



# Long Term Council Community Plan

2009-2019

Volume 2

Council Activities and Funding

**Final**





## COUNCIL'S MISSION

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



Photo - Resource Recovery Centre, Transfer Station, Blenheim

Front Cover – View from Marlborough Ridge, Fairhall

## MDC DIRECTORY

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### CONTACT DETAILS

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

### ADDRESSES

#### District Administration Building

15 Seymour Street, Blenheim 7201

#### Picton Service Delivery Centre (includes Library)

67 High Street, Picton

#### Harbours

Mariner's Mall, Picton

#### Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

#### Animal Plant Pests and Services Depot

Freswick Street, Blenheim

#### Reserves Depot

Pollard Park, Blenheim

### SOLICITOR

P J Radich of Radich Law  
Blenheim

### BANKERS

Bank of New Zealand, Blenheim

### AUDITOR

Auditor General  
Audit New Zealand  
Christchurch

### GENERAL STATISTICS

**Population** (Census count 7 March 2006) ..... 46,179

- **Population** (Resident 7 March 2006) ..... 42,558

- **Inter-Census Population Movement** ..... (+) 8.6%

- **District Area** ..... 17,517 square kilometres

*as at 30 June 2008*

- **Rateable Land Value** ..... \$6,471,282,500

- **Rateable Capital Value** ..... \$11,987,180,200

- **Number of Rate Assessments** ..... 24,951

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## OVERVIEW OF THE COMMUNITY PLAN

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**The Long Term Council Community Plan (LTCCP) represents the overall planning framework for all the activities that Council is involved in. The Plan comprises two volumes:**

### **Volume 1: Community Outcomes**

An “outcome” is the result of an action. Community Outcomes are statements that describe the sort of community Marlborough could be in the future, as a result of actions that get taken now and in the years to come. It is up to the community as a whole to achieve these outcomes, by working together, and making best use of all the resources that we have available to us.

Volume 1 describes the outcomes that have been identified for the Marlborough community for the period 2009 – 2019. Council activities will be contributing to these outcomes, and Volume 1 includes statements from many of the other organisations, local and national, that are also in a position to influence achieving the outcomes.

Volume 1 also includes a section that paints a picture of the state of the Marlborough community as we start the 2009 LTCCP. Drawing information from a wide range of sources, this section provides a benchmark for monitoring future progress against the community outcomes.

### **Volume 2: Council Activities and Funding (This volume)**

The activities that Council undertakes will make a contribution to the community outcomes, but the choices about what activities to undertake, what levels of service to provide, and how much money to spend on an activity, are taken by the Council with many other factors in mind. Many of the activities are required by legislation, and in several cases legislation also sets mandatory levels of service.

This volume includes information on the rationale behind the different activities, how change will be managed, how performance will be monitored, and how much the activity will cost.

An important function of the Plan is to set out how Council proposes to fund its activities over the coming years. As well as describing the current financial position of the organisation, this part of the Plan includes extensive information on the funding policies that will apply, how debt will be managed, and the expected impact on rates, together with other important information describing the overall financial management of the Council.

Although the Plan covers a ten year period, predicting financial information over such an extended period does require a number of assumptions to be made. The Plan is updated every three years, and in intervening years an Annual Plan is produced incorporating any proposed changes to the LTCCP budget and activities.

Volume 2 also includes the various policy statements and supplementary information required in the LTCCP by the Local Government Act 2002.

## MAYOR'S INTRODUCTION

**Welcome to the Marlborough District Council Long Term Council Community Plan (LTCCP) 2009-19. This document details the services we will provide to our community over the next decade and how they will be paid for.**

The Council plays a crucial role in our community; it is a provider of essential services, a regulator, a major employer, a large purchaser, and a voice and focal point for the community's ambitions. The Community Outcomes identified in 2006 are reaffirmed in this Plan as priorities for the Council. In these troubled economic times the Council has kept rates low whilst maintaining, and improving where possible, the level of services to our community. Balanced with this choice, Council is also fully aware of the need to invest in our infrastructure to meet the needs of our growing community and to help maintain the vitality of the local economy. We have listened to the advice given by our community as part of the LTCCP submission process to ensure we have got this balance right.

The population and the economy of Marlborough has visibly changed and grown in recent years. This growth is projected to continue beyond the life of this Plan and we need to prepare to meet the challenges that this sustained growth will bring.

Developing and maintaining our infrastructure is costly, but necessary to ensure Marlborough's facilities are fit for purpose into the next decade. Council is undertaking a capital investment programme for the next 10 years including planned improvements to: the water and sewerage systems in our major population centres; the roading network and Blenheim's CBD. In addition community facilities such as reserves, sports grounds, aquatic facilities and walking and cycling routes will be provided. This investment should also lift current service levels. We remain committed to kerbside recycling in Marlborough, but have deferred its proposed 2009/10 introduction to meet our objective of keeping rates as low as possible during the current economic downturn.

One of the new policies discussed in this document is the new Development Contributions Policy. Under this policy, we will secure a contribution towards the true costs of growth borne by the Council for expanding our infrastructure networks to support the increased use of essential services. The level of contribution required under this policy will be phased in over four years to promote continued development in the current downturn, and to provide certainty for those who are committed to investing in our future growth.

Progress is continuing with our major development projects with a constant eye on adapting plans to meet changing circumstances. The London Quay development at Picton will continue on a phased basis with site clearance, landscaping and public access works commencing in 2009 enhancing this prominent site. Work is scheduled to commence on the Regional Aquatic Centre in the Spring of 2009 and is expected to take 18 months to complete, during which time the existing facility will continue to operate. A shortage of parking in and around the Blenheim CBD is being tackled by plans to develop sites in the town, the first of which is in Alfred Street. The proposed Marlborough Civic

Theatre development will also be supported if fund raising targets are met by the Theatre Trust.

The Wairau/Awatere Resource Management Plan was made operative in March 2009. This means that the Council's resource management framework is now complete. Ironically, the Council has begun the process of reviewing this framework. This is necessary to ensure that we continue to adapt to legislative, economic and environmental changes as they occur. This review is a public process and I would encourage you to participate and contribute to developing a vision for the future.

This document contains extensive information, but if you need additional information on anything in this Plan please contact Council staff.



**Alistair Sowman  
MAYOR**



## PLAN HIGHLIGHTS

### Financial Overview

Council has prepared the 2009-19 Long Term Council Community Plan (LTCCP) with the objectives of maintaining or enhancing existing levels of service, responding to community demands for essential infrastructure improvements and to keep rates at reasonable levels.

Over the next 10 years Council is embarking on a \$491 million programme of capital expenditure that replaces or enhances the District's core infrastructure, an increase of \$171 million over the 2006-16 LTCCP. This includes improving our Water Supply, Stormwater, Wastewater (Sewerage), Roads and River protection and Drainage.

To meet the cost of this capital expenditure and Council's operations Council has adopted an average increase of 3.9% in general rates which forms part of a 3.6% increase in total rates and charges for 2009-10. The indicative rates and charges movements for benchmark properties are shown on page 196.

Increases in General Rates and Charges over the remainder of the 10 year period of the 2009-19 LTCCP range from 1.9% to 7.6%. When all Rates and Charges are taken into account, as compared to just General Rates and Charges, this range increases to 3.4% to 10.6%.

Council will continue to try and identify alternative sources of revenue in an attempt to better match who pays with who causes additional demands on Council services and Infrastructure. The new Development Contribution levy is an example of this.

Council has decided to use its reserves, the largest of which is the Infrastructure Upgrade Reserve and is also looking to utilise its debt servicing capability to reduce the impact on current ratepayers arising from the proposed expenditure programme. This planned increase in debt levels has resulted in Council amending its Treasury Management Policy, the detail of which is shown on page 137. Council's planned net borrowings are shown on page 115. While the planned debt levels are an increase over previous levels, Council's planned level of debt compares well with other Local Authorities.

Other changes to the Revenue and Financing Policy are shown on page 144.

### Major District Water, Sewerage, Stormwater and Rivers Infrastructure Investment

Recent flooding events, legislative changes, pressures of growth, community expectations, the impact of climate change and other factors means that significant investment is required to improve Marlborough's water supply, stormwater, river and waste water infrastructure.

A combined single sewerage funding scheme has been adopted to replace the seven schemes that currently operate which will help all local communities afford necessary upgrades to their sewerage than the current system. A new sewerage scheme is to be provided in Spring Creek and Grovetown, and ratepayers there will be offered the opportunity to pay a lump sum in lieu of regular payments for these improvements. The current water supply requires significant upgrading in parts of the district to ensure compliance with NZ drinking water standards and to increase capacity to meet current and future growth. Recent flooding in the district highlighted some inadequacies with the stormwater drainage network capacity that requires investment. This will reduce the incidence of flooding and the damage caused during floods, and help meet the demands on the system caused by new residential and industrial development. Related to this, additional investment will be made to alleviate silting and erosion of our rivers and tributaries and in improving our stopbanks and floodplains which will help manage floodwaters during flood events and also to improve irrigation in key areas.

### Roads

The road network of Marlborough is generally good; however the current and future growth of the district economy places an additional number of private and heavy vehicles on our roads. A number of short and medium term improvements have been recommended in the Blenheim & Wairau Plains transport study which will be developed in the Regional Transport Strategy and Programme, subject to funding being identified. Recommended short term improvements include Blenheim CBD travel demand management, better public transport, walking and cycling routes; and in the medium term Opawa Bridge widening, four laning major state highway roundabouts. Additional road sealing and seal strengthening are also being considered in priority areas.



## Major Community Facility Developments

The Council is planning to make major investment in new or enhanced facilities in the District to meet the needs of the growing and changing community and the local economy. In Blenheim, a Regional Aquatic Centre on the current swimming pool site, Blenheim i-SITE, new road and pavement works and additional car parking in the CBD will be provided. A major strategic planning study of Blenheim Town Centre is currently taking place that may also suggest additional projects for consideration in the near future. Other proposals under development for Blenheim are a new Civic Theatre for Marlborough and a new I-SITE facility. In Picton, a major redevelopment of London Quay will soon begin, starting with public access and recreation work, with residential and commercial space following in later phases. Other proposals under development for Picton include a new library and a replacement swimming pool.

## Development Contributions Policy

The Council has adopted a new Development Contributions policy to help meet the costs of expanding infrastructure networks to support the increased use of essential services caused by significant population growth. The Development Contributions Policy (pages 170 to 193) has been designed to ensure that a fair contribution from the developer towards the true costs of each development to the Council. It is intended that the existing Financial Contributions policy will continue to operate alongside this new policy, but will be reviewed at the earliest opportunity should the Development Contributions policy be adopted. A full copy of the Development Contributions Policy is included in volume two.

An additional \$5 million is likely to be collected over a period of this Plan.

## Waste disposal

The Council has expressed its commitment to a 'zero waste sustainable Marlborough' through reduction, re-use and recycling. The Waste Minimisation Act 2008 has introduced a levy of \$10 per tonne on waste disposal from 1 July 2009 (approx \$3 per cubic metre). A portion of this revenue (approx \$150,000 in 2009/10) will be available to the Council to use on waste projects. It is proposed that these funds are applied to a Re-Use Centre – a re-usable collection and resale facility, and investigation into developing a composting system for the district. Also, it is proposed that kerbside recycling is introduced in Blenheim, Picton and Waikawa when economic conditions permit. The Council's current Waste Strategy and Plan for Marlborough will be reviewed and a new Plan will be in place by 2011 that will take account of the provision of the recently enacted Waste Minimisation Act.

## Responding to Environmental Pressures

The Council has committed to undertaking a comprehensive review of the current resource management framework having completed the adoption of its three key resource management strategies. A key component of the new framework will be provisions that enable the allocation and reallocation of public resources, such as freshwater and coastal space. Increased use of our natural resources due to increased economic and recreational activity means that good monitoring and management is important to protect sustainability. As a regulatory authority the Council is focused on improving systems and meeting the requirements of new legislation such as the Building Act and Food Safety Act, and providing a safe marine environment.

## Other Issues Covered In the Community Plan

The plan contains detailed activity plans for each of the significant services it provides to the community. Extensive financial information is also provided including full financial statements, planned capital expenditure and a funding impact statement. There are also a number of policies set out in the Plan:

- The Policy on Significance sets out how the Council determines the relative significance of proposals and decisions in relation to issues, assets, or other matters. The degree of significance is important in determining the level and extent of analysis, review and consultation that may be required.
- The Revenue and Financing Policy describes the process and rationale for how Council activities are funded.
- The Treasury Management Policy describes the approach taken in the management of council investments, including the approach to borrowing, cash management, and other financial liabilities.
- The Policy on Financial contributions for rural and urban subdivision.
- The Policy on Partnerships with the private sector sets out the circumstances and terms for the commitment of Council resources for combined public-private partnerships.
- The Policies on Remission and Postponement of Rates providing for those circumstances where there is a legitimate case for some rates to be reduced, or for payment to be deferred.
- The Statement on the Development of Maori capacity to contribute to decision making process describes how council will work with Maori to identify ways and means that will assist Maori to participate more effectively in the Council's decision-making processes.

ELECTED COUNCIL MEMBERS

BLenheim WARD



Jenny Andrews  
*(Deputy Mayor)*



Warwick Brice



Jill Bunting



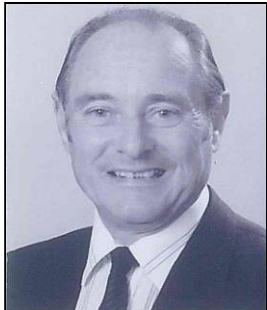
Liz Davidson

MAYOR



Alistair Sowman

PICTON WARD



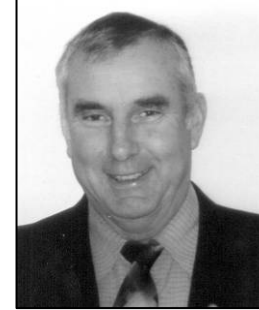
Tom Harrison



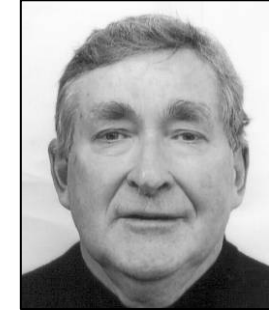
Gerald Hope



Graeme Taylor



Cliff Bowers



Nigel Weetman

WAIRAU/AWATERE WARD



Andrew Barker



Francis Maher



Peter Jerram

PELORUS/NORTHERN MARLBOROUGH  
SOUNDS WARD



Graeme Barsanti

## COUNCIL COMMITTEES AND MEMBERS

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

### **ASSETS & SERVICES COMMITTEE**

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

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

### **◆ Regional Transport Committee**

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

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

### **COMMUNITY AND FINANCIAL PLANNING COMMITTEE**

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

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

### **◆ Grants Sub-Committee**

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

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

### **◆ Housing for the Elderly Sub-Committee**

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

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



## ◆ Sister City Sub-Committee

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

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

## ◆ Youth Funding Sub-Committee

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

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

## ENVIRONMENT COMMITTEE

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

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

## ◆ Animal Control Sub-Committee

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

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

## ENVIRONMENTAL POLICY COMMITTEE

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

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

## HEARINGS COMMITTEES

This committee makes decisions on applications for resource consents. (Each Hearings Committee is made up of a chairperson and two members).

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

## CIVIL DEFENCE EMERGENCY GROUP

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

- Mayor Alistair Sowman - Chairperson
- Clr Francis Maher
- Clr Gerald Hope
- Clr Graeme Taylor
- Clr Jill Bunting
- Clr Graeme Barsanti

## 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
- Te Atiawa Manawhenua Ki Te Tau Ihu Trust
- Ngati Koata No Rangitoto Ki Te Tonga Trust
- Ngati Rarua Iwi Trust
- Ngati Toarangitira Manawhenua Ki Te Tau Ihu Trust
- Ngati Apa Ki Te Waipounamu Trust

## APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

### ◆ MDC Holdings Limited and Marlborough Airport Limited

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

### ◆ Port Marlborough NZ Limited

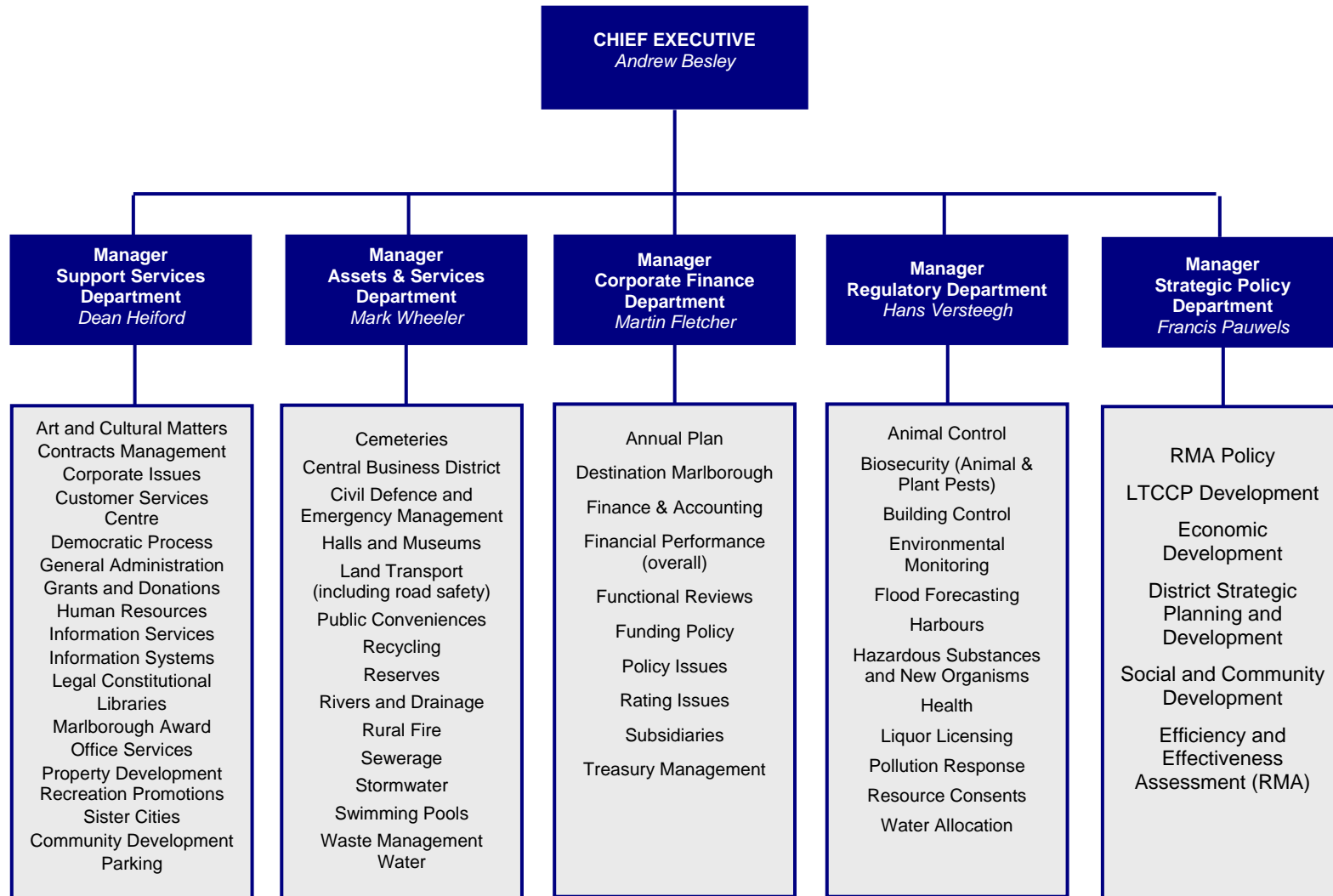
- Manager, Corporate Finance – Martin Fletcher (Director))

### ◆ Marlborough Regional Forestry

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

- Clr Andrew Barker (Chairperson)
- Mayor Alistair Sowman

COUNCIL STAFF STRUCTURE



## PART 1: HOW COUNCIL ACTIVITIES WILL CONTRIBUTE TO THE COMMUNITY OUTCOMES

Council activities are intended 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. These intermediate outcomes are described in this volume of the LTCCP. In combination with the outcomes that come through the activities of our community partners, progress is made towards the Community Outcomes.

### How the Activities in the LTCCP Relate to other Planning Documents and Processes

The LTCCP is part of an extensive network of related planning documents and processes, shaped in response to Government and community expectations of Council. Many of the activities undertaken by Council are done so under the framework of specific legislation, for example the Resource Management Act. Examples of key planning documents include the Regional Policy Statement, the Marlborough Sounds Resource Management Plan, the Wairau/Awatere Resource Management Plan, the Regional Pest Management Plan, and the Regional Land Transport Strategy. Asset Management Plans provide detailed information on the long term management of the infrastructure underpinning the delivery of many of Council's activities.

The LTCCP represents an overall summary of the Council's activities. The specific plans that relate directly to an activity are described where they apply. Most can be viewed at Council service centres and libraries, or on the Council's website.

### Council's roles

Council undertakes its activities in different 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.
- **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).
- **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 them an easy place to navigate.
- **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 component 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.

- **Partner**

In virtually every case, Council is not the sole contributor to an outcome. Whether or not we have another 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.

### Community Partners – Working With Others

Many local and regional organisations (including Maori) have a contribution to make to the Community Outcomes, through their own activities, and the particular outcomes that they are working towards. So too do Central Government and non-governmental organisations, and the private sector. As is the case with Council, the activities of our partners are often determined by legislation, or set by their governing bodies or principal funders. Council is committed to working collaboratively with all these like-minded organisations.



## PART II: MARLBOROUGH'S KEY CHALLENGES

One of the main purposes of the LTCCP is to foster debate on the key issues affecting the long term well being of the community. There can be many different views on what these key issues may be. The LTCCP can assist in bringing these views together, and through the processes of public submission and Council deliberation, make decisions on the pathway forward.

In the view of this Council, the defining issue for communities in the early 21<sup>st</sup> century is how to meet our present needs and aspirations without compromising the opportunities of future generations. Just as we are the beneficiaries, and bear the consequences, of past decisions, so too will future generations have to manage with our legacy. We have a duty to those future generations to consider the long term impacts of our choices.

Although we cannot predict the future, we can anticipate that future generations will share the same fundamental desires that people have held for millennia. We can expect that they will want to enjoy the best possible quality of life, to enjoy good health, to be happy, and have the company of good friends. They will want a roof over their heads and rewarding work for their hands, hearts and minds, just as we want these things today, for ourselves, our families, and the people around us. The community outcomes identified in the 2006 Long Term Council Community Plan were expressions of these aspirations, and hold equally true in 2009.

The principal challenges that we face are:

- The challenges of environmental sustainability.
- Climate change.
- Population change.
- Continued pressure on key infrastructure, and
- The need to sustain growth and innovation.

### Environmental Sustainability

It is important that we understand that the "environment" is connected to all spheres and every detail of our lives. Our diverse economy is leveraged off the availability and quality of natural resources. Our personal health and wellbeing relies on good quality fresh water, air, soils and coastlines.

The environment is broadly defined, and includes:

- Ecosystems and the things of which they are composed – plants and animals and their habitats, and people and communities – people are part of the environment.
- Natural and physical resources such as land, air, water, and also built structures such as buildings and neighbourhoods, and community infrastructure – e.g. transportation, energy, water supply, drainage, flood control, and waste disposal systems, and

- Amenity values – the things that make our environment a pleasant place in which to live, work and play, such as views of the Wither Hills, walking within Pollard Park or the open waters of the Marlborough Sounds.

Council undertakes an extensive range of environmental monitoring, investigations and reporting activities. This work assists in tracking progress on Council's work on significant issues, provides a better understanding of the state of the environment, highlights new issues that may arise, and supports the development of better ways of dealing with environmental issues. Council is currently preparing a 10 year review of the state of the Marlborough environment. Council has accumulated an extensive body of knowledge on the major environmental issues confronting the District, and associated experience in managing those issues.

Significant sustainability issues for the next 10 years in Marlborough are:

- Equitable fresh water allocation, particularly from the high-demand catchments and aquifers.
- Regional growth, including urban development, rural land use, subdivision and development on the Wairau and Awatere Plains and in the Marlborough Sounds, and the effects of growth on landscape and amenity, and
- Occupation of coastal space.

Council has the role, under the regulatory framework of the Resource Management Act, to provide a policy and planning context for achieving the sustainable management of resources in Marlborough. This is done through the Marlborough Regional Policy Statement and the Resource Management Plans. The Regional Policy Statement is currently being revised and will go through a public consultation and submission process in 2009. The document will provide an overview of significant environmental issues, and the various methods by which Council intends those issues to be addressed.

Council is also provided with regulatory frameworks under various other statutes to address aspects of environmental sustainability, including the Local Government, Building, Biosecurity, Conservation, Fisheries, Land Transport, Soil Conservation and Rivers Control, Health, Liquor, Dog Control, Historic Places, Reserves, and Civil Defence Emergency Acts.

Considering the effects on environmental sustainability from its service delivery and asset management is a further responsibility of Council. Council is tasked with providing infrastructure and services to assist people to provide for their social and economic needs, while limiting adverse environmental effects. For example, sewerage systems must provide the community with a reliable, low risk and cost effective service, while limiting the effects on the environment from the discharges.

### Climate Change

The future impact of climate change on Marlborough's environment is unknown. Climate scientists estimate that temperatures in Nelson and Marlborough could be up to 2.5°C warmer over the next 70-100 years. This compares to a temperature increase in New Zealand during last century of about 0.7°C (<http://www.mfe.govt.nz/issues/climate/about/climate-change-affect-regions/nelson-marlborough.htm>).

South and east Marlborough currently suffers one of the longest dry periods and the most severe soil moisture deficits in New Zealand, and the predictions are for these conditions to worsen over the next 79 years (NIWA; 2005).

The Marlborough region as a whole is also likely to experience more varied rainfall patterns and flooding could become up to four times as frequent by 2070 (<http://www.mfe.govt.nz/issues/climate/about/climate-change-affect-regions/nelson-marlborough.htm>).

There are likely to be both risks and opportunities from a change in climate. For example, with enough water, land owners could benefit from opportunities to grow new crops, with a longer growing season and fewer frosts. Innovative ways to distribute, store, use and reuse water more efficiently will become more important.

Marlborough has the longest coastline of any territorial authority, with much of its population on very low-lying land. Rising sea levels in the next 50 years could affect land uses and infrastructure in the coastal areas of the district.

Council is working with Central Government to monitor the effects of climate change, and as the likely implications and consequences of climate change become more apparent, response options will be developed and decisions taken as to how best to adapt to these changes.

### Population Change

The size and age of our population, and the ethnicity and cultural diversity, affect the demand for the type and level of service provided by the Council and other agencies. Understanding our changing demographics is important for Council to be able to plan future funding.

Significantly, our community in 2016 is going to be an *older* community. In 2006 the median age for Marlborough was 41.7 years. That means that half of the population was under 41.7, and half over. The national median age was 36. By 2016 it is expected that our median age will be 46.3, and by 2026, 50.3. The national median age is not expected to pass 50 before the middle of the century, if then. In 2006, 16% of the Marlborough population was over 65. By 2016 that will have increased to 22% and by 2026 almost a third of residents - 29% - will be over 65. Similar increases will be evident in older age groups. The age disparity

between men and women is expected to close a little, but will still be evident – the majority of these older residents will be women.

Household composition is also changing. In 2001, 38% of households included children. By 2021 it is predicted that only 26% of Marlborough households will include children, 29% of all households will be single persons, with the remainder being households of two or more people, but without children.

These changes are being seen across New Zealand, but Marlborough is one of a handful of regions that is several years or more ahead of the national trends.

Besides the changing age structure of the population, the other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. Predictions on the ethnic composition of the population are harder to make, but it is apparent that on a national basis, the proportion of people who identify as Pacific Island, Asian, and Maori will increase significantly over the next 20 years. Compared to the trends in aging and household distribution, Marlborough has lagged behind the national picture, and its ethnic composition has until recently been comparatively homogeneous.

Short term visits by migrant workers is probably the most distinct change to the cultural diversity in Marlborough. While data on the migrant population is unlikely to appear in any long term trends, they represent a significant proportion of the population at certain times of the year in Marlborough. Short term visitors are likely to have different expectations and needs from community services than those who chose to make Marlborough home.

The New Zealand Immigration Service advised that 2,416 work applications were approved for Marlborough in 2007/08.

These changes to the composition of the community have major implications for planning. They affect, for example, the demand for and delivery of health and education services, and for housing, transport, and recreation. They have implications for the labour market, and the demand for a wide range of goods and services. Many of these changes bear directly on Council decisions over the period of this plan, and they all bear directly on the future of Marlborough. Marlborough is addressing these issues in part under its People Activity Group.

### Pressure on key infrastructure

As the district's population grows, and commercial activity grows, increased pressures are placed on core assets. Expectations of service, health and environmental standards, are also increasing over time. Council has made major investments in recent years on upgrading the district's core infrastructure, in particular sewage treatment facilities, water supply, and roading. Significant investments have also been made in flood control and waste management. Over

the period of this Plan, Council has a continuous programme of upgrades, renewals and investment in new infrastructure to address the growing pressure. Land use planning, including a strategic study of urban development and growth in Blenheim, will contribute to the infrastructure work programme.

## Sustaining Growth and Innovation

The past 20 years have seen enormous growth and development across Marlborough. Much of that has been on the back of our primary industries, in particular viticulture and aquaculture. Aviation has also continued its historic contribution. Tourism has grown in significance, and is expected to continue bringing increasing numbers of domestic and international visitors to the region. The challenge with industries based on natural resources (such as viticulture and aquaculture) is that the primary resources are essentially finite. There is only so much land, water or coastal space, available. Other things being equal, continued exploitation of the district's natural resources may eventually reach limits. Competition between alternative and rival users will become increasingly acute. The sustainable allocation of resources is essential to maintain growth and innovation in our key industries.

New Zealand's relative isolation from many of its markets also presents challenges. In general, New Zealand's competitive advantages derive from innovation and added value, rather than simple commodity trading. To continue extracting this value, the district will need to be investing in areas such as research, smart labour management, and branding – investments based on human capital. Identifying skills needs and shortages, and attracting, rewarding, and retaining skilled labour, will be crucial to sustaining Marlborough's growth and development in the coming years. Council looks to address these challenges through its support of Regional Development. More detail on this is provided under the Regional Development Activity Group section.

A stable regulatory environment, with good governance, is also essential to attract and retain commercial enterprise and support innovation and growth.

## Council Activities

Council is addressing the principal challenges of Marlborough through its activities, as shown in the following table.

**Table 1 Summary of Council Activities and Principal Challenges**

Council Activity	Environmental Sustainability	Climate Change	Population Change	Pressure on key infrastructure	Sustaining Growth and Innovation
Democratic process					√
Culture and heritage			√		√
Community housing			√	√	
Community safety			√		√
Community support			√		√
Library services			√		√
Physical activity and recreation			√		
Emergency management	√	√		√	
Community facilities			√	√	√
Land transport	√			√	√
Rivers and land drainage	√	√		√	
Wastewater (sewerage)	√			√	√
Stormwater	√	√		√	
Water supply	√	√		√	√
Waste management				√	
Environmental policy and planning	√	√			√
Environmental science and monitoring	√	√			√
Regional development			√		√
Marketing & tourism			√		√
Research Centre			√		√
Building control	√		√		
RMA consents	√	√			√
RMA compliance	√	√			
Public health			√		
Animal and plant pests	√	√			
Harbours	√	√			
Animal control	√				



## OUR BUSINESS – ACTIVITIES & SERVICES

### Introduction

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

Aligning its services with community aspirations and the Council's own vision better ensures that Council is heading in the right direction in meeting customer needs and wants. In this 10 year Plan, the Council has structured its activities into seven Activity Groups:

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

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

### Identifying Services

Determining what services Council will and will not provide is not always easy. There is a range of services that Council *could* provide. Some are required by law while others are discretionary. All have varying levels of community or customer demand. However, these services must all be funded and ratepayers have told us that having an affordable level of rates is important to them in these troubled economic times. This means that the Council cannot realistically deliver everything that the community may want. It has to prioritise and make some choices. In consulting on this 10 year Plan, Council has used ratepayer input to make what it believes are the right choices.

As part of the process of identifying services for this 10 year Plan, every activity has been recently reviewed and critically evaluated from a customer driven perspective as intended by recent changes to local government legislation.

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

These plans represent the choices that have been made by Council as to what to deliver over the next 10 year period.

### How Levels of Service have been Selected

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

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

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

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

Community Outcomes and Activities Summary Table

Community outcome	Activity group	Council activities
Environmental sustainability	Land and water services	Land transport
		Rivers and drainage
		Wastewater (sewerage)
		Stormwater
		Solid waste management
	Environmental policy and information	Environmental science and monitoring
		Environmental policy
		Biosecurity (pest management)
	Regulatory	Resource consents
		Environmental protection
Harbours		
Regional Development	Research Centre	
Prosperity	Land and water services	Land transport
		Rivers and drainage
	Environmental policy and information	Environmental science and monitoring
		Environmental policy
		Biosecurity (pest management)
	Regulatory	Resource consents
	Regional development	Regional development
		Marketing and tourism
		Events management
		Research Centre
Knowledge and learning	People	Library services
Enterprise and endeavour	Regional development	Regional development
		Marketing and tourism
		Research Centre
Full participation	Democratic process	Democratic process
	People	Community support
		Library services
	Regional development	Events management
Positive aging	People	Community housing

		Community safety
		Community support
Positive youth	People	Community safety
		Community support
Safety and security	People	Community safety
	Emergency management	Emergency management
	Regulatory	Harbours
		Animal control
Energy efficiency	Regulatory	Building control
Affordable housing	People	Community housing
	Regulatory	Building control
Health choices	Regulatory	Environmental health
		Environmental protection
Essential services	Land and water services	Land transport
		Rivers and drainage
		Wastewater (sewerage)
		Stormwater
		Water supply
		Solid waste management
	Regulatory	Project and land memoranda
Heritage	People	Culture and heritage
		Libraries
	Land and water services	Community facilities
Fun and recreation	Land and water services	Community facilities
	Regulatory	Harbours
Physical activity	People	Community support
	Land and water services	Community facilities
		Land transport
Creativity	People	Culture and heritage
		Library services

## Managing Change

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

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

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

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

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

also being prepared for the Council's river control assets, its stock of community housing, and for parks and reserves.

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

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

### Changes to Demand

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

### Changes to Levels of Service

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

### Significant Negative Effects

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



## HOW TO READ THE ACTIVITY SECTION

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

<b>ACTIVITY GROUP</b>										
<ul style="list-style-type: none"> <li>Activities within this group</li> <li>Rationale</li> <li>Significant negative effects</li> <li>Issues and changes affecting assets that support this group of activities</li> </ul>										
<b>ACTIVITY: NAME</b>										
Operating costs of this activity represents xx% of total activity revenue										
<b>Outcome</b>	<b>Related Community Outcome</b>									
<ul style="list-style-type: none"> <li>How this activity relates to Community Outcomes</li> <li>What is this activity about?</li> <li>Asset description</li> <li>Issues and changes</li> </ul>										
<b>LEVELS OF SERVICE</b>										
Performance targets (for the financial year)										
<b>Level of service</b>	<b>Indicator</b>	<b>Baseline</b>	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>12-19</b>				
<b>OPERATING AND CAPITAL COSTS AND FUNDING FORECASTS</b>										
<b>SERVICE AREA</b>	<b>BUDGET</b>									
	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19

- The name of the Activity Group.

- The activities within the Activity Group.
- The rationale for the delivery of the Group of Activities.
- Advice that the levels of service for the Group are contained in the section relating to each individual activity.
- Any significant negative effects associated with the Group Activities.
- Issues and changes at a high level affecting the Activity Group and the assets that support it.

- The name of the Activity.
- A table detailing:
  - The cost of this activity as a % of total operating costs.
  - The outcomes sought to be achieved by this activity.

- How this activity relates to Community Outcomes.
- A description of what the Activity is about.
- Issues and changes affecting the specific Activity.
- A description of the assets involved in the activity, if applicable

- Levels of service.
- A description of the service to be provided.
- The indicator used to measure achievement.
- The targets for 2009/10, 2010/11, 2011/12 years individually and 2012-19 period in outline.

- The operating and capital costs forecast for each of the next 10 years and the means by which they are funded.

## ACTIVITY GROUP: DEMOCRATIC PROCESS

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### Activities in this Group

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

### Rationale for the Delivery of this Group of Activities

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

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

### Levels of Service

Each activity details:

1. Planned levels of service, performance targets and measures.
2. Estimated expenses of achieving and maintaining the identified levels of service provision.

### Significant Negative Effects Associated with this Group of Activities

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

## ACTIVITY: DEMOCRATIC PROCESS

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

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

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

In considering the range and diversity of the communities that are represented in Marlborough, Marlborough District Council recognises the special relationship it has with tangata whenua, and acknowledges the specific responsibilities it has to Maori under the Local Government Act 2002 and under the Resource Management Act 1991.

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

### Issues and Changes

No issues associated with this activity, except for the three yearly elections and six yearly representation review.

## LEVELS OF SERVICE: DEMOCRATIC PROCESS

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations. Undertake citizenship ceremonies and other civic duties. Manage 2010 election processes in accordance with Local Electoral Act.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.4	6.5	6.5	7.0
Provide a service that is timely and responsive to residents needs.	Percentage of agendas and attachments available to the public at least three working days prior to meetings.	100%	100%	100%	100%	100%
	Percentage of Council meetings advertised in the local media no less than five working days prior to meeting date.	100%	100%	100%	100%	100%

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

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Democratic Process</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Operating Costs	2,418	2,697	2,713	2,705	2,918	2,937	2,889	3,120	3,149	3,132
Operating Surplus Transferred to Reserves	148	-	-	-	-	-	-	-	-	-
	<b>2,566</b>	<b>2,697</b>	<b>2,713</b>	<b>2,705</b>	<b>2,918</b>	<b>2,937</b>	<b>2,889</b>	<b>3,120</b>	<b>3,149</b>	<b>3,132</b>
<b>Funded by</b>										
Rates	2,297	2,371	2,449	2,457	2,643	2,687	2,644	2,846	2,902	2,889
General Revenues Applied	269	258	260	246	251	249	239	250	244	239
Other Revenue		22	4	2	24	1	6	24	3	4
<b>Total Revenue</b>	<b>2,566</b>	<b>2,651</b>	<b>2,713</b>	<b>2,705</b>	<b>2,918</b>	<b>2,937</b>	<b>2,889</b>	<b>3,120</b>	<b>3,149</b>	<b>3,132</b>
Operating Deficit Funded from Reserve	-	46	-	-	-	-	-	-	-	-
	<b>2,566</b>	<b>2,697</b>	<b>2,713</b>	<b>2,705</b>	<b>2,918</b>	<b>2,937</b>	<b>2,889</b>	<b>3,120</b>	<b>3,149</b>	<b>3,132</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>-</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	-	21	-	-	24	-	-	27	-	-
Asset Disposals	-	20	-	-	20	-	-	20	-	-
	<b>-</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>-</b>



**ACTIVITY GROUP: PEOPLE**

**Activities in this Group**

The activities in this group include:

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

**Rationale for the Delivery of this Group of Activities**

These activities encompass a range of services that require Council input. Council undertakes these activities because of the positive contribution they make to the Marlborough community by increasing diversity, knowledge and education.

This activity group contributes to the community outcomes of full participation, positive aging; positive youth; safety and security; affordable housing; heritage, physical activity; knowledge and learning, creativity, and prosperity

**Assets and Levels of Service**

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

**Significant Negative Effects Associated with this Group of Activities:**

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

**Issues and changes Affecting the Assets that Support this Group of Activities**

Since the mid 1980's, Marlborough has been undergoing steady growth, driven largely by the development of the viticultural industry. Marlborough has become a more diverse community, with a diversity of needs and aspirations. A key trend affecting this group is likely to be the ageing profile of the Marlborough community. Where specific changes are envisaged, these are described under the relevant activity.

Central Government has a significant role to play in meeting the community outcomes that this group of activities is linked to. Council forms working partnerships with relevant departments and ministries, so that best use and benefit can be made of resources.

Major assets supporting this group of activities include:

- Community housing stock.
- Library buildings and book stock.

Anticipated changes to asset capacity are discussed in the context of specific activities.

Known changes to demands on asset capacity are discussed in the context of specific activities. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant Asset Management Plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.

**ACTIVITY: CULTURE AND HERITAGE**

**Operating costs of this activity represent less than 1% of total activity expenditure.**

Outcome	Related Community Outcome
Marlborough's heritage resources are acknowledged, valued and enjoyed by present and future generations. Marlborough is an enlivened and creative region in which the arts are widely practised and enjoyed, and where they are recognised as being essential to a healthy and prosperous community.	Heritage, Creativity.

## How this Activity Contributes to Related Community Outcomes

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

## What is this Activity About?

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

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

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

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

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

proposes working with the community to achieve positives outcomes for culture and heritage.

These include:

- Forming partnerships with organisations and institutions that contribute to cultural wellbeing.(eg; Marlborough Museum, Past Perfect museums database project)
- Supporting projects that reflect and strengthen Marlborough cultural identity. (eg; Marlborough 150 year anniversary celebration)
- Managing the cultural and heritage assets and resources that it is responsible for in a sustainable manner.
- Providing annual heritage operating grants and a pool of grants funds for the arts and heritage sector to apply for each year.

## Issues and Changes

The Heritage and Arts sectors are under stress because of limited funding sources and a need to; invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of art being practised in Marlborough. There is also a desire in the sector for the expansion of museum facilities and to provide a greater level of trained professionals in the local industry.

Council recognises the importance of heritage and art to Marlborough and will assist organisations in accessing resources to increase support beyond the current levels with assistance from other funding organisations.

Council's relationships with its partners in the heritage and arts sectors will remain its most important resource in delivering this activity.

## Levels of Service: Culture and Heritage

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5	7.5	7.5	7.5
Manage relationships with third party providers to ensure service quality and value including: <ul style="list-style-type: none"> <li>o Identify programmes and proposals to increase the provision and preservation of art and culture.</li> <li>o Review existing programmes to ensure still addressing art and cultural issues.</li> </ul>	Percentage of proposed programmes approved by Council and external funding providers.	100%	100%	100%	100%	100%
	Percentage of programmes reviewed, with results presented to, and recommendations endorsed by Council.	100%	100%	100%	100%	100%
	Percentage of grants allocated and reports provided to the relevant committee of Council.	100%	100%	100%	100%	100%
	Percentage acceptance by Council of the achievements reported annually.	90%	90%	90%	90%	90%

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

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Culture and Heritage</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>										
Arts	179	180	5,181	381	382	382	383	383	384	384
Heritage	306	357	360	363	365	367	369	370	373	377
Memorials	83	86	89	91	93	96	98	101	106	108
<b>Total Operating Costs</b>	<b>568</b>	<b>623</b>	<b>5,630</b>	<b>835</b>	<b>840</b>	<b>845</b>	<b>850</b>	<b>854</b>	<b>863</b>	<b>869</b>
Operating Surplus Transferred to Reserves	-	-	-	-	-	-	-	-	63	65
	<b>568</b>	<b>623</b>	<b>5,630</b>	<b>835</b>	<b>840</b>	<b>845</b>	<b>850</b>	<b>854</b>	<b>926</b>	<b>934</b>
<b>Funded by</b>										
Rates	504	557	565	753	762	768	775	780	847	856
General Revenues Applied	63	65	64	81	77	76	75	73	77	76
Other Revenue	1	1	1	1	1	1	-	1	2	2
<b>Total Revenue</b>	<b>568</b>	<b>623</b>	<b>630</b>	<b>835</b>	<b>840</b>	<b>845</b>	<b>850</b>	<b>854</b>	<b>926</b>	<b>934</b>
Operating Deficit Funded from Reserve	-	-	5,000	-	-	-	-	-	-	-
	<b>568</b>	<b>623</b>	<b>5,630</b>	<b>835</b>	<b>840</b>	<b>845</b>	<b>850</b>	<b>854</b>	<b>926</b>	<b>934</b>
<b>Capital Expenditure</b>										
Heritage	-	-	53	11	11	58	-	-	62	-
Memorials	14	132	8	9	12	28	51	28	97	74
<b>Total Capital Expenditure</b>	<b>14</b>	<b>132</b>	<b>61</b>	<b>20</b>	<b>23</b>	<b>86</b>	<b>51</b>	<b>28</b>	<b>159</b>	<b>74</b>
Debt Repayment	-	-	2	2	2	3	3	3	5	5
	<b>14</b>	<b>132</b>	<b>63</b>	<b>22</b>	<b>25</b>	<b>89</b>	<b>54</b>	<b>31</b>	<b>164</b>	<b>79</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	9	-	3	3	6	40	12	8	30	5
Other Reserve Transfers	5	132	8	9	9	29	42	23	72	74
New Loans	-	-	52	10	10	20	-	-	62	-
	<b>14</b>	<b>132</b>	<b>63</b>	<b>22</b>	<b>25</b>	<b>89</b>	<b>54</b>	<b>31</b>	<b>164</b>	<b>79</b>

**ACTIVITY: COMMUNITY HOUSING**

Operating costs of this activity represents 1.4% of total activity expenditure.

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

**How this Activity Contributes to Related Community Outcomes**

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

**What is this Activity About?**

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

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

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

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

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

**Issues and Changes**

In the long term, population and labour market changes are expected to increase demand for lower cost housing. This is expected to be driven by a number of factors, including:

- An increasing number of people aged 65 and older on fixed incomes.
- An increasing number of people with illnesses and disabilities that limit their earning capability.
- An increasing number of single person households.
- A continuing dependency by the district’s primary industries on low cost manual labour.
- The age and difficulty in maintaining Housing for the Elderly residential units.

Council will have to work with the community and Government agencies to look at long-term solutions for the housing issues in Marlborough.

**Policy on Social Housing**

Council will own and maintain a stock of housing, for the purpose of assisting elderly people to have access to housing they could not otherwise afford.

**Principles and Criteria**

Council resources for the provision of housing assistance are limited, and therefore applications will be assessed according to the following principles and criteria:

1. To prioritise clients according to prevailing demand.  
Given the current and projected demographic profile of the district, the prevailing demand for assistance with affordable housing is considered to lie with older people. Priority will therefore be given to people over age 65. Prevailing demand will be reassessed periodically.
2. To focus assistance on those with low incomes.  
The threshold for access to Council housing will be reviewed periodically, and will be based on a combined assessment of household income and assets.
3. To provide for needs not met by other providers.  
Council considers itself to be the housing option of last resort. Applicants must be able to demonstrate that their housing needs cannot be met from alternative sources.



4. To match applicants with housing suited to their needs.

Within a limited portfolio, the type of housing that may be available at any time may not be suited to the specific needs of an applicant. This may require applicants to be wait listed until suitable housing becomes available. Suitable housing is housing that is appropriate to household size, is proximate to essential services, and is located within a neighbourhood and community context that will foster integration and participation.

## Rents

Rents will be set at a rate less than market rental value, with periodic reviews.

## Governance

The Housing Policy will be administered by the Council's Housing for the Elderly Sub-Committee. Day to day administration of the portfolio, including assessing applications, will be provided by the Council's property managers, according to this policy and to the provisions of the Social Housing Asset Management Plan.

## Risk Management

Council will endeavour to manage the financial and economic risks of this policy by:

- Managing a positive regulatory environment for new housing, and fostering a social and economic environment that maximises people's capacity for self help.
- Applying principles and criteria for accessing Council provided housing that are sufficiently flexible to allow adaptation to changing characteristics of demand, while still being consistent and equitable
- Managing the capital value of the housing asset in a financially prudent manner, and
- Being open to partnership opportunities that allow risks to be spread between stakeholders.

## Related Documents

The Marlborough District Council Social Housing Asset Management Plan informs the management of the capital asset.

## Levels of Service: Community Housing

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.7	6.7	6.7	6.7	7.0
Provide a community housing service that is sustainable.	Percentage of planned maintenance for the housing for elderly portfolio completed.	80%	90%	90%	90%	90%

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

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Community Housing</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Operating Costs	1,026	1,007	956	988	1,016	1,052	1,084	1,117	1,145	1,180
Operating Surplus Transferred to Reserves	32	91	100	94	88	76	70	64	64	60
	<b>1,058</b>	<b>1,098</b>	<b>1,056</b>	<b>1,082</b>	<b>1,104</b>	<b>1,128</b>	<b>1,154</b>	<b>1,181</b>	<b>1,209</b>	<b>1,240</b>
<b>Funded by</b>										
Other Revenue	<b>1,058</b>	<b>1,098</b>	<b>1,056</b>	<b>1,082</b>	<b>1,104</b>	<b>1,128</b>	<b>1,154</b>	<b>1,181</b>	<b>1,209</b>	<b>1,240</b>
Capital Expenditure	123	104	130	166	175	138	132	229	232	259
Debt Repayment	90	129	-	-	-	-	-	-	-	-
	<b>213</b>	<b>233</b>	<b>130</b>	<b>166</b>	<b>175</b>	<b>138</b>	<b>132</b>	<b>229</b>	<b>232</b>	<b>259</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	213	194	130	166	175	138	132	229	232	259
Other Reserve Transfers	-	39	-	-	-	-	-	-	-	-
	<b>213</b>	<b>233</b>	<b>130</b>	<b>166</b>	<b>175</b>	<b>138</b>	<b>132</b>	<b>229</b>	<b>232</b>	<b>259</b>

## ACTIVITY: COMMUNITY SAFETY

Operating costs of this activity represent less than 1% of total activity expenditure.

Outcome	Related Community Outcome
People in Marlborough enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.	Safety and security, Positive Ageing, Youth.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

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

The majority of these projects are delivered via Government funding either directly by Council or via other contracts and include Street Safe Marlborough community crime prevention patrol group, Neighbourhood Support Marlborough (NSM), Restorative

Justice, Job Path Marlborough, Tradelink Marlborough, Crime Prevention Through Environmental Design (CPTED) and U-Can, which is an initiative to inform migrant arrivals in Marlborough how to keep themselves safe in our community and a Motivational Outdoor Therapy programme (MOTH) in support of reducing graffiti vandalism in the region.

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

### Issues and Changes

The Resident Satisfaction Survey 2008 identified that 97% of residents felt safe in their own home after dark. Safety fears increase when related to the neighbourhood after dark and increase significantly (to 57%) when compared to town after dark.

The main areas of concern were identified as graffiti, theft and damage to cars, vandalism and rubbish/litter. Addressing these issues will help increase the feeling of safety of resident's in their own town.

The changing demographic impacts on these issues as Marlborough is experiencing an ageing of the population and some increased ethnic diversification. Existing safety programmes will need to be reviewed regularly and new programmes identified and developed to meet the changing safety needs of the Marlborough community.

## Levels of Service: Community Safety

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.4	6.4	6.5	7.0
	Percentage of residents that perceive of safety after dark in their	Neighbourhood: 85% Town: 57%	85 % 58%	85% 59%	85% 61%	85% 65%

	neighbourhood and town as measured by survey.					
Manage relationships with third party providers to ensure service quality and value including identifying programmes and proposals to address safety issues.	Percentage of proposed programmes approved by Council and external funding providers.	100%	100%	100%	100%	100%
Review existing programmes to ensure still addressing safety issues.	Percentage of programmes reviewed, with results presented to, and recommendations endorsed by Council.	100%	100%	100%	100%	100%
Programmes delivered within agreed timeframes and budgets.	Percentage of grants allocated and reports provided to the relevant committee of Council.	100%	100%	100%	100%	100%
	Percentage acceptance by Council of the achievements reported annually.	90%	90%	90%	90%	90%



<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Community Safety</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>										
Safer Communities	216	221	227	233	239	245	251	258	265	273
Security	58	65	71	76	82	89	67	72	79	86
<b>Total Operating Costs</b>	<b>274</b>	<b>286</b>	<b>298</b>	<b>309</b>	<b>321</b>	<b>334</b>	<b>318</b>	<b>330</b>	<b>344</b>	<b>359</b>
<b>Funded by</b>										
Rates	78	84	91	98	105	113	95	101	109	117
General Revenues Applied	10	10	11	11	11	12	9	10	10	11
Subsidies & Grants	184	190	194	199	203	208	212	217	223	228
Other Revenue	2	2	2	1	2	1	2	2	2	3
<b>Total Revenue</b>	<b>274</b>	<b>286</b>	<b>298</b>	<b>309</b>	<b>321</b>	<b>334</b>	<b>318</b>	<b>330</b>	<b>344</b>	<b>359</b>
<b>Capital Expenditure</b>										
Security	50	52	53	54	55	56	58	59	60	62
<b>Total Capital Expenditure</b>	<b>50</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>62</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	50	52	53	54	55	56	58	59	60	62
	<b>50</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>56</b>	<b>58</b>	<b>59</b>	<b>60</b>	<b>62</b>

## ACTIVITY: COMMUNITY SUPPORT

Operating costs of this activity represent less than 1% of total activity expenditure.

Outcomes	Related Community Outcome
Marlborough's communities are robust and resilient. Young people are supported in their lifestyle choices. More people, more active, more often. Older people are valued and recognised as an integral part of the community.	Full participation; Positive youth; Physical activity; Positive ageing.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

This activity involves strengthening community cohesion, supporting social networks within the community, recognising the value and needs of older people and providing a positive environment for the development of our young people. It also includes support for physical recreation and activity.

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

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

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

Similarly Council has a Youth Policy and Youth Initiatives Plan that works towards achieving a better environment and services for this sector with active input from youth. This includes making progress towards the Mayoral Task Force goal of "that all young people under the age of 25 should be engaged in appropriate education, training, work

or other options which will lead to long term economic independence and wellbeing". Monthly Council Youth Forums are held to provide a voice for youth and to take effect of the Policy and Plan which provides direction for the allocation of Council's Youth Funding.

The volunteer sector including non government (NGO) and not for profit (NFP) organisations, underpins much of the service delivery of community services in Marlborough. Advocating the needs of the sector is an ongoing issue particularly given the changes being experienced in the age and ethnicity of the community. Relationships have been made with key organisations to build the capacity of the sector through provision of training and support. Council also assists through provision of community grants with set criteria to target needs in the community. Relationships with other funding providers are maintained to try and maximise the funds available.

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

### Issues and Changes

The changing age structure of the Marlborough community will pose some challenges for future infrastructure and delivery of services as will maintaining rates of physical activity. In the coming years our community is going to be "older". In 2001 (Census Information) 15% of the population was over 65, by 2016 that will have increased to 22%, this is expected to increase to almost a third of the population of 2026.

The other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. It is already apparent that ethnic and cultural diversity will be an increasingly prominent feature of the Marlborough population.

These changes to the composition of the community have major implications for planning – they affect for example the demand for and delivery of health and education services, along with housing, transport and recreation. They have implications for the labour market, and the demand for a wide range of goods and services.

Delivery of community based services is also affected by the changes experienced in the community. Volunteer input is an enormously valuable community resource. However, there are increasing signs that the full benefits of this resource are not being explored, and that it is not being replenished at a sufficient rate to ensure sustainability of services

reliant on volunteers for delivery of services. Support is needed to build the capacity of the sector to ensure services continue to be provided that reflect the changing needs of the community.

## Levels of Service – Community Support

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.2	≥ 7.2	≥ 7.2	≥ 7.2	≥ 7.2
Manage Council Community Grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes.	New measure.	≥90%	≥90%	≥90%	≥90%
	Outputs and outcomes of programmes reported to Council annually.	100%.	100%	100%	100%	100%
Implement Positive Ageing Accord.	Number of Older Peoples Forums held annually with minimum 90% attendance.	10	10	10	10	>10
	Frequency of Seniors Expo.	New measure.		Senior Expo held		Senior Expo held biannually
	Timeliness in establishing the baseline for incremental improvement in awareness of services available.	Baseline established for incremental improvement in awareness of services available.				
Review and implement Youth Initiative Plan annually.	Number of Youth Forums held annually with minimum 90% attendance.	10	10	10	10	>10
	Percentage of Actions in Youth Initiatives Plan completed each year.	90%	90%	90%	90%	90%
Build capacity of the Volunteer Sector through provision of training in partnership with key providers.	Number of training courses provided per annum where attendance numbers meet targets.	3	>3	>3	>3	>3

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

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Community Support</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>										
Grants and Donations	521	509	513	485	488	492	493	497	501	504
Recreation	78	81	83	86	87	90	92	94	97	100
<b>Total Operating Costs</b>	<b>599</b>	<b>590</b>	<b>596</b>	<b>571</b>	<b>575</b>	<b>582</b>	<b>585</b>	<b>591</b>	<b>598</b>	<b>604</b>
<b>Funded by</b>										
Rates	509	505	512	491	498	506	510	516	524	530
General Revenues Applied	60	56	54	50	48	47	46	45	44	44
<b>Total Revenue</b>	<b>569</b>	<b>561</b>	<b>566</b>	<b>541</b>	<b>546</b>	<b>553</b>	<b>556</b>	<b>561</b>	<b>568</b>	<b>574</b>
Operating Deficit Funded from Reserve	30	29	30	30	29	29	29	30	30	30
	<b>599</b>	<b>590</b>	<b>596</b>	<b>571</b>	<b>575</b>	<b>582</b>	<b>585</b>	<b>591</b>	<b>598</b>	<b>604</b>

## ACTIVITY: LIBRARY SERVICES

Operating costs of this activity represents 1.9% of total activity expenditure.

Outcome	Related Community Outcome
Lifelong learning opportunities and improved knowledge, literacy and information skills for Marlborough's residents.	Full participation; knowledge and learning; creativity; heritage.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

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

The libraries' collection consists of over 133,700 items, covering a wide range of general interest and popular titles, both fiction and non-fiction, pre-school and children's titles, large print, local history, bicultural, along with non-book resources. The Collection Development Policy (currently being reviewed) identifies how the collections will be maintained and developed to meet the needs of a growing and diverse population.

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

### Issues and Changes

Library issues and changes are concentrated on two issues:

- Growth in patronage and the collection is putting pressure on space for both the Blenheim and Picton libraries.
- Changing technologies and how the Library will respond.

The Marlborough District Library was opened in June 1989. Since that time, the library has seen patronage and issues increase. In 2007/2008, over 521,000 items were issued. Its central location has proven popular as a central meeting place for those visiting the CBD. As the collection has expanded, free space has become a premium, with few options available for expansion on its present site. Investigations into the possible expansion options or relocation need to take place in the near future.

The Picton Library/Service Centre became a combined facility in 1998. As a combined facility it provides access to library resources, as well as Council information and services including harbour functions. In 2007/2008, over 72,000 items were issued. As a combined Council facility there is little space available to encourage class visits, children's holiday activities and groups of adults to meet within the library. Consideration is being given to a new library facility to service the Picton community. Decisions on the functionality, design, and funding of this facility, will be taken in consultation with the Picton community.

Changing technologies are having a specific impact on the delivery of library services, with an increasing proportion of information being held or distributed electronically. Although the core services of the library are expected to remain on printed material (reflecting the older profile of the community, and their preference for this format), the range and manner of delivery of services provided by the library are likely to undergo change as people become more used to accessing information electronically. The recently introduced free public Internet access, provided through the Aotearoa People's Network, will ensure equity of access to information in this format. Marlborough Libraries is committed to providing services that are responsive to the emergent needs of an active, ageing population. As part of this, opportunities to share services with Nelson City and Tasman District libraries will be explored.

No major changes are otherwise anticipated to the asset base servicing this activity.

