council manages several hundred hectares of floodway land for the prime purpose of minimising flood hazard on the outside of these flood hazard areas. Much of the land is under Council ownership, but some is privately owned. Most of these floodway lands have opportunities for secondary land use. These are recreational use, pastoral farming or forestry depending on the specific characteristics of the floodway. In some locations crops or viticulture will be acceptable. Stopbank relocation is also a possibility. A review of such secondary use opportunities and berm land management policies requires detailed hydraulic analysis. The upper Opawa and Taylor above Burleigh bridge are priority rivers.

Gravel Extraction

Controlled strategic gravel extraction is an important tool in helping maintain river channels to the appropriate flood capacity. Currently gravel demand on the Wairau system is double natural replenishment. This demand can be met in the medium term. Co-operation from gravel extractors is being obtained by a combination of regulatory and inducement methods. Should gravel demand or natural replenishment change, Council's gravel extraction policies will also need to change. Monitoring is essential.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

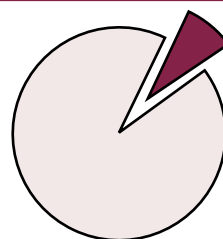
INDICATOR	TARGET 2004-2006
Floodway capacity.	<p>That rivers and floodways within the Wairau floodplain can cope with a 1 in 100 year return period flood. All floods are monitored with regard to size and flood levels, computer hydraulic models set up and calibrated and remedial action taken as required.</p> <p>River channel dimensions are regularly resurveyed and gravel extraction is managed in a strategic manner so as to improve channel capacity where practical.</p> <p>Outside of the main floodplain the natural river channel capacities are maintained by keeping the channels clear of trees.</p>
River bank erosion.	<p>That floodplain riverbanks are stabilised to limit erosion by lining with groynes, rock rip rap or trees as appropriate. These are maintained in a sound condition, with regular inspection after freshes and floods. Stockpiles of quarried rock are kept on hand for urgent repair, and appropriate contracts prepared to ensure a work force is available.</p>
Lower Wairau floodplain rural drainage.	<p>That minor watercourses and drains are regularly cleared of impeding aquatic weed and sediment. Watercourse specific strategies are developed that achieve desired drainage standards while ensuring ecological, private landowner and other values are provided for.</p>
Pumping station capability.	<p>That rural pumping stations are capable of removing local stormwater to the standards specified in the Wairau Drainage Plan 1996.</p> <p>That urban pumping stations, in association with gravity outfall, are capable of controlling urban flood levels so that floors of buildings are not flooded in a 1 in 50 year return period event.</p>
Quality of flood hazard analysis and advice.	<p>Development of GIS plans showing degrees of flood hazard throughout Marlborough, and the provision of information to the Regulatory Department and the public on feasible and acceptable flood hazard mitigation measures.</p>
Flood control mitigation activities.	<p>Where river control works have impacted on the environment to carry out mitigation activities to counteract the detrimental effect. This includes:</p> <ul style="list-style-type: none"> • Rewatering Gibsons creek channels to provide groundwater recharge of the Wairau aquifer and other ecological values. • Investigate the feasibility of gravel banking control of the inlet to the Wairau Diversion so as to keep most flow in the lower Wairau except in flood times. • The Opawa Loop is regularly cleared of aquatic weed. • Secondary activities are allowed in the floodways that provide a blend of ecological riparian habitat, public recreational access and economic leasing. • That water levels and resulting flows into and out of Grovetown lagoon are controlled to provide for ecological values as well as drainage values.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

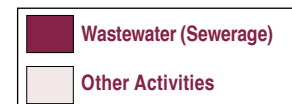
Rivers and Land Drainage - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Wairau Floodplain Rivers	1,965	1,948	1,878	1,879	1,876	1,877	1,877	1,876	1,878	1,879
Wairau Floodplain Drainage	537	541	543	546	548	550	553	555	558	560
Rivers outside Wairau	111	111	111	111	111	111	111	111	111	111
Wairau River Leases	190	194	198	202	206	211	215	220	225	231
Total Operating Costs	2,803	2,794	2,730	2,738	2,741	2,749	2,756	2,762	2,772	2,781
Operating Surplus:										
Transferred to Reserves	1,512	1,525	1,602	1,599	1,767	1,764	1,761	1,759	1,757	1,754
	4,315	4,319	4,332	4,337	4,508	4,513	4,517	4,521	4,529	4,535
FUNDED BY										
Rates	2,840	2,840	2,849	2,850	3,017	3,018	3,018	3,017	3,020	3,021
General Revenues Applied	14	14	14	14	14	14	14	14	14	14
Other Revenue	1,461	1,465	1,469	1,473	1,477	1,481	1,485	1,490	1,495	1,500
Total Revenue	4,315	4,319	4,332	4,337	4,508	4,513	4,517	4,521	4,529	4,535
CAPITAL WORKS										
Wairau Floodplain Rivers	462	435	455	455	625	625	625	625	625	625
Wairau Floodplain Drainage	195	85	85	85	85	85	85	85	85	85
Total Capital Works	677	540	560	560	730	730	730	730	730	730
FUNDED BY										
Transfers from -										
Depreciation Reserve	116	119	122	124	127	129	131	134	136	139
Other Reserves	561	421	438	436	603	601	599	596	594	591
	677	540	560	560	730	730	730	730	730	730

Wastewater (Sewerage)



Wastewater (Sewerage) represents approximately 8% of total activity revenue



What We Do & Why We Do It

Council operates five wastewater schemes - in Blenheim, Picton, Havelock, Seddon and Spring Creek. In 2004 Council expects to begin construction of a sewer scheme for Renwick which will be connected into the Blenheim system. 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.

Collection, treatment and disposal of wastewater contributes to:

- The health of communities.
- Minimising adverse environmental effects.
- Industrial and residential development.

Asset Description

The combined wastewater schemes consist of approximately 219 kilometres of sewage mains, 47 pump stations, 61.4 hectares of ponds and an extended aeration treatment plant.

AREA	PIPELINE LENGTH	NUMBER OF CONNECTIONS (Estimate)
Blenheim	159 km	9,570
Picton	40 km	2,110
Havelock	9 km	249
Seddon	7 km	210
Spring Creek	4 km	149

Detailed information on these assets, including information on levels of service performance, is provided in the sewerage reticulation and treatment plants Asset Management Plan. This can be viewed at Council offices, and copies are held at Marlborough libraries.

Issues and Changes

Provide Additional Capacity

Blenheim requires additional pipelines and treatment upgrades to cater for present and future demand. From 2004 work is to begin on a number of additions including constructing a new sewer along Battys Road and Alabama Road to relieve the existing network and accommodate flows from Renwick. A study is planned to see if Grovetown would benefit from a community scheme.

Reliable Wastewater systems

The general condition of Picton reticulation requires work. Problems found are indicative of poor laying practices with dips, broken pipes and displaced joints being common. Lining and renewal of pipes is ongoing. Overloading, and poor maintenance of some septic tank systems (especially in the Sounds) may require new regulations affecting these types of systems.

Reducing Wet Weather Flows

Infiltration and inflow of stormwater into sewer mains leading to overflows is a particular problem in the older parts of Blenheim and Picton schemes. In 2004/05 works in the McLauchlan Street and George Street catchments are to continue.

Environmental Upgrades

Additional treatment for schemes will be required over the next 10 years to meet stricter consent conditions when existing consents expire. In 2005/06 it is proposed that the former PPCS ponds will be upgraded with part of the ponds prepared for later use as a wetland. Over the next 3 years the Spring Creek, Havelock and Seddon ponds will be upgraded.

Environmental Development

Work is intended to begin in 2004 to install sewerage in Renwick. The project is expected to take up to two years to complete. The completed system will be connected to the Blenheim system.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

INDICATOR	TARGET 2004-2006
Blockages.	That no more than 35 identified blockages occur for 100 km of sewer main per year.
Capacity.	Maintained to meet Code of Practice design parameter of dry weather flow by a factor of 4.
Customer Response times.	Install 85% of new connections within 10 working days of application or by agreed alternative date.
Customer Response times.	Respond to 95% of unplanned interruptions or blockages of the sewerage system of such events within two hours, and to restore toilet facilities to all customers affected within six hours of notification.
Discharge quality.	Total flow is to be treated prior to discharge through outfall for dispersal to receiving water in accordance with the discharge consent.
Asset Maintenance, Renewal and Capital Works Plans in Asset Management Plans.	Assets managed and operating according to levels of service.

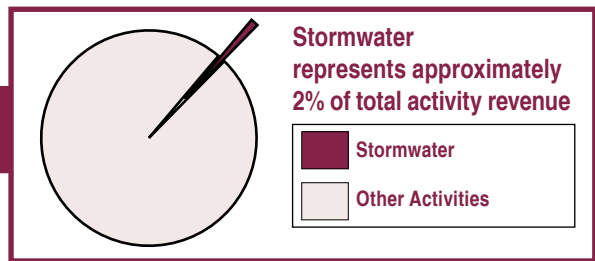
Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Wastewater – (Sewerage) - Operating and Capital Costs and Funding Forecasts

Financial Year (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Blenheim	2,572	2,714	2,891	2,994	3,226	3,175	3,160	3,156	3,157	3,170
Picton	717	724	783	769	839	966	1,030	1,028	1,088	933
Havelock	97	98	115	100	100	100	100	108	110	130
Renwick	34	50	50	50	50	50	50	50	50	50
Seddon	47	61	62	54	53	53	53	53	53	56
Spring Creek	58	63	57	69	57	57	57	57	57	57
Total Operating Costs	3,525	3,710	3,958	4,036	4,325	4,401	4,450	4,452	4,515	4,396
Operating Surplus:										
Transferred to Reserves	913	837	617	758	822	893	929	953	1,132	1,128
	4,438	4,547	4,575	4,794	5,147	5,294	5,379	5,405	5,647	5,524
FUNDED BY										
Rates	3,890	3,971	3,930	4,128	4,460	4,563	4,601	4,579	4,775	4,798
Other Revenue	548	576	645	666	687	731	778	826	872	726
Total Revenue	4,438	4,547	4,575	4,794	5,147	5,294	5,379	5,405	5,647	5,524
CAPITAL WORKS										
Blenheim	1,558	2,842	760	2,994	815	263	97	63	292	250
Picton	448	96	139	1,374	623	854	56	48	24	436
Havelock	14	25	128	2	4	4	3	3	3	2
Renwick	919	-	-	-	-	-	-	-	-	-
Seddon	1	6	116	1	2	2	2	2	3	2
Spring Creek	165	2	1	2	3	2	2	2	2	2
Total Capital Works	3,105	2,971	1,144	4,373	1,447	1,125	160	118	324	692
Debt Repayment	405	477	485	581	594	612	612	614	607	607
	3,510	3,448	1,629	4,954	2,041	1,737	772	732	931	1,299
FUNDED BY										
Borrowings	1,351	2,455	307	3,183	405	620	-	-	-	-
Transfers from -										
Depreciation Reserve	825	692	809	1,020	1,007	444	115	93	155	574
Other Reserves	1,334	301	513	751	629	673	657	639	776	725
	3,510	3,448	1,629	4,954	2,041	1,737	772	732	931	1,299

Note: Refer to note 2 on page 60 for the elimination of internal interest.

Stormwater



What We Do & Why We Do It

Council provides a stormwater drainage system to manage stormwater runoff from urban catchments. Much of the urban development in Blenheim and Picton is in areas that are prone to flooding - stormwater systems are provided to minimise disruptions from rain events and to provide for the safety of residents. Collection and disposal of stormwater contributes to:

- Safety of the community by minimising the incidence of flooding.
- Minimising damage to property from flooding.
- Reduced erosion and water pollution.
- Industrial and residential development.

Stormwater systems are complex and expensive, and a degree of prioritisation is required. Those areas where there is a possibility of water entering houses or commercial buildings are given first priority. Second priority is given to areas where there is a possibility of water entering garages or outbuildings, followed by areas where water may pond on garden areas and roads.

Asset Description

Council operates approximately 116 kilometres of stormwater pipe drains, predominantly in the urban areas of Picton and Blenheim.

The major urban stormwater systems are located at Picton and Blenheim. The Blenheim system consists of stormwater reticulation laid at very flat grades due to the nature of the terrain draining to a number of open drains and watercourses. Picton's steep terrain enables stormwater to get away quickly through a number of open drains and watercourses.

The urban stormwater systems can be categorised into two parts. The natural component comprises a number of natural waterways and ponding areas and the artificially constructed stormwater system. The constructed system consists of 116 km of stormwater mains, 1364 manholes, 9 pump stations, retention areas, secondary flow paths, soak holes and flood protection assets such as stop banks and flood gates.

Detailed information on these assets, including information on levels of service performance is provided in the Stormwater Asset Management Plan. This can be viewed at Council offices, and copies are held at Marlborough libraries.

Issues and Changes

Sounds Communities

Rapid housing growth in some Sounds' communities is increasing stormwater runoff in these areas. This issue is being dealt with in consultation with the communities that are affected.

Capacity Renewal

In Blenheim there are pipes that have insufficient primary capacity for a five year return period storm leading to nuisance flooding on properties. These will be progressively renewed.

Blenheim Residential Development

The northwest area of Blenheim is to be further developed. Parts of the area are inadequately serviced for stormwater. A preferred option for upgrade has been found. As part of the works a new main is to be installed along Mowat Street to Fultons Creek.

Renwick Residential Development

Renwick's primary system consists of a small amount of reticulation, open drains and soak holes. Parts of the system have insufficient capacity for a five year return period storm leading to nuisance flooding on properties. In 2004/05 in conjunction with the new sewerage scheme installation, new pipes are proposed to be installed to replace some existing soak holes and open drains.

Stormwater Quality

A programme of monitoring stormwater and the receiving water to assess the effects of the stormwater will be ongoing.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

INDICATOR	TARGET
Number of system blockages.	Maintain system to ensure no more than 3 blockages in a year affect any one property.
Customer Response times.	Install 85 % of new connections within 10 working days of application or by agreed alternative date.
Capacity.	Primary system able to cope with a 5 year return period storm, 50% runoff in residential areas.
Asset Maintenance, Renewal and Replacement Plans in Asset Management Plans.	Assets managed and operating according to levels of service.

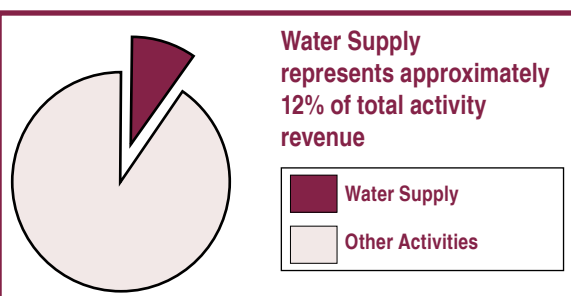
Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Stormwater - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Blenheim	630	633	633	629	629	630	631	625	614	606
Picton	167	168	169	169	170	170	171	168	166	165
Other Schemes	91	103	102	103	103	103	103	104	104	153
Total Operating Costs	888	904	904	901	902	903	905	897	884	924
Operating Surplus: Transferred to Reserves	125	158	163	144	123	132	139	148	146	140
	1,013	1,062	1,067	1,045	1,025	1,035	1,044	1,045	1,030	1,064
FUNDED BY										
Rates	844	881	876	849	823	824	823	814	802	832
General Revenues Applied	106	110	111	107	104	103	102	101	99	103
Other Revenue	63	71	80	89	98	108	119	130	129	129
	1,013	1,062	1,067	1,045	1,025	1,035	1,044	1,045	1,030	1,064
CAPITAL WORKS										
Blenheim	170	264	170	80	70	112	70	74	70	70
Picton	75	75	75	55	55	55	34	34	34	34
Other Schemes	284	4	46	14	14	56	17	28	70	4
Total Capital Works	529	343	291	149	139	223	121	136	174	108
Debt Repayment	114	115	115	114	115	115	115	112	104	95
	643	458	406	263	254	338	236	248	278	203
FUNDED BY										
Borrowings	307	-	-	-	-	-	-	-	-	-
Transfers from - Depreciation Reserve	266	269	272	220	221	221	207	218	209	179
Other Reserves	70	189	134	43	33	117	29	30	69	24
	643	458	406	263	254	338	236	248	278	203

Note: Refer to note 2 on page 60 for the elimination of internal interest.

Water Supply



What We Do & Why We Do It

Council operates seven water supply systems - in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere. With the exception of Awatere and one of the two Picton sources all the schemes in Marlborough utilise groundwater sources.

In 2004 Council began construction on a reticulated piped irrigation scheme to serve more than 4,000 hectares of land to the south of Renwick.

Providing and maintaining an adequate supply of potable water to consumers and supply for fire fighting purposes contributes to:

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

Providing reticulated irrigation supply enables a wider range of land uses, and contributes to the economic wellbeing of the community.

Asset Description

The combined existing water schemes consist of over 350 kilometres of watermains, 18 groundwater pump stations, 5 treatment plant facilities, two dams and 23 storage facilities. The Southern Valleys scheme, when completed, will consist of 64 km of pipe.

AREA	KILOMETRES OF PIPELINE	NUMBER OF CONNECTIONS (Estimate)
Blenheim	149 km	9,440
Picton	47 km	2,020
Havelock	8 km	230
Renwick	13 km	650
Riverlands/Cloudy Bay	9 km	89
Wairau Valley	3 km	42
Awatere	125 km	600

Detailed information on these assets, including information on levels of service performance, is provided in the Water Supply and Reticulation Asset Management Plan. This can be viewed at Council offices, and copies are held at Marlborough libraries.

Issues and Changes

Additional Capacity

Blenheim, Picton and Renwick require development work to meet predicted future increased demand within the residential boundaries of the Marlborough Sounds and proposed Wairau/Awatere Resource Management Plans. A number of additions including new watermains and reservoirs are planned for Blenheim and Picton over the next 3 years.

Reliable Water Supply

The reticulation in the combined schemes is relatively young. More than half of the reticulation has been installed during the last forty years. The majority of the water reticulation therefore has reasonable lengths of useful remaining life based on age and condition. The exceptions are copper service connections and mains in Blenheim and Picton and PVC and steel mains in Awatere. Sections of these mains are to be renewed over the next few years.

Improving Emergency Fire flows

Over the last few years a programme of replacing sections of mains in Blenheim that do not comply with the flow requirements in the Code of Practice for NZ Fire Service Fire Fighting Water Supplies has been undertaken. Upgrades will continue in 2004/05.

Water Quality

A proposed amendment to the Health Act will put much more onus on Council as a supplier of water to fully meet the Drinking Water Standards for New Zealand (DWSNZ). Treatment will be needed for all non secure supplies to meet the microbiological standards in the DWSNZ. Treatment upgrades, and options for funding, will be considered from 2004/05. The cost of building and operating the new treatment facilities is expected to be significant: capital costs associated with treatment upgrades have been included in financial projections for 2005/06.

pH Correction Treatment

Recent changes to the Drinking Water Standards are likely to require Council to further enhance pH correction treatment. Raising the pH reduces the corrosion of metal pipes in the reticulation and household plumbing. Council is considering improving pH correction treatment at Blenheim and Speeds Road, Picton, and introducing pH correction at Renwick as part of the major treatment upgrade to meet microbiological standards from 2004/05.

Treatment

In 2002 Council purchased the water and wastewater assets from the PPCS Meat Processing Plant. In 2003 the Cloudy Bay Business Park (formerly PPCS plant) and Riverlands Industrial estate were linked by a pipeline with the intention of operating the two as a single combined scheme. Riverlands Industrial Estate no longer has sufficient water available to meet demand without being supplemented from the Cloudy Bay Business Park Supply. Manganese concentrations in both schemes is above the recommended aesthetic value in the Drinking Water Standards but well below the maximum allowable for health. In 2003/04 trials are to begin on treating the water for manganese with a view to constructing a treatment plant.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

These activities often involve noisy machinery, earthmoving or major engineering works in their construction and/or operation, which may impact on the environment and can result in temporary disruptions to everyday life. Where resource consents are required for these activities, controls are imposed as appropriate.

