

MARLBOROUGH DISTRICT COUNCIL  
15 SEYMOUR STREET  
PO BOX 443, BLENHEIM 7240  
NEW ZEALAND

TELEPHONE (0064) 3 520 7400  
FACSIMILE (0064) 3 520 7496  
EMAIL [mdc@marlborough.govt.nz](mailto:mdc@marlborough.govt.nz)  
WEB [www.marlborough.govt.nz](http://www.marlborough.govt.nz)



**MARLBOROUGH  
DISTRICT COUNCIL**



Only Marlborough

19 February 2021

Record No: 2132941  
File Ref: D050-001-02  
Ask For: Mike Porter

## **Notice of Council Meeting – Thursday, 25 February 2021**

Notice of the Council Meeting to be held in the Council Chambers 15 Seymour Street, Blenheim on Thursday, 25 February 2021 to commence at 10.30 am.

**Please note change of start time to 10.30 am**

### **BUSINESS**

As per Order Paper attached.

MARK WHEELER  
CHIEF EXECUTIVE



**Order Paper for the  
COUNCIL MEETING  
to be held in the Council Chambers, 15 Seymour Street, Blenheim  
on THURSDAY, 25 FEBRUARY 2021 commencing at 10.30 am**

**Open Meeting**

1.	Karakia	Page	1
2.	Apologies	Page	1
3.	Declaration of Interests	Page	1
4.	Annual Budgets 2021-21		
4.1.	Budget Summary	Pages	2 - 16
4.2.	Water, Sewerage and Stormwater Capital Budgets	Pages	17 - 24
4.3.	Road and Footpaths Budget	Pages	25 - 27
4.4.	Capital Expenditure Schedule	Pages	28 - 31
4.5.	Reserve Balances	Pages	32 - 35
4.6.	Infrastructure Upgrade Reserve	Pages	36 - 37
4.7.	Forecast Financial Statements	Pages	38 - 47
4.8.	Council Activities (also refer to the separate attachment)	Page	48
4.9.	Levels of Service Increases Convention Centre Management and Funding	Pages	49 - 52
4.10.	Levels of Service Increases Economic Development and Regional Events	Pages	53 - 61
4.11.	Levels of Service Increases Small Townships Programme	Pages	62 - 65
4.12.	Levels of Service Increases CCTV and Wifi Extension and Funding	Pages	66 - 68
4.13.	Levels of Service Increases Housing Supply Challenges (also refer to Attachment 4.13.1)	Pages	69 - 82
4.14.	Levels of Service Increases Housing Opportunity - George Street	Pages	83 - 85
4.15.	Levels of Service Increases Parking – Picton and Blenheim CBD	Pages	86 - 90
4.16.	Levels of Service Increases Blenheim Business Association	Page	91
4.17.	Levels of Service Increases Picton and Blenheim – Innovative Streets Project	Pages	92 - 94
4.18.	Levels of Service Increases Budget Provision - Sporting and Recreation Facilities	Pages	95 - 98
4.19.	Levels of Service Increases Community Facilities: Capital Expenditure (Other)	Pages	99 - 102
4.20.	Levels of Service Increases Community Facilities – Blenheim Area	Pages	103 - 104
4.21.	Levels of Service Increases Community Facilities – Picton and Surrounds	Pages	105 - 106
4.22.	Levels of Service Increases Community Facilities – Other Areas	Pages	107 - 109
4.23.	Levels of Service Increases Renwick Museum – Earthquake Strengthening	Pages	110 - 111
4.24.	Levels of Service Increases Environmental Science and Monitoring - Coastal Capital Expenditure	Pages	112 - 115
4.25.	Levels of Service Increases National Policy Statement for Freshwater Management 2020 (also refer to Attachment 4.25.1 and Attachment 4.25.2)	Pages	116 - 122
4.26.	Levels of Service Increases Redwood Street/Town Branch Drain Stormwater Upgrade	Pages	123 - 126
4.27.	Levels of Service Increases Reassign Previously Approved Pouārahi Funding	Pages	127 - 130
4.28.	Levels of Service Increases Greenwaste Acceptance Facility, Resource Recovery Centre and Weighbridges	Pages	131 - 137
4.29.	Levels of Service Increases Videography Production	Pages	138 - 140
4.30.	Levels of Service Increases Financing Options: Stadium 2000 Trust	Pages	141 - 142
4.31.	Levels of Service Increases Development Contributions Policy (also refer to the separate attachment)	Pages	143 - 152
4.32.	Levels of Service Increases COVID-19 Rates Relief Reserve	Pages	153 - 157
5.	Minutes		
5.1	Council – 10 December 2020	Pages	158 - 163
6.	Committee Reports		
6.1	Assets & Services Committee	Pages	164 - 170
6.2	Environment Committee	Pages	171 - 179

6.3	Planning, Finance & Community Committee	Pages	180	-	187
7.	Local Roads Speed Limit Review 2021 (also refer to Attachment 7.1, Attachment 7.2, Attachment 7.3, Attachment 7.4 and Attachment 7.5)	Pages	188	-	223
8.	Sports Facilities Strategic Plan (also refer to Attachment 8.1 and to the separate attachment)	Pages	224	-	226
9.	Road Naming Sub-Committee	Pages	227	-	229
10.	Exemption of Council Controlled Organisations	Page			230
11.	Decision to Conduct Business with the Public Excluded	Page			231

## **Public Excluded**

1.	Public Excluded – Confirmation of Minutes				
1.1	Council – 10 December 2020	Pages	1	-	3
2.	Public Excluded - Confirmation of Committee Reports				
2.1	Assets & Services Committee	Pages	4	-	5
3.	Determination of Items able to be Released to the Public	Page			6

## Marlborough District Council

**Order Paper for the  
COUNCIL MEETING**  
to be held in the Council Chambers, Seymour Street, Blenheim  
on THURSDAY, 25 FEBRUARY 2021 commencing at 10.30 am

### 1. Karakia

---

Tēnā koutou, tēnā koutou, tēnā koutou