<b>Levels of Service: Library Services</b>						
<b>Performance Targets (for the financial year)</b>						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8.4	≥8.4	≥8.4	≥8.4	≥8.4
A range of current resources supporting the tastes, interests and reading levels of users is provided.	Average age of library resources.	< 10 years.	<10 Years	<10 Years	<10 Years	<10 Years
	Frequency of books being taken out. (Turnover Rate)	4.5	4	4	4	4
	Percentage of books requested, not currently available, provided within five days.	New measure.	95%	95%	95%	95%
Provide access to information electronically.	Percentage year on year growth in users accessing library services electronically.	17,000	10% Growth	10% Growth	10% Growth	10% Growth

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



<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Library Services</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>	<b>1,376</b>	<b>1,412</b>	<b>1,458</b>	<b>1,508</b>	<b>1,553</b>	<b>1,590</b>	<b>1,630</b>	<b>1,666</b>	<b>1,708</b>	<b>1,780</b>
<b>Funded by</b>										
Rates	1,107	1,143	1,186	1,234	1,278	1,312	1,348	1,381	1,420	1,485
General Revenues Applied	130	125	125	124	122	121	122	121	120	123
Other Revenue	139	144	147	150	153	157	160	164	168	172
<b>Total Revenue</b>	<b>1,376</b>	<b>1,412</b>	<b>1,458</b>	<b>1,508</b>	<b>1,553</b>	<b>1,590</b>	<b>1,630</b>	<b>1,666</b>	<b>1,708</b>	<b>1,780</b>
<b>Capital Expenditure</b>	<b>263</b>	<b>267</b>	<b>255</b>	<b>414</b>	<b>282</b>	<b>318</b>	<b>426</b>	<b>332</b>	<b>342</b>	<b>527</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	263	267	255	414	282	318	426	332	342	527
	<b>263</b>	<b>267</b>	<b>255</b>	<b>414</b>	<b>282</b>	<b>318</b>	<b>426</b>	<b>332</b>	<b>342</b>	<b>527</b>

## ACTIVITY GROUP: EMERGENCY MANAGEMENT

### ACTIVITY: EMERGENCY MANAGEMENT

Operating costs of this activity represent less than 1% of total activity expenditure.

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

#### Activities in this Group

This activity group comprises a single activity: Emergency Management.

#### Rationale for the Delivery of this Group of Activities

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

The Council is also a Rural Fire Authority under the Forest and Rural Fires Act 1977 with responsibility for the prevention, detection, and suppression of Rural Fires in the South Marlborough area. In carrying out this responsibility, it must comply with the standards set by the National Rural Fire Authority under Section 14A(2)(k) of the Fire Service Act 1975 and maintain a current Fire Plan in accordance with Part 2 Fire Control Measures of the Forest and Rural Fires Regulations 2005.

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

#### Assets and Levels of Service

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

#### Significant Negative Effects Associated with this Group of Activities

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

#### Issues and Changes Affecting the Assets that Support this Group of Activities

This activity is supported by an Emergency Management Operations Centre, suitably furnished and equipped. Rural fire assets include specialist fire fighting vehicles and equipment including hose and pumps. However the most important assets supporting

this activity are people and information. An effective response to an emergency event is predicated on good information, sound planning and rapid response. Besides utilising the resources of dedicated emergency services (such as Police, Fire and Ambulance services and two full time council Emergency Management staff), this activity relies on an extensive network of trained volunteers. There is an ongoing need to ensure that this volunteer pool is maintained and trained to an appropriate level.

It is desirable to increase response team numbers which represents another challenge and there is an increased emphasis on involving Council staff into emergency management training to address this.

Maintenance, renewal and replacement of assets are undertaken under the direction of Council's Emergency Management staff.

Known changes to demands on asset capacity are discussed in the context of the Emergency Management Activity Plan. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant asset management plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.

#### How this Activity Contributes to Community Outcomes

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

#### What is this Activity About?

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

- The hazards and risks to be managed by the Group are prioritised according to risk. Major risks include:
  - Earthquake.
  - Biological pests and new organisms.
  - Animal disease epidemic.

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

The objectives of the Plan are:

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

## Rural Fire

As the Rural Fire Authority for the Marlborough South area, Council has responsibility for preparation and implementation of the Marlborough District Council Fire Plan. The Operational part of the Plan is updated each year prior to the summer fire season. There have been no significant changes to the plan for the 2008/09 season.

## Assets

The main assets comprise 10 fire appliances and one communications vehicle, located as follows:

Appliance location	Number of appliances
Awatere – Seddon	2
Ward	1
Blenheim	3
Renwick	1
Waihopai	2
Wairau Valley township	1

Vehicles are replaced on a one in every two year basis.

## Issues and Changes

### 1. Lifelines Project

“Lifeline utilities” are defined in the Civil Defence Emergency Management Act 2002 and include:

- Telecommunications companies.
- Radio NZ and Television NZ.
- Airport companies.
- Port companies.
- Gas producers, suppliers and distributors.
- Electricity generators and distributors.
- Water, wastewater and sewerage network providers. (Council)
- Roading authorities. (Council and NZ Transport Agency)
- Petroleum producers, suppliers and distributors.
- Rail network.

Obviously “Lifelines” are essential community services.

Council has appointed its Asset Management Engineer as the CDEM Group Lifelines Coordinator and work is well underway with Lifeline utilities identifying major lifeline asset risks, plans to mitigate those risks and respond to failures. An excellent response has been evident from the key lifeline utilities. Lifelines work will be ongoing.

## 2. Recruitment and Training of Emergency Management Staff

Considerable effort has been put into training, particularly of the key Incident Management Team which will coordinate management of emergency events at the Emergency Operations Centre. Monthly training sessions are held after hours to enable volunteers to attend.

A regular exercise programme has also been implemented including nationally organised major exercises and smaller, local scenarios.

Council staff are being encouraged to become more active in CDEM training and a specific initial training session is to be implemented at Council. This will greatly improve the ability for Council staff to integrate with volunteers effectively during an event.

## 3. 2008 Flood Events Tested Response

Significant flooding occurred in Marlborough late July and early August 2008. The July event led to a Civil Defence Emergency declaration and the operation of the CDEM Incident Management Team. Council was heavily involved and set up its own incident management team at Council to coordinate response to its specific flooding, water, sewerage and roading responsibilities under the overall control of the CDEM team at the Emergency Operations Centre.

Debriefs have been held by Council and then CDEM involving all agencies involved in the event response. Overall it was considered that the response was managed very well. Areas for improvement have been identified and work is underway on those matters.

An exercise is being planned in 2009 to test changes made.

## 4. Rural Fire Review

Work on the possibility of merging of Marlborough North (where DOC is the administering agency) and Marlborough South (Council) has been undertaken for several years. Earlier work on merger options stalled whilst a Government review of New Zealand's fire fighting structures and operations was under consideration. Government has largely not progressed major changes suggested during the review so it is timely to reconsider merger options.

The National Rural Fire Authority, DOC and forestry interests are working with Council on this and a joint working group is underway. It is expected that a merged organisation would be better able to meet increasingly more stringent training and operational systems requirements as well as providing management and planning efficiencies.

## LEVELS OF SERVICE: EMERGENCY MANAGEMENT

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4	7.4	7.4	7.4
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Timeliness of completing the review of the CDEM Group Plan.	-	-	30 June	-	2015-16 (every 5 years)
	Timeliness of the completion of the annual update to Plan, including contact details.	October	October	October	October	October
	Level of compliance with the 10 year exercise programme for testing the CDEM Plan.	100%	100%	100%	100%	100%
	% compliance with testing programme for radios, sector kits and emergency generator	100%	100%	100%	100%	100%
Provide a well planned, maintained and competent Rural fire fighting capability.	Timeliness for completion of the annual review of the Rural Fire-fighting Operational Plan.	October	October	October	October	October
	Timeliness of the Rural Fire Fighting Plan's approval by the	-	September	-	September	September

## ACTIVITY GROUP: Emergency Management

Authority.		2009		2011	(biannually)
Number of registered Rural Fire force members.	40	40	43	46	50
% of registered Rural Fire force members who have completed their Fire Fighter Unit Standards.	70%	70%	70%	75%	75%
% of Rural Fire Force members who have attended at least 50% training events or fires.	50%	50%	60%	70%	80%
% of 3 monthly checks on water way equipment and vehicles completed.	70%	70%	75%	75%	80%
% of two yearly pressure tests carried out on pumps, hose and water way equipment.	100%	-	100%	-	100% (biannually)
Timeliness for completion of the annual vehicle maintenance.	November	November	November	November	November
% of changes in Fire Season status advertised.	100%	100%	100%	100%	100%

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

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

### Operating and Capital Costs and Funding Forecast (\$'000's)

Emergency Management	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Costs	653	689	711	734	738	758	787	795	817	839
Operating Surplus Transferred to Reserves	55	59	60	61	61	62	62	58	59	58
	<b>708</b>	<b>748</b>	<b>771</b>	<b>795</b>	<b>799</b>	<b>820</b>	<b>849</b>	<b>853</b>	<b>876</b>	<b>897</b>
<b>Funded by</b>										
Rates	589	629	650	674	681	700	727	732	754	774
General Revenues Applied	76	75	75	74	71	71	72	70	69	70
Subsidies & Grants	13	13	14	14	14	15	15	15	16	16
Other Revenue	30	31	32	33	33	34	35	36	37	37
<b>Total Revenue</b>	<b>708</b>	<b>748</b>	<b>771</b>	<b>795</b>	<b>799</b>	<b>820</b>	<b>849</b>	<b>853</b>	<b>876</b>	<b>897</b>
<b>Capital Expenditure</b>	<b>34</b>	<b>32</b>	<b>36</b>	<b>34</b>	<b>34</b>	<b>40</b>	<b>36</b>	<b>32</b>	<b>37</b>	<b>38</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	19	12	16	13	13	19	14	14	19	19
Other Reserve Transfers	15	20	20	21	21	21	22	18	18	19
	<b>34</b>	<b>32</b>	<b>36</b>	<b>34</b>	<b>34</b>	<b>40</b>	<b>36</b>	<b>32</b>	<b>37</b>	<b>38</b>

## ACTIVITY GROUP: LAND AND WATER SERVICES

### Activities in this Group

The activities in this group include:

- Community facilities (including parks, reserves, swimming pools and cemeteries).
- Land Transport.
- Rivers and land drainage.
- Wastewater.
- Stormwater.
- Water supply.
- Waste management.

### Rationale for the Delivery of this Group of Activities

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

### Assets and Levels of Service

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

### Significant Negative Effects Associated with this Group of Activities

These activities may 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. Some activities also have the potential for environmental impacts (e.g. water abstraction, wastewater discharges, land transport activities). Wherever any significant negative effect is anticipated, conditions are applied as part of the resource consent process to mitigate these effects. The net result is for there to be no significant negative effects associated with this group of activities.

### Issues and Changes Affecting the Assets that Support this Group of Activities

This activity group is particularly affected by population growth within the district, both as experienced in recent years, and projected over the period of this Plan and beyond. Growth is especially driving basic levels of demand for the quantity of services that are provided, but increased demand for levels of service is also becoming apparent. Demand for increased levels of service may be driven by population changes, by changing expectations, or can be imposed from outside, for example by Government policy.

Known changes to demands on asset capacity are discussed in the context of specific activities. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant asset management plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.

Council faces significant infrastructural upgrade costs over the period of this LTCCP as is outlined in the Activity Statements which follow.

### Summary of Assessment of Water and Sanitary Services and Waste Management Plans

Councils are required under the Local Government Act 2002 to undertake periodic assessments of water and sanitary services in their district. Council undertook its first assessment of these services in 2005. A summary of the assessment is provided at the end of this Activity group. A summary of the Council's Waste Management Plan is provided as part of the description of the waste management activity.



## ACTIVITY: COMMUNITY FACILITIES

Operating costs of this activity represent approximately 7.4% of total activity expenditure.

Outcome	Related Community Outcomes
<p>Marlborough's communities and visitors experience the District's open spaces and recreation facilities for recreation, relaxation and physical activity.</p> <p>Marlborough people have a respectful and comforting environment to remember those they have lost.</p>	<p>Fun and recreation, physical activity, heritage.</p>

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity about?

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

Community facilities can be categorised as follows:

#### Recreation Reserves

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

#### Sportsgrounds

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

#### Cemeteries

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

#### Public Toilets

Marlborough District Council undertakes to plan for, provide and maintain accessible and safe public toilets for the use by residents and visitors at appropriate locations throughout the district. The current quantity of public convenience provision is compliant with Marlborough District Council's policy but the quality of this service has recently been assessed and feasible improvements have been planned for and are being implemented as practical to do so.

#### Aquatic Facilities

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

#### Walking and Cycling Routes

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

#### Community Halls

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

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

## Asset Description

The table summarises Reserves and Amenities assets:

Reserve Category	Number	Land (ha)
Passive Reserves	193	2,070
Sportsgrounds	21	107
Community Building Reserve Land	31	9.47
Cemeteries	13	35.19
Accessways	44	5.46
TOTALS	302	2,227.52
Other Reserves		425
TOTAL	302	2,663.82

## Major Asset Category

Major Asset Category	Number
Public Conveniences	47
Aquatic Facilities	2
Playgrounds/Youth Facilities	41
Sports Facilities	571
Bridges, Boardwalks, Structures	1,931
Carparks/Roading	173
Walkways and Cycle Routes	225 routes

Park Fixtures	2218
Street Trees and Garden Plots	18,866
Mown Turf	1,283.3 ha

## Issues and Changes

As Marlborough changes so must the provision of community facilities adapt. Key issues have been identified in Council's "Open Space Strategy" (2008) as:

### Population Growth and Demographic Change

As the population grows so does the demand for open spaces and community facilities. Marlborough is also ageing to a greater degree than most other New Zealand provinces. Older people can have different needs to younger people eg; Aquatic Centre pool temperatures.

Marlborough's ethnic mix is also changing particularly as seasonal labour for the viticulture industry is being met by employment of overseas workers. The needs of these seasonal workers require community response. An example is the Seddon Domain upgrades to cater for Pacific Island young people's recreation needs.

### Recreation 'Trends' and User Expectations

Over time there will be changes in the type and location of open space and recreation opportunities sought, particularly as urban populations disperse into rural environments, and preferences for access and use evolve eg; growth of cycling and mountain biking.

### Competing Land Uses

As land becomes more highly developed there is increased competition for open spaces from alternative users, especially housing development and primary production. Different uses may not be fully complimentary. Conversely there are opportunities for recreational use not well developed (eg; forestry roads).

### Land Acquisition Conflicts

While Council has the legal mechanisms to acquire land and develop public space this has potential to cause conflict with the current property owner. This is particularly evident in the development of esplanade reserves/strip areas which can be perceived as private property. The formation of a public walkway that passes a private residence will often be met with resistance. This process needs to be dealt with sensitively and importance placed on the reasons for acquisition such as the visions of the Open Space Strategy.

### Increasing Costs

Three major cost trends have implications for this strategy – energy costs affecting transport choices; the costs of time affecting recreational choices; and land costs affecting

the relative value of alternative uses. Council will also confront ongoing and likely increasing costs in providing and maintaining open spaces, structures and improvements.

## Capital expenditure challenges

- Council has committed to funding the construction and the operation of a major upgrade to the **Marlborough Regional Aquatic Centre**. This \$14 million upgrade will replace an ageing facility which is not coping with greatly increased usage and demand for improved levels of service.
- The Picton/Waikawa community has also been promoting the construction of a much improved covered swimming facility in Picton. This presents a \$4 to \$5 million capital funding challenge to Council and the benefiting community plus significant operational costs. At the same time Picton also faces the cost of other significant infrastructure upgrades.

- Renwick is to benefit from a new sports centre with Council contributing significant funds.
- Council's Endeavour Park sportsground in Picton/Waikawa has been significantly upgraded and expanded. Full utilisation of the improved grounds will be made once changing and clubhouse facilities can be funded.
- The long time home of Marlborough Rugby, Lansdowne Park, has been recently acquired by Council in order to protect what is a significant sportsground under threat due to the financial position of the Tasman Rugby Union. A long term plan for the development of this park and adjoining river reserve land as a multi-use sports facility is to be developed.
- College Park in Blenheim is owned by the Ministry of Education but well utilised by the community and Marlborough Boys College. Council has negotiated a long term lease of the Park to enable further improvements and community use.

## LEVELS OF SERVICE: COMMUNITY FACILITIES

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents expectations	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6	7.6	7.7	7.8
Provide up to date relevant information to residents.	Number of newspaper articles.	8	>10	>12	>14	>16
	% of changes to sport park availability advertised by 9.00 am each day.	90%	95%	95%	98%	98%
	% of public maps and brochures are updated within one month of significant change in facilities.	New measure	90%	90%	90%	90%
	% of public maps and brochures are restocked within 24 hours of request from agencies.	New measure	90%	90%	90%	90%
Provide a selection of cemetery services that meet the commemorative needs of the community.	Number of bimonthly audits undertaken on the relevancy of web pages and brochures.	New measure	6	6	6	6
	Number of plots available annually for burials.	214	Up to 300	Up to 300	Up to 300	Up to 300
Provide reserves and amenities which are equitably distributed and available to all.	% compliance with maintenance contract specifications.	95%	95%	95%	95%	95%
	% of residents in urban area living within 10 minutes walk or 500 metre radius from a district or neighbourhood reserve.	98%	98%	98%	98%	98%
Maintenance of the District's reserves, gardens and amenities	% of CBD and urban public toilet that are disabled accessible as measured by Accessibility Audit.	86%	86%	86%	100%	100%
	% compliance with the maintenance contract specifications.	90%	95%	95%	95%	95%
Provide Reserves and Amenities which are perceived as "Safe"	% of graffiti removed within 24 hours of identification.	50%	80%	95%	95%	95%
	% of new reserves, public conveniences and reported problem areas that receive a Crime Prevention through Environmental Design (CPTED)	70%	80%	100%	100%	100%

## ACTIVITY GROUP: Land and Water Services

	Audit.					
	Number of material (ie; moderate probability of injury) deficiencies identified by Playground Safety audits.	5	<5	<5	<5	<5
	% of significant Playground Safety audit recommendations actioned within one month.	90%	90%	90%	90%	90%
Provide strategic planning for Reserves and Amenities within the district.	% of Reserves with Management Plans as required under the Reserves Act.	0%	20%	40%	60%	100% by 2014
	% of any newly acquired reserves that have management plans written within five years of their establishment.	0%	100%	100%	100%	100%
Deliver an ongoing improvement programme for Reserves and Amenities.	% of programmed maintenance and renewal works in the Annual Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Annual Plan achieved.	New measure	80%	80%	80%	80%

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$000's)										
Community Facilities	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Cemeteries	479	504	537	576	593	616	638	652	669	702
Halls	287	222	228	234	239	245	251	257	263	269
Public Conveniences	636	677	721	749	770	798	823	851	881	908
Reserves	3,565	3,595	3,684	3,793	3,907	4,044	4,161	4,287	4,421	4,538
Swimming Pools	534	595	629	652	1,023	1,053	1,079	1,097	1,117	1,142
<b>Total Operating Costs</b>	<b>5,501</b>	<b>5,593</b>	<b>5,799</b>	<b>6,004</b>	<b>6,532</b>	<b>6,756</b>	<b>6,952</b>	<b>7,144</b>	<b>7,351</b>	<b>7,559</b>
<b>Funded by</b>										
Rates	4,396	4,576	4,729	4,874	5,309	5,385	5,466	5,611	5,770	5,948
General Revenues Applied	531	513	512	502	516	509	504	500	497	503
Subsidies & Grants	10	11	11	11	11	12	12	12	12	13
Other Revenue	193	205	266	322	387	532	630	665	686	714
<b>Total Revenue</b>	<b>5,130</b>	<b>5,305</b>	<b>5,518</b>	<b>5,709</b>	<b>6,223</b>	<b>6,438</b>	<b>6,612</b>	<b>6,788</b>	<b>6,965</b>	<b>7,178</b>
Operating Deficit Funded from Reserve	371	288	281	295	309	318	340	356	386	381
	<b>5,501</b>	<b>5,593</b>	<b>5,799</b>	<b>6,004</b>	<b>6,532</b>	<b>6,756</b>	<b>6,952</b>	<b>7,144</b>	<b>7,351</b>	<b>7,559</b>
<b>Capital Expenditure</b>										
Cemeteries	56	152	588	106	54	203	116	40	141	412
Halls	-	157	101	41	39	46	47	55	44	48
Public Conveniences	-	505	254	109	95	138	107	158	124	216
Reserves	1,448	1,193	1,587	2,062	2,239	2,344	2,343	2,001	2,016	2,271
Swimming Pools	6,000	4,143	21	4,389	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>7,504</b>	<b>6,150</b>	<b>2,551</b>	<b>6,707</b>	<b>2,427</b>	<b>2,731</b>	<b>2,613</b>	<b>2,254</b>	<b>2,325</b>	<b>2,947</b>
Debt Repayment	106	123	148	154	157	166	172	178	176	191
	<b>7,610</b>	<b>6,273</b>	<b>2,699</b>	<b>6,861</b>	<b>2,584</b>	<b>2,897</b>	<b>2,785</b>	<b>2,432</b>	<b>2,501</b>	<b>3,138</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	411	487	496	537	555	574	608	641	653	814
Other Reserve Transfers	7,157	5,179	1,390	6,112	1,911	2,006	1,973	1,611	1,592	1,836
New Loans	42	607	813	212	118	317	204	180	256	488
	<b>7,610</b>	<b>6,273</b>	<b>2,699</b>	<b>6,861</b>	<b>2,584</b>	<b>2,897</b>	<b>2,785</b>	<b>2,432</b>	<b>2,501</b>	<b>3,138</b>

## ACTIVITY: LAND TRANSPORT

Operating costs of this activity represent approximately 22.9% of total activity expenditure.

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

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Essential services and Prosperity Community Outcomes by providing a safe and efficient transport network for the District to facilitate the movement of people and goods. The network also contributes to the Physical activity and Environmental sustainability Community Outcomes by allowing for walking and cycling and effluent capture.

### What is this Activity About?

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

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

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

NZTA is a key partner in Council's land transport management and the State Highway network is of significant strategic importance in achieving community outcomes. Council also works closely with the New Zealand Police on road safety issues and maintains and annually reviews a road safety strategy for the district.

### Asset Description

The roading 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 Roding 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 the Asset Management Plan can be viewed at Council service centres, the offices of Marlborough Roads, or on the Marlborough District Council website [www.marlborough.govt.nz](http://www.marlborough.govt.nz) under "Plans and Reports". The Asset Management Plan also contains details of the Land Transport Programme as required by the Land Transport Management Act 2003.

### Issues and Changes

#### 1. Government Transport Initiatives

Following reviews of several aspects of transport policy an amendment to the Land Transport Management Act established the New Zealand Transport Agency from 1 August 2008.

The new agency combines the former Transit NZ and Land Transport New Zealand and has a key role in implementing the New Zealand Transport Strategy 2008 (NZTS). Council roading activities need to be consistent with the NZTS. This Strategy has a 2040 outlook and states the Government's vision for transport as:

*"People and freight in New Zealand have access to an affordable, integrated, safe, responsive and sustainable transport system."*

That vision is supported by five transport objectives:

- Ensuring environmental sustainability.
- Assisting economic development.
- Assisting safety and personal security.
- Improving access and mobility.



- Protecting and promoting public health.

Some specific national targets to assist achievement of these objectives have been established. The challenges will be applying these targets at a regional level. The national targets are to:

### ENSURING ENVIRONMENTAL SUSTAINABILITY

- Halve per capita greenhouse gas emissions from domestic transport by 2040.
- Increase coastal shipping's share of inter-regional freight to 30 per cent of tonne-kilometres by 2040.
- Increase rail's share of freight to 25 per cent of tonne-kilometres by 2040.
- Become one of the first countries in the world to widely use electric vehicles.
- Reduce the kilometres travelled by single occupancy vehicles, in major urban areas on weekdays, by 10 per cent per capita by 2015 compared to 2007.
- Reduce the rated carbon dioxide (CO<sub>2</sub>) emissions per kilometre of combined average new and used vehicles entering the light vehicle fleet to 170 grams CO<sub>2</sub> per kilometre by 2015, with a corresponding reduction in average fuel used per kilometre.
- Increase the area of Crown transport land covered with indigenous vegetation.

### ASSISTING ECONOMIC DEVELOPMENT

For identified critical routes:

- Improve reliability of journey times.
- Reduce average journey times.

### ASSISTING SAFETY AND PERSONAL SECURITY

- Reduce road deaths to no more than 200 per annum by 2040.
- Reduce serious injuries on roads to no more than 1,500 per annum by 2040.

### IMPROVING ACCESS AND MOBILITY

- Increase use of public transport to seven per cent of all trips by 2040 (ie; from 111 million boardings in 2006/07 to more than 525 million boardings in 2040).
- Increase walking, cycling and other active modes to 30 per cent of total trips in urban areas by 2040.

### PROTECTING AND PROMOTING PUBLIC HEALTH

- Reduce the number of people exposed to health-endangering noise levels from transport.

- Reduce the number of people exposed to health-endangering concentrations of air pollution in locations where the impact of transport emissions is significant.
- The new Strategy informs the "Government Policy Statement on Land Transport Funding 2009/10 – 2018/19" which provides direction for the allocation of land transport funding to assist achievement of the Strategy targets and objectives.

### 2. *Regional Transport Committee*

Another change made by the Land Transport Management Amendment Act 2008 was to alter the structure and responsibilities of what were previously known as Regional Land Transport Committees. The new Regional Transport Committees have a role in broad transport planning, not just roading, for their regions. They also set State Highway project priorities rather than just comment on those to Government as they did before.

### 3. *Growth and Land Use Planning – the Blenheim and Wairau Plains Strategy Study*

Transport infrastructure must develop with the province's economic growth which is greatly increasing traffic volumes and particularly heavy vehicles.

"The Blenheim and Wairau Plains Strategy Study" has been jointly funded by NZTA and Council and considers roading volume growth and consequent upgrade needs over a 20 year period. A transport model has been developed and different land use options modelled to provide guidance to planning decisions now and in future.

The summary from the document states:

"The road network in the study area is generally in reasonable condition both from a safety and capacity perspective. There are however significant actions and opportunities that can assist in achieving a sustainable transport system into the future. It is also considered that the findings of this study can be utilised for both land use planning purposes and as a key component in the next review of the RLTS.

There are two types of initiatives that can assist in achieving this objective:

- Firstly the implementation of policy measures including land use planning initiatives to concentrate the development of Blenheim around existing planned areas. Also included are travel demand management measures, promoting where possible public transport as well as walking and cycling in accordance with the Walking and Cycling Strategy.
- Secondly a range of physical measures to improve safety or to reduce any unacceptable delays at key intersections. Also included is consideration of possible by-pass routes to the east of Blenheim and it has been flagged from

the traffic model that the capacity of State Highway 1 particularly the Sinclair Street roundabouts will need to be addressed in the future. In addition it is recommended that traffic management within the Blenheim CBD be considered.

- A range of recommendations have been made to meet the Strategy objectives. Short-term (less than 10 years) recommendations centre around rural and land use policy, CBD travel demand management such as parking, price policy, public transport, walking and cycling policy implementation and continued application of the Limited Access Road policy. Investigation into the Blenheim town centre ring route is also recommended.
- In the medium term (to 2026) Opawa Bridge widening, Blenheim CBD traffic signals and four-laning major state highway roundabouts may be feasible.
- The possibility of the Blenheim by-pass becoming feasible will depend on traffic growth especially of traffic that is not internal to Blenheim. At present there is insufficient through-traffic benefiting from a by-pass to make it feasible given its cost will be in the range of \$20 – 80 million depending on length. Further traffic flow monitoring is recommended.
- Marlborough's Regional Transport Committee has endorsed the study recommendations and the development of the Regional Land Transport Strategy and Regional Land Transport Programme to reflect those recommendations. The report is very important for future planning not only of transport infrastructure but also land use planning.

#### 4. Funding Issues

The projects foreshadowed by the Blenheim and Wairau Plans Strategy require significant funding. Many are State Highway upgrades which may be funded from the National ('N') roading fund. However 'N' funding has a very high hurdle in terms of activity or project prioritisation ("seriousness and urgency, efficiency, effectiveness"). Few Marlborough projects are forecast in the latest State Highway 10 Year Funding programme. It has been signalled that regional funding ('R') will be required for much of our State Highway programme. When 'R'

funding was established from an increase in fuel excise tax it was suggested that local roads would be a significant beneficiary. However the requirement to provide a local share (100% minus the construction Financial Assistance Rate) of funding for local road projects has made extensive use of 'R' unaffordable.

The Government's new strategy and Council's own policies to promote walking, cycling and public transport also provide extra funding pressure on Council budgets. Additionally Marlborough has a large number of bridges and particularly old wooden bridges requiring significant upgrade costs.

#### 5. Unsealed Roads

Growth in lifestyle properties and viticultural development with consequent additional traffic coupled with increasing public expectations for a smooth and fast ride, has led to growing dissatisfaction with unsealed road standards. Road maintenance is closely monitored and expenditure has been increased but complaints are still increasing.

A programme for seal extension is being considered to address the most problematic areas.

#### 6. Parking

Council has been working towards the supply of 300 more carparks in the Blenheim CBD since the identification of this issue in the 2006 parking report.

There are plans to erect a multi storey parking building on Alfred street. Other minor parking improvement and supply will be undertaken on Council owned land as the opportunity arises. These may be developments in partnership with commercial developers.

Levels of Service: Land Transport						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.0	6.1	6.1	6.2
Provide a safe transport infrastructure.	Number of vehicle crashes per year involving injury where contributing factor is 'Road Conditions'.	3	<4	<4	<4	<4
Provide a quality transport	Average road roughness standards for:					

## ACTIVITY GROUP: Land and Water Services

infrastructure.	<ul style="list-style-type: none"> <li>Urban sealed roads.</li> </ul>	97	<100	<100	<100	<100
	<ul style="list-style-type: none"> <li>Rural Sealed roads.</li> </ul>	86	<90	<90	<90	<90
	NB: a newly sealed road has an average roughness value of 50 – 70. A very rough gravel road will have a roughness value higher than 300).					
	Smooth Travel Exposure					
	<ul style="list-style-type: none"> <li>Urban Sealed roads</li> </ul>	79%	79%	79%	80%	80%
	<ul style="list-style-type: none"> <li>Rural Sealed roads</li> </ul>	94%	94%	94%	94%	94%
NB: this measure takes roughness and adjusts it for traffic volumes.						
	District Surface Condition Index.	18	<18	<18	<18	<18
	NB: The Surface Condition Index is a weighted derivation from pavement defects eg; number of potholes, amount of flushing etc and the age of the surfacing treatment. Lower values indicate a higher standard.					
Provide a service that is timely and responsive to community needs.	% of minor faults on footpaths repaired within 20 working days of detection.	100	100%	100%	100%	100%
	Overall parking occupancy rate.					
	<ul style="list-style-type: none"> <li>Kerbside</li> <li>Off Street</li> </ul>	59%	<70%	<70%	<70%	<70%
Provide a sustainable land transport infrastructure.		79%	<85%	<85%	<85%	<85%
	% of programmed maintenance works in the Land Transport Asset Management Plan achieved.	100%	100%	100%	100%	100%
	% of renewal and improvement works included in the Land Transport Asset Management Plan achieved.	95%	95%	95%	95%	95%

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

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$000's)										
Land Transport	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Parking	1,584	1,625	1,767	1,793	1,856	1,971	2,071	2,088	2,092	2,131
Roading	15,417	16,109	16,932	17,788	18,585	19,438	20,230	21,001	21,868	21,993
<b>Total Operating Costs</b>	<b>17,001</b>	<b>17,734</b>	<b>18,699</b>	<b>19,581</b>	<b>20,441</b>	<b>21,409</b>	<b>22,301</b>	<b>23,089</b>	<b>23,960</b>	<b>24,124</b>
Operating Surplus Transferred to Reserves	2,052	2,945	3,078	3,140	3,461	3,578	3,497	3,602	3,805	4,178
	<b>19,053</b>	<b>20,679</b>	<b>21,777</b>	<b>22,721</b>	<b>23,902</b>	<b>24,987</b>	<b>25,798</b>	<b>26,691</b>	<b>27,765</b>	<b>28,302</b>
<b>Funded by</b>										
Rates	8,688	9,876	10,078	10,555	11,245	11,715	12,151	12,624	13,241	13,386
General Revenues Applied	1,150	1,214	1,197	1,201	1,211	1,226	1,244	1,250	1,265	1,256
Subsidies & Grants	6,079	6,519	7,327	7,681	8,052	8,361	8,554	8,829	9,182	9,430
Other Revenue	3,136	3,070	3,175	3,284	3,394	3,685	3,849	3,988	4,077	4,230
<b>Total Revenue</b>	<b>19,053</b>	<b>20,679</b>	<b>21,777</b>	<b>22,721</b>	<b>23,902</b>	<b>24,987</b>	<b>25,798</b>	<b>26,691</b>	<b>27,765</b>	<b>28,302</b>
<b>Capital Expenditure</b>										
Parking	1,021	4,223	96	99	1,377	1,829	400	423	419	274
Roading	8,033	8,695	9,841	11,891	10,633	11,144	10,994	11,421	11,688	12,125
<b>Total Capital Expenditure</b>	<b>9,054</b>	<b>12,918</b>	<b>9,937</b>	<b>11,990</b>	<b>12,010</b>	<b>12,973</b>	<b>11,394</b>	<b>11,844</b>	<b>12,107</b>	<b>12,399</b>
Debt Repayment	409	528	558	626	669	736	756	777	758	823
	<b>9,463</b>	<b>13,446</b>	<b>10,495</b>	<b>12,616</b>	<b>12,679</b>	<b>13,709</b>	<b>12,150</b>	<b>12,621</b>	<b>12,865</b>	<b>13,222</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	6,612	6,458	6,738	7,116	7,506	7,925	8,283	8,553	8,931	7,503
Other Reserve Transfers	1,639	3,023	2,767	3,095	3,768	3,559	3,212	3,348	3,284	3,564
Asset Disposals	552	-	-	-	-	-	-	-	-	-
New Loans	660	3,965	990	2,405	1,405	2,225	655	720	650	2,155
	<b>9,463</b>	<b>13,446</b>	<b>10,495</b>	<b>12,616</b>	<b>12,679</b>	<b>13,709</b>	<b>12,150</b>	<b>12,621</b>	<b>12,865</b>	<b>13,222</b>

## ACTIVITY: RIVERS AND LAND DRAINAGE

Operating costs of this activity represents 5.8% of total activity expenditure.

Outcome	Related Community Outcomes
Residents and their property are safeguarded from the risks of river and stream flooding. Agricultural drainage of the lower Wairau Plains is provided. Environmental disadvantages of river control and drainage works are mitigated against.	Essential services, Environmental sustainability, Prosperity.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

#### **Wairau Floodplain Floodways**

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

#### **Wairau Floodplain Tributaries**

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

#### **Soil Conservation**

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

#### **Lower Wairau Floodplain Land Drainage**

To provide agricultural drainage for the Wairau floodplain land generally to the east of Blenheim and O'Dwyers Road. This involves controlling weed and sediment for some 175 kilometres of deliberately excavated drains or natural watercourses, operating

floodgated culverts into the major rivers, and providing pumping stations generally with a capacity of removing 15 mm of rainfall in 24 hours. The riparian margins of selected channels are managed in an aesthetic and ecologically sensitive manner.

#### **Gravel Extraction**

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

#### **Blenheim, Riverlands and Renwick Stormwater Outfall Channels**

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

#### **Gibsons Creek Rewatering**

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

#### **Council River Control Floodway Reserve Land**

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

#### **Sounds Watercourses Flood Management**

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

### ***Flood Hazard Advice***

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

### ***Flood Response Actions***

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

### ***Issues and Changes***

The major issues faced by this activity include:

#### ***Lower Wairau River Silting***

The Lower Wairau River is silting up causing a reduction in flood capacity, impacting on ecological values, compromising recreational rowing and other boating use, and impairing drainage of the lower Wairau plains. The efficiency of the mouth outlet to the sea is also being impaired by a gravel spit formed by sea wave action. This not only affects river levels but also gravity drainage into contributing rivers including urban Blenheim. Higher river levels means pumping is required more frequently at greater cost and this increases the importance of the bar improvements contributing to urban stormwater management.

To address these problems Council has therefore approved a package of works including a mouth guide bank extension, gravel banking at the entry to the Wairau Diversion, silt removal from the channel, some stopbank raising, and impeding tree removal. Some of the work has been carried out and further public consultation is underway, including resource consent and other approvals as necessary. There is strong Iwi interest and involvement in the Lower Wairau programme.

#### ***Wairau River Bank Erosion***

The stopbanked length of the Wairau River from Tuamarina to the Waihopai confluence has very powerful and erosive river flows. Regular bank protection works in the form of rock protection and tree planting is required to protect the stopbanks from erosion, especially as the result of floods. This will always be a problem with this river, and regular expenditure on rock work in particular is required. Council requires its own quarry to ensure resources of rock are readily available following a damaging flood, and that financial reserves are available for flood damage repair.

### ***Gravel Extraction Rate***

Currently gravel extraction from the Wairau is over double the natural replenishment, and is continuing to increase despite increased gravel fees where Council owns the riverbed. Further reviews of gravel extraction amounts and fees are expected with a probable outcome of reducing the amount of gravel available from the Wairau.

### ***Expanded Riverlands Industrial Estate Zones Impact on the Riverlands Co-op Floodway***

The Riverlands Industrial Zone has been expanded on the proviso that river control works will be carried out on the Riverlands Co-op Floodway so as to provide flood hazard protection to the appropriate standard. Design has been undertaken and resource consent application made.

### ***Drainage Improvement Demands***

The subdivision into smaller blocks on the lower Wairau Plains, and the establishment of viticulture on this low lying land has led to enquiries from some landowners as to better drainage standards in terms of new drainage channels and water levels to be achieved. Floodgated culverts through the stopbanks into the major rivers also require upgrading.

### ***Urban Stormwater Disposal – Pump Station Capacity***

Pumping stations disposing of urban stormwater are under capacity for the desired stormwater disposal standard. Upgrading of these pumping stations is proposed in a staged manner to take account of affordability.

Various urban stormwater streams and drains also need enlarging or bank stabilisation work to safely carry stormwater flows.

### ***Picton Flood Hazard***

The floods of 2004 and 2008 have demonstrated the flood hazard to Picton from the Waitohi River and its Kent Street Creek tributary. Investigations have shown that substantial improvements are required to the large culvert under the wharves, two other constriction points on the Waitohi River and for Kent Street Creek.

### ***Landowner Practices in Floodways and Drainage Channels***

Flood and drainage standards can be compromised by landowners' practices in floodways and drainage channels. Council ownership of floodway land and drainage easements is desirable to ensure standards can be maintained. Council currently owns large amounts of the floodway land and some drainage easements. More is desirable to be purchased.



Levels of Service: Rivers and Land Drainage						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well").	6.8	6.8	6.8	6.9	7.0
Provide a sustainable flood protection service.	% of programmed maintenance and renewal works in the Rivers Asset Management Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Rivers Asset Management Plan achieved.	New measure	80%	80%	80%	80%
To monitor, maintain and upgrade flood-ways to provide a capacity for a flood size up to 1 in 100 year return event for Wairau Plains and 1 in 50 year return event for Blenheim Stormwater Outfalls and Waitohi and Waikawa Rivers	% of the floodway network inspected within 2 weeks of a flood event.	100%	100%	100%	100%	100%
	% of the floodway network inspected by way of routine inspection annually.	New measure	90%	90%	90%	90%
	% of remedial works post a flood event completed within 6 months of the event.	New measure	95%	95%	95%	95%
	% of serious deficiencies identified as part of a routine inspection addressed within 1 month of identification.	New measure	95%	95%	95%	95%
Effective Drains and Pumping stations are maintained.	% of drains and pumping stations inspected at least annually.	100%	100%	100%	100%	100%
	% of deficiencies, particularly the clearance of weed, actioned within 6 months of identification	90%	90%	90%	95%	95%
River channels for tributaries of the Wairau floodplain will be kept as clear of trees and debris as economically practical.	% of public concerns investigated and receiving an initial response within 48 hours.	New measure	95%	95%	95%	95%
	% of courses of action agreed post investigation implemented in the timeframe agreed.	New measure	90%	90%	90%	95%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	New measure	<5	<5	<5	<5

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$'000's)										
Rivers and Land Drainage	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
River Leases	200	205	211	216	222	229	235	241	247	253
Rivers Outside Wairau Floodplain	157	198	322	514	613	618	622	627	632	636
Wairau Floodplain Drainage	689	715	733	761	780	814	844	869	904	941
Wairau Floodplain Rivers	3,190	3,300	3,342	3,423	3,503	3,614	3,690	3,781	3,892	3,981
<b>Total Operating Costs</b>	<b>4,236</b>	<b>4,418</b>	<b>4,608</b>	<b>4,914</b>	<b>5,118</b>	<b>5,275</b>	<b>5,391</b>	<b>5,518</b>	<b>5,675</b>	<b>5,811</b>
Operating Surplus Transferred to Reserves	2,769	3,139	3,381	3,484	3,516	3,548	3,589	3,620	3,648	3,689
	<b>7,005</b>	<b>7,557</b>	<b>7,989</b>	<b>8,398</b>	<b>8,634</b>	<b>8,823</b>	<b>8,980</b>	<b>9,138</b>	<b>9,323</b>	<b>9,500</b>
<b>Funded by</b>										
Rates	3,285	3,710	4,031	4,315	4,450	4,542	4,596	4,643	4,714	4,763
General Revenues Applied	22	28	49	75	81	80	78	76	74	74
Other Revenue	3,698	3,819	3,909	4,008	4,103	4,201	4,306	4,419	4,535	4,663
<b>Total Revenue</b>	<b>7,005</b>	<b>7,557</b>	<b>7,989</b>	<b>8,398</b>	<b>8,634</b>	<b>8,823</b>	<b>8,980</b>	<b>9,138</b>	<b>9,323</b>	<b>9,500</b>
<b>Capital Expenditure</b>										
Rivers Outside Wairau Floodplain	220	845	2,670	2,741	23	24	25	25	26	27
Wairau Floodplain Drainage	160	465	618	637	659	681	704	726	749	774
Wairau Floodplain Rivers	680	538	714	736	761	787	814	838	861	886
<b>Total Capital Expenditure</b>	<b>1,060</b>	<b>1,848</b>	<b>4,002</b>	<b>4,114</b>	<b>1,443</b>	<b>1,492</b>	<b>1,543</b>	<b>1,589</b>	<b>1,636</b>	<b>1,687</b>
Debt Repayment	6	31	111	193	193	193	193	193	193	200
	<b>1,066</b>	<b>1,879</b>	<b>4,113</b>	<b>4,307</b>	<b>1,636</b>	<b>1,685</b>	<b>1,736</b>	<b>1,782</b>	<b>1,829</b>	<b>1,887</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	81	90	101	112	125	139	153	166	182	199
Other Reserve Transfers	785	965	1,364	1,476	1,511	1,546	1,583	1,616	1,647	1,688
New Loans	200	824	2,648	2,719	-	-	-	-	-	-
	<b>1,066</b>	<b>1,879</b>	<b>4,113</b>	<b>4,307</b>	<b>1,636</b>	<b>1,685</b>	<b>1,736</b>	<b>1,782</b>	<b>1,829</b>	<b>1,887</b>

## ACTIVITY: WASTEWATER – (SEWERAGE)

Operating costs of this activity represents 10.5% of total activity expenditure.

Outcome	Related Community Outcomes
Public and environmental health risks of urban sewage are minimised. Sewerage from industrial zones is able to be processed at the Blenheim Sewage Treatment Plant.	Environmental sustainability; Essential services.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

A new scheme has been approved for Grovetown and Spring Creek which will be connected to a new pipeline to convey the effluent from both towns back to the Blenheim Sewage Treatment Plant. The Council will offer ratepayers in those communities the opportunity to make a lump sum payment in lieu of regular payments towards scheme costs upon completion.

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

Council has recently approved an \$8 million upgrade to the Blenheim industrial treatment system which will be funded by users – predominantly wineries – to enable significant growth in industrial effluent, particularly during vintage, to be processed. Collection, treatment and disposal of wastewater contributes to:

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

### Legislative Framework

Council provides wastewater reticulation and treatment services under the provisions of the Health Act (1956) and Local Government Act (2002). Council's activities and wastewater generated by the communities serviced by Council schemes are subject to:

- Resource Management Act 1991.

- Council's Tradewaste Bylaw, and
- The Building Act.

### Asset Description

The table provides an overview of the extent of Council's sewerage reticulation network:

Area	Pipeline Length	Number of Connections
Blenheim	186,551 m	11,944
Picton	43,974 m	2,497
Havelock	9,709 m	287
Riverlands	3,470 m	Included in Blenheim
Seddon	7,210 m	224
Renwick	21,836 m	Included in Blenheim
Spring Creek <sup>1</sup>	2,951 m	162
Grovetown (design) <sup>2</sup>	10,570 m	120

The Sewer Asset Management Plan contains a lot more detail on sewer assets.

### Issues and Changes

#### Environmental Upgrades

Council resource management plans and an increasingly environmentally aware community, including iwi, require increased standards of effluent discharge quality. In recent years resource consent renewals have been approved for Havelock, Spring Creek and Seddon with consequent treatment upgrade requirements. Council is consulting with the community on the replacement of the Picton sewage treatment plant outfall which currently discharges at Kaipupu Point but requires replacement due to its age and poor condition.

Resource consent applications for the Blenheim Sewage Treatment Plant's ongoing operating and discharge consents and land use designations have been lodged. An

<sup>1</sup> Includes reticulation from ponds to Watsons Road/Vickerman Street

<sup>2</sup> Includes reticulation from Watsons Road/Vickerman Street to Blenheim ponds

archaeological report, commissioned by Council in consultation with iwi, has identified some archaeological concerns in the area where discharge pipelines and a proposed wetland are planned. Options for mitigating these concerns are being discussed with iwi, the Department of Conservation and the NZ Historic Places Trust.

## ***Blenheim Industrial Treatment***

Marlborough has experienced in recent years a substantial increase in grape production which is likely to continue for some years. As a result of this increase the industrial treatment system has experienced difficulties in coping with the disposal of waste. An \$8 million upgrade to the Blenheim industrial treatment system at the Blenheim Sewage Treatment Plant was approved by Council in October 2008.

Without the upgrade, the increased grape production will be unlikely to be processed in Marlborough as the industrial treatment system will be unable to cope and odour and discharge quality problems would result.

The upgrade will be funded by those industrial processors who increase their organic loadings over their 2006/07 financial year base ie; the users of the additional treatment capacity.

## ***Picton Sewerage Reticulation***

The Picton reticulation network is old and suffers from under-capacity in wet weather. There are overflows which can affect coastal water quality. A sewer model has been

used to identify pipelines and pump stations which are under-capacity. Budgets include a staged upgrading however there are significant costs involved which will require consultation and careful consideration.

## ***Grovetown/Spring Creek***

Council has approved a new sewerage reticulation scheme for Grovetown and also the reticulation of both Spring Creek and Grovetown waste back to the Blenheim Sewage Treatment Plant. The capital cost of the scheme is subsidised from wider district reserves by 50% with benefiting ratepayers funding the balance.

## ***Marlborough Sounds***

Council's 2005 sanitary services assessment identified future issues with existing septic tank disposal systems as growth occurs in Marlborough Sounds communities. Some preliminary work has been done but further investigations will be needed to identify and cost upgrade options. Council's role in funding both investigations and possible sewerage systems needs to be considered further.

A combined single sewerage funding scheme has been adopted to replace the seven schemes that currently operate. This will help all local communities to better afford necessary upgrades to their sewerage system than the previous approach which placed greater costs and uncertainties on smaller settlements.

<b>Levels of Service: Wastewater- (Sewerage)</b>						
<b>Performance Targets (for the financial year)</b>						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	6.8	6.8	6.9	7.0
Provide a level of service quality that minimises environmental risks.	% of total flow treated prior to discharge through outfall for dispersal to receiving water in accordance with resource consent conditions.	99.5	99.5	100%	100%	100%
Provide a reliable wastewater service with adequate system capacity and performance.	Number of overflows in the entire system resulting from a 1 in 2 year storm.	0	0	0	0	0
	Number of identified blockages occurring per 100 km of sewer main per year (main pipeline blockages only).	34	<35	<35	<34	<33
Provide a service that is timely and responsive to customer needs	% of unplanned service interruptions or blockages responded to within two hours.	95%	95%	98%	98%	98%
	% of toilet facilities restored to all customers affected by unplanned interruptions within 6 hours of notification or alternative facilities provided.	100%	100%	100%	100%	100%

## ACTIVITY GROUP: Land and Water Services

Provide a sustainable wastewater service.	% of programmed maintenance and renewal works in the Wastewater Asset Management Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Wastewater Asset Management Plan achieved.	New measure	80%	80%	80%	80%

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

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

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$000's)										
Wastewater (Sewerage)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Blenheim	6,292	6,883	7,724	8,258	9,032	9,825	10,562	11,098	11,809	12,472
Havelock	149	151	166	181	197	178	181	178	177	215
Picton	1,097	1,478	2,016	2,448	2,488	2,738	3,027	3,044	3,119	3,653
Seddon	90	101	146	150	196	241	246	249	251	257
Tuamarina	-	-	-	-	4	91	211	213	215	217
<b>Total Operating Costs</b>	<b>7,628</b>	<b>8,613</b>	<b>10,052</b>	<b>11,037</b>	<b>11,917</b>	<b>13,073</b>	<b>14,227</b>	<b>14,782</b>	<b>15,571</b>	<b>16,814</b>
Operating Surplus Transferred to Reserves	1,173	263	106	131	257	451	578	732	804	968
	<b>8,801</b>	<b>8,876</b>	<b>10,158</b>	<b>11,168</b>	<b>12,174</b>	<b>13,524</b>	<b>14,805</b>	<b>15,514</b>	<b>16,375</b>	<b>17,782</b>
<b>Funded by</b>										
Rates	6,197	6,220	7,111	7,796	8,497	9,477	10,438	10,858	11,421	12,671
Other Revenue	2,604	2,656	3,047	3,372	3,677	4,047	4,367	4,656	4,954	5,111
<b>Total Revenue</b>	<b>8,801</b>	<b>8,876</b>	<b>10,158</b>	<b>11,168</b>	<b>12,174</b>	<b>13,524</b>	<b>14,805</b>	<b>15,514</b>	<b>16,375</b>	<b>17,782</b>
<b>Capital Expenditure</b>										
Blenheim	3,859	8,097	5,146	3,815	5,659	11,042	3,964	5,396	7,713	4,267
Grovetown	1,142	-	-	-	-	-	-	-	-	-
Havelock	23	27	182	6	6	134	6	7	42	1,017
Tuamarina	-	-	-	-	95	2,087	-	-	-	-
Picton	340	13,260	6,136	4,684	805	3,602	19	799	21	9,413
Seddon	48	257	6	62	946	6	6	7	7	7
Spring Creek	922	139	3	3	3	3	3	3	3	4
<b>Total Capital Expenditure</b>	<b>6,334</b>	<b>21,780</b>	<b>11,473</b>	<b>8,570</b>	<b>7,514</b>	<b>16,874</b>	<b>3,998</b>	<b>6,212</b>	<b>7,786</b>	<b>14,708</b>
Debt Repayment	975	1,368	1,600	1,750	1,950	2,439	2,511	2,646	2,744	3,136
	<b>7,309</b>	<b>23,148</b>	<b>13,073</b>	<b>10,320</b>	<b>9,464</b>	<b>19,313</b>	<b>6,509</b>	<b>8,858</b>	<b>10,530</b>	<b>17,844</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	1,783	3,415	2,809	3,175	3,427	3,786	3,794	4,380	4,283	5,241
Other Reserve Transfers	1,397	6,708	2,794	1,866	(297)	(224)	(235)	(232)	(313)	(297)
New Loans	4,129	13,025	7,470	5,279	6,334	15,751	2,950	4,710	6,560	12,900
	<b>7,309</b>	<b>23,148</b>	<b>13,073</b>	<b>10,320</b>	<b>9,464</b>	<b>19,313</b>	<b>6,509</b>	<b>8,858</b>	<b>10,530</b>	<b>17,844</b>



## ACTIVITY: STORMWATER

Operating costs of this activity represents 2.4% of total activity expenditure.

Outcome	Related Community Outcomes
Residents and their property are protected from the risks of stormwater flooding.	Essential services, Environmental sustainability.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

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

Stormwater systems are complex and expensive because of the large water volumes required to be handled. As a result a degree of prioritisation is required before a service is provided or upgraded. Those areas where there is a possibility of water entering houses or commercial buildings are given first priority. Second priority is given to areas where there is a possibility of water entering garages or outbuildings, followed by areas where water may pond on garden areas and roads.

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

In addition to capacity issues Council also needs to consider stormwater environmental effects. Increasing attention is being given to possible effects of spills, particularly in industrial areas.

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

### Asset Description

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 open drains and watercourses.

The urban stormwater systems can be categorised into two parts. The natural components comprise waterways and ponding areas. The constructed system consists of stormwater mains, manholes, pump stations, retention areas, secondary flow paths, soak holes and flood protection assets such as stopbanks and floodgates.

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 service centres.

The table provides a summary of stormwater reticulation lengths by area.

Area	Reticulation Length
Blenheim	108,365 m
Picton/Waikawa	22,167 m
Renwick	3,227 m
Okiwi Bay	332 m
Riverlands	4,409 m
Spring Creek	3,385 m
Rai Valley	269 m
Havelock	684 m
	<b>142,838 m</b>

### Issues and Changes

#### 2008 Flood Events

Heavy rainfall events in July and August 2008 highlighted some inadequacies with the Blenheim and Picton urban stormwater systems.

In Blenheim the lower Redwood Street area which is dependent upon the Taylor River stormwater pumps was particularly affected once the river floodgates needed to be closed.

Design of upgrades to improve capacity is well advanced. Funding implications will need to be considered once preferred options are clear and costs known.

Picton flooding in 2008 differed from that experienced in 2004 with heavy rainfall on the southwestern Picton catchment area rather than the eastern area. Upgrades made since 2004 which focused on eastern watercourses were tested but were of less significance than the capacity of western watercourses particularly the upper Kent Street Drain and contributing Buller Street Stream. Design work is underway to establish options and costs to improve capacity.

### **Blenheim Stormwater Strategy**

Council has developed a Blenheim Stormwater Strategy which forms the basis of stormwater discharge resource consent applications and considers capacity, quality and development upgrades. Blenheim has been split into catchments and priorities have been established by those catchments for further work. An immediate priority is the town branch drain network which is important for existing Blenheim contributing suburbs

and for future development intentions along Alabama Road. The town branch drain may also be able to relieve the under-capacity Redwood Street stormwater reticulation at a relatively low cost. Land acquisition, drain widening and pump station upgrade will be required. Design work is well advanced. However Council's ability to implement the strategy is likely to be extremely challenging from an affordability perspective as a result of the concurrent demands for major infrastructure upgrade programmes across this Activity Group.

### **Climate Change**

The impacts of climate change are unable to be accurately forecast. However broad assumptions can be made that there will be a greater frequency of weather "bombs" (high rainfall, short duration storms) and that sea level rise will impact on river levels upstream. A rise in river levels would impact on gravity drainage and increase the frequency of the need for stormwater pumping when gravity floodgates are closed. However it is considered that the river level impact of the Lower Wairau River bar, exceeds that expected from sea level rise. Maintaining an effective Wairau River bar outlet will thus assume greater importance. The Rivers and Drainage Activity deals with this issue.

<b>Levels of Service: Stormwater</b>						
<b>Performance Targets (for the financial year)</b>						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.5	6.6	6.7	7.0
Minimise the environmental risks of stormwater discharge.	Number of reported events that do not comply with their relevant stormwater discharge resource consent.	30	<30	<30	<25	<20
Provide a reliable stormwater service.	% of properties that meet the following stormwater system capacity targets <sup>3</sup> :					
	• No surface flooding with a five year return period causing nuisance to property, roads and public open space.	95%	95%	96%	96%	97%
	• No surface flooding with a 10 year return period causing nuisance to important recreational fields and roads without alternative access.	95%	95%	96%	96%	97%
	• No flooding with a 50 year return period floods residential property,	New measure	90%	90%	92%	93%

<sup>3</sup> Excepting flooding that results from poor management of the overflow path on private property.

## ACTIVITY GROUP: Land and Water Services

	commercial and industrial buildings.					
	<ul style="list-style-type: none"> <li>No flooding with a 100 year return periods floods major communal facilities related to supply of electricity and telephone, water and sewage disposal.</li> </ul>	New measure	80%	80%	82%	93%
	<ul style="list-style-type: none"> <li>No more than one blockage per 15 km of stormwater main per year.</li> </ul>	1	1	1	1	1
Provide a service that is timely and responsive to current needs.	% of complaints responded to within: <ul style="list-style-type: none"> <li>One hour if floodwater is a threat to a dwelling.</li> <li>48 hours for other complaints.</li> </ul>	95%	95%	95%	95%	95%
Provide a stormwater service that is sustainable.	% of programmed maintenance and renewal works in the Stormwater Asset Management Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Stormwater Asset Management Plan achieved.	New measure	80%	80%	80%	80%

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

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

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$000's)										
Stormwater	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Blenheim	1,161	1,227	1,322	1,417	1,477	1,526	1,576	1,601	1,635	1,680
Picton	365	376	385	390	397	402	407	416	427	440
Other Schemes	186	205	221	226	231	236	243	250	256	263
<b>Total Operating Costs</b>	<b>1,712</b>	<b>1,808</b>	<b>1,928</b>	<b>2,033</b>	<b>2,105</b>	<b>2,164</b>	<b>2,226</b>	<b>2,267</b>	<b>2,318</b>	<b>2,383</b>
Operating Surplus Transferred to Reserves	157	170	181	195	199	199	208	212	172	176
	<b>1,869</b>	<b>1,978</b>	<b>2,109</b>	<b>2,228</b>	<b>2,304</b>	<b>2,363</b>	<b>2,434</b>	<b>2,479</b>	<b>2,490</b>	<b>2,559</b>
<b>Funded by</b>										
Rates	1,278	1,367	1,468	1,569	1,631	1,669	1,725	1,764	1,802	1,855
General Revenues Applied	172	170	176	179	176	176	177	175	173	174
Other Revenue	419	441	465	480	497	518	532	540	515	530
<b>Total Revenue</b>	<b>1,869</b>	<b>1,978</b>	<b>2,109</b>	<b>2,228</b>	<b>2,304</b>	<b>2,363</b>	<b>2,434</b>	<b>2,479</b>	<b>2,490</b>	<b>2,559</b>
<b>Capital Expenditure</b>										
Blenheim	385	1,461	1,680	1,511	423	1,602	445	1,715	470	482
Picton	105	35	36	37	38	40	41	43	44	46
Other Schemes	18	310	34	35	20	20	21	23	23	24
<b>Total Capital Expenditure</b>	<b>508</b>	<b>1,806</b>	<b>1,750</b>	<b>1,583</b>	<b>481</b>	<b>1,662</b>	<b>507</b>	<b>1,781</b>	<b>537</b>	<b>552</b>
Debt Repayment	138	162	188	208	195	190	184	186	148	147
	<b>646</b>	<b>1,968</b>	<b>1,938</b>	<b>1,791</b>	<b>676</b>	<b>1,852</b>	<b>691</b>	<b>1,967</b>	<b>685</b>	<b>699</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	565	1,099	876	909	585	1,315	593	1,464	585	599
Other Reserve Transfers	81	84	82	92	91	87	98	103	100	100
New Loans	-	785	980	790	-	450	-	400	-	-
	<b>646</b>	<b>1,968</b>	<b>1,938</b>	<b>1,791</b>	<b>676</b>	<b>1,852</b>	<b>691</b>	<b>1,967</b>	<b>685</b>	<b>699</b>

## ACTIVITY: WATER SUPPLY

Operating costs of this activity represents 11.5% of total activity expenditure.

Outcome	Related Community Outcomes
Residents have access to a safe and reliable water supply.	Essential services.

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of environmental sustainability and essential services by providing an adequate supply of drinking water.

### What is this Activity About?

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

A piped irrigation scheme for the Southern Valleys' area of the Wairau Plains was completed in 2005. Providing reticulated irrigation supply enables a wider range of land uses contributing to the economic wellbeing of the community. The Council also provides a small irrigation supply to the Riverlands area.