How We Check Progress

INDICATOR	TARGET 2004-2006
Water Quality.	Compliance with bacteriological (P1) and chemical (P2) determinants of the Drinking Water Standards for NZ 2000.
Number of system failures.	Three unplanned shutdowns/year/connection.
Customer Response times.	To respond to 95% of service interruption events within stated timeframe: (a) Within two hours to complaints of lost supply. (b) Restore any lost supply within eight hours of the fault.
Customer Response times.	Install 85% of new connections within 10 working days of application, or by agreed alternative date.
Asset maintenance renewal and capital works plans in Asset Management Plans.	Assets managed and operating according to levels of service.
Capacity.	Meet all peak demands for domestic purposes in a drought period (defined as 1 in 20 year return period).
Fire Hydrant Performance.	To meet flow requirements in at least 80% of hydrants for fire fighting in accordance with the risk classification of the New Zealand Fire Service Fire Fighting Water Supplies Code of Practice.

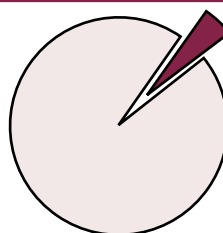
Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Water Supply - Operating and Capital Costs and Funding Forecasts

Financial Year (\$000's)	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14
OPERATING COSTS										
Blenheim	1,959	2,214	2,373	2,373	2,371	2,382	2,390	2,339	2,321	2,343
Pictou	750	827	929	989	986	986	989	990	991	996
Renwick	164	229	287	287	288	288	289	317	342	340
Havelock	120	135	151	156	155	155	155	155	150	141
Awatere	265	336	404	405	406	430	455	455	456	458
Riverlands	219	331	405	410	415	420	426	438	449	450
Wairau Valley	22	29	34	34	34	34	34	34	34	34
Southern Valleys	1,405	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536
Total Operating Costs	4,904	5,637	6,119	6,190	6,191	6,231	6,274	6,264	6,279	6,298
Operating surplus Transferred to Reserves	1,294	1,322	1,353	1,405	1,461	1,547	1,620	1,721	1,835	1,891
	6,198	6,959	7,472	7,595	7,652	7,778	7,894	7,985	8,114	8,189
FUNDED BY										
Rates	5,697	6,741	7,198	7,258	7,249	7,307	7,349	7,364	7,418	7,426
Other Revenue	501	218	274	337	403	471	545	621	696	763
Total Revenue	6,198	6,959	7,472	7,595	7,652	7,778	7,894	7,985	8,114	8,189
CAPITAL WORKS										
Blenheim	1,997	4,676	400	535	508	425	898	881	439	437
Pictou	484	1,586	1,604	229	160	108	144	123	202	164
Renwick	166	1,235	14	14	17	50	109	1,086	26	21
Havelock	17	268	145	5	20	6	196	6	9	8
Awatere	183	1,469	256	72	134	731	99	84	137	111
Riverlands	161	1,307	1	1	23	1	25	215	2	2
Wairau Valley	5	137	-	-	-	-	-	-	-	-
Total Capital Works	3,013	10,678	2,420	856	862	1,321	1,471	2,395	815	743
Debt Repayment	734	1,009	1,043	1,042	1,042	1,060	1,060	1,082	1,076	1,072
	3,747	11,687	3,463	1,898	1,904	2,381	2,531	3,477	1,891	1,815
FUNDED BY										
Borrowings	886	9,256	1,460	-	-	576	-	758	-	-
Transfers from - Depn Reserve	1,028	1,119	884	783	796	659	1,405	1,569	743	675
Other Reserves	1,833	1,312	1,119	1,115	1,108	1,146	1,126	1,150	1,148	1,140
	3,747	11,687	3,463	1,898	1,904	2,381	2,531	3,477	1,891	1,815

Note: Refer to note 2 on page 60 for the elimination of internal interest.

Solid and Hazardous Waste Management



Waste Management represents approximately 5% of total activity revenue

Waste Management
 Other Activities

What We Do & Why We Do It

Council provides waste management services for public health reasons and to protect the environment. Council is committed to a long-term goal of “zero waste and a sustainable Marlborough”. This entails reducing the volume of waste that is being created in Marlborough, encouraging reuse of materials, and/or recycling materials into other products. Opportunities to recover any energy potentials, or other resources, are also explored. Where these options have been exhausted, are unavailable, or are not economically feasible, safe containment of some waste products may remain the optimal treatment.

As its first line of action for achieving zero waste, Council conducts education 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. Green waste composting facilities are provided at the Blenheim transfer station, along with a hazardous waste collection facility.

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

Asset Description

The Council's principal assets supporting this activity are the landfill facility and the network of transfer stations. The landfill has a forecast life of 30 years, based on projected fill rates. This estimate may alter according to changes in the district's waste output.

Issues and Changes

A community forum convened in late 2003 identified three pressing issues for the district. These were:

- The collection and disposal of waste in the Marlborough Sounds.
- The collection and disposal of organic wastes.
- Access to recycling facilities for paper, glass, plastics, and other household wastes.

Other issues identified included the disposal of rubber and treated timbers, and the impacts of other waste types (especially liquid wastes) on public health and the environment.

These issues are being addressed by way of revisions to the Council's Solid Waste Management Strategy. Solutions are likely to entail a range of responses, with funding options incorporating (as at present) a combination of rates and user charges. One of the objectives of the strategy will be to develop policies that reflect the full costs of waste disposal.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

INDICATOR	TARGET 2004-2006
Diversion of organic waste from landfill.	Increasing proportion diverted (2003 base).
Diversion of construction and demolition waste from landfill.	Increasing proportion diverted (2003 base).
Diversion of glass and plastics from landfill.	Increasing proportion diverted (2003 base).
Recovery and recycling rates for hazardous wastes.	Increasing proportion recovered and recycled (2003 base).
Environmental impact of landfill sites.	100% compliance with resource consent conditions.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Summary of Waste Management Policy and Strategy

Marlborough's Solid Waste Management Policy and Strategy was written in 1995 and updated in 1997 and 2000. There are two goals in the Strategy that follow the nationally adopted hierarchical system of managing waste to reduce, reuse, recycle, recover and manage residual waste. They are:

- To ensure that solid waste management practices, to the greatest practicable extent, minimise adverse environmental, cultural, social and economic effects.
- To minimise the generation of waste, including the hazardous waste and toxic components in the waste stream.

From these two goals there are a number of objectives to help achieve these goals. The Solid Waste Management Policy and Strategy provides detailed explanations, actions and targets for these objectives.

- Objective 1:** *To reduce waste in both quantity and hazardous forms generated in the Marlborough area.*
- Objective 2:** *To reuse and recycle as much as practicable that waste which cannot be eliminated at source.*
- Objective 3:** *To ensure that refuse and recycling collection and handling systems are efficient, effective, environmentally sound, and provide quality customer service.*
- Objective 4:** *To ensure that residual waste disposal is adequately provided for, and is undertaken in the best manner, which minimises adverse environmental, cultural, social and economic effects, and maximises benefits such as energy and resource recovery; and to continue to monitor and assess technological development in the field of residual waste disposal, and associated energy and resource recovery.*
- Objective 5:** *To provide appropriate data and monitoring mechanisms for solid waste management.*
- Objective 6:** *To reduce the incidence of illegal dumping of waste.*
- Objective 7:** *To prevent the unauthorised disposal of hazardous waste.*
- Objective 8:** *To promote a system for funding waste management, which identifies and covers true costs and which provides, where appropriate, incentives for waste reduction.*
- Objective 9:** *To co-operate with other bodies which have solid waste management responsibilities thus contributing to co-ordination of solid waste management in the region.*
- Objective 10:** *To involve effective public participation in decision making.*
- Objective 11:** *To provide and support educational and promotional programmes, consistent with the goals and objectives of the policy.*
- Objective 12:** *To provide an advocacy function, promoting the interests of Marlborough, and the interests of the environment generally, in terms of solid waste management, at both the regional and national level of policy-making.*
- Objective 13:** *To ensure that Council's own practices are in accordance with the objectives above, and Council leads by example.*
- Objective 14:** *To provide a solid waste management structure and funding structure through the Annual Plan process.*

The strategy was extended in 2000 to focus specifically on waste minimisation. The resulting Waste Minimisation Strategy and Programme (2000-2003) had the following components:

- Promote and assist green waste composting to reduce landfill volumes.
- Develop a programme to reduce kitchen wastes to reduce landfill volumes. Promote \$10.00 worm composting discounts and provide regular seminars on worm composting.
- Develop and trial hazardous waste education programme for business and industry.
- Develop a hazardous waste education programme for residents.
- Using results from community recycling survey, develop recycling implementation paper and programme with Nelson and Tasman District Councils.
- Use this information to develop recycling systems and programmes in Marlborough.
- Develop sustainable households programme with other councils. This programme will provide facilitators and materials to help households reduce waste, conserve water and improve energy efficiency.
- Implement a Business programme utilising Business Care information.
- Develop a wastewater programme outlining the wastes that go to wastewater treatment and storm water systems and prepare an education programme to minimise these.
- Develop Kids Edible Garden trial to continue organic worm composting cycle.
- Develop an Internet site based on the Green Talk community idea, initially for schools, but with community and business links.
- Review Solid Waste Policy and Strategy document and bring this in line with legislation and recent Council documents.
- Conduct a waste analysis study (based on the National Waste Analysis Protocol Programme) in 2002 to provide information on waste management and minimisation practices. Previous studies were conducted in 1994 and 1998.
- Liaise with other departments to co-ordinate environmental education programmes and develop environmental communication strategy.
- Promote waste minimisation and environmental education programmes undertaken by Assets and Services to the community.
- Continue programmes of education and facilitation for Schools; the Community; and Business and Industry.

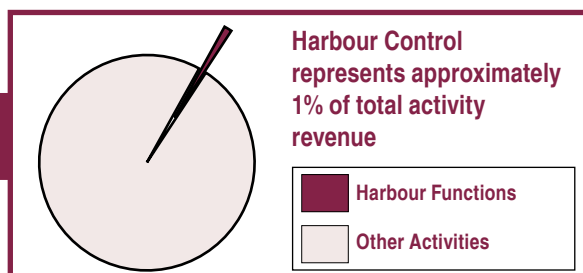
Solid and Hazardous Waste Management - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Landfill and Transfer Stations	2,267	2,432	2,433	2,440	2,447	2,514	2,573	2,568	2,565	2,566
Blenheim Refuse	618	618	615	616	615	615	615	615	616	616
Picton Refuse	171	171	170	170	170	170	170	170	170	170
Total Operating Costs	3,056	3,221	3,218	3,226	3,232	3,299	3,358	3,353	3,351	3,352
FUNDED BY										
Rates	1,645	1,856	1,846	1,848	1,846	1,942	1,995	1,995	1,985	1,981
General Revenues Applied	117	142	142	142	142	151	157	157	155	155
Other Revenue	844	857	871	886	901	918	937	957	972	998
	2,606	2,855	2,859	2,876	2,889	3,011	3,089	3,109	3,112	3,134
Operating deficit Funded from Reserves	450	366	359	350	343	288	269	244	239	218
	3,056	3,221	3,218	3,226	3,232	3,299	3,358	3,353	3,351	3,352
CAPITAL WORKS										
Landfill and Transfer Stations	970	16	180	17	21	1,570	107	20	33	27
Total Capital Works	970	16	180	17	21	1,570	107	20	33	27
Debt Repayment	203	203	203	203	203	251	251	256	245	245
	1,173	219	383	220	224	1,821	358	276	278	272
FUNDED BY										
Borrowings	970	-	-	-	-	1,570	-	-	-	-
Transfers from - Depn/Amort. Reserve	645	609	780	624	635	622	728	642	654	648
Other Reserves	(442)	(390)	(397)	(404)	(411)	(371)	(370)	(366)	(376)	(376)
	1,173	219	383	220	224	1,821	358	276	278	272

Note: Refer to note 2 on page 60 for the elimination of internal interest.

Note: The landfill has an expected life of 30 years. Modelling of future income streams and expenditures shows that the operations will generate a surplus of the life of the asset.

Harbour Control



What We Do & Why We Do It

Harbour control is undertaken primarily to ensure safety in Marlborough's 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 and safety within this area, as required in the Local Government Act 2002 and the Maritime Transport Act 1994.

The Maritime Transport Act 1994 also requires councils to prepare, maintain and review Regional Marine Oil Spill Contingency Plans. For the purpose of oil spill response, the Marlborough region's area of responsibility extends to the 12 nautical mile territorial boundary.

Asset Description

The main assets used for Harbour control are a patrol/response vessel, the network of navigational aids, and oil spill response equipment which belongs to MSA and is on loan to the District.

Issues and Changes

Commercial and recreational use of the Sounds is increasing, bringing with it attendant risks of accident. Council intends to increase its involvement in the Harbours area, and has introduced amendments to existing bylaws that will provide for appropriate levies and charges to be made. As a result of the introduction of the draft Port and Harbour Safety Code, Council is considering its response to a comprehensive review of risk management in this area, which include options for new structures and funding mechanisms to ensure these function are carried out in the most effective and efficient manner.

Managing Change

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 to demand for, or consumption of this service, and changes to preferred service provision levels and standards, by monitoring these and other issues as they arise, by analysing and forecasting community demand and use, and through the continual review of relevant asset management plans.

These processes will encompass decisions regarding how the provision of additional asset capacity will be undertaken; including the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

The Capital Expenditure Summary (Notes to the Financial Statements) on page 57 provides the current forecasts of how maintenance and renewal expenditure, and expenditure relating to changes in levels of service or demand are to be provided for.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

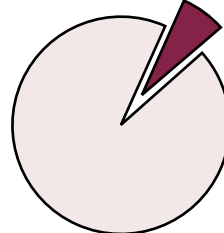
INDICATOR	TARGET 2004-2006
Marine farm compliance with lighting requirements.	Compliance with Marlborough District Council Bylaws and relevant Maritime legislation.
Annual increase compliance rates by 5% over 2002/03 levels.	<ul style="list-style-type: none"> Annual increase. Reports of non-compliance investigated and responded to within five working days.
Condition of navigation aid network.	<ul style="list-style-type: none"> Leading lights inspected quarterly, remaining lights bi-annually. Repair outages within 24 hours.
Accidents, injuries, and drowning.	Annual decline.
Numbers of training exercises.	<ul style="list-style-type: none"> At least one desk-top marine oil spill response management exercise conducted annually. At least one water equipment deployment exercise conducted annually.
Time to respond.	Oil spill reports evaluated within one hour of notification.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Harbour Control - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Harbour Control	752	748	748	748	749	751	732	730	732	734
Total Operating Costs	752	748	748	748	749	751	732	730	732	734
Operating Surplus Transferred To Reserves	-	9	7	7	6	5	4	2	1	-
	752	757	755	755	755	756	736	732	733	734
FUNDED BY										
Rates	528	577	575	575	575	576	559	555	556	495
General Revenues Applied	67	73	73	73	73	73	70	70	70	62
Other Revenue	107	107	107	107	107	107	107	107	107	177
	702	757	755	755	755	756	736	732	733	734
Operating Deficit transferred to Reserves	50	-	-	-	-	-	-	-	-	-
	752	757	755	755	755	756	736	732	733	734
CAPITAL WORKS										
Harbour Control	25	25	25	25	25	25	25	25	25	25
Total Capital Works	25	25	25	25	25	25	25	25	25	25
FUNDED BY										
Transfers from - Depreciation Reserve	15	16	18	18	18	20	21	23	24	25
Other Reserves	10	9	7	7	7	5	4	2	1	-
	25	25	25	25	25	25	25	25	25	25

Consents and Compliance



Consents and Compliance represents approximately 7% of total activity revenue



What We Do & Why We Do It

The Resource Management Act 1991 charges Council with the statutory function of receiving, processing and granting resource consents, including certificates of compliance. As a unitary authority, Council is responsible for regional, district as well as coastal functions. There are five types of consents that Council must process:

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

The majority of resource consents are approved subject to conditions. Council works closely with consent holders to ensure compliance.

The Building Act 1991 charges Council with the responsibility for receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code.

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

Asset Description

This group of activities depends heavily on people and information. It utilises staff knowledge and experience, coupled with organisational information, systems, and processes. Council operates personnel policies that are designed to attract and retain people with the experience and expertise to perform these functions to the highest standard. Council's information assets are managed so as to ensure they are also of high quality, and accessible to all staff.

Issues and Changes

At the time of writing, proposed changes to the building control regime were being considered by Parliament. The changes, set out in the Building Bill 2003, provide for better regulation of building work, the establishment of a licensing regime for building practitioners and the setting of performance standards for buildings. These changes, if and when enacted, will have flow-on effects on the regulatory processes of Council.

Other policy changes being considered by Parliament, or which may be introduced over the period of this plan, may similarly require changes to Council's regulatory processes. Changes in the coastal marine regulatory environment are likely.

Continued developments and changing land use within Marlborough place ongoing pressures on this activity, and the demand for land and water, especially, is expected to continue unabated. The relationships between activities and their flow on effects are often complex, and long-term impacts are not always immediately evident. Balancing multiple interests, including the interests of future generations, is an ongoing challenge.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, the assets underlying this activity are people and information. Council will monitor issues as they arise, and make such adjustments to its human resource and information resource capacity as may be required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities.

How We Check Progress

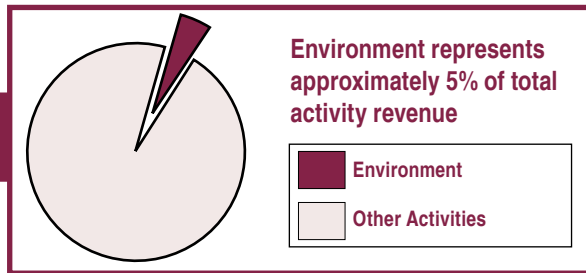
INDICATOR	TARGET 2004-2006
Timeframes for regulatory licensing and consent processing.	Hold or decline in processing times (2003 base).
Compliance with resource consent conditions.	Maintain a database for monitoring of resource consents.
Compliance with public health standards.	Carry out at least one inspection annually of all registered food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders.
Compliance with safety standards for dangerous goods.	Carry out at least one inspection annually of all premises where dangerous goods are manufactured, stored or used.
Responsiveness to complaints of non-compliance with Resource Management and Building Act statutory requirements.	Resolve all complaints, or develop a resolution strategy, within 21 days of receipt.
Pollution incidences, environmental noise, and nuisances within the community.	Respond to and investigate incidents that threaten public health within two working days.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Consents and Compliance - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
OPERATING COSTS										
Resource Consents	2,085	2,092	2,090	2,093	2,090	2,091	2,091	2,089	2,095	2,043
Building Consents	982	969	968	970	969	969	969	968	971	971
Resource Consent Hearings	523	524	524	525	525	525	525	524	525	525
Environmental Health	329	321	325	325	324	325	325	325	325	326
Total Operating Costs	3,919	3,906	3,907	3,913	3,908	3,910	3,910	3,906	3,916	3,865
Operating Surplus:										
Transferred to Reserves	1	-	-	1	2	2	2	1	-	(3)
	3,920	3,906	3,907	3,914	3,910	3,912	3,912	3,907	3,916	3,862
FUNDED BY										
Rates	2,003	1,995	1,993	2,001	1,996	2,000	2,002	2,000	2,009	1,960
General Revenues Applied	260	253	254	253	254	252	250	247	247	242
Other Revenues	1,657	1,658	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660
	3,920	3,906	3,907	3,914	3,910	3,912	3,912	3,907	3,916	3,862
CAPITAL WORKS										
Resource Consents	4	4	4	4	4	4	4	4	4	-
Building Consents	1	1	1	1	1	1	1	1	1	1
Environmental Health	2	2	2	2	2	2	2	2	2	2
Total Capital Works	7	7	7	7	7	7	7	7	7	3
FUNDED BY										
Transfers from -										
Depreciation Reserve	5	6	6	4	5	5	5	5	5	5
Other Reserves	2	1	1	3	2	2	2	2	2	(2)
	7	7	7	7	7	7	7	7	7	3

Environment



What We Do & Why We Do It

The Environment function of Council is carried out in terms of the requirements of the Resource Management Act 1991 (RMA). This function requires the monitoring and reporting on the state of Marlborough's environment - its land, air, water and coastal resources; and for preparation, and review, at not less than 10 year intervals, of policy for managing the natural and physical resources of Marlborough. Ensuring the ongoing involving of the community in defining issues, developing policy, and through to implementing best practice methods to manage issues is an important part of the function.