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

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

### Legislative Framework

Council's drinking water supplies are subject to the provisions of the Health Act 1956. The Health Act was significantly amended by the Health (Drinking Water) Amendment Act 2007 which in effect has made compliance with the NZ Drinking Water Standards (NZDWS) mandatory. This new legislation has a major impact on water treatment requirements with in excess of \$40 million of new treatment infrastructure required. Additionally the Building Act 1981 requires buildings to be sanitary and piped water for "human consumption, food preparation, utensil washing or oral hygiene shall be potable".

The Water Supply Protection Regulations 1961 sets out requirements to ensure public water supplies are not contaminated by water entering the system from other private

premises. The Regulations also cover the flushing of supply networks following repairs, upgrades, etc.

Council supplies must operate under resource consent conditions, particularly relating to sustainable water take volumes, pursuant to the Resource Management Act 1991 and Council's Wairau/Awatere Resource Management Plan and Marlborough Sounds Resource Management Plan.

Users of Council supplies must comply with Council's Water Supply Bylaw which sets out requirements and responsibilities for connection to Council supplies.

Another important piece of legislation is the NZ Fire Service Fire Fighting Water Supplies Code of Practice (2009) which provides direction on what constitutes a sufficient supply of water for fire fighting in urban areas.

### Asset Description

The table provides a summary of Council water schemes:

	Source	Service Connections	Current Treatment	Compliance NZDWS?
<b>Drinking Water</b>				
<b>Awatere</b>	Birch Stream	748	-	No
<b>Blenheim</b>	Grove wells Middle Renwick wells Andrews Place wells	10,999	pH correction	No
<b>Picton</b>	Speeds Road wells Barnes Dam (river)	2,444	Filtration Chlorination pH Correction	No

<b>Havelock</b>	Kaituna wells	283	Chlorination	No
<b>Renwick</b>	Terrace Road wells	801	Chlorination pH correction	No
<b>Riverlands</b>	Malthouse and Hardings wells	103	-	Yes – microbiologi- cal No – aesthetic
<b>Wairau Valley</b>	Well	51	Chlorination	No
<b>Irrigation</b>		<b>Area</b>		
<b>Riverlands</b>	Hardings Road well	52 ha	NA	NA
<b>Southern Valleys</b>	Wairau River	3,556 ha	NA	NA

## Issues and Changes

The two biggest issues facing this activity are:

### 1. **Compliance with the NZ Drinking Water Standards**

All Council drinking water supplies except Riverlands require either new or upgraded treatment plants to comply with the NZ Drinking Water Standards 2005. Strongly linked to this issue is affordability. The anticipated capital cost of schemes requiring upgrades is \$41.3 million which places considerable burden on what in many cases are small, low income communities even with government assistance.

### 2. **Capacity Issues**

Some supplies face challenges in the short to medium term as several years of rapid urban development has meant demand has come close to matching the current capacity of water supply sources and/or pumping.

**Each of these issues are discussed below for the Council's individual water supply areas.**

#### **Blenheim**

Schemes have different compliance dates depending on the population serviced. Because of Blenheim's size and the disruption a contamination event in February 2008 lead to treatment for Blenheim being advanced and construction of a UV treatment

facility at the Middle Renwick Road well fields was operational in February 2009. A treatment facility will then be progressed to service wells in the Auckland Street/Grove Road area.

Blenheim's capacity is being improved by increasing well pump capability as part of the treatment plant upgrade.

#### **Awatere Affordability**

Awatere's serious water contamination issues, including incidents of E.coli O157, led to Council proposing treatment for that scheme in the 2008/9 Draft Annual Plan.

The Awatere upgrade requires substantial expenditure. The cost issue comes not only from water treatment but also the heavy renewals programme needed to replace ageing pipelines. This substantial cost increase led to the treatment proposal being rejected following widespread community disapproval notwithstanding the provision of substantial Council and Government assistance.

Council and the community have been investigating possible lower cost treatment options. The Ministry of Health have agreed that a Seddon treatment plant with point of entry systems in the rural area would be acceptable to them. A Seddon plant would attract a very high subsidy rate. A subsidy application will be made in September 2009 for the Seddon option. Detailed design funding is provided in the 2009 budget with Seddon treatment plant to follow in 2010. Further consultation will be necessary.

#### **Riverlands**

Riverlands is deemed to be a 'secure' groundwater supply thus meeting the NZDWS for microbiological compliance. However it does not meet standards for "wholesome" water because of manganese concentrations. Manganese has no known adverse health effect but can precipitate out as black specks. Consultation with the mainly industrial users at the Riverlands and Cloudy Bay Industrial Estates several years ago showed little support to fund treatment to remove manganese. This will be reviewed at a later date.

#### **Picton/Waikawa**

Picton water has two sources – Barnes Dam (Essons Valley) and Speeds Road wells. Treatment is provided currently but not to the standard required by the NZDWS. Treatment upgrades will provide a much higher degree of filtration which is expensive. Picton faces some significant infrastructure cost challenges with water treatment and capacity, sewage outfall and reticulation and river control/stormwater issues all needing to be addressed.

Picton/Waikawa require a new supply to be sourced within the next three to five years to provide for projected population growth. At present efforts have been focussed on Whatamango (Graham River catchment) as a possible source. A \$5 million plus price tag to reticulate to Picton/Waikawa is challenging.

However an option to be consulted with the community is to introduce water meters and a form of user pays which has been proven to reduce water supply demand in other



## ACTIVITY GROUP: Land and Water Services

areas by 30% plus. Such a saving would significantly delay the need to find a new water source.

### Renwick

Renwick supply is currently sourced from wells located in Terrace Road. The groundwater is not deemed 'secure' under the NZ Drinking Water Standards. The wells are shallow and affected by surface contamination as was shown in 2007 when murky water followed a Gibsons Creek flood event and meant a 'Boil Water' notice was imposed.

Renwick water has also shown evidence of higher than desirable nitrate levels. Planning and design is well advanced to drill new wells along Conders Bend Road. These wells are not nitrate affected and would also greatly improve capacity which is currently at peak causing regular summer water restrictions.

The capital cost to upgrade is very high (current estimate \$10.5 million) which may prove extremely challenging to the Renwick community without substantial outside assistance.

### Wairau Valley

Wairau Valley's water supply was under severe pressure during the summer months until water meters and user charges were introduced following community consultation. A large drop in peak water consumption resulted with much improved pressures for the community.

### Southern Valleys Irrigation Scheme (SVIS) – Storage

The SVIS has had a very good participation rate which continues to increase each irrigation season. However the water supply to the scheme is via a water permit to

abstract Wairau River water. This water permit is subject to resource consent conditions that could prevent the abstraction of water and consequently stop the SVIS operation during very dry summers. When the SVIS was initially consulted with the community, a dam was proposed to provide emergency storage for such events. However prospective users were not prepared to fund the dam and it was not built.

Council has investigated several storage options in recent years and favours a new dam proposal. Once further design information is confirmed consultation with SVIS users will commence to test their willingness to fund the dam.

### Summary of Water Treatment Requirements

The full list of Council supplies requiring treatment is:

Supply	Treatment Capital Cost	Date Required
Awatere	\$6,730,000	Awatere Rural 1.7.2013 Seddon 1.7.2011
Blenheim	\$17,000,000	1.7.2009
Havelock	\$1,350,000	1.7.2011
Picton/Waikawa	\$4,940,000	1.7.2011
Renwick	\$10,475,000	1.7.2011
Wairau Valley	\$800,000	1.7.2013
	<u>\$41,295,000</u>	

## Levels of Service: Water Supply

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.5	6.6	6.8	7.0
Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	% compliance with E.coli criteria for Priority one (P1) bacteriological determinand of Drinking Water Standards NZ (DWSNZ). As measured by number of samples required by the DWSNZ .	98%	98%	98%	99%	100%
Provide a reliable water supply service.	% compliance with the following water system capacity and peak demand targets: • Per property:	95%	96%	97%	98%	100%

	<ul style="list-style-type: none"> <li>○ 4 m<sup>3</sup>/day</li> <li>○ For commercial and industrial zones where the section size is greater than 800 m<sup>2</sup> target is 4 m<sup>3</sup>/day per 800 m<sup>2</sup>.</li> <li>○ For rural schemes an additional 50 l/ha/day for stock.</li> <li>● Provide a minimum water pressure at new subdivisions of 300 kPa.</li> <li>● The water reticulation system shall be able to provide the following fire fighting flows from hydrants except in the Awatere Valley and Wairau Valley township: <ul style="list-style-type: none"> <li>○ Residential Zone: 25 l/s</li> <li>○ Commercial Zone: 50 l/s</li> <li>○ Industrial Zone: 100 l/s</li> </ul> </li> <li>● General fire conditions as per the New Zealand Fire Service Code of Practice (NZPAS 4509:2008).</li> </ul>					
Provide a service that is timely and responsive to customer needs.	<p>% of service interruptions responded to within:</p> <ul style="list-style-type: none"> <li>● 30 minutes for major loss of supply creating a situation causing or likely to cause damage to persons or property.</li> <li>● 60 minutes for substantial leaks not falling into the first priority.</li> </ul> <p>% of supplies restored to customers affected by an interruption within 8 hours of notification</p>	98%	98%	98%	98%	98%
Provide a sustainable water supply.	% of programmed maintenance and renewal works in the Water Supply Asset Management Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Water Supply Asset Management Plan achieved.	New measure	80%	80%	80%	80%

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

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$'000's)											
Water Supply	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
<b>Operating Costs</b>											
Awatere	448	698	870	985	1,134	1,157	1,204	1,245	1,287	1,326	
Blenheim	3,750	4,750	5,507	5,884	6,221	6,413	6,602	6,755	6,738	6,834	
Havelock	221	246	358	422	420	432	434	447	464	473	
Picton	1,774	2,045	2,245	2,302	2,354	2,462	3,434	4,489	4,581	4,661	
Renwick	323	355	817	1,282	1,276	1,319	1,319	1,346	1,381	1,419	
Riverlands	289	379	409	549	772	933	1,085	1,103	1,356	1,613	
Southern Valleys	1,531	1,559	1,594	1,621	1,667	1,695	1,735	1,767	1,800	1,833	
Wairau Valley	37	38	58	105	150	152	155	158	161	165	
Grovetown	-	-	-	-	-	-	2	235	516	520	
Rarangi	-	-	-	-	25	496	858	865	872	880	
Spring Creek	-	-	-	-	-	-	2	235	516	520	
<b>Total Operating Costs</b>	<b>8,373</b>	<b>10,070</b>	<b>11,858</b>	<b>13,150</b>	<b>14,019</b>	<b>15,059</b>	<b>16,830</b>	<b>18,645</b>	<b>19,672</b>	<b>20,244</b>	
Operating Surplus Transferred to Reserves	1,035	5,377	627	579	573	798	1,050	1,651	1,608	1,779	
	<b>9,408</b>	<b>15,447</b>	<b>12,485</b>	<b>13,729</b>	<b>14,592</b>	<b>15,857</b>	<b>17,880</b>	<b>20,296</b>	<b>21,280</b>	<b>22,023</b>	
<b>Funded by</b>											
Rates	8,340	9,951	11,137	12,206	12,882	13,870	15,660	17,829	18,651	19,193	
Subsidies & Grants	-	3,709	-	-	-	-	-	-	-	-	
Other Revenue	1,068	1,787	1,348	1,523	1,710	1,987	2,220	2,467	2,629	2,830	
<b>Total Revenue</b>	<b>9,408</b>	<b>15,447</b>	<b>12,485</b>	<b>13,729</b>	<b>14,592</b>	<b>15,857</b>	<b>17,880</b>	<b>20,296</b>	<b>21,280</b>	<b>22,023</b>	
<b>Capital Expenditure</b>											
Awatere	355	4,449	1,589	1,447	569	964	169	86	202	1,116	
Blenheim	10,769	10,796	2,281	4,639	2,809	9,967	2,125	13,300	1,138	1,292	
Havelock	42	450	1,372	11	174	11	11	311	13	13	
Picton	4,876	4,737	566	135	369	604	23,246	447	130	133	
Renwick	166	988	8,859	41	29	49	29	30	256	33	
Riverlands	80	1,066	165	2,826	343	3,007	1	1	5,267	1	
Southern Valleys	13	13	-	-	-	-	-	-	-	-	
Wairau Valley	-	-	60	961	-	-	-	3	-	-	
<b>Total Capital Expenditure</b>	<b>16,301</b>	<b>22,499</b>	<b>14,892</b>	<b>10,060</b>	<b>4,293</b>	<b>14,602</b>	<b>25,581</b>	<b>14,178</b>	<b>7,006</b>	<b>2,588</b>	
Debt Repayment	1,341	1,746	2,012	2,283	2,333	2,737	3,438	3,873	3,825	3,854	
	<b>17,642</b>	<b>24,245</b>	<b>16,904</b>	<b>12,343</b>	<b>6,626</b>	<b>17,339</b>	<b>29,019</b>	<b>18,051</b>	<b>10,831</b>	<b>6,442</b>	
<b>Funded by</b>											
Depreciation Reserve Transfer	2,252	2,969	3,346	3,604	4,138	4,362	4,375	4,535	4,850	5,858	
Other Reserve Transfers	3,073	7,855	4,816	168	(17)	209	138	458	379	282	
New Loans	12,317	13,421	8,742	8,571	2,505	12,768	24,506	13,058	5,602	302	
	<b>17,642</b>	<b>24,245</b>	<b>16,904</b>	<b>12,343</b>	<b>6,626</b>	<b>17,339</b>	<b>29,019</b>	<b>18,051</b>	<b>10,831</b>	<b>6,442</b>	

## ACTIVITY: SOLID WASTE MANAGEMENT

Operating costs of this activity represents 8.8% of total activity expenditure.

Outcome	Related Community Outcomes
Public and environmental health risks of solid and hazardous waste are minimised.	Essential services, environmental sustainability.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

Council provides waste management services for public health and environmental reasons. Council has expressed its commitment to a long-term goal of “zero waste and a sustainable Marlborough”. This entails reducing the volume of waste created in Marlborough, encouraging re-use of materials, and/or recycling materials into other products. Opportunities to recover other resources are also explored. Where these options have been exhausted, are unavailable, or are not economically feasible, safe containment of some waste products by land-filling may remain the optimal treatment. Specific targets and actions are available in the Waste Strategy and Plan for Marlborough 2005 – 2010. This Strategy and Plan is due for renewal in 2010 for implementation in 2011.

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

Kerbside refuse collection is provided in Picton and Blenheim and waste transfer stations are operated at seven locations throughout Marlborough. Four coin operated skip bins service communities in parts of the Marlborough Sounds. Hazardous waste collection facilities are provided at all transfer stations, and a greenwaste composting facility is provided at the Blenheim Transfer Station. A substantial Resource Recovery Centre has been constructed at this site. Initially the facility will receive, sort and bale for markets the recyclable materials ‘dropped off’ by the public and collected at the other transfer stations. It is proposed that kerbside recycling be introduced for Blenheim and Picton from 1 July 2010 and progressively to other areas after that.

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

### Asset Description

The Council’s principal assets supporting this activity are the landfill facility, the network of transfer stations and the Resource Recovery Centre. 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 *Kerbside Recycling*

A proposal to commence kerbside recycling in Blenheim and Picton is included in this LTCCP. The cost of this service will be covered by a targeted rate.

### Waste Levy

Government passed legislation – the Waste Minimisation Act - in 2008, applying a \$10 per tonne levy on all residual waste disposal throughout New Zealand. 100% of the levy will be passed on to Central Government and 50% then redistributed back to Territorial Authorities based on population. Part of the 50 % retained will be used for administration and the balance will be applied to waste minimisation projects. It is estimated that Marlborough’s initial annual income will be approximately \$150,000 per annum. In 2009/10 it is proposed to allocate funding to:

- (a) Loan Funded Reuse Centre.
- (b) Investigation and design of composting systems.

### Reuse and Education Centre

It has always been intended to provide a ‘reusables’ collection and resale facility at the new Resource Recovery Centre. Initial funding was insufficient to enable this to occur. Now that the waste levy has been legislated it is proposed Marlborough applies approximately \$20,000 per annum to fund a loan enabling construction of the Reuse and Resale facility to occur.

## Composting Systems

The Greenfingers compost facility has been successfully operated by private contractors at the Blenheim Transfer Station for over 10 years during which period Greenwaste volumes have increased. There are some concerns about the suitability of the current site in its current form which is now fully utilised. Council has also been keen to develop or encourage more composting of organic material, particularly putrescibles, which create a lot of landfill leachate. 'In vessel' composting systems are likely to be required in order to control odours. It is proposed investigations into an expanded composting provision be funded from the waste levy.

## Emission Trading Scheme

Landfills do emit gases which may be subject to proposed emissions trading legislation. Council has recently installed a gas collection and flaring system at the regional landfill which converts methane gas to CO<sub>2</sub>. CO<sub>2</sub> is a much more acceptable emission than methane. As the landfill grows and technology advances it may be possible for Council to further reduce serious emissions.

Levels of Service: Solid Waste Management						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5	7.5	7.5	7.5
Reduce environmental and public health risks of waste.	% of organic wastes in landfill	20%	20%	15%	10%	7.5%
	% of plastics in landfill. <sup>4</sup>	12.5%	10%	5%	5%	2.5%
	Number of transfer stations not having hazardous waste collection facilities transfer stations.	1	1	1	1	1
	% compliance with resource consent conditions for landfill sites.	95%	98%	99%	99%	99%
Provide a sustainable waste management service.	% of programmed maintenance and renewal works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	New measure	90%	90%	90%	90%
	% of improvement works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	New measure	90%	95%	95%	95%
	Timeliness of review of Waste Strategy and Plan.	N/A		Reviewed Waste Strategy and Plan ready for implementation		

<sup>4</sup> Target assume the adoption of kerbside recycling.

## ACTIVITY GROUP: Land and Water Services

Operating and Capital Costs and Funding Forecast (\$'000's)										
Solid Waste Management	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Landfills	2,649	2,751	2,799	2,911	3,065	3,081	3,163	3,315	3,359	3,404
Transfer Stations	478	494	502	508	517	520	523	536	551	565
Refuse Collections	1,099	1,968	2,339	2,388	2,436	2,490	2,539	2,596	2,657	2,719
Waste Minimisation	1,430	1,290	1,319	1,345	1,374	1,414	1,444	1,478	1,516	1,549
<b>Total Operating Costs</b>	<b>5,656</b>	<b>6,503</b>	<b>6,959</b>	<b>7,152</b>	<b>7,392</b>	<b>7,505</b>	<b>7,669</b>	<b>7,925</b>	<b>8,083</b>	<b>8,237</b>
Operating Surplus Transferred to Reserves	126	155	182	200	237	263	204	237	251	268
	<b>5,782</b>	<b>6,658</b>	<b>7,141</b>	<b>7,352</b>	<b>7,629</b>	<b>7,768</b>	<b>7,873</b>	<b>8,162</b>	<b>8,334</b>	<b>8,505</b>
<b>Funded by</b>										
Rates	1,961	2,716	3,091	3,187	3,345	3,374	3,445	3,598	3,662	3,704
General Revenues Applied	119	99	96	97	102	97	98	103	100	97
Subsidies & Grants	195	201	206	211	215	220	225	230	236	242
Other Revenue	3,507	3,642	3,748	3,857	3,967	4,077	4,105	4,231	4,336	4,462
<b>Total Revenue</b>	<b>5,782</b>	<b>6,658</b>	<b>7,141</b>	<b>7,352</b>	<b>7,629</b>	<b>7,768</b>	<b>7,873</b>	<b>8,162</b>	<b>8,334</b>	<b>8,505</b>
<b>Capital Expenditure</b>										
Landfills	435	154	175	3,269	-	192	3,431	-	-	-
Refuse Collections	-	207	-	-	-	-	-	-	-	-
Waste Minimisation	200	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>635</b>	<b>361</b>	<b>175</b>	<b>3,269</b>	<b>-</b>	<b>192</b>	<b>3,431</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt Repayment	365	376	381	450	451	437	460	460	450	437
	<b>1,000</b>	<b>737</b>	<b>556</b>	<b>3,719</b>	<b>451</b>	<b>629</b>	<b>3,891</b>	<b>460</b>	<b>450</b>	<b>437</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	470	380	556	1,069	451	629	931	460	450	437
New Loans	530	357	-	2,650	-	-	2,960	-	-	-
	<b>1,000</b>	<b>737</b>	<b>556</b>	<b>3,719</b>	<b>451</b>	<b>629</b>	<b>3,891</b>	<b>460</b>	<b>450</b>	<b>437</b>



## Summary of Assessment of Water and Sanitary Services

Councils are required under the Local Government Act 2002 to undertake periodic assessments of water and sanitary services in their district. Council undertook its first assessment of these services in 2005. Water services are:

- Water Supply.
- Wastewater.
- Stormwater.

A primary objective of the provision of water services is to safeguard public health. The main public health issue to consider for water supplies is contamination of drinking water while for wastewater supplies the main issue is the quality of wastewater discharges. Stormwater public health issues relate to stormwater discharges and flooding where floodwater enters properties and renders them uninhabitable.

Sanitary services are:

- Public conveniences
- Cemeteries
- Crematoria
- Refuse<sup>5</sup>

The primary objective of sanitary services is to protect the public health and wellbeing of residents through planning, developing and managing sanitary services that recognise present and forecasted demand.

A copy of the assessment can be viewed on Council's website, or at Council service centres. The following summary is based on the Executive Summaries of the original document, updated with new information Council has available. It is intended to fully review the assessment in 2009/10.

## WATER SUPPLY

The provision of potable water services in the area was assessed through examining non-Council managed community schemes, Council managed community schemes and densely populated unreticulated areas. Non-Council managed schemes assessed are those on the Ministry of Health (MoH) register of community water supplies. Information on these schemes has been obtained from the MoH, community water supply operators and resource consent detail. Assessment detail for Council managed schemes has been obtained from Asset Management Plans.

The table below summarises assessment results for different communities. A tick implies that the system was assessed as meeting criteria.

<sup>5</sup> Refuse is covered separately by the Solid Waste Management Plan 2005 and was therefore not included in the assessment

Community	Water Quality (P1 criteria in current Drinking Water Stds)		Water Capacity / Storage (Capacity to meet peak demand)		Future / Present Demand (Sufficient capacity with no demand management during drought conditions)
	E.Coli	Protozoa	Capacity	24 hr strge	
<i>Non Council</i>					
Okiwi Bay – Old Scheme	x	x	✓	x	✓
Okiwi Bay –New Scheme	x	x	✓	x	✓
Penzance – Tuna Bay	x	x	✓	✓	x
Duncan Bay	x	x	✓	✓	x
Moetapu Bay	x	x	✓	x	✓
Moenui Bay	x	x	✓	✓	x
Belvue Bay / Pukenui	x	x	✓	✓	x
HakaHaka	x	x	✓	x	✓
Outward Bound	✓ <sup>6</sup>	✓	✓	✓	✓
Anakiwa Bay	x	x	✓	x	✓
Thompson - Tirimoana	x	x	✓	✓	x
Okiwa Park	✓	x	✓	✓	✓
Ngakuta Bay - Kennedy	x	x	✓	x	✓
Little Ngakuta	x	x	✓	x	✓
Brough Place - Ngakuta	x	x	✓	x	✓
Manuka Drive - Ngakuta	x	x	✓	✓	✓
Rarangi	✓ <sup>7</sup>	x	✓	x	x
Tuamarina (W side)	x	x	✓	x	✓
Woodbourne Air Base	✓ <sup>8</sup>	x	✓	x	x
Waihopai Terraces	x	x	✓	x	✓
Wrekin Road	x	x	✓	✓	x
Ward	x	x	✓	✓	x

<sup>6</sup> Level of treatment complies but problems with monitoring

<sup>7</sup> Complies but problem with monitoring

<sup>8</sup> Level of treatment complies but problem with monitoring

The most significant issue facing community water supplies assessed is the requirement for community supplies to comply with the Drinking Water Standards New Zealand (DWSNZ). The Health (Drinking Water) Amendment Act 2007 has imposed a duty on supplies servicing 25 or more people for 60 days or more to take “all practicable steps” to comply with the DWSNZ. Compliance dates depend on the supply size eg; supplies servicing 25 to 100 people must comply by 1 July 2013. Those servicing 101 to 500 people must comply by 1 July 2012. Treatment systems can be very costly depending on the quality of the water source. Of the communities assessed only Outward Bound School appears to be meeting microbiological (P 1) requirements in the DWSNZ. The DWSNZ require treatment of surface waters and groundwaters where these are not proven to be secure to give protection against the risk of microbiological contamination which includes potentially harmful bacteria, viruses and protozoa such as giardia and cryptosporidium. The main contamination source in the largely native bush catchments of the Sounds is from feral animals. Many of the Wairau Plains Community supplies source their water from shallow bores adjacent to rivers. The raw water quality could therefore be affected by stock and the leaching of agrichemicals.

All communities assessed had sufficient infrastructure<sup>9</sup> and pressure available to be able to provide 300 l/head/day<sup>10</sup> in normal peak times. The limiting factor for some communities to meet present and future peak demands is low source supply during drought periods. Supplies susceptible to drought are highlighted above. In most cases this can be overcome by communities installing more storage or implementing demand management techniques during droughts. In cases where this is not sufficient schemes are investigating alternative sources.

The emphasis of the assessments has been on water services that are not council owned and densely populated areas not reticulated. Council has an Asset Management Plan which covers planning and maintaining Council owned assets. However an assessment under the Act is still required for Council owned assets and a summary of issues has been presented in these assessments with the detail in the Water Asset Management Plan. All Council water supplies, except Riverlands, require either new or upgraded treatment facilities to comply with the DWSNZ. These treatment upgrades are estimated to cost in excess of \$40 million in total and are a very significant community challenge. Riverlands does not comply with aesthetic standards but there is insufficient support from users to support treatment. All Council supplies provide adequate quantities of water as defined in its levels of service as sufficient water to meet all peak demands in a drought period.<sup>11</sup> Council has worked out the future water demand for schemes for the situation where all land within urban residential zone boundaries is developed and planned any upgrades to meet future demand. Extensive development work is planned for Picton where it is projected the current sources of water are only

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<sup>9</sup> Pipes and storage

<sup>10</sup> Ministry of Health basic domestic demand figure

<sup>11</sup> Defined drought period is 1 in 20 years

able to keep up with demand until between 2010 and 2016. Upgrades to Blenheim and Renwick capacity are planned as part of treatment upgrade projects.

There are a number of densely populated areas in Marlborough including Grovetown, St Andrews (Riverlands), Ashford Grove and Southern Rarangi that do not have a reticulated community water supply. These areas have been assessed to ascertain if the absence of a community water supply creates a risk to the community. Ground water supplies at Grovetown, St Andrews and Ashford Grove require testing of the age of the water to verify if the supply is secure or not according to the DWSNZ but for the purposes of these assessments are assumed not to be secure but of low risk subject to correctly installed wellheads. All require further monitoring of the present wells to ascertain if the public health risks warrant investigation of a reticulated supply. Southern Rarangi is assessed as requiring a reticulated supply to overcome public health risks.

The assessments are primarily an information resource that will provide council and affected communities with a base from which to plan future upgrade needs.

### WASTEWATER

The provision of wastewater services in the area was assessed through examining wastewater management systems in the Marlborough Sounds, Wairau Plains and Awatere regions of the district. The areas are distinct regions within the district with differing environmental issues.

The more populated areas of the Sounds - Picton, Waikawa and Havelock - are reticulated with sewage treatment at a central facility. Other communities in the Sounds rely on on-site wastewater management systems to treat and dispose of domestic sewage. The assessments found that the risk of failure of on-site systems leading to contamination of the marine environment in some of the more populated communities in the Sounds is high. Monitoring of the marine environment and subsequent catchment assessments confirm this.

A more comprehensive study is required to identify if modified on-site treatment involving either upgrading of on-site systems or improved management of existing systems will make on-site systems sustainable. If on-site treatment is found to be unsustainable then the next stage is looking at sewerage and sewage treatment. In the shorter term implementation of a proposed plan change<sup>12</sup> is helping avoid further adverse effects from on-site systems as new areas are developed.

The risk of the unsewered Wairau Plains communities of Grovetown and St Andrews contaminating the environment was assessed as high. In 2004 Pattle Delamore Partners in conjunction with Council staff carried out an assessment in accordance with the Auckland Health Care Services Protocol and concluded that reticulation was required now in Grovetown to avoid public health risk. Since then Council has worked

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<sup>12</sup> Sounds Resource Management Plan Change, On-site Discharges of Domestic Wastewater, July 2004

closely with the Grovetown community and a community reticulation system is due to be constructed commencing in early 2009. A system of grinder pumps will be installed. The effluent will then be reticulated to the Blenheim Sewage Treatment Plant. The other denser populated areas of the Wairau Plains around Blenheim namely Burleigh, Tuamarina, Ashford Grove and Rarangi have the potential for sewage related health problems and require further monitoring to assess whether issues exist and if these are caused by septic tank discharges.

On-site systems are a sustainable wastewater treatment system in the Awatere region. The underlying geology generally allows for good soakage. There are no known areas where the cumulative effects from a number of underperforming systems are likely to create health problems.

The quality of discharges from Council systems is controlled by the conditions of discharge consents. Where there are any gaps in meeting these conditions Council is working to rectify these. Planning has been undertaken for future treatment upgrades to meet future consent / demand requirements. A summary of these issues is described in these assessments with the detail contained in the Wastewater Asset Management Plans. Of particular significance is the reticulation of Spring Creek effluent from the existing ponds through to the Blenheim Sewage Treatment Plant in conjunction with the Grovetown project.

The risk from failure of on-site wastewater systems in some of the more populated communities in the Sounds is considered high. Improvements need to be made and if this is not practicable or the community makes the decision, centralised treatment of sewage can be considered. Preliminary assessments will be made of the effectiveness and suitability of on-site treatment in the more densely populated communities considered more likely to be causing contamination of the environment. If the preliminary assessment identifies significant problems with the current on-site systems a comprehensive investigation using the Auckland Healthcare Protocol will be conducted to determine whether on-site treatment is suitable for this community. If it is considered suitable any necessary improvements should be identified. If on-site treatment is found to be unsuitable then consultation over the option of sewerage and centralised treatment should be started. There needs to be further consultation with affected Sounds communities on a funding mechanism for this initial design work.

In the shorter term implementation of the plan change is helping to avoid further adverse effects from on-site systems (refer to Appendix 1 of the Assessment). As further residential lots are subdivided the plan change requires the developer to assess all alternatives for servicing lots and then make an assessment of the best practicable option. On-site systems will only be allowed if the size and shape meet requirements in the plan. For smaller lots off-site treatment may be the only practicable option.

The plan change also requires as a condition of the permitted activity rule that on-site systems be maintained in an efficient operating condition and the discharge from them must not adversely affect the water quality of nearby waterbodies. The requirement

could lead to improvements in water quality in communities as under-performing existing systems are upgraded.

### STORMWATER

The provision of stormwater services in the area was assessed through examining stormwater systems in the Council managed urban areas of the district.

The major urban stormwater systems are located at Blenheim and Picton.

The Opawa and Taylor Rivers are increasingly being used for recreational purposes within the urban areas of Blenheim. Monitoring of both rivers during summer indicates they are sometimes unsuitable for recreation use. Stormwater discharges to the river are one contributing factor to the problem. Blenheim also suffers from capacity issues which were demonstrated in the July and August 2008 floods. Council is developing a Blenheim Stormwater Strategy which addresses these quality and capacity issues. Discrete areas have been determined and prioritised for further investigation. Subsequent solutions will then need to be staged to meet funding constraints. The Strategy also forms the basis for a proposed blanket resource consent application for continued discharge of stormwater. Again areas are prioritised for further design work in order to stage quality upgrades.

The Picton Foreshore area at times exceeds quality guidelines making it unsuitable for recreation use. Subsequent catchment assessments indicate contributing factors are stormwater runoff and sewage overflows to streams that discharge to the sea. To overcome the problem Council has an ongoing infiltration/inflow programme focusing primarily on inflow reduction. Recently an assessment of sewerage network capacity has identified a future upgrade programme to reduce sewage overflows in wet weather. Picton residents live on the floodplains of the Waitohi and Waikawa Rivers. Council is carrying out and investigating improved river protection work to ensure all habitable residences are protected from at least a 1 in 50 year rainfall event. These proposed works are a significant funding challenge.

### PUBLIC CONVENIENCES

Marlborough District Council owns and maintains a total of 47 public conveniences across the district. All Council owned public conveniences are supplied free of charge. These facilities aim to service areas which are frequented by the public or where people congregate for lengths of time greater than one hour.

A thorough inspection designed to meet NZ standards 4121:2001 and 4241:1999 was conducted to give a condition rating for all facilities provided by the Council and to indicate timeframes for repair and expected lifespan.

The existing public conveniences were assessed to be of adequate quantity. The quality of these facilities and their ability to service the access impaired community has been assessed and upgrades are planned as funding permits.

## Private provision:

Marlborough experiences transitory tourist and seasonal labour populations for which conveniences are often provided by the Department of Conservation, commercial operators or employers. The Department of Conservation currently administers 138 conveniences in the Marlborough District, with 72 conveniences servicing areas within the Marlborough Sounds and 66 in the Southern Marlborough area.

## CEMETERIES

The Marlborough District Council administers seven operating cemeteries and Omaka Cemetery for reserved or second interments. There is also a selection of trustee cemeteries, private cemeteries, closed cemeteries, burial grounds and urupaa dotted throughout the district.

The existing cemeteries administered by the Marlborough District Council are adequate to provide for the present and future communities for over 20 years before any major expansions are likely to be required. Cremations are continuing to increase as a percentage of the interments at all cemeteries and this trend reduces the land space otherwise required if burials were made.

A crematorium for the district is provided privately and access to crematoria in other regions is available. These are able to operate at a sustainable level that will cater for the forecast increase in cremations.

The increasing interdenominational component of the community is leading to an increasing need to plan for special services within our cemeteries.

## Summary of Waste Strategy and Plan for Marlborough 2005-2010

Preparation of a Waste Strategy and Management Plan is a statutory requirement. Council will review the current plan commencing in 2010 so that a new plan can be in place from 2011 which take account of the provisions of the recently enacted Waste Minimisation Act 2008.

## Goals

The Waste Strategy sets three goals:

- 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, and
- To manage the residual waste stream effectively and efficiently to minimise adverse environmental, social, cultural and economic effects.

## Priority Areas

To achieve the strategy goals three priority waste areas have been identified, each with related streams and issues.

The priority areas are:

- Waste minimisation.
  - Organic wastes.
  - Special wastes.
  - Construction and demolition wastes.
- Hazardous wastes.
  - Contaminated sites.
  - Organochlorines.
  - Tradewastes.
- Waste Disposal.
  - Controlled residual waste disposal.

More specific targets and actions have been set and progress against these is reported regularly to Council.

## ACTIVITY GROUP: ENVIRONMENTAL POLICY AND INFORMATION

### Activities for this Group

The activities for this group include:

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

The financial aspects for this Activity Group are shown below in the table entitled "Operating and Capital Costs and Funding Forecast (\$000) – Environmental Policy and Information". Operating costs of this activity represents 6.8% of total activity expenditure.

### Rationale for Council Involvement in this Group of Activities

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

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

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

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

### Assets and Levels of Service

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

### Significant Negative Effects Associated with this Group of Activities

Potential negative effects in terms of the sustainable management of our physical and natural resources may result through ineffective monitoring of the environment and/or inadequate resource management policy with potential flow-on social and economic impacts on the community.

Each activity has identified and highlighted issues and changes that may affect this group of activities.

### Issues and Changes affecting the assets that support this Group of Activities

The principal assets supporting this group of activities are people and information. Staff with skills relevant to these activities are in high demand nationally and internationally. Personnel policies designed to attract and retain appropriate staff are therefore important as is ensuring the functional structure of the group provides for efficient interaction.

Information systems and databases associated with these activities are fundamental for maintaining historical resource records of which sound decisions and resource trend analysis is based.

The principal information asset is the environmental monitoring (telemetry) network that captures rainfall, river, aquifer level data and resource quality information. This information also underpins the flood forecasting and modelling systems, water allocation and policy formation.

The network, information systems and consequent functions are at risk if not managed to a high standard and kept fully operational at all times.

Known changes to demands on asset capacity are discussed in the context of specific activities. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant asset management plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.



## ACTIVITY: ENVIRONMENTAL POLICY

### Outcome

Sustainable management of Marlborough's natural and physical resources.

### Related Community Outcome

Environmental sustainability, prosperity.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

The Council has an existing resource management policy framework, which is described below. Significant effort has gone into getting this framework to an operative status, in order to provide greater certainty to resource users and the wider community.

### Policy Framework

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

- **The Marlborough Regional Policy Statement (RPS)**  
This is an operative document that provides a community-based vision and direction for managing the natural and physical resources of Marlborough. It identifies five regionally significant issues for Marlborough and how they are to be addressed.
- **The Marlborough Sounds Resource Management Plan**  
This is an operative combined regional plan, regional coastal plan and district plan that provides the framework by which the natural and physical resources of the Marlborough Sounds area are to be managed.
- **The Wairau/Awatere Resource Management Plan**  
This is an operative combined Regional Plan, Regional Coastal Plan 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 Marlborough RPS and the Resource Management Plans identify resource management issues, establish objectives for addressing these issues, provide policies

for achieving the objectives and identify regulatory and non-regulatory methods for implementing the policies. The provisions collectively seek to enable resource use, but in a manner that ensures any adverse effects arising from that use are avoided, remedied or sufficiently mitigated. The Council is required to report on the efficiency and effectiveness of these policy and planning provisions on a 5 yearly basis under the RMA.

The Environmental Policy Group works closely with the Environmental Science and Monitoring Group, which collects state of the environment and trend data, and the Regulatory Group, which uses the resource management policy framework to determine the status of activities, assist with the processing of resource consent applications and for compliance purposes. Monitoring results and feedback from the implementation of the provisions are used on an ongoing basis to identify pressures and signal the need to make changes to the policy and planning documents.

### Issues and Changes

The Council has committed to undertaking a comprehensive review of the of the current resource management framework. This is in response to the statutory requirement to review the Marlborough RPS, but it is also necessary to meet the sustainability challenges created by increasing resource use, climate change and changing community expectations. These challenges are discussed in greater detail in Part II: Marlborough's Key Challenges. The review process provides the opportunity to prepare a resource management framework that enables appropriate resource use, while maintaining or enhancing the quality of the land, water and air resources, indigenous ecosystems and the built environment that sustain our community. A key component of the new framework will be provisions that enable the allocation and reallocation of public resources, such as freshwater and coastal space. Where possible the Regional Policy Statement will be developed in conjunction with other authorities in the top of the south island, ie; Nelson City and Tasman District Councils,

Central Government initiatives, including legislative change, national policy statements and national environmental standards, are also likely to influence the review of the current resource management framework.

Once the review is complete, there will be an ongoing need to use state of the environment monitoring data to identify new issues and adjust the resource management framework, where necessary, through plan changes.

As the current Resource Management Plans are operative, any person can apply for a private plan change to the Marlborough Sounds Resource Management Plan or Wairau/Awatere Resource Management Plan. Ongoing demand for private plan changes is unknown, but will need to be accommodated in response to statutory requirements.



# ACTIVITY GROUP: Environmental Policy and Information

Levels of Service: Environmental Policy						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
A reviewed resource management policy framework. A resource management framework that reflects current and emerging issues.	Timeliness of review and adoption of key strategy documents.	New measure	Notification of a new Marlborough RPS by 31 December 2009. The completion of an urban strategy for the Central Business Zone by December 2009 with a wider Blenheim strategy completed by 31 December 2010. The completion of an efficiency and effectiveness assessment of the existing resource management plans by 31 December 2009.	The completion of an urban strategy for the Central Business Zone by December 2009 with a wider Blenheim strategy completed by 31 December 2010. A water re-allocation conceptual framework completed by December 2010.	Notification of a new combined resource management plan by 31 December 2011.	The completion of an efficiency and effectiveness assessment of the Regional Policy Statement and Resource Management Plan five years after they become operative.
The sustainable management of natural and physical resources.	Physical, chemical and biological soil parameters.	New measure(s).			Baseline targets established for predominant soils.	Positive long-term (5yr +) trend in soil quality as measured against baseline.
	Physical, chemical and biological freshwater quality parameters.	New measure(s).			Baseline targets established for all catchments.	Positive long-term (5yr +) trend in water quality as measured against baseline.
	Freshwater and coastal water bathing sites gradings.	New measure.			Grades for recreational bathing water sites established.	Quality of recreational bathing water sites either maintained or improved
	Average Groundwater Nitrate levels.	New measure.	Baseline targets established for all aquifers	Positive long-term (5yr+) trend in ground water quality as measured against baseline	Positive long-term (5yr+) trend in ground water quality as measured against baseline	Positive long-term (5yr+) trend in ground water quality as measured against baseline.
Average monthly winter concentration of PM10 at:	New Measures.					
Redwoodtown			<37 mg/m <sup>3</sup>	<37 mg/m <sup>3</sup>	<37 mg/m <sup>3</sup>	<37 mg/m <sup>3</sup>
Middle Renwick Road			<27 mg/m <sup>3</sup>	<27 mg/m <sup>3</sup>	<27 mg/m <sup>3</sup>	<27 mg/m <sup>3</sup>

## ACTIVITY GROUP: Environmental Policy and Information

	The ecological condition of Significant Natural Area (SNA) sites.	New measure(s).			Baseline targets established for representative SNA sites.	Positive long term (5yr +) trend in the condition of indigenous vegetation within SNA sites as measured against baseline.
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*Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.*

### ACTIVITY: ENVIRONMENTAL SCIENCE AND MONITORING

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

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

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

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

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

Science based investigations are dynamic and will change to reflect new environment pressures. Emphasis has been placed on monitoring and developing sustainable

programmes associated with water resources. This reflects the value of water to the community and its vulnerability to over use and contamination.

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

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

## Asset Description

Council operates 82 automated monitoring stations that measure a number of environmental parameters.

Environmental Parameters (Automated)	Number Monitored
Rainfall	22
Water level	31
River Flow	21
Groundwater Level	29
Groundwater Temperature	11
Groundwater Conductivity	7
Air Quality (PM10)	3
River Water Quality	3

## Issues and Changes

As economic growth continues, pressure is placed on natural resources and more monitoring of the condition of those resources is required to gain a better understanding of issues and potential responses.

The Regional Policy Statement and resource management plans which are under review will provide the strategic direction for future levels of service in terms of the community expectations of resource monitoring, science investigations and the mitigation of effects.

A number of key resource monitoring issues that will be addressed in this work are described below.

### Air Quality

Marlborough's air quality is generally perceived to be very good. However, there are localised issues with urban air quality particularly in relation to particulate matter (Pm10). Periodic monitoring of other pollutants, including spray drift, will be required in the future and programmes may be extended to see whether air quality in other urban areas is acceptable.

### Fresh Water Quality

Generally Marlborough's water quality is good; however land use within a river catchment has a potential influence on water quality. Diffuse pollution remains as the biggest threat to water quality in the District, while particularly for ground water, naturally occurring metals or salts and chemicals like arsenic continue to be of community concern in some localities.

The current monitoring regime consists of 36 surface and 33 ground water telemetered sites. Whilst the surface monitoring programme provides a relatively intensive monitoring framework not all "at-risk" catchments are currently monitored. In terms of ground water monitoring the current regime is seen as adequate, however the programme will need to evolve as community expectations change along with pressures such as climate change and population growth.

It is envisaged that these issues will be addressed over the next five years.

### Coastal Water Quality

The coastal environment is a popular residential, recreational and tourist area, as well as a major economic resource for commercial fishing, marine farming and port related activities. These activities are often conflicting, and can place immediate pressure on the marine environment.

Council currently undertakes water quality monitoring at 20 recreational bathing water sites and 16 shell fishing gathering sites for the purpose of monitoring environmental factors affecting public health. Monitoring of the overall health of the coastal environment in terms of measuring effects from land use, sewage disposal, vessel waste, siltation and marine farming is not that well understood and will require a review over the next five years.

### Water Quantity

The demand for both surface and ground water for consumptive uses has risen in recent years and there is no indication that this demand will decrease. This increased demand is accompanied in some instances by a reduction in the actual availability of water or by an increasing awareness that some water resources are approaching or are already fully allocated.

In addition as land use change occurs across the region the demand for water is occurring in areas where previously there was little demand.

This requires a continuation of existing and pre-emptive monitoring and investigations, including the introduction of national standards during the next five years to measure water use in order to ensure that our precious resource are sustained.

### Land

Land use change such as the increase in viticulture over the last decade and the intensification of land use activities in general are putting increasing pressure on our land resources. Monitoring of indicators such as site contamination, soil quality, erosion, natural hazards, land use and cover is required to quantify any change in land use effects.

# ACTIVITY GROUP: Environmental Policy and Information

Over the next five years, the soil quality monitoring network is intended to be expanded to incorporate more soil types and land use activities across the region. Further work will also be required to gain a better understanding of the risks associated with land stability, coastal erosion and flood hazards.

## **Biodiversity**

A number of pressures and threats to biodiversity values exist. While some require ongoing monitoring and investigations, others will require protection programmes or the introduction of other methods to mitigate threats. In particular biosecurity threats, and human influences, such as land development will require ongoing assessment and mitigation strategies over the next five years.

Levels of Service: Environmental Science and Monitoring						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Effective Environmental Monitoring Network is operated.	Percentage availability of the Environmental Monitoring network.	New measure	99%	99%	99%	99%
Monitor, undertake investigations, gather and analyse information, and report on the state of Marlborough's natural resources including: <ul style="list-style-type: none"> <li>• Soil quality.</li> <li>• Contaminated sites.</li> <li>• Water quality.</li> <li>• Water quantity.</li> <li>• Air quality.</li> </ul>	Timeliness of completion data integrity audit.	New measure	30 June	30 June.	30 June	30 June
	Number of technical monitoring report cards completed.	New measure	5	5	5	5
	Timeliness completion of resource investigations and reporting to the Environment Committee.	New measure	30 June	30 June	30 June	30 June
	Completion date of a comprehensive State of the Environment report.	Published (2008/09)				2014
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Percentage of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%.	90%.	90%	90%
	Date the Marlborough Environment Awards made.	2008/09		Marlborough Environment Awards made.		2012 and biannually thereafter.
Restoration and protection of indigenous biodiversity on private land.	Long-term (5yr +) trends in number of protected (Significant Natural Areas) biodiversity sites.	41 (2008)	50	55	60	65

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

## ACTIVITY: BIOSECURITY (PEST MANAGEMENT)

Outcome	Related Community Outcome
The economic and ecological impacts of pests in the District are minimised.	Prosperity, environmental sustainability.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

#### Introduction

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

#### Regional Pest Management Strategy

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

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

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

### Ecological Threat Programme

Council also promotes the protection of biodiversity values as outlined in the environment science and monitoring activity. The RPMS has listed a range of plant and animal species that potentially threaten those values. The overall objective of the programme is linked to the outcomes associated with the Significant Natural Area (SNA) programme of which Council has a role to; encourage community initiatives, site specific management programmes, providing advice, information, and facilitating a range of control methods.

### Issues and Changes

The issues over the next five years are centred on the need to adequately respond to:

- The statutory requirement to review the Regional Pest Management Strategy by June 2013.
- The need to review policies to manage biodiversity pest threats on sites that are identified as SNA, in particular within those areas where the Animal Health Board plans to withdraw possum control programmes.
- The potential for the rabbit population to recover and the need to work with the community on the use of conventional control methods.
- The Animal Health Board's review of the National Pest Management Strategy for Bovine Tb, including Council's funding contribution.
- Government's development of proposals to clarify roles and responsibilities, funding, and provide for across agency/industry partnerships to either prevent or mitigate the risks associated with incursions of harmful organisms and pests into the environment, including the marine ecosystem.

### Monitoring and Reporting

In addition to reporting on this Plan a detailed report on the performance of this activity, entitled RPMS 'operational plan report' will be prepared annually.

# ACTIVITY GROUP: Environmental Policy and Information

Levels of Service: Biosecurity (Pest Management)						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.3	6.4	6.4	6.5
Prepare and publish a Regional Pest Management Strategy Operational Plan annual report	Timeliness completion of annual report to Environment Committee.	New Measure	30 October	30 October	30 October	30 October
Control the spread and impacts of animal and plant pests.	Area of plant pest infestations in hectares of:					
	• Nassella Tussock	55,927 ha	<55,927 ha	<55,927 ha	<55,927 ha	<55,927 ha
	• Chilean Needle Grass.	2,706 ha	<2,706 ha	<2,706 ha	<2,706 ha	<2,706 ha
	Number of properties where the maximum allowable rabbit population levels as measured by RPMS Modified Mclean Scale indices are exceeded for:					
	• Upper Awatere/Clarence level 4.	6	<10	<10	<10	<10
	• Remainder of District level 3.	4	<15	<15	<15	<15
	Number of control pests as measured by plant numbers destroyed. (excluding boneseed, spartina and eelgrass)	6,000	5,500	5,000	4,500	4,000
% of properties issued with a containment pest control programme that have undertaken control actions, without enforcement, as verified by inspection and audit regimes.	80-90%	85%	85%	85%	85%	
Level of land occupier compliance with Regional Pest Management Strategy rules as measured by the number of directions issued.	30	<50	<50	<50	<50	
Provide community and industry awareness of pest management responsibility through communication, education and advocacy.	% of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%	90%	90%	90%

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



## ACTIVITY GROUP: Environmental Policy and Information

Operating and Capital Costs and Funding Forecast (\$000's)										
Environmental Policy and Information	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Environment Policy	1,341	1,475	1,568	1,607	1,646	1,695	1,728	1,774	1,827	1,876
Environment Science and Monitoring	2,329	2,393	2,454	2,504	2,564	2,637	2,692	2,763	2,839	2,900
Biosecurity (Pest Management)	1,261	1,350	1,348	1,381	1,413	1,452	1,522	1,522	1,564	1,603
<b>Total Operating Costs</b>	<b>4,931</b>	<b>5,218</b>	<b>5,370</b>	<b>5,492</b>	<b>5,623</b>	<b>5,784</b>	<b>5,942</b>	<b>6,059</b>	<b>6,230</b>	<b>6,379</b>
<b>Funded by</b>										
Rates	4,259	4,548	4,699	4,831	4,976	5,133	5,290	5,414	5,588	5,738
General Revenues Applied	561	556	555	543	529	530	534	528	526	530
Subsidies & Grants	10	10	11	11	11	11	12	12	12	12
Other Revenue	1	1	1	1	1	1	1	1	1	1
<b>Total Revenue</b>	<b>4,831</b>	<b>5,115</b>	<b>5,266</b>	<b>5,386</b>	<b>5,517</b>	<b>5,675</b>	<b>5,837</b>	<b>5,955</b>	<b>6,127</b>	<b>6,281</b>
Operating Deficit Funded from Reserve	100	103	104	106	106	109	105	104	103	98
	<b>4,931</b>	<b>5,218</b>	<b>5,370</b>	<b>5,492</b>	<b>5,623</b>	<b>5,784</b>	<b>5,942</b>	<b>6,059</b>	<b>6,230</b>	<b>6,379</b>
<b>Capital Expenditure</b>										
Environment Science and Monitoring	49	51	52	53	54	55	57	58	59	61
<b>Total Capital Expenditure</b>	<b>49</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>61</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	49	51	52	51	49	50	47	44	41	35
Other Reserve Transfers	-	-	-	2	5	5	10	14	18	26
	<b>49</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>61</b>

## ACTIVITY GROUP: REGULATORY

### Activities for this Group

The activities for this group include:

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

### Rationale for the Delivery of this Group of Activities

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

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

### Assets and Levels of Service

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

### Significant Negative Effects Associated with this Group of Activities

No significant negative effects are considered to be associated with this group of Activities.

### Issues and Changes affecting the assets that support this Group of Activities

The principal assets supporting this group of activities are people and information, including staff knowledge and experience, coupled with organisational systems and processes. Council operates personnel policies that are designed to attract and retain people with the experience to perform these activities to the highest standard. To improve service delivery in the Building Control area staff numbers have now been increased to a level where compliance with statutory timeframes should no longer be an issue.

In the Harbours area a harbour risk assessment was undertaken in 2004-2005 in the fulfilment of the requirements imposed by Maritime New Zealand under the Port and Harbour Safety Code.

The assessment identified a number of mitigations that could substantially reduce the risk profile of that activity. The range of mitigations include some that entail conditions or extensions to the existing asset base including an automated vessel monitoring system and the introduction of a harbour wide communication system.

Provision for the overall response to the risk assessment has been made in the budget however implementation is still dependent on the sourcing of an appropriate funding stream. The matter of funding is to be progressed by way of a by law making process.

Known changes to demands on asset capacity are discussed in the context of specific activities. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant asset management plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.

## ACTIVITY: RESOURCE CONSENTS

Operating costs of this activity represents 4.5% of total activity expenditure.

Outcome	Related Community Outcomes
A high quality and equitable resource consent service that effectively manages Marlborough's built environment and natural resources in a way that best secures a sustainable level of development that meets the needs of the community.	Environmental sustainability, prosperity.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

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

Specifically this Activity processes five different types of resource consents:

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

### Levels of Service

Levels of service are specified under each activity in the group, many of which are statutory bound.

### Issues and Changes

The issues are centred on the need to adequately respond to:

- Legislative changes, changes to Government and Regional Policy Statements.
- Meeting statutory time frames for the processing of consents. The number of resource consents processed per annum is significantly higher than other local authorities of a similar size and population. New legislation may assist in streamlining processing of consents but it is early days. Council is also looking to improve quality of consent applications received.
- The complicated the nature of reference consent applications involving the allocation of water and coastal space.
- The need to provide a fair, efficient and cost effective service to the community, with consistent interpretation of the relevant planning documents. Consistent application of Council's ISO 9001:2000 accreditation systems assist when staff are under pressure to meet statutory time frames.

Levels of Service: Resource Consents						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	5.9	5.9	6.0	6.1
Provide a consent processing service that is timely and responsive to customer needs.	% of resource consent applications processed within statutory timeframes	54.8%	60%	65%	70%	% consistently exceeding the national average (currently 73%)
Provide a consent processing service that is fair, consistent and cost effective.	% of complaints regarding fees charged for processing resource consent applications compared to total number of consents.	0.5%	<0.5%	<0.5%	<0.5%	<0.5%
	% of resource conditions upheld following appeal.	75%	>75%	>75%	>75%	>75%
Education applicants on the RMA and the resource consent application and approval process.	% of incomplete applications rejected.	21.5%	20%	18%	16%	15%

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

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Resource Consents</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>	<b>3,242</b>	<b>3,235</b>	<b>3,324</b>	<b>3,406</b>	<b>3,487</b>	<b>3,584</b>	<b>3,649</b>	<b>3,748</b>	<b>3,861</b>	<b>3,963</b>
<b>Funded by</b>										
Rates	1,160	1,108	1,151	1,185	1,226	1,275	1,293	1,338	1,396	1,437
General Revenues Applied	152	135	135	133	130	131	130	130	131	132
Other Revenue	1,930	1,992	2,038	2,088	2,131	2,178	2,226	2,280	2,334	2,394
<b>Total Revenue</b>	<b>3,242</b>	<b>3,235</b>	<b>3,324</b>	<b>3,406</b>	<b>3,487</b>	<b>3,584</b>	<b>3,649</b>	<b>3,748</b>	<b>3,861</b>	<b>3,963</b>
<b>Capital Expenditure</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	2	2	2	2	3	3	3	3	3	4
Other Reserve Transfers	3	3	3	3	2	2	2	2	2	2
	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>

## ACTIVITY: BUILDING CONTROL

Operating costs of this activity represents 3.3% of total activity expenditure.

Outcome	Related Community Outcome
Residents and visitors live and work in buildings that are healthy and safe.	Affordable housing and Energy efficiency.

### How this Activity Contributes to Related Community Outcomes

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

### What is this Activity About?

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

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

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

**Building Consent Authority** responsibilities carried out by this section include:

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

- Issuing code compliance certificates.
- Issuing compliance schedules.

This Activity also involves other functions under separate legislation including:

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

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

### Legislative Framework

The Building Act 2004 sets out the main legal obligations for the Activity Group. There are several Regulations coming from the Building Act which need to be followed including:

- Building (Accreditation of Building Consent Authorities) Regulations 2006.
- Building (Forms) Amendment Regulations 2005.
- Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005.
- Building Levy Order 2005.
- Building (Infringement Offences, Fees, and Forms) Regulations 2007.
- Building (Registration of Building Consent Authorities) Regulations 2007.

### ISSUES AND CHANGES

The Building Act 2004 came into force in 2005, and signalled the beginning of a new era in building control designed to bring about better regulation of the building industry. The changes introduced have had significant effects on the way in which Council delivers the building control activity.



The major changes include an increased requirement for detailed checking when processing building consent plans and a more rigorous and comprehensive inspection regime. Council is also required by the Building Act 2004 to obtain accreditation as a building control authority (stage one) and to retain that accreditation. The increased requirements due to accreditation include:

- The items outlined above.
- A need to keep more detailed records of all decisions made and the reasons for the decisions.
- Ensuring that people are competent to undertake work they are doing.
- Regular ongoing auditing work of all staff.
- The requirement to ensure all staff is trained.
- A requirement that all staff has or is working toward a nationally recognised qualification by 2013.
- Increased staffing to achieve and maintain accreditation.

Stage two of the accreditation process is about to commence with a requirement for significant quality systems to be in place by mid 2010. The accreditation will be ongoing until 2013 with staff achieving or working towards nationally recognised qualifications.

The Government is also working toward making major changes to the NZ Building Code which will lead to more sustainable building work, energy efficient houses and healthier houses. It is also working on a new section of the Building Code for simple housing to encourage the construction of smaller and simpler dwellings. Industry licensing has commenced with several trade groups being licensed for their work. This will become mandatory for people wanting to undertake most works in the future and will impact on the activities of the Building Group as they will be required to ensure that work is undertaken by licensed people. The changes seen in the building field over recent years will therefore continue.

Fluctuation in the economy always impacts on the building industry. For the past four or five years the industry has been running under boom conditions especially in Marlborough where the growth level has been very high. The number of new houses being constructed had risen massively and was at levels higher than many of New Zealand's largest cities. The industry is now out of the boom cycle and is slowly retrenching. Housing numbers are now dropping noticeably but the overall consent numbers especially in the commercial and industrial field remain high, as is the total value of works being consented.

Levels of Service: Building Control						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	% of respondents to customer surveys that rate the level of service as satisfactory or higher.	New measure	80%	80%	80%	80%
Provide a consent processing service that is timely and responsive to customer needs.	% of applications processed within 15 working days of receipt.	New measure	80%	80%	80%	85%
Provide a service that minimises risks to public safety.	% of swimming pools inspected annually.	15%	>15	>15%	>15%	>15%
	% of building warrants of fitness audited annually.	New measure	20%	20%	20%	20%
	% of building under construction inspected to ensure that Code Compliance is achieved.	100%	100%	100%	100%	100%

<b>Operating and Capital Costs and Funding Forecast (\$000's)</b>										
<b>Building Control</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Operating Costs</b>	<b>2,368</b>	<b>2,326</b>	<b>2,346</b>	<b>2,412</b>	<b>2,470</b>	<b>2,541</b>	<b>2,589</b>	<b>2,660</b>	<b>2,740</b>	<b>2,813</b>
<b>Funded by</b>										
Rates	402	588	574	599	622	653	661	687	722	743
General Revenues Applied	54	73	69	69	67	69	68	68	69	70
Other Revenue	1,912	1,665	1,703	1,744	1,781	1,819	1,860	1,905	1,949	2,000
<b>Total Revenue</b>	<b>2,368</b>	<b>2,326</b>	<b>2,346</b>	<b>2,412</b>	<b>2,470</b>	<b>2,541</b>	<b>2,589</b>	<b>2,660</b>	<b>2,740</b>	<b>2,813</b>

## Activity – Compliance

Compliance is made up of three sub activities:

- Environmental Health.
- Environmental Protection.
- Project and Land Memoranda.

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

The financial aspects for this activity are shown below in the table entitled “Operating and Capital Costs and Funding Forecast (\$000) – Compliance”. Operating costs of this activity represents 2.3% of all the activity expenditure.

### ACTIVITY: ENVIRONMENTAL HEALTH

Outcome	Related Community Outcome
To ensure residents of Marlborough and visitors to the district have confidence that they live and stay in an environment that is safe.	Health choices.

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

The activity involves the protection of public health through:

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

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

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

#### Legislative Framework

The Council has statutory obligations to administer the provisions of the following statutes, regulations and bylaws:

- Health Act 1956 and 10 sets of regulations.
- Food Act 1981.
- Sale of Liquor Act 1989.
- Resource Management Act 1991.
- Local Government Acts 1974 and 2002.
- Building Act 2004.
- Hazardous Substances and New Organisms Act 1996 and 14 sets of regulations.
- Litter Act 1979.
- Civil Defence Act 1983.
- Gambling Act 2003.
- Marlborough District Council Bylaws.

#### Issues and Changes

The major issues and changes are:

- New legislation proposed as the result of the New Zealand Food Safety Authority (NZFSA) Domestic Food Review and its associated implementation implications. It is expected the new Food Act will be implemented by the end of 2009.
- Changing community expectations since the development of the Wairau/Awatere Resource Management Plan in the mid 1990's. One example of this is the

increasing number of wind machines (and the associated noise levels) for frost protection, the popularity of which was not anticipated when the Plan was developed. Because of difficulties in monitoring compliance with the noise

provisions of the Plan, the Environmental Policy Committee in May 2008 agreed to investigate and review the current provisions of the Wairau/Awatere Resource Management Plan via a working group.

Levels of Service: Environmental Health						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
To approve and monitor food safety generally encourage operators of food premises through education and enforcement to take responsibility for providing safe and suitable food.	% of registered food premises inspected at least once per annum.	100%	100%	100%	100%	100%
	% of other registered premises inspected at least once per annum.	100%	100%	100%	100%	100%
	Number of random inspections made of all markets with 10 food stalls or more.	6	6	6	6	6
	Number of inspections of annual events having more than 10 food stalls.	6	6	6	6	6
Encourage operators of registered premises to take responsibility for providing a safe environment.	% of environmental health complaints of a critical nature responded to within one working day.	100%	100%	100%	100%	100%
	Number of food complaints relating to Council inspected premises.	38	35	32	29	25
Encourage operators of licensed premises to establish a reasonable system of control over the sale and supply of liquor to the public with the aim of contributing to the reduction of liquor abuse.	% of liquor licensing applications processed within statutory timeframes.	100%	100%	100%	100%	100%
Proactively monitor and investigate environmental conditions that may directly or indirectly affect public health with particular emphasis on statutory nuisances, bylaw, air quality and noise complaints.	% of incidents that potentially threaten public health that are responded to and investigated within seven working days of notification.	100%	100%	100%	100%	100%

## ACTIVITY: ENVIRONMENTAL PROTECTION

Outcome	Related Community Outcomes
Ensuring statutory compliance with the Resource Management Act 1991 and/or Resource Management Plans.	Environmental sustainability, Health choices.

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environmental sustainability by ensuring that Resource Management Act consents are complied with. Also contributions are made to the Community Outcome Health choice by monitoring air and water quality discharges.

### What is this Activity About?

The activity involves ensuring compliance with the Resource Management Act 1991 and/or Council's Resource Management Plans. This involves investigating complaints or reports of alleged breaches, follow up, finding resolutions to issues, issuing infringement notices or instigating prosecution processes through the judicial system.

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

### Legislative Framework

The Council has statutory obligations to administer the provisions of:

- Resource Management Act 1991.
- Local Government Act 2002.
- Resource Management Plans.

### Issues and Changes

The issues and changes centre about finding a balance whereby Council meets its statutory obligations and protects the integrity of its planning documents, while meeting the aspirations of individual members of the community and raising the public awareness of environmental sustainability.

## Levels of Service: Environmental Protection

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	5.9	5.9	6.0	6.0
Monitor resource consents to ensure the consent holder is in compliance.	% of resource consents monitored for compliance within two years of issue.	New measure	50%	55%	60%	70%
	% of resource consent non-compliance has follow up action taken.	100%.	100%	100%	100%	100%
Proactively monitor and investigate alleged breaches of the Resource Management Act 1991, Resource Management Plans and Consents.	% of complaints responded to within seven working days.	New measure	95%	95%	95%	100%
	% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.	New measure	95%	95%	95%	95%
Effective enforcement action undertaken on breaches under the Resource Management Act 1991.	% of abatement and infringement notices upheld on appeal.	100%	95%	95%	95%	95%

**ACTIVITY: PROJECT AND LAND MEMORANDA**

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

**How this Activity Contributes to Related Community Outcomes**

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

**What this Activity is About**

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

**Legislative Framework**

Council is required to hold Land Information Memoranda pursuant to Section 44A of the Local Government Information and Meetings Act 1987 and Project Information Memoranda pursuant to Sections 31 to 39 of the Building Act 2004.

**Issues and Changes**

The primary issue for this activity is the reliability and completeness of information and its associated ease of extraction. The progressive introduction of electronic records management is expected to address these issues over time.

**Levels of Service: Project and Land Memoranda**

**Performance Targets (for the financial year)**

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provision of Land Information Memoranda and Project Information Memoranda.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9	6.9	6.9	7.0
	Percentage of Land Information Memoranda and Project Information Memoranda requests processed within statutory timeframes.	100%	100%	100%	100%	100%
	Number of liability claims made because of incomplete or inaccurate information supplied.	1	<3	<3	<3	<3



### Operating and Capital Costs and Funding Forecast (\$000's)

Compliance	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Environmental Health	393	414	425	435	446	459	467	479	494	509
Environmental Protection	728	734	754	772	790	813	828	850	876	899
Project and Land Memoranda	577	576	590	605	620	636	647	664	685	704
<b>Total Operating Costs</b>	<b>1,698</b>	<b>1,724</b>	<b>1,769</b>	<b>1,812</b>	<b>1,856</b>	<b>1,908</b>	<b>1,942</b>	<b>1,993</b>	<b>2,055</b>	<b>2,112</b>
<b>Funded by</b>										
Rates	870	877	906	933	962	997	1,012	1,044	1,085	1,119
General Revenues Applied	114	107	106	104	102	102	102	101	102	103
Other Revenue	714	740	757	775	792	809	828	848	868	890
<b>Total Revenue</b>	<b>1,698</b>	<b>1,724</b>	<b>1,769</b>	<b>1,812</b>	<b>1,856</b>	<b>1,908</b>	<b>1,942</b>	<b>1,993</b>	<b>2,055</b>	<b>2,112</b>
<b>Capital Expenditure</b>										
Environmental Health	4	4	4	4	4	4	4	4	4	4
<b>Total Capital Expenditure</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Funded by</b>										
Other Reserve Transfers	4	4	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4

### ACTIVITY: ANIMAL CONTROL

Operating costs of this activity represents less than 1% of all the activity expenditure.

Outcome	Related Community Outcomes
Ensuring Council fulfils the obligations that are imposed on it or the public by the provisions of the Dog Control Act 1996, and Bylaws.	Safety and security.

#### How this Activity Contributes to Related Community Outcomes

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

#### What this Activity is About

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

## Legislative Framework

The Council is required to administer the provisions of the:

- Dog Control Act 1996.
- Impounding Act 1955.
- Bylaws of the Marlborough District Council.

## Issues and Changes

The primary issue for the activity is to promote the long-term change in the behaviours and attitudes of dog owners, which will bring about a change in the care and training, and ultimately the behaviour of dogs.

Levels of Service: Animal Control						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
To provide an effective dog control service including registration is in accordance with the Dog Control Act 1996.	% of compliance with the conditions of animal control contract 2008/54.	New measure	100%	100%	100%	100%
	% of complaints regarding dog attacks, rushes and lost and found investigated within 24 hours of receipt.	New measure	100%	100%	100%	100%
	Number of working days after 31 July to process all dog registrations received during the registration period.	3	5	5	5	5
To provide an effective education programme on dog safety and responsible dog ownership.	Number of presentations undertaken to primary age groups of children.	30	30	30	30	30
To provide an effective service for dealing with wandering livestock on public land and roads.	% of complaints regarding wandering livestock investigated within 24 hours.	New measure	100%	100%	100%	100%

### Operating and Capital Costs and Funding Forecast (\$000's)

Animal Control	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Dog Control	594	614	630	645	660	681	698	716	736	754
Other Animal Control	70	73	75	77	79	81	83	85	88	90
<b>Total Operating Costs</b>	<b>664</b>	<b>687</b>	<b>705</b>	<b>722</b>	<b>739</b>	<b>762</b>	<b>781</b>	<b>801</b>	<b>824</b>	<b>844</b>
Operating Surplus Transferred to Reserves	-	18	16	16	16	10	9	7	4	5
	<b>664</b>	<b>705</b>	<b>721</b>	<b>738</b>	<b>755</b>	<b>772</b>	<b>790</b>	<b>808</b>	<b>828</b>	<b>849</b>
<b>Funded by</b>										
Rates	49	51	53	54	56	58	60	61	64	65
General Revenues Applied	7	6	6	6	6	6	6	6	6	6
Other Revenue	528	648	662	678	693	708	724	741	758	778
<b>Total Revenue</b>	<b>584</b>	<b>705</b>	<b>721</b>	<b>738</b>	<b>755</b>	<b>772</b>	<b>790</b>	<b>808</b>	<b>828</b>	<b>849</b>
Operating Deficit Funded from Reserve	80	-	-	-	-	-	-	-	-	-
	<b>664</b>	<b>705</b>	<b>721</b>	<b>738</b>	<b>755</b>	<b>772</b>	<b>790</b>	<b>808</b>	<b>828</b>	<b>849</b>

### ACTIVITY: HARBOURS

Operating costs of this activity represents 2.2% of all the activity expenditure.

Outcome	Related Community Outcome
Proactively manage the safe and sustained use of the maritime areas of Marlborough so that it can continue to provide physical, spiritual, economic and environmental benefits to its current and future stakeholders.	Environmental sustainability, Safety and security, Fun and recreation.

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

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

The Council is also required to prepare, maintain and review a Regional Oil Spill Contingency Plan, a responsibility which extends to the 12 mile territorial sea boundary. In broad terms, the activity can be sub-divided into three areas, Operations/Control, Aids to Navigation and Marine Oil Spill Response.

- **Operations**

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

This area also monitors and manages compliance with statutes, bylaws and regulations that directly affects Marlborough's coastal region and its users.

- **Aids to Navigation**

Council provides a network of 72 navigation aids to enable all users to travel safely on the region's marine waterways. Aids to navigation are currently maintained under contract.

- **Marine Oil Spill Response**

Under the provisions of the Maritime Transport Act 1994, Council has responsibility for preparedness and response to marine oil spills that occur within the territorial sea. This activity is funded from the Oil Pollution Fund, administered by Maritime New Zealand.

## Asset Description

Council owns and operates a network of 72 lit and unlit aids, distributed as follows:

Location	Number of Aids
Queen Charlotte Sound	37
Port Underwood	2
Pelorus Sound	28
D'Urville Island	4
Croisilles Harbour	1

## Issues and Changes

Commercial and recreational activity within the Marlborough Sounds and adjacent coastal waters has increased substantially over the past years, bringing with it an attendant increased risk of accidents. There is a need to maintain an adequate response to the NZ Port and Harbour Marine Safety Code by implementation of identified risk control measures and the ongoing development of the Safety Management System, but is funding dependent.

## Levels of Service: Harbours

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Effective public education to provide a safe environment for all users.	% of planned public education campaigns delivered per annum including having the annual review of a Safe Sounds Boating brochure ready for distribution by Labour week-end.	New measure	95%	95%	95%	95%
	Number of weekends in period commencing at Labour Weekend through to end of Easter of the following year where patrols undertaken.	New measure	>20	>20	>20	>20
	Number of daily patrols undertaken from mid-December through to end of January of the following year targeting known 'hot-spots'.	40	40	40	40	40
	% of navigation warnings issued within two hours of a reported event that may impact on navigation safety.	100%	100%	100%	100%	100%
	Development and or review of the Harbour Safety Plan.	Yearly	Yearly	Yearly	Yearly	Yearly
	% of funded mitigation measures completed.	New measure	80%	80%	80%	80%
High degree of compliance with statutes, bylaws and regulations that directly affects Marlborough's coastal region and its users.	Number of random light inspections of marine farms undertaken.	203	>200	>200	>200	>200
	% of accident and incident investigation, as appropriate, commenced within five working days.	100%	100%	100%	100%	100%

## ACTIVITY GROUP: Regulatory

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

### Operating and Capital Costs and Funding Forecast (\$000's)

Harbours	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Costs	1,570	1,639	1,737	1,777	1,822	1,906	1,910	1,981	2,038	2,070
Operating Surplus Transferred to Reserves	319	310	229	227	219	176	210	190	183	214
	<b>1,889</b>	<b>1,949</b>	<b>1,966</b>	<b>2,004</b>	<b>2,041</b>	<b>2,082</b>	<b>2,120</b>	<b>2,171</b>	<b>2,221</b>	<b>2,284</b>
<b>Funded by</b>										
Rates	311	323	307	308	311	316	316	325	332	346
General Revenues Applied	42	40	37	35	34	33	32	32	32	33
Other Revenue	1,536	1,586	1,622	1,661	1,696	1,733	1,772	1,814	1,857	1,905
<b>Total Revenue</b>	<b>1,889</b>	<b>1,949</b>	<b>1,966</b>	<b>2,004</b>	<b>2,041</b>	<b>2,082</b>	<b>2,120</b>	<b>2,171</b>	<b>2,221</b>	<b>2,284</b>
<b>Capital Expenditure</b>	<b>104</b>	<b>507</b>	<b>369</b>	<b>275</b>	<b>78</b>	<b>755</b>	<b>54</b>	<b>105</b>	<b>414</b>	<b>145</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	85	136	170	187	78	329	54	95	401	132
Other Reserve Transfers	19	371	199	88	-	426	-	10	13	13
	<b>104</b>	<b>507</b>	<b>369</b>	<b>275</b>	<b>78</b>	<b>755</b>	<b>54</b>	<b>105</b>	<b>414</b>	<b>145</b>

## ACTIVITY GROUP: REGIONAL DEVELOPMENT

### The activities in this group include:

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

### Rationale for the Delivery of this Group of Activities

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

### How this Activity Contributes to Related Community Outcomes

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

### Assets and Levels of Service

Each activity details:

1. Any assets required for its delivery are detailed under the relevant activity.
2. Planned levels of service, performance targets and measures.
3. Estimated expenses of achieving and maintaining the identified levels of service and the integrity of any assets.

### Significant Negative Effects Associated with this Group of Activities

Although no significant negative effects have been identified for this group of activities, unplanned development carries a variety of risks, chiefly associated with the sustainability of resource use. Council takes a sustainable development approach to planning for regional development, and endeavours to balance current and future needs of the community.

### Issues and Changes Affecting the Assets that Support this Group of Activities

No Council owned assets are directly employed in the delivery of these activities; rather, this group of activities depends heavily on people and information, and on relationships between Council and stakeholders.

Although Council's property assets are not directly associated solely with this activity, the way in which land and buildings are managed and developed has a major role to play in achieving community outcomes associated with regional development. For example; residential development of the Council owned land in Taylor Pass area; the recently completed Combined Clubs and Convention Centre, the planned erection of a four star hotel to complement the Community Convention Centre; the car parking buildings in Alfred and Wynen Streets, the Aquatic Centre and the Civic Theatre are all developments that make Blenheim an attractive place to live and work, which is an essential component of regional development. Similarly, Council can also facilitate developments such as a Top of the South broadband capability.

Suitably planned developments in the Blenheim and Picton central business districts have similar potential to support regional development overall. Wherever possible, Council works closely with property developers and landowners, to ensure optimal outcomes. As part of this, to shape the look and feel of future development in Blenheim an Urban Design Strategy will be prepared, with input from the community. A number of further projects are expected to result from this study that can be implemented in a planned, co-ordinated manner.

Major developments are also anticipated on the Picton waterfront, on the London Quay/Wellington Street site. The development of the green space, boardwalks and public recreation areas will proceed utilising a special dividend from the Port Company. New commercial and residential development will take place when an appropriate economic climate exists. An Urban Design Study will also be undertaken for Picton, during the term of this LTCCP.

Council will also work with the promoters of a Whale Museum in Picton

From time to time land is bought for roading, reserves and other community purposes in advance, so that adequate land is available when required for future developments. Council also holds a small portfolio of properties that provide a financial return. The total property portfolio is progressively reviewed, to ensure that it is being used efficiently and meets the needs of the community. Subject to legislative requirements and Council approval, surplus properties may be marked for disposal.



Known changes to demands on asset capacity are discussed in the context of specific activities. Maintenance, renewal and replacement of assets will be undertaken according to the policies set out in relevant asset management plans if applicable. The anticipated costs of maintenance, renewal and replacement of assets are shown in the Operating and Capital costs and funding forecast shown under each activity.

## Costs and Funding

Operating and Capital Costs and Funding Forecasts for this activity group are shown below in the table entitled "Operating and Capital Costs and Funding Forecast (\$000) – Regional Development". Operating costs of this activity group represents 1.4% of total activity expenditure.

## ACTIVITY: REGIONAL DEVELOPMENT

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

## How this Activity Contributes to Related Community Outcomes

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

## What is this Activity About?

This activity is aimed at developing the regional economy to achieve long term economic growth to the benefit of the Marlborough community. It is about identifying where the direction of growth needs to be, how we will get there and what needs to be done. The activity is delivered by a range of public sector partners, including the Council, in support of the private sector and also involves making investments in the right area. Responsibility for the co-ordination of this activity will move to the Council from the Marlborough Regional Development Trust (MRDT), however MRDT remain one of the partners involved in the delivery of the activity. It is important to recognise that regional

development is not just supporting businesses, but also about ensuring our community and workforce have the health, skills and knowledge to play their part in the development of Marlborough's economy.

## Issues and Changes

The Council will be taking a more proactive role in regional economic development and is seeking to review the Regional Economic Development Strategy at the earliest opportunity. The strategy will identify a number of activities and investments for consideration in the next few years with the goal of being aspirational that delivers significant growth in each of the key sectors driving economic growth. The Council will work to identify and attract Government funding to support the recommended activities in the strategy and major infrastructural projects contained within this LTCCP.

## Levels of Service: Regional Development

### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.1	6.2	6.2	6.5
Co-ordinate effective economic development delivery.	Marlborough's GDP growth rate ranking amongst Local Authorities. (BERL)	In 2007 Marlborough's GDP growth rate was 42 out of 72 Local Authorities.	<36	<36	<36	<36
	Unemployment rates compare to the national rate.	Unemployment rate as at March 2008 was 3.7% (NZ)	Unemployment rate is equal to or less	Unemployment rate is equal to or less	Unemployment rate is equal to or less	Unemployment rate is equal to or less

## ACTIVITY GROUP: Regional Development

		4.1%)	than the national rate.	than the national rate.	than the national rate.	than the national rate.
	Inter-census change in average household income equal or better than national trend.	Increase in average household income per the 2006 census was 18% (NZ 13%)				Inter-census change in average household income equal or better than national trend.

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

### ACTIVITY: MARKETING AND TOURISM

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

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

This activity is delivered by Destination Marlborough, a charitable trust. Destination Marlborough is a Council controlled organisation, established for the purposes of promoting and marketing Marlborough as a visitor destination to national and international tourists.

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

businesses and the community and ensuring the integrity of the region's environment is maintained.

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

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

#### Issues and Changes

The key issue facing Destination Marlborough is how to ensure Marlborough's tourism growth equals or exceeds national trends. Destination Marlborough's strategic plan sets out the approaches to be followed in meeting this challenge. These include domestic and international marketing, events and conference marketing, branding and communication, regional advocacy and partnerships, product development, research, environmental sustainability, and visitor centre and i-Site re-development.

#### Levels of Service: Marketing and Tourism

##### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of customer satisfaction	Resident satisfaction with this service as	6.8	6.8	6.8	6.9	7.0

## ACTIVITY GROUP: Regional Development

that meets or exceeds residents' expectations of this activity.	measured by survey, where 10 = "service delivered extremely well".					
Manage third party providers to ensure service quality and value.	Achievement of Reporting requirements.	Reporting requirements met	Reporting requirements are met.	Reporting requirements are met..	Reporting requirements are met.	Reporting requirements are met.
Effective promotion of Marlborough as a destination.	% change in visitor nights in Marlborough compared to national trends.	Guest nights for the year ended March 2008 increased by 12.2% (NZ 6.9%)	% change in visitor nights equal or better than national trends.	% change in visitor nights equal or better than national trends	% change in visitor nights equal or better than national trends.	% change in visitor nights equal or better than national trends.

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

### ACTIVITY: EVENTS MANAGEMENT

Outcome	Related Community Outcome
Marlborough is highly regarded nationally and internationally for the quality of its events and conference facilities.	Prosperity, Full participation.

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

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

As well as making a substantial contribution to physical activity, cultural identity, and social cohesion, events have a significant role to play in attracting visitors to

Marlborough, showcasing our products, and promoting the Marlborough brand. The new Convention Centre is expected to make a substantial contribution to regional development, by attracting trade shows and conventions, and by providing an important element in the District's overall infrastructure.

#### Issues and Changes

The economic activity associated with events is becoming an increasingly important part of the regional economy, in particular the tourism sector. The main challenge is to keep events relevant and interesting in times of changing population demographics.

#### Levels of Service: Events Management

##### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.3	7.3	7.3	7.4	7.5
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements	Reporting requirements met.	Reporting requirements are met.	Reporting requirements are met.	Reporting requirements are met.	Reporting requirements are met.

## ACTIVITY GROUP: Regional Development

	Participation numbers at Blenheim Christmas Parade and the Christmas eve celebration.	<5,000	>5,000	>5,000	>5,000	>5,000
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*Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.*

### ACTIVITY: RESEARCH CENTRE

Outcome	Related Community Outcome
Marlborough's primary industries have access to world class research and advisory services that add value to their productivity and competitiveness.	Prosperity, Environmental Sustainability and Enterprise and endeavour.

#### How this Activity Contributes to Related Community Outcomes

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

#### What is this Activity About?

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

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

#### Issues and Changes

Despite the shift across Marlborough from other primary production to grape growing, the original aim of the Trust remains sacrosanct in its principal objective of "Maintaining

a research station in the district of Marlborough to undertake the investigation of a whole range of primary production from land and water within the Marlborough Region".

Innovation in land use using quality production systems has always been a strength of New Zealand's primary industries and Marlborough has been a major beneficiary of the past few decades of investment, enterprise and passion by leading individuals and companies to produce a better return from the land. The ongoing competitiveness of Marlborough's viticultural industry in world markets is dependent upon sustaining this innovation in all aspects of the industry. To this end, increasing the Centre's science capability is a prime objective. Although this applies particularly to the viticulture research undertaken at the Wine Research Centre, other primary production industries – both existing and emergent – are likely to generate new research needs. The capacity of the centre, in all senses, to meet the district's research needs is already at a maximum. Securing additional capacity and attendant resources is a priority for the Trust.

### Levels of Service: Research Centre

#### Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2009-10	2010-11	2011-12	2012-19
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9	7.0	7.0	7.0
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements.	Reporting requirements met. 2007/08	Reporting requirements are met.	Reporting requirements are met.	Reporting requirements are met.	Reporting requirements are met.
	Number of published research papers.	23	>20	>20	>20	>20

## ACTIVITY GROUP: Regional Development

Operating and Capital Costs and Funding Forecast (\$000's)										
Regional Development	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Operating Costs</b>										
Events and Conferences	168	172	177	181	185	192	196	201	207	211
Marketing and Tourism	586	1,191	966	543	543	543	544	544	547	546
Regional Development	155	160	164	168	171	175	179	183	187	192
Research Centre	136	136	136	136	137	137	137	137	135	137
<b>Total Operating Costs</b>	<b>1,045</b>	<b>1,659</b>	<b>1,443</b>	<b>1,028</b>	<b>1,036</b>	<b>1,047</b>	<b>1,056</b>	<b>1,065</b>	<b>1,076</b>	<b>1,086</b>
<b>Funded by</b>										
Rates	793	867	915	927	939	951	961	972	985	981
General Revenues Applied	85	88	91	88	84	83	82	80	79	77
Other Revenue	-	-	1	3	5	7	10	12	12	17
<b>Total Revenue</b>	<b>878</b>	<b>955</b>	<b>1,007</b>	<b>1,018</b>	<b>1,028</b>	<b>1,041</b>	<b>1,053</b>	<b>1,064</b>	<b>1,076</b>	<b>1,075</b>
Operating Deficit Funded from Reserve	167	704	436	10	8	6	3	1	-	11
	<b>1,045</b>	<b>1,659</b>	<b>1,443</b>	<b>1,028</b>	<b>1,036</b>	<b>1,047</b>	<b>1,056</b>	<b>1,065</b>	<b>1,076</b>	<b>1,086</b>
<b>Debt Repayment</b>	<b>4</b>	<b>24</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>Funded by</b>										
Depreciation Reserve Transfer	-	-	-	-	-	-	-	-	-	16
Other Reserve Transfers	(116)	(655)	(387)	37	37	37	37	37	37	21
New Loans	120	679	424	-	-	-	-	-	-	-
	<b>4</b>	<b>24</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

## COUNCIL-CONTROLLED ORGANISATIONS

The Local Government Act 2002 requires the Council to include in the LTCCP information on Council-Controlled Organisations (CCO).

This includes information on:

- The nature and scope of the activities to be provided by the CCO.
- The Council's policies and objectives that relate to the ownership and control of the organisation, and
- The key performance targets and other measures by which performance may be judged.

### ***Activities, Policies and Objectives Relating to CCO's:***

Marlborough District Council has the following CCO's:

- MDC Holdings Limited.
- Destination Marlborough.
- Marlborough Housing for the Elderly Trust.
- Mayoral Drought Relief Fund.

MDC Holdings Limited is 100% owned by Marlborough District Council. Council established MDC Holdings Limited for the purposes of:

- Separating commercial trading activities from the other functions it carries out.
- Bringing Council's main trading activities into one structure.
- Obtaining commercial borrowing facilities at the most attractive rate attainable.

Port Marlborough New Zealand Limited and Marlborough Airport Limited are subsidiaries of MDC Holdings Limited. Port Marlborough New Zealand Limited undertakes all the activities typically associated with a port and also has the following wholly owned subsidiaries:

- PMNZ Marina Holdings Limited.
- Marlborough Sounds Maritime Pilots Limited.
- Waikawa Marina Trustee Limited.
- Sounds Property Holdings Limited.

Marlborough Airport Limited is responsible for the maintenance of the runways and taxiways used by civil aircraft by means of an operating lease from the New Zealand Defence Force. It is also responsible for the provision of a terminal facility and associated minor freight handling.

MDC Holdings Limited and all subsidiaries are separate entities operating in a completely commercial manner. The significant policies in place for MDC Holdings Limited are:

- That it operate in a completely commercial manner.
- Decisions to:
  - Acquire assets, the value of which is more than half the value of the company's assets before acquisition;
  - Dispose of shares in Port Marlborough New Zealand Limited and Marlborough Airport Limited;
 require the prior written approval of Council as the major shareholder.
- That it distribute by way of dividend, subject to solvency requirements, all the net tax paid profit available.

Consistent with an entity operating in a completely commercial manner, there is only one significant target which is to generate a long-term tax paid return on opening shareholder funds at 7.5%. This target is reviewed at the beginning of each year where MDC Holdings Limited's Statement of Corporate Intent is considered.

### ***Destination Marlborough***

Destination Marlborough is described in the activity group "Regional Development".

### ***Marlborough Housing for the Elderly Trust***

Marlborough Housing for the Elderly Trust is a charitable trust that assists in the provision of adequate housing for the elderly people of Marlborough, and other members of the community.

### ***Mayoral Drought Relief Fund***

The Mayoral Drought Relief Fund is a charitable trust that assists in providing financial assistance to Marlborough people affected by drought.

Council has exempted Destination Marlborough, Marlborough Housing for the Elderly Trust and Mayoral Drought Relief Fund from the requirements of CCOs in terms of the Local Government Act 2002.

Council is also a member (88.5%) of a joint committee with Kaikoura District Council (11.5%) that manages the Marlborough Regional Forest Estate (MRF). The MRF forestry estate covered 2,818.2 stocked hectares at 30 June 2008.

## FINANCIAL INFORMATION

### INCOME STATEMENT

note	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>INCOME</b>										
Rates	46,674	51,656	55,281	58,613	61,975	65,046	68,706	72,645	75,499	78,098
Subsidies and Grants	6,491	10,653	7,763	8,127	8,506	8,827	9,030	9,315	9,681	9,941
Dividends	538	538	538	538	538	538	538	538	538	538
Other Income	34,883	34,618	31,362	35,083	39,753	42,704	36,699	39,661	38,543	41,632
<b>Total Revenue</b>	<b>88,586</b>	<b>97,465</b>	<b>94,944</b>	<b>102,361</b>	<b>110,772</b>	<b>117,115</b>	<b>114,973</b>	<b>122,159</b>	<b>124,261</b>	<b>130,209</b>
<b>EXPENDITURE BY FUNCTION</b>										
Democratic Process	2,418	2,697	2,713	2,705	2,918	2,937	2,889	3,120	3,149	3,132
Culture and Heritage	568	623	5,630	835	840	845	850	854	863	869
Community Housing	1,026	1,007	956	988	1,016	1,052	1,084	1,117	1,145	1,180
Community Safety	273	286	298	309	321	334	318	330	344	359
Community Support	599	590	596	571	575	582	585	591	598	604
Library Services	1,376	1,412	1,458	1,508	1,553	1,590	1,630	1,666	1,708	1,780
Emergency Management	653	689	711	734	738	758	787	795	817	839
Community Facilities	5,501	5,593	5,799	6,004	6,532	6,756	6,952	7,144	7,351	7,559
Land Transport	17,001	17,734	18,699	19,581	20,441	21,409	22,301	23,089	23,960	24,124
Rivers and Land Drainage	4,236	4,418	4,608	4,914	5,118	5,275	5,391	5,518	5,675	5,811
Wastewater (Sewerage)	7,628	8,613	10,052	11,037	11,917	13,073	14,227	14,782	15,571	16,814
Stormwater	1,712	1,808	1,928	2,033	2,105	2,164	2,226	2,267	2,318	2,383
Water Supply	8,373	10,070	11,858	13,150	14,019	15,059	16,830	18,645	19,672	20,244
Solid Waste Management	5,656	6,503	6,959	7,152	7,392	7,505	7,669	7,925	8,083	8,237
Environmental Policy and Information	4,931	5,218	5,370	5,492	5,623	5,784	5,942	6,059	6,230	6,379
Regional Development	1,045	1,659	1,443	1,028	1,036	1,047	1,056	1,065	1,076	1,086
Compliance	1,694	1,722	1,769	1,812	1,855	1,908	1,942	1,993	2,055	2,111
Resource Consents	3,242	3,235	3,324	3,406	3,487	3,584	3,649	3,748	3,861	3,963
Building Control	2,368	2,326	2,346	2,412	2,470	2,541	2,589	2,660	2,740	2,813
Harbour Control	1,570	1,639	1,737	1,777	1,822	1,906	1,910	1,981	2,038	2,070
Animal Control	664	687	705	722	739	763	781	801	824	843
<b>Total Expenditure by Function</b>	<b>72,534</b>	<b>78,529</b>	<b>88,959</b>	<b>88,170</b>	<b>92,517</b>	<b>96,872</b>	<b>101,608</b>	<b>106,150</b>	<b>110,078</b>	<b>113,200</b>
Less Interest Eliminations	5,186	6,129	6,525	6,869	7,496	8,227	9,075	10,102	11,078	12,204
<b>Net Expenditure by Function</b>	<b>67,348</b>	<b>72,400</b>	<b>82,434</b>	<b>81,301</b>	<b>85,021</b>	<b>88,645</b>	<b>92,533</b>	<b>96,048</b>	<b>99,000</b>	<b>100,996</b>
Other Expenditure	3,707	1,194	1,881	2,211	2,351	2,447	2,509	2,490	2,486	2,492
Marlborough Regional Forestry	6,753	6,678	4,139	4,764	5,074	5,000	5,049	5,268	5,120	5,395
<b>Total Expenditure</b>	<b>77,808</b>	<b>80,272</b>	<b>88,454</b>	<b>88,276</b>	<b>92,446</b>	<b>96,092</b>	<b>100,091</b>	<b>103,806</b>	<b>106,606</b>	<b>108,883</b>
Surplus/(Deficit) before tax	10,778	17,193	6,490	14,085	18,326	21,023	14,882	18,353	17,655	21,326
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after tax</b>	<b>10,778</b>	<b>17,193</b>	<b>6,490</b>	<b>14,085</b>	<b>18,326</b>	<b>21,023</b>	<b>14,882</b>	<b>18,353</b>	<b>17,655</b>	<b>21,326</b>



## STATEMENT OF COMPREHENSIVE INCOME

	note	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		10,778	17,193	6,490	14,085	18,326	21,023	14,882	18,353	17,655	21,326
<b>OTHER COMPREHENSIVE INCOME</b>											
Gains on infrastructure asset revaluation		22,671	25,059	27,188	26,940	28,607	29,750	34,518	38,104	39,294	40,606
Gains on land and buildings revaluation		5,246	6,296	6,145	6,604	7,171	7,988	9,088	8,440	8,084	7,828
Total other comprehensive income for the year, net of tax		27,917	31,355	33,333	33,544	35,778	37,738	43,606	46,544	47,378	48,434
<b>Total comprehensive income for the year</b>		<b>38,695</b>	<b>48,548</b>	<b>39,823</b>	<b>47,629</b>	<b>54,104</b>	<b>58,761</b>	<b>58,488</b>	<b>64,897</b>	<b>65,033</b>	<b>69,760</b>

## STATEMENT OF CHANGES IN EQUITY

note	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>ACCUMULATED FUNDS, ORDINARY AND COUNCIL CREATED RESERVES AND RESTRICTED RESERVES</b>										
Accumulated Funds at Start of Year	541,549	552,327	569,519	576,009	590,094	608,420	629,442	644,323	662,677	680,331
Net Surplus/(Deficit) for the year	10,778	17,193	6,490	14,085	18,326	21,023	14,882	18,353	17,655	21,326
<b>Accumulated Funds at End of Year</b>	<b>552,327</b>	<b>569,520</b>	<b>576,009</b>	<b>590,094</b>	<b>608,420</b>	<b>629,443</b>	<b>644,324</b>	<b>662,676</b>	<b>680,332</b>	<b>701,657</b>
<b>ASSET REVALUATION RESERVES</b>										
Asset Revaluation Reserves at Start of Year	572,648	600,564	631,920	665,253	698,797	734,575	772,313	815,920	862,463	909,842
Revaluation Adjustment	27,917	31,355	33,333	33,544	35,778	37,738	43,606	46,544	47,378	48,434
<b>Revaluation Reserves at End of Year</b>	<b>600,565</b>	<b>631,919</b>	<b>665,253</b>	<b>698,797</b>	<b>734,575</b>	<b>772,313</b>	<b>815,919</b>	<b>862,464</b>	<b>909,841</b>	<b>958,276</b>
<b>Equity at end of year</b>	<b>1,152,892</b>	<b>1,201,439</b>	<b>1,241,262</b>	<b>1,288,891</b>	<b>1,342,995</b>	<b>1,401,756</b>	<b>1,460,243</b>	<b>1,525,140</b>	<b>1,590,173</b>	<b>1,659,933</b>

# STATEMENT OF FINANCIAL POSITION

## STATEMENT OF FINANCIAL POSITION

note	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
<b>RATEPAYERS' EQUITY</b>										
Accumulated Funds	530,605	542,617	550,287	562,259	573,830	586,557	591,867	598,956	606,249	613,802
Ordinary and Council Created Reserves	20,069	23,978	20,062	19,088	22,647	27,018	31,787	37,524	41,960	49,685
Restricted Reserves	1,653	2,925	5,660	8,747	11,943	15,868	20,670	26,196	32,123	38,170
Revaluation Reserves	600,565	631,919	665,253	698,797	734,575	772,313	815,919	862,464	909,841	958,276
<b>Total Ratepayers Equity</b>	<b>1,152,892</b>	<b>1,201,439</b>	<b>1,241,262</b>	<b>1,288,891</b>	<b>1,342,995</b>	<b>1,401,756</b>	<b>1,460,243</b>	<b>1,525,140</b>	<b>1,590,173</b>	<b>1,659,933</b>
<b>CURRENT ASSETS</b>										
Cash and Cash Equivalents	1,767	1,663	1,196	1,289	1,429	1,531	1,183	1,217	1,185	1,292
Trade and Other Receivables	7,317	7,324	7,132	7,162	7,184	7,173	7,155	7,185	7,166	7,189
Other Financial Assets	4,372	4,907	6,096	6,233	8,040	9,059	11,134	9,393	13,383	17,674
Inventories	248	248	248	248	248	248	248	248	248	248
Non Current Assets held for Sale	387	387	387	387	387	387	387	387	387	387
<b>Total Current Assets</b>	<b>14,091</b>	<b>14,529</b>	<b>15,059</b>	<b>15,319</b>	<b>17,288</b>	<b>18,398</b>	<b>20,107</b>	<b>18,430</b>	<b>22,369</b>	<b>26,790</b>
<b>CURRENT LIABILITIES</b>										
Trade and other Payables	12,601	12,582	12,436	12,448	12,470	12,463	12,473	12,477	12,463	12,478
Employee Benefit Liabilities	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145	1,145
<b>Total Current liabilities</b>	<b>13,746</b>	<b>13,727</b>	<b>13,581</b>	<b>13,593</b>	<b>13,615</b>	<b>13,608</b>	<b>13,618</b>	<b>13,622</b>	<b>13,608</b>	<b>13,623</b>
<b>Working Capital</b>	<b>345</b>	<b>802</b>	<b>1,478</b>	<b>1,726</b>	<b>3,673</b>	<b>4,790</b>	<b>6,489</b>	<b>4,808</b>	<b>8,761</b>	<b>13,167</b>
<b>NON CURRENT ASSETS</b>										
Trade and Other Receivables	105	53	-	-	-	-	-	-	-	-
Intangible Assets	501	531	561	591	621	651	681	711	741	771
Biological Assets	10,235	9,385	9,620	9,165	8,659	8,147	7,844	7,238	6,657	5,917
Other Financial Assets	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075
Property Plant & Equipment	1,158,296	1,242,382	1,305,467	1,369,183	1,420,146	1,494,509	1,566,457	1,629,458	1,686,977	1,747,075
<b>Total Non Current Assets</b>	<b>1,175,212</b>	<b>1,258,426</b>	<b>1,321,723</b>	<b>1,385,014</b>	<b>1,435,501</b>	<b>1,509,382</b>	<b>1,581,057</b>	<b>1,643,482</b>	<b>1,700,450</b>	<b>1,759,838</b>
<b>NON CURRENT LIABILITIES</b>										
Landfill Aftercare Provision	701	802	917	1,001	1,096	1,203	1,295	1,399	1,516	1,649
Employee Benefits	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064
Borrowings	20,900	55,923	79,958	95,784	94,019	110,149	124,944	120,687	116,458	110,359
<b>Total Non Current Liabilities</b>	<b>22,665</b>	<b>57,789</b>	<b>81,939</b>	<b>97,849</b>	<b>96,179</b>	<b>112,416</b>	<b>127,303</b>	<b>123,150</b>	<b>119,038</b>	<b>113,072</b>
<b>Net Assets</b>	<b>1,152,892</b>	<b>1,201,439</b>	<b>1,241,262</b>	<b>1,288,891</b>	<b>1,342,995</b>	<b>1,401,756</b>	<b>1,460,243</b>	<b>1,525,140</b>	<b>1,590,173</b>	<b>1,659,933</b>

## STATEMENT OF CASH FLOWS

	note	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Rates		46,674	51,656	55,281	58,613	61,975	65,046	68,706	72,645	75,499	78,098
User Charges and Other Revenues		40,269	42,428	37,992	40,149	46,798	48,381	44,246	45,640	46,666	48,074
Payments to suppliers and employees		(60,278)	(59,978)	(65,910)	(62,174)	(64,656)	(66,588)	(68,405)	(70,223)	(72,101)	(73,966)
Interest paid		(1,503)	(2,775)	(4,911)	(6,386)	(6,955)	(7,558)	(8,759)	(9,244)	(9,070)	(8,837)
<b>Net cash flows from operating activities</b>		<b>25,162</b>	<b>31,331</b>	<b>22,452</b>	<b>30,202</b>	<b>37,162</b>	<b>39,281</b>	<b>35,788</b>	<b>38,818</b>	<b>40,994</b>	<b>43,369</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Sale of assets		3,039	4,159	40	4,358	5,226	9,959	31	4,851	18	5,055
Dividends		538	538	538	538	538	538	538	538	538	538
Movements in investments		11,943	(535)	(1,189)	(137)	(1,807)	(1,018)	(2,076)	1,741	(3,990)	(4,291)
Purchase of Fixed assets		(42,064)	(70,621)	(46,343)	(50,694)	(39,213)	(64,788)	(49,425)	(41,657)	(33,363)	(38,465)
<b>Net cash flows from investing activities</b>		<b>(26,544)</b>	<b>(66,459)</b>	<b>(46,954)</b>	<b>(45,935)</b>	<b>(35,256)</b>	<b>(55,309)</b>	<b>(50,932)</b>	<b>(34,527)</b>	<b>(36,797)</b>	<b>(37,163)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Proceeds from borrowings	7	(202)	35,024	24,035	15,826	(1,766)	16,130	14,796	(4,257)	(4,229)	(6,099)
<b>Net cash flows from financing activities</b>		<b>(202)</b>	<b>35,024</b>	<b>24,035</b>	<b>15,826</b>	<b>(1,766)</b>	<b>16,130</b>	<b>14,796</b>	<b>(4,257)</b>	<b>(4,229)</b>	<b>(6,099)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS</b>											
		(1,584)	(104)	(467)	93	140	102	(348)	34	(32)	107
Cash and equivalents at the beginning of the year		3,351	1,767	1,663	1,196	1,289	1,429	1,531	1,183	1,217	1,185
<b>CASH AND EQUIVALENTS AT THE END OF THE YEAR</b>		<b>1,767</b>	<b>1,663</b>	<b>1,196</b>	<b>1,289</b>	<b>1,429</b>	<b>1,531</b>	<b>1,183</b>	<b>1,217</b>	<b>1,185</b>	<b>1,292</b>

## STATEMENT OF ACCOUNTING POLICIES

### 1. Reporting entity

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

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

These prospective financial statements of MDC are for the ten years ended from 30 June 2010 to 30 June 2019.

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

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

The prospective financial statements were authorised for issue by Council on 26 March 2009.

### 2. Basis of Preparation

#### (a) Statement of Compliance

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

#### (b) Measurement Base

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

#### (c) Functional and Presentational Currency

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

#### (d) Changes in Accounting Policies

The accounting policies set out below have been applied consistently to the prospective financial statements in MDC's previous LTCCP (2006-16); to the financial statements for the year ended 30 June 2008; and to these prospective financial statements.

MDC has applied NZ IAS 1 'Presentation of Financial Statements' (revised 2007) for the first time in these prospective financial statements. The council has chosen to present a separate Income Statement followed by a Statement of Comprehensive Income. This has not altered any amounts recognised in the prospective financial statements.

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

#### (e) Critical Accounting Estimates and Assumptions

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

### 3. Significant Accounting Policies

#### (a) Interests in Joint Committees

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

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

economic benefits associated with the transactions will flow to/from the Council and their amount can be measured reliably.

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

**(b) Revenue**

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

**Rates Revenue**

Rates revenue is recognised by Council as being income on the due date of each instalment.

Water Billing is recognised on an accrual basis.

**Government Grants**

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

**Provision of Services**

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

**Vested Assets**

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

**Sales of Goods**

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

**Interest and Dividends**

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

**Financial/Development Contributions**

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

**(c) Borrowing Costs**

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

**(d) Income Tax**

Income tax expense comprises both current tax and deferred tax.

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

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

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

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

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

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

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

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

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

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

**(e) Leases**

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

**Operating Leases**

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

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

**Finance Leases**

Assets held under finance leases are recognised as assets of the Council at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

**(f) Cash and Cash Equivalents**

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

**(g) Trade and other Receivables**

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

**(h) Financial Assets**

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

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

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

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

**(i) Impairment**

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



asset the Council estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

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

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

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

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

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

## **(j) Derivative Financial Instruments**

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

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

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

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

## **(k) Inventories**

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

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

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

## **(l) Non-current Assets Held for Sale**

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

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

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

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

held for sale are presented separately from other liabilities in the balance sheet.

**(m) Property, Plant and Equipment**

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

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

**Revaluation**

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

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

**Additions**

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

**Land and Buildings**

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

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

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

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

In the case of Marlborough Regional Forestry, land and improvements were valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2008.

**Improvements**

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

**Landfill**

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

**Library Books and Parking Meters**

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

**Infrastructural Assets**

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

River control and drainage, roads, bridges, wharves, street lighting, street berms and street furniture assets were valued at depreciated replacement cost as at 30 June 2008. The river control and drainage valuation was performed by the Council's Rivers and Drainage Engineer, Brin Williman. Lex Hayward of Alexander Hayward Limited conducted an independent

peer review of the valuation. John Vessey of Opus International Consultants Limited conducted the valuation of roads, bridges, wharves and street lighting. Marlborough Roads valued the street berms and street furniture.

Carparks were valued at depreciated replacement cost at 30 June 2008 by Opus International Consultants Ltd.

Water, Sewer and Stormwater assets were valued at depreciated replacement cost as at 1 July 2008. The valuation was performed by Council engineering staff directly associated with managing these assets. An independent review of the valuation was conducted by Alexander Hayward Limited.

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

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

#### Other Fixed Assets

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

#### Depreciation

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

Depreciation on revalued assets is charged to the Income Statement.

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

Asset	Life	Rate
<b>Roads, Streets and Bridges</b>		
- Land under roads	Not depreciated	
- Pavement formation	Not depreciated	
- Pavement layers	80 - 100 years	1 - 1.25%
- Pavement surface	13 years	7.692%
- Culverts	20 - 50 years	2 - 5%
- Kerb and channel	80 years	1.25%
- Concrete stormwater channels	80 years	1.25%
- Earth water channels	Not depreciated	
- Footpaths	30 - 80 years	1.25 - 3.33%
- Bridges	40 - 100 years	1 - 2.5%
- Footbridges	50 - 100 years	1 - 2%
- Retaining walls	30 years	3.33%
- Street berms	Not depreciated	
- Traffic signs	20 years	5%
- Street lighting	20 years	5%
- Traffic islands	50 years	2%
- Street trees	40 years	2.5%
- Street furniture	25 years	4%
- Paved and cobbled areas	30 years	3.33%
- Council wharves	40 years	2.5%
- Port Marlborough wharves and marinas	10 - 50 years	2 - 10%
<b>Carparks</b>		
- Parking meters	10 years	10%
- Land	Not depreciated	
- Formation	Not depreciated	
- Basecourse	80 years	1.25%
- Surfacing	20 years	5%
- Markings	3 years	33.33%
<b>Buildings (excluding properties intended for sale)</b>	100 years	1%
<b>Council Computers</b>	4 years	25%
<b>Council Finance 1 computer equipment</b>	5 years	20%
<b>Plant, equipment (excluding Council infrastructural assets)</b>	5 - 13.33 years	7.69 - 20%
<b>Mowers/chainsaws</b>	1 - 2 years	50 - 100%
<b>Sewerage</b>		

- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
- Oxidation ponds		
- Liner	Not depreciated	
- Waveband	75 years	1.33%
- Treatment plant	20 - 100 years	1 - 5%
<b>Stormwater</b>		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
<b>Water</b>		
- Pipes	50 - 100 years	1 - 1.67%
- Reservoirs	80 years	1.25%
- Surface connections	100 years	1%
- Pumps	10 years	10%
- Pump stations	20 - 60 years	1.67 - 5%
- Treatment plant	20 - 100 years	1 - 5%
- Dams	150 years	.667%
<b>Rivers and Drainage</b>		
- Pump stations	35 - 100 years	1 - 2.86%
- Stopbanks/earthworks	Not depreciated	
- Rock and gabion protection	Not depreciated	
- Trees and tree retards	Not depreciated	
- Culverts and gates	Not depreciated	
- Channels	Not depreciated	
- Dam	100 years	1%
<b>Library books</b>	13.33 years	7.69%

## Disposals

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

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

## (n) Intangible Assets - Software

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

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

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

## (o) Forestry Assets

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

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

## (p) Investment Property

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

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

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

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

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

## (q) Trade and Other Payables

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

## (r) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, these loans and borrowings are

subsequently measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the loan or borrowing. Amortised cost is calculated taking into account any issue costs, and any discount or premium on drawdown.

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

Borrowings and Sinking Fund Investments are set-off in the Statement of Financial Position and the Statement of Cash Flows. Sinking Fund Investments are set aside to specifically repay borrowings as they mature. For consistency Interest expense on Borrowings and Interest income on Sinking Fund Investments are set-off in the Income Statement and the Statement of Cash Flows.

**(s) Employee Entitlements**

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

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

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

**(t) Provisions**

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

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

**(u) Equity**

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer

identification of the special uses that the Council intends to make of its accumulated surpluses. These components of equity are:

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

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

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

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

**(v) Goods and Services Tax**

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

**(w) Cost Allocation**

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

**(x) Foreign Currencies**

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

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

**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 2010 to 2019 are likely to vary from the information presented, and the variations may be material.

These financial statements comply with FRS42.

**2. Elimination of Internal Interest**

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

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

Interest Expense	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
Total Interest Expense	6,689	8,904	11,436	13,255	14,451	15,785	17,834	19,346	20,148	21,041
Less Interest Income on Sinking Funds against External Loans	(31)	(64)	(154)	(289)	(460)	(642)	(865)	(1,128)	(1,407)	(1,703)
Less Internal Interest Expense	(5,155)	(6,065)	(6,371)	(6,580)	(7,036)	(7,585)	(8,210)	(8,974)	(9,671)	(10,501)
<b>Interest Expense</b>	<b>1,503</b>	<b>2,775</b>	<b>4,911</b>	<b>6,386</b>	<b>6,955</b>	<b>7,558</b>	<b>8,759</b>	<b>9,244</b>	<b>9,070</b>	<b>8,837</b>



## 3. Capital Expenditure Summary (GST Exclusive)

Capital expenditure summary (\$'000's)		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>DEMOCRATIC PROCESS</b> (Funded by Rates and Charges)											
Democratic process			41			44			47		
<b>TOTAL DEMOCRATIC PROCESS</b>			<b>41</b>			<b>44</b>			<b>47</b>		
<b>PEOPLE</b> (Funded by Rates and Charges)											
<b>Culture and Heritage</b>											
Heritage	Museums			53	11	11	58			62	
Cleghorn Rotunda	Improvements							18			
Picton Memorials	Improvements									25	
Rural Memorials	Improvements					3					
Ward Memorials	Improvements						12				
Rai Valley Memorials	Improvements	6									
Renwick Memorials	Improvements		124								
Other Memorials	Improvements	8	8	8	9	9	17	9	10	10	10
War Memorial - Clock	Improvements									62	64
War Memorial Fountain	Improvements							42			
<b>sub-total</b>		<b>14</b>	<b>132</b>	<b>61</b>	<b>20</b>	<b>23</b>	<b>86</b>	<b>51</b>	<b>28</b>	<b>159</b>	<b>74</b>
<b>Community Housing</b>											
Community Housing		122	103	130	166	175	138	132	229	232	259
<b>Community Safety</b>											
Security	Security Cameras	50	52	53	54	55	56	58	59	60	62
<b>Library services</b>											
Libraries	Books and Equipment	263	267	255	414	282	318	426	332	342	527
<b>TOTAL PEOPLE</b>		<b>449</b>	<b>554</b>	<b>499</b>	<b>654</b>	<b>535</b>	<b>599</b>	<b>666</b>	<b>648</b>	<b>794</b>	<b>922</b>
<b>EMERGENCY MANAGEMENT</b> (Funded by Rates and Charges)											
Civil Defence	Plant and Equipment	19	12	16	13	13	19	14	14	19	20
Fire Protection	Plant and Equipment	15	20	20	21	21	21	22	18	18	19
<b>TOTAL EMERGENCY MANAGEMENT</b>		<b>34</b>	<b>32</b>	<b>36</b>	<b>34</b>	<b>34</b>	<b>40</b>	<b>36</b>	<b>32</b>	<b>37</b>	<b>38</b>
<b>LAND AND WATER</b>											
<b>COMMUNITY FACILITIES</b>											
<b>Cemeteries</b> (Funded by Rates and User Charges)											
Awatere	Development	5	2				6				
Fairhall	Development	35	57	26	60	6	6	18	18	131	19
Flaxbourne	Development		15								
Havelock	Development		5	5							
Omaka	Development	6	6	6	9	9	122	9	10	10	10
Picton	Development	10	26	529	27	17	12	30	12		318
Tuamarina	Development		10	21	11	22	58				64
Other	Development		31					59			
<b>sub-total</b>		<b>56</b>	<b>153</b>	<b>588</b>	<b>107</b>	<b>54</b>	<b>202</b>	<b>116</b>	<b>40</b>	<b>141</b>	<b>411</b>
<b>Halls</b> (Funded by Rates and Charges)											
Halls			157	101	41	39	46	47	55	44	48



# NOTES TO THE FINANCIAL STATEMENTS

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Public Conveniences</b>	<b>(Funded by Rates and Charges)</b>										
Blenheim	Improvements		356	106	22	95					108
Flaxbourne	Improvements			32							
Havelock	Improvements				11						
Picton	Improvements		149	11	44		138	24	55		108
Renwick	Improvements			106							
Sounds	Improvements				11			83		87	
Rural	Improvements				11						
Canvastown	Improvements				11						
Other	Improvements								103	37	
	<b>sub-total</b>		<b>505</b>	<b>254</b>	<b>109</b>	<b>95</b>	<b>138</b>	<b>107</b>	<b>158</b>	<b>124</b>	<b>216</b>
<b>Reserves</b>	<b>(Funded by Land Subdivision Income)</b>										
Reserves	Additions, Improvements, Replacements	1,448	1,193	1,587	2,062	2,239	2,344	2,343	2,001	2,016	2,271
<b>Swimming Pools</b>	<b>(Funded by Rates and Charges)</b>										
Picton	New Facility		21	21	4,350						
Awatere	New Facility				38						
Blenheim	Improvements	6,000	4,122								
	<b>sub-total</b>	<b>6,000</b>	<b>4,143</b>	<b>21</b>	<b>4,389</b>						
<b>TOTAL COMMUNITY FACILITIES</b>		<b>7,504</b>	<b>6,150</b>	<b>2,551</b>	<b>6,707</b>	<b>2,427</b>	<b>2,731</b>	<b>2,613</b>	<b>2,254</b>	<b>2,325</b>	<b>2,947</b>
<b>LAND TRANSPORT</b>											
<b>Parking</b>	<b>(Funded by User Charges)</b>										
Blenheim	Land, Buildings and Plant	1,021	4,223	96	99	1,366	1,829	400	423	419	237
Picton	Plant					11					37
<b>Roading</b>	<b>(Funded by Rates, Subsidies and User Charges)</b>										
General Roading	Vested Assets	624	644	659	675	689	704	720	737	755	774
	Cycle Facilities	43	103	106	108	124	129	135	140	146	152
	Sealed pavement		309	635	650	1,110	1,135	580	594	608	622
	Traffic Islands/Services	640									
	Associated Improvements	742	685	704	721	738	755	772	790	809	828
	Bridges	760	453	466	477	488	499	511	523	535	548
	Drainage	277	525	556	580	610	630	667	707	724	740
	Environment	36			38						
	Major rehabilitation	500	515	530	542	555	567	580	594	608	622
	Pavement rehabilitation	838	901	969	992	1,015	1,038	1,091	1,147	1,174	1,201
	Sealed road resurfacing	1,589	2,008	2,616	2,677	2,741	2,803	3,017	3,101	3,176	3,248
	Structures Component Replacement	155	223	243	359	259	267	333	343	354	365
	Traffic Services	278	223	230	235	241	246	281	288	294	301
	Unsealed road metalling	439	582	620	634	649	664	708	760	779	796
French Pass Road	Sealed pavement			127			110				
Keneperu Road	Sealed pavement		124		130		136		143		149
Rainbow Road	Sealed road resurfacing	60			76		93				
	Traffic Services	1	1	1	1	1	1	1	1	1	1
Hebberds Road		42									
CBD Works: Blenheim	Paved/Cobbled areas			53	1,626						
Passenger Transport	Bus shelters		52								
Street Plots		15	93	16	16	17	17	17	18	18	19
Street Trees		13	13	14	14	14	22	22	23	23	24

# NOTES TO THE FINANCIAL STATEMENTS

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Roading Related Works	Additions: Footpaths (concrete)	125	89	94	98	101	104	108	109	112	116
	Additions: Kerb & Channel	118	93	95	98	100	102	104	107	110	112
	Additions: Sealed pavement	155	211	217	222	228	233	238	244	249	255
	Additions: Signs	21	26	32	33	34	35	35	36	37	38
	Additions: Street furniture		5	5	5	6	6	6	6	6	6
	Additions: Streetlighting	38	41	42	43	44	45	46	48	49	50
	Additions: Vehicle crossings	10	12	13	13	13	14	14	14	15	15
	Renewals: Footpaths (sealed)	247	427	445	461	474	488	505	523	541	560
	Renewals: Kerb and Channel	77								122	124
	Renewals: Street Furniture	15	31	32	33	33	34	35	36	37	37
	Renewals: Vehicle crossings	26	42	49	55	62	69	77	84	92	101
Wharves	Additions: Wharves.		110	113	116	119	121	124	127	130	133
Subdivisional Works	Additions: Sealed pavement	150	154	159	163	166	170	174	178	183	187
<b>TOTAL LAND TRANSPORT</b>		<b>9,054</b>	<b>12,918</b>	<b>9,937</b>	<b>11,990</b>	<b>12,010</b>	<b>12,973</b>	<b>11,394</b>	<b>11,844</b>	<b>12,107</b>	<b>12,399</b>
<b>RIVERS AND LAND DRAINAGE (Funded by Rates and Charges)</b>											
<b>Rivers out WV:</b>											
Waitohi	Additions: Culverts, Gates, Concrete walls	200	824	2,648	2,719						
Picton/Waikawa	Additions: Rock and Gabion protection	20	21	21	22	23	24	25	25	26	27
<b>Drainage:</b>											
Blenheim	Additions: Pump stations		134	275	283	292	300	311	321	331	342
	Additions: Drainage channels	70	104	107	111	115	119	123	127	131	135
Rural		90	228	235	243	252	261	270	279	287	297
<b>Rivers WV:</b>											
Lower Wairau	Additions: Stopbanks	200	72	75	78	80	83	86	89	92	95
Wairau Diversion	Additions: Stopbanks	70	10	11	11	11	12	12	13	13	14
Wairau Tuamarina	Additions: Stopbanks	150	155	161	166	172	179	185	191	197	203
Wairau gravel extraction	Additions: Rock and Gabion protection	80	83	86	89	92	95	99	102	105	108
Lower Opawa	Additions: Stopbanks	30	31	32	33	34	36	37	38	39	41
Opawa Loop	Additions: Stopbanks					23	24	25	25	26	27
Riverlands and Witherhills Streams	Additions: Other buildings & Structures	10	21	21	22	22	23	24	24	25	25
Taylor below Burleigh	Additions: Stopbanks		21	21	22	23	24	25	25	26	27
Taylor above Burleigh	Additions: Stopbanks	20	21	21	22						
Rivers land purchases	Additions: Land	100	103	265	272	280	288	296	304	311	318
Wither Hills soil conservation	Additions: Drainage channels	20	21	21	22	23	24	25	25	26	27
<b>TOTAL RIVERS AND LAND DRAINAGE</b>		<b>1,060</b>	<b>1,848</b>	<b>4,002</b>	<b>4,114</b>	<b>1,443</b>	<b>1,492</b>	<b>1,543</b>	<b>1,589</b>	<b>1,636</b>	<b>1,687</b>
<b>WASTEWATER (SEWERAGE) (Funded by Rates, Charges, Development Levies and User Charges)</b>											
Blenheim	Additions: Vested Assets	221	228	233	239	244	249	255	261	267	274
	Additions: Telemetry field equipment	6	1	2	2	2	2	2	2	2	2
	Additions: Connections	100	103	106	110	113	117	121	126	130	135
	Additions: Pipelines	520	906	282	684	566	9,345	406	2,656	326	1,790
	Renewals: Pipelines	100	103	21	22	22	23	24	25	25	26
	Additions: Pump stations		397	334	1,702	427	693	2,840	1,288	2,221	1,578
	Renewals: Pump stations		16		93	105		22	222	176	
	Additions: Treatment plant	2,735	6,196	4,025	816	3,931	173	179	555	4,028	197
	Additions: Engineering	178	146	143	146	249	439	114	262	537	264
<b>sub-total</b>		<b>3,860</b>	<b>8,096</b>	<b>5,147</b>	<b>3,815</b>	<b>5,660</b>	<b>11,043</b>	<b>3,963</b>	<b>5,396</b>	<b>7,712</b>	<b>4,268</b>