Monitoring Activities

Council is required to monitor the state of the environment, so it can effectively carry out its functions under the RMA. Monitoring of various resources can provide us with information that will:

- inform us about the current condition of the environment;
- tell us what the key pressures on the environment are, whether the environment is getting better or worse and what Council is doing or intending to do to look after the environment;
- allow Council to assess the effectiveness of policies and methods relating to environmental management;
- raise awareness of environmental issues in the community;
- assist in making suggestions on ways to reduce adverse environmental effects; and
- enable Council to support a range of practical, on the ground responses, to address specific issues, for example, working with landowners to protect areas of significant indigenous vegetation on their property or with Rai Valley farmers to improve water quality through eliminating dairy herd stream crossings.

Some of Council's monitoring programmes have been in place for a number of years, others for just a few years. Because of the expense of setting up these programmes, priorities have been set. Particular emphasis is given to groundwater and surface water, reflecting their value to the community and their vulnerability to over-use and/or contamination. Investigation and monitoring of the state of biodiversity, land, air and coastal resources are also included in the work programme.

Policy Framework

Council's three core RMA policy documents are:

- **The Marlborough Regional Policy Statement (MRPS)**
This is an operative document that provides a community based vision and direction for the managing of the natural and physical resources of Marlborough. It identifies five regionally significant issues for Marlborough and how they are to be addressed. The MRPS is due to be reviewed by August 2005, which will be a significant undertaking for Council in conjunction with the community.
- **The Marlborough Sounds Resource Management Plan**
This is an operative combined regional, regional coastal and district plan that provides the framework by which the natural and physical resources of the Marlborough Sounds area are to be managed. Although only operative for a short time there are a number of proposed changes underway. This is in response to issues that have been around for some time, such as the ship wake issue, or in response to newer issues e.g. domestic wastewater disposal from homes in the Sounds.
- **The Proposed Wairau/Awatere Resource Management Plan**
This plan is a combined regional, regional coastal and district plan that provides the framework by which the natural and physical resources of the Wairau/Awatere area of Marlborough are to be managed. The plan is still yet to be made operative but has been amended a number of times to address a range of issues. Achieving operative status for this plan is, however, now a major priority for Council.

Council also has in place other plans, which will be eventually superseded by the above resource management plans.

Asset Description

This group of activities depends heavily on people and information. It utilises staff knowledge and experience, coupled with organisational information, systems, and processes. Council operates personnel policies that are designed to attract and retain people with the experience and expertise to perform these functions to the highest standard. Council's information assets are managed so as to ensure they are also of high quality, and accessible.

Issues and Changes

Looking forward, as Marlborough's growth continues and resource use and conflicts increase there will be a need for more intensive monitoring and management. This is particularly expected to apply to water resources, subdivision and development, and most particularly the coastal environment, where our environmental monitoring strategy, with the partial exception of water quality issues, is at an early stage of development.

Air Issues

Marlborough's air quality is generally perceived to be very good. However there are localised issues with urban air quality in Picton and Blenheim, particularly from domestic fires. The intended responses to this issue are to continue monitoring programmes for Blenheim and Picton, and prepare management strategies to deal with any confirmed breaches of air quality standards, if needed. Testing will be extended to other urban centres if necessary.

Fresh Water Issues

Fresh water is one of life's essential ingredients and maintaining the quality and quantity of this resource is a significant issue for the wellbeing of the Marlborough community. The intended responses to deal with this issue centre on water quality, water allocation and water ecology. In particular, Council is undertaking a review of the management framework for water allocation in south Marlborough, in response to increased demand for water, changes in how water is used and pressures on specific water resources e.g. Southern Valleys aquifers.

Land Issues

The community relies on the use and development of land for cultural, social and economic wellbeing. However, with the use and development of land resources there is an associated challenge in dealing with a wide range of issues. The Council's intended responses to the management of these issues will include work on contaminated sites; land based ecology; sustainable land management; natural hazards; riparian management; domestic wastewater disposal; urban growth; Wairau Plain subdivision, use and development; Marlborough Sounds land issues; and historic heritage.

Coastal Issues

The coastal environment is important to the Marlborough community and beyond because it is a popular recreational and tourist area, a major economic resource for commercial fishing, marine farming and port related activities. These often conflicting activities place pressure on the marine environment but the longer term impacts of some of these activities are not well understood. In responding to these issues Council will focus on water quality; marine ecology; the effects of ship wakes; the effects of occupation of coastal space by foreshore structure; coastal occupancy charges; and the law relating to oceans, sea bed and foreshore, and aquaculture.

Legislative changes in respect of aquaculture activities and the foreshore and seabed debate may have implications for responses in respect of policy development and subsequent processing of resource consents.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, the assets underlying this activity are people and information. Council will monitor issues as they arise, and make such adjustments to its human resource and information resource capacity as may be required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities.

How We Check Progress

Progress is assessed against the regionally significant issues identified in the Marlborough Regional Policy Statement: protection of water ecosystems; protection of land ecosystems; enabling community wellbeing; protection of visual features and control of waste. For each of these issues, a policy response, methods of implementing the policy and anticipated outcomes are set out.

State of the environment monitoring assists in determining whether the anticipated outcomes are being achieved. For example, in relation to protection of water quality, an anticipated outcome is that the integrity and health of freshwater habitats, as shown by the long-term sustainability and natural species diversity, will be maintained and enhanced. Council's monitoring has shown that for the Rai Valley catchment, this outcome is not being achieved, because of the numbers of dairy herds crossing small streams. To address this issue a Council/community driven project has been established to improve water quality by reducing the number of dairy herds crossings streams.

The results of state of the environment monitoring are reported in a detailed state of the environment report that is produced every five years. An annual update is produced in intervening years.

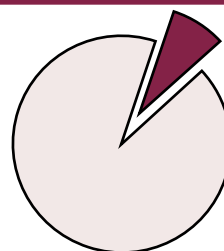
Where issues arise that have not been anticipated then monitoring is undertaken and reports are prepared on the particular issue.

A new reporting requirement from the Resource Management Amendment Act 2003, requires that Council must compile and make available to the public, at intervals of not more than 5 years, a review of the results of its monitoring of the 'efficiency and effectiveness of policies, rules or other methods in its policy statement or its plan'. What form this new reporting requirement might take has yet to be established.

Environment - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Environment Policy	1,348	1,413	1,347	1,346	1,342	1,342	1,342	1,341	1,344	1,337
Environment Monitoring	1,323	1,319	1,325	1,327	1,327	1,327	1,327	1,326	1,325	1,329
Total Operating Costs	2,671	2,732	2,672	2,673	2,669	2,669	2,669	2,667	2,669	2,666
Operating surplus										
Transferred to Reserves	(76)	(77)	(79)	20	17	17	17	17	20	17
	2,595	2,655	2,593	2,693	2,686	2,686	2,686	2,684	2,689	2,683
FUNDED BY										
Rates	2,297	2,356	2,299	2,389	2,382	2,386	2,388	2,388	2,393	2,387
General Revenues Applied	298	299	294	304	304	300	298	296	296	296
	2,595	2,655	2,593	2,693	2,686	2,686	2,686	2,684	2,689	2,683
CAPITAL WORKS										
Environment Monitoring	49	49	49	49	49	49	49	49	49	49
FUNDED BY										
Transfers from -										
Depreciation Reserve	24	26	28	30	32	33	33	32	29	32
Other Reserves	25	23	21	19	17	16	16	17	20	17
	49	49	49	49	49	49	49	49	49	49

Animal and Plant Pests – (Biosecurity)



Biosecurity
represents approximately
9% of total activity revenue



What We Do & Why We Do It

This activity helps ensure the economic and ecological sustainability of the District. Council carries out pest management in accordance with National and Regional Pest Management Strategies, prepared in conjunction with stake holders and in compliance with the Regional Policy Statement, and with the Biosecurity Act 1993 and Resource Management Act 1991.

The Regional Pest Management Strategy defines and classifies pests in the region into four categories:

- **Total Control Pests**
– pests to be eradicated throughout the region. The onus for control is shared between the land occupier and Council.
- **Containment Pests**
– pests that require control to prevent their spread and to reduce overall pest density levels over time. The control of these pests is a legal obligation for 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 of their impact and distribution.
- **Ecological Threats**
– pests that are regarded as being widely distributed and have been acknowledged as a threat to ecological values. Possible future pest control may be directed at sites with significant ecological values.

The responsibility for controlling pests lies primarily with land occupiers. 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.

The Council also has a responsibility to provide a service to the Animal Health Board, under a National Pest Management Strategy to reduce the impact of bovine tuberculosis. This involves managing and controlling the feral vectors, such as possums and stoats, that carry this disease. Central Government and Council provide funding for this programme, along with other stakeholders.

Further information is available by viewing Council's Regional Pest Management Strategy or the Biosecurity activities on Council's website or by directly contacting Council for a copy of the Regional Pest Management Strategy Operational Plan or Operational Plan Report.

Asset Description

This group of activities depends heavily on people and information. Council operates personnel policies that are designed to attract and retain people with the experience and expertise to perform these functions to the highest standard. Council's information assets are managed so as to ensure they are also of high quality, and accessible to all staff.

Issues and Changes

A substantial proportion of this activity is affected by national policies for the control of animal and plant pests, and by the strategies that are established with regional and national partnerships of which Council is a part. For example, an expansion to the Bovine Tb vector control programme (and subsequent funding requirements) is expected in the period of this plan.

Council is also a partner in the proposed National Pest Management Strategy for treatment of the varroa bee mite, which will require some additional resourcing.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, the assets underlying this activity are people and information. Council will monitor issues as they arise, and make such adjustments to its human resource and information resource capacity as may be required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities. Resource consents are generally required for any activity where there may be an environmental impact, and controls imposed as appropriate.

How We Check Progress

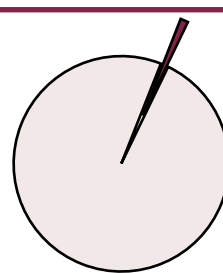
INDICATOR	TARGET 2004-2006
Long-term (5 year +) trends in containment control plant pests.	No new infestations outside known areas.
Long-term (5 year +) trends in total control pests.	Measurable decline over time.
Numbers of Tb infected herds.	<ul style="list-style-type: none"> No feral animal infected herds outside existing risk areas. Hold or decline in the number of feral animal infected herds in existing risk areas.
Possum populations in operational areas.	Maintain to less than or equal to the residual trap catch level stipulated in the operational plan.
Land occupier compliance.	100% compliance where containment control pests exist and control is required under the Regional Pest Management Strategy.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Animal and Plant Pests (Biosecurity) – Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Bovine TB Control	2,748	3,393	3,393	3,394	3,394	3,394	3,394	3,394	3,395	3,394
Regional Pest Management	577	545	548	549	549	549	549	548	549	551
Total Operating Costs	3,325	3,938	3,941	3,943	3,943	3,943	3,943	3,942	3,944	3,945
FUNDED BY										
Rates	749	799	800	803	802	804	805	804	807	807
Subsidies	2,083	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677	2,677
Other Revenue	361	361	361	361	361	361	361	361	361	361
General Revenues Applied	97	101	103	102	103	101	100	100	99	100
	3,290	3,938	3,941	3,943	3,943	3,943	3,943	3,942	3,944	3,945
Operating Deficit										
Funded From Reserves	35	-	-	-	-	-	-	-	-	-
	3,325	3,938	3,941	3,943	3,943	3,943	3,943	3,942	3,944	3,945

Animal Control



Animal Control represents less than 1% of total activity revenue



What We Do & Why We Do It

Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1995, and Animal Control Bylaws. This includes control of dogs, stock on public roads and other domestic animals. A large part of the activity involves dogs and dog registrations.

Asset Description

Animal control is provided under contract.

Issues and Changes

The implementation of the Dog Control Amendment Act 2003 will extend the authority of animal control officers.

Managing Change

Schedule 10 2 (1) (d) of the Local Government Act requires Council to identify how it will assess and manage the asset management implications of changes to demand for, or consumption of services. As noted above, this activity is contracted out. To the extent that asset management decisions may be relevant, Council will monitor issues as they arise, and make such adjustments to its capacity as may be required. Decisions taken in this regard will include the considerations envisaged in Schedule 10 2 (1) (d) of the Local Government Act.

Significant Negative Effects Associated with this Group of Activities:

No significant negative effects have been identified for this group of activities.

How We Check Progress

INDICATOR	TARGET 2004-2006
Response times.	Attend to dog attacks and rushes which have just occurred within 1 hour. Attend to possible threats to public safety within 5 hours. Attend to complaints of general nuisance within 48 hours. Investigate all other complaints within two working days.
Cost recovery rates.	Recover all dog control costs through registration fees and fines.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Animal Control - Operating and Capital Costs and Funding Forecasts

Financial Year	2004/05 (\$000's)	2005/06 (\$000's)	2006/07 (\$000's)	2007/08 (\$000's)	2008/09 (\$000's)	2009/10 (\$000's)	2010/11 (\$000's)	2011/12 (\$000's)	2012/13 (\$000's)	2013/14 (\$000's)
OPERATING COSTS										
Animal Control	295	293	299	292	292	298	292	292	298	293
Total Operating Costs	295	293	299	292	292	298	292	292	298	293
Operating Surplus:										
Transferred to Reserves	2	4	(2)	5	5	(1)	5	5	(1)	4
	297	297	297	297	297	297	297	297	297	297
FUNDED BY										
Rates	51	51	51	51	51	51	51	51	51	51
General Revenues Applied	6	6	6	6	6	6	6	6	6	6
Other Revenue	240	240	240	240	240	240	240	240	240	240
	297	297	297	297	297	297	297	297	297	297

Joint Committee

Marlborough Regional Forestry

Goal: To maximise return on investment.

Marlborough Regional Forestry (MRF) is a joint committee of the Marlborough District Council and the Kaikoura District Council (KDC). MDC owns 88.62% of the forestry estate and KDC owns the remaining 11.38%. The estate was valued at \$31.2 million as at 30 June 2003.

The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

Clear felling operations, which have commenced are expected to reach a sustainable annual harvest of 80,000m³.

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

OBJECTIVE FOR 2004/2005	TARGET 2004-2006
To ensure the programme of timber extraction maximises return on investment.	<ul style="list-style-type: none"> Harvesting strategy maintained. Operating plans for pruning, maintenance and replanting reviewed annually.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

Marlborough Regional Forestry (Stand Alone)

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Cost of Services										
Operating Costs	941	894	858	915	846	839	826	889	777	798
Revenue	5,220	4,347	4,345	4,554	4,623	4,782	4,789	3,703	4,237	5,095
Net Surplus/Deficit	4,279	3,454	3,487	3,640	3,778	3,943	3,963	2,814	3,460	4,297
Statement of Financial Position										
Public Equity	22,883	25,037	27,224	29,364	31,641	34,084	36,547	37,861	39,821	42,618
Current Assets	2,384	4,139	5,938	7,681	9,171	11,199	13,256	14,155	15,699	18,531
Less Current Liabilities	616	616	616	616	616	616	616	616	616	616
Working Capital	1,768	3,523	5,322	7,065	8,555	10,583	12,640	13,539	15,084	17,915
Non Current Assets	31,156	31,121	31,077	31,042	30,997	30,963	30,918	30,883	30,839	30,804
Non Current Liabilities	10,041	9,608	9,175	8,743	7,911	7,461	7,011	6,561	6,101	6,101
Net Assets	22,883	25,037	27,224	29,364	31,641	34,084	36,547	37,861	39,821	42,618

Council Controlled Organisations

MDC Holdings Limited

MDC Holdings is a council-controlled trading organisation (CCTO) and 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.

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

Port Marlborough New Zealand Limited wholly owns Marlborough Airport Limited. Maintenance of the runways and taxiways used by civil aircraft is the responsibility of the Airport Company as well as the provision of a terminal facility with associated minor freight handling.

OBJECTIVE

To operate as a successful holding company.

TARGETS 2004-2006

- 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.

Indicators and targets are indicative for the period 2007 – 2014, and will be reviewed and/or revised in the course of developing the 2006 LTCCP.

PART III: Financial Information

Statement of Cashflows

MARLBOROUGH DISTRICT COUNCIL

STATEMENT OF CASHFLOW FORECASTS for the year ending 30 June

10 Year Annual Plan	2005 (000's)	2006 (000's)	2007 (000's)	2008 (000's)	2009 (000's)	2010 (000's)	2011 (000's)	2012 (000's)	2013 (000's)	2014 (000's)
OPERATING ACTIVITIES										
Cash Provided From:										
Rates	34,348	35,891	36,147	36,515	36,915	37,327	37,562	37,654	37,992	37,959
User Charges & Other Receipts	20,140	19,178	19,363	19,512	19,614	19,842	19,850	18,857	19,498	20,016
Interest	1,351	1,491	1,615	1,782	1,952	2,135	2,330	2,447	2,619	2,789
Dividends Received	1,080	1,084	1,089	1,093	1,098	1,102	1,107	1,111	1,116	1,136
	56,919	57,644	58,214	58,902	59,579	60,406	60,849	60,069	61,225	61,900
Cash Disbursed For:										
Payments to Suppliers & Employees	36,352	36,062	36,142	36,144	36,071	36,133	36,284	36,101	36,245	35,677
Interest Paid	1,704	2,308	2,779	2,964	3,096	3,216	3,265	3,329	3,365	3,362
Subvention Payments	619	619	619	619	619	619	619	619	619	619
	38,675	38,989	39,540	39,727	39,786	39,968	40,168	40,049	40,229	39,658
NET CASH FLOWS FROM OPERATING ACTIVITIES	18,244	18,655	18,674	19,175	19,793	20,438	20,681	20,020	20,996	22,242
INVESTING ACTIVITIES										
Cash Provided From:										
Disposal of Fixed Assets	58	63	27	25	29	36	25	41	25	26
Withdrawal From Sinking Funds	0	724	0	150	4	3	1,541	611	482	555
	58	787	27	175	33	39	1,566	652	507	581
Cash Applied To:										
Sinking Fund Investments	2,267	2,742	2,801	3,046	3,182	3,428	3,605	3,632	3,751	3,899
Purchase of Fixed Assets	17,730	21,073	11,102	12,246	11,252	11,442	9,150	10,322	8,991	9,630
	19,997	23,815	13,903	15,292	14,434	14,870	12,755	13,954	12,742	13,529
NET CASH FLOWS FROM INVESTING ACTIVITIES	(19,939)	(23,028)	(13,876)	(15,117)	(14,401)	(14,831)	(11,189)	(13,302)	(12,235)	(12,948)
FINANCING ACTIVITIES										
Cash Provided From:										
Term Loans	3,514	11,808	1,777	3,278	405	2,770	30	823	0	0
	3,514	11,808	1,777	3,278	405	2,770	30	823	0	0
Cash Applied To:										
Term Loans	2,366	399	399	539	755	399	399	399	408	0
	2,366	399	399	539	755	399	399	399	408	0
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,148	11,409	1,378	2,739	(350)	2,371	(369)	424	(408)	0
NET INCREASE (DECREASE) IN CASH	(547)	7,036	6,176	6,797	5,042	7,978	9,123	7,142	8,353	9,294
Add Opening Cash Balance	4,795	4,248	11,284	17,460	24,257	29,299	37,277	46,400	53,542	61,895
Closing Cash Balance	4,248	11,284	17,460	24,257	29,299	37,277	46,400	53,542	61,895	71,189
Represented By:										
Cash & Deposits	4,248	11,284	17,460	24,257	29,299	37,277	46,400	53,542	61,895	71,189

Statement of Financial Performance

MARLBOROUGH DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FORECASTS - for the year ending 30 June

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
NET COST OF COUNCIL SERVICES										
Democratic Process	1,942	1,865	1,868	1,961	1,863	1,875	1,959	1,863	1,881	1,968
Community Services	6,431	6,204	6,249	6,235	6,259	6,282	6,243	6,263	6,309	6,269
Regional Development	938	668	668	668	668	668	668	668	668	669
Emergency Management	542	514	527	527	526	525	525	525	526	531
Land Transport	10,102	9,440	8,772	8,937	9,047	9,171	9,360	9,491	9,660	9,914
Rivers and Drainage	2,803	2,794	2,730	2,738	2,741	2,749	2,756	2,762	2,772	2,781
Wastewater (Sewerage)	2,984	3,169	3,417	3,495	3,785	3,861	3,909	3,913	3,982	3,863
Stormwater	681	697	697	694	695	697	698	691	693	748
Water Supply	4,350	5,084	5,567	5,639	5,640	5,680	5,723	5,713	5,738	5,779
Solid and Hazardous Waste Management	2,677	2,842	2,839	2,847	2,853	2,920	2,979	2,974	2,980	2,981
Harbour Control	752	568	568	568	569	571	552	550	552	554
Consents and Compliance Environment	3,919	3,906	3,907	3,913	3,908	3,910	3,910	3,906	3,916	3,865
Environment	2,671	2,732	2,672	2,673	2,669	2,670	2,670	2,667	2,669	2,666
Biosecurity	3,325	3,938	3,941	3,943	3,943	3,943	3,943	3,942	3,944	3,945
Animal Control	295	293	299	292	292	298	292	292	298	293
	44,412	44,714	44,721	45,130	45,458	45,820	46,187	46,220	46,588	46,826
General Expenses	935	962	990	1,001	1,011	1,041	1,036	1,047	1,031	1,060
Subvention Payment to MDC Holdings Ltd	619	619	619	619	619	619	619	619	619	619
Marlborough Regional Forestry	552	538	534	612	579	601	618	701	630	677
Total Expenditure	46,518	46,833	46,864	47,362	47,667	48,081	48,460	48,587	48,868	49,182
REVENUE										
Geographic General Rates & Charges	21,067	21,484	21,325	21,458	21,391	21,642	21,798	21,899	21,983	21,923
Other Targeted Rates & Charges	13,282	14,406	14,821	15,056	15,524	15,684	15,764	15,755	16,008	16,037
Subsidies & Grants	6,046	6,295	6,443	6,377	6,449	6,515	6,495	6,604	6,705	6,604
Interest	1,426	1,586	1,802	2,064	2,326	2,589	2,891	3,116	3,335	3,587
Dividends	1,080	1,084	1,089	1,093	1,098	1,102	1,107	1,111	1,116	1,136
User Charges and Other Operating Income	8,900	8,561	8,611	8,630	8,603	8,617	8,651	8,645	8,659	8,433
Marlborough Regional Forestry	4,551	3,758	3,664	3,754	3,723	3,784	3,684	2,613	3,038	3,717
Total Revenue	56,352	57,174	57,755	58,432	59,114	59,933	60,390	59,743	60,844	61,437
Less Total Expenses	46,518	46,833	46,864	47,362	47,667	48,081	48,460	48,587	48,868	49,182
Surplus/(Deficit)	9,834	10,341	10,891	11,070	11,447	11,852	11,930	11,156	11,976	12,255

Statement of Movements in Equity

MARLBOROUGH DISTRICT COUNCIL

STATEMENT OF MOVEMENTS IN EQUITY - for the year ending 30 June

	2004/05 \$000's	2005/06 \$000's	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's
Equity at beginning of year	565,527	575,361	585,702	596,593	607,663	619,110	630,962	642,892	654,048	666,024
Capital Injection										
Surplus / (Deficit) and Revaluation										
Net Surplus/(Deficit) after Taxation	9,834	10,341	10,891	11,070	11,447	11,852	11,930	11,156	11,976	12,255
Closing Equity	575,361	585,702	596,593	607,663	619,110	630,962	642,892	654,048	666,024	678,279

Statement of Financial Position

MARLBOROUGH DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION - for the year ending 30 June

	2003/04 \$000's	2004/05 \$000's	2005/06 \$000's	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's	2009/10 \$000's	2010/11 \$000's	2011/12 \$000's	2012/13 \$000's	2013/14 \$000's
Ratepayers' Equity											
Accumulated Funds/ Retained Earnings	416,570	425,684	430,626	434,960	438,629	443,897	446,839	451,604	454,545	457,236	461,051
Ordinary Reserves	20,613	21,333	26,732	33,289	40,690	46,869	55,779	62,944	71,159	80,444	88,884
Revaluation Reserves	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344
EQUITY	565,527	575,361	585,702	596,593	607,663	619,110	630,962	642,892	654,048	666,024	678,279
Represented By:-											
Current Assets											
Cash & Deposits	4,795	4,248	11,284	17,460	24,257	29,299	37,277	46,400	53,542	61,895	71,189
Receivables & Prepayments	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286	6,286
Stocks	141	141	141	141	141	141	141	141	141	141	141
	11,222	10,675	17,711	23,887	30,684	35,726	43,704	52,827	59,969	68,322	77,616
Less:-											
Current Liabilities											
Payables & Accruals	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146
Deposits Trusts & Agencies	5,447	5,484	5,520	5,556	5,593	5,629	5,665	5,702	5,738	5,774	5,811
	9,593	9,630	9,666	9,702	9,739	9,775	9,811	9,848	9,884	9,920	9,957
Working Capital	1,629	1,045	8,045	14,185	20,945	25,951	33,893	42,979	50,085	58,402	67,659
Non Current Assets											
Investments	21,648	24,313	26,730	29,930	33,225	36,802	40,626	43,088	46,508	50,184	53,528
Fixed Assets	565,215	574,529	587,276	590,629	594,788	597,718	600,575	600,987	602,440	602,423	602,806
	586,863	598,842	614,006	620,559	628,013	634,520	641,201	644,075	648,948	652,607	656,334
Less:											
Term Liabilities	22,965	24,526	36,349	38,151	41,295	41,361	44,132	44,162	44,985	44,985	45,714
NET ASSETS	565,527	575,361	585,702	596,593	607,663	619,110	630,962	642,892	654,048	666,024	678,279

Statement of Accounting Policies

Reporting Entity

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 2002. These financial statements comprise the activities of the Marlborough District Council and the other entities in which the Council has a significant interest.

The group consists of:

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

The financial statements have been prepared in terms of The Local Government Act 2002.

Measurement Base

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

Accounting Policies

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

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Inventories

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

Fixed Assets

Land Improvements and Buildings

Leased land at Conders Bend and the Forum site was valued by Alexander Hayward Limited (Registered Valuers). The value is the net current value as at 30 June 2003. All other land was valued by QV Valuations (Registered Valuers). The value is based on net current value as at 1 July 1999.

Improvements and buildings were valued by Alexander Hayward Limited (Registered Valuers). The values are based on the 1 July 1999 lower of depreciated replacement cost or net realisable value. Depreciation has been provided for the year ended 30 June 2003. Any assets acquired subsequent to 1 July 2003 are shown at cost less depreciation.

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

Library Books and Parking Meters

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

Forestry Crop

The Conders Bend forest was revalued by Mr Murray Turbitt (Bachelor of Forestry) of Merrill & Ring New Zealand Limited as at 30 June 2003. The basis of valuation is the estate based 'Net Present Value Method'.

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

Marlborough Regional Forestry forest crop values were determined by Merrill & Ring New Zealand Limited at 30 June 2003. The basis of valuation is the estate based Net Present Value Method.

Other Fixed Assets Excluding Infrastructural 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.

Infrastructural Assets

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

Roads, bridges, wharves, street lighting, water, sewer, stormwater and river control and drainage assets were valued at depreciated replacement cost as at 1 July 2001. The valuation was performed by Council engineering staff directly associated with managing these assets. Independent reviews of these valuations were carried out by Opus International Consultants (roads, bridges, wharves and street lighting) and Alexander Hayward Limited (water, sewer, stormwater, river control and drainage and land under roads). In the case of land under roads, an average of adjacent undeveloped land value has been applied.

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

Reserves, public conveniences and war memorial building and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on, as at 1 July 1999, the lower of cost and net realisable value. Any buildings and improvements acquired after 1 July 1999 are shown at cost less depreciation. Depreciation has been provided for the years ended 30 June 2003/14.

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

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

Depreciation

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

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

	LIFE	RATE
Roads, Streets and Bridges		
- Land under roads	Not depreciated	
- Pavement formation	Not depreciated	
- Pavement layers	50 - 100 years	1 - 2%
- 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 - 50 years	2 - 2.5%

	LIFE	RATE
Carparks		
- Parking meters/ticket machines	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 (excluding GEMs)	4 years	25%
Council GEMS computer equipment	5 years	20%
Plant, equipment (excluding Council infrastructural assets)	5 - 13.33 years	7.5 - 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%
- Meters	30 years	3.33%
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	13.33years	7.5%

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

As owner and operator of the Blenheim landfill, Council has depreciated the cost of the landfill development over its 46 year life and charged the depreciation to operating costs. The amortisation rate is based on volume utilisation divided by the capacity of the landfill site.

Landfill Post Closure Costs

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

Accounting for Deferred Taxation

The Council and its subsidiaries use the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Marlborough Regional Forestry

Marlborough Regional Forestry is a joint committee of Marlborough District Council (88.62%) and Kaikoura District Council (11.38%) and is not subject to income tax on income from its own operations.

Goods and Services Taxation

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

Cost of District Council's Significant Activities

(a) Operating Costs

All direct costs of providing services and allocating overheads have been charged to the relevant significant activity.

(b) Direct costs include salaries and wages, materials, services, depreciation and a share of the other costs of managing each significant activity within the groupings of:

- Services
- Resource Management and Regulatory
- Commercial and Other Property

(c) Allocated Overheads

The costs of providing supporting services for the Marlborough District Council are accumulated and then allocated to each significant activity using appropriate allocation bases which reflect usage and/or capacity for each significant activity.

(d) General type rates have been allocated to significant activities of Council in the Cost of Service statements. The basis of allocation is as detailed in the Annual Plan.

Activities Funded From Targeted Rates

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

Restricted Reserves

(a) Revenue

Revenue related to restricted reserves is reported in the Statement of Financial Performance. It is not available for ordinary purposes.

(b) Expenditure

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

(c) Appropriations

The net amount of restricted reserves revenue less allowable expenditure as in (b) above, is appropriated from accumulated funds to restricted reserves each year. These appropriations are shown in note 9.

Employee Entitlements

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

Investments

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

Financial Instruments

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

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

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

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

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

Changes in Accounting Policies

The LTCCP financial statements do not include the consolidated figures of Council and its subsidiaries. These will be reported together with the 'Actuals' in the Annual Report.

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

The forecast financial information on pages 17 to 67 has been prepared in accordance with the Council's current accounting policies as specified on pages 55 to 59. The Council is aware that it may have to alter some of its accounting policies in the future as a result of the Accounting Standards Review Board's decision to adopt International Financial Reporting Standards as the basis for new New Zealand financial reporting standards, for periods commencing 1 January 2007. However, the forecast financial information presented does not take account of the potential impact on the Council of the new New Zealand financial reporting as this impact is not yet known.

Notes to the Financial Statements

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

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

The actual results achieved for the years ended 30 June 2005 to 2014 are likely to vary from the information presented, and the variations may be material.

2. Elimination of Internal Interest

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

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

ACTIVITY

	2004/05 \$000	2005/06 \$000	2006/07 \$000	2007/08 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000	2011/12 \$000	2012/13 \$000	2013/14 \$000
Community Services	192	192	192	192	192	192	192	80	80	80
Land Transport and Other Services	567	567	514	514	514	514	514	514	508	508
Wastewater	541	541	541	541	541	540	540	539	533	533
Stormwater	207	207	207	207	207	207	207	207	191	176
Water	554	553	552	551	551	551	551	551	541	519
Waste Management	379	379	379	379	379	379	379	379	371	371
	2,440	2,439	2,385	2,384	2,384	2,383	2,383	2,270	2,224	2,187

3. Capital Expenditure Summary (GST Exclusive)

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Biosecurity	Funded by General Rates										
	Sundry plant	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Cemeteries	Funded by User Charges and Rates										
- Fairhall	Land purchases/improvements		12,000	15,000	25,000						
- Havelock	Land purchases/improvements			10,000							
- Omaka	Land purchases/improvements		25,000								
- Picton	Land purchases/improvements				25,000						
- Tuamarina	Land purchases/improvements				15,000						
		0	37,000	25,000	65,000	0	0	0	0	0	0
Community: Security	Funded by Rates										
	Security Cameras					200,000					200,000
		0	0	0	0	200,000	0	0	0	0	200,000
Consents	Funded by User Charges and Rates										
- Building Control	Capital Purchases	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
- Health & Liquor	Capital Purchases	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
- Resource Consents	Capital Purchases	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
		6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	6,200	2,700
Emergency Management	Funded by Rates										
	Equipment	27,100	30,800	27,000	25,400	28,400	24,000	25,400	27,800	25,000	25,000
		27,100	30,800	27,000	25,400	28,400	24,000	25,400	27,800	25,000	25,000
Environmental Review	Funded by Rates										
- Hydrometrics	Instrumentation	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
	Telemetry field equipment	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
		49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000	49,000

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Halls											
- Spring Creek	Improvements	10,000									
		10,000	0	0	0	0	0	0	0	0	0
Harbour Control	Funded by Rates										
- Navigation Aids	Navigational aids	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Information Services	Funded by Internal Charges and Reserves										
- Information Services	Equipment	369,000	347,000	432,000	397,000	1,509,000	432,000	357,000	397,000	432,000	457,000
		369,000	347,000	432,000	397,000	1,509,000	432,000	357,000	397,000	432,000	457,000
Libraries	Funded by Rates and Reserves										
	Materials	193,700	250,200	258,700	285,700	305,700	217,200	243,700	274,200	291,700	247,200
		193,700	250,200	258,700	285,700	305,700	217,200	243,700	274,200	291,700	247,200
Memorials	Funded by Rates										
- Havelock	Other buildings & Structures							4,500			
- Rai Valley	Other buildings & Structures								4,000		
- Seddon	Other buildings & Structures		5,000								
- War Memorial Fountain	Other buildings & Structures			20,000							
- Ward	Other buildings & Structures		2,500								
		0	7,500	0	20,000	0	0	4,500	4,000	0	0
Museums	Funded by Rates										
- Ward	Other buildings & Structures					2,000					
		0	0	0	0	2,000	0	0	0	0	0
Office Services	Funded by Internal Charges and Reserves										
- Administration	Office equipment	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
- Administration Building	Other buildings & Structures	2,675,000	80,000	126,000	16,500	64,000	37,000	52,000	140,000	60,000	60,000
		2,755,000	160,000	206,000	96,500	144,000	117,000	132,000	220,000	140,000	140,000
Parking	Funded by User Charges										
- Blenheim	Parking meters	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Plant	Funded By Internal User Charges										
- Plant	Equipment	452,300	360,270	223,300	65,270	507,300	169,270	55,300	194,300	60,300	518,300
		452,300	360,270	223,300	65,270	507,300	169,270	55,300	194,300	60,300	518,300
Community Housing	Funded By User Charges										
Community Housing	Other buildings & Structures	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
		120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Rental Housing	Funded By User Charges										
Rental Housing	Other buildings & Structures	20,030	20,700	16,200	2,500	6,000	6,500	9,000	17,200	15,000	19,500
		20,030	20,700	16,200	2,500	6,000	6,500	9,000	17,200	15,000	19,500
Public Conveniences	Funded by Rates										
- Awatere	Other buildings & Structures	8,000									
- Blenheim	Other buildings & Structures		65,000						65,000		
- Canvastown	Other buildings & Structures				4,500						
- Flaxbourne	Other buildings & Structures			4,500							
- Picton	Other buildings & Structures	8,000									
- Rai Valley	Other buildings & Structures		8,000				4,000				
- Renwick	Other buildings & Structures				30,000						
- Rural	Other buildings & Structures							30,000			
		16,000	73,000	4,500	34,500	0	4,000	30,000	65,000	0	0
Reserves	Funded By Land Subdivision Account										
- A&P Park (Group 6)				20,000	10,000	15,000	20,000				
- Athletic park (Group 7)					5,000	25,000	25,000		30,000		
- Auckland Street/Wairau Road (Group 2a)					5,000						
- Beach Road (Group 2a)					6,000						
- Burleigh Park (Group 1a)			10,000								
- Churchward Park (Group 9)		15,000	5,000								
- Dillons Point Centre (Group 1a)								5,000			

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
- Eltham Road (Group 1a)		15,000									
- Endeavour Park (Group 5)		65,000									
- Eric Young Reserve (Group 1a)		10,000									
- Esplanade (Group 14) 20,000		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
- Fisherman's (Group 2a)					5,000						
- Fultons Creek (Group 1a)					10,000						
- George Powell (Group 1a)			10,000								
- Harling Park (Group 1a)		5,000	5,000	20,000	5,000		20,000				
- Havelock Domain (Group 10)						10,000					
- Henderson Street (Group 1a)		5,000									
- Horton Park (Group 6)		5,000		5,000		5,000	30,000	30,000			
- Koromiko Deer Park (Group 14)		8,000	8,000	3,500							
- Manor Park (Group 1a)						36					
- Morington (Group 1a)								7,500			
- Okiwi Bay (Group 14)				4,500							
- Oliver Park (Group 7)		5,000	25,000	5,000	7,500	5,000		5,000			
- Picton Foreshore (Group 8)				25,000				10,000			
- Pollard Park General (Group 12)		45,000	30,000	20,000	15,000	20,000					
- Pollard Park Golf (Group 15)		25,000		15,000	15,000	15,000					
- Rata Park (Group 1a)		15,000		10,000							
- Renwick Domain (Group 4)			5,000		15,000	35,000					
- Renwick Domain (Group 4)											
- Rewi Murray Polo Ground (Group 15)			25,000				50,000				
- Riversdale Park (Group 1a)			10,000								
- Riverside Park (Group 12)			15,000								
- Rousehill (Group 1b)								25,000			
- Scotland Street (Group 2a)								5,000			
- Seymour Square (Group 12)				10,000		35,000		40,000			
- Sutherland Stream (Group 1a)		15,000	10,000								
- Taylor Dam (Group 1a)20,000				5,000							
- Taylor River (Group 12)		30,000									
- Tirimoana (Group 14)				3,500							
- Unspecified (Group 1a)		22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
- Waikawa Foreshore (Group 8)		10,000	8,000								
- Walkways - Other Rural (Group 14)								15,000			
- Walkways Picton Rural (Group 8)		4,500			5,000						
- Whitehead Park (Group 1a)			15,000								
- Wither Hills Amenity Planting (Group 13)		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
- Wither Hills Walkway (Group 13)		5,000		5,000		5,000		5,000		5,000	
		375,000	253,500	210,500	194,500	177,536	157,500	187,500	95,000	57,500	52,500
Rivers Operations	Funded by Rates										
Drainage Pump Stations:											
Blenheim	Pump stations	70,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Drainage Pump Stations: Rural	Pump stations	70,000									
Drains: Blenheim											
Minor Rivers	Drainage channels	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Drains: Rural											
Zone A	Drainage channels	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Rivers out WV: Picton/Waikawa	Rock and Gabion protection	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Rivers WV: Gibson Creek	Earthworks	25,000									
Rivers WV: Lower Opawa	Earthworks	35,000	20,000	20,000							
Rivers WV: Lower Wairau	Earthworks		20,000	20,000	20,000	200,000	200,000	200,000	200,000	200,000	200,000
Rivers WV: Opawa Loop	Earthworks	20,000	20,000	60,000	100,000	40,000	40,000	40,000	40,000	40,000	40,000
Rivers WV: Other Rivers in W.V.	Land Purchases / Improvements	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Rivers WV: Pukaka	Earthworks			20,000	20,000	45,000	45,000	45,000	45,000	45,000	45,000
Rivers WV: Taylor	Earthworks	57,000	85,000	45,000	25,000						
Rivers WV: Taylor Dam	Dams	50,000									