# NOTES TO THE FINANCIAL STATEMENTS

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Picton	Additions: Telemetry field equipment	3	1	1	1						
	Additions: Connections	10	10	11	11	11	12	12	13	13	14
	Additions: Pipelines	5	366	1,102	2,241	6	1,384	6	6	7	7
	Renewals: Pipelines	250	9,116	53	54	22					
	Additions: Pump stations		3,471	4,084	2,197	730	2,063		431		
	Renewals: Pump stations	59							310		
	Additions: Treatment plant			715							8,811
	Additions: Engineering	13	295	170	180	35	143	1	39	1	582
<b>sub-total</b>	<b>340</b>	<b>13,260</b>	<b>6,136</b>	<b>4,684</b>	<b>805</b>	<b>3,602</b>	<b>19</b>	<b>799</b>	<b>21</b>	<b>9,413</b>	
Havelock	Additions: Telemetry field equipment	2		1							
	Additions: Connections	5	5	5	5	6	6	6	6	7	7
	Additions: Oxidation ponds	15	21	171						33	948
	Renewals: Pump stations						123				
	Additions: Engineering	1		5			5			3	62
<b>sub-total</b>	<b>23</b>	<b>27</b>	<b>182</b>	<b>6</b>	<b>6</b>	<b>134</b>	<b>6</b>	<b>7</b>	<b>42</b>	<b>1,017</b>	
Seddon	Additions: Telemetry field equipment										
	Additions: Connections	5	5	5	5	6	6	6	6	7	7
	Additions: Treatment plant	40	247		54	898					
	Additions: Engineering	2	5		2	42					
<b>sub-total</b>	<b>48</b>	<b>257</b>	<b>6</b>	<b>62</b>	<b>946</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	
Grovetown	Additions: Pipelines	1,088									
	Additions: Engineering	54									
	<b>sub-total</b>	<b>1,142</b>									
Spring Creek	Additions: Telemetry field equipment	1			1	1	1	1	1	1	1
	Additions: Connections	2	2	2	2	2	2	2	3	3	3
	Additions: Oxidation ponds	350	135								
	Additions: Pipelines	525									
	Additions: Engineering	43	2								
<b>sub-total</b>	<b>922</b>	<b>139</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	
Tuamarina	Additions: Pipelines					91	2,004				
	Additions: Engineering					4	83				
	<b>sub-total</b>					<b>95</b>	<b>2,087</b>				
<b>TOTAL WASTEWATER (SEWERAGE)</b>		<b>6,334</b>	<b>21,780</b>	<b>11,473</b>	<b>8,570</b>	<b>7,514</b>	<b>16,874</b>	<b>3,998</b>	<b>6,212</b>	<b>7,786</b>	<b>14,708</b>
<b>STORMWATER (Funded by Rates and Development Levies)</b>											
Blenheim	Additions: Vested Assets	260	269	275	281	287	293	300	307	314	323
	Additions: Connections	70	72	75	77	79	82	85	88	91	95
	Additions: Pipelines	5	1,068	1,278	1,099		1,168		1,259		
	Renewals: Pipelines	50	52	53	54	56	58	60	62	64	66
Picton	Additions: Connections	5	5	5	5	6	6	6	6	7	7
	Additions: Pipelines	20	21	21	22	23	23	24	25	26	27
	Renewals: Pipelines	80	9	10	10	10	10	11	11	11	12
Renwick	Additions: Connections	5	5	5	5	6	6	6	6	7	7
	Additions: Pipelines		289								
	Renewals: Pipelines	10	10	11	11	11	12	12	12	13	13
Spring Creek	Additions: Connections	2	2	2	2	2	2	2	3	3	3
	Additions: Pipelines			10	10						

# NOTES TO THE FINANCIAL STATEMENTS

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Havelock	Additions: Connections	1	1	1	1	1	1	1	1	1	1
	Additions: Pipelines		3	3	3						
	Renewals: Pipelines			2	2						
	<b>TOTAL STORMWATER</b>	<b>508</b>	<b>1,806</b>	<b>1,750</b>	<b>1,583</b>	<b>481</b>	<b>1,662</b>	<b>507</b>	<b>1,781</b>	<b>537</b>	<b>552</b>
<b>WATER SUPPLY</b>	<b>(Funded by Rates, Charges, Development Levies and User Charges)</b>										
Blenheim	Additions: Vested Assets	195	201	206	211	215	220	225	230	236	242
	Additions: Connections	100	103	106	110	113	117	121	126	130	135
	Renewals: Connections	127	131	135	140	144	215	224	232	240	249
	Additions: Pipelines	1,932	740	996	1,275	1,615	437	1,080	468		203
	Renewals: Pipelines	50	52	53	54	56	58	60	62	64	66
	Additions: Pump stations	784	550	21	250			268	369	66	121
	Renewals: Pump stations		15						180		
	Additions: Reservoirs	6,543	2,647	159	2,414						76
	Additions: Treatment plant	705	6,121	511					57	322	121
	Additions: Engineering	335	236	93	179	99	44	59	88	79	80
	<b>sub-total</b>	<b>10,771</b>	<b>10,796</b>	<b>2,280</b>	<b>4,633</b>	<b>2,243</b>	<b>1,090</b>	<b>2,037</b>	<b>1,811</b>	<b>1,137</b>	<b>1,292</b>
Havelock	Additions: Telemetry field equipment	1									
	Additions: Connections	7	7	7	8	8	8	8	9	9	9
	Additions: Pipelines					156			275		
	Renewals: Pipelines	2	2	2	2	2	2	2	2	3	3
	Renewals: Pump stations								9		
	Additions: Reservoirs		361								
	Additions: Treatment plant	30	72	1,324							
	Additions: Engineering	2	8	38		8			15	1	1
	<b>sub-total</b>	<b>42</b>	<b>450</b>	<b>1,372</b>	<b>11</b>	<b>174</b>	<b>11</b>	<b>11</b>	<b>311</b>	<b>13</b>	<b>13</b>
Picton	Additions: Connections	12	12	13	13	14	14	15	15	16	16
	Renewals: Connections	28	28	29	30	31	32	33	35	36	37
	Additions: Pipelines	784	2,087	244	21	22	314	16,167	24	25	26
	Renewals: Pipelines	35	36	37	38	39	40	42	43	45	46
	Additions: Pump stations		587	122			46	1,775	308		
	Additions: Reservoirs	2,718	912	53	27	247	75	1,172			
	Additions: Treatment plant	1,070	989	53			58	3,372			
	Additions: Engineering	229	86	16	5	16	24	670	22	9	8
	<b>sub-total</b>	<b>4,876</b>	<b>4,737</b>	<b>566</b>	<b>135</b>	<b>369</b>	<b>604</b>	<b>23,246</b>	<b>447</b>	<b>130</b>	<b>133</b>
Renwick	Additions: Connections	15	15	16	16	17	18	18	19	20	20
	Additions: Pipelines	33	437	3	3	3	4	4	4	212	4
	Renewals: Pipelines	5	5	5	5	6	6	6	6	6	7
	Additions: Pump stations	30	93								
	Renewals: Pump stations	30	7								
	Additions: Reservoirs			1,324							
	Additions: Treatment plant	45	412	7,150							
	Additions: Engineering	8	19	361	16	3	22	1	1	18	2
	<b>sub-total</b>	<b>166</b>	<b>988</b>	<b>8,859</b>	<b>41</b>	<b>29</b>	<b>49</b>	<b>29</b>	<b>30</b>	<b>256</b>	<b>33</b>

# NOTES TO THE FINANCIAL STATEMENTS

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Awatere	Additions: Connections	10	10	11	11	11	12	12	13	13	14
	Additions: Pipelines		454	1,324		91	830			104	960
	Renewals: Pipelines	63	67	71	75	79	83	88	69	71	73
	Additions: Pump stations			138							
	Renewals: Pump stations	53	1	1	1	363					
	Additions: Reservoirs							64			
	Additions: Treatment plant	200	3,837		1,305						
	Additions: Engineering	28	80	44	55	25	38	5	4	14	69
	<b>sub-total</b>	<b>354</b>	<b>4,449</b>	<b>1,589</b>	<b>1,447</b>	<b>569</b>	<b>964</b>	<b>169</b>	<b>86</b>	<b>202</b>	<b>1,116</b>
Grovetown	Additions: Pipelines							42	5,466		
	Additions: Engineering							1	279		
	<b>sub-total</b>							<b>44</b>	<b>5,745</b>		
Rarangi	Additions: Pipelines					170	8,877				
	Additions: Engineering				7	396					
	<b>sub-total</b>				<b>7</b>	<b>566</b>	<b>8,877</b>				
Riverlands	Additions: Pipelines	16	614	1	1	194	1	1	1	1	1
	Additions: Pump stations				381		405				
	Renewals: Pump stations									127	
	Additions: Reservoirs	60	407	74	769	79	818			954	
	Additions: Treatment plant		26	85	1,566	56	1,664			3,818	
	Additions: Engineering	4	19	5	108	15	119			367	
<b>sub-total</b>	<b>80</b>	<b>1,066</b>	<b>165</b>	<b>2,826</b>	<b>343</b>	<b>3,007</b>	<b>1</b>	<b>1</b>	<b>5,267</b>	<b>1</b>	
Spring Creek	Additions: Pipelines							42	5,466		
	Additions: Engineering							1	279		
	<b>sub-total</b>							<b>44</b>	<b>5,745</b>		
Wairau Valley	Renewals: Pump stations								3		
	Additions: Treatment plant			58	924						
	Additions: Engineering			2	37						
	<b>sub-total</b>			<b>60</b>	<b>961</b>					<b>3</b>	
Southern Valleys	Additions: Pump stations	12	12								
	Additions: Engineering	1									
	<b>sub-total</b>	<b>13</b>	<b>13</b>								
<b>TOTAL WATER SUPPLY</b>		<b>16,301</b>	<b>22,499</b>	<b>14,892</b>	<b>10,060</b>	<b>4,293</b>	<b>14,602</b>	<b>25,581</b>	<b>14,178</b>	<b>7,006</b>	<b>2,588</b>
<b>SOLID WASTE MANAGEMENT (Funded by Rates and User Charges)</b>											
Landfills	Ongoing landfill stages	435	155	174	3,268		192	3,431			
Waste Minimisation	Education/re-use centre	200									
Urban refuse collection	Kerbside recycling crates		207								
<b>TOTAL SOLID WASTE MANAGEMENT</b>		<b>635</b>	<b>361</b>	<b>174</b>	<b>3,268</b>		<b>192</b>	<b>3,431</b>			
<b>TOTAL LAND AND WATER</b>		<b>41,396</b>	<b>67,361</b>	<b>44,779</b>	<b>46,294</b>	<b>28,167</b>	<b>50,525</b>	<b>49,067</b>	<b>37,858</b>	<b>31,397</b>	<b>34,881</b>
<b>ENVIRONMENTAL POLICY AND INFORMATION</b>											
Total Environmental	Asset additions	49	51	52	53	54	55	57	58	59	61
<b>TOTAL ENVIRONMENTAL POLICY AND INFORMATION</b>		<b>49</b>	<b>51</b>	<b>52</b>	<b>53</b>	<b>54</b>	<b>55</b>	<b>57</b>	<b>58</b>	<b>59</b>	<b>61</b>
<b>REGULATORY (Funded by Rates and User Charges)</b>											
Total Consents and Compliance	Asset additions	9	10	10	10	10	10	11	11	11	11
Harbours	Boats, navigation aids, instruments and plant	104	507	369	275	78	755	54	105	414	145
<b>TOTAL REGULATORY</b>		<b>113</b>	<b>517</b>	<b>378</b>	<b>285</b>	<b>89</b>	<b>765</b>	<b>65</b>	<b>116</b>	<b>425</b>	<b>157</b>

# NOTES TO THE FINANCIAL STATEMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>TOTAL SIGNIFICANT ACTIVITIES</b>	<b>42,041</b>	<b>68,556</b>	<b>45,744</b>	<b>47,319</b>	<b>28,924</b>	<b>51,984</b>	<b>49,890</b>	<b>38,758</b>	<b>32,712</b>	<b>36,059</b>
<b>OTHER ACTIVITIES</b>										
<b>Land Development (Funded from Subdivision Proceeds)</b>										
Blenheim Development Costs		2,576		2,719		2,876		3,040		3,181
Picton Development Costs					10,203	10,498				
<b>Plant Operations (Funded by Internal Charges)</b>										
Plant Operations Plant and equipment	353	201	770	231	397	196	435	189	265	191
<b>Office Administration (Funded by Internal Charges)</b>										
Information Services Computer equipment	852	493	969	1,679	527	538	435	1,036	1,786	468
Office Administration Office equipment and fittings	117	136	233	152	155	159	163	167	171	176
Customer Services Centres Office equipment					442					
Total Regulatory Management Asset additions	2	2	2	2	2	2	2	2	2	2
<b>TOTAL OTHER ACTIVITIES</b>	<b>1,323</b>	<b>3,407</b>	<b>1,973</b>	<b>4,782</b>	<b>11,726</b>	<b>14,270</b>	<b>1,035</b>	<b>4,435</b>	<b>2,225</b>	<b>4,017</b>
<b>TOTAL MDC</b>	<b>43,365</b>	<b>71,964</b>	<b>47,717</b>	<b>52,101</b>	<b>40,649</b>	<b>66,254</b>	<b>50,925</b>	<b>43,193</b>	<b>34,937</b>	<b>40,077</b>

## 4. Overhead Accounts

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

## 5. Expenditure Disclosures

Expenditure Disclosures	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
Employee Benefits	15,889	16,194	16,580	16,929	17,375	17,789	18,249	18,847	19,349	19,943
Depreciation	15,625	16,592	17,895	19,164	20,207	21,335	22,521	23,627	24,748	25,190
Grants and Donations	2,052	2,586	7,327	2,057	2,054	2,058	2,070	2,068	2,073	2,086
Forestry asset revaluation loss	612	850	(236)	455	506	512	303	607	580	741
Lease of Equipment	406	419	429	439	449	458	468	480	491	504
Rentals	138	143	146	151	155	159	164	168	172	176

**6. Other Income**

Other Income	2009-10 \$000's	2010-11 \$000's	2011-12 \$000's	2012-13 \$000's	2013-14 \$000's	2014-15 \$000's	2015-16 \$000's	2016-17 \$000's	2017-18 \$000's	2018-19 \$000's
Contributions - Vested Assets	1,300	1,343	1,373	1,407	1,436	1,467	1,500	1,536	1,572	1,613
Regulatory Fees and Charges	6,259	6,259	6,403	6,558	6,696	6,839	6,995	7,161	7,332	7,520
Infringements	437	451	461	473	483	493	504	517	528	542
User Charges	11,395	12,015	12,516	12,951	13,320	13,851	14,242	14,628	15,032	15,456
Development Impact Levies	30	31	32	32	33	34	35	35	36	37
Other	2,771	3,308	2,882	3,045	3,282	3,749	4,091	4,209	4,340	4,498
Contributions on subdivision	1,466	1,514	2,165	2,632	2,687	2,745	2,807	2,873	2,942	3,017
Property Rental	3,613	474	484	496	5,539	5,656	529	542	555	569
Gain on sale of property developments	(154)	1,549	-	1,623	-	1,693	-	1,772	-	1,861
Petroleum Tax	400	413	423	433	442	451	462	472	484	496
Marlborough Regional Forestry	7,366	7,261	4,623	5,433	5,835	5,726	5,534	5,916	5,722	6,023
<b>Total Other Income</b>	<b>34,883</b>	<b>34,618</b>	<b>31,362</b>	<b>35,083</b>	<b>39,753</b>	<b>42,704</b>	<b>36,699</b>	<b>39,661</b>	<b>38,543</b>	<b>41,632</b>

**7. Loans**

Total loan requirements budgeted are outlined below. These loans have been budgeted as 'external' borrowing but should sufficient funds be available at the time of borrowing, the loan will be internally financed.



# NOTES TO THE FINANCIAL STATEMENTS

Loans	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Heritage	-	-	52	62	72	92	92	92	154	154
Community Housing	1,500	-	-	-	-	-	-	-	-	-
Cemeteries	477	616	1,193	1,288	1,326	1,505	1,603	1,506	1,638	2,008
Public Conveniences	1,001	1,470	1,706	1,784	1,838	1,976	2,082	2,239	2,363	2,481
Reserves	1,200	1,200	1,199	1,200	1,201	1,200	1,200	1,200	1,199	1,200
Swimming Pools	768	767	767	806	805	805	805	625	625	625
Blenheim: Parking	7,640	11,040	10,959	10,959	11,489	12,899	12,899	11,750	11,750	11,750
Roads and Streets	117	572	1,452	2,362	3,122	3,817	4,352	4,947	5,467	7,502
CBD Works	3,705	3,705	3,705	5,085	5,085	5,085	5,085	5,085	5,085	5,085
Roading Related Works	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740	1,740
Wharves	110	220	330	445	560	680	800	925	1,055	1,175
Rivers outside the Wairau floodplain	200	1,024	3,672	6,391	6,391	6,391	6,391	6,391	6,391	6,391
Blenheim: Sewerage	28,976	36,236	40,408	43,249	47,793	57,554	60,219	64,182	70,272	73,127
Grovetown: Sewerage	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418	1,418
Havelock: Sewerage	282	282	457	452	452	452	445	305	305	1,305
Picton: Sewerage	587	6,077	9,104	11,543	12,213	15,708	15,637	16,047	15,549	24,509
Renwick: Sewerage	366	366	366	366	366	366	366	366	366	366
Seddon Sewerage	90	230	230	230	1,120	1,120	1,120	1,030	1,030	1,030
Tuamarina Sewerage	-	-	-	-	94	2,180	2,180	2,180	2,180	2,180
Spring Creek: Sewerage	1,138	1,273	1,273	1,269	1,269	1,269	1,269	1,235	1,235	1,235
Total Stormwater	3,799	4,584	5,348	5,943	5,707	5,828	5,505	4,872	4,722	4,722
Awatere: Water Supply	690	690	690	1,530	1,530	1,530	1,530	1,440	1,440	1,440
Blenheim: Water Supply	18,095	28,305	29,886	33,796	35,316	35,520	36,710	35,418	33,849	34,019
Grovetown: Water Supply	-	-	-	-	-	-	43	5,787	5,787	5,787
Havelock: Water Supply	785	1,215	2,575	2,440	2,571	2,559	2,412	2,610	2,610	2,610
Picton: Water Supply	5,692	7,923	8,094	8,056	8,056	8,061	31,247	31,524	31,542	31,660
Renwick: Water Supply	183	483	5,925	5,852	5,852	5,883	5,883	5,803	5,940	5,954
Riverlands: Water Supply	800	1,050	1,150	3,970	4,250	7,250	7,250	7,250	12,510	12,510
Spring Creek: Water Supply	-	-	-	-	-	-	43	5,787	5,787	5,787
Southern Valleys: Water Supply	11,318	11,318	11,318	11,318	11,318	11,318	11,318	11,318	11,318	11,318
Wairau Valley: Water Supply	13	13	72	1,033	1,026	1,026	1,026	1,026	1,026	1,026
Rarangi: Water Supply	-	-	-	-	565	9,442	9,442	9,442	9,442	9,442
Landfills	8,876	9,026	9,027	11,675	11,676	10,080	13,039	12,535	12,261	12,010
Total Transfer Stations	443	443	334	334	255	-	-	-	-	-
Total Refuse Collections	-	207	207	207	207	207	207	207	207	207
Total Waste Minimisation	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966	1,966
Infrastructure Upgrade Reserve	885	13,249	19,395	21,492	21,492	21,492	21,366	21,366	21,366	21,366
Economic: Marketing and Tourism	120	798	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
<b>Total Loans</b>	<b>104,980</b>	<b>149,506</b>	<b>177,241</b>	<b>201,484</b>	<b>211,364</b>	<b>239,642</b>	<b>269,913</b>	<b>282,837</b>	<b>292,818</b>	<b>308,328</b>
Less Internal Loans	(82,801)	(90,501)	(91,501)	(96,501)	(104,501)	(112,201)	(122,401)	(134,001)	(142,301)	(157,701)
Total External Loans	22,179	59,005	85,740	104,983	106,863	127,441	147,512	148,836	150,517	150,627
Less Sinking Funds on External Loans	(1,279)	(3,082)	(5,782)	(9,199)	(12,844)	(17,292)	(22,568)	(28,149)	(34,059)	(40,268)
<b>Total External Loans</b>	<b>20,900</b>	<b>55,923</b>	<b>79,958</b>	<b>95,784</b>	<b>94,019</b>	<b>110,149</b>	<b>124,944</b>	<b>120,687</b>	<b>116,458</b>	<b>110,359</b>

## ASSUMPTIONS, DISCLOSURES AND COMPLIANCE

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

### Legislative Framework

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

### Population

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

### Revenue

Revenue from user charges have been determined using average level of demand for services. Fluctuations are likely to occur on an annual basis but it is expected that the average targets will be achieved. Income from subsidiary operations has been supplied by subsidy entities and represents the conservative forecast options provided. Forestry income and expenditure has been forecast using age profile of forest with harvesting undertaken at 30 years of age. Log prices (in \$NZ) have been estimated using the average of the past three years. It has been assumed that these prices will be maintained over the period of the Plan. Development contribution revenue has been included in the financial figures and is included in contributions on subdivisions in Note 6 Other Income on page 133. Development Contributions revenue arising from the new Policy have been included in Financial Statements to the values shown in Section 1.1 of the Policy.

### Inflation

The costs, revenues and asset values reflected in this plan reflect the following "Forecasts of Price Level Change Adjustors to 2019" produced by BERL in September 2008 for Society of Local Government Managers.

	% change per annum								
	Road	Property	Water	Energy	Staff	Other	Pipelines	Earthmoving	Private Sector
June 11	3.0%	3.0%	3.0%	2.3%	2.7%	3.3%	3.2%	3.5%	3.2%
June 12	2.9%	2.7%	2.8%	2.6%	2.8%	2.3%	3.2%	3.4%	2.5%
June 13	2.4%	2.8%	2.7%	3.1%	2.4%	2.4%	3.2%	3.4%	2.4%
June 14	2.4%	2.8%	3.3%	2.9%	2.5%	2.1%	3.1%	3.7%	2.4%
June 15	2.2%	2.9%	2.9%	3.3%	2.5%	2.1%	3.2%	3.8%	3.4%
June 16	2.3%	3.1%	3.4%	3.3%	2.6%	2.3%	3.8%	3.4%	2.6%
June 17	2.4%	2.6%	3.1%	3.4%	3.2%	2.4%	3.9%	3.1%	2.6%
June 18	2.4%	2.3%	3.2%	3.3%	2.8%	2.4%	3.5%	3.2%	2.7%
June 19	2.3%	2.3%	3.3%	3.5%	3.1%	2.6%	3.6%	3.3%	2.3%

### Revaluations

Council's infrastructure assets and land and buildings have been revalued annually based on projected changes in the Price Level Change Adjustors. (Refer above).

### Economic Life

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

### Range of Services

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

### Financial Assistance

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

### Use of Infrastructure Upgrade Reserve

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

## **Interest Rates/Term of Loans**

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

## **Climate Change**

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

## **Natural Disasters**

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

## **Emissions Trading Scheme**

The estimated impact of the emissions Trading Scheme has not been included in the 2009-2019 Long Term Council Community Plan. This decision has been made for the following reasons:

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

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

## TREASURY MANAGEMENT POLICIES

### 1. Introduction

Marlborough District Council (“MDC”) undertakes borrowing (liability management) and investment activities, which in total are referred to as treasury activity. MDC’s treasury activities are carried out within the requirements of the Local Government Act 2002 (“LGA 2002”), its related amendments and other relevant local authority legislation.

This Treasury Management Policy provides the policy framework for all of MDC’s borrowing and investment activities and defines key responsibilities and the operating parameters within which borrowing, investment and related risk management activities are to be carried out.

Key borrowing and investment objectives form the basis of the policies. These objectives, while consistent with corporate best practice, are subject to overall Council objectives, as stated in the Annual Plan and the Long Term Council Community Plan (“LTCCP”).

Because this policy can only be amended as an LTCCP amendment or as part of an LTCCP (per the LGA 2002 Section 102), other than in exceptional circumstances, this policy will be reviewed and amended, if required, on a three yearly basis coinciding with LTCCP preparation.

This Treasury Policy covers:

- Liability management. (see paragraph 2.10 for changes)
- Investments.
- Foreign exchange.

MDC acknowledges that there are various financial risks such as interest rate risk, currency risk, liquidity risk and credit risk arising from its treasury activities but operates under the assumption that being a risk averse entity it does not wish to incur unnecessary risks from its treasury activities.

MDC’s Chief Executive has overall responsibility for the operations of Council. The Manager Corporate Finance – “CFO” has responsibility for the day to day operation of the treasury function and is assisted by other finance personnel as appropriate.

MDC does not undertake any treasury activity that is unrelated to its underlying cash flows or is purely speculative in nature.

### Legislative Requirements

The Liability Management and Investment Policies of the Treasury Management Policy are in compliance with the requirements of the LGA 2002.

### 2. Liability Management Policy

#### 2.1 Purpose

MDC borrows for the following primary purposes:

- General debt to fund Council’s capital works primarily on infrastructure assets. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council’s assets and investments.
- Specific debt associated with significant “one-off” projects and non-financial investments from time to time.
- Borrowing through hire purchase, credit, deferred payment or lease arrangements in the ordinary course of Council business.

#### 2.2 Local Government Act 2002 Requirements

Section 104 of the LGA 2002 provides that the Liability Management Policy required to be adopted under Section 102(4)(b) must state the local authority policies in respect of liability management, including:

- Interest rate exposure.
- Credit exposure.
- Liquidity.
- Debt repayment.
- Specific borrowing limits.
- The giving of security.

#### 2.3 Objectives

The objectives of the Liability Management Policy are consistent with market best practice and will take into account MDC’s 10 year plans as set out in the LTCCP. The key Liability Management objectives in relation to borrowings are to:

- Prudently manage MDC’s borrowing activities to ensure the ongoing funding of Council.
- Borrow only under Council approved facilities and as permitted by this policy.

- Minimise borrowing costs within prudent risk management control limits.
- Manage exposure to adverse interest rate movements.
- Ensure operational controls and procedures to protect MDC against financial loss, opportunity cost and other inefficiencies are maintained.

## 2.4 Borrowing Management and Internal Controls

Council approves policy parameters in relation to borrowing activities.

Council approves, by resolution, the borrowing requirement for each financial year in the annual plan or LTCCP or by later resolution during the year.

Council considers the impact on its borrowing limits (Section 2.10) as well as the size and the economic life of the asset that is being funded and its consistency with Council's LTCCP.

A resolution of Council is not required for hire purchase, leased, credit or deferred purchase of goods if:

- The period of indebtedness is less than 365 days; or
- The goods or services are obtained in the ordinary course of operations on normal commercial terms for amounts not exceeding in aggregate \$50,000.
- MDC's borrowing activities are managed centrally through its accounting function. The accounting function is broadly charged with the following responsibilities:
  - Manage MDC's borrowing programme to ensure funds are readily available at margins and costs favourable to Council.
  - Raise authorised and appropriate borrowing, in terms of both maturity and interest rate strategies.
  - Manage the impact of market risks such as interest rate risk and liquidity on MDC's borrowing by undertaking appropriate hedging activity in the financial markets.
  - Minimise adverse interest rate related increases on ratepayer charges and maintain overall interest costs within budgeted parameters.
  - Provide timely and accurate reporting of treasury activity and performance.

Council's systems of internal controls over borrowing activity include:

- Adequate segregation of duties among the core borrowing functions of deal execution, confirmation, settling and accounting/reporting.
- There are a small number of people involved in borrowing activity, however the risk from this will be further minimised by the following processes:

- A documented approval process for borrowing activity.
- Regular management reporting and review.
- Regular operational risk control reviews by an independent audit function.
- Organisational, systems, procedural and reconciliation controls to ensure:
  - All borrowing activity is bona fide and properly authorised.
  - Reviews in place to ensure MDC's accounts and records are updated promptly, accurately and completely.

MDC is prohibited from borrowing in a foreign currency by Section 113 of the LGA 2002.

## 2.5 Interest Rate Risk Management

Interest rate risk management refers to managing the impact that movements in interest rates can have on MDC's cash flows. This impact can be both favourable and unfavourable.

Interest is incurred on any bank funding facility, issuance of local authority stock and other borrowing arrangements. This policy recognises that the longer the term of borrowing, the greater the interest rate risk. Longer term fixed rate borrowings may be of benefit if market interest rates rise, but equally may not allow MDC to take advantage of periods of low interest rates.

A balance is achieved through having variable terms with regard to interest rate resets. The following table details the interest rate risk management parameters that MDC is required to adhere to for all externally sourced debt.

### FIXED RATE HEDGING PERCENTAGES

	Minimum Fixed Rate	Maximum Fixed Rate
0 to 2 years	50%	100%
2 years to 5 years	30%	70%
5 years to 10 years	0%	50%

Any hedging outside these parameters or for longer than 10 years must be approved by the full Council before being initiated.

The hedging parameters are cumulative. For example if total debt was \$25 million, \$5 million of hedging entered into for a period of 5 years would increase the hedging profile for all time buckets up to 5 years, by 20%.

Fixed rate debt is defined as any debt that has an interest rate reset beyond 3 months.

MDC decides the interest rate risk management strategy by monitoring the interest rate markets on a regular basis, evaluating the outlook for short term rates in comparison to the rates payable on fixed rate borrowing. Council may use interest rate risk management products to convert fixed rate borrowing into floating rate and floating rate borrowing into fixed or hedged borrowing.

## 2.6 Authorised Interest Rate Risk Management Instruments

Council may use the following interest rate risk management instruments to manage externally sourced debt:

- Interest Rate Swaps.
- Forward Rate Agreements.
- Interest Rate Options on approved underlying instruments, eg; on Interest Rate Swaps or bonds.
- Interest Rate Collar strategy, but only where the ratio of the face value and interest rate exposure on bought to sold legs is 1:1.

## 2.7 Counterparty Exposure

Interest rate hedging can only be undertaken with New Zealand Registered Banks. An up-to-date list of New Zealand Registered Banks and current credit ratings can be obtained from the Reserve Bank of New Zealand's website.

## 2.8 Liquidity and Funding Risk

Liquidity management refers to the timely availability of funds when needed, without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms than that of existing facilities. A key factor of funding risk management is to reduce the concentration of risk at any one point in time so that if one-off internal or external negative credit events occur, the overall interest cost is not unnecessarily increased.

The following guidelines have been established to provide MDC with appropriate levels of liquidity at all times, as follows:

- Cash flow forecasts will be produced to assist in the matching of operational and capital expenditure to revenue streams and borrowing requirements.
- MDC will maintain its financial market investments in liquid instruments.

The following guidelines have been established to control funding risk:

- To avoid a concentration of debt maturity dates no more than 50% or \$25 million (whichever is the highest) of debt can be subject to refinancing on a rolling 12 month basis.

## 2.9 Debt Repayment

Repayment of debt (interest and principal) is governed by:

- Affordability of debt servicing costs.
- Intergenerational equity principles.
- Maintenance of prudent debt levels and borrowing limits.

MDC repays borrowings from general or targeted rates, general funds or renewal loans.

## 2.10 Borrowing Limits

In managing its borrowings, MDC will adhere to the following financial covenants:

- Earnings before interest and tax has to be at least 2.25 times net interest. (previously 2.5)
- Gross annual interest expense cannot exceed 12.5% of total operating revenue. (previously 10%)
- Net cash flow from operating activities to exceed gross annual interest expense by at least two times.

The actual ratios for the above covenants will be determined by Council and reviewed annually.

## 2.11 Security

All loans are secured over either the separate general and targeted rates of the district or Council assets.

Formal security over either the separate general and targeted rates of the district or Council assets requires prior Council approval.

## 2.12 Borrowing Mechanisms

In developing strategies for new borrowing (in relation to source, term, size and pricing) Council takes into account the following:

- Available and Council approved sources, terms and types of borrowing.
- MDC's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates, margins and total cost relative to term and nature of the borrowing.



- The market's and Council's outlook on future interest rate movements.
- Legal documentation and financial covenants.

## 3. Investment Policy

### 3.1 Introduction

MDC holds financial investments which include:

- Special funds, sinking funds and reserves.
- Funds set aside for approved future expenditure.
- Proceeds from the sale of assets.
- Forestry.
- Temporary surpluses and working capital funds.

Council provides loans and advances to:

- MDC Holdings Limited.
- Community groups.
- Others.

Council holds equity investments which include:

- MDC Holdings Limited, which in turn holds investments in Port Marlborough Limited and Marlborough Airport Limited.
- Forestry related assets.

### 3.2 Local Government Act 2002 Requirements

Section 105 of the LGA 2002 provides that the Investment Policy required to be adopted under Section 102(4)(c) must state the local authority policies in respect of investments, including:

- The mix of investments.
- The objectives in terms of which financial and equity investments are to be managed.
- The acquisition of new investments.
- An outline of the procedures by which investments are managed and reported on to the local authority.
- An outline of how risks associated with investments are assessed and managed.

### 3.3 Objectives

The objectives of this investment policy are consistent with market best practices and will take into account the requirements of MDC's Annual Plan and LTCCP. The key investment policy objectives are to:

- Prudently manage MDC's investment assets in the interests of the Council's district and its inhabitants and ratepayers, only for lawful purposes and so as to safeguard against loss.

- Manage investments in accordance with the LGA 2002 and the Trustee Act 1956; administer, manage and account for its funds and exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others.
- Maximise investment income within a prudent level of investment risk. Council recognises that as a responsible public authority any investments that it does hold should be of relatively low risk. It also recognises that lower risk generally means lower returns.
- Ensure the integrity of MDC's financial market investments by only investing in appropriate organisations and financial market instruments as specified in this policy.
- Ensure investments are maintained at an appropriate level of liquidity to enable the provision of cash flow when required.
- Manage the potential risk due to adverse interest rate movements.
- Maintain relationships with financial market participants, to enable MDC to carry out its financial market investment activities in an efficient and practical way.
- Regularly review the performance and credit-worthiness of all investments.
- Maintain operational controls and procedures to best protect Council against financial loss, opportunity cost and other inefficiencies.

### 3.4 Investment Management and Internal Controls

Council approves policy parameters in relation to investment activities.

MDC's investment activities are managed centrally through an accounting function and takes the following into consideration when deciding on the suitability of any investment:

- The desirability of diversifying investments.
- The nature of existing investments.
- The risk of capital loss or depreciation.
- The potential for capital appreciation.
- The likely income return.
- The length of the term of the proposed investment.
- The marketability of the proposed investment.
- The effect of the proposed investment in relation to tax liability.
- The likelihood of inflation affecting the value of the proposed investment.

Council's systems of internal controls over investment activity include:

- Adequate segregation of duties among the core investment functions of deal execution, confirmation, settling and accounting/reporting. There are a small number of people involved in investment activity, however the risk from this will be further minimised by the following processes:



- A documented approval process for investment activity.
- Regular management reporting and review.
- Regular operational risk control reviews by an independent audit function.
- Organisational, systems, procedural and reconciliation controls to ensure:
  - All investment activity is bona fide and properly authorised.
  - Reviews are in place to ensure MDC's accounts and records are updated promptly, accurately and completely.
- Overall assessment of performance of funds management.

### 3.5 Financial Market Risk Management

MDC's primary objective when investing is the protection of its capital. Accordingly, only creditworthy counterparties are acceptable. Specifically, MDC minimises its credit exposure by ensuring that all financial market investments meet the criteria outlined in the following table. These limits are cumulative and relate to the combined 'short and long' term funds portfolios. Liquidity risk is managed by ensuring that all investments are readily tradable on the secondary market. In practice this is achieved by the credit rating and financial market instrument criteria contained in the investment table.

Counterparty risk shall be managed by only permitting financial market transactions with New Zealand Registered Banks and full members of the New Zealand Stock Exchange.

## AUTHORISED INVESTMENT CRITERIA

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for each issuer subject to overall portfolio limit for issuer class.
New Zealand Government or Government Guaranteed.	100%	<ul style="list-style-type: none"> <li>Government Stock</li> <li>Treasury Bills</li> </ul>	Not Applicable	Unlimited
Local Authorities where rates are used as security.	70%	<ul style="list-style-type: none"> <li>Promissory Notes</li> <li>Bonds/MTN's/FRN's</li> </ul>	Not Applicable	\$3.0 million \$3.0 million
New Zealand Registered Banks.	100%	<ul style="list-style-type: none"> <li>Call/Deposits/Bank Bills/Promissory Notes</li> <li>Bonds/MTN's/FRN's</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A+ or better	\$10.0 million \$5.0 million*
State Owned Enterprises.	70%	<ul style="list-style-type: none"> <li>Promissory Notes</li> <li>Bonds/MTN's/FRN's</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$3.0 million \$1.0 million \$3.0 million
Corporates.	70%	<ul style="list-style-type: none"> <li>Promissory Notes</li> <li>Bonds/MTN's/FRN's</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$3.0 million \$1.0 million \$3.0 million
District Health Boards.	40%	<ul style="list-style-type: none"> <li>Promissory Notes</li> <li>Bonds/MTN's/FRN's</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A+ or better	\$3.0 million \$3.0 million

Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified, unless Council formally approves the continued holding of the investment.

\* Investments in New Zealand Registered Banks are restricted to a maximum of 5% of an individual bank's tier one capital as detailed in its latest Reserve Bank return.

### 3.6 Interest Rate Risk Management

Interest rate risk refers to the impact that movements in interest rates can have on MDC's cash flows. MDC's financial investments give rise to direct exposure to interest rate movements. Interest rate risk is managed by Council as part of its overall investment strategy.

The following interest rate risk management instruments in relation to investment are approved by Council:

- Interest Rate Swaps.
- Forward Rate Agreements.

Council does not enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

### 3.7 Duration Control for Long Term Funds Portfolio ("LTFP")

Duration calculates the effective average term of an investment portfolio by combining all individual investments and weighting all the cash flows using a series of net present value calculations. Duration is then reported as the average life of the portfolio as if it was effectively one investment instrument, eg; 2.9 years.

The duration for the LTFP shall be controlled by referencing its duration against an appropriate external benchmark. MDC is able to vary the duration of the portfolio by no more than 25% either side of the benchmark portfolio's duration. Compliance with the duration control is not required if the nominal value of the portfolio is less than \$5 million.

### 3.8 Benchmarking

Benchmarking measures the performance of a portfolio against an appropriate external benchmark, thus providing MDC with an indication as to the effectiveness and suitability of the current investment parameters and the manner in which the parameters are being implemented at an operational level.

MDC shall benchmark the performance of the LTFP against the performance of an appropriate external benchmark portfolio. Compliance with the benchmarking standard is not required if the nominal value of the portfolio is less than \$5 million.

### 3.9 Equity Investments

MDC 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 MDC accounts with dividend income reflected in the MDC accounts as revenue.

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

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

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

## 4. Foreign Exchange Policy

MDC may incur foreign exchange exposures through the occasional purchase of foreign exchange denominated plant, equipment and services. All significant commitments defined as an exposure in excess of NZD50,000 equivalent are hedged using foreign exchange contracts.

## 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. Council reviews its funding policy at least every three years. The last review was completed prior to the initiation of the 2009 Long Term Council Community Plan (LTCCP), and changes adopted are detailed in paragraph 12.
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. Council's Revenue and Expenditure Policy deals with the revenue and financing mechanisms at a "Sub-Activity" level. Sub-Activities are a sub-set of "Activities", which in turn are a sub-set of "Activity Groups" eg;
 

*One of Council's Activity Groups is "People".*  
*One of People's Activities is "Community Support".*  
*One of Community Support's Sub-Activities is "Recreation".*
4. In determining which funding 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; and
  - 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.

5. Prior to determining the "Residual amount to be funded by General-type Rates", Council identified all other funding sources appropriate to each activity. These other sources, and the approach taken by Council are listed in the paragraph 9 table, which highlights the funding sources for every Council activity and any sub-activity which may exist. The table shows the rating tools which Council has determined to be fair and equitable for each activity.

### *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.

### *General-Type Targeted Rates and Charges*

The proportion of each activity's costs to be met from general-type targeted rates and charges is detailed in Table 9. The allocations in that table reflect Council's assessment of the benefits which should be funded by property value rates, and the benefits which should be funded by uniform annual charge. In these instances Council believe separate general targeted rates and charges are the most equitable funding mechanism based of the benefits assessed for each targeted geographic area.

Separate differential categories are utilised for general-type rates and charges, and these are specified in each year's Funding Impact Statement. Council currently has six geographic areas and three categories of land use for each of these areas.

### *Separate Targeted Rates*

Targeted rates are levied to meet the full cost of separate water schemes, refuse collections, defined roading improvements, defined marketing and tourism activities, and for other services where Council has been requested to levy such rates. In these instances Council believe separate targeted rates are the most equitable funding mechanism based of the benefits assessed for the targeted area.

Council has adopted differential land value rates to fund the debt servicing requirement of all sewerage schemes, which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge. The most significant benefits derived from this combined

single sewerage funding scheme are a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

Note:

The combined sewerage rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

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 are rates that are targeted to a particular area of benefit. e.g. Water. *(Separate targeted rates are based on the land value of each property other than Wairau River Rates and Kenepuru Road Rates which are levied on capital value, or the Southern Valleys' Irrigation Rate which is based on irrigable hectares).*
- Separate targeted Charges are charges that are targeted to a particular area of benefit e.g. Water.
- 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 or uniform charge (as the case may be) will be the same for all areas).*
- Council has the following policies to determine what constitutes a “separately used or inhabited part of a rating unit”:
  - That in situations where a rating unit contains both a commercial or industrial type use, and a residential or rural type use, they will be treated as two separate uses and be assessed two sets of charges, except where the owner of the commercial/industrial operation resides on the same rating unit.

- For those rating units where the owner of the rating unit resides and operates a business or businesses from the same rating unit, they will be assessed only one uniform targeted charge for geographic area general-type works. Where services such as water, sewerage and refuse collection are supplied, separate charges will be assessed on the separately used or inhabited portions.
- Where a number of different businesses are located on one rating unit, each separate business will be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
- Where rating units contain separate residential habitable dwellings that are capable of independent habitation *(ie they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc)*, uniform charges will be assessed on each dwelling.
- If a rating unit contains a dwelling and a flat *(as shown as a “nature of improvements” on the Council valuation roll)* and the flat contains a kitchen; uniform charges will be assessed on both the dwelling and the flat.
- Council has adopted the following differential rating categories:
  - **Residential or Rural**  
All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation. "Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category.  
  
Forestry is included in this category for the purposes of the General Works and Services Rate.
  - **Commercial or Industrial**  
All land used for a commercial or industrial purpose. "Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision. "Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods. For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care, as well as rating units otherwise assessed as "utilities".

- *Homestay or Farmstay*  
Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes, where a Building Act or Resource consent was required for such a use.
- *Utilities*  
Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.
- *Multiple Land Uses*  
The Council will partition a rating unit where there are two or more land uses that fit into different differential rating categories.

7. *Property Valuation System*  
Independent property valuations are provided to Council, under contract, by Quotable Value New Zealand. The Marlborough district was last revalued on 1 July 2008 and the new values apply from the 2009-10 rating year.

8. *Compliance with Financial Management Requirements*  
The “Activities” that comprise the seven “Activity Groups” of Democratic Process, People, Emergency Management, Land and Water Services, Environmental Policy and Information, Regional Development, and Regulatory are listed in the following tables together with a summary of Council’s consideration outcomes:

8.1 *Operating Expenses Funding Policy*  
The following table summarises Council’s Operating Expenses Funding Policy at an Activity level:

	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Democratic Process	Yes	No	Yes	No	No	No	No	No
Culture and Heritage	Yes	No	Yes	No	No	No	Yes	Yes
Community Housing	No	Yes	No	No	No	No	Yes	No
Community Safety	Yes	No	Yes	No	No	No	Yes	Yes
Community Support	Yes	No	Yes	No	No	No	Yes	Yes

	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Library Services	Yes	Yes	Yes	No	No	No	No	Yes
Emergency Management	Yes	No	Yes	No	No	No	No	Yes
Community Facilities	Yes	Yes	Yes	No	No	No	Yes	No
Land Transport	Yes	Yes	Yes	No	No	No	Yes	No
Rivers and Land Drainage	Yes	Yes	Yes	No	No	No	No	No
Wastewater (Sewerage)	Yes	Yes	No	No	No	No	Yes	Yes
Stormwater	Yes	Yes	Yes	No	No	No	Yes	No
Water Supply	Yes	Yes	No	No	No	No	Yes	No
Solid Waste Management	Yes	Yes	Yes	No	No	No	Yes	No
Environmental Policy	Yes	No	Yes	No	No	No	No	No
Environmental Science and Monitoring	Yes	No	Yes	No	No	No	No	No
Biosecurity (Pest Management)	Yes	No	Yes	No	No	No	No	No
Regional Development	Yes	No	Yes	No	No	No	Yes	Yes
Events Management	Yes	No	Yes	No	No	No	Yes	Yes

# REVENUE AND FINANCING POLICY

	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Marketing and Tourism	Yes	No	Yes	No	No	No	Yes	Yes
Research	Yes	No	Yes	No	No	No	Yes	Yes
Resource Consents	Yes	Yes	Yes	No	No	No	No	No
Building Control	Yes	Yes	Yes	No	No	No	No	No
Environmental Health	Yes	Yes	Yes	No	No	No	No	No
Environmental Protection	Yes	Yes	Yes	No	No	No	No	No
Project and Land Memoranda	Yes	Yes	Yes	No	No	No	No	No
Animal Control	Yes	Yes	Yes	No	No	No	No	No
Harbours	Yes	Yes	Yes	No	No	No	No	No

	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Community Support	Yes	No	Yes	No	No	No	Yes	Yes
Library Services	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Emergency Management	Yes	No	Yes	Yes	Yes	No	No	Yes
Community Facilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Land Transport	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Rivers and Land Drainage	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Wastewater (Sewerage)	Yes	Yes	No	Yes	No	Yes	Yes	Yes
Stormwater	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
Water Supply	Yes	Yes	No	Yes	No	Yes	Yes	Yes
Solid Waste Management	Yes	Yes	Yes	Yes	No	No	Yes	No
Environmental Policy	Yes	No	Yes	No	No	No	No	No
Environmental Science and Monitoring	Yes	No	Yes	No	No	No	No	No
Biosecurity (Pest Management)	Yes	No	Yes	No	No	No	No	No
Regional Development	Yes	No	Yes	No	No	No	No	No
Events Management	Yes	No	Yes	No	No	No	No	No

## 8.2 Capital Expenditure Funding Policy

The following table summarises Council's Capital Expenditure Funding Policy at an Activity level: The utilisation order of the various funding sources is detailed in paragraph 10. Funding of Capital Requirements.

	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Democratic Process	Yes	No	Yes	Yes	No	No	No	No
Culture and Heritage	Yes	No	Yes	Yes	No	No	Yes	Yes
Community Housing	No	No	No	Yes	Yes	No	Yes	No
Community Safety	Yes	No	Yes	Yes	No	No	Yes	Yes



	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
Marketing and Tourism	Yes	No	Yes	No	No	No	No	No
Research Centre	Yes	No	Yes	No	No	No	No	No
Resource Consents	Yes	No	Yes	No	No	No	No	No
Building Control	Yes	No	Yes	No	No	No	No	No
Environmental Health	Yes	No	Yes	No	No	No	No	No
Environmental Protection	Yes	No	Yes	No	No	No	No	No
Project and Land Memoranda	Yes	No	Yes	No	No	No	No	No
Animal Control	Yes	Yes	Yes	Yes	No	No	No	No
Harbours	Yes	Yes	Yes	Yes	Yes	No	No	No

8.3 Prior to determining the funding basis for each activity, Council gave consideration to the following matters which are summarised below at an Activity level: (Table 9 further identifies the rate funding basis at a Sub-Activity level).

- Community Outcomes to which Activities Contribute
  - Democratic Process Full participation.
  - Culture and Heritage Creativity; Heritage.
  - Community Housing Affordable housing; Positive ageing.
  - Community Safety Safety and security; Positive ageing; Positive youth.
  - Community Support Full participation; Positive ageing; Positive youth; Physical activity.
  - Library Services Full participation; Knowledge and learning; Creativity; Heritage; Prosperity.

- Emergency Management Safety and security.
- Community Facilities Physical activity; Fun and Recreation; Heritage.
- Land Transport Essential services; Physical activity; Prosperity; Environmental sustainability..
- Rivers and Land Drainage Essential services; Environmental sustainability; Prosperity.
- Wastewater (Sewerage) Essential services; Environmental sustainability.
- Stormwater Essential services; Environmental sustainability.
- Water Supply Essential services.
- Solid Waste Management Essential services; Environmental sustainability.
- Environmental Policy Prosperity; Environmental sustainability.
- Environmental Science and Monitoring Prosperity; Environmental sustainability.
- Biosecurity (Pest Management) Prosperity; Environmental sustainability.
- Regional Development Prosperity; Enterprise and endeavour.
- Events Management Prosperity; Full participation.
- Marketing and Tourism Prosperity; Enterprise and endeavour.
- Research Centre Prosperity; Enterprise and endeavour; Environmental sustainability.
- Resource Consents Prosperity; Environmental sustainability.
- Building Control Energy efficiency, Affordable housing.
- Environmental Health Health choices.
- Environmental Protection Environmental sustainability; Health choices.
- Project and Land Essential services.

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|---|--|--|
| <ul style="list-style-type: none"> <li>Memoranda</li> <li>○ Animal Control                      Safety and security.</li> <li>○ Harbours                                Safety and security; Environmental sustainability; Fun and Recreation.</li> </ul>   | <ul style="list-style-type: none"> <li>○ Emergency Management</li> </ul>                           | <p>Individual users of hazard information benefit from knowledge of hazards that directly affect them and learning how to mitigate the effects.</p> <p>Regional and national communities benefit directly from the maintenance of a response capability; knowledge of hazards; and measures to mitigate and contain harmful effects.</p>   |
| <ul style="list-style-type: none"> <li>• Extent to which the Actions or Inaction of Particular Individuals or a Group Contribute to the Need to Undertake the Activity.</li> <li>○ Democratic Process                  The democratic process is a public benefit available to the community at large.</li> <li>○ Culture and Heritage                 The Council contributes towards these activities for the benefit of all, as it views arts and culture as essential to the health and well-being of society. It believes that a strong community is knowledgeable of its heritage and also preserves and respects the achievements of the past.</li> <li>○ Community Housing                 The social and economic position of individuals creates the need for community housing.</li> <li>○ Community Safety                    Individuals and businesses desire to be safe and protect personal assets.</li> <li>○ Community Support                  The Council supports the community by ensuring that the public has access to a broad range of recreational, arts cultural and social opportunities.</li> <li>○ Library Services                        This activity is potentially beneficial to all as it provides individuals with the opportunity to develop a lifestyle that enhances learning and creates recreational, cultural and social opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>○ Community Facilities</li> <li>○ Land Transport</li> </ul> | <p>The Council provides community facilities to allow residents to enjoy access to a wide range of recreational, cultural and social activities.</p> <p>Users of the roading network create the need for maintenance from the number of trips that are made and the type of vehicle is used. The subsidies that the Council receives from New Zealand Transport Agency are funded through petrol taxes and road user charges that reflect the volume of use by each road user. The level of subsidies received does not, however equate to the Council's view of the public/private benefit split. Hence the balance must be rate funded.</p> <p>'Areas of benefit' will be established for the purpose of funding seal extensions. The 'area of benefit' will fund the cost of seal extension.</p> <p>By Council funding Total Mobility, people with disabilities benefit directly by obtaining transport services; and family and friends of those with disabilities benefit indirectly by less need to transport those people around.</p> |

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|--|---|---|---|
| <ul style="list-style-type: none"> <li>○ Rivers and Land Drainage</li> </ul> | <p>The Council plans for flood protection to decide how best to protect life and property in the floodplain and to preserve or enhance the environment and amenity values of river corridors.</p> <p>The ratepayers in the floodplain (residents and businesses) in the area directly affected by the planning and subsequent works benefit directly through avoiding the risk of floods and potentially through increased property value.</p> <p>Owners and providers of infrastructure (telephone, roads, rails etc) also benefit directly by avoiding damage to their assets.</p> <p>Ratepayers in the surrounding economic 'catchment' adjacent to the floodplain benefit indirectly through their integration with the area affected by the flood protection scheme.</p> <p>The regional community also benefits indirectly through protection of their means of access around the region.</p> | <ul style="list-style-type: none"> <li>○ Water Supply</li> </ul>  | <p>Ratepayers who are connected to the water schemes are creating the need for the Council to undertake work relating to the availability of potable water. It is considered appropriate for these people to fund the work through targeted rates. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will contribute to these costs.</p>  |
| <ul style="list-style-type: none"> <li>○ Wastewater (Sewerage)</li> </ul>    | <p>People who are connected to the sewer schemes are creating the need for the Council to undertake work to minimise the damage to the District's waterways. It is considered appropriate for these people to fund the work through targeted rates. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will contribute to these costs.</p>   | <ul style="list-style-type: none"> <li>○ Solid Waste Management</li> </ul>  | <p>Council provides waste management services for public health reasons and to protect the environment.</p> <p>Benefits apply directly to those who are in an area which has a kerbside refuse collection service. The Council considers that properties that receive, or will receive, a waste collection service should be responsible for funding expenditure relating to collection and those that dispose of refuse at the transfer stations should pay a disposal fee.</p>                                |
| <ul style="list-style-type: none"> <li>○ Stormwater</li> </ul>               | <p>Owners of developed properties require that there are systems for the collection and disposal of stormwater. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will contribute to these costs.</p>   | <ul style="list-style-type: none"> <li>○ Environmental Policy</li> <li>○ Environmental Science and Monitoring</li> <li>○ Biosecurity (Pest Management)</li> </ul> | <p>People and organisations benefit in the regional community through sound policy development, reviews and planning to enable the sustainable management of the region's resources.</p> <p>The regional community is the primary beneficiary of this activity as the information collected provides the basis for reporting, sound policy development, reviews and planning.</p> <p>The management of pests is essential for the District's continued prosperity, environmental sustainability and health.</p> |

- Regional Development, Events Management, Marketing and Tourism and Research Centre  
 These activities are primarily undertaken with Destination Marlborough, Festivals and Events Trust, and the Marlborough Research Centre Trust. All of these organisations are Charitable Trusts to which Council makes contributions. They 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.
- Resource Consents  
 Persons or organisations applying for services require the Council to undertake work and this is reflected in user charges.
- Building Control  
 Persons or organisations applying for services require the Council to undertake work and this is reflected in user charges.
- Environmental Health  
 Environmental health compliance benefits all through having a clean, healthy environment.
- Environmental Protection  
 Environmental health compliance benefits all through having a clean, healthy environment.
- Project and Land Memoranda  
 Persons or organisations applying for services require the Council to undertake work and this is reflected in user charges.
- Animal Control  
 The activity protects the public from aggressive or straying animals.
- Harbours  
 Recreational harbour users benefit directly by avoiding natural and other hazards e.g. collisions. They benefit directly from a clean marine environment and shorter duration of pollution. Swimmers and other recreational harbour users benefit directly from effective management of the harbour and marine environment by enjoying safe, less congested waterways and by avoiding other hazards.  
  
 Commercial shipping and commercial fishing owners and operators benefit directly by avoiding natural and other hazards e.g. collisions; they also enjoy a direct commercial benefit. They also benefit directly from a clean marine environment and through shorter duration of pollution, thus avoiding delays and loss of business.
- Costs and Benefits of Funding the Activity Distinctly from Other Activities
  - Democratic Process  
 Costs associated with Democracy have been separated for reasons of transparency and accountability.
  - Culture and Heritage  
 Council funding is provided from general-type rates and charges as it is considered that all residents benefit from the well-being gained from creative pursuits and it is believed that it is beneficial to have a strong community which is knowledgeable of its heritage, and preserves and respects the achievements of the past.
  - Community Housing  
 Appropriate rentals are set to recover the costs associated with providing community housing.
  - Community Safety  
 The costs associated with community safety have been separated for reasons of transparency and accountability.

- Community Support Council provides grants and donations for social and community development groups and assists community groups to access funds for other (non-Council) sources. It works with specific sectors of the community including youth, and the older community, helps to provide liaison between community organisations and develops partnerships with and between central government and non-governmental organisations for the benefit and well-being of Marlborough residents.
- Library Services There is private benefit for those that use the library services, however, the Council considers that there are wide community benefits from ensuring only minimal charges are imposed.
- Emergency Management The significance of ratepayers funding this activity is an assurance of having a safer and secure community which benefits all.
- Community Facilities The benefit of identifying community facilities distinctly is that it enables appropriate user charges to be calculated for applicable facilities. The Council accepts however that user charges cannot fully fund the actual costs of the upkeep of the facilities and the shortfall is funded by way of general-type rates and charges.
- Land Transport The benefit of funding roading distinctly is to enable a fairer distribution of rates between rural and urban ratepayers to be determined.
- Rivers and Land Drainage The activity, being an essential service to the district, benefits all, although some more than others. Therefore varying rates apply across the district that take account of benefits provided.  
  
Gravel extraction and quarry operations are 100% funded from user charges.
- Wastewater (Sewerage) The benefit of funding sewerage distinctly is that only those in the area of benefit will contribute to the funding.
- Stormwater The benefit of funding drainage distinctly is that only those within urban drainage areas will contribute to their funding and rural drainage systems will be funded by rural areas.
- Water Supply Water supplies are funded distinctly from other activities because only those within the supply area fund the scheme costs.
- Solid Waste Management Where benefits are identified to specific users it is appropriate that user charges and targeted rates are set to match the private benefit received.
- Environmental Policy The benefit is the knowledge that the environment is being managed appropriately and concerns are being addressed. The community benefits through the sustainable management of the region's resources. It is totally funded by general-type rates and charges.
- Environmental Science and Monitoring The benefit is the knowledge that the environment is being managed appropriately and concerns are being addressed. The community benefits through the sustainable management of the region's resources. It is totally funded by general-type rates and charges.
- Biosecurity (Pest Management) The benefit is the knowledge that Biosecurity issues are being managed appropriately and concerns are being addressed.
- Regional Development, Events Management, Marketing and Tourism, and Research The benefit of these activities is to promote the continued economic development of the District as a whole.