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Rivers WV: Upper Opawa and Roses Overflow	Earthworks	25,000									
Rivers WV: Wairau Diversion	Earthworks	50,000	40,000	40,000	40,000	140,000	140,000	140,000	140,000	140,000	140,000
Rivers WV: Wairau Tuamarina	Earthworks	50,000	100,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000
		677,000	540,000	560,000	560,000	730,000	730,000	730,000	730,000	730,000	730,000
Roads Streets and Bridges	Funded by Rates and Development Impact Levies										
Roading Related Works: Blenheim	Sealed pavement		81,400				60,000				
	Streetlighting	17,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318	17,318	
Roading Related Works: Other	Footpaths (concrete)	40,000	40,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
	Kerb & Channel	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Renewals: Footpaths (sealed)	120,000	120,000	120,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
	Renewals: Kerb and Channel	55,000	55,000	55,000	55,000	55,000	198,862	187,990	188,457	188,925	189,390
	Renewals: Street Furniture	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Renewals: Vehicle crossings	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Sealed pavement								100,000	100,000	100,000
	Streetlighting	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800	35,800
	Vehicle crossings	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Roading Related Works: Wairau/ Awatere	Sealed pavement	25,000	25,000	30,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Roads: Archer's Roads SRA (non-sub)	Sealed pavement		92,000		92,983						
Roads: French Pass Road SRA (subsidised)	Sealed pavement	100,000			100,000			100,000			100,000
Roads: General Roading	Culverts	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500	64,500
	Renewals: Area wide pavement treatment	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000
	Renewals: Bridges	70,000		100,000		80,000			160,000	160,000	160,000
	Renewals: Culverts	86,595	86,595	86,595	86,595	86,595	86,595	85,500	85,500	85,500	85,500
	Renewals: Maintenance chip seal	1,140,000	1,220,000	1,300,000	1,380,000	1,460,000	1,540,000	1,620,000	1,700,000	1,780,000	1,860,000
	Renewals: Sealed pavement	323,407	326,117	328,827	331,537	334,247	336,957	339,667	342,377	345,087	347,797
	Renewals: Surface Water Channels	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Renewals: Thin asphaltic coating	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Renewals: Unsealed pavement	362,235	360,880	359,525	358,170	356,815	355,460	354,105	352,750	351,395	350,040
	Sealed pavement	814,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	600,000
	Surface water channels	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Roads: Kenepuru Road SRA (non-sub)	Sealed pavement	120,000		120,000		120,000		120,000		120,000	
Roads: Rainbow Road	Renewals: Maintenance chip seal			60,000			60,000			60,000	
Roads: Subdivisional Works	Sealed pavement	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Roads: Taylor Pass Road SRA (non-sub)	Sealed pavement	300,000									
Street Plots - Blenheim	Street plots	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Street Trees - Blenheim	Street trees	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Wharves: Other	Wharves.		120,000		20,000		20,000	20,000	20,000	20,000	20,000
		5,006,855	4,777,610	4,888,565	4,897,903	4,966,275	5,131,492	5,300,880	5,422,702	5,684,525	5,469,027

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Sewerage		Funded by Rates									
- Blenheim	Connections	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Pipelines	1,276,630	342,000	625,622	172,000	383,567	211,788	35,725	15,868	158,961	109,584
	Pump stations	107,000	150,000	5,000	78,000	50,000					
	Renewals: Pipelines	76,000	76,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Renewals: Pump stations		16,000	16,000		330,700		15,200		85,800	93,800
	Telemetry field equipment	5,000	2,625	1,000	2,750	5,750	5,750	1,250	2,000	2,000	2,000
	Treatment plant	68,000	2,230,472	67,000	2,695,782						
		1,557,630	2,842,097	759,622	2,993,532	815,017	262,538	97,175	62,868	291,761	250,384
- Havelock	Connections	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244	1,244
	Oxidation ponds	1,098	13,308	126,924	292	1,149	576	951	631	1,489	968
	Renewals: Pump stations	10,000	10,000								
	Telemetry field equipment	1,563	820	313	859	1,797	1,797	391	625		
		13,905	25,372	128,481	2,395	4,190	3,617	2,586	2,500	2,733	2,212
- Picton	Connections	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Pipelines	5,000	5,000	5,000	5,000	5,000	140,961	25,757	17,196	13,317	5,000
	Pump stations	355,387	4,971	15,000	230,000						400,682
	Renewals: Pipelines	75,000	75,000	108,777	1,107,428	35,000	700,000	20,000	20,000		20,000
	Renewals: Pump stations					59,000					
	Telemetry field equipment	2,813	1,477	563	1,547	3,234	3,234	703	1,125	1,125	0
	Treatment plant				20,000	510,944					
		448,200	96,448	139,340	1,373,975	623,178	854,195	56,460	48,321	24,442	435,682
- Renwick	Pipelines	825,927									
	Pump stations	93,025									
		918,952	0	0	0	0	0	0	0	0	0
- Seddon	Connections	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Telemetry field equipment	313	164	63	172	359	359	78	125	170	0
	Treatment plant	113	5,335	114,765	163	514	257	627	380	1,400	778
		1,426	6,499	115,828	1,335	1,873	1,616	1,705	1,505	2,570	1,778
- Spring Creek	Connections	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Oxidation ponds	163,024	81	244	210	785	393	717	464	1,197	778
	Telemetry field equipment	938	492	188	516	1,078	1,078	234	375		
		164,962	1,573	1,432	1,726	2,863	2,471	1,951	1,839	2,197	1,778
		3,105,075	2,971,989	1,144,703	4,372,963	1,447,121	1,124,437	159,877	117,033	323,703	691,834
Stormwater		Funded by Rates									
- Blenheim	Connections	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Pipelines	60,000	154,300	60,000	9,700		42,400		3,500		
	Renewals: Pipelines	90,000	90,000	90,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
		170,000	264,300	170,000	79,700	70,000	112,400	70,000	73,500	70,000	70,000
- Havelock	Connections	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Pipelines							3,000	3,000	3,000	
	Renewals: Pipelines								2,000	2,000	
		1,000	1,000	1,000	1,000	1,000	1,000	4,000	6,000	6,000	1,000
- Okiwi Bay	Pipelines			42,666			42,666			42,666	
		0	0	42,666	0	0	42,666	0	0	42,666	0
- Picton	Connections	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Pipelines	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Renewals: Pipelines	50,000	50,000	50,000	30,000	30,000	30,000	9,000	9,000	9,000	9,000
		75,000	75,000	75,000	55,000	55,000	55,000	34,000	34,000	34,000	34,000
- Renwick	Connections	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Pipelines	270,000									
	Renewals: Pipelines	10,000			10,000	10,000	10,000	10,000	10,000	10,000	
		282,000	2,000	2,000	12,000	12,000	12,000	12,000	12,000	12,000	2,000
- Spring Creek	Connections	711	711	711	711	711	711	711	711	711	711
	Pipelines								9,000	9,000	
		711	711	711	711	711	711	711	9,711	9,711	711
		528,711	343,011	291,377	148,411	138,711	223,777	120,711	135,211	174,377	107,711

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Swimming Pools	Funded by Rates										
- Awatere	Other buildings & Structures			6,000				8,000			
- Picton	Other buildings & Structures	4,500					6,500				
		4,500	0	6,000	0	0	6,500	8,000	0	0	0
Waste Management	Funded by User Charges and Rates										
Waste Landfill: Regional	Extensions	969,521	15,815	180,356	17,081	20,670	1,570,363	106,916	20,064	32,955	26,674
		969,521	15,815	180,356	17,081	20,670	1,570,363	106,916	20,064	32,955	26,674
Water	Funded by Rates										
- Awatere	Connections	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
	Pipelines			193,680		3,000	40,000				
	Renewals: Pipelines	100,000	55,860	55,860	55,860	55,860	55,860	55,860	55,860	55,860	55,860
	Renewals: Pump stations	2,188	1,148	438	1,204	2,516	2,516	547	875	600	600
	Reservoirs					66,808	626,300				
	Treatment plant	74,417	1,405,692		8,751			36,281	21,180	74,764	48,612
		182,605	1,468,700	255,978	71,815	134,184	730,676	98,688	83,915	137,224	111,072
- Blenheim	Connections	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Pipelines	1,592,677	748,000	68,308	301,348	248,481	205,412	644,274	109,000	219,399	198,749
	Pump stations	48,000	745,000								18,000
	Renewals: Connections	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
	Renewals: Pipelines	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Renewals: Pump stations	4,400	2,300	112,000	14,100	40,000		14,100			
	Reservoirs	77,000	1,841,000								
	Treatment plant	55,000	1,120,000					20,000	552,484		
		1,997,077	4,676,300	400,308	535,448	508,481	425,412	898,374	881,484	439,399	436,749
- Havelock	Connections	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Pipelines			89,716	603	5,450	893	192,180	1,435	5,087	3,308
	Pump stations		75,000								
	Renewals: Pipelines	2,000	2,000	53,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Renewals: Pump stations					9,700					
	Telemetry field equipment	625	328	125	344	719	719	156	250	250	250
	Treatment plant	12,339	188,819								
		16,964	268,147	144,841	4,947	19,869	5,612	196,336	5,685	9,337	7,558
- Picton	Connections	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	Pipelines	253,252	151,000	315,000	18,000	61,923	35,226	70,904	50,060	129,124	90,603
	Pump stations	20,000	330,000								
	Renewals: Connections	25,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
	Renewals: Pipelines	60,000	120,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
	Renewals: Pump stations			12,600		25,200					
	Reservoirs	37,000	285,000	1,203,769							
	Treatment plant	77,232	661,723		137,892						
		484,484	1,585,723	1,604,369	228,892	160,123	108,226	143,904	123,060	202,124	163,603
- Renwick	Connections	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
	Pipelines	19,100	16,000	5,469	4,665	7,536	11,007	63,231	762,138	17,364	12,340
	Pump stations	55,000						15,000	235,000		
	Renewals: Pipelines	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Renewals: Pump stations		7,200				30,300	7,200			
	Reservoirs	20,000	520,000								
	Treatment plant	63,124	682,694					15,000	80,000		
		166,224	1,234,894	14,469	13,665	16,536	50,307	109,431	1,086,138	26,364	21,340
- Riverlands	Pipelines	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Pump stations	10,000									
	Renewals: Pump stations		41,000			16,000					
	Reservoirs	150,000									
	Treatment plant	0	1,264,664	206	139	6,426	189	24,302	214,355	1,197	778
		161,000	1,306,664	1,206	1,139	23,426	1,189	25,302	215,355	2,197	1,778

Capital Expenditure	Description	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
- Wairau Valley	Treatment plant	5,429	137,064								
		5,429	137,064	0	0	0	0	0	0	0	0
		3,013,783	10,677,492	2,421,171	855,906	862,619	1,321,422	1,472,035	2,395,637	816,645	742,100
GRAND TOTAL	CAPITAL EXPENDITURE	17,730,463	21,072,775	11,102,260	12,245,522	11,252,220	11,442,349	9,149,757	10,322,005	8,990,593	9,620,204

4. Overhead Accounts

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

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

Schedule of Movements in Reserves, Separate and Special Funds

	2004/05 000's	2005/06 000's	2006/07 000's	2007/08 000's	2008/09 000's	2009/10 000's	2010/11 000's	2011/12 000's	2012/13 000's	2013/14 000's
Special Purpose Reserve										
Opening Balance	20,613	21,333	26,732	33,289	40,690	46,869	55,779	62,944	71,159	80,444
Transfer from / (to)										
Accumulated Fund	720	5,399	6,557	7,401	6,179	8,910	7,165	8,215	9,285	8,440
Closing Balance	21,333	26,732	33,289	40,690	46,869	55,779	62,944	71,159	80,444	88,884
Revaluation Reserves										
Opening Balance	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344
Transfer from / (to)										
Accumulated Fund										
Closing Balance	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344	128,344
Total Reserves and Bequests										
Opening Balance	148,957	149,677	155,076	161,633	169,034	175,213	184,123	191,288	199,503	208,788
Transfer from / (to)										
Accumulated Fund	720	5,399	6,557	7,401	6,179	8,910	7,165	8,215	9,285	8,440
Closing Balance	149,677	155,076	161,633	169,034	175,213	184,123	191,288	199,503	208,788	217,228

6. Loans

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

Borrowings

	2004-05 Budgets \$000's	2005-06 Budgets \$000's	2006-07 Budgets \$000's	2007-08 Budgets \$000's	2008-09 Budgets \$000's	2009-10 Budgets \$000's	2010-11 Budgets \$000's	2011-12 Budgets \$000's	2012-13 Budgets \$000's	2013-14 Budgets \$000's
Cemeteries	0	25	10	65	0	0	0	0	0	0
Public Conveniences	0	73	0	30	0	4	30	65	0	0
Waste Management	970	0	0	0	0	1,570	0	0	0	0
Parking - Picton	336	0	0	0	0	0	0	0	0	0
Picton Stormwater	25	0	0	0	0	0	0	0	0	0
Renwick Stormwater	282	0	0	0	0	0	0	0	0	0
Blenheim Sewerage	976	2,218	153	2,283	0	0	0	0	0	0
Picton Sewerage	0	0	0	900	405	620	0	0	0	0
Havelock Sewerage	5	16	124	0	0	0	0	0	0	0
Renwick Sewerage	221	221	0	0	0	0	0	0	0	0
Seddon Sewerage	0	0	30	0	0	0	0	0	0	0
Spring Creek Sewerage	150	0	0	0	0	0	0	0	0	0
Blenheim Water	700	4,055	0	0	0	0	0	0	0	0
Havelock Water	0	238	117	0	0	0	0	0	0	0
Picton Water	0	1,233	1,343	0	0	0	0	0	0	0
Renwick Water	100	1,172	0	0	0	0	0	758	0	0
Awatere Water	0	1,170	0	0	0	576	0	0	0	0
Riverlands Water	85	1,262	0	0	0	0	0	0	0	0
Wairau Valley Water	0	125	0	0	0	0	0	0	0	0
Totals	3,514	11,808	1,777	3,278	405	2,770	30	823	0	0

7. Bank Account/Reserves

The 'Cash and Deposits' line increases from \$4.795 million to \$71.189 million in 2013/14. This figure is dependent upon future revenue expectations from Council's investments in Port Marlborough, Marlborough Regional Forestry and River Lease income. None of this income is guaranteed and should this income be obtained Council will reduce its external borrowing of \$46.051 million. This will result in a reduced 'Cash and Deposits' figure of \$26 million of which \$15 million has been budgeted for Disaster Recovery Reserves. Refer also to Note 5 which highlights the build-up of special purpose reserves.

8. Net Surplus after Taxation of Marlborough District Council

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

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Capital Expenditure	17,730	21,073	11,102	12,246	12,252	11,442	9,150	10,322	8,991	9,630
Loan Repayments	4,633	2,417	3,200	3,435	3,933	3,824	2,463	3,420	3,677	3,344
	22,363	23,490	14,302	15,681	16,185	15,266	11,613	13,742	12,668	12,974
Surplus	9,834	10,341	10,891	11,070	11,447	11,852	11,930	11,156	11,976	12,255
Add Back Depreciation	8,357	8,258	7,720	8,057	8,288	8,546	8,710	8,823	8,980	9,217
New Loans	3,514	11,808	1,777	3,278	405	2,770	30	823	0	0
Net Movement in Reserves	600	(6,980)	(6,113)	(6,749)	(3,984)	(7,938)	(9,082)	(7,101)	(8,313)	(8,524)
Asset Sales	58	63	27	25	29	36	25	41	25	26
	22,363	23,490	14,302	15,681	16,185	15,266	11,613	13,742	12,668	12,974

Assumptions, Disclosures and Compliance

Assumptions

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

Population

It is extremely difficult to determine the level of growth in Marlborough over the next ten years. Using demographic trends indicated by Statistics New Zealand the rate of growth has been assumed to be 1% per annum. This growth along with known areas of development has been used in planning for future infrastructure requirements.

Inflation

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

Interest Rates /Term of Loans

All loans have been raised for a period of twenty years with interest of 7.5% being applied.

Revenue

Revenue from user charges has 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. Income from subsidiary operations has been supplied by subsidiary entities and represents the conservative forecast options provided.

Change in Levels of Service

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

Asset Management Plans

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

Change in Activities

Council will continually review its activities to ensure they remain appropriate for Council to undertake. In addition Council will continually review how the services it is responsible for can be most effectively delivered. This plan includes new activities for Renwick Sewerage and the Southern Valleys Irrigation Scheme.

Legislative Framework

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

This plan has been prepared on the basis of the provisions in the new legislation.

Future changes in legislation or central government policy could significantly impact on local government and the communities it serves. Currently, there are reviews being undertaken by central government that could affect the requirements on Council with regard to water quality standards, building control, animal control, and with regard to its obligations under the Resource Management Act.

Contained in this plan is an allowance for capital works to achieve compliance with proposed drinking water standards. This expenditure while highlighted in the 2005/06 financial year is subject to a high degree of uncertainty.

At the time of preparing this plan Parliament was considering the Building Bill 2003, which could impose changes that would have a flow on effect on the regulatory processes of Council. It is expected that these effects would need to be recovered from increased fees and charges. There is however a considerable degree of uncertainty associated with the content of the final Act and the manner in which Council will respond to its requirements.

Other areas of uncertainty are with regard to proposed review of the Resource management Act and in particular the coastal marine regulatory environment.

Consumption and Demand

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

Subsidies

It has been assumed that subsidies (Animal Health Board contributions) received by Council for carrying out Bovine Tb control will continue unchanged. The actual programme of works carried out by Council is determined by the Animal Health Board each year and can be subject to significant fluctuations. The level of Transfund subsidy for roading functions has been reduced from 48% to 47% in the 2004/05 financial year. The current subsidy rate has been used for the term of the plan.

Reserves

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

Disclosures

Depreciation

Council provides for the future replacement of its assets by providing for depreciation for its fixed assets. By legislation Council is required to fund the provision for future asset replacement. The purpose of this is to ensure that the generations that use the assets pay for the wear and tear on them.

Council in preparing this plan has reviewed its asset management plans and has recalculated the provisions made. The impact on some communities of having to fund depreciation causes significant financial burden and generates an unfair charge against the residents using the service today.

The Havelock sewerage scheme predominantly funded by way of lump sum contributions in the past would have to also fund its replacement in the future. Council believes that the requirement for the Havelock community to fund the provisions made in the account create an unfair charge against the residents who have established the scheme to date. Council has not funded the depreciation cost for this scheme within the plan and has consulted with the community to ensure that there is agreement with this approach.

The Wairau Valley water supply was similarly funded by previous generations and Council has not funded the provision for its future replacement within this plan. Council has undertaken consultation to ensure that this community is in agreement with the approach.

Contingencies and Commitments

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

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

Compliance

Entity Statement

This Long Term Council Community Plan (LTCCP) covers the activities of the Marlborough District Council. The Council is a unitary authority established under the Local Government Act. A unitary authority has the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act or any other Act.

The 2004/2005 LTCCP has been published pursuant to Section 93 and 279 of the Local Government Act 2002.