- Resource Consents
  - Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
  - There is no alternative funding mechanism that would be a reasonable substitute.
- Building Control
  - Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
  - There is no alternative funding mechanism that would be a reasonable substitute.
- Environmental Health
  - Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
  - There is no alternative funding mechanism that would be a reasonable substitute.
- Environmental Protection
  - Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
  - There is no alternative funding mechanism that would be a reasonable substitute.
- Project and Land Memoranda
  - Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
  - There is no alternative funding mechanism that would be a reasonable substitute.
- Animal Control
  - Separation of costs allows charges to be calculated on a full cost-recovery basis.
- Harbours
  - Recreational harbour users, commercial shipping and commercial fishing owners and operators benefit directly by this activity.
- Overall Impact on Current/Future Social, Economic, Environmental and Cultural Well- Being of the Community
  - Democratic Process
    - Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective decision making and leadership for the community, and through effective public information.
  - Culture and Heritage
    - The overall impact is significant in terms of promoting cultural enrichment, and giving residents the opportunity to gain valuable knowledge of their heritage.
  - Community Housing
    - Significant impact on the social well-being of the community.
  - Community Safety
    - Safety and security have a significant impact on the social, economic, cultural and environmental well being of the community.
  - Community Support
    - Significant impact on the social, economic and cultural well-being of the community in terms of promoting cultural enrichment and opportunities for residents to participate in community life.
  - Library Services
    - The provision of libraries contributes to the economic, social and cultural well-being of the community by providing individuals with the opportunity to enhance learning and contributes to the well being of the community.
  - Emergency Management
    - Significant impact on the social, economic, cultural and environmental well-being of the community through maintaining readiness to respond to adverse events, and assisting with the health, safety and well-being of the community.
  - Community Facilities
    - Significant impact on the social, economic and cultural well-being of the community, in terms of promoting cultural enrichment and opportunities for residents to be involved in community life.

- Land Transport      An efficient road transport network has a significant impact on the social, economic and environmental well-being of the community.
- Rivers and Land Drainage      Adequate river protection has a significant impact on the social, economic and environmental well being of the community.
- Wastewater (Sewerage)      Significant positive impact on the social, economic and environmental well being of the community. Treatment and disposal will protect the health of the community and the environment from adverse affects of untreated or uncontrolled effluent disposal.
- Stormwater      An adequate drainage system has a significant impact on the social, economic and environmental well-being of the community.
- Water Supply      Water is a necessity of life and the supply of water has a significant impact on the social, economic and environmental well-being of the community.
- Solid Waste Management      An adequate refuse collection and disposal system has a significant impact on the social, economic and environmental well-being of the community.
- Environmental Policy      Significant impact on the social, economic and environmental well being of the community through protecting the sustainability of the community.
- Environmental Science and Monitoring      Significant impact on the social, economic and environmental well being of the community through protecting the sustainability of the community.
- Biosecurity (Pest Management)      Significant impact on the social, economic and environmental well being of the community through protecting the sustainability of the community.
- Regional Development, Events Management, Marketing and Tourism, and Research Centre      Significant impact on the social, economic, cultural and environmental well being of the community.
- Resource Consents      Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
- Building Control      Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
- Environmental Health      Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
- Environmental Protection      Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
- Project and Land Memoranda      Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
- Animal Control      The diligent policing of this activity has a significant impact on the social, economic, cultural and environmental well-being of the community.
- Harbours      Significant impact on the social, economic and environmental well being of users of the waterways.



• **Distribution of Benefits**

	DISTRICT-WIDE	TARGETED AREA	INDIVIDUALS
Democratic Process	100%		
Culture and Heritage	100%		
Community Housing			100%
Community Safety	10%	90%	
Community Support	100%		
Library Services	20%		80%
Emergency Management	100%		
Community Facilities	50%	50%	
Land Transport	80%		20%
Rivers and Land Drainage	20%	80%	

	DISTRICT-WIDE	TARGETED AREA	INDIVIDUALS
Wastewater (Sewerage)		100%	
Stormwater		100%	
Water Supply		100%	
Solid Waste Management	10%	90%	
Environmental Policy	80%	20%	
Environmental Science and Monitoring	80%	20%	
Biosecurity (Pest Management)	80%	20%	
Regional Development, Events Management, Marketing and Tourism, and Research Centre	80%	20%	
Resource Consents	20%		80%

	DISTRICT- WIDE	TARGETED AREA	INDIVIDUALS	RESIDUAL RATE FUNDING BASIS						
				Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General- type Targeted "Rates" %	General- type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Building Control	20%		80%							
Environmental Health	20%		80%	<b>DEMOCRATIC PROCESS (excluding Community Boards/Forums)</b>			0	100	0	0
Environmental Protection	20%		80%							
Project and Land Memoranda	20%		80%		Community Boards (as determined)			0	0	100
Animal Control		10%	90%	Community Boards (as determined)			0	0	0	100
Harbours	10%	90%		Picton Forum			0	0	0	100
				<b>CULTURE &amp; HERITAGE</b>						
				Arts: Marlborough Art Gallery Grants			40	60	0	0
				Arts: Other Grants			40	60	0	0
				Heritage: Marlborough Historical Society Grants			40	60	0	0
				Heritage: Other Grants			40	60	0	0
				Museums – Picton			100	0	0	0

**NOTE:** Benefits are expected to occur for at least the duration of the 10 year Community Plan, however many extend to the life of the applicable assets or the service provided.

## 9. Funding of Expenditure by Activity

The following table illustrates how the Residual Rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made for any applicable Fees, Charges, Grants, and Subsidies; or other Direct Revenue that relates to the activity/sub-activity; and having given consideration to the matters in paragraph 8.

A separate supplementary report outlining "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.

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Museums: Renwick			100	0	0	0	<b>COMMUNITY SUPPORT</b>							
Museums – Rural			100	0	0	0								
Memorials: Cleghorn Rotunda			100	0	0	0		Community: Grants & Donations			40	60	0	0
Memorials: Picton			100	0	0	0		Community: Recreation			0	100	0	0
Memorials - Seymour Square			100	0	0	0								
Memorials: Town Centre Clock			100	0	0	0		<b>LIBRARY SERVICES</b>	*		0	100	0	0
Memorials – Other			100	0	0	0		<b>EMERGENCY MANAGEMENT</b>						
<b>COMMUNITY HOUSING</b>	*		0	0	0	0	Fire Protection	*	*	100	0	0	0	
							Emergency Management – Other		*	40	60	0	0	
<b>COMMUNITY SAFETY</b>							<b>COMMUNITY FACILITIES</b>							
Community: Safer Community	*	*	40	60	0	0	Cemeteries	*	*	0	100	0	0	
Community: Security Cameras [Blenheim CBD]			100	0	0	0	Halls (Group 1) Awarua Park			100	0	0	0	
							Halls (Group 2) Waitaria			100	0	0	0	

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Halls (Group 3) Gen Rural Halls			100	0	0	0	Reserves (Group 5) Endeav. Prk/Waitohi Domain			4	96	0	0
Halls (Group 5) Fairhall Hall			100	0	0	0	Reserves (Group 6) A&P/Horton Park			10	90	0	0
Halls (Group 6) Koromiko Hall			100	0	0	0	Reserves (Group 7) Ath Park/Oliver Park	*		10	90	0	0
Halls (Group 7) Wairau Rd C/Centre			100	0	0	0	Reserves (Group 8) Bobs Bay/Ptn F'Shore etc			40	60	0	0
Halls (Group 8) QC College			100	0	0	0	Reserves (Group 9) Churchward Park			28	72	0	0
Halls (Group 9) B/Vic. Halls			100	0	0	0	Reserves (Group 10) Rural Domains			4	96	0	0
Public Conveniences			0	100	0	0	Reserves (Group 11) Nelson Square			28	72	0	0
Reserves (Group 1a) Bln Neighbourhood			1	99	0	0	Reserves (Group 12) Pollard/Seymour/Riverside etc			40	60	0	0
Reserves (Group 1b) B/V Neighbourhood			1	99	0	0	Reserves (Group 13) Wither Walkway etc			40	60	0	0
Reserves (Group 2a) Ptn Neighbourhood	*		1	99	0	0	Reserves (Group 14) Rural Reserves			100	0	0	0
Reserves (Group 2b) P/V Neighbourhood			1	99	0	0	Reserves (Group 15) Misc Leased Reserves	*		100	0	0	0
Reserves (Group 3) WV Domain			1	99	0	0							
Reserves (Group 4) Bln Vicinity Domains			4	96	0	0							

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Swimming Pools: Aquatic Centre	*		3	97	0	0	Targeted: Kenepuru Road			0	0	100	0
Swimming Pools: Awatere	*		3	97	0	0	Targeted: Okiwa Bay Jetty			0	0	0	100
Swimming Pools: Picton	*		3	97	0	0	Targeted: Other Roads (as approved)			0	0	0	100
							Targeted: Other Roads (as approved)			0	0	100	0
<b>LAND TRANSPORT</b>													
Subdivisional Works	*		100	0	0	0	Targeted: Landscaping (Urban 1)			0	0	0	100
Roading Network		*	100	0	0	0	Targeted Landscaping (Urban 2)			0	0	0	100
Roading Related Works			100	0	0	0	Targeted Landscaping (Rural 1)			0	0	0	100
Street Trees, Berms & Plots			100	0	0	0	Targeted Landscaping (Rural 2)			0	0	0	100
Blenheim CBD Works			100	0	0	0	Parking: Blenheim Loans			100	0	0	0
Picton CBD Works			100	0	0	0	Parking: Blenheim Other	*		100	0	0	0
Targeted: French Pass Road			0	0	0	100							
Targeted: Heberds Road			0	0	0	100							
Targeted: Kaiuma Road			0	0	0	100							

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Parking: Picton Loans	*		0	100	0	0	- Havelock Sewerage Loan - No Lump Sum			0	0	100	0
Parking: Picton Other	*		0	100	0	0	- Picton Capital	*	*	0	0	100	0
							- Picton Operating			0	0	0	100
							- Picton Sewerage Loan - No Lump Sum			0	0	100	0
<b>RIVERS AND LAND DRAINAGE</b>													
Rivers in Wairau Valley District - (Sep. Targeted Rate)	*		0	0	100	0	- Renwick – New Scheme (Capital)	*	*	0	0	100	0
Rivers outside WV Rating District	*		100	0	0	0	- Renwick On-going (Same as Bln)			0	0	0	100
							- Renwick Sewerage Loan - No Lump Sum			0	0	100	0
<b>WASTEWATER (SEWERAGE) - (Targeted Rates )</b>													
- Blenheim Capital	*	*	0	0	100	0	- Seddon Capital	*	*	0	0	100	0
- Blenheim Operating			0	0	0	100	- Seddon Operating			0	0	0	100
- Grovetown Sewerage – No Lump Sum			0	0	100	0	- Spring Creek Capital	*	*	0	0	100	0
- Havelock Capital	*	*	0	0	100	0	- Spring Creek Operating			0	0	0	100
- Havelock Operating			0	0	0	100	- Spring Creek Sewerage Loan - No Lump Sum			0	0	100	0

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
<b>STORMWATER</b>							- Awatere Water - Metered			0	0	100	0
Stormwater – Blenheim	*		100	0	0	0	- Awatere Water - UAC			0	0	0	100
Stormwater - Havelock (General Rural)	*		100	0	0	0	- Blenheim Water – Capital	*	*	0	0	100	0
Stormwater - Okiwi Bay			0	0	0	100	- Blenheim Water – Metered			0	0	100	
Stormwater – Picton	*		100	0	0	0	- Blenheim Water – UAC			0	0	0	100
Stormwater - Rai Valley (General Rural)			100	0	0	0	- Havelock Water – Capital	*	*	0	0	100	0
Stormwater - Renwick (Blenheim Vicinity)	*		100	0	0	0	- Havelock Water – Metered			0	0	100	0
Stormwater - Seddon (General Rural)	*		100	0	0	0	- Havelock Water – UAC			0	0	0	100
Stormwater - Spring Creek (Blenheim Vicinity)	*		100	0	0	0	- Picton Water – Capital	*	*	0	0	100	0
Stormwater – Other			100	0	0	0	- Picton Water – Metered			0	0	100	0
<b>WATER SUPPLY (Separate Targeted Rates)</b>							- Picton Water – UAC			0	0	0	100
- Awatere Water - Capital	*	*	0	0	100	0	- Renwick Water – Capital	*	*	0	0	100	0
							- Renwick Water – Metered			0	0	100	0



# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
- Renwick Water – UAC			0	0	0	100	Landfills, Transfer Stations, Waste Minimisation	*		0	100	0	0
- Riverlands Water	*		0	0	100	0							
- Riverlands Water – UAC			0	0	0	100							
- Southern Valley Irrigation – Capital – No Lump Sum		*	0	0	100	0	<b>ENVIRONMENTAL POLICY AND INFORMATION</b>						
- Southern Valleys Irrigation – Metered	*		0	0	100	0	Environment Policy			80	20	0	0
- Wairau Valley Water Metered	*	*	0	0	100	0	Environment Review (Monitoring)			80	20	0	0
Wairau Valley – UAC			0	0	0	100	<b>REGIONAL DEVELOPMENT</b>						
- Wairau Valley Water Loan - No Lump Sum			0	0	0	100	Destination Marlborough			100	0	0	0
							Tourism			0	0	0	100
							Research Centre			100	0	0	0
							Other Developments			100	0	0	0
							Events Management			0	100	0	0
<b>WASTE MANAGEMENT</b>													
Blenheim/Picton Refuse Collection and Kerbside Recycling (Separate targeted rates)			0	0	0	100							
Admin Area Refuse Collection			0	100	0	0							

# REVENUE AND FINANCING POLICY

Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees & Charges (*) where applic.	Grants & Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
<b>CONSENTS AND COMPLIANCE</b>							<b>ANIMAL CONTROL</b>						
Resource Consents	*		100	0	0	0	Dog Control	*		0	0	0	0
Building Control	*		100	0	0	0	Other Animal Control	*		100	0	0	0
Environmental Protection			100	0	0	0	<b>FORESTRY</b>	*		100	0	0	0
Environmental Health	*		0	100	0	0	<b>LAND DEVELOPMENT</b>	*		100	0	0	0
Hearings	*		0	100	0	0	<b>RENTAL HOUSING</b>	*		100	0	0	0
Legal Section			100	0	0	0	<b>COMMERCIAL LEASES</b>	*		100	0	0	0
PIM & LIM Section	*		100	0	0	0	<b>RIVER LEASES</b>	*		100	0	0	0
Public Information			100	0	0	0	<b>MDC HOLDINGS</b>			100	0	0	0
<b>ANIMAL AND PLANT PESTS</b>							<b>LAND SUBDIVISION RESERVE GRANTS</b>						
Biosecurity: Regional Pest Control	*	*	100	0	0	0	<b>AGENCIES</b>			0	0	0	100
Bovine T.B. Control	*	*	100	0	0	0	<b>SPECIAL REVENUES</b>			100	0	0	0
<b>HARBOURS</b>	*		100	0	0	0	<b>GENERAL REVENUES</b> (allocated on the basis of gross general-type rates and charges)	*		variable	variable	0	0

## 10. Funding of Capital Requirements

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

- Development and 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].
- Targeted rates [directly charged].

## 11. 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*

- Funded 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 to mitigate the effects of growth. (Where capital expenditure can be funded from these contributions, Council will generally use these sources of funding to meet the cost of growth of the district in preference to other services).

### *Forestry Income*

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

## 12. Changes to Existing Funding Policy

Following an in-depth review of its Revenue and Financing Policy, Council initiated a number of funding changes that will take effect from 1 July 2009.

The review included the following issues:

- Consideration of the background to the existing funding policies.
- A review of user charges.
- An examination of the provisions of the Local Government (Rating) Act 2002.
  - 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 system is based on property land values*).
  - Review of the “funding relationship weightings system” (*see explanation of this in Terminology*), to ensure that appropriate funding allocations are made to take account of the Financial Management considerations outlined in Section 101 of the Local Government Act 2002.
  - The effect of collecting more revenue from “uniform annual charges” instead of from “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.

Up until 2008-09 Council has fully rate funded both Depreciation and Sinking Fund Instalments (*with a few exceptions*).

As from 1.07.09 Council has funded Depreciation and Sinking Funds on the following basis:

1. Depreciation has been fully funded for all assets with the following exceptions:
  - Roads, where funding has been adjusted to take account of NZ Transport Agency financial contributions.
  - Halls, Convention Centre, reserves, drains, river channels, retards and Taylor Dam as it is planned that these assets are either maintained in perpetuity, or their replacement is not certain because of changing community needs.
  - Wairau Valley Water, Havelock Sewerage, and Southern Valleys' Irrigation Schemes, where funding is capped at current levels in accordance with practice established following community consultation.
2. Sinking Funds have been funded from depreciation reserves with the following exceptions:
  - Sinking Funds are being used to repay loans that were raised to acquire assets with a significant non-depreciable component.
  - Where there is a specific rate or dedicated part of any rate to meet debt servicing costs

A review of the Wairau Valley River Protection Rates. Council proposes to modify the weightings of the various Wairau Valley Rivers' groups to adjust for

disproportionate valuation movements arising from the 2008 district wide revaluation.

This means that the various differential groups will have similar levies (in total) on the new capital values, as for the former valuation.

Council postponed the implementation of a kerbside recycling collection for Blenheim and Picton in 2009-10 and have determined to review the proposal for 2010-11. The intention is to apply differentials to the existing refuse collection charges in order that commercial and industrial properties are not levied for a kerbside collection service that will not be provided to this sector.

Council has transferred 31 properties on the Mahau peninsula from the Administration Rural Geographic Rating Area to the General Rural Geographic Rating Area, because these properties are able to obtain access from the Kenepuru Road.

Council will apply an annual CPI adjustment to targeted Tourism Charges commencing from 1 July 2009.

Following recommendations from the Awatere Settlers Association and many Awatere residents, Council has replaced the existing uniform annual charge (per meter) and the residual metered water charge, with a uniform charge per separately used or inhabited part of a rating unit, and a residual metered water charge from 1 July 2009.

Council will introduce a range of targeted rates in parts of the district where higher landscaping standards result in additional maintenance costs. Example areas where such rates could be levied include Dry Hills Lane, Marlborough Ridge, and the Riverlands new industrial zone. Such targeted rates will only be introduced when higher landscaping standards are required, and after appropriate consultation has occurred with affected ratepayers or developers.

As from 1 July 2009, except as provided below in the note, Council will fund the debt servicing requirement of all sewerage schemes by way of a differential land value rate which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge. The most significant benefits to be derived from this will be a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

Note:

Combined sewerage rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contribution.

Council has introduced a Picton Forum charge on the basis of a fixed amount per separately used or inhabited part of any rating unit in the Picton Electoral Ward. The charge will be used to fund an annual grant to the Picton Ward forum.

## FINANCIAL / DEVELOPMENT CONTRIBUTIONS POLICIES

### Introduction

1. Council levies financial contributions in accordance with the Resource Management Act 1991. Also commencing on page 170 is Council's Development Contribution Policy. It is intended that the new Development Contributions policy will replace the Financial Contributions Policy with the exception of the new North West zone, and parking contributions and where the new policy is silent on issues in the Resource Management Plans. It is intended that Council will apply the new Development Contributions Policy where there is duplication or conflicting policies.

Council will review the financial contributions policy contained in its District Plans at the earliest possible opportunity.

### Financial Contributions

#### Funding the Cost of Growth

2. It is necessary for the Council to determine funding sources for costs incurred to meet the increased demand for community facilities resulting from growth.

Alternative funding sources include:

- (i) Contributions, in the form of:
  - Financial contributions – levied in accordance with the provisions of the Resource Management Act 1991 (and through the District Plan).
  - Development contributions – levied in accordance with the provisions of the Local Government Act 2002; or
- (ii) Other sources of funding:  
Such as general rates, targeted rates, uniform annual general charges, fees and charges, interest and dividends from investments, borrowing, proceeds from asset sales and grants and subsidies.

Capital costs for community facilities required for purposes other than growth are met by rates, supplemented where appropriate by other sources of funding. These costs are for works intended to benefit the existing community and are best distributed to the community as a whole.

The methods of funding operating and capital expenditures of Council activities are set out in the Revenue and Financing Policy. That document identifies which Council activity or groups of activities contribute to each community outcome, together with a cost of service statement. These activities or groups are further refined by reference to demand characteristics and provide the basis for the costs of growth tables shown in this document.

Council's Revenue and Financing Policy stipulates that where capital expenditure can be funded from financial/development contributions.

Council will generally use these sources of funding to meet the cost of growth of the District in preference to other sources.

The use of financial/development contributions is based on the economic principle that costs should be borne by those who cause such costs. The recovery of costs from those who cause such costs would encourage efficient allocation of resources in the District. If developers are aware of the cost of the community facilities required for new developments in advance, they can take those costs into account when taking development decisions.

Council has to invest in advance in community facilities to create extra capacities to meet the demand caused by the growth of the district over time. It is not considered equitable to ask the current ratepayers to fund the facilities provided for the future users because the current ratepayers are paying their share of the cost of the existing infrastructure.

Financial/development contributions send clear signals to developers and the growth community about the true cost of growth. Growth costs can be properly apportioned over time so that members of the growth community only pay for capacity that they "use up". Financial/development contributions, as a dedicated growth funding source, offers more security of funding for community outcomes affected by growth.

The impact on the existing ratepayers is minimised while still attempting to maintain growth (note however that an increase in capital expenditure contributes to an increase in operating expenditure and depreciation which has to be funded from rates).

Financial/development contributions are specifically designed to recover Council's capital expenditure in providing for growth. They relate solely to projects where Council is committing expenditure through its LTCCP or has already incurred expenditure in anticipation of growth.

## Financial Contributions

The following extract is from Council's Resource Management Plan and highlights the basis for which financial contributions will be levied and the rules associated with subdivision.

### 2.19 Financial Contributions

#### 2.19.1 Definition of Cost

Cost includes all cost associated with the subdivision/development and will incorporate the cost of research and the holding cost of money over time. For the sake of clarity, all establishment costs shall be the developer's responsibility.

#### 2.19.2 Development Levies for Commercial or Industrial purposes (Applies in all zones)

Development is defined as: Constructing, erecting or altering any one or more buildings/structures (excluding utilities), intended to be used solely or principally for commercial or industrial purposes where the value of the construction, erection or alteration will exceed \$250,000'.

**2.19.2.1** The developer shall pay to the Council an amount not exceeding 0.5% of the value of the development;  
OR  
If the Council's policies for reserve land acquisition can be satisfied, provide an area of land to be set aside as public reserve of value equal to the amount otherwise payable;  
OR  
A combination of the above

#### 2.19.3 Development Levy for Residential Purposes (Applies to Residential Zones only)

Residential Development is defined as: 'Constructing, erecting or altering any one or more buildings for the purpose of providing one or more additional household units'.

**2.19.3.1** The developer shall meet the requirements of Rule 2.19.4 (Reserve Fund Contributions), with each household unit site deemed to be an allotment for this purpose.

#### 2.19.3.2 The following matters shall apply to the development levies specified in Rules 2.19.2 and 2.19.3

- Council will waive or reduce contributions in relation to any particular proposals where the developer suggests alternatives to avoid, remedy or mitigate the adverse effects of that proposal.
- For the purposes of esplanade reserves and esplanade strips 'Developments' have the same status as subdivisions.
- On receipt of documentary evidence from the developer Council will credit any residential development levy payable against any reserve fund contribution previously paid.

#### 2.19.4 Reserve Fund Contributions

Cash up to the maximum percentage specified below of the value of additional lots created on subdivision/development. The amount required shall be determined in accordance with the table set out below:

Rural Residential	4%	} of the land value of the newly created allotments
Rural, where residential lots of 1 ha or less are created	4%	
Urban Residential Zones	7.5%	
Township Residential/Deferred Township Residential	7.5%	
District Recreation Zone	7.5%	
Central and Neighbourhood Business Zones	7.5%	
Industrial and Port Zones	7.5%	
Rural Township Zone		

and/or, land to the equivalent value if the land proposed to vest satisfies Council's policies for reserve land acquisition.

#### 2.19.4.1 The following matters apply to reserve fund contributions:

- Council will waive or reduce contributions in relation to any particular proposal where the developer suggests alternatives to avoid, remedy or mitigate the effects of that proposal;
- If a developer can provide documentary evidence that a Development Levy has been paid for a particular residential property under the Local Government Act 1974, or other provisions contained in this Plan, then the levy paid will be credited against any reserve fund contribution for subdivision of that property.



## 2.19.5 *Financial Contributions for Connection to Sewerage Reticulation, Water Supply Networks and Stormwater Collection and Disposal Systems*

Where connection is required to existing community servicing infrastructure, the Council will require the subdivider/developer to pay to the Council the following costs:

- The full and actual cost of trunk sewer, water and stormwater mains or lateral connections to connect the subdivision/development to existing reticulation system(s).
- Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.

### **Advisory Note:**

All works will need to comply with Council's Code of Practice for Subdivision and Land Development and be certified as such prior to acceptance by Council for connection to community infrastructure.

## 2.19.6 *Financial Contributions for Extension/Upgrading Community Trunk Sewerage Network, Sewage Treatment and Disposal Systems, Stormwater Collection and Disposal Systems and Water Supply Network*

- Council will, as a condition of resource consent, require the subdivider/developer to pay for the full and actual costs of upgrading main trunk sewerage disposal, water supply and stormwater disposal networks.
- This includes the cost of the future upgrading of infrastructure where it is necessary to carry out the upgrading earlier than planned to cater for the increased demand created by a subdivision/development.
- The following formula shall apply:

$$\text{Cost of upgrading services for subdivision/development} = \frac{(E+D)-C}{(B-A)}$$

E = actual or estimated cost of upgrading services to serve the potential total number of allotments.

D = value of any estimated surplus capacity in existing services over that which is required to serve total number of properties currently in area.

C = estimated cost of upgrading required to existing services to serve total number of properties currently in area.

B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed.

A = total number of lots in area which are served by the service.

### **Advisory Note:**

The Council's Annual Plan sets out priorities for funding of specific land purchases and also provides the current financial information to enable the services contribution formula to be applied. It also makes provision for accommodating holding costs on a case by case basis where

Council is required to act as interim banker in circumstances where a stage of subdivision/development is beyond the physical reaches of the existing network.

## 2.19.7 *Financial Contributions for Roading*

### 2.19.7.1 *Direct and On Site Roading Requirements*

In the event of subdivision/development where roads, kerb and channel, footpaths, grass berms and vehicle crossings are considered inadequate to service the subdivision/development, the subdivider/developer will be responsible for the following.

- Full development of all new roads within the area of subdivision/development or pay to the Council the full cost of the formation of that new road;
- Pay the full cost of seal widening, beyond the subdivision/development which is directly attributable to the potential adverse effects generated by the subdivision/development on the existing roading infrastructure, and meet the cost of any carriageway parking;
- Pay the cost of the kerb and channel on the frontage of the subdivision/development and stormwater drainage for the subdivision/development;
- Pay the cost of any construction or levelling or sowing of grass berms on the frontage of the subdivision/development;
- Pay the full cost of footpaths for the frontage of the subdivision/development;
- Pay the cost of all vehicle crossings required to service individual sections in the subdivision, where roads are intended to be sealed.
- Pay 50% of the cost of sealing a gravel road adjoining the frontage of the subdivision where a sealed road is required;
- Vest in the Council an area of land for road widening where required.

### 2.19.7.2 *Advisory Note*

- In the event that a subsidy is granted to Council for any new works under taken to create facilities or improve existing facilities those subsidies will offset the contributions required.

### 2.19.7.3 *Financial Contributions towards the District Roading Network*

Council will require:

- A contribution of \$1,000 per new allotment created in every subdivision in Rural or Rural Residential zones;
- A contribution of \$500 per new allotment created in every subdivision in Urban Residential, Township Residential, Deferred



Township Residential, Central and Neighbourhood Business, Rural Township, Port and Industrial Zones.

**2.19.7.4** Council may waive or reduce the contributions specified in 2.19.7.3 in relation to any particular proposal where the subdivider/ developer suggests suitable alternatives to avoid, remedy or mitigate the adverse effects of that subdivision/development on the immediate or district roading network.

**2.19.7.5 Advisory Note**

- **Offsite Roading Contributions**  
The extent of the Council's roading system coupled with the wide variance in the standard of roading in particular areas and the diverse spread of the Marlborough population, effectively renders the subdivision of certain rural areas untenable, in terms of the cost to provide access to those areas.

With this in mind, Council accepts that it would be impractical and uneconomic in many cases to require a developer to meet the full and actual cost of upgrading the access roading infrastructure to service many subdivisions. Accordingly, Council will require the payment of a standard financial contribution in money for the off-site actual and potential adverse effects on the district roading infrastructure generated by the subdivision or development.

**2.19.8 Development**

Where a developer seeks consent to a land use activity that anticipates connection to existing services and roads and the site of that proposal is outside the area served by the established servicing infrastructure, then as a condition of that consent, the Council will require:

- The installation of all trunk mains required to connect to existing services or alternatively pay to the Council an amount to cover the value of such work.
- A financial contribution for the right to utilise the existing trunk water, sewerage or stormwater infrastructure calculated using the formula specified in Rule 2.19.6.
- A financial contribution towards the upgrading of existing roads which will service the development.

**2.19.9 Advisory Notes**

***Goods and Services Tax***

All monetary contributions are exclusive of GST and linked to the Opus Construction Cost Index (CCI).

***Developments***

Because of the unpredictable and diverse nature of development these financial contributions will be calculated based upon the specific adverse effects that may be generated by each unique development, using the principles applied to the financial contributions for subdivision.

***Contribution Amounts***

Contribution amounts for the upgrading of services will be published in the Council's Annual Plan, along with the parameters used to calculate them.

***Life of Contribution Amounts***

Any values determined at the time of consent will remain fixed for a period of two years from the date of consent and will be adjusted accordingly taking into account the Opus CCI where the scope of the consent extends beyond two years.

***Review of Contributions***

Council will review the financial contributions required for specific developments and subdivisions as part of its annual planning process and provide an indication of the levies to be charged. These levies will be based upon certain assumptions regarding lot sizes, timing of developments in the area and estimates of the cost to upgrade. Confirmation will need to be sought from Council that the indicated levies are appropriate for the development planned.

## DEVELOPMENT CONTRIBUTIONS POLICY

### Background

#### 1.1 Introduction

Marlborough district has experienced significant growth in recent times. Although this is often hailed as positive for the community, growth also presents a number of challenges. Not least is Council's task of expanding infrastructure networks to support the increased use of essential services.

The cost of expanding these networks is often high, and the issue of funding inevitably arises. Funding the expansion of these core networks entirely from general rates (or other indirect means) is inequitable, because existing ratepayers may neither cause these works to occur, nor materially benefit from them. As a result, alternative means for funding these capital works must be considered. Development Contributions is one such source.

Previously Council has levied financial contributions in accordance with the Resource Management Act 1991 to recover the cost of growth and decided not to use the options of collecting Development Contributions under the Local Government Act 2002. Council has revisited this decision and decided to adopt the following Development Contributions Policy. It is intended that the Development Contributions Policy will replace the Financial Contributions Policy with the exception of the new North West zone, parking contributions and where the new Policy is silent on issues in the Resource Management Plans.

Council considers the use of the Development Contributions mechanism under the Local Government Act 2002 to provide a fair more robust means of recovering the cost of growth as compared to charging ratepayers.

The table below sets out the financial impact of introducing the Development Contributions Policy, for the first 3 years in detail, the last 7 as a block and the total.

##### **Line 1**

This line details the forecast revenue from the current Financial Contributions Policy.

##### **Line 2**

This line shows the forecast revenue from the application of the Development Contributions Policy. The amounts shown are less than that derived from the Development Contributions model, as the model has taken a long term view (30+ year) view on growth. Over that time frame growth is forecast at 1.4% per annum

over the first 10 years, yielding revenue of up to \$63 million. However, because of the current economic situation and the fall off in the number of Resource and Building consents being issued, for revenue estimation purposes over the 10 years of the Plan a more conservative 1% growth rate has been adopted. Also to maintain development, Council has agreed to stage the full application of this levies over a three year period. The combined effect of these factors means that an estimated \$42.5 million will be generated from Development Contribution Levies.

##### **Line 3**

This line is the estimated additional revenue from adopting the Development Contributions Policy.

	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-19 \$m	Total \$m
Current Financial Contributions	3.0	3.2	3.3	28.0	37.5
Estimated Development Contributions	3.0	3.2	3.4	32.9	42.5
Likely increase in growth related contributions	0.0	0.0	0.1	4.9	5.0

#### 1.2 Application of Development Contributions

It is anticipated that development contributions collected will be spent as follows:

Activity	\$M
Reserves	12.4
Community Facilities	2.9
Water	12.5
Sewerage	12.6
Stormwater	1.1
Roads	1.0
Total	42.5

#### 1.3 Legislative Requirements

The Local Government Act 2002 (the LGA) is the enabling legislation through which Development Contributions were introduced. Section 102 of the LGA requires Council to adopt a policy on development contributions and/or financial contributions. This document satisfies that requirement.

## 1.4 Relationship to Financial Contributions under the RMA

Council is still operating a Financial Contributions Policy under the provisions of its district plan. These are separate from, and may be levied in addition to, Development Contributions under the LGA..

Council's Financial Contributions Policy focuses on avoiding, remedying and mitigating the adverse effects of development. As such, its focus is on the direct marginal impact of each development. For the most part, this is appropriate. A Development Contributions Policy is also needed – it takes a more strategic view of growth.

As a matter of clarification, Council may collect both development contributions and financial contributions from the same development, but only for different purposes.<sup>13</sup> Accordingly, some components of Council's Financial Contributions Policy will remain in operation upon commencement of this Development Contributions Policy.

Council will review the Financial Contributions Policy contained in its District Plans at the earliest possible opportunity. For the sake of clarity Council will seek to apply the Development Contributions Policy under the Local Government Act where there is duplication or conflicting policies. In the event that the Development Policy is silent on issues in the District Plans, the policies in the District Plans will still be applicable unless explicitly waived by Council in writing. It should also be noted that migration to a Development Contributions Policy does not signal any diminution in environmental protection, or undermine the environmental outcomes espoused in the District Plan. Developers will still be compelled to complete works on site to avoid, remedy, or mitigate adverse effects as a condition of consent, or in accordance with rules in the District Plan.

Moreover, where necessary, financial contributions may still be sought for environmental reasons off-site, for example for trees to enhance visual amenity. Financial contributions may also be required for infrastructure that will solely benefit the proposed development or is needed to deal with its impacts.

## 1.5 Navigating this Document

This document comprises several sections. Following are brief descriptions of each.

<sup>13</sup> Refer to section 200 of the Local Government Act 2002.

- *Section 2* provides a brief **overview of the Policy**, including the purpose of development contributions, when contributions may be required, the types of development that may be charged, and so on.
- *Section 3* addresses the **adoption and implementation** of this Policy, including the date of adoption, the frequency and scope of policy reviews, and any transitional provisions.
- *Section 4* outlines the **growth context**, and summarises the capital expenditures Council expects to incur (and has already incurred) to cater for growth.
- *Section 5* presents the **schedule of development contributions charges**, and details any limitations on the use of those funds.
- *Section 6* provides a simple flowchart diagram that shows **how to calculate** the contributions payable on developments.
- *Section 7* demonstrates **application of the Policy** to various development activities and outlines how credits are granted.
- *Section 8* presents Council's Policy on **remissions, refunds, reductions** and postponement of *development* contributions
- *Section 9* provides details on **additional administrative matters**, such as invoicing and payment, service connection fees and the handling of GST.
- *Section 10* outlines **how demand has been measured**, including the definition of household equivalent units.
- *Section 11* presents the **methodology** used to calculate charges and outlines the **significant assumptions underlying this Policy**.
- Pages 188 to 193 contains the maps for each catchment as at 1 July 2009
- Page 224 contains a **glossary of terms** used in this Policy.

## 2. Policy Overview

### 2.1 Purpose of Development Contributions

The purpose of development contributions is to recover an appropriate proportion of the costs of growth-related capital expenditures from participants in the property development process, rather than from general rates or any other indirect funding source.

### 2.2 How Charges are Calculated

Charges are calculated for each catchment and each activity on the basis of:

- the expected scale and timing of capital works required to service growth
- the expected rate and timing of developments for which works are required.

A more detailed explanation of the methodology is provided in section 11.

## 2.3 When Development Contributions May be Required

Section 197 defines a "development" as:

- any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- does not include the pipes or lines of a network utility operator

According to the LGA, development contributions may be required in relation to developments if:

- the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence,
- Council incurs capital expenditure to provide appropriately for those assets.<sup>14</sup>

Council is also entitled to require a development contribution for capital expenditures incurred in anticipation of development.

## 2.4 Types of Development that may be Charged

Any "development", as defined in section 197, that meets the test set out in 2.3, whether residential or non-residential, may be required to pay a development contribution as provided in this Policy.

## 2.5 Types of Activities that may be Funded

Council may levy development contributions for:

- *Reserves*
- *Network Infrastructure* – which includes roads and other transport, water, wastewater, and stormwater infrastructure
- *Community Infrastructure* – which includes land, or development assets on land, owned or controlled by Council to provide public amenities. It also includes the land that Council may acquire for this purpose.

Please also note that onsite works (within the boundaries of each development) are the sole responsibility of developers and do not form part of this Policy. They are usually required as a condition of resource consent.

## 2.6 Use of Development Contributions as a Funding Tool

The cost of infrastructure to cater for growth is covered by rates, financial contributions and development contributions.

The council considers that it is appropriate to pass a fair and reasonable proportion of the cost of growth onto developers through the development contributions Policy and through continued use of some financial contributions.

The Long Term Council Community Plan identifies community outcomes. The activities that the council will fund from development contributions all support the range of community outcomes in some way. The two key community outcomes relate to:

- environmental sustainability for future generations; and
- provision of essential services.

The Council has carefully considered, for each activity, the matters included in section 101(3) of the Local Government Act 2002 as part of its evaluation and allocation of growth costs under this Policy. In summary, using development contributions and some financial contributions to fund the growth costs for certain of these activities (rather than rates and a higher level of financial contributions) is considered to be appropriate for a number of reasons, including the following.

- Development contributions are fairer because they allocate growth costs to the section of the community that creates the need for the council to incur these costs, ie developers and new residents or occupants.
- Development contributions allocate costs to the growth community and new residents or occupants who will benefit from the new assets, or the assets of additional capacity, that are funded out of the contributions.
- Development contributions send clear signals to developers and the growth community about the true cost of growth.
- Growth costs can be properly apportioned over time, so that members of the growth community only pay for capacity that they use and an appropriate proportion of those costs are allocated to future generations.
- Development contributions allow growth-related capital expenditure in relation to particular activities to be funded distinctly from other expenditure on those activities, and from expenditure on other activities, and therefore provide transparency and accountability regarding the true costs of growth.
- Development contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth.
- The council considers that using development contributions to fund the cost of growth-related capital expenditure for the activities covered by this Policy will best advance social, economic, environmental and cultural well-being.

## 3. Adoption, Implementation and Review

### 3.1 Timing

Following the consideration of public submissions and the completion of special consultative procedures, this Policy was adopted as part of Council's Long Term Council Community Plan for the period 2009-2019.

<sup>14</sup> In this context, "effect" includes the cumulative effect that a development may have in combination with another development.

Any application for resource consent, building consent or service connection received on, or after, 1 July 2009 will be subject to the provisions of this Policy (and any amendments).

### 3.2 Frequency and Scope of Reviews

Council will review this Policy at least once every three years, or more frequently if deemed necessary. Each review will take into account - but not be limited to:

- any changes to the significant assumptions underlying the Development Contributions Policy;
- any changes in the capital works programme for growth;
- any significant changes in the costs of labour, construction or technology;
- any changes in the expected nature, scale, location or timing of development;
- any changes that require new or significant modelling of the networks;
- any changes to the District Plan;
- the regular reviews of the Funding and Financial Policies, and the LTCCP;
- any other matters Council considers relevant.

The Development Contribution levies will also be updated annually to account for changes in the Producers Price Index as published by Statistic's New Zealand.

### 3.3 Transitional Provisions and Ongoing use of Financial Contributions

Council will review the Financial Contributions Policy contained in its Resource Management Plans at the earliest possible opportunity. Conditions providing for the mitigation of environmental effects from a development will continue to apply, including financial contributions where appropriate. For the sake of clarity, Council will seek to apply the Development Contributions Policy under the Local Government Act where there is duplication or conflicting policies. In the event that the Development Contributions Policy does not address issues in the Resource Management Plans, the policies in the Resource Management Plan will still be applicable. The notes under section 5.1 outline some of the specific financial contributions which will still apply in accordance with the District Plans including Northwest Zone levies and levies in lieu of provision of Parking.

## 4. Planning for Growth

### 4.1 Growth Context

Recent growth provides both the context and the motivation for this Policy. The extent of these pressures is documented in the following charts, which plot the usually resident population and the number of occupied dwellings, respectively.

Figure 1: Usually Resident Population in Marlborough District

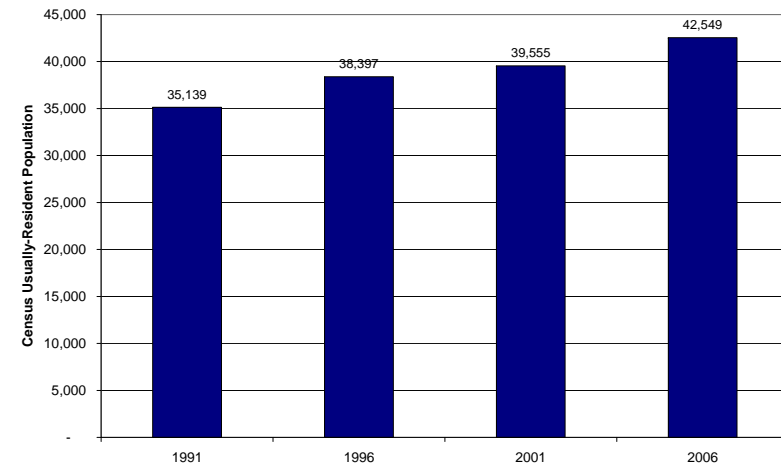
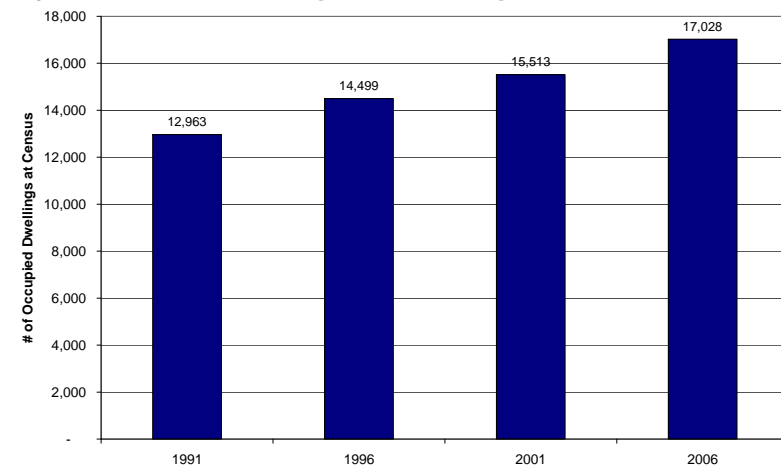


Figure 2: Occupied Dwellings in Marlborough District



According to these figures, population has grown 21% since 1991, while the number of occupied dwellings has grown 31%. Clearly, growth is significant and Council must plan accordingly.

## 4.2 Growth Projections

Accurate growth projections are a fundamental component of any development Contributions Policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread. Unfortunately, however, growth projections are often difficult to generate with any reasonable degree of accuracy.

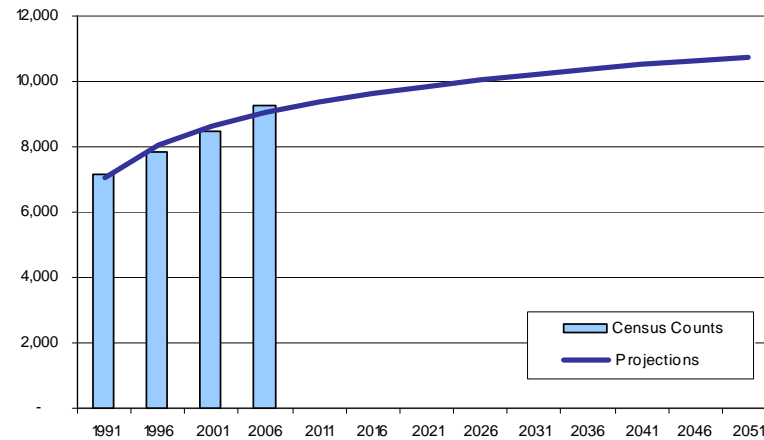
The methods used to forecast growth often differ between residential and non-residential developments. For residential developments, several methods are available. All seek to project the number of households (or dwellings). One method is to project population and convert to households using average household size. Another is to extrapolate building consent trends. Yet another is to extrapolate the number of dwellings directly.

All three methods were tested during the development of this Policy, and the results evaluated by Council officers. Population projections were deemed to produce artificially-low projections. This is partly due to dwellings growing at a much faster rate than population (as reflected in figures 1 and 2 above).

Residential building consent data for the district is volatile, with variations in consents and a lack in confidence in the projections, Council has determined that this data is inappropriate.

Fortunately, the final method – projecting dwellings directly - produced plausible estimates. Logarithmic trends were fitted to census dwelling counts for 1991, 1996, 2001 and 2006, and subsequently extrapolated to 2051. This was done separately for each activity/catchment combination. The following chart demonstrates the application of this method to the Blenheim water catchment.

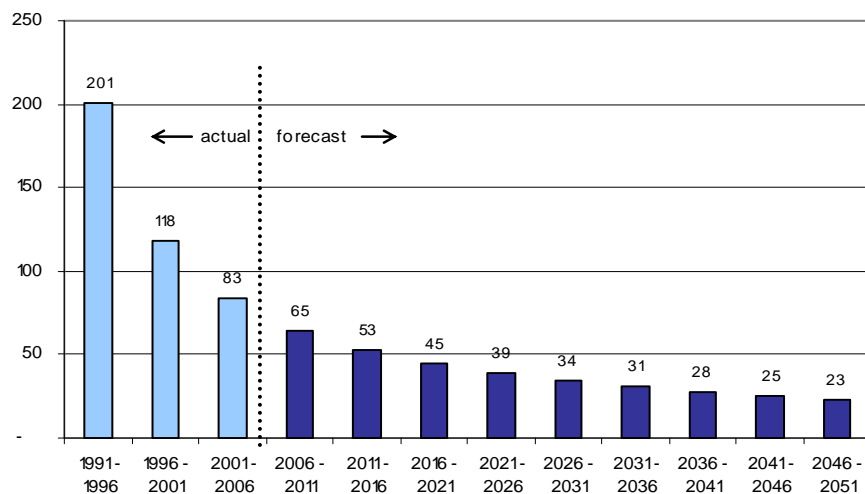
Figure 3: Dwelling Projection Line for Blenheim Water



The projection line in the figure above is used to infer the annual growth in the number of dwellings, as reproduced in the figure below. These models and projections have been used to provide a guide for the annual growth HEUs (household equivalent units) used to calculate the development contributions. The table shows higher annual HEUs than the models project which has the effect of lowering the development contributions required per lot. Historically annual projections from Statistics have fallen below the actual growth experienced in the region. The monitoring of residential and industrial growth (reflected in HEU equivalents) will occur on an ongoing basis.



Figure 4: Annual Increases in the number of Dwellings



Actual Catchments and Annual Growth used in the model are as follows:

Catchment	Activity	Annual Growth (HEUs)
Regional	Land Transport Reserves Community facilities	180
Blenheim	Water Storm water Wastewater	146
Picton	Water Storm water Wastewater	30
Renwick	Water Storm water Wastewater	10
Grovetown	Wastewater	4
Spring Creek	Wastewater	4
Havelock	Water Wastewater	4
Seddon	Water Wastewater	4

### 4.3 Capital Expenditures Required to Service Growth

Council has developed a funding model which provides the data regarding capital expenditure program attributable to growth, catchment areas, finance costs,

projected growth. The capital programme is as per that contained in the LTCCP. Should further detailed information be required please do not hesitate to contact Council's Corporate Finance Manager.

Summary of capital expenditure apportioned to growth and revenue by activity for the ten year period of the 2009 Long term Council Community Plan.

Activity	Capital Expenditure	Present Value of Expenditure	Proposed Revenue from Contributions (10 year)	Present value of Revenue from Contributions
Reserves	\$19,260,000	\$13,100,000	\$18,650,000	\$12,700,000
Community facilities	\$9,400,000	\$8,190,000	\$4,400,000	\$3,090,000
Water	\$27,023,000	\$16,780,000	\$18,880,000	\$12,300,000
Sewerage	\$30,714,000	\$19,332,000	\$18,880,000	\$12,300,000
Storm water	\$1,392,000	\$1,085,000	\$1,605,000	\$982,000
Roads	\$4,630,000	\$3,114,000	\$1,480,000	\$1,030,000

(Notes to table above)

- In determining the capital expenditure incurred in anticipation of growth in the levied period above historic capital expenditure has been taken into account.
- In determining the opening capacity associated with future growth revenue from previous developments has been taken into account.
- NZ transport Agency funding has been netted off the capital expenditure for Roads.
- Subsidy for Drinking Water Standards has been netted off the capital expenditure table where applicable.

**Reserves** capital programme has been evaluated for capital expenditure that relates to the acquisition of land and the establishment of reserves to cater for growth. Council have higher capital demands than funding for reserves caused by growth in the District. Typically the acquisition and development of reserves is undertaken in a manner which meets the income derived from development. The allocation of costs for this activity includes the consideration of the factors in section 101 (3) (a) of the Local Government Act 2002, including the evaluation of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101 (3) (b) of the act, the Council considers that using development contributions to fund part of this activity supports overall community wellbeing.

**Community Facilities** identified as having District wide benefit for which the Council has considered the need to ensure that development caters for future growth in the district are the proposed new Civic Theatre and the redevelopment of the aquatic centre. In addition spare capacity for the library facilities and regional community and sporting facilities



(examples Hockey Turf, Renwick Community centre etc) have been catered for in determining the development contributions for the growth portion. To ensure only growth-related costs are captured, the list of projects does not include renewals, projects to address existing gaps (shortfall), non-growth projects, and projects that are directed at service-level improvement. The allocation of costs for this activity includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake this activity. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of this activity supports overall community well-being.

**Water, Sewerage, Stormwater and Land Transport** capital programs are based on the respective asset management plans. In calculating the capital growth for these infrastructure activities a top down approach has been used. Under this approach the cost of growth has been calculated by:

- Estimating the total capital works required to provide for the full network.
- Estimating the proportion of these works which relate to growth, and
- Calculating the per unit cost of growth.

The allocation of costs for these activities includes consideration of the factors in section 101(3)(a) of the Local Government Act 2002, including the distribution of benefits and the extent to which certain groups contribute to the need to undertake these activities. In relation to section 101(3)(b) of the act, the council considers that using development contributions to fund part of these activities supports overall community well-being.

### **Past Expenditures in Anticipation of Growth**

The loan balances as at 1 July 2008 have been used as a basis of charging development a share of the cost of past expenditure which catered for growth. An assessment of capacity has been used to determine the appropriate allocation to future development.

## 5. Development Contributions

### 5.1 Schedule of Charges

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl)
Regional	Land Transport	\$2,162	Urban \$750 Rural \$1,500
	Reserves (refer note re rural subdivision)	6.0% of urban land value (GST incl.) of additional allotments created or \$12,000 (GST incl.) whichever is the lesser.  3.0% of rural land value (GST incl.) of additional allotments created or \$12,000 (GST incl.) whichever is the lesser.	6.0% of urban land value (GST incl.) of additional allotments created or \$12,000 (GST incl.) whichever is the lesser  3.0% of rural land value (GST incl.) of additional allotments created or \$12,000 (GST incl.) whichever is the lesser..
	Community Facilities Levy (refer note re rural subdivision)	\$2,818	\$2,700
Blenheim	Water Storm water Wastewater	\$4,125 \$620 \$6,729	\$4,125 \$620 \$6,729
Picton	Water	\$15,290	\$7,645
	Storm water	N.A. or separately assessed.	N.A. or separately assessed.
	Wastewater	\$9,215	\$4,607

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl)
Renwick	Water Storm water Wastewater	\$6,378 \$1,997 \$5,324 (per current assessment under Wairau/Awatere Plan) actual development cost was twice this figure.	\$3,185 \$1,000 \$5,324
Grovetown	Wastewater	\$10,404	\$10,404
Spring Creek	Wastewater	\$9,071	\$9,071
Havelock	Water Wastewater	\$6,336 \$4,566	\$3,168 \$2,283
Seddon	Water	\$9,660	\$5,300 Urban Rural to be separately assessed
	Wastewater	\$5,774	\$2,887

#### Additional Information Regarding Development Contributions Payable

These are the development contributions applicable for the 2009/2010 financial year commencing 1 July 2009. However, to continue to facilitate development within the community during the current economic climate, Council agreed to staging the full application of these Development Contribution Levies over the next three years.

Development Contribution Levies will not exceed the amount that would have been levied under the Financial Contributions Policy existing at 30 June 2009 in 2009/10, i.e. a 0% increment. For the 2010/11, 2011/12 and 2012/13 financial years an additional 33%, 66% and 100% respectively, of the difference between the amount that would have been charged in total under the Development Contributions Policy and the amount that would have been charged in total under the Financial Contributions Policy will be applied.

New activities not covered by the Financial Contribution Policy as at 30 June 2009 will be charged under the Development Contributions Policy.

The full Development Contributions Policy will apply from 1 July 2009, but the charges that will be levied under this Policy will be phased in over the next three financial years and will be applied in full from the 2012/13 financial year.

Development Contributions will be adjusted annually by the Producers Price Index movements as published by Statistics New Zealand. Land value, for calculation of development contributions for reserves, is determined by Council through the use of a valuation from a registered valuer to be provided at the developers cost.

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

## Financial Contributions that Continue to Apply

In addition to the above development contributions site specific financial contributions requiring either on site or offsite works to mitigate the environmental effects from a development may continue to be applied as a condition of resource consent. In particular, but without limitation, financial contributions as follows:

- a) North West Blenheim the financial contributions titled “zone levies” will remain for this area as defined in the Wairau Awatere Resource Management Plan. For the sake of clarity the “Upgrade Levies” contained in the District Plan will no longer apply and will be replaced by Development Contributions outlined in this Policy.
- b) With regard to road contributions specific development contributions for each subdivision are likely to be assessed especially those in rural locations.
- c) In the case of parking provision outlined in the District Plans any contributions (in lieu of providing parking) will continue to apply.

## 5.2 Use of Development Contributions

Council will use development contributions only towards the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment.

Contributions may not be redistributed between catchments or activities, but they may be reallocated across projects within a catchment for a given activity. Thus contributions collected for water projects in the Blenheim water catchment (say) will only be spent on water projects in Blenheim.

In addition development contributions will not be used for the renewal or maintenance of assets. Nor will they be used for capital works projects that bear no relation to growth.

## 5.3 Limitations

Council will not require a development contribution for network infrastructure, reserves or community infrastructure to the extent that:

- under §108(2)(a) of the RMA, it has imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- it has received, or will receive, full funding from a third party.

Council will at its sole discretion determine when development contributions are not applicable.

## 6. How to Calculate Development Contributions Payable

The following flow chart demonstrates how to calculate the contributions payable on your development. Prior to following this stepped process consideration for section 7.1 should be read.

*STEP 1: Identify Catchments*

**Go to the CATCHMENT MAPS\* for each service identify what catchment your development falls in**



*STEP 2: Identify Contributions Payable*

**Go to the Development Contributions Schedule in Section 5.1 and identify the contributions payable per unit of demand in the catchments identified in step 1.**



*STEP 3: Calculate the Number of HEUs*

**Use the Units of Demand Table in Section 10 along with details of your proposed development to calculate the number of HEUs generated for each activity. Then, using the information in section 7.9, subtract any credits that may apply.**

**(In general, credits are given for the pre existing status of properties. Credits may also be granted for historic payments of development contributions or financial contributions.)**



*STEP 4: Calculate Charges for Each Service*

**Multiply the HEUs calculated in step 3 by the contributions payable identified in step 2.**



*STEP 5: Aggregate Charges & Add GST*

**Calculate the total development contributions payable by summing the charges calculated in step 4 and adding GST**

\*The Land Transport urban area is that zoned:

- Central Business Zone, Central Business Zone/Primary Shopping Area, Industrial one and Two Zones, Neighbourhood Business Zone, Township Residential Zone, Urban and Residential One and Two Zones in the Wairau/Awatere Resource Management Plan: and
- Town Commercial, Urban Industrial Zone and Urban Residential Zone in the Marlborough Sounds Resource Management Plan.

## 7. Assessment and Application of Policy

### 7.1 Threshold for and Timing of Assessment

Not all developments will be liable for development contributions; indeed, only developments that place demands on infrastructure (and for which Council incurs costs) will be charged. In order to separate developments that should be charged from those that should not, a robust assessment process is needed.

If at the time of development connection is not possible in relation to an activity then no Development Contribution will be charged in relation to that activity. This does not preclude collection (charging) development contributions at a future date on connection.

In general, each development will be assessed – to see whether it creates a demand on infrastructure and should therefore be liable to pay development contributions – when granting:

- A resource consent under the RMA for a development.
- A building consent under the Building Act 2004.
- An authorization for a service connection.

### 7.2 Assessment Process

In general, assessment will be made against the first consent application lodged for the development, and when (if any) subsequent consent is sought, a re-assessment will be undertaken to determine whether the level of demand has changed. If, for whatever reason, development contributions were not assessed at the first available opportunity, they still may be required at subsequent stages in the development process.

When Council assesses a development contribution at the subdivision consent stage, the expected dominant nature of activities (according to the existing land use consent or District Plan) will determine the type of development contribution payable.

If a subsequent application indicates a change in the nature of activities from that previously envisaged, the development contribution will be reassessed and any difference from a contribution paid will be debited or credited to the applicant and invoiced as appropriate.

## 7.3 Residential Activities

### 7.3.1 Subdivision

The creation of residential allotments via subdivision provides scope for new residential dwellings, and therefore attracts development contributions at a rate of one HEU per *additional* allotment. Where two or more independent dwellings reside on one title, and consent is sought to separate the properties into separate allotments with individual titles, development contributions will not be charged (assuming there are no new service connections).

### 7.3.2 Rural Land Uses

Residential developments in the rural area are treated the same as in the urban environment. Each rural allotment will be assessed as having 1 HEU per residential dwelling on the property, except for those properties that have waived the right to erect a residential dwelling as part of creating the allotment. Each additional residential dwelling on a rural allotment will be assessed as an additional HEU.

Non residential sheds and farm buildings associated with rural activities, which do not place an additional demand on infrastructural services, will not incur a development contribution.

### 7.3.3 Other Resource Consent Applications

If a resource consent application creates the potential to build additional independent dwellings it will attract development contributions at a rate of one HEU per dwelling.

### 7.3.4 Building Consent Applications

To the extent that dwellings constructed on allotments have not previously been charged financial or development contributions for an activity included in this Policy, the development will be liable for development contributions for that activity under this Policy.

*Note:* Additions to residential dwellings do not attract development contributions unless they create additional independent dwelling units. Thus, garages, car ports and garden sheds do not attract charges.

### 7.3.5 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.3.4.

Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate-out shared meters and services will not attract contributions.

assessed as per section 7.4.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity for which connection is sought. Applications to separate shared meters will not attract contributions.