Legal Requirements

Legislation

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

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987
- Local Authorities (Members' Interests) Act 1968
- Resource Management Act 1991
- Harbours Act 1950
- Biosecurity Act 1993a
- Reserves Act 1977
- Soil Conservation and Rivers Control Act 1941
- Local Government (Rating) Act 2002

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

Bylaws

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

Financial and Development Contributions

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

PART IV: Policies and Statements

Rate Movements 2004 – 2014

2004-2005

Total Rates and Charges are estimated at \$34,368,709 (GST exclusive). This represents an increase of \$2,170,314 on last year's levy of which \$447,126 relates to new targeted rates and charges (e.g. Southern Valleys' Metered Charges, Tourism). Significant contributors to the overall increase are as follows:

Arts, Culture & Heritage	\$180,000	Funding to implement the co-ordination of the Arts and Heritage Strategy (\$150,000), Picton Museum grant (\$30,000).
Reserves	\$67,492	Increased budgets to maintain new reserves.
Public Conveniences	\$27,496	Increased maintenance budgets for new and existing facilities.
Economic Development	\$180,000	Introduction of targeted tourism charges (\$75,000) for Destination Marlborough and additional funding (approved last year) for Marlborough Regional Development Trust (\$105,000).
Rural Fire	\$40,000	To accelerate the fire appliance replacement programme.
Roading	\$205,600	Road safety works (\$48,600), footpath resurfacing (\$120,000), Mobility Scheme/ Shuttle Service (\$37,000).
Heavy Traffic Use (Forestry)	\$30,000	Provision for consultation on funding of roads associated with heavy traffic use, including the use of barges as an alternative.
Stormwater	\$59,263	Primarily associated with Renwick stormwater system. The timing of these works will coincide with the Renwick Sewerage upgrade.
Waste Management	\$193,540	Extension of the landfill liner (\$71,540), and waste recycling (\$122,000).
Environment	\$200,000	To undertake monitoring and policy development in areas of coastal water quality, aquaculture, foreshore and seabed management, riparian management, contaminated sites and water allocation.
Stock Control	\$57,000	Previously funded from dog registration fees.
Blenheim Sewerage	\$424,916	To fund loan costs associated with capital upgrades occurring over this and next year, as well as increased operating costs of running the upgraded system. These costs have been forecast for a number of years.
Picton Sewerage	\$54,756	Increased funding requirement due largely to the reduction in tradewaste income, along with funding for upgrades to the Surrey Street pump station and rising main.
Spring Creek Sewerage	\$16,979	Increased funding requirement for oxidation ponds capital expenditure to meet consent renewal requirements.
Awatere Water	\$29,468	Reticulation replacement programme.
Blenheim Water	\$63,851	To fund loan costs associated with pipeline renewal programme of \$1.5 million in 2004/2005 with an additional increase planned for 2005/2006 for further pipe line renewal of \$750,000.
Renwick Water	\$18,694	Funding increase for capital expenditure associated with reticulation, pumps and reservoir.
Riverlands Water	\$60,538	Increased costs associated with capital purchase of PPCS assets and extension of water use for irrigation purposes. No increase in the cubic metre rate will occur as costs will be offset by increased consumption.

Southern Valleys' Irrigation	\$324,409	The cubic metre rate for operating the Southern Valleys' Irrigation Scheme will be 10 cents per cubic metre and will apply on commissioning the scheme in December 2004. Cost of operating the scheme will depend on the cost of electricity. Further advice on the cost and manner in which the scheme will operate in the winter months will be provided once the scheme is operational. Investigation on different charging mechanisms is being carried out.
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2005-2006 (no provision for inflation)

Total rates and charges are estimated at \$35,910,155 (GST exclusive), which is \$1,541,446 (4.49%) "more" than that estimated for 2004/05. The increase is principally attributable to the following movements:

• Blenheim Sewerage (increase)	\$202,973
• Picton Sewerage Lump Sum (decrease)	(\$162,675)
• Renwick Sewerage Debt Servicing (increase)	\$22,717
• Spring Creek Sewerage (increase)	\$6,111
• Awatere Water (increase)	\$109,880
• Blenheim Water (increase)	\$357,293
• Havelock Water (increase)	\$24,496
• Picton Water (increase)	\$93,839
• Renwick Water (increase)	\$100,173
• Riverlands Water (increase)	\$293,379
• Wairau Valley Water (increase)	\$14,104
• Southern Valleys' Irrigation (increase)	\$51,323
• General-type rates and charges (increase)	\$417,038

2006-2007 (no provision for inflation)

Total rates and charges are estimated at \$36,166,420 (GST exclusive), which is \$256,265 (0.71%) "more" than that estimated for 2005/06. The increase is principally attributable to the following movements:

• Renwick Sewerage Lump Sum (decrease)	(\$256,836)
• Tyntesfield Road (decrease)	(\$6,600)
• Blenheim Sewerage (increase)	\$141,642
• Havelock Sewerage (increase)	\$15,099
• Picton Sewerage (increase)	\$58,256
• Awatere Water (increase)	\$68,655
• Blenheim Water (increase)	\$158,499
• Havelock Water (increase)	\$19,779
• Picton Water (increase)	\$138,576
• Renwick Water (increase)	\$47,144
• Riverlands Water (increase)	\$24,091
• General-type rates and charges (decrease)	(\$158,827)

2007-2014 (no provision for inflation)

The following rates and charges are estimated:

• 2007-2008	\$36,534,037
• 2008-2009	\$36,934,564
• 2009-2010	\$37,346,297
• 2010-2011	\$37,581,572
• 2011-2012	\$37,673,740
• 2012-2013	\$38,010,693
• 2013-2014	\$37,978,922

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

	Land Value	Capital Value	03/04 ACTUAL	03/04 Funding Review	04/05 BUDGET	05/06 BUDGET	06/07 BUDGET	07/08 BUDGET	08/09 BUDGET	09/10 BUDGET	10/11 BUDGET	11/12 BUDGET	12/13 BUDGET	13/14 BUDGET
Blenheim Residential	58,000	154,000	1,413	1,400	1,525	1,594	1,625	1,651	1,673	1,684	1,687	1,681	1,697	1,713
Blenheim Residential	51,000	140,000	1,386	1,378	1,497	1,559	1,587	1,610	1,637	1,642	1,650	1,641	1,659	1,675
Blenheim Residential	65,000	225,000	1,520	1,503	1,634	1,710	1,744	1,772	1,797	1,812	1,811	1,807	1,824	1,838
Blenheim Vacant Section	54,000	54,000	1,149	1,138	1,242	1,307	1,336	1,358	1,370	1,398	1,387	1,384	1,393	1,399
Blenheim Commercial	54,000	220,000	2,640	2,392	2,594	2,657	2,667	2,689	2,729	2,765	2,761	2,772	2,783	2,802
Blenheim Commercial	132,000	265,000	5,127	4,483	5,058	5,201	5,213	5,259	5,317	5,450	5,384	5,426	5,431	5,449
Picton Residential Note 1	42,500	178,000	1,555	1,453	1,546	1,612	1,683	1,703	1,732	1,805	1,841	1,841	1,878	1,799
Picton Residential Note 2	69,000	156,000	2,246	2,107	2,210	1,835	1,920	1,966	2,009	2,096	2,140	2,141	2,178	2,095
Picton Vacant Section Note 1	44,000	44,000	1,244	1,161	1,234	1,281	1,328	1,362	1,387	1,438	1,465	1,465	1,485	1,444
Picton Commercial Note 1	106,000	164,000	3,369	3,500	3,772	3,864	3,941	4,005	4,083	4,230	4,267	4,298	4,337	4,252
Picton Motels (12 units) Note 3	120,000	505,000	3,968	4,105	4,887	5,068	5,197	5,290	5,376	5,538	5,577	5,613	5,660	5,612
Blenheim Vicinity	780,000	1,250,000	3,946	3,921	4,013	4,079	4,045	4,077	4,148	4,175	4,186	4,210	4,228	4,216
Blenheim Vicinity	375,000	390,000	1,944	2,080	2,143	2,180	2,164	2,182	2,216	2,232	2,241	2,249	2,259	2,255
Blenheim Vicinity	10,290,000	10,820,000	42,254	42,529	43,411	44,162	43,707	44,059	44,737	45,023	45,082	45,477	45,655	45,453
Blenheim Vicinity	2,440,000	4,160,000	11,829	11,758	11,953	12,139	12,036	12,123	12,365	12,438	12,458	12,545	12,592	12,548
Blenheim Vicinity	2,100,000	4,040,000	10,663	10,566	10,728	10,890	10,802	10,878	11,110	11,174	11,191	11,265	11,307	11,269
Renwick Residential Note 4	46,000	156,000	1,542	1,531	1,602	2,024	1,411	1,435	1,464	1,463	1,475	1,533	1,586	1,599
Renwick Residential Note 5	46,000	102,000	887	876	1,025	1,522	1,600	1,625	1,651	1,650	1,662	1,720	1,773	1,786
Spring Creek Residential	36,000	130,000	913	895	1,053	1,102	1,106	1,107	1,130	1,132	1,147	1,140	1,150	1,152
Rarangi Residential	96,000	186,000	710	706	755	772	767	775	775	784	792	788	795	796
Picton Vicinity	590,000	695,000	3,712	2,483	2,561	2,609	2,582	2,607	2,629	2,652	2,661	2,681	2,692	2,667
Ngakuta Bay - bach	54,000	215,000	594	500	533	552	547	555	552	560	567	566	567	569
General Rural - no water	800,000	1,070,000	3,453	3,617	3,754	3,839	3,808	3,841	3,848	3,871	3,851	3,929	3,947	3,910
General Rural - Awatere Water	1,320,000	1,500,000	7,200	7,454	7,876	8,796	9,243	9,298	9,316	9,655	9,862	9,932	9,958	9,915
Havelock Residential	53,000	154,000	1,104	1,133	1,242	1,340	1,453	1,482	1,482	1,486	1,494	1,530	1,520	1,573
Seddon Residential	10,000	82,000	723	750	810	900	944	955	953	985	1,007	1,005	1,011	1,018
Admin Rural - farm	3,560,000	4,000,000	8,290	7,940	8,258	8,416	8,338	8,457	8,451	8,456	8,482	8,513	8,545	8,388
Admin Rural - bach	83,000	188,000	384	410	448	461	460	467	463	469	476	473	475	473
Admin Rural - bach	77,000	198,000	370	397	435	448	446	454	450	456	462	460	461	460

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

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

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

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

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

03/04 Funding Review is what would have been levied in 2003/04 if the funding review had been in place for that year.

Funding Impact Statement

The Funding Impact Statement provides the following information:

- A Summary Cost of Funds Statement for 2004-14.
- Detailed explanations of the types of rates that have been set, the purpose for which they have been set, 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.

SUMMARY SOURCE AND APPLICATION OF FUNDS STATEMENT

	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Targeted Geo. General Rates and Charges	21,067	21,484	21,325	21,458	21,391	21,642	21,798	21,899	21,983	21,923
Other Targeted Rates and Charges	13,282	14,406	14,821	15,056	15,524	15,684	15,764	15,755	16,008	16,037
Subsidies and Grants	6,046	6,295	6,443	6,377	6,449	6,515	6,495	6,604	6,705	6,604
Interest	1,426	1,586	1,802	2,064	2,326	2,589	2,891	3,116	3,335	3,587
Dividends	1,080	1,084	1,089	1,093	1,098	1,102	1,107	1,111	1,116	1,136
Marlborough Regional Forestry User Charges and Other	4,551	3,758	3,664	3,754	3,723	3,784	3,684	2,613	3,038	3,717
Operating Revenue	8,900	8,561	8,611	8,630	8,603	8,617	8,651	8,645	8,659	8,433
New Loans	3,514	11,808	1,777	3,278	405	2,770	30	823	0	0
Net Movement in Reserves	600	(6,980)	(6,113)	(6,749)	(3,984)	(7,938)	(9,082)	(7,101)	(8,313)	(8,524)
Asset Disposals	58	63	27	25	29	36	25	41	25	26
	60,524	62,065	53,446	54,986	55,564	54,801	51,363	53,506	52,556	52,939
Operating Expenditure	46,518	46,833	46,864	47,362	47,667	48,081	48,460	48,587	48,868	49,182
Add back Depreciation	(8,357)	(8,258)	(7,720)	(8,057)	(8,288)	(8,546)	(8,710)	(8,823)	(8,980)	(9,217)
Cash Operating Expenditure	38,161	38,575	39,144	39,305	39,379	39,535	39,750	39,764	39,888	39,965
Capital Expenditure	17,730	21,073	11,102	12,246	12,252	11,442	9,150	10,322	8,991	9,630
Loan Repayment Costs	4,633	2,417	3,200	3,435	3,933	3,824	2,463	3,420	3,677	3,344
	60,524	62,065	53,446	54,986	55,564	54,801	51,363	53,506	52,556	52,939

Terminology:

Unless otherwise specified –

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

Targeted General Type Rates and Charges (\$23,722,564 GST inclusive)

Although general-type rates and charges have increased overall by 5.00% (\$1,004,596 GST exclusive), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas, and also the result of the changes to Council's Revenue and Financing Policy.

It is important for ratepayers to appreciate that the funding review changes did not increase Council's rate revenue, however the changes did redistribute the rate levy between ratepayers. This means that some ratepayers will pay more and others will pay less as a result of the review.

Geographic Area General Works and Services Rates (\$15,214,946 GST inclusive)

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

Within each geographic area, the rating units are further differentiated into categories of rateable land in accordance with the use to which the land is put in one or more of the following categories of rateable land:

- Predominantly residential or rural
- Predominantly commercial or industrial
- Rating units with a homestay/farmstay type land use occurring on a predominantly residential/rural rating unit where a Building Act consent and/or Resource Consent is required.

These rates fund the Geographic Area's Rate component of the net cost of operations, capital expenditure and debt servicing charges, (which are funded on a land value basis) after making provision for other targeted rates, general revenue, targeted charges and utilisation of various reserves.

Although there is an apparent 38.48% increase in the geographic area rates amounting to \$3,758,149 (GST exclusive), there is an effective decrease of \$158,906 (1.16%) when account is taken of the discontinued District-wide Rates, and the Blenheim and Picton Consolidated Loan Rates.

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

		Levy	Cents in \$
• Blenheim	Res/Rural	3,615,948	0.786247
• Blenheim	Com/Ind	2,429,535	2.491831
• Blenheim Vicinity	Res/Rural	3,383,693	0.327922
• Blenheim Vicinity	Com/Ind	107,072	0.669198
• Blenheim Vicinity	Hsty/Fsty	463	0.413241
• Picton	Res/Rural	942,788	0.857566
• Picton	Com/Ind	513,723	2.214325
• Picton	Hsty/Fsty	2,250	1.196756
• Picton Vicinity	Res/Rural	172,902	0.316670
• Picton Vicinity	Com/Ind	5,378	0.620266
• General Rural	Res/Rural	3,659,753	0.430589
• General Rural	Com/Ind	74,645	0.684817
• General Rural	Hsty/Fsty	257	0.494146
• Admin Rural	Res/Rural	295,666	0.219109
• Admin Rural	Com/Ind	10,873	0.500160

Geographic Area Works and Services Uniform Annual Charges (\$8,507,618 GST inclusive)

A Targeted Geographic Area Works and Services rate on the basis of a fixed amount per separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective area's Uniform Charge component of the net cost of operations, capital expenditure and debt servicing charges, after making provision for targeted rates, general revenue, other targeted charges 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.

Although there is an apparent 93.96% increase in the geographic area charges amounting to \$3,663,465 (GST exclusive), the effective increase is \$1,163,502 (18.18%) (GST exclusive) when account is taken of the discontinued District-Wide Uniform Annual Charge.

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

	Levy	Unit Charge
• Blenheim	4,450,494	428.00
• Blenheim Vicinity	1,264,271	382.00
• Picton	998,114	424.00
• Picton Vicinity	135,246	362.00
• General Rural	1,318,695	309.00
• Admin Rural	331,386	266.00
• Utilities	9,412	362.00

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

No increase in the charge - current charge \$268.00 on each rating unit.

French Pass Road Rate (\$25,802 GST inclusive)

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

The charge remains at \$97.00 on each rating unit and will continue until 30.06.15.

Kenepuru Road Rate (\$56,250 GST inclusive)

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding.

An increase to this rate has occurred as a result of the Revenue and Financing Policy Review. The increase of \$18,000 (GST exclusive) will be applied towards "general roading works" in the targeted area. The balance of \$32,000 (GST exclusive) will continue to be applied towards "roading improvements" in the targeted area.

On a rating unit with a capital value of \$285,000, the rate will increase from \$81.19 to \$124.27 - 0.043605 cents in the \$.

Okiwa Bay Jetty Charge (\$260 GST inclusive)

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

No increase has occurred.

Taylor Pass Road Rate (\$28,125 GST inclusive)

Following a survey of ratepayers (whose properties have frontage to, or are being serviced by, the unsealed portion of Taylor Pass Road from the intersection of Maxwell Pass Road through to the top of the Taylor Pass), Council intends to extend the seal over a 4.25km section at an estimated cost of \$337,500 (GST inclusive). The works will be funded by a Transfund subsidy of \$168,750, ratepayer funding from the Council at large of \$84,375 and targeted rate funding of \$84,375 from ratepayers in the affected area. (All amounts GST inclusive).

The targeted rate funding will be met by a uniform annual charge of \$703.00 pa (GST inclusive) for a three year period commencing 1 July 2004.

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

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

The uniform charge of \$371.25 on each rating unit will continue until 30.06.06.

Wairau Valley River Works Rates (\$3,073,601 GST inclusive)

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

The funding requirements from each area are as follows:

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

Although no increase is proposed for the overall rate levy, a change to the differential weightings is proposed to correct disproportionate valuation changes that have occurred in recent years.

The outcome of the change will be an increase in Class A rates by approximately 20%, decreases for Class B & D of approximately 11% and 12% respectively, and less significant movements to other differential groups.

On a Class A rating unit with a capital value of \$390,000 the Wairau Valley River Protection Rate will increase from \$442.93 to \$531.25.

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

Rural A Rating Units	0.136217	(\$13.62)
Rural B Rating Units	0.085816	(\$8.58)
Rural C Rating Units	0.066746	(\$6.67)
Rural D Rating Units	0.014984	(\$1.50)
Blenheim Urban 1 Rating Units	0.116428	(\$11.64)
Blenheim Urban 2 Rating Units	0.082184	(\$8.22)
Blenheim Urban 3 Rating Units	0.054788	(\$5.48)
Blenheim Urban 4 Rating Units	0.041091	(\$4.11)
Other Urban 1 Rating Units in Wairau Catchment	0.113253	(\$11.33)
Other Urban 2 Rating Units in Wairau Catchment	0.072802	(\$7.28)

Sewerage Rates and Charges (\$3,782,817 GST Inclusive)

Blenheim/Riverlands Sewerage (Total \$2,837,496 GST inclusive)

An overall increase of \$478,031 (GST inclusive) will occur.

Blenheim Sewerage Capital Works Rate (\$1,291,638 GST inclusive)

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

There is a 29.01% (\$258,190 GST exclusive) increase in this rate to meet debt servicing costs on new loans raised for pipelines, pump stations and associated works. The works are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment. A key component in the upgrade is the separation of trade waste, which will provide greater residential capacity.

On a rating unit with a land value of \$58,000, the rate will increase from \$104.88 to \$135.23 (\$30.35 increase). The new rate in the dollar is 0.233148 cents.

Blenheim Sewerage Charges (\$1,545,858 GST inclusive)

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

The charges fund the balance of expenditure and will increase from \$134 to \$153 on each separately used or inhabited part of every serviced rating unit and from \$67.00 to \$76.50 on each separately used or inhabited part of every serviceable rating unit. This 13.81% increase (\$166,726 GST exclusive) is for increased operating costs. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be levied an additional trade waste charge.

Havelock Sewerage (Total \$99,721 GST inclusive)

An overall increase of \$6,929 (GST inclusive) will occur.

Havelock Sewerage Capital Works Rate (\$19,751 GST inclusive)

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

There is a 0.56% increase in the rate to meet debt servicing costs (\$97 GST exclusive).

On a rating unit with a land value of \$53,000 the rate will increase from \$54.15 to \$55.10 (\$0.95 increase). The new rate in the dollar is 0.103956 cents.

Havelock Sewerage Charges (\$79,970 GST inclusive)

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

This funds the balance of expenditure and will increase from \$266 to \$291 for each separately used or inhabited part of every serviced rating unit and from \$133.00 to \$145.50 for each separately used or inhabited part of every serviceable rating unit.

The 9.32% (\$6,062 GST exclusive) increase is principally for treatment monitoring costs.

Picton Sewerage (Total \$719,366 GST inclusive)

An overall increase of \$61,601 (GST inclusive) will occur.