## 7.4 Non-Residential Activities

### 7.4.1 Subdivision

Non-residential subdivisions will attract development contributions on each additional allotment created. If the intended land use is unknown at the time of subdivision, each allotment will be charged a development contribution equal to one HEU. Any additional demand generated by the development will then be assessed at the time a building consent, land use consent or service connection application is granted (at which time land use will become known).

If the intended land use is known at the time of subdivision, development contributions will be based on (i) each lot's planned gross floor area (GFA), and (ii) the intended land use.<sup>15</sup> Consideration will be given to the conversion table in section 10.3. Where expected demand is known this will be used instead of GFA.

Unless a separate assessment shows demand is created for the activities of reserves or community infrastructure, development contributions for non-residential activities are not charged for these activities.

### 7.4.2 Land Use and Building Consent Applications

Non-residential developments, including those located in rural areas, will attract development contributions based on their GFA and intended land use. If an existing structure is demolished or removed prior to construction, the GFA of that structure will be used as a credit against any new structure(s) erected on the site. If there is no existing structure(s) on the site, credit to reflect contributions paid at the time of subdivision (if any) will be allocated against the new GFA of the development.

### 7.4.3 Service Connection Applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be

<sup>15</sup> Stormwater charges, once included in this Policy, will be based on the impervious surface area of each non-residential development, not their gross floor areas.

## 7.5 Riverlands Industrial Estate

The scale, diversity and unpredictable timing of developments at the Riverlands Industrial Estate have confounded Council's attempts to forecast the rate of growth, as well as the level of infrastructure required to service that growth. Consequently, Council has been unable to set pre-defined charges for developments in this area and proposes to negotiate contributions for each development on connection on a case-by-case basis. These contributions will potentially cover all activities defined in section 2.5. As a guide, the contributions sought will give weight to the household equivalents units of demand generated by the development.

## 7.6 Council Developments

Capital works projects to provide community facilities undertaken by Council (whether funded by development contributions or not) will not be liable for development contributions because they expand the supply of infrastructure, not increase the demands placed on it. However, any other construction or development undertaken by Council, or any organisation fully or partly owned or managed by Council, will be liable for development contributions under this Policy to the extent that it generated demand for activities covered by this Policy.

## 7.7 Exceptional Circumstances & Private Development Agreements

In certain circumstances, where Council believes it is in the best interests of all stakeholders and in addition to the arrangements necessary for Riverland's Industrial Estate, private development agreements may be entered into with a developer. Private development agreements may be used in lieu of development contributions (at council's sole discretion) where a developer and Council agree that particular infrastructure and/or services can be provided in a manner different to Council's standard procedures/guidelines, and where Council's minimum level of service will be achieved.

Such agreements must clearly state:

- the rationale for the agreement
- the details of the agreement
- the basis of any cost sharing,
- how and when the associated infrastructure will be provided.

One example where a private development agreement may be used is when a development requires a special level of service or is of a type or scale which is not readily assessed in terms of standard units of demand. Another is where significant developments are proposed and capital expenditures are required but none have been budgeted and no development contribution has been set.

## 7.8 Application in Other Circumstances

### 7.8.1 Cross Boundary Developments

Some developments may span several catchments and/or straddle the district boundary with another territorial authority. In such cases, the following rules shall apply.

Where a development spans more than one catchment, the total HEUs of that development will be allocated to the various catchments on the basis of site area. The resulting number of HEUs created in each catchment will then be used to calculate contributions payable.

Where a development straddles the district boundary with another territorial authority, development contributions will payable only on the HEUs (or parts thereof) that result from development within Marlborough District.

### 7.8.2 Consent Variations

Applications to vary a resource or building consent, or the conditions of such consents, will trigger a reassessment of HEUs and development contributions payable under this Policy. Any increase or decrease in the number of HEUs (relative to the original assessment) will be calculated and contributions adjusted accordingly.

### 7.8.3 Boundary Adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, development contributions will not be required.

#### a) Special Assessment

Areas for which assessment will likely be required (as set out in section 7) during the application for either resource consent, building consent or connection due to the nature of the area or the infrastructure involved are industrial development, Wairau Valley water supply, Okiwi Bay and other Sounds catchments, Awatere Valley rural water supply.

## 7.9 Credits

### 7.9.1 Overview

Credits are used in this Policy to ensure that pre existing demand is credited or development contributions previously paid are recognised.

Where development contributions have already been paid for a property, credits will be given towards those activities to the extent that payment was made. No historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. The same applies to historic payments for financial contributions.

In addition, credit will be given for the pre-existing status of properties as at 1 July 2009, where service connections exist, even if no previous financial or development contributions have been paid. Credits will be available on redevelopment of the existing title, and calculated and assigned on a per activity basis. More details on the nature of these credits are outlined below.

### 7.9.2 General Principles of Credit

- Non-residential credits will be calculated on the basis of the GFA of the existing development, and converted to HEUs using the conversion factors set out in Table 2. (Section 10.3)
- For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding.
- For residential buildings that have been demolished or destroyed a credit will apply in relation to the number of pre-existing HEUs. In other words, no development contributions will be payable if the same number of independent dwelling units are rebuilt. Any additional units will be assessed for payment of development contributions according to the terms of this Policy.
- Credits must be allocated to the same allotment or allotments. This prohibits the transfer of credits from one allotment to another.
- Credits cannot be used to reduce the total number of HEUs to a negative number. That is to say, credits cannot be used to force payments by Council to the developer.



## 8. Remissions, Reductions & Refunds

### 8.1 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked as a resolution of Council, and are not able to be requested by applicants. If an applicant wishes to apply for a reduction in the development contributions payable on their development, they can pursue this via the process detailed in the next sub-section.

### 8.2 Reductions

Reductions are adjustments to the number of HEUs assessed for a particular development. These will only be considered as part of a review initiated by an applicant (for a consent or service connection). The agreed outcome will be recorded in a private development agreement (see section 7.7).

Requests for reductions must be made in writing to Council within fifteen (15) working days of receipt of a development contributions assessment notice. Requests must be short and concise, but fully outline the reasons why a reduction is being sought.

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request.
- Council may determine whether or not to hold a hearing for the purposes of the review, and if so, give at least 5 working days notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, reduce, or cancel the original amount of HEUs assessed and therefore development contributions required on the development, and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.
- Council may delegate this hearing and determination role to Council Officers or other suitably qualified persons as required from time-to-time.

In reaching a decision, Council will take account of the following matters:

- The Development Contributions Policy.
- The Funding Model.
- Council's LTCCP.
- Council's funding and financial policies.
- The extent to which the value and nature of works proposed by an applicant reduces the need for works proposed by Council in its capital works programme.
- The level of existing development on the site.

- Contributions paid and/or works undertaken and/or land set aside by the developer,
- Any other matters Council considers relevant.

### 8.3 Refunds

The refund of money and return of land will occur in accordance with §209 and §210 of the LGA, in the following circumstances:

- If the development or building does not proceed; or
- If a consent lapses or is surrendered; or
- If Council does not provide any reserve network infrastructure or community infrastructure for which the development contribution has been collected. For the avoidance of doubt, Council will not refund a contribution where a specific capital works project does not proceed, only where the service to be provided by that project is not provided.

Any refunds will be issued to the consent holder of the development to which they apply or their representative.

The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund would also exclude any administrative costs already incurred by the Council and will not be subject to any interest or inflationary adjustment.

### 8.4 Postponement

Council will not consider postponements of contributions payable under the Policy except as outlined in section 9.2.

## 9. Other Administrative Matters

### 9.1 Reassessment & Invoicing

Assessments generally take place as early as possible in the development process and are valid for 12 months, beyond which reassessment must take place before an invoice can be generated.

An invoice will be issued at the earliest of:

- an application for a certificate under §224(c) of the RMA, or
- an application for a Code Compliance Certificate under §92 of the Building Act 2004, or
- a request for service connection.



Development contributions are calculated at the current rate applicable at the time of invoice. Should the payment be delayed (or partly-delayed in the case of staged development), contributions will be reassessed and invoiced at the current rate relevant at the time of reassessment.

## 9.2 Timing of Payments

The due date for payment shall be:

- For subdivision resource consents – prior to issue of the §224c certificate
- For other resource consents – 180 days from granting or prior to the commencement of consent, whichever is earlier.
- For building consents – 180 days from granting or prior to Code Compliance Certificate, whichever is earlier.
- For service connections – prior to connection.

For subdivisions of ten lots or more developers can apply to Council for a postponement of payments for development contributions enabling the release of the section 224 certificate. In the event a postponement is approved by Council, at its sole discretion, then the GST component is payable immediately and the remaining amount outstanding will be registered as a charge under the Statutory Land Charges Registration Act 1928 against the title at the applicants cost. The preparation of any agreement in regard to the postponement will be met by the developer. Postponement will have a maximum time limit of five years or the period until the property changes ownership. The amount payable will be subject to increase to reflect construction cost index adjustment or interest, as agreed between the developer and Council. It is Council's sole discretion as to whether to approve the postponement and bonding of development contributions.

## 9.3 Non-Payment and Enforcement Powers

Until a development contribution required in relation to a development has been paid, Council may:

- In the case of a development contribution assessed on subdivision, withhold a certificate under §224(c) of the RMA.
- In the case of a development contribution assessed on building consent, withhold a code compliance certificate under §95 of the Building Act 2004.
- In the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development.
- In the case of a development contribution assessed on a land use consent application, prevent the commencement of a resource consent under the RMA.
- In the case where a development has been undertaken without a building consent, not process an application for certificate of acceptance for building work already done.

Council may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in §208 of the LGA.

## 9.4 Contributions Taken as Money in First Instance

The LGA specifies that contributions may be taken either as money, land or both. Council will take contributions as money in the first instance, but may also accept land from time-to-time, at its sole discretion.

## 9.5 Service Connection Fees

Council will continue to collect service connections fees for the following services:

- Potable water.
- Wastewater.
- Stormwater.

The current charges applicable are available from Council offices.

## 9.6 GST

GST is accounted for at the earlier of payment or the issuing of a tax invoice. Where refunds arise a GST credit note will be issued as appropriate.

Please also note that assessments are not tax invoices for the purpose of GST.

## 10. Measuring Demand

### 10.1 Units of Demand

Units of Demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. Council has adopted the household equivalent unit (HEU) as the base unit of demand, and describes the demand for capacity from other forms of development as HEU multipliers.

The following subsections outline the demand characteristics of each HEU and the multipliers used to convert non-residential demand to HEUs.

### 10.2 Base Units

The demand characteristics of each household equivalent unit are as defined in the Marlborough District Council Code of Practice for Subdivision and Land Development, where one Residential section (ie Lot) shall be taken as

equivalent to 1 HEU, and similarly One Dwelling shall also be taken as equivalent to 1 HEU.

## 10.3 Conversion Factors

The following table outlines the factors used to convert non-residential demands to HEUs.

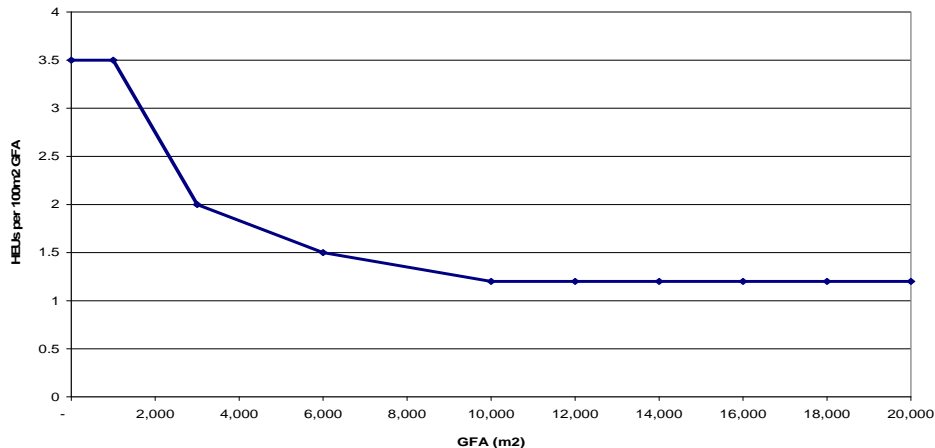
### HEUs per 100m<sup>2</sup> of Gross Floor Area (per 100m<sup>2</sup> of ISA for stormwater)

Activity	Commercial	Industrial	Retail
Roading	1.00	0.30	see below
Water	0.26	0.26	0.37
Wastewater	0.26	0.26	0.38
Stormwater	0.26	0.26	0.26
Community Infrastructure *	n/a	n/a	n/a
Reserves *	n/a	n/a	n/a

- No contribution is payable for non-residential development in relation to community infrastructure or reserves.

Because the nature of retail activities, and hence the demands they place on roads, differ significantly by size, retail transport conversion factors are based on the following graph. This was sourced from Transfund Research Reports 209 and 210 – “Trips and Parking Related to Land Use - Volumes 1 & 2” by Douglass Consulting Services & Traffic Design Group.

Figure 5: Transport Conversion Factors for Retail Developments



## 11. Methodology & Significant Assumptions

### 11.1 Methodology Overview

The method used to calculate charges comprises the following 8 steps:



A detailed discussion of this methodology is provided in the development contributions methodology report (available at Council's offices). Following is a brief summary.

## 11.2 Methodology Steps

### 11.2.1 Define Catchments

The first step is to define service catchments. These are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become.

For example, suppose Council installs a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and who will receive direct service from it), only those developments will help fund its costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the district, regardless of whether they caused (or benefited from) the investment.

Given the intentions of the LGA (*i.e.* to allocate costs on the basis of causation and benefits received), it follows that catchments should be used wherever possible.

### 11.2.2 Define Levels of Service

Service levels define the quality of service, and are typically embedded in Council's Asset Management Plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

### 11.2.3 Identify Growth-Related Capital Works

Next, one must identify the specific capital works for which development contributions are sought. These comprise both future capital works – as listed in the LTCCP – and historic works undertaken in anticipation of growth. Refer appendices for capital works, timing and growth apportionment.

### 11.2.4 Allocate Project Costs

Many of the capital works projects underlying this Policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so-called "economies of scope." Economies of scope mean that it is cheaper to undertake one project

that serves several purposes than to undertake a series of smaller single-purpose projects.

Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth).

The cost allocations underlying this Policy were based on a two-staged approach. In stage one, the method checks whether a project bears any relation to growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- §101(3) of the LGA. This sets out the issues to which Council must have regard when determining its funding sources. These include the distribution of benefits (both temporally and spatially), the extent of any cost causation, and the impacts on community outcomes and policy transparency. It also requires Council to consider the likely impacts on the four well-beings, both current and future.
- Asset management plans, which provide detail about the scale and nature of capital works.
- Network modelling, which helps understand the usage of infrastructure networks.
- Cost allocation principles, such as stand alone costs and incremental costs.
- The presence of any third party funding.

More detail on Council's cost allocation methodology can be found in Council's development contributions methodology report (available at Council's offices).

### 11.2.5 Define Appropriate Units of Demand

Having identified the specific capital works for which contributions will be required, next we must identify the unit of demand used to attribute costs to different forms of development. The LGA requires this to be done on a consistent and equitable basis.

Council uses the household equivalent unit, which captures the demands of an average household, as the appropriate unit of demand, and specifies the demands imposed by other forms of development as

multipliers. This approach to units of demand mirrors that used by other councils in New Zealand which collect development contributions.

## 11.2.6 Identify the Design Capacity for Growth

The design life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service.

In general, project costs should be spread over the asset's design life. This makes sense, because only developments occurring within the design life can physically connect to the network and receive benefit from its provision.

In some cases, however, the design life may be very long and it may be necessary to use a shorter funding period. In this Development Contributions Policy, the funding period over which costs are spread is the shorter of asset design life and 30 years.

## 11.2.7 Allocate Costs to Each Unit of Demand

This is a fairly straightforward exercise, and is carried out within the development contributions funding model. It entails spreading the total growth-related costs of each project (along with any debt-servicing) costs to the various developments that fall within the same catchment and within the asset's design life.

## 11.2.8 Calculate Fees by Activity and Catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of development contributions reproduced in section 5.1.

## 11.3 The Funding Model

A funding model has been developed to calculate charges in accordance with the methodology described in 11.2 of this Policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also houses growth projections for each catchment and each type of development.

The funding model embodies a number of important assumptions, including:

- All capital expenditure estimates are inflation-adjusted and GST exclusive.
- The improved level of service, backlog, renewal and maintenance portions of each project will not be funded by development contributions.
- Methods of service delivery will remain largely unchanged.

- Interest will be earned by Council where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at an average annual interest rate of 7%
- Any debts incurred for a project will be fully repaid by the end of that project's funding period.
- The development contributions charges listed in table 5.1 will be adjusted each year for the movement in the construction cost index as published by Statistics New Zealand. This has been modelled as an average increase of 2% per annum.
- Increases in general rates and user charges - due to increases in the number of ratepayers - will be sufficient to fund increases in operational expenses (including depreciation) associated with growth-related capital works.

## 11.4 Other Significant Assumptions

A number of other important assumptions underlie this Policy. The most significant of these are outlined below.

### 11.4.1 Planning Timeframe

This Policy is based on the ten-year time frame of the LTCCP and on the principle that costs triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale compel Council to build assets of greater capacity that extend beyond the timeframe of the LTCCP.

Council accepts that, in such cases, it may have to bank roll costs and recover them over time from distant development. Any costs incurred in anticipation of distant growth (*i.e.* beyond the LTCCP) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 30 years.

### 11.4.2 External funding

This Policy assumes that the eligibility criteria used, and the quantum of funding provided, by third parties (such as NZ Transport Agency) remain unchanged over the life of the plan.

### 11.4.3 Best Available Knowledge

The growth projections and capital works programme underlying this Policy represent the best available knowledge at the time of writing. These will be updated as better information becomes available and incorporated to the Policy at review times.

## **11.4.4 Changes to Capital Works Programme**

Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the re-sequencing of projects), rather than more significant changes to the overall scope of capital works.

## **11.4.5 Avoidance of Double Dipping**

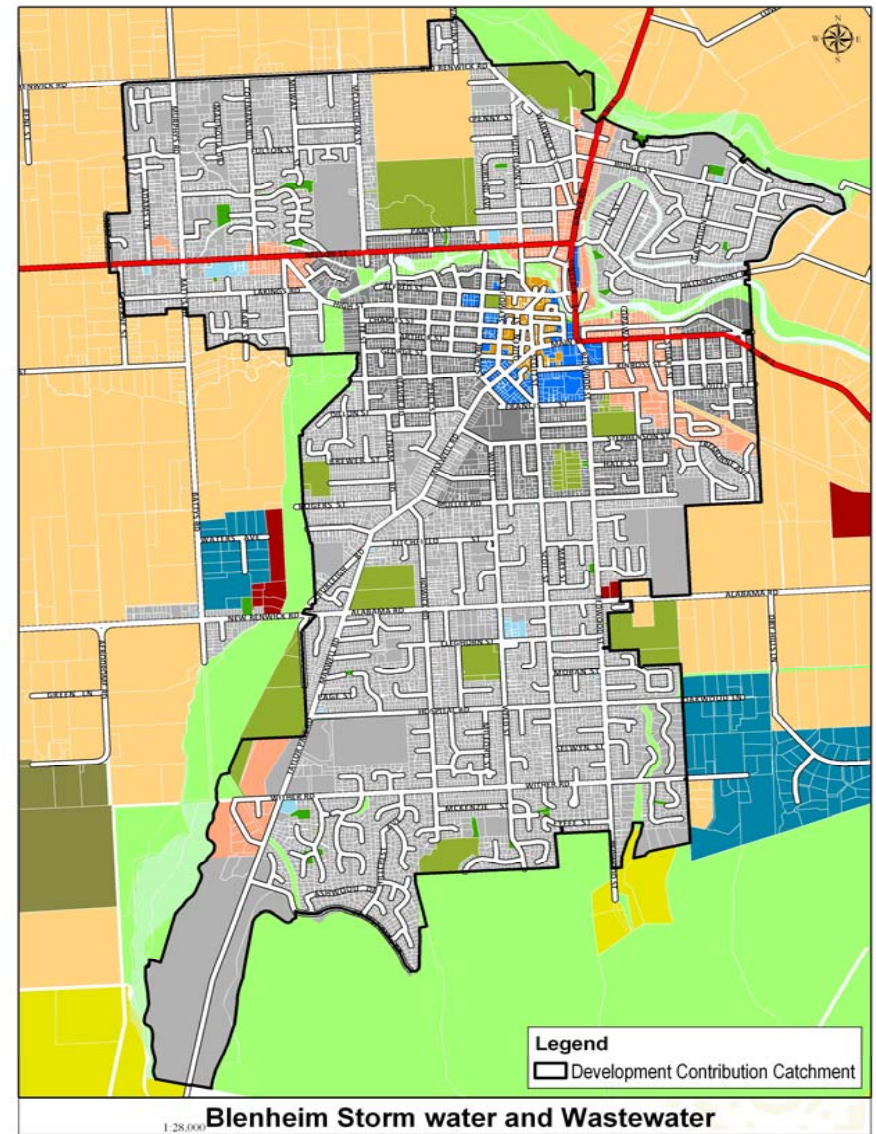
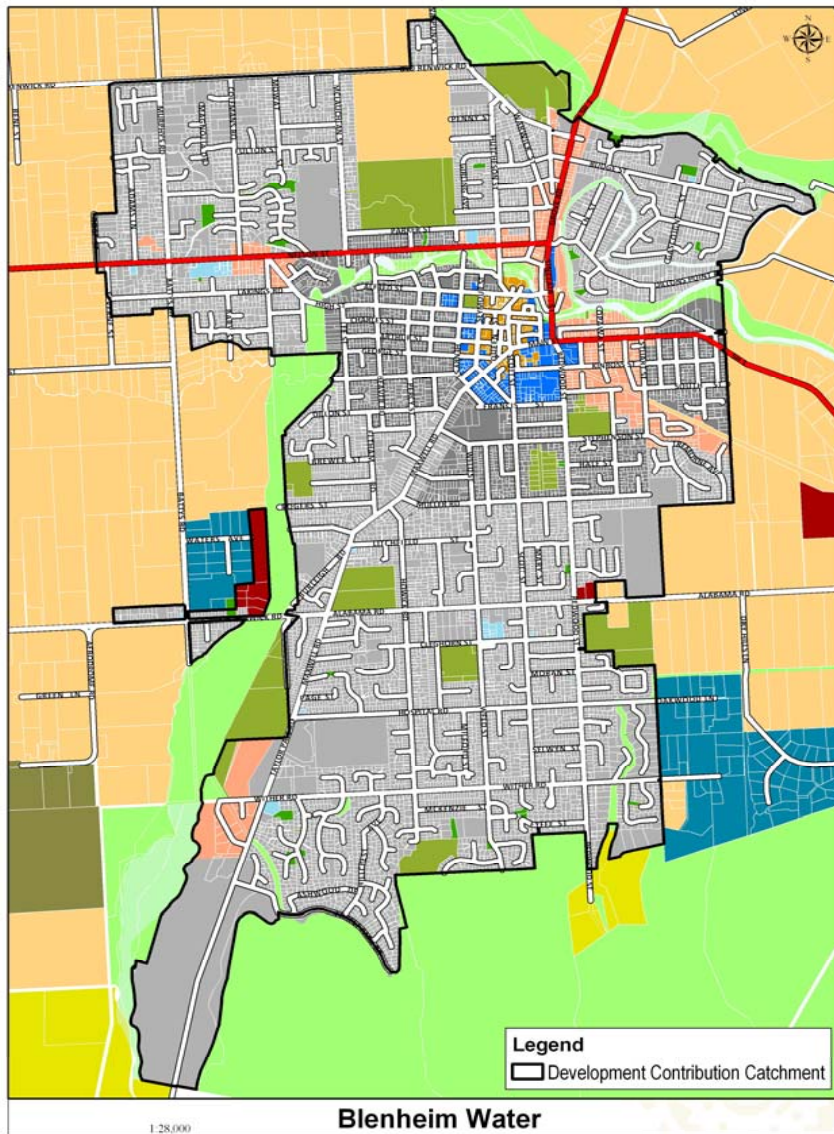
Development contributions will not be sought for projects already funded by other sources, such as external subsidies or financial contributions.

## **11.5 Identification of Risks**

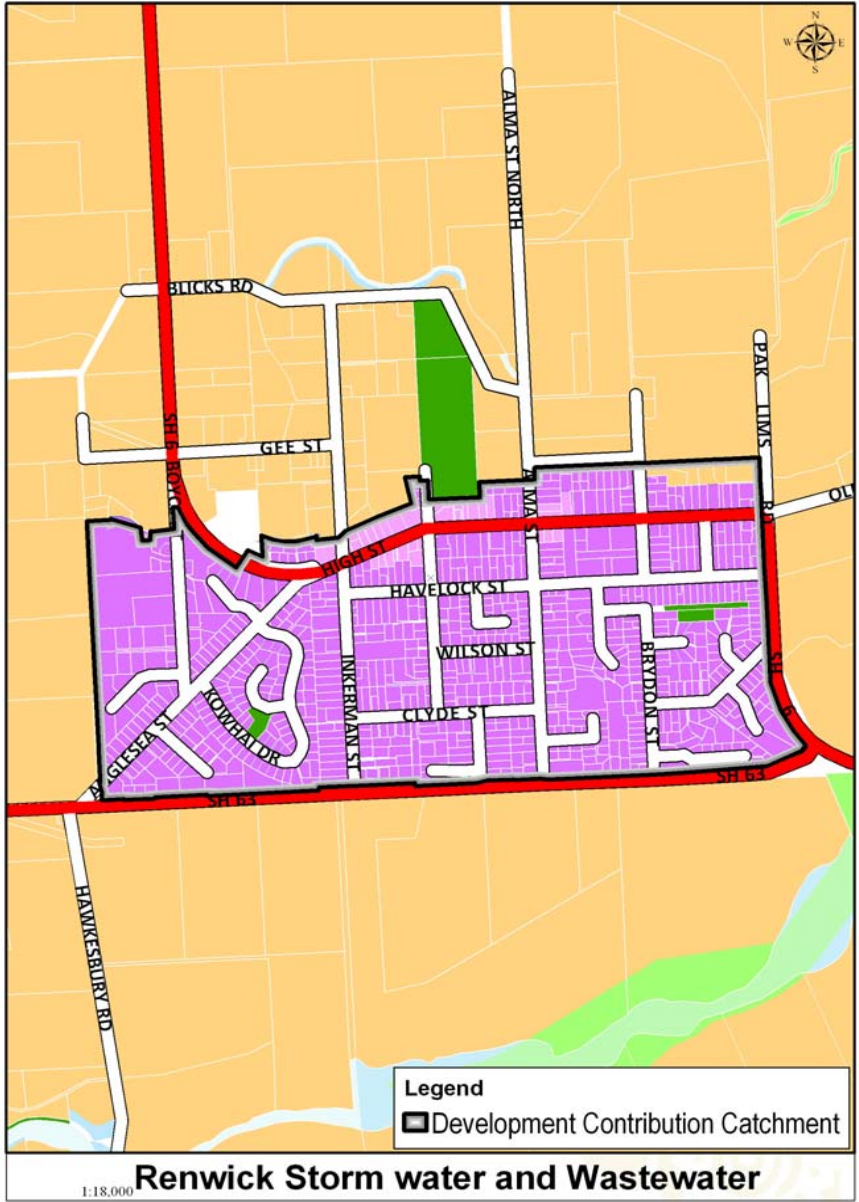
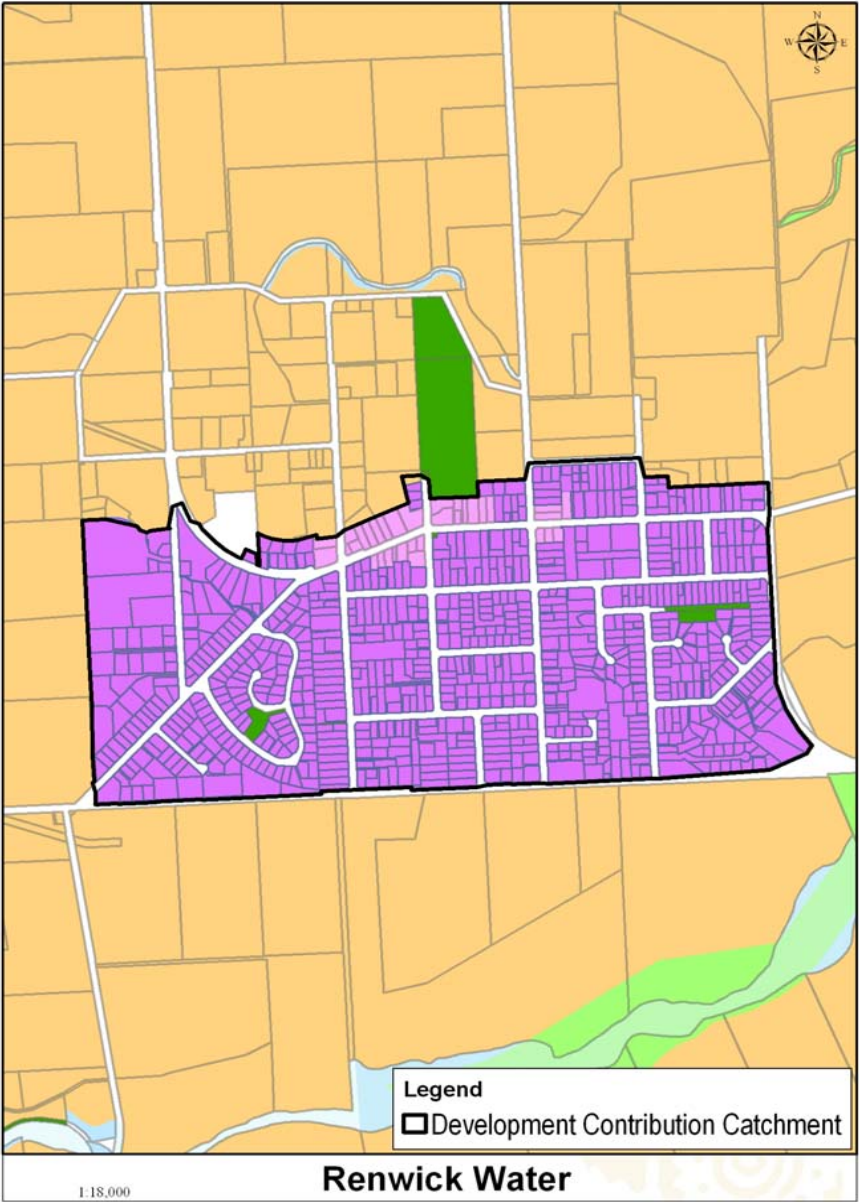
The main risk associated with this Policy is uncertainty over the rate and timing of growth. Similarly, there is significant uncertainty over the exact nature of growth-related capital works, and their associated cost and timing. The most effective risk mitigation strategy is to constantly monitor these and update the Policy with better information as it becomes available.



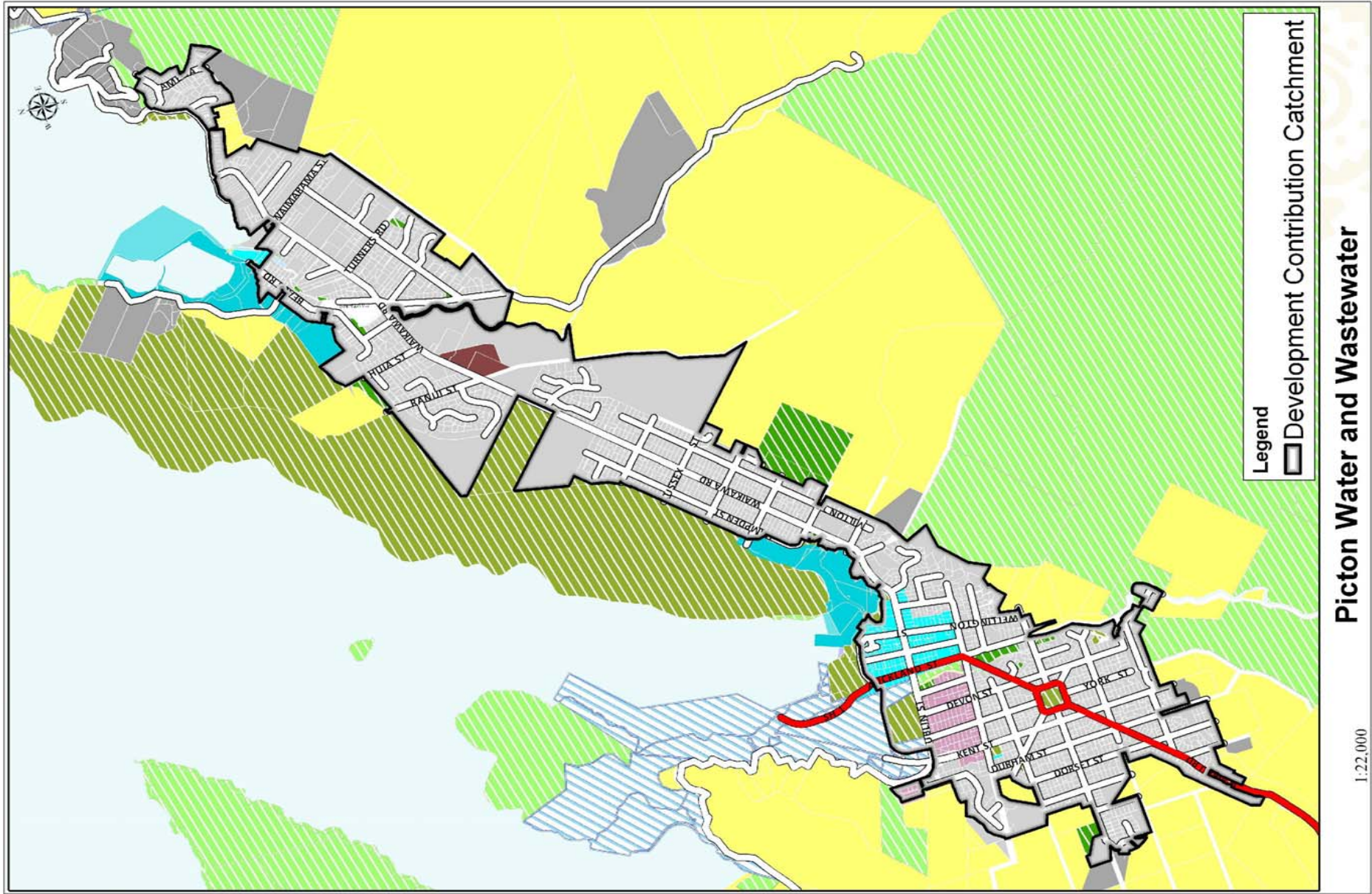
Catchment Maps



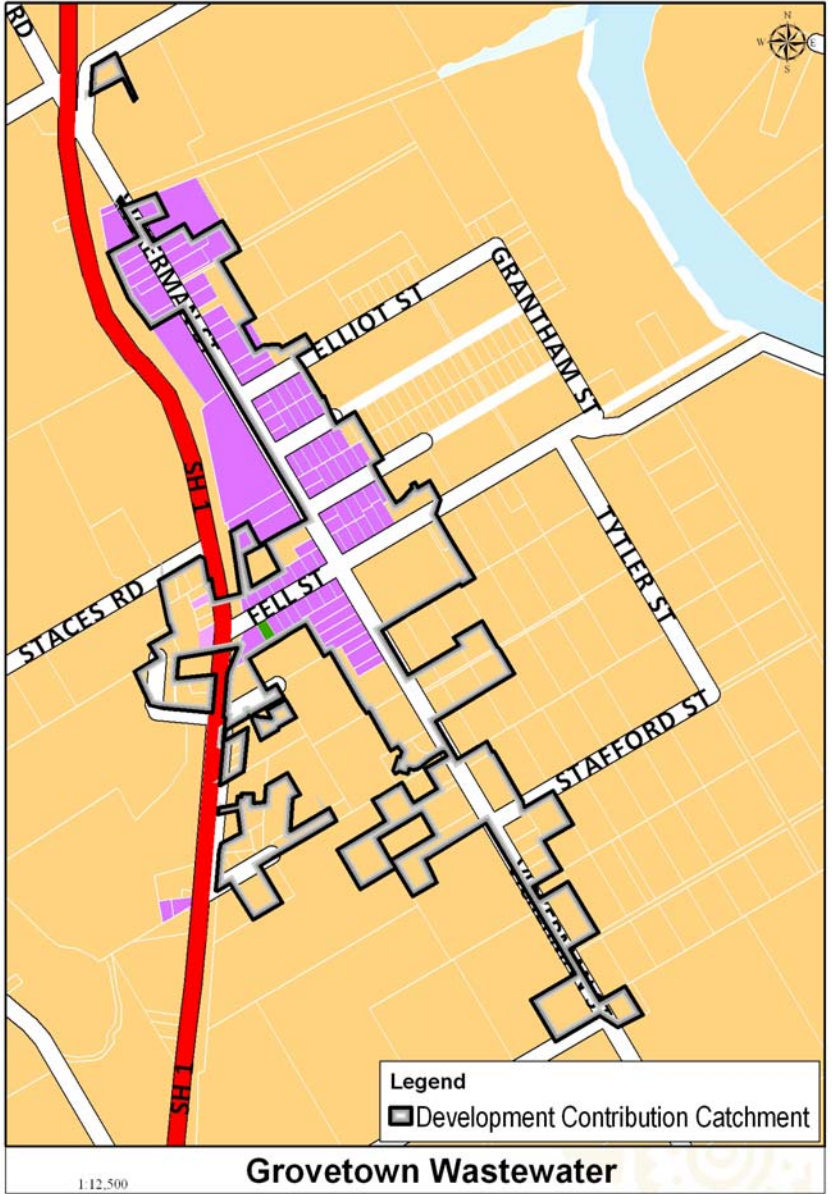
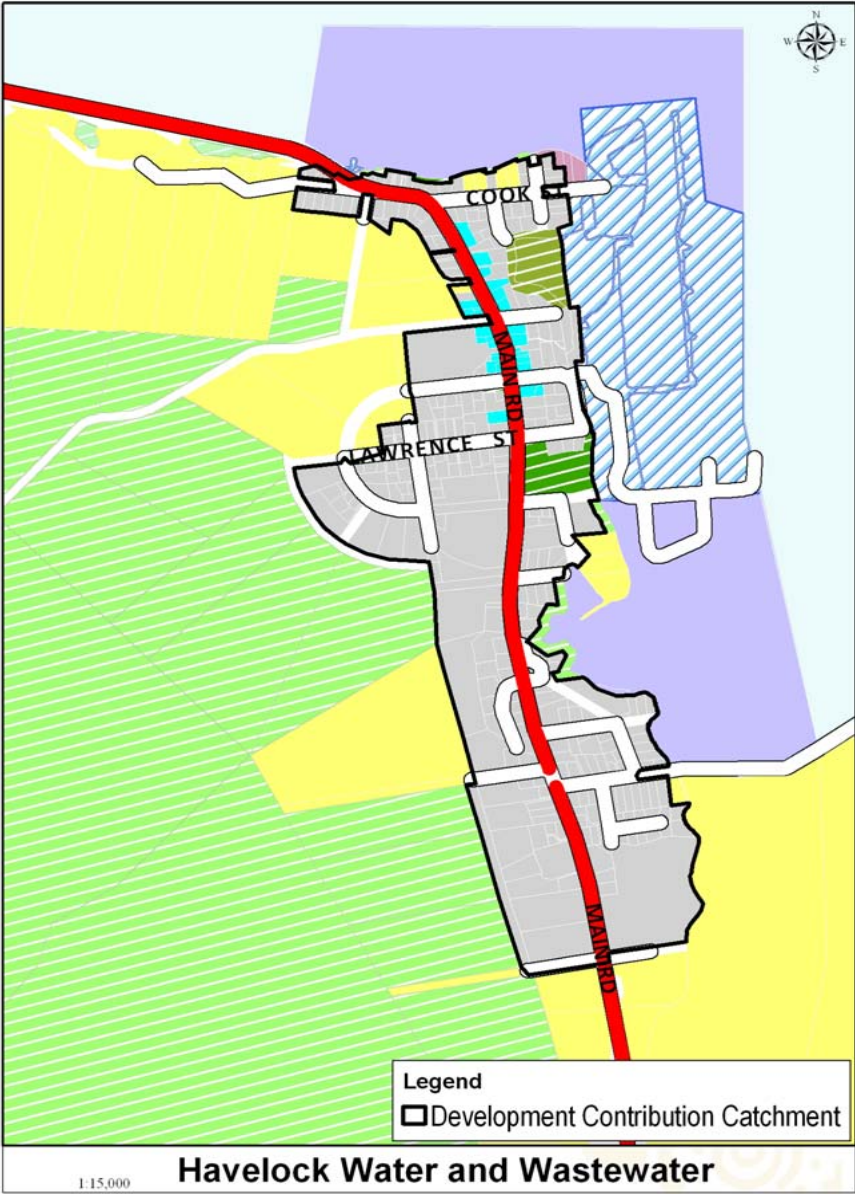


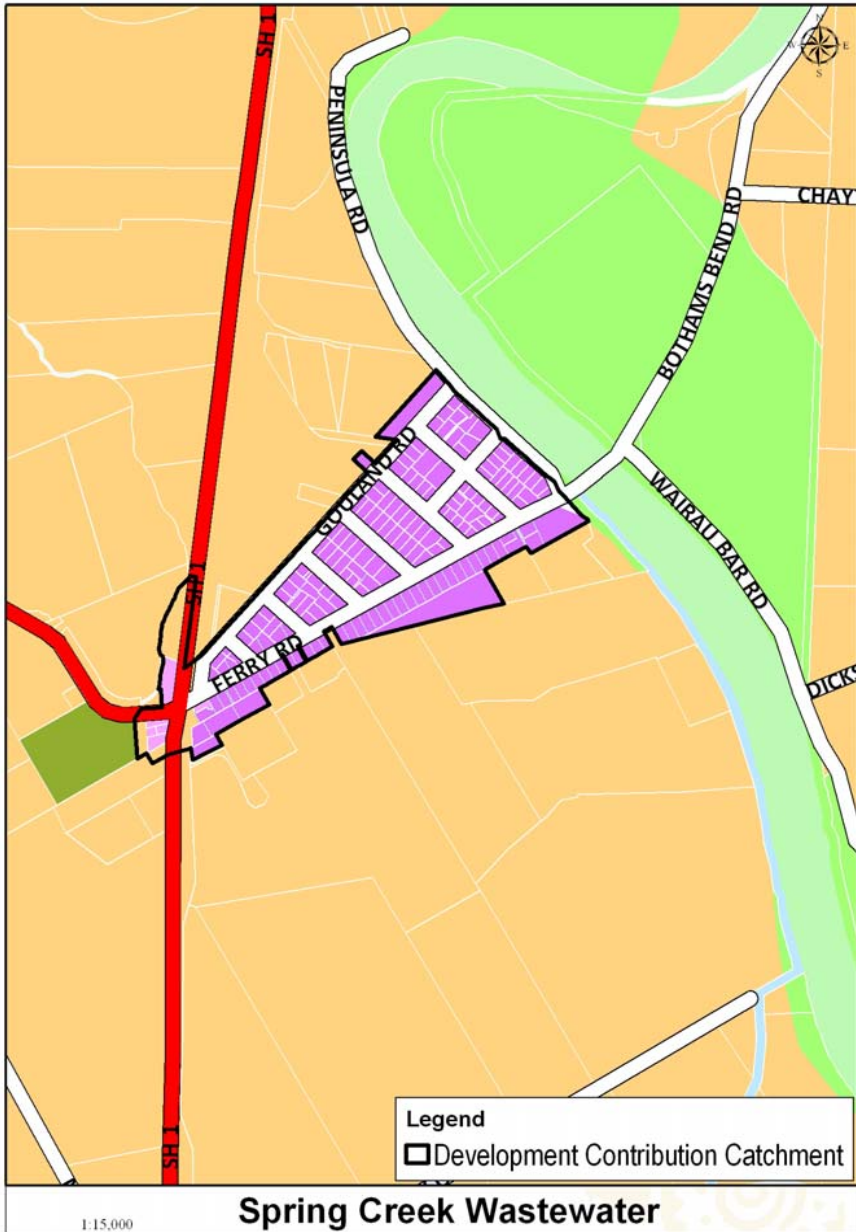
















## RATES MOVEMENTS 2009-2019

Total Rates and Charges for 2009-10 are estimated at \$47,082,575 (GST exclusive). This represents an increase of \$1,653,951 (3.64%) on last year's levy.

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

SIGNIFICANT CONTRIBUTORS TO THE OVERALL RATES INCREASE ARE AS FOLLOWS:		
Reserves	\$253,252	Increased costs for maintenance of new reserves (principally Lansdowne Park).
Land Transport	\$568,582	Increased cost of maintaining roads attributable to higher fuel and bitumen costs and safety improvements. Also includes undergrounding and a jetties upgrade provision.
Community Grants	\$18,000	New grants.
Heritage	\$20,000	Provision for Archives Manager for Marlborough Historical Society.
Halls	\$74,510	Increased hall maintenance costs and concept redevelopment plans for Awatere Hall.
Stormwater	\$173,457	Increased depreciation costs arising from asset revaluation.
Harbours	(\$128,721)	Increased revenue from proposed by-law.
Blenheim/Picton Refuse	\$42,883	Increased refuse collection costs.
Rivers and Drainage	\$116,883	Reduction in gravel extraction sales and debt servicing costs for Waitohi culvert improvements.
Blenheim Sewerage Group	\$10,791	Reduced debt servicing costs, offset by transition to Combined Sewerage Scheme.
Havelock Sewerage	\$2,099	Increased operating costs, offset by transition to Combined Sewerage Scheme.
Picton Sewerage	(\$10,461)	Increased operating costs, offset by transition to Combined Sewerage Scheme.
Picton Sewerage	(\$1,281)	Reduction in debt servicing costs for Treatment Loan – applies to ratepayers who did not pay lump sum.

SIGNIFICANT CONTRIBUTORS TO THE OVERALL RATES INCREASE ARE AS FOLLOWS:		
Renwick Sewerage	(\$2,721)	Reduction in debt servicing costs – applies to ratepayers who did not pay lump sum.
Seddon Sewerage	\$20,692	Increased depreciation costs arising from asset revaluation, offset by transition to Combined Sewerage Scheme.
Awatere Water	\$33,357	The metered water rate will increase from \$1.10 per cubic metre to \$1.20 per cubic metre for consumption in excess of 275 cubic metres (GST inclusive) to meet increased operating costs. The existing \$25 meter charge will be replaced with a uniform charge of \$342 per separately used or inhabited part of every rating unit.
Blenheim Water	\$225,138	Increased debt servicing costs associated with treatment upgrades and a new reservoir, power charges and depreciation costs arising from asset revaluation.
Havelock Water	\$16,577	Increased depreciation costs arising from asset revaluation and increased power costs.
Picton Water	\$204,231	Increased debt servicing costs associated with new reservoir and pipelines upgrades, compliance costs for Barnes Dam structure, power charges and depreciation costs arising from asset revaluation.
Renwick Water	(\$15,239)	Reduction in debt servicing costs.
Southern Valleys' Irrigation	\$21,905	Increased operating costs.
Southern Valleys' Irrigation	(\$51,405)	Reduction in debt servicing costs.
Wairau Valley Water	\$447	Increased operating costs.
Hebberds Road	\$7,000	Targeted separate charge to fund local share of Hebberds Road seal extension.
Picton Forum	\$20,000	Grant to Picton Forum (to be funded by a separate charge on properties in the Picton Electoral Ward).
Tourism	\$4,626	CPI adjustment to tourism charges.

Additional information in support of the summarised rate movements is included in the Rates Movement Section and Funding Impact Statement of this Community Plan.

2010-2011 (INFLATION ADJUSTED USING BERL INDICES)	2011-12 (INFLATION ADJUSTMENT USING BERL INDICES)
Total rates and charges are estimated at \$52,077,427 (GST exclusive). Principal changes include:	Total rates and charges are estimated at \$55,712,783 (GST exclusive). Principal changes include:
Blenheim Sewerage Group \$6,307	Blenheim Sewerage Group \$678,391
Havelock Sewerage \$2,724	Havelock Sewerage \$22,633
Picton Sewerage \$11,905	Picton Sewerage \$173,230
Seddon Sewerage (\$394)	Seddon Sewerage \$13,441
Awatere Water \$248,777	Awatere Water \$171,970
Blenheim Water \$1,018,387	Blenheim Water \$427,615
Havelock Water \$5,182	Havelock Water \$117,897
Picton Water \$223,861	Picton Water \$173,148
Renwick Water (\$1,580)	Renwick Water \$237,554
Riverlands Water \$96,738	Riverlands Water \$12,368
Southern Valleys' Irrigation \$18,130	Southern Valleys' Irrigation \$24,299
Wairau Valley Water \$924	Wairau Valley Water \$21,343
Wairau Valley River Works \$363,903	Wairau Valley River Works \$137,461
Bln/Ptn Refuse Collection \$30,778	Bln/Ptn Refuse Collection \$20,908
Blen/Ptn Recycling Collection \$833,462	Bln/Ptn Recycling Collection \$26,357
General-type activities \$2,132,772	Rural Refuse Collection \$320,660
	General-type activities \$1,053,245

**Note:** Most anticipated changes in water rates are due to the possible introduction of mandatory water quality standards by Central Government.

The following rates and charges are estimated for 2012-2019 (Inflation adjusted using BERL indices)

2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
59,055,816	62,427,774	65,511,327	69,183,193	73,134,342	75,999,348	78,610,296

## Indicative Impact on Benchmark Properties

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

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

## Indicative Rating Impact on Benchmark Properties

	LAND VALUE	CAPITAL VALUE	REVAL. LV % MVT	REVAL. CV % MVT	08/09 ACTUAL RATE LEVY	08/09 REVAL EQUIV RATE LEVY	08/09 REVAL RATE MVT	09/10 BUDGET RATE MVT	09/10 FINAL PLAN RATE LEVY
Blenheim Residential	190,000	345,000	30.14%	16.95%	1,927	1,887	(40)	99	1,987
Blenheim Residential	170,000	315,000	32.81%	18.87%	1,867	1,845	(22)	88	1,933
Blenheim Residential	205,000	450,000	26.54%	13.92%	2,048	1,973	(75)	110	2,083
Blenheim Vacant Section	180,000	180,000	32.35%	32.35%	1,584	1,567	(17)	98	1,665
Blenheim Commercial	108,000	475,000	42.11%	53.23%	2,440	2,413	(27)	86	2,499
Blenheim Commercial	385,000	1,016,000	45.83%	182.22%	7,429	7,585	155	324	7,908
Picton Residential Note 1	130,000	370,000	22.64%	15.63%	1,938	1,933	(5)	109	2,042
Picton Residential Note 2	190,000	350,000	8.57%	16.67%	2,325	2,186	(139)	174	2,360
Picton Vacant Section Note 1	121,000	121,000	10.00%	10.00%	1,571	1,486	(85)	123	1,609
Picton Commercial Note 1	315,000	440,000	-1.56%	20.55%	5,712	4,449	(1,263)	366	4,815
Picton Motels (19 units) Note 2	450,000	1,225,000	20.00%	25.00%	8,277	7,585	(692)	864	8,449
Blenheim Vicinity	1,575,000	2,550,000	40.00%	22.01%	4,211	4,180	(31)	187	4,367
Blenheim Vicinity	850,000	1,630,000	39.34%	30.40%	2,750	2,770	20	76	2,846
Blenheim Vicinity	6,600,000	10,800,000	40.43%	25.58%	16,116	16,164	48	739	16,904
Blenheim Vicinity	4,300,000	6,900,000	41.45%	22.21%	10,797	10,791	(6)	490	11,281
Blenheim Vicinity	3,600,000	5,600,000	40.63%	22.81%	9,337	9,317	(20)	419	9,736
Renwick Residential Note 3	155,000	350,000	78.16%	25.00%	1,464	1,554	90	22	1,575
Renwick Residential Note 4	150,000	270,000	72.41%	45.95%	1,555	1,643	88	14	1,657
Spring Creek Residential	135,000	320,000	50.00%	30.61%	1,848	1,887	39	(670)	1,218
Grovetown Residential	175,000	365,000	84.21%	30.36%	1,567	2,044	477	(211)	1,832
Grovetown Residential	140,000	220,000	50.54%	29.41%	1,475	1,689	212	(166)	1,521
Rarangi Residential	305,000	310,000	5.17%	5.08%	1,150	992	(158)	36	1,029
Picton Vicinity	2,600,000	2,750,000	124.14%	113.18%	2,300	3,399	1,099	119	3,518
Ngakuta Bay - bach	180,000	395,000	0.00%	0.00%	651	578	(73)	20	598
General Rural - French Pass	3,800,000	4,600,000	35.71%	31.43%	7,592	7,473	(119)	342	7,815
General Rural - Manaroa	4,300,000	5,200,000	34.38%	30.00%	8,750	8,634	(116)	395	9,029
General Rural - Opouri Valley	2,750,000	3,250,000	123.58%	100.62%	3,260	5,062	1,802	242	5,304
General Rural - on Awatere Water	2,350,000	2,500,000	5.86%	4.17%	8,754	7,523	(1,231)	502	8,026
Havelock Residential	225,000	360,000	40.63%	22.03%	1,789	1,782	(7)	63	1,845
Seddon Residential	95,000	290,000	79.25%	41.46%	1,120	1,157	37	110	1,266
Admin Rural - farm	9,958,000	10,750,000	34.66%	34.58%	7,647	7,816	169	174	7,989
Admin Rural - bach	250,000	410,000	0.00%	0.00%	530	474	(56)	12	486
Admin Rural - bach	415,000	600,000	33.87%	23.71%	586	591	5	15	606

Reval LV % Mvt is the percentage increase in the property's land value as a result of the 2008 revaluation.

Reval CV % Mvt is the percentage increase in the property's capital value as a result of the 2008 revaluation.

Reval Equiv Rate Levy is what the 2008-09 rates would have been if levies were based on the 2008 revaluation.

Reval Rate Mvt is the difference between the 2008-09 Actual Rates and the Revaluation Equivalent Rate Levy.

\*1 These properties pay the Sewer Treatment Loan Rate because they did not make a Lump Sum payment.

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

\*3 This property opted to make Sewer Lump Sum payments.

\*4 This property opted to make Sewer loan repayments over a 20 year term, in lieu of Lump Sum payments.

There were wide-ranging valuation movements in the 2008 district-wide revaluation and the Benchmarks above may not reflect the range of valuation movements.

The valuation movement range for each area (and each area's average movement) are detailed in the Financial Impact Statement.

If a property has a valuation movement above the average for that area, a rates increase will arise as a result of the revaluation.

If a property has a valuation movement less than the average for that area, a rates decrease will arise as a result of the revaluation.

A revaluation does not increase Council's rate levy, however it does redistribute the levy between ratepayers.



## Rates and Charges – by Rate type

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by Rate Type: (inflation adjusted using Business and Economic Research Ltd's indices).