Picton Sewerage Capital Works Rate (\$19,230 GST inclusive)

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

There is a decrease in the rating requirement.

On a rating unit with a land value of \$69,000 the rate will decrease from \$12.11 to \$9.98 (\$2.13 decrease). The new rate in the dollar is 0.014469 cents.

Picton Sewerage Charges (\$700,136 GST inclusive)

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

These charges fund the balance of expenditure and will increase from \$274 to \$303 per serviced rating unit and from \$137.00 to \$151.50 per serviceable rating unit. The 10.35% (\$58,390 GST exclusive) increase principally relates to a reduction in the revenue from Trade Waste Charges, increased depreciation and other operating costs. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than an average domestic rating unit, will be levied an additional trade waste charge.

Seddon Sewerage (Total \$61,080 GST inclusive)

An overall increase of \$216 will occur.

Seddon Sewerage Capital Works Rate (\$14,655 GST inclusive)

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

No increase has occurred and the rate in the dollar remains at 0.570555 cents.

Seddon Sewerage Charges (\$46,425 GST inclusive)

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

This funds the balance of expenditure and will increase from \$211 to \$214 for each separately used or inhabited part of every serviced rating unit and from \$105.50 to \$107.00 for each serviceable part of a rating unit. The increase relates to increased operating costs.

Spring Creek Sewerage (Total \$65,154 GST inclusive)

An overall increase of \$19,101 (GST inclusive) will occur.

Spring Creek Capital Works Rate (\$16,013 GST inclusive)

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

There is an increase of \$10,378 (GST exclusive) required to fund debt servicing costs for the Oxidation Ponds. Capital expenditure on the ponds is required for the resource consent renewal.

On a rating unit with a land value of \$36,000 the rate will increase from \$23.76 to \$87.61 (\$63.85 increase). The new rate in the dollar is 0.243362 cents.

Spring Creek Sewerage Charges (\$49,141 GST inclusive)

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

This funds the balance of expenditure and will increase from \$270 to \$318 per serviced part of a rating unit and from \$135.00 to \$159.00 per serviceable part of a rating unit. The 17.8% increase (\$6,601 GST exclusive) relates to increased operating costs.

Okiwi Bay Stormwater Charge (\$15,800 GST inclusive)

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

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

Water Supply Rates and Charges (\$4,577,138 GST inclusive)

Awatere Water Supply (\$302,676 GST inclusive)

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

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

This rate is calculated as a fixed amount per meter, and remains unchanged at \$25.00.

Awatere Water Metered Charge (\$287,676 GST inclusive)

Because consumption has not met expectations, the 2004-05 metered charge has been increased from \$0.52 to \$0.59 per cubic metre.

(In past years the Awatere Water Supply Reserve has been used to meet rate revenue shortfalls, with the expectation that usage volumes would increase. When metered charges were set for the 2003-04 year at 52 cents per cubic metre, it was indicated that charges for 2004-05 would increase to 59 cents per cubic metre unless consumption increased).

The overall rates increase is 12.3% (\$29,468 GST exclusive).

Blenheim Water Supply (Total \$2,426,275 GST inclusive)

An overall rates increase of \$71,834 (GST inclusive) will occur.

Blenheim Water Capital Works Rate (\$676,888 GST inclusive)

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

No increase has occurred, and the rate in the dollar remains at 0.122089 cents.

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

Metered and Uniform Charges (\$1,749,387 GST inclusive)

The 4.28% increase (\$63,852 GST exclusive) relates to increased operating costs.

Blenheim Metered Water Charge (\$234,240 GST inclusive)

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

Metered water will increase from \$0.45 to \$0.48 per cubic metre with a minimum quarterly charge of \$38.25.

Blenheim Water Charges (\$1,509,387 GST inclusive)

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

They will increase from \$146 to \$153 per part of a serviced rating unit and from \$73 to \$76.50 per part of a serviceable rating unit.

Burleigh Extension Metered Water Charge (\$5,760 GST inclusive)

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

Metered water will increase from \$0.45 to \$0.48 per cubic metre with a minimum quarterly charge of \$38.25.

Havelock Water Supply (Total \$147,446 GST inclusive)

An overall rates increase of \$10,173 (GST inclusive) will occur.

Havelock Water Capital Works Rate (\$44,396 GST inclusive)

This targeted rate is calculated on the land value of all rating units in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. An increase of \$3,783 (GST exclusive) is required to fund these costs.

For a rating unit with a land value of \$53,000 the rate will increase from \$108.60 to \$123.84. The new rate in the dollar is 0.233663 cents.

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

Metered and Uniform Charges (\$103,050 GST inclusive)

The 6.09% increase (\$5,260 GST exclusive) relates to increased operating costs.

Havelock Metered Water Charge (\$44,450 GST inclusive)

Metered water will increase from \$1.22 to \$1.27 per cubic metre with a minimum quarterly charge of \$58.75.

Havelock Water Charges (\$58,600 GST inclusive)

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

This charge funds the balance of expenditure not met from meter charges and will increase from \$216 to \$235 per part of a serviced rating unit and from \$108.00 to \$117.50 per part of a serviceable rating unit.

Picton Water Supply (Total \$912,600 GST inclusive)

No overall increase has occurred.

Picton Water Capital Works Rates (\$275,281 GST inclusive)

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

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

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

No increase has occurred - the Koromiko special rate remains at 0.16366 cents in the dollar and the other areas remain at 0.20458 cents in the dollar.

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

Metered and Uniform Charges (\$637,319 GST inclusive)

No increase has occurred.

Picton Metered Water Charges (\$140,695 GST inclusive)

- Ordinary Rate

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

Water for ordinary metered consumers will remain at \$0.7341 per cubic metre with a minimum quarterly charge of \$56.50.

- Koromiko Rate

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

Water for Koromiko Special Agreement Consumers will remain at \$0.5873 per cubic metre.

- Onsold Rate

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

Water for consumers on-selling will remain at \$0.8144 per cubic metre with a minimum quarterly charge of \$56.50.

Picton Water Charge (\$496,624 GST inclusive)

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

This charge funds the balance of expenditure not met from meter charges.

No increase has occurred.

Renwick Water Supply (Total \$209,153 GST inclusive)

An overall increase of \$21,031 (GST inclusive) will occur.

Renwick Water Capital Works Rate (\$44,038 GST inclusive)

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

An increase of \$4,563 (GST exclusive) is required to fund new loans.

For a rating unit with a land value of \$46,000 the rate will increase from \$45.95 to \$53.31. The new rate in the dollar is 0.115893 cents.

Metered and Uniform Charges (\$165,115 GST inclusive)

The 10.65% increase (\$14,131 GST exclusive) relates to increased costs for reticulation, insurance and other operating costs.

Renwick Metered Water Charges (\$19,189 GST inclusive)

Metered water will increase from \$0.56 to \$0.62 per cubic metre for water usage in excess of 727 cubic metres per annum, with a minimum quarterly charge of \$53.00.

Renwick Water Charge (\$145,926 GST inclusive)

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

The charge funds the balance of expenditure and will increase from \$191 to \$212 per part of a serviced rating unit and from \$95.50 to \$106.00 per part of a serviceable rating unit.

Riverlands Water Supply (\$195,750 GST inclusive)

This rate is assessed on the basis of the volume of water supplied to metered rating units, (subject to quarterly minimum charges). It funds the cost of operations, capital expenditure and debt servicing.

There is no increase for the metered charge (\$0.30 per cubic metre), but a minimum uniform charge of \$160.00 per annum will replace the existing residential charge of \$124 and the commercial charge of \$509.

Southern Valleys' Irrigation Scheme (Total \$364,960 GST inclusive)

This is a new metered rate to fund the operating costs of the Southern Valleys' Irrigation Scheme.

The rate will be 10 cents per cubic metre.

Wairau Valley Water Supply (\$18,278 GST inclusive)

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

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

The charge will increase from \$375 to \$416 per connection and from \$187.50 to \$208.00 per serviceable part of a rating unit.

The 9.53% increase (\$1,414 GST exclusive) relates to increased operating costs.

Blenheim/Picton Refuse Collection Charge (\$831,706 GST inclusive)

The charge relates to the refuse collection service provided in Blenheim and Picton and replaces the previous separate charges for each area.

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

There is a \$22,955 (GST exclusive) increase in the combined rating requirement due to increased operating costs.

The collection charge will be \$66.00 per service.

Tourism Charges (\$84,375 GST inclusive)

Destination Marlborough is seeking an additional \$75,000 p.a. (GST exclusive) for marketing Marlborough, to be collected by targeted tourism charges on the following properties:

Properties used for Residential Baches or other Dwelling Units that are advertised for short term rental accommodation - \$90.00

Properties used for Commercial Rental Accommodation where less than 30 people can be accommodated - \$191.25

Properties used for Commercial Rental Accommodation where 30 or more people can be accommodated - \$258.75

Properties used for Tourism Activities (excluding the three groups above) - \$191.25

These new charges have been adopted following consideration of numerous submissions - both for and against the proposal.

Agency Rates and Charges (\$9,696 GST inclusive)**Rarangi Works and Service Charge (\$6,780 GST inclusive)**

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

This remains unchanged.

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

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

This remains unchanged.

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

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

This remains unchanged.

General Revenue Sources

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

These include –

Dividends and Interest from Investments (\$5,130,679)

- Funded to specified Reserves for particular purposes or events (e.g. Disaster Recovery Reserve).

- Used to subsidise general type rates and charges by way of general revenue allocation.
- Sinking Fund interest is applied against the sinking fund to which it relates and used for debt repayment.

Petroleum Tax (\$350,000)

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

Asset Sale Proceeds (not budgeted)

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

Contributions Received from Development and Subdivision (\$460,971)

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

Forestry Income (\$1,152,060)

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

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

Blenheim Area (BM)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential, Service or Industrial (ie; includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties with an area of one hectare or less that are connected to either the Blenheim Water or Sewerage Schemes.

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.

Picton Vicinity Area (PV)

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

General Rural Area (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 2004 to 30 June 2005 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	10 September 2004
Instalment Two	10 December 2004
Instalment Three	10 March 2005
Instalment Four	10 June 2005

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

Penalty Provisions (Additional Charges on Unpaid Rates)

- * A FIRST ADDITIONAL CHARGE equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the "Last Date for Payment", shall on the next day be added to that amount of unpaid rates.
- * Pursuant to section 58 of the Local Government (Rating) Act 2002, a penalty of 10% will be added on 1 July 2004 and also on each 1 July thereafter to rates that remain unpaid from previous years. Payments are applied to the oldest debt first.

Penalty Provisions (Unpaid Metered Water)

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

Revenue and Financing Policy

1. The Revenue and Financing Policy provides a summary of Council's funding policies in respect of both operating expenses and capital expenditures.
2. Sources of funds available to Council are as follows: -
 - General rates.
 - Targeted rates.
 - Fees and charges.
 - Interest and dividends from investments.
 - Borrowing.
 - Proceeds from asset sales.
 - Development contributions.
 - Financial contributions.
 - Grants and subsidies.
 - Other sources permitted by statute.

3. In determining which sources were appropriate, Council gave consideration to the following matters in relation to each activity to be funded: -
- the community outcomes to which the activity primarily contributes;
 - the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - the period in or over which those benefits are expected to occur; and
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities;
 - the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

4. Council's Revenue and Financing Policy deals with the revenue and financing mechanisms at an "Activity" level.

Activities are a sub-set of Functional Activities e.g. One of Council's "Functional Activities" is Community Services, and Libraries is one "Activity" within that functional level.

5. Prior to determining the "Residual amount to be funded by General-type Rates", Council identified other funding sources appropriate to each activity.

These other sources, and the approach taken by Council, are as follows:

- Fees and Charges
These have been set at a level to recover private benefits where it is practical and economic to do so, unless there have been determinations arising from previous funding reviews to fund all or part of such benefits from rates.
- Grants and Subsidies
These are sought and applied for whenever they are available.
- General Revenues
These are allocated to geographic rating areas in proportion to the gross general-type rates and charges.
- Separate Targeted Rates
Targeted rates are levied to meet the full cost of separate water and sewerage schemes, refuse collections, defined roading improvements, defined marketing and tourism activities, and for other services where Council has been requested to levy such rates.

6. The following explanations will give readers an understanding of terminology used in this policy statement.

Unless otherwise specified, the term –

- 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
- Land values, capital values or rating units refers to rateable land values, rateable capital values or rateable rating units as the case may be.
- Residual Rate Funding Percentages refer to the residual amount to be funded, after allowance for sources of funds other than rates
- Funding relationship weightings refer to a methodology for allocating the various general-type rates and charges where the highest weighting is always expressed as 100.

Where a weighting shows as zero, there is no contribution from that area, but where a weighting shows as a number between zero and 100 (e.g. 85), that area will pay a rate or uniform charge (as the case may be) of 85% of any area that has a weighting of 100.

If all areas have a weighting of 100, the rate in the dollar of uniform charge (as the case may be) will be the same for all areas.

Property Valuation System:

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

Funding of Expenditure by Activity

8. The following table illustrates how the Residual Rate funding requirement for each activity will be met, after provision has been made for any applicable Fees, Charges, Grants, and Subsidies; or other Direct Revenue that relates to the activity.

A separate supplementary report entitled “**Relationship determinations, Area Funding %’s, and Geo-type Rates in \$, (or) Uniform Charge Amounts**” is available on request, which provides a detailed analysis of the Geographic Rating Areas contribution to the General Type Targeted Rates and Charges; as well as the Relationship between the general type rates and charges in those areas.

ALLOCATION OF COSTS TO GEOGRAPHIC AREAS, LAND USE CATEGORIES AND OTHER TARGETED RATES	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	RESIDUAL RATE FUNDING BASIS			
			General Type Targeted “Rates” %	General Type Targeted Charges “UACs” %	Separate Targeted Rates %	Separate Targeted Charges “UACs” %
			Democratic Process			0
Swimming Pools: Picton	*		3	97	0	0
Swimming Pools: Awatere	*		3	97	0	0
Swimming Pools: Aquatic Centre	*		3	97	0	0
Reserves (Group 1a) BIn Neighbourhood			1	99	0	0
Reserves (Group 1b) B/V Neighbourhood			1	99	0	0
Reserves (Group 2a) Ptn Neighbourhood	*		1	99	0	0
Reserves (Group 2b) P/V Neighbourhood			1	99	0	0
Reserves (Group 3) WV Domain			1	99	0	0
Reserves (Group 4) BIn Vicinity Domains			4	96	0	0
Reserves (Group 5) Endeav. Prk/Waitohi Dom			4	96	0	0
Reserves (Group 6) A&P/Horton Park			10	90	0	0
Reserves (Group 7) Ath Park/Oliver Park	*		10	90	0	0
Reserves (Group 8) Bobs Bay/Ptn F’Shore etc			40	60	0	0
Reserves (Group 9) Churchward Park			28	72	0	0
Reserves (Group 10) Rural Domains			4	96	0	0
Reserves (Group 11) Nelson Square			28	72	0	0
Reserves (Group 12) Pollard/Seymour/R’side etc			40	60	0	0
Reserves (Group 13) Wither Walkway etc			40	60	0	0
Reserves (Group 14) Rural Reserves			100	0	0	0
Reserves (Group 15) Misc Leased Reserves	*		100	0	0	0
Halls (Group 1) Awarua Park			100	0	0	0
Halls (Group 2) Waitaria			100	0	0	0
Halls (Group 3) Gen Rural Halls			100	0	0	0
Halls (Group 5) Fairhall Hall			100	0	0	0
Halls (Group 6) Koromiko Hall			100	0	0	0
Halls (Group 7) Wairau Rd C/Centre			100	0	0	0
Halls (Group 8) QC College			100	0	0	0
Halls (Group 9) B/V Halls			100	0	0	0
Museums - Rural			100	0	0	0
Museums - Picton			100	0	0	0
Museums: Renwick			100	0	0	0
Memorials: Cleghorn Rotunda			100	0	0	0
Memorials: Town Centre Clock			100	0	0	0
Memorials: Picton			100	0	0	0
Memorials - Other			100	0	0	0
Memorials - Seymour Square			100	0	0	0
Libraries	*		0	100	0	0
Cemeteries	*	*	0	100	0	0

ALLOCATION OF COSTS TO GEOGRAPHIC AREAS, LAND USE CATEGORIES AND OTHER TARGETED RATES	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	RESIDUAL RATE FUNDING BASIS			
			General Type Targeted "Rates" %	General Type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Public Conveniences			0	100	0	0
Community: Recreation and Events			0	100	0	0
Community: Grants & Donations			40	60	0	0
Community: Safer Community	*	*	40	60	0	0
Community: Security Cameras [Blenheim CBD]			100	0	0	0
Heritage: Marlborough Historical Society Grants			40	60	0	0
Heritage: Other Grants			40	60	0	0
Arts: Marlborough Art Gallery Grants			40	60	0	0
Arts: Other Grants			40	60	0	0
Special Work Schemes			100	0	0	0
Economic: Destination Marlborough			100	0	0	0
Economic: Tourism			0	0	0	100
Economic: Research Centre			100	0	0	0
Economic: Other Developments			100	0	0	0
Economic: Initiatives			100	0	0	0
Fire Protection	*	*	100	0	0	0
Emergency Management		*	40	60	0	0
Subdivisional Works	*		100	0	0	0
Roading Network		*	100	0	0	0
Roading Related Works			100	0	0	0
Roads: Blenheim CBD Works			100	0	0	0
Roads: Picton CBD Works			100	0	0	0
Targeted: Okiwa Bay Jetty Charge			0	0	0	100
Targeted: Taylor Pass Road Charge			0	0	0	100
Targeted: Kenepuru Road [excl Gen Rates portion]			0	0	100	0
Targeted: Archers Road [excl Gen Rates portion]			0	0	0	100
Targeted: French Pass Road [excl Gen Rates portion]			0	0	0	100
Targeted: Tyntesfield Road			0	0	0	100
Street Trees, Berms & Plots			100	0	0	0
Parking: Blenheim Loans			100	0	0	0
Parking: Blenheim Other	*		100	0	0	0
Parking - Picton Loans	*		0	100	0	0
Parking: Picton Other	*		0	100	0	0
Rivers in Wairau Valley District - (Sep. Targetted Rate)	*		0	0	100	0
Rivers outside WV Rating District	*		100	0	0	0
SEWERAGE - (Separate Targeted Rates)						
- Blenheim Capital	*		0	0	100	0
- Blenheim Operating			0	0	0	100
- Picton Capital	*		0	0	100	0
- Picton Operating			0	0	0	100
- Picton Sewerage Loan - No Lump Sum			0	0	100	0
- Picton Sewerage Loan - Lump Sum Option			0	0	100	0
- Havelock Capital	*		0	0	100	0
- Havelock Operating			0	0	0	100
- Havelock Sewerage Loan - No Lump Sum			0	0	100	0
- Renwick Capital	*	*	0	0	100	0
- Renwick Operating			0	0	0	100
- Renwick Sewerage Loan - No Lump Sum			0	0	100	0
- Renwick Sewerage Loan - Lump Sum Option			0	0	100	0
- Seddon Capital	*		0	0	100	0

ALLOCATION OF COSTS TO GEOGRAPHIC AREAS, LAND USE CATEGORIES AND OTHER TARGETED RATES	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	RESIDUAL RATE FUNDING BASIS			
			General Type Targeted "Rates" %	General Type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
SEWERAGE - (Separate Targeted Rates) cont.						
- Seddon Operating			0	0	0	100
- Spring Creek Capital	*		0	0	100	0
- Spring Creek Operating			0	0	0	100
- Spring Creek Sewerage Loan - No Lump Sum			0	0	100	0
Stormwater - Blenheim	*		100	0	0	0
Stormwater - Picton	*		100	0	0	0
Stormwater - Renwick [Blenheim Vicinity]	*		100	0	0	0
Stormwater - Spring Creek [Blenheim Vicinity]	*		100	0	0	0
Stormwater - Havelock [General Rural]	*		100	0	0	0
Stormwater - Seddon [General Rural]	*		100	0	0	0
Stormwater - Rai Valley [General Rural]			100	0	0	0
Stormwater - Okiwi Bay			0	0	0	100
Stormwater - Other			100	0	0	0
WATER (Separate Targeted Rates)						
- Blenheim Water - Capital	*		0	0	100	0
- Blenheim Water - Metered			0	0	0	100
- Blenheim Water - UAC			0	0	0	100
- Picton Water - Capital	*		0	0	100	0
- Picton Water - Metered			0	0	0	100
- Picton Water - UAC			0	0	0	100
- Renwick Water - Capital	*		0	0	100	0
- Renwick Water - Metered			0	0	0	100
- Renwick Water - UAC			0	0	0	100
- Havelock Water - Capital	*		0	0	100	0
- Havelock Water - Metered			0	0	0	100
- Havelock Water - UAC			0	0	0	100
- Awatere Water	*		0	0	0	100
- Riverlands Water	*		0	0	0	100
- Wairau Valley Water	*		0	0	0	100
- Wairau Valley Water Loan - No Lump Sum			0	0	0	100
- Southern Valleys Irrigation	*		0	0	100	0
Solid and Hazardous Waste Management	*		0	100	0	0
Blenheim/Picton Refuse Collection (Separate targetted rate)			0	0	0	100
Admin Area Refuse Collection			0	100	0	0
Harbour Control	*		100	0	0	0
Consents: Resource Consents	*		100	0	0	0
Consents: Resource Consent Hearings	*		0	100	0	0
Consents: Building Control	*		100	0	0	0
Consents: Health & Liquor	*		0	100	0	0
Environment Review [Monitoring]			80	20	0	0
Environment Policy			80	20	0	0
Bovine T.B. Control	*	*	100	0	0	0
Dog Control	*		0	0	0	0
Stock Control	*		100	0	0	0
Biosecurity: Regional Pest Control	*	*	100	0	0	0
Blenheim District Admin Building Loan			100	0	0	0
Picton Service Delivery Centre Loan			100	0	0	0
Forestry	*		100	0	0	0

ALLOCATION OF COSTS TO GEOGRAPHIC AREAS, LAND USE CATEGORIES AND OTHER TARGETED RATES	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	RESIDUAL RATE FUNDING BASIS			
			General Type Targeted "Rates" %	General Type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Land Development	*		100	0	0	0
Rental Housing	*		100	0	0	0
Community Housing	*		100	0	0	0
Commercial Leases	*		100	0	0	0
River Leases	*		100	0	0	0
MDC Holdings			100	0	0	0
Land Subdivision Reserve Grants	*		0	0	0	0
Agencies			0	0	0	100
Special Revenues			100	0	0	0
General Revenues (Allocated on the basis of general-type rates and charges levies)	*		variable	variable	0	0

Changes To Previous Funding Mechanisms

9. Following an in-depth review of its Revenue and Financing Policy, (and public consultation via the Draft Long Term Council Community Plan), Council has made a number of funding changes that will take effect from 1 July 2004.