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Gen. Type Rates/Charges</b>										
Blenheim Res/Rural rates	4,451,367	4,907,658	5,066,067	5,331,231	5,611,137	5,827,010	5,998,703	6,207,743	6,476,576	6,594,563
Blenheim Ind/Com rates	2,791,701	3,086,524	3,171,983	3,325,874	3,477,774	3,586,327	3,663,707	3,771,660	3,927,320	4,004,933
Blenheim UAC	5,098,295	5,285,528	5,462,934	5,654,082	5,900,742	6,001,299	6,079,430	6,330,213	6,493,454	6,631,102
	<b>12,341,362</b>	<b>13,279,710</b>	<b>13,700,984</b>	<b>14,311,187</b>	<b>14,989,653</b>	<b>15,414,636</b>	<b>15,741,840</b>	<b>16,309,616</b>	<b>16,897,350</b>	<b>17,230,599</b>
Blenheim Vicinity Res/Rural rates	4,034,653	4,437,044	4,552,778	4,752,951	4,979,692	5,157,577	5,323,683	5,502,088	5,749,227	5,852,619
Blenheim Vicinity Ind/Com rates	117,115	132,525	139,284	144,318	149,914	154,419	158,513	163,063	169,194	170,712
Blenheim Vicinity UAC	1,541,706	1,589,455	1,640,815	1,696,450	1,770,697	1,799,773	1,820,341	1,893,574	1,936,721	1,971,406
	<b>5,693,474</b>	<b>6,159,024</b>	<b>6,332,877</b>	<b>6,593,719</b>	<b>6,900,302</b>	<b>7,111,769</b>	<b>7,302,538</b>	<b>7,558,725</b>	<b>7,855,141</b>	<b>7,994,737</b>
Picton Res/Rural rates	1,228,734	1,363,390	1,485,559	1,666,225	1,775,257	1,818,985	1,873,209	1,925,769	1,992,280	2,025,910
Picton Ind/Com rates	583,228	649,236	682,547	732,264	764,914	784,779	803,595	825,426	855,231	868,972
Picton UAC	1,175,553	1,214,691	1,248,036	1,298,194	1,628,757	1,665,169	1,692,105	1,757,005	1,801,880	1,825,799
	<b>2,987,516</b>	<b>3,227,317</b>	<b>3,416,142</b>	<b>3,696,683</b>	<b>4,168,928</b>	<b>4,268,933</b>	<b>4,368,909</b>	<b>4,508,200</b>	<b>4,649,390</b>	<b>4,720,681</b>
Picton Vicinity Res/Rural rates	167,567	182,606	192,209	207,182	216,833	223,043	228,342	234,495	243,810	249,291
Picton Vicinity Ind/Com rates	10,277	11,559	12,379	12,978	13,381	13,673	13,910	14,202	14,612	14,726
Picton Vicinity UAC	149,814	154,321	158,552	165,262	214,232	218,695	221,994	230,902	236,645	241,269
	<b>327,659</b>	<b>348,485</b>	<b>363,140</b>	<b>385,423</b>	<b>444,446</b>	<b>455,411</b>	<b>464,246</b>	<b>479,598</b>	<b>495,067</b>	<b>505,286</b>
General Rural Res/Rural rates	4,429,760	4,817,874	4,989,765	5,285,756	5,549,781	5,732,211	5,925,750	6,090,743	6,331,022	6,446,630
General Rural Ind/Com rates	92,148	102,354	107,587	112,884	117,677	121,079	124,580	127,709	132,135	133,648
General Rural UAC	1,584,871	1,619,278	1,673,077	1,735,502	1,823,735	1,852,818	1,870,205	1,957,599	2,002,324	2,032,673
	<b>6,106,780</b>	<b>6,539,507</b>	<b>6,770,429</b>	<b>7,134,142</b>	<b>7,491,192</b>	<b>7,706,109</b>	<b>7,920,536</b>	<b>8,176,051</b>	<b>8,465,481</b>	<b>8,612,951</b>
Admin Rural Res/Rural rates	351,630	377,299	387,520	401,741	415,914	427,663	438,180	450,711	469,595	479,822
Admin Rural Ind/Com rates	12,839	14,207	14,938	15,346	15,744	16,091	16,395	16,762	17,290	17,446
Administration Rural UAC	362,908	371,389	384,154	398,686	420,219	426,356	429,507	451,386	461,525	467,584
	<b>727,377</b>	<b>762,895</b>	<b>786,612</b>	<b>815,773</b>	<b>851,878</b>	<b>870,110</b>	<b>884,083</b>	<b>918,859</b>	<b>948,410</b>	<b>964,853</b>
	<b>28,184,167</b>	<b>30,316,939</b>	<b>31,370,184</b>	<b>32,936,927</b>	<b>34,846,399</b>	<b>35,826,967</b>	<b>36,682,151</b>	<b>37,951,049</b>	<b>39,310,840</b>	<b>40,029,107</b>
<b>Targeted Roading Rates/Charges</b>										
Targeted charge: French Pass Road	25,780	25,780	25,780	25,780	25,780	25,780	0	0	0	0
Targeted charge: Hebbberds Road	7,000	7,000	7,000	0	0	0	0	0	0	0
Targeted Rate: Kaiuma Bay Road	52,433	52,433	52,433	0	0	0	0	0	0	0
Targeted rate: Kenepuru Road	33,520	33,520	33,520	33,520	33,520	33,520	33,520	33,520	33,520	33,520
Targeted charge: Okiwa Bay Jetty	231	231	0	0	0	0	0	0	0	0
	<b>118,964</b>	<b>118,964</b>	<b>118,733</b>	<b>59,300</b>	<b>59,300</b>	<b>59,300</b>	<b>33,520</b>	<b>33,520</b>	<b>33,520</b>	<b>33,520</b>
<b>River Protection/Drainage Rate</b>										
Wairau Valley Rivers Works rate	<b>3,123,488</b>	<b>3,487,391</b>	<b>3,624,852</b>	<b>3,660,773</b>	<b>3,702,250</b>	<b>3,786,573</b>	<b>3,834,036</b>	<b>3,873,860</b>	<b>3,937,412</b>	<b>3,980,179</b>

## RATES MOVEMENTS 2009-2019

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Sewerage Rates/Charges</b>										
Blenheim Sewerage	4,660,778	4,667,085	5,345,476	5,871,313	6,409,573	7,149,736	7,893,044	8,217,747	8,663,311	9,659,698
Grovetown Sewerage (Scheme Construction Loan Rate)	99,260	102,238	105,305	108,464	111,718	115,070	118,522	122,077	125,740	129,512
Renwick Sewerage (Loan Rate where no lump sum paid)	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566
Spring Creek Sewerage (Loan Rate where no lump sum paid)	398	398	398	398	0	0	0	0	0	0
Havelock Sewerage	138,088	140,812	163,445	180,144	196,391	222,382	245,149	255,512	269,375	300,760
Picton Sewerage	1,164,179	1,176,084	1,349,314	1,478,971	1,611,565	1,807,670	1,983,866	2,059,316	2,150,086	2,348,911
Seddon Sewerage	91,235	90,841	104,282	114,612	125,185	139,983	154,500	160,884	169,608	189,157
	<b>6,196,504</b>	<b>6,220,024</b>	<b>7,110,786</b>	<b>7,796,468</b>	<b>8,496,998</b>	<b>9,477,407</b>	<b>10,437,647</b>	<b>10,858,102</b>	<b>11,420,686</b>	<b>12,670,604</b>
<b>Targeted Water Rates/Charges</b>										
Awatere Water	518,432	767,209	939,179	962,996	1,112,225	1,134,178	1,181,229	1,212,207	1,262,549	1,300,836
Blenheim Water	3,556,249	4,574,636	5,002,251	5,287,370	5,488,960	5,478,865	5,786,446	6,046,222	5,927,042	6,023,034
Grovetown Water	0	0	0	0	0	0	3,491	379,602	628,352	629,971
Havelock Water	232,329	237,511	355,408	429,726	420,273	432,882	446,384	449,159	464,356	473,087
Picton Water	1,588,027	1,811,888	1,985,036	2,036,274	2,077,128	2,189,710	3,131,774	4,186,074	4,266,192	4,344,922
Rarangi Water	0	0	0	6,568	37,345	727,560	1,041,015	1,043,966	1,047,128	1,050,500
Renwick Water	286,752	285,172	522,726	929,763	913,106	948,686	926,852	954,834	979,002	1,013,882
Riverlands Water	350,618	447,356	459,724	599,648	808,318	917,748	1,069,940	1,087,458	1,340,179	1,596,346
Southern Valleys Irrigation	1,780,465	1,798,595	1,822,894	1,839,055	1,874,491	1,890,510	1,917,288	1,934,330	1,952,983	1,971,606
Spring Creek Water	0	0	0	0	0	0	3,491	378,818	628,352	629,971
Wairau Valley Water	27,351	28,275	49,618	114,894	150,434	150,167	151,655	156,146	154,761	159,037
	<b>8,340,224</b>	<b>9,950,641</b>	<b>11,136,835</b>	<b>12,206,296</b>	<b>12,882,278</b>	<b>13,870,305</b>	<b>15,659,566</b>	<b>17,828,815</b>	<b>18,650,895</b>	<b>19,193,192</b>
<b>Refuse/Recycling Collection Charges</b>										
Blenheim / Picton refuse/recycling charges	<b>949,006</b>	<b>1,813,246</b>	<b>2,181,171</b>	<b>2,225,829</b>	<b>2,270,328</b>	<b>2,320,552</b>	<b>2,366,051</b>	<b>2,418,774</b>	<b>2,475,771</b>	<b>2,533,474</b>
<b>Misc Targeted Charges</b>										
Targeted charge: Tourism	140,696	140,696	140,696	140,696	140,696	140,696	140,696	140,696	140,696	140,696
Targeted charge: Picton Forum	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Targeted charge: Rarangi works	8,054	8,054	8,054	8,054	8,054	8,054	8,054	8,054	8,054	8,054
Targeted charge: Tuamarina Hall	1,472	1,472	1,472	1,472	1,472	1,472	1,472	1,472	1,472	1,472
	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>	<b>170,222</b>
<b>Total Rates &amp; Charges</b>	<b>47,082,575</b>	<b>52,077,427</b>	<b>55,712,783</b>	<b>59,055,814</b>	<b>62,427,775</b>	<b>65,511,326</b>	<b>69,183,193</b>	<b>73,134,342</b>	<b>75,999,346</b>	<b>78,610,297</b>

## Rates and Charges – By Activity

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by Activity: (inflation adjusted using Business and Economic Research Ltd's indices).

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Democratic Process	2,296,584	2,372,082	2,451,997	2,455,791	2,642,424	2,686,539	2,647,555	2,846,077	2,902,165	2,890,488
Arts	159,517	161,618	162,657	344,682	346,909	348,344	349,324	350,804	352,485	353,477
Heritage	271,647	319,765	323,432	327,896	331,009	333,934	336,056	337,768	341,951	345,476
Memorials	72,882	75,714	79,034	80,623	84,228	86,121	89,716	91,622	153,025	156,624
Safer Communities	25,681	26,612	28,175	29,088	30,615	32,242	33,221	35,422	37,391	39,214
Security	51,847	57,553	62,946	68,598	74,442	80,322	61,294	65,761	72,019	78,241
Grants & Donations	439,751	432,263	436,633	414,121	418,716	423,164	425,345	429,358	434,639	438,167
Recreation	69,561	72,974	75,167	77,376	79,661	82,516	84,386	86,781	89,655	91,883
Library Services	1,106,849	1,143,431	1,185,770	1,233,558	1,277,810	1,311,733	1,347,589	1,381,257	1,420,127	1,485,226
Emergency Management	589,089	629,102	650,263	674,309	680,848	700,412	727,275	732,239	754,081	774,220
Cemeteries	298,785	323,103	366,264	401,748	416,793	445,982	460,839	471,356	484,390	522,001
Halls	197,095	137,968	141,303	144,841	148,381	152,034	154,870	158,414	156,799	165,912
Public Conveniences	568,045	609,779	652,737	679,698	703,002	730,313	756,450	783,633	816,186	841,787
Reserves	2,862,153	2,977,303	3,017,376	3,080,022	3,139,452	3,149,793	3,175,694	3,263,610	3,360,573	3,444,598
Swimming Pools	469,885	527,656	551,298	568,013	900,984	907,218	917,853	933,839	952,319	973,852
Parking	176,490	178,037	178,668	179,590	180,583	181,073	181,483	182,039	182,614	176,763
Roading	8,511,292	9,698,209	9,899,002	10,375,483	11,064,573	11,534,047	11,969,813	12,442,339	13,057,914	13,209,303
Total Rivers outside the Wairau Floodplain	161,526	222,217	405,855	654,113	747,869	755,656	761,585	768,684	776,594	782,515
Wairau Floodplain Drainage	798,731	1,122,125	1,283,731	1,320,426	1,349,573	1,394,003	1,434,948	1,469,713	1,514,425	1,559,935
Wairau Floodplain Rivers & Tributaries	2,324,756	2,365,265	2,341,121	2,340,347	2,352,677	2,392,570	2,399,088	2,404,148	2,422,988	2,420,244
Sewerage: Blenheim	4,660,778	4,667,085	5,345,476	5,871,313	6,409,573	7,149,736	7,893,044	8,217,747	8,663,311	9,659,698
Grovetown Sewerage										
<i>(Scheme Construction Loan Rate)</i>	99,260	102,238	105,305	108,464	111,718	115,070	118,522	122,077	125,740	129,512
Renwick Sewerage										
<i>(Loan Rate where no lump sum paid)</i>	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566	42,566
Spring Creek Sewerage										
<i>(Loan Rate where no lump sum paid)</i>	398	398	398	398	0	0	0	0	0	0
Sewerage: Havelock	138,088	140,812	163,445	180,144	196,391	222,382	245,149	255,512	269,375	300,760
Sewerage: Picton	1,164,179	1,176,084	1,349,314	1,478,971	1,611,565	1,807,670	1,983,866	2,059,316	2,150,086	2,348,911
Sewerage: Seddon	91,235	90,841	104,282	114,612	125,185	139,983	154,500	160,884	169,608	189,157
Stormwater: Blenheim	795,404	852,594	930,417	1,015,425	1,062,992	1,098,966	1,132,270	1,156,727	1,180,190	1,213,642
Stormwater: Picton	321,525	334,653	341,641	352,559	360,987	357,754	374,478	382,084	389,979	402,344
Stormwater: Other	161,694	179,923	195,458	200,631	206,647	212,243	218,310	224,963	231,964	238,522
Water: Awatere	518,432	767,209	939,179	962,996	1,112,225	1,134,178	1,181,229	1,212,207	1,262,549	1,300,836

## RATES MOVEMENTS 2009-2019

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Water: Blenheim	3,556,249	4,574,636	5,002,251	5,287,370	5,488,960	5,478,865	5,786,446	6,046,222	5,927,042	6,023,034
Water: Grovetown	0	0	0	0	0	0	3,491	379,602	628,352	629,971
Water: Havelock	232,329	237,511	355,408	429,726	420,273	432,882	446,384	449,159	464,356	473,087
Water: Picton	1,588,027	1,811,888	1,985,036	2,036,274	2,077,128	2,189,710	3,131,774	4,186,074	4,266,192	4,344,922
Water: Rarangi	0	0	0	6,568	37,345	727,560	1,041,015	1,043,966	1,047,128	1,050,500
Water: Renwick	286,752	285,172	522,726	929,763	913,106	948,686	926,852	954,834	979,002	1,013,882
Water: Riverlands	350,618	447,356	459,724	599,648	808,318	917,748	1,069,940	1,087,458	1,340,179	1,596,346
Water: Southern Valleys	1,780,465	1,798,595	1,822,894	1,839,055	1,874,491	1,890,510	1,917,288	1,934,330	1,952,983	1,971,606
Water: Spring Creek	0	0	0	0	0	0	3,491	378,818	628,352	629,971
Water: Wairau Valley	27,351	28,275	49,618	114,894	150,434	150,167	151,655	156,146	154,761	159,037
Waste Management Systems	1,011,578	902,315	909,361	960,920	1,074,707	1,053,175	1,079,160	1,179,089	1,186,489	1,170,131
Refuse Collections	949,006	1,813,246	2,181,171	2,225,829	2,270,328	2,320,552	2,366,051	2,418,774	2,475,771	2,533,474
Environmental	3,156,622	3,357,806	3,505,461	3,602,297	3,712,299	3,830,450	3,921,535	4,041,953	4,173,360	4,284,710
Regional Development	793,392	866,757	915,175	927,076	939,031	951,081	960,566	971,873	984,672	980,883
Consents and Compliance	2,432,375	2,572,946	2,630,780	2,717,704	2,809,916	2,924,702	2,965,564	3,069,232	3,202,836	3,299,508
Biosecurity	1,102,518	1,189,888	1,193,140	1,228,373	1,264,091	1,302,740	1,368,797	1,371,939	1,414,955	1,452,936
Harbour Control	311,197	323,078	306,818	308,038	311,402	316,117	315,563	324,907	332,150	345,883
Animal Control	48,844	51,253	52,785	54,349	56,024	58,289	59,776	61,493	63,534	65,019
Agencies	9,526	9,526	9,526	9,526	9,526	9,526	9,526	9,526	9,526	9,526
	<b>47,082,575</b>	<b>52,077,427</b>	<b>55,712,783</b>	<b>59,055,814</b>	<b>62,427,775</b>	<b>65,511,326</b>	<b>69,183,193</b>	<b>73,134,342</b>	<b>75,999,346</b>	<b>78,610,297</b>

## FUNDING IMPACT STATEMENT

The Funding Impact Statement provides the following information:

- A Summary Source and Application of Funds Statement for 2009-10 to 2018-19.
- Detailed explanations of the types of rates that are to be set, their purpose, and the basis on which they are calculated.
- A narrative description of the geographic areas that are used for Targeted General-type Rates and Charges.
- General Information in respect of rates instalment dates and penalties for late payment.
- Revaluation Movements Information

### Summary Source and Application of Funds Statement (\$000's) - GST excl

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Targeted Geo General Rates and Charges	27,775	29,895	30,938	32,494	34,393	35,361	36,204	37,462	38,811	39,516
Other Targeted Rates and Charges	18,899	21,761	24,343	26,119	27,582	29,685	32,502	35,183	36,688	38,582
User Charges and Other Operating Revenue	26,412	24,514	25,606	26,589	32,457	33,828	29,682	30,409	31,263	32,110
Subsidies and Grants	6,491	10,653	7,763	8,127	8,506	8,827	9,030	9,315	9,681	9,941
Dividends	538	538	538	538	538	538	538	538	538	538
Marlborough Regional Forestry	7,366	7,261	4,623	5,433	5,835	5,726	5,534	5,916	5,722	6,023
Proceeds from Borrowings	456	36,827	26,735	19,243	1,879	20,578	20,072	1,324	1,681	110
Asset Disposals	3,039	4,159	40	4,358	5,226	9,959	31	4,851	18	5,055
<b>Sources of funds</b>	<b>90,976</b>	<b>135,608</b>	<b>120,586</b>	<b>122,901</b>	<b>116,416</b>	<b>144,502</b>	<b>133,593</b>	<b>124,998</b>	<b>124,402</b>	<b>131,875</b>
Operating Expenditure	61,781	62,754	70,821	68,560	71,612	74,145	77,165	79,466	81,170	82,802
Capital Expenditure	42,064	70,621	46,343	50,694	39,213	64,788	49,425	41,657	33,363	38,465
Loan Repayments	658	1,803	2,700	3,417	3,645	4,448	5,276	5,581	5,910	6,209
Net Movement to/(from) Reserves	(13,527)	430	722	230	1,946	1,121	1,727	(1,706)	3,959	4,399
<b>Applications of funds</b>	<b>90,976</b>	<b>135,608</b>	<b>120,586</b>	<b>122,901</b>	<b>116,416</b>	<b>144,502</b>	<b>133,593</b>	<b>124,998</b>	<b>124,402</b>	<b>131,875</b>

### Terminology

Unless otherwise specified:

- Loan Repayments are Sinking Fund Investments that are set aside to repay borrowings as they mature.
- Net Movement to Reserves represents surplus funds transferred for application of funds in future years. Net Movement from Reserves represents application of available funds.
- The terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be.

- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are not based on property values).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, e.g. Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau River rates and the Kenepuru

Road rate, which are levied on capital value, or the Southern Valleys' Irrigation rate which is based on irrigable hectares).

- LTCCP refers to Council's Long Term Community Plan.
- Council has the following policies to determine what constitutes a "separately used or inhabited part of a rating unit":
  - That in situations where a rating unit contains both a commercial or industrial type use, and a residential or rural type use, they will be treated as two separate uses and be assessed two sets of charges, except where the owner of the commercial/industrial operation resides on the same rating unit.
  - For those rating units where the owner of the rating unit resides and operates a business or businesses from the same rating unit, they will be assessed only one uniform targeted charge for geographic area general-type works. Where services such as water, sewerage and refuse collection are supplied, separate charges will be assessed on the separately used or inhabited portions.
  - Where a number of different businesses are located on one rating unit, each separate business will be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
  - Where rating units contain separate residential habitable dwellings that are capable of independent habitation (*i.e. they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc*), uniform charges will be assessed on each dwelling.
  - If a rating unit contains a dwelling and a flat (*as shown as a "nature of improvements" on the Council valuation roll*) and the flat contains a kitchen; uniform charges will be assessed on the dwelling and flat.

GST inclusive amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers.

GST exclusive amounts are used to indicate Rate Revenue Movements affecting the Council.

The Council has adopted the following differential rating categories:

## **Residential or Rural**

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

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

## **Commercial or Industrial**

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

## **Homestay or Farmstay**

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

## **Utilities**

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

## **Multiple Land Uses**

The Council will partition a rating unit where there are two or more land uses that fit into different differential rating categories.

## **Targeted General Type Rates and Charges (\$31,707,188 GST inclusive)**

Although general-type rates and charges have increased overall by 3.89% (\$1,055,715 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 revaluation movements in the differential areas.

## **Geographic Area General Works and Services Rates (\$20,554,897 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:

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

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



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

Overall, these rates will increase by \$861,193 (4.95%) GST exclusive; however there are varying impacts on the geographic areas and their differential rates.

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

		Levy	Cents in \$
Blenheim	Res/Rural	5,007,787	0.296139
Blenheim	Com/Ind	3,140,663	0.984843
Blenheim	Hsty/Fsty		0.468450
Blenheim Vicinity	Res/Rural	4,538,985	0.171282
Blenheim Vicinity	Com/Ind	130,730	0.230687
Blenheim Vicinity	Hsty/Fsty	1,024	0.186133
Picton	Res/Rural	1,382,326	0.361360
Picton	Com/Ind	654,011	0.780180
Picton	Hsty/Fsty	2,121	0.466065
Picton Vicinity	Res/Rural	188,513	0.100258
Picton Vicinity	Com/Ind	11,562	0.177604
Picton Vicinity	Hsty/Fsty		0.119595
General Rural	Res/Rural	4,983,480	0.180169
General Rural	Com/Ind	102,605	0.226347
General Rural	Hsty/Fsty	1,062	0.191714
Admin Rural	Res/Rural	395,584	0.072478
Admin Rural	Com/Ind	14,114	0.108920
Admin Rural	Hsty/Fsty	330	0.081589

**Geographic Area General Works and Services Charges (\$11,152,291 GST inclusive)**

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

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

Overall, these charges will increase by \$194,522 (2%) GST exclusive, but there are varying impacts on the geographic areas and their differential charges.

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

	Levy	Unit Charge
• Blenheim	5,735,582	493
• Blenheim Vicinity	1,734,419	455
• Picton	1,322,498	487
• Picton Vicinity	168,541	412
• General Rural	1,782,980	349
• Admin Rural	397,455	299
• Utilities	10,816	416

**Debt Servicing Rates and Charges (\$1,727,634 GST inclusive)**

**Grovetown Sewerage Loan Rate (\$111,668 GST inclusive)**

The Grovetown Sewerage Loan Rate is calculated on the land value of every rating unit in the Grovetown Sewerage Special Rating Area to fund debt servicing costs.

A decrease of \$2,835 (2.78%) GST exclusive is required to fund debt servicing costs on the staged development. The increase is \$76,337 less than was initially estimated for 2009-10 as a result of capital contributions being received, the staged development, a reduction in interest rates and a change in the loan term.

On a rating unit whose land value increases from \$95,000 to \$175,000, the sewerage loan rate will increase from \$730.99 to \$896.41. The new rate in the dollar is 0.512236 cents.

**Picton Sewerage Treatment Loan Rate (\$79,143 GST inclusive)**

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

The loan rate is 0.046830 cents.

A decrease of \$1,281 (1.79%) GST exclusive in the rate levy will occur as a result of subdivisional growth and a reduction in interest rates.

On a rating unit with a land value of \$130,000, the Picton Sewerage Treatment Loan rate is \$60.88.

## **Renwick Sewerage Loan Rate (\$47,887 GST inclusive)**

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

*A decrease of \$2,721 (6.01%) GST exclusive will occur as a result of subdivisional growth and a reduction in interest rates.*

*On a rating unit whose land value increases from \$87,000 to \$150,000, the loan rate will decrease from \$128.19 to \$123.50 with a rate in the dollar of 0.082333 cents.*

## **Miscellaneous Loan Rates/Charges (\$2,277 GST inclusive)**

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

- Havelock Sewerage Loan Rate                      \$927              0.041018 cents in the \$  
(Calculated on the basis of the land value of every rating unit in the Havelock Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen.)
- Spring Creek Sewerage Loan Rate              \$448              0.117829 cents in the \$  
(Calculated on the basis of the land value of every rating unit in the Spring Creek Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen.)
- Wairau Valley Water Loan Charge              \$902              \$225.50 uniform charge  
(This charge is calculated as a fixed amount on every rating unit in the Wairau Valley Water Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen.)

*No increases have occurred.*

## **Southern Valleys' Irrigation Loan Rate (\$1,486,659 GST inclusive)**

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure.

*The targeted loan rate will decrease from \$415.56 to \$400 as a result of a reduction in interest rates.*

## **Roading Rates and Charges (\$133,835 GST inclusive)**

### **French Pass Road Charge (\$29,003 GST inclusive)**

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

*The charge remains at \$97 on each rating unit and will continue until 30 June 2015.*

## **Hebberds Road Charge (\$7,875 GST inclusive)**

This charge is calculated on every rating unit with legal frontage to, or being serviced by the unsealed portion at the end of Hebberds Road, to be applied towards the cost of sealing to the end of Hebberds Road. The rate will fund 50% of the cost of sealing to the end of Hebberds Road.

*The charge will be \$1,313 on each rating unit and will continue until 30 June 2012.*

## **Kaiuma Bay Road Rate (\$58,987 GST inclusive)**

This rate is calculated on the land value of every rating unit in the Kaiuma Bay Rating Area. The rate will fund 25% of the road upgrade costs in the Kaiuma Bay Road rating area and will continue until 30 June 2012.

*No increase in the rate levy has occurred and the rate in the dollar for this rate is 0.346983 cents.*

## **Kenepuru Road Rate (\$37,710 GST inclusive)**

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

*No increase in the rate levy has occurred and the rate in the dollar based on capital value is 0.011223 cents.*

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

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

*No increase has occurred.*

## **Wairau Valley River Works Rates (\$3,513,922 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 every rating unit in the Wairau Catchment. The differentials reflect the benefits derived by each group.

The funding requirements from each area are as follows:

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

A 2.37% increase (\$72,430 GST exclusive) in the overall rates levy has occurred to fund increased operating costs.

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

• Rural A Rating Units	0.057388	(5.74)
• Rural B Rating Units	0.047632	(4.76)
• Rural C Rating Units	0.033859	(3.39)
• Rural D Rating Units	0.006887	(0.69)
• Blenheim Urban 1 Rating Units	0.052853	(5.29)
• Blenheim Urban 2 Rating Units	0.036410	(3.64)
• Blenheim Urban 3 Rating Units	0.025252	(2.53)
• Blenheim Urban 4 Rating Units	0.019379	(1.94)
• Other Urban 1 Rating Units in Wairau Catchment	0.049658	(4.97)
• Other Urban 2 Rating Units in Wairau Catchment	0.029795	(2.98)

## **Sewerage Rates and Charges (\$6,730,994 GST inclusive)**

Council has adopted differential land value rates to fund the debt servicing requirement of the combined sewerage schemes, which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge. The most significant benefits derived from this combined single sewerage funding scheme are a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

The following sewerage rates and charges will be as follows:

Blenheim Group Rate	0.128430 cents in the dollar on land value.
Havelock Rate	0.114303 cents in the dollar on land value.
Picton Rate	0.151548 cents in the dollar on land value.
Seddon Rate	0.215763 cents in the dollar on land value.
Combined Charge	\$199.00 for each separately used or inhabited part of every serviced rating unit connected to the scheme.
Combined Charge	\$99.50 for each separately used or inhabited part of every serviceable rating unit.

Council previously maintained separate accounts for every sewerage scheme, in order that the cost of each scheme was funded by the ratepayers in each sewerage rating area. Note:

The combined sewerage rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

The 2009/10 sewerage rates and charges are as follows:

## **Blenheim Group (Blenheim/Renwick/Riverlands/Spring Creek) Sewerage (Total \$5,243,373 GST inclusive)**

*An overall increase of \$10,791 (GST exclusive) will occur (0.21%).*

### **1. Blenheim Group Sewerage Capital Works Rate (\$2,811,342 GST inclusive)**

This rate is assessed on the land value of every rating unit in the Blenheim Group's Sewerage Rating Area and funds the Blenheim Group's share of Capital Expenditure and Debt Servicing costs of the combined sewerage schemes. New loans fund works that are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment as well as expenditure for new pipelines and pump stations and Spring Creek oxidation ponds and pipelines.

*There is a 11.70% (\$290,635 GST exclusive) increase in this rate.*

*On a rating unit whose land value is \$190,000 the rate is \$244.02 – a rate in the dollar of 0.128430 cents.*

### **2. Blenheim Group Sewerage Charges (\$2,432,031 GST inclusive)**

These common uniform charges are calculated as a fixed amount of \$199 on every separately used or inhabited part of every serviced rating unit connected to the Blenheim Group's Sewerage Scheme; and \$99.50 on every separately used or inhabited part of every serviceable rating unit.

*There is a 10.19% (\$279,844 GST exclusive) decrease in these charges. The charges fund part of operating costs of the combined sewerage schemes including treatment, reticulation, depreciation and other costs associated with the Sewer Scheme improvements. Blenheim 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 \$154,422 GST inclusive)**

*An overall increase of \$2,099 (GST exclusive) will occur 1.38%.*

### **1. Havelock Sewerage Capital Works Rate (\$93,225 GST inclusive)**

This rate is assessed on the land value of every rating unit in the Havelock Sewerage Rating Area and funds Havelock's share of Capital Expenditure and Debt Servicing costs of the combined sewerage schemes. New loans fund works that are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment as well as expenditure for new pipelines and pump stations and Spring Creek oxidation ponds and pipelines.

*An increase of \$52,030 (GST exclusive) occurs (149.98%).*

*On a rating unit whose land value is \$225,000 the rate is \$257.18 – a rate in the dollar of 0.114303 cents.*

### **2. Havelock Sewerage Charges (\$61,197 GST inclusive)**

These common uniform charges are calculated as a fixed amount of \$199 on every separately used or inhabited part of every serviced rating unit connected to the Havelock Sewerage Scheme; and \$99.50 on every separately used or inhabited part of every serviceable rating unit.

*There is a 42.54% (\$49,931 GST exclusive) decrease in these charges. The charges fund part of operating costs of the combined sewerage schemes including treatment, reticulation, depreciation and other costs associated with the Sewer Scheme improvements.*

## **Picton Sewerage (Total \$1,230,559 GST inclusive)**

*An overall decrease of \$10,461 (GST exclusive) will occur (0.84%).*

### **1. Picton Sewerage Capital Works Rate (\$716,822 GST inclusive)**

This rate is assessed on the basis of the land value of every rating unit in the Picton Sewerage Rating Area and funds Picton's share of Capital Expenditure and Debt Servicing costs of the combined sewerage schemes. New loans fund works that are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment, as well as expenditure for new pipelines and pump stations and Spring Creek oxidation ponds and pipelines.

*An increase of \$291,508 GST exclusive (74.96%) will occur.*

*On a rating unit whose land value is \$190,000 the rate is \$287.94 – a rate in the dollar of 0.151548 cents.*

### **2. Picton Sewerage Charges (\$513,737 GST inclusive)**

These common uniform charges are calculated as a fixed amount of \$199 on every separately used or inhabited part of every serviced rating unit connected to the

Picton Sewerage Scheme; and \$99.50 on every separately used or inhabited part of every serviceable rating unit.

*There is a 35.38% (\$301,969 GST exclusive) decrease in these charges. The charges fund part of operating costs of the combined sewerage schemes including treatment, reticulation, depreciation and other costs associated with the Sewer Scheme improvements. 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.*

## **Seddon Sewerage (Total \$102,640 GST inclusive)**

*An overall increase of \$20,692 (GST exclusive) will occur (26.07%).*

### **1. Seddon Sewerage Capital Works Rate (\$56,099 GST inclusive)**

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

*A 212.33% increase of \$35,150 (GST exclusive) will occur.*

*On a rating unit whose land value is \$95,000 the rate is \$204.98 – a rate in the dollar of 0.215763 cents.*

### **2. Seddon Sewerage Charges (\$46,541 GST inclusive)**

These common uniform charges are calculated as a fixed amount of \$199 on every separately used or inhabited part of every serviced rating unit connected to the Seddon Sewerage Scheme; and \$99.50 on every separately used or inhabited part of every serviceable rating unit.

*There is a 23.02% (\$14,458 GST exclusive) decrease in these charges. The charges fund part of operating costs of the combined sewerage schemes including treatment, reticulation, depreciation and other costs associated with the Sewer Scheme improvements.*



## **Water Supply Rates and Charges (\$7,895,189 GST inclusive)**

### **Awatere Water Supply (\$583,236 GST inclusive)**

The following charges fund operations, Capital Expenditure and Debt Servicing costs.

#### **1. Awatere Water Charge (\$195,282 GST inclusive)**

Following recommendations from the Awatere Settlers' Association and many residents the water charge is calculated as a fixed amount for each separately used or inhabited part of every rating unit connected to the Awatere Water Supply.

*The GST inclusive uniform charge of \$342 on every separately used or inhabited part of a rating unit connected to the Awatere Water Supply and any new lots created by subdivision of such rating units whether connected or not. The previous rate was calculated as a fixed amount of \$25 per meter.*

#### **2. Awatere Water Metered Charge (\$387,954 GST inclusive)**

The metered charge is for all usage in excess of 275 cubic metres.

*The metered charge will increase from \$1.10 on all usage to \$1.20 for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.*

### **Blenheim Water Supply (Total \$4,000,780 GST inclusive)**

An overall increase of \$225,138 (GST exclusive) will occur (6.76%).

#### **Blenheim Water Capital Works Rate (\$1,649,426 GST inclusive)**

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

A 21.52% increase of \$259,623 (GST exclusive) is required to fund Debt Servicing costs for increasing Blenheim water capacity and for providing full water treatment.

*The rate levy for a property whose land value increases from \$146,000 to \$190,000 will increase from \$134.56 to \$156.93 and the rate in the dollar will be 0.082595 cents.*

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

#### **Metered and Uniform Charges (\$2,351,354 GST inclusive)**

A decrease of \$34,485 (GST exclusive) will occur (1.62%).

##### **1. Blenheim Metered Water Charge (\$304,512 GST inclusive)**

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

*The charge will remain unchanged at \$0.60 per cubic metre, with a minimum quarterly charge of \$46.75.*

##### **2. Blenheim Water Charges (\$2,039,354 GST inclusive)**

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

*The charges will decrease from \$189 to \$187 on every part of a serviced rating unit and from \$94.50 to \$93.50 on every part of a serviceable rating unit.*

##### **3. Burleigh Extension Metered Water Charge (\$7,488 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.

*The charge will remain unchanged at \$0.60 per cubic metre with a minimum quarterly charge of \$46.75.*

### **Havelock Water Supply (Total \$261,370 GST inclusive)**

An overall rates increase of \$16,577 (GST exclusive) will occur (7.68%).

#### **Havelock Water Capital Works Rate (\$103,901 GST inclusive)**

This targeted rate is calculated on the land value of every rating unit in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. A decrease of \$1,423 GST exclusive (1.52%) occurs.

*For a rating unit whose land value increases from \$160,000 to \$225,000 the rate will decrease from \$291.65 to \$281.66. The new rate in the dollar will be 0.125181 cents.*

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

#### **Metered and Uniform Charges (\$157,469 GST inclusive)**

An increase of \$18,000 GST exclusive (14.76%) is required to fund increased reticulation and operating costs.

##### **1. Havelock Metered Water Charge (\$59,150 GST inclusive)**

Metered water will increase from \$1.52 to \$1.69 per cubic metre with a minimum quarterly charge of \$88.25.

##### **2. Havelock Water Charges (\$98,319 GST inclusive)**

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

*These charges fund the balance of expenditure not met from meter charges and will increase from \$299 to \$353 on every part of a serviced rating unit and from \$149.50 to \$176.50 on every part of a serviceable rating unit.*

## **Picton Water Supply (Total \$1,786,530 GST inclusive)**

*An overall increase of \$204,231 (GST exclusive) will occur (14.76%).*

### **Picton Water Capital Works Rates (\$564,320 GST inclusive)**

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

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

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

*An increase in the Capital Works Rate of \$15,014 (GST exclusive) will occur (3.09%) to meet Debt Servicing costs for water treatment, a new reservoir, and associated pipelines. For a rating unit whose land value increases from \$175,000 to \$190,000 the rate will decrease from \$246.59 to \$225.73. The rate in the dollar for rating units subject to the special pipeline agreement will be 0.095043 cents in the dollar and the rate for all other rating units will be 0.118804 cents in the dollar.*

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

### **Metered and Uniform Charges (\$1,222,210 GST inclusive)**

An increase of \$189,217 (GST exclusive) will occur (21.09%) to meet increased costs for reticulation and water treatment costs.

#### **1. Picton Metered Water Charges (\$260,035 GST inclusive)**

##### **Ordinary Charge**

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

*Water for ordinary metered consumers will increase from \$1.1225 to \$1.3712 per cubic metre with a minimum quarterly charge of \$97.75.*

##### **Koromiko Charge**

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

*Water for Koromiko Special Agreement consumers will increase from \$0.8980 to \$1.0970 per cubic metre.*

##### **Onsold Charge**

A Picton Metered Water Onsold Charge, for metered water that is subsequently onsold, subject to a minimum quarterly charge.

*Water for consumers on-selling will increase from \$1.2453 to \$1.5211 per cubic metre with a minimum quarterly charge of \$97.75.*

#### **2. Picton Water Charge (\$962,175 GST inclusive)**

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

*These charges fund the balance of expenditure not met from meter charges and will increase from \$320 to \$391 on every part of a serviced rating unit and from \$160 to \$195.50 on every part of a serviceable rating unit to meet increased operating costs.*

## **Renwick Water Supply (Total \$322,596 GST inclusive)**

*An overall decrease of \$15,239 (GST exclusive) will occur (5.05%).*

### **Renwick Water Capital Works Rate (\$88,814 GST inclusive)**

This rate is calculated on the land value of every rating unit in the Renwick Water Supply Area and funds Capital Expenditure and Debt Servicing costs. A 3.46% decrease of \$2,830 (GST exclusive) will occur.

*For a rating unit whose land value increases from \$87,000 to \$155,000 the rate levy will increase from \$94.04 to \$95.60. The rate in the dollar is 0.061677 cents.*

### **Metered and Uniform Charges (\$233,782 GST inclusive)**

*A decrease of \$12,409 (GST exclusive) will occur (5.63%) to meet increased operating costs.*

#### **1. Renwick Metered Water Charges (\$26,072 GST inclusive)**

*Metered water will remain at \$0.91 per cubic metre with a minimum quarterly charge of \$64.25.*

#### **2. Renwick Water Charge (\$207,710 GST inclusive)**

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

*These charges fund the balance of expenditure and will reduce from \$274 to \$257 on every part of a serviced rating unit and from \$137 to \$128.50 on every part of a serviceable rating unit.*



## **Riverlands Water Supply (\$394,445 GST inclusive)**

This charge is levied 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 costs.

*Although there is no increase in the funding requirement, the metered charge will increase from \$0.53 to \$0.59 per cubic metre due to consumption volumes being less than budgeted. The minimum quarterly charge remains at \$40.*

## **Southern Valleys' Irrigation Scheme (\$516,364 GST inclusive)**

A metered charge funds Operating Costs of the Southern Valleys' Irrigation Scheme. Increased operations and maintenance costs of \$21,905 (5.01%) are to be met from increasing the metered water charge from \$0.20250 to \$0.21265 per cubic metre.

## **Wairau Valley Water Supply (\$29,868 GST inclusive)**

This charge is assessed on the basis of the volume of water supplied to metered rating units. It funds the Cost of Operations, Capital Expenditure and Debt Servicing costs. There is an increase in the funding requirement of \$447 GST exclusive (1.71%).

*The metered water charge will increase from \$0.55 to \$0.56 per cubic metre with a minimum quarterly charge of \$62.50.*

## **Refuse Charges (\$1,067,632 GST inclusive)**

### **Blenheim/Picton (Residential and Commercial/Industrial) Refuse Collection Charge (\$1,067,632 GST inclusive)**

This charge relates to a refuse collection service for residential and commercial or industrial properties in Blenheim and Picton.

It is calculated as a fixed amount on every separately used or inhabited part of a rating unit in the collection rating area, in respect of which Council is prepared to provide a service.

*A 4.73% increase of \$42,883 GST exclusive will occur.*

*The collection charge will increase from \$73 to \$77 per service to meet increased operating costs.*

## **Tourism Charges (\$158,283 GST inclusive)**

A targeted tourism rate is calculated on the basis of a fixed amount on every separately used or inhabited part of a rating unit set differentially for the following land uses. A CPI adjustment has been applied to the previous charges.

*Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - \$174.*

*Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$268.*

*Properties used for tourism activities (excluding the two groups above) - \$198.*

## **Picton Forum Charge (\$22,500 GST inclusive)**

A targeted Picton Forum rate is calculated on the basis of a fixed amount on every separately used or inhabited part of any rating unit in the Picton Electoral Ward. The rate will be used to fund a grant to the Picton Ward forum.

*An amount of \$6 on every separately used or inhabited part of all rating units in the Picton Electoral Ward will be levied.*

## **Agency Rates and Charges (\$10,717 GST inclusive)**

### **Rarangi Works and Service Charge (\$9,061 GST inclusive)**

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

*No increase has occurred.*

### **Tuamarina/Waikakaho Hall Charge (\$1,656 GST inclusive)**

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

*No increase has occurred.*

## **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 (\$5,830,797)***

The \$5,838,797 total amount is comprised of Internal Loans Interest (\$5,155,598), Interest on Sinking Funds (\$31,040), Interest on General Funds (\$106,159), and Dividends (\$538,000).

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

## ***Petroleum Tax (\$400,000)***

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

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

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

## ***Contributions Received from Development and Subdivision (\$1,806,113)***

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

## ***Forestry Income (\$1,000,000)***

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

## ***The Following is for Information only and Does Not Form Part of the Funding Impact Statement***

### ***General Information***

All estimated rates and charges are shown 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 (i.e. includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties with an area of one hectare or less that are connected to (or are able to be connected to) either the Blenheim Water or Sewerage Schemes, but excluding properties in the Renwick Sewerage Rating Area. Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

### ***Blenheim Vicinity Area (BV)***

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

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

### ***Picton Area (PN)***

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

Schedule

Lot 1 DP 6129 Lots 1-2 DP 3716 Lots 2 & 5 DP 3183 Lots 1-2 DP 9175 Pt Lot 1 DP 7160 Lot 1 DP 9268 Lot 1 DP 10871 Pt Secs 63-65 Picton Subn Blk III Cloudy Bay SD Secs 18, 129 Pt Sec 159 Picton Subn Blk XV Linkwater SD Pt DP 467 Waitohi Valley Blk XI Linkwater Lots 1-2 DP 1353 All DP 1148 Pt Secs 37 & 103 Waitohi Reg Dist Blk XV Linkwater Lot 1 DP 5595 Lot 2 DP 5660 Secs 38, 39, 105, 106 & Pts 36-37 & 104 Waitohi Dist Blks XI XII XV Linkwater SD Lot 1 DP 6397 Lots 1-14, 18 DP 1086 Blk VIII Linkwater SD, Lots 1 & 2 DP 3080 Blk VIII Linkwater SD, Lot 16 DP 1086 Blk VIII Linkwater SD, Lots 1 & 2 DP 10989, Lots 1-4 DP 303945 Part Waikawa Section 2C2, Lots 1 – 5 DP 11736, Waikawa 3B Block XII Linkwater SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD, Lot 2 DP 7961 Pt Secs 10 & 11 Waitohi Sub Reg, Pt Lot 1 DP 6881, Lot 3 DP 8884.

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

### **Picton Vicinity Area (PV)**

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

### **General Rural Area (GR)**

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

### **Administrative Rural Area (AR)**

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

The above rates and charges are for the period 1 July 2009 to 30 June 2010 and will become due and payable by four instalments as follows:

	<b>Last Date for Payment Before Penalty is Added</b>
Instalment One	11 September 2009
Instalment Two	11 December 2009
Instalment Three	11 March 2010
Instalment Four	11 June 2010

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

### **Penalty Provisions (Additional Charges on Unpaid Rates)**

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

Pursuant to Sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges that remain unpaid on 30 June 2010. Payments are applied to the oldest debt first.

### **Penalty Provisions (Unpaid Metered Water)**

A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid two months after the initial invoice date, shall be added to that amount which remains unpaid.

### **Triennial Revaluation Movements**

The Marlborough District was revalued by Quotable Value Ltd on 1 July 2008. The new values apply from the 2009-10 rating year.

With the exception of the Wairau Valley River Rates and the Kenepuru Road Rate, all other rates levied on property values are based on Land Value (LV).

Land value percentage movements for the six geographic rating areas, the district at large and their differential rating groups for the triennial revaluation on 1 July 2008 are shown below.

*(The previous revaluation movements as at 1 July 2005 and 1 September 2002 are shown alongside).*

	1.07.08	1.07.05	1.09.02
Blenheim - Residential/Rural	34.44%	150.82%	5.32%
Blenheim - Commercial/Industrial	55.98%	94.93%	5.28%
<b>Blenheim - Total</b>	37.45%	141.16%	5.31%
Blenheim Vicinity - Residential/Rural	37.64%	81.88%	74.48%
Blenheim Vicinity - Commercial/Industrial	42.17%	120.49%	32.08%
<b>Blenheim Vicinity - Total</b>	37.74%	82.55%	73.41%
Picton - Residential/Rural	21.19%	159.12%	14.57%
Picton - Commercial/Industrial	31.44%	148.97%	10.24%
<b>Picton - Total</b>	22.91%	157.35%	13.76%
Picton Vicinity - Residential/Rural	19.71%	184.66%	14.42%
Picton Vicinity - Commercial/Industrial	166.67%	187.84%	0.23%
<b>Picton Vicinity - Total</b>	21.97%	184.71%	14.18%
General Rural - Residential/Rural	38.87%	123.66%	56.12%
General Rural - Commercial/Industrial	46.67%	166.96%	33.00%
<b>General Rural - Total</b>	38.99%	124.21%	55.77%
Administrative Rural - Residential/Rural	25.64%	213.95%	27.71%
Administrative Rural - Commercial/Industrial	33.48%	270.78%	15.82%
<b>Administrative Rural - Total</b>	25.82%	214.85%	27.50%
District-wide - Residential/Rural	35.20%	119.64%	45.29%
District-wide - Commercial/Industrial	49.14%	114.38%	10.83%
<b>District-wide - Total</b>	35.97%	119.35%	44.46%

The following is a summary of the valuation movements for each of Council's geographic and differential rating areas:

Rating Area	Average LV Mvt	LV Mvt Range	Average CV Mvt	CV Mvt Range
Blenheim R/R	34.44%	(13.98)% - 354.55%	20.42%	(23.08)% - 953.57%
Blenheim C/I	55.98%	(13.75)% - 267.57%	39.79%	(33.85)% - 196.00%
Blen Vic R/R	37.64%	(20.21)% - 398.33%	30.00%	(20.21)% - 391.80%
Blen Vic C/I	42.17%	(25.00)% - 400.00%	25.83%	( 9.09)% - 122.35%
Picton R/R	21.19%	(79.45)% - 185.71%	19.42%	(77.33)% - 400.00%
Picton C/I	31.44%	(50.93)% - 180.00%	33.00%	(50.00)% - 114.29%
Picton Vic R/R	19.71%	(25.00)% - 1400.00%	15.46%	(16.06)% - 1400.00%
Picton Vic C/I	166.67%	20.00% - 205.26%	58.40%	1.89% - 66.43%
Gen Rural R/R	38.87%	(44.44)% - 832.50%	36.62%	(49.01)% - 1339.40%
Gen Rural C/I	46.67%	00.00% - 516.67%	22.82%	( 5.53)% - 277.36%
Admin Rural R/R	25.64%	(48.00)% - 173.33%	19.35%	(48.00)% - 181.25%
Admin Rural C/I	33.48%	25.00% - 233.33%	34.85%	14.52% - 147.62%

C/I Relates to Commercial and Industrial Properties

R/R Relates to Residential and Rural Properties

The Capital Value (CV) for the district at large increased by 28.59% as a result of the triennial revaluation on 1 July 2008.

*(The previous revaluation movement as at 1 July 2005 was 75.34% and 26.80% as at 1 September 2002).*

The following is a valuation movements summary of all rates levied on a capital value basis:

	1.07.08	1.07.05	1.09.02
Wairau Valley River Class A Rate	34.56%	79.23%	41.42%
Wairau Valley River Class B Rate	27.73%	45.55%	64.67%
Wairau Valley River Class C Rate	29.05%	58.22%	55.39%
Wairau Valley River Class D Rate	32.10%	71.46%	55.64%
Wairau Valley River Rural Urban 1 Rate	31.36%	66.66%	9.44%
Wairau Valley River Rural Urban 2 Rate	30.33%	79.62%	4.78%
Wairau Valley River Blenheim Urban 1 Rate	26.50%	72.34%	3.61%
Wairau Valley River Blenheim Urban 2 Rate	21.77%	84.70%	2.82%
Wairau Valley River Blenheim Urban 3 Rate	17.94%	79.26%	3.03%
Wairau Valley River Blenheim Urban 4 Rate	16.69%	83.01%	2.32%
<hr/>			
Kenepuru Road Rate	6.16%	125.74%	25.49%

The next revaluation of the District will be released in September 2011. Valuation changes prior to 2011 will only relate to property subdivisions, new improvements, and any alterations to the 1.07.08 revaluation which are approved by Quotable Value Ltd or the Land Valuation Tribunal (as a result of revaluation objections lodged prior to 15 October 2008).

With a district-wide revaluation there is no direct relationship between valuation movements and rates movements.

**A revaluation of the District does not increase Council's rating income, but it does redistribute the incidence of valuation based rates between individual ratepayers. This means that even if Council were to levy the same amount in total for the year following a revaluation, some ratepayers will have rate increases, while others will have rate decreases.**

Rates levied on a uniform charge basis (e.g. refuse charges) are unaffected by a district-wide revaluation.

**The only factors responsible for increasing rates on an individual property are:**

- If an individual's property values alter by more than the average movement for a particular rating area.
- If an individual's property values alter as a result of new improvements being added (only affects rates levied on a capital value basis).
- If the property changes its eligibility for separate service rates/charges (e.g. it now qualifies for sewerage, refuse etc).

- If Council amends its Revenue and Financing Policy.
- If Council increases its rating income requirement.

## RATES REMISSION AND POSTPONEMENT POLICIES

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### RATES REMISSION POLICY

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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.

Changes to the existing policy are an amended policy for subdivisions that create four to nine rating units, a new policy for subdivisions that create ten or more rating units, and the deletion of the remission policy that related to Lansdowne Park

#### ***Community, Sporting and Other Organisations***

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##### ***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. All applications must be on the prescribed form and will not be backdated.

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

- Statement of Objectives;
- Most recent financial accounts (preferably audited);
- 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***

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

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

##### ***Conditions and Criteria***

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

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

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

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 or its delegated officer[s] 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, or obtain that information from the rate records on Council’s website [www.marlborough.govt.nz](http://www.marlborough.govt.nz).

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and 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.

## ***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.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***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 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 uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

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.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

Council or its delegated officer[s] shall determine whether the criteria are met.

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

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### ***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-type and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

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

## ***Limitation of General-Type Uniform Annual Charges and Targeted Charges in Certain Circumstances***

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### ***Purpose of Policy***

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

### ***Conditions and Criteria***

Council will assess the General-Type Uniform Annual Charges 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 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.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

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

## ***Subdivisions That Create Four or More but Less than Ten Rating Units***

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### ***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. Remission will also cease on rating units which remain unsold after three years of the lots being created.

The ratepayer will remain liable for at least one uniform annual general-type 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.

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

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

To provide a positive development incentive to commercial subdividers by remitting general-type rates and uniform charges on all unsold subdivided land (*other than any balance of land*) for a maximum period of five years. This policy only applies to subdivisions that are deposited after 1 July 2009.

## **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. Remission will also cease on rating units which remain unsold after five years of the lots being created.

The ratepayer will remain liable for all rates and charges on the unsubdivided lot (balance of land).

## **Application**

Council or its delegated officer[s] shall determine whether the criteria are met.

## **Rate Penalties**

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### **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.

### **Application**

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

## **Water Losses**

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### **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.

## **Extreme Financial Hardship**

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### **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:

- 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.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

## ***Application***

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

## ***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; or where Council considers it equitable in the particular circumstances to remit rates.

### ***Conditions and Criteria***

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

## **RATES POSTPONEMENT POLICIES**

## ***Extreme Financial Hardship***

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

To assist ratepayers experiencing extreme financial hardship.

### ***Conditions and Criteria***

All applications must be 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].

## ***Residential Ratepayers aged 65 and over***

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

To offer ratepayers aged 65 years and over a facility to unlock the equity in their residential property by postponing all or part of their rates to a future date, at no cost or risk to Council.

### ***Conditions and Criteria***

All applications must be on the prescribed form.

Rates postponement is available on properties that are occupied by the ratepayer applicant(s) as their principal place of residence. Holiday homes are not eligible.

Property that is Maori freehold land is not eligible for postponement as councils do not have adequate rights to recover postponed or overdue rates on Maori freehold land.

Postponement is available to applicant(s) who are the legal owners of their property or who live in a property owned by a family trust. Units in retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner are only eligible for postponement if the amount of the rates for the unit/dwelling

that is lived in is clearly identified for rating purposes (i.e. separately rated), and that the full benefit of the postponement is passed on to the resident.

Postponement is available only for ratepayers age 65 or over. In the case of the couple, at least one applicant must be of that age.

Applicants must have at least one “decision facilitation” interview with a decision facilitator engaged by Council, to ensure that independent advice has been provided on the implications of the postponement offer.

The application will require any mortgagee’s consents and a decision facilitator completion certificate before a formal postponement offer is made by Council.

Rates may be postponed until:

- The death of the ratepayer(s) (the Council will allow up to 12 months for any resolution of estate or trust affairs required to enable repayment); or
- The ratepayer(s) ceases to be the owner of the rating unit; or
- The rating unit ceases to be the principal place of residence of the ratepayer(s) – this means that if the ratepayer(s) moves out of the home into residential care, technically the postponed rates become due and payable. In practice, if the council is satisfied that the principal reason for moving out is to go into care, the postponement will remain in place.

The council will offer full postponement unless testing the expected outcome through the council’s actuarial model suggests that equity on expected repayment (the death of the applicant or the survivor of joint applicants) would be less than 20%. If that is the case, then postponement entitlement will be based on the maximum proportion projected to leave a minimum of 20% equity available at the end of the postponement period.

The property must be kept insured to its full value and evidence of this produced annually.

Postponed rates and any part thereof may be paid at any time. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the council’s policy.

If accrued rates and charges reach 80% of the value of the property, the council will not postpone any further rates but instead require that all further rates are paid as they fall due. Accrued rates and charges will remain payable only on an event of repayment (eg death, sale) and will continue to accrue interest and other annual charges.

One-off costs to the ratepayer will relate to the initial postponement application fee, a contribution to the facilitation process, and any other incidental fees and charges relevant to the particular application.

Other costs to the ratepayer (or their estate) will be the amount of the postponed rates and charges, interest on the accumulated postponement amount, an annual administration fee to cover external management and the scheme’s operating costs, and a reserve fund levy to meet unsecured postponements.

All of the above fees and charges will be added to the postponed rates.

Legal Fees – if an applicant wishes to consult a lawyer, the applicant will need to meet the costs of doing so.

## ***Application***

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

Applications will be considered by delegated officers in accordance with the scheme’s criteria.

## **MAORI FREEHOLD LAND**

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### ***Remission and Postponement of Rates on Maori Freehold Land***

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#### ***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.



## 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, and likely consequences for:
  - 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 to or from the Council, 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 Local Government Act 2002 will be applied with 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.
- 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.

## ***Statement on the Development of Maori Capacity to Contribute to the Decision Making Processes***

Council currently engages with the eight iwi within the Marlborough district, Ngati Apa, Ngati Koata, Ngati Kuia, Ngati Rarua, Ngati Toa, Rangitane, Ngai Tahu, Te Atiawa and Marlborough Maataa Waka. Marlborough iwi and Marlborough Maataa Waka make an important contribution to community wellbeing for Maori and the wider community. Progressing Treaty of Waitangi settlements with the Crown has been a principal objective for Marlborough iwi with Council providing considerable assistance in this endeavour.

At a strategic level iwi provides input by means of:

- An appointed representative on both the Environment and Assets and Services Committees. On these Committees the representative has both speaking and voting rights.
- An eight member iwi working party on the Regional Policy Statement Review. Members of this working party have speaking rights, but not voting rights on the Environmental Policy Committee.

At an operational level, advice continues to be sought from iwi in respect of Environmental Planning and Policy projects, resource consent applications and major Assets and Services projects where iwi are known or deemed to have an interest.

A heightened mutual awareness and understanding of both Council's v.iwi's respective positions (by both parties) is opening pathways for communication which is positively influencing decision making on final project designs and the manner in which they are implemented.

## AUDIT OFFICE REPORT

### Report to the readers of Marlborough District Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Marlborough District Council (the District Council). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

### Opinion

#### Overall Opinion

**In our opinion the LTCCP of the District Council incorporating volumes 1 and 2 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

#### Opinion on Specific Matters Required by the Act

In our view :

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and
- the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 25 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

#### Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council and the Auditor**

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

### **Independence**

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council type.



Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## GLOSSARY OF TERMS

<b>Accruals</b>	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.
<b>Activity</b>	Means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation. e.g. water supply, transport networks.
<b>Allocated Overheads</b>	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.
<b>Allotment</b>	Has the meaning given to it in §218(2) of the Resource Management Act 1991.
<b>Allotment Area</b>	Is the total land area of an allotment.
<b>Applicant</b>	Is the person/persons that apply for resource consent, building consent or service connection.
<b>Asset Management Plan</b>	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.
<b>Asset Sales</b>	Refers to the sale of MDC assets e.g. cars, property.
<b>Borrowings</b>	Refers to the raising of loans for capital items, such as the sewerage scheme.
<b>Capital Expenditure</b>	Means the cost of capital works for network infrastructure, reserves and community infrastructure.
<b>Catchment</b>	Means the area served by a particular infrastructure investment.
<b>Charge</b>	These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.
<b>Commercial</b>	Means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.
<b>Community Facilities</b>	Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with §199 of the Local Government Act 2002.
<b>Community Infrastructure</b>	Means: (a) Land, or development assets on land, owned or controlled by the territorial authority to provide public amenities, and (b) Includes land that the territorial authority will acquire for that purpose.
<b>Community Outcomes</b>	In relation to a district or region: (a) Means the outcomes for that district or region that are identified as priorities for the time being through a process under §91; and (b) Includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.
<b>CV</b>	Capital Value.
<b>Development</b>	Means: (a) Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) Does not include the pipes or lines of a network utility operator.
<b>Development Contribution</b>	Means a contribution: (a) Provided for in a development contribution policy included in the long-term council community plan of a territorial authority; and (b) Calculated in accordance with the methodology; and (c) Comprising- (i) Money; or (ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) Both.
<b>Development Contribution Policy</b>	Means the policy on development contributions included in the long-term council community plan of the territorial authority under §102(4)(d).
<b>District</b>	Means the district of a territorial authority.
<b>District Plan</b>	Means the District Plan of Marlborough District Council

<b>District Wide</b>	Applies to every property in the District.
<b>Financial Contribution</b>	Has the same meaning as financial contributions in §108(9)(a)-(c) of the Resource Management Act 1991.
<b>Geographic Areas</b>	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.
<b>Goods and Services Tax (GST)</b>	Means goods and services tax under the Goods and Services Tax Act 1985.
<b>Greenfield Areas</b>	Are defined as those areas where building capacity exists on the perimeter of the city.
<b>Gross Floor Area (GFA)</b>	Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding: <ul style="list-style-type: none"> <li>▪ Carparking.</li> <li>▪ loading docks.</li> <li>▪ vehicle access and manoeuvring areas/ramps.</li> <li>▪ plant and equipment enclosures on the roof.</li> <li>▪ service station canopies.</li> <li>▪ Pedestrian circulation space in an enclosed retail shopping centre.</li> <li>▪ Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.</li> </ul>
<b>Household Equivalent Unit (HEU)</b>	Means an average residential dwelling occupied by a household of average size.
<b>Impervious Surface Area</b>	For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which: <ul style="list-style-type: none"> <li>▪ Falls within the definition of coverage.</li> <li>▪ Is covered by decks.</li> <li>▪ Is occupied by swimming pools.</li> <li>▪ Is used for parking, manoeuvring or loading of motor vehicles.</li> </ul> Is paved with a continuous surface with a run-off coefficient of greater than 0.45.
<b>Industrial</b>	Means: <ol style="list-style-type: none"> <li>(a) Any premises used for any industrial or trade purposes; or</li> <li>(b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or</li> <li>(c) Any other premises from which containment is discharged in connection with any other industrial or trade process.</li> <li>(d) Any activity where people use materials and physical effort to: <ul style="list-style-type: none"> <li>▪ Extract or convert natural resources.</li> <li>▪ Produce goods or energy from natural or converted resources.</li> <li>▪ Repair goods.</li> </ul> </li> </ol> Store goods. (ensuing from an industrial process)
<b>Infrastructural Assets</b>	These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community – such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
<b>LGA</b>	Means the Local Government Act 2002
<b>Local Authority</b>	Means a regional council or territorial authority.
<b>LV</b>	Land Value.
<b>Network Infrastructure</b>	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
<b>Network Utility Operator</b>	Has the meaning given to it by section 166 of the RMA
<b>Non-Residential Development</b>	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
<b>Operational Assets</b>	These are tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.

<b>Other Revenue</b>	Revenue received for the activity that is not related to the use of services e.g., interest.
<b>Prepayments</b>	Amounts paid to creditors by the MDC in the current year that relate to future years.
<b>Property Value</b>	For rating purposes this refers to either the “land” or “capital” value of a property.
<b>Public Debt</b>	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.
<b>Public Equity</b>	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.
<b>Rate / Rates</b>	The Local Government (Rating) Act 2002 refers to Rates as all rates including Uniform Annual General Charges and targeted rates calculated as a fixed amount per rating unit. Unless otherwise specified, a reference to a rate in this Plan is to cents in the dollar of property value or area.
<b>Residential Development</b>	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
<b>RMA</b>	Means the Resource Management Act 1991.
<b>Service Catchment</b>	Means the same as catchment.
<b>Service Connection</b>	Means a physical connection to a service provided by, or on behalf of, a territorial authority.
<b>Sinking Funds</b>	These are investment accounts funded by annual instalments to repay the principal components of loans.
<b>Statement of Cash Flows</b>	This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
<b>Statement of Financial Performance</b>	This can also be referred to as the Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
<b>Income Statement</b>	This shows the financial state of affairs at a particular point in time. It can also be referred to as the Balance Sheet.
<b>Subdivision</b>	Has the same meaning as Section 218 of the Resource Management Act 1991.
<b>Subsidies</b>	Amounts received from other agencies for the provision of services e.g. Transfund roading subsidies.
<b>Third Party Funds</b>	Means funding or subsidy, either in full or in part, from a third party. e.g. subsidies for the roading network.
<b>Transfer to/from Reserves</b>	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
<b>Unit of Demand</b>	Means the measure of demand for community facilities.
<b>User Charges</b>	The charges levied for use of MDC services e.g. building consent fees, health inspections.
<b>Working Capital</b>	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.