The review included the following issues:

- Consideration of the background to the existing funding policies.
- A review of existing user charges.
- An examination of the provisions of the recently enacted Rating Act.
- The appropriateness of the existing geographic areas for levying general-type rates and charges.
- The advantages and disadvantages of using either Land Value or Capital Value for levying general-type rates. (*The current and ongoing system is based on property land values*).
- Levying general-type rates on an undifferentiated Land Value or Capital Value basis across the district, together with a District-wide Uniform Annual Charge.
- Consideration of a "funding relationship weightings system" (*see explanation of this in Terminology*), to ensure that anomalies do not occur between general-type rates and charges in the various geographic areas.
- The effect of collecting more revenue from "uniform annual charges" instead of by "rates levied on property values", having regard to the legislative constraints of the Local Government (Rating) Act 2002, and the regressive impact on low value properties.
- A review of Council's existing funding policy for Roads, Streets, and Bridges. (This involved a comparison of the average roading costs incurred in each geographic area, with the proportion of general-type rates that were levied for roading in each area.
- Consideration of amalgamating all water schemes, and all sewerage schemes, in order that ratepayers would pay on the same basis irrespective of location.
- A review of the Wairau Valley River Protection Rates.

Although the changes will have different impacts on individual properties, the following is a Summary of the Changes:

- **Certain Rates and Charges Have Been Discontinued**
 - District-wide Differential General Rate - (*Now part of Geographic Areas' General Rates*).
 - District-wide Uniform Annual General Charge – (*Now part of Geographic Areas' General Charges*).
 - Blenheim Public Conveniences Loan Rate – previously part of the Blenheim Consolidated Loan Rate. - (*Now part of Geographic Areas' General Rates*).
 - Blenheim Parking Areas Loan Rate – previously part of the Blenheim Consolidated Loan Rate. - (*Now part of Blenheim Commercial/Industrial Area's General Rate*).

- District Administration Building Loan Rate – previously part of the Blenheim Consolidated Loan Rate - (*Now part of Geographic Areas' General Rates*).
- Picton Service Delivery Loan Rate – previously part of the Picton Consolidated Loan Rate. - (*Now part of Geographic Areas' General Rates*).
- Picton Public Conveniences Loan Rate – previously part of the Picton Consolidated Loan Rate. - (*Now part of Geographic Areas' General Rates*).

Implementation of Some New Rates and Charges

- **Targeted Tourism Charges**

Destination Marlborough has sought an additional \$75,000 p.a. for marketing Marlborough.

The funding for this additional amount is by targeted tourism charges on the following properties, as listed below:

Properties used for Residential Baches or Other Dwelling Units that are advertised for short term rental accommodation - \$90.00

Properties used for Commercial Rental Accommodation where less than 30 people can be accommodated - \$191.25

Properties used for Commercial Rental Accommodation where 30 or more people can be accommodated - \$258.75

Properties used for Tourism Activities (excluding the three groups above) - \$191.25

- **Targeted Taylor Pass Road Charge**

Following a survey of ratepayers (whose properties have frontage to, or are being serviced by, the unsealed portion of Taylor Pass Road from the intersection of Maxwell Pass Road through to the top of the Taylor Pass), Council intends to extend the seal over a 4.25km section at an estimated cost of \$337,500 (GST incl). The works will be funded by a Transfund subsidy of \$168,750, ratepayer funding from the Council at large of \$84,375 and targeted rate funding of \$84,375 from ratepayers in the affected area (All amounts GST incl). The targeted rate funding will be met by a uniform annual charge of \$703.00 p.a. (GST incl) for a three year period commencing 1 July 2004.

A Change to the Funding Basis for the Wairau Valley Rivers Rating Area

A change to the Wairau Valley River Protection Rates will correct disproportionate valuation changes that have occurred in recent years. Other changes are where land previously rated as Class C (within a floodway), now has the protection of new stopbanks; or stopbank relocation has occurred, or other river control works have given protection to the land.

The existing relationships were established in 1994/95 to provide an equitable distribution of the Wairau Valley River rates requirement (to reflect the benefits derived by each group), and were as follows for the rural part of Blenheim Vicinity:

Class A	100
Class B	85 (i.e. 85% of Class A rate)
Class C	60 (i.e. 60% of Class A rate)
Class D	15 (i.e. 15% of class A rate)

To align weightings with the current valuations, results in the following relationships:

Class A	100
Class B	63 (i.e. 63% of Class A rate)
Class C	49 (i.e. 49% of Class A rate)
Class D	11 (i.e. 11% of class A rate)

The outcome of this change will be an increase in Class A rates by approx 20.0%, decreases for Class B and D rates of approx 11%, and 12% respectively, and less significant movements to other differential groups.

Altering the Level and Purpose of the Targeted Kenepuru Road Rate

The 2003-04 targeted Kenepuru Road rate was calculated on a capital value basis to fund roading improvements in the Kenepuru area to produce \$35,896 (GST incl). The rate applied to all rating units in the former Kenepuru Riding.

During the funding review investigations, Council established that expenditure on rural roads was significantly more than the rural contribution to roading, and that the Kenepuru rating area was the most heavily subsidised of all rural areas.

Although the draft LTCCP proposed an increase in the targeted Kenepuru Road Rate from \$35,896 to \$112,500, Council reduced the levy amount to \$56,250 after consideration of the draft plan submissions. Notwithstanding the \$20,354 increase the area will still be subsidised by other geographic rating areas' roading rates by approximately 93%.

The funding change effectively means that \$32,000 (GST exclusive) will continue to be provided for roading improvements in the targeted area, and the remaining \$18,000 will be applied towards general roading works in the same area.

Amalgamation of Existing Blenheim and Picton Refuse Collection Charges

Since the amalgamation of the former authorities, the Blenheim and Picton Refuse Collection Charges have been separately levied, to fund the collection and disposal costs incurred in each area.

Council will levy the same charge amount for both collection areas as from 1 July 2004 because such an approach will be consistent with the same charges being levied for transfer stations in the two areas.

Funding Changes Between General-Type “Rates” and “Charges”

The following changes have been made to the activities listed below (the dollar amounts refer to the 2003-04 rating requirements) It is proposed to change from a rate based on property land values to a uniform charge based on each separately used or inhabited part of every rating unit for some activities. For other activities, it is proposed to change from a uniform charge based on each separately used or inhabited part of every rating unit to a rate based on property land values.

- Cemeteries (\$186,945 of funding requirement from Rates to Charges).
- Marlborough Aquatic Centre (\$34,369 of funding requirement from Rates to Charges).
- Blenheim Vicinity Domains/Endeavour Park/Waitohi Domain/Rural Domains (\$734 of funding requirement from Rates to Charges).
- Churchward Park (\$1,167 of funding requirement from Charges to Rates).
- Nelson Square (\$749 of funding requirement from Charges to Rates).
- Pollard Park/Seymour Square/Riverside Park (\$59,878 of funding requirement from Charges to Rates).
- Bob's Bay, Picton Foreshore, Victoria Domain etc. (\$27,719 of funding requirement from Charges to Rates).
- Brayshaw Park (\$42,600 of funding requirement from Rates to Charges).
- Library (\$497,411 of funding requirement from Rates to Charges).
- Community Grants & Donations (\$28,493 of funding requirement from Rates to Charges).
- Safer Community (\$1,265 of funding requirement from Rates to Charges).
- Marlborough Research Centre Grant (\$64,507 of funding requirement from Charges to Rates).
- Environmental Monitoring (\$201,950 of funding requirement from Rates to Charges).
- Environmental Policy (\$267,273 of funding requirement from Rates to Charges).

Reallocation of Some Properties From One Geographic Rating Area To Another

- All properties in the Blenheim Vicinity Geographic Rating Area (with areas less than 1 hectare, that are connected to the Blenheim Water or Sewerage Schemes) will pay the general-type rates and charges for the Blenheim Geographic Area instead of the Blenheim Vicinity Geographic Area, as from 1 July 2004.
- All properties in Marina View will pay the general-type rates and charges for the Picton Geographic Area instead of the Picton Vicinity Geographic Area, as from 1 July 2004.
- Seven properties previously levied General Rural Geographic Area rates will be levied Blenheim Vicinity Geographic Area rates from 1 July 2004 as a result of boundary adjustments.

Riverlands Water Supply

The Riverlands Water Supply has previously been funded by differential uniform charges that entitle users to a maximum of 436 cubic metres per annum before an excess metered charge applies.

Council will now charge metered water to Riverlands users on a similar basis to that charged in Blenheim, Havelock, Picton and Renwick. This will entail charging on the basis of all water supplied with a minimum quarterly charge of \$40.00

Funding of Capital Requirements

10. In general, the sources of funds for capital expenditure will be utilised in the following order –
 - Financial contributions
 - Capital grants and subsidies (where available)
 - User charges
 - General revenue sources [see below]
 - Council financial reserves, including Depreciation Reserves.

- Loan raising [which will impact on rates in the form of loan servicing charges]
- Targetted rates [directly charged]

General Revenue Sources

11. 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

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

Petroleum Tax

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

Asset sale proceeds

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

Development and Financial Contributions

- Contributions received from developments and subdivisions are applied towards the cost of infrastructure.

Forestry Income

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

Treasury Management Policy

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

1. Philosophy

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

The Council borrows funds for capital projects where the agreed Council activity provides the public benefits over a number of years. It is felt that the capital cost (i.e. principal and associated interest) of these projects should be met by the public in the years in which they enjoy the benefits.

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

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

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

2. Investment Policy

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

Council's investments include:

- Equity investments
 - MDC Holdings Limited
which owns Port Marlborough NZ Limited
which owns Marlborough Airport Limited
 - Marlborough Regional Forestry
- Loans and Advances provided to:
 - MDC Holdings Limited
 - Community Groups
 - Other
- Treasury Investments

These investments comprise:

 - special funds, sinking funds and reserves
 - funds set aside for approved future expenditures
 - asset sale proceeds; and,
 - temporary surpluses and working capital funds

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

Equity Investments

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

Significant dispositions and acquisitions require Council approval.

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

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

Loans and Advances

These are made to –

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

Council set the criteria to apply for any other loans or advances as they are granted. It is normal that Council secures loans and advances against the assets of the organisation and obtains personal guarantees where appropriate. Council as a rule is not a lender of money.

Interest and principal repayments are monitored to ensure they comply with loan agreements.

Treasury Investments

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

Risks associated with investments are:

Interest Rate Risk

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

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

Liquidity Risk

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

Credit Exposure and Security

Credit risk is minimised by limiting the authorised institutions in which funds can be invested. Council selects only institutions which have achieved an appropriate minimum formal credit rating or better. In addition a diversified portfolio is achieved by placing maximum percentage investment limits to each authorised rating class as defined in schedule 1.

Settlement Risk

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

3. Liability Management Policy

(a) Borrowing Policy

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

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

Desired Weighted Average Term of Debt

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

Liquidity Policy

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

Debt Repayment Policy

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

Specific Borrowing Limits

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

Security

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

Authorised Instruments

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

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

(b) Foreign Exchange Policy

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

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

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

4. Reporting

Quarterly reporting to the appropriate Committee of Council must contain:

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

Monetary Investments Reporting

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

Policy on Significance

General Approach to Significance

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

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

Thresholds

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

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

Criteria

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

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

Procedure for Determining Significance

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

Assets Considered by the Local Authority to be Strategic Assets

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

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

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

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

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

Policy on the Commitment of Council Resources To Partnerships with the Private Sector

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

For the purposes of this policy, a partnership with the private sector is defined according to the Local Government Act 2002:

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

Circumstances Where Partnerships With the Private Sector Will be Considered:

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

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

Consultation

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

Conditions to be Imposed

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

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

Risk Assessment and Management

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

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

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

Monitoring and Reporting

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

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

Rate Remission and Postponement Policies

Rates Remissions Policy

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

Community, Sporting and Other Organisations

Objectives of the Policy

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Marlborough District Council where there is no statutory provision in Schedule 1 Part 2 of the Local Government (Rating) Act 2002.

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

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

Conditions and Criteria

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

The organisation must not operate for private pecuniary profit.

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

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

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

Application

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

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

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

Land Protected for Natural, Historic or Cultural Conservation Purposes

Objective of the Policy

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

Conditions and Criteria

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

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

Applications must be made in writing.

Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

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

Application

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

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

Residential Land in Commercial or Industrial Areas

Objective

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

Conditions and Criteria

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

- Be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine how their property has been zoned by inspecting the Marlborough District Council District Plan, copies of which are available from either the District Administration Office, or the Picton Service Delivery Centre).
- Be listed as a “residential” property for differential rating purposes. (Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council’s rating information database at the District Administration Office).
- The application for rate remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Application

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

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

Lansdowne Park

Objective of the Policy

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

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

Conditions and Criteria

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

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

Objective of the Policy

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

Conditions and Criteria

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

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

Application

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

Subdivisions That Create Four or More Rating Units

Objective of the Policy

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

Conditions and Criteria

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

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

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

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

Application

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

Water Losses

Objectives of the Policy

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

Conditions and Criteria

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

Application

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

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

- If the leak is repaired before the following quarterly reading, the remission will be equivalent to the assessed volume of water that has been lost through the leak, since the quarter prior to the leak being discovered; or
- If the leak is not repaired before the following quarterly reading, the remission calculation will be assessed on the next three month period; or
- Where there are extenuating circumstances, Council or its delegated officer[s] may extend the period for a re-assessment of the water rate.

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

Land Affected by Natural Calamity

Objective of the Policy

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

Conditions and Criteria

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

Application

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

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

Objective of the Policy

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

Conditions and Criteria

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

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

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

Application

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

Rate Penalties

Objective of the Policy

To enable Council to remit penalties where –

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

Conditions and Criteria

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

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

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

Application

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

Extreme Financial Hardship

Objective of the Policy

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

Conditions and Criteria

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

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

Application

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

Levying Uniform Annual District-Wide Charges and Targeted Charges

Purpose of Policy

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

Conditions and Criteria

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

- In the case of a farm or business:

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

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

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

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

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

Application

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

Sundry Remissions

Objective of the Policy

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

Conditions and Criteria

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

Rates Postponement Policy

Extreme Financial Hardship

Objective of the Policy

To assist ratepayers experiencing extreme financial hardship.

Conditions and Criteria

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

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

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

- The ratepayer[s] must be the current occupier[s] of the rating unit which must be solely used for residential purposes.
- The Council must be satisfied that the ratepayer[s] is/are unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expenses.
- The ratepayer[s] must not own any other rating units or investment properties or other realisable assets.
- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

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

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

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

Any postponed rates will be postponed until:

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

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

Application

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

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

Maori Freehold Land

Policy or Remission and Postponement of Rates

Objectives of the Policy

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

Conditions and Criteria

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

Statement on the Development of Maori Capacity to contribute to decision-making processes

Over the period of this plan, Marlborough District Council intends to work closely with Marlborough Iwi and with maataa waka to identify effective ways and means for Maori to participate fully in the Council's decision-making processes. This is expected to include a review of the current Maori Advisory Komiti, and the exploration of specific projects designed to help foster a closer understanding of the capacities of both Maori and Council.

Equal Employment Opportunities Policy

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

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

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

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

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

Risk Management Programme

Marlborough District Council is implementing a systematic Risk Management Programme across all its areas of operation. It is Council's aim to achieve a formal framework that will provide a continual process to manage all risks, for all operations of Council, ensuring that our organisation achieves its goals and realises opportunities. The framework is a tool for controlling uncertainty, minimising exposure to loss, and maximising opportunities.

The Risk Management Programme can be regarded as a way of managing all the processes in our organisation to maximise efficiency and effectiveness through integrating decisions in a rational framework. All staff have a role to play in risk management. The risk management process will take place within an ongoing programme of communication and monitoring, and is dependent upon a constant flow of information.

To date the programme has identified the strategic risks facing Council. All the risks are managed by the assigned owners and regularly monitored by the Council's Executive Risk Group.

Other programmes with the organisation, including Legal Compliance, Health & Safety, and ISO processes, support the risk management programme.

Glossary of TERMS

Accruals

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

Allocated Overheads

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

Asset Sales

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

Borrowings

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

Charge

These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are usually calculated as a fixed amount per separately used or inhabited part of a rating unit.

CV (Capital Value)

“Capital Value” of land means, subject to sections 20 and 21 of the Rating Valuations Act 1998, the sum that the owner’s estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require.

District Wide

Applies to every property in the District.

Geographic Areas

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

Infrastructural Assets

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

LV (Land Value)

“Land Value”, in relation to any land, and subject to sections 20 and 21 of the Rating Valuations Act 1998, means the sum that the owner’s estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if -

- Offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to impose; and
- No improvements had been made on the land.

MDC

Marlborough District Council.

Operational Assets

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

Other Revenue

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

Prepayments

Amounts paid to creditors by 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. Further explanations are provided under terminology in the Revenue and Financing Policy.

Unless otherwise specified, a reference to a rate in this Plan is to cents in the dollar of property value or area.

Rating Unit

Means a rating unit for the purposes of the Rating Valuations Act 1998.

Sinking Funds

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

Statement of Cash Flows

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

Statement of Financial Performance

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

Statement of Financial Position

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

Subsidies

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

User Charges

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

Transfer to/from Reserves

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

Working Capital

This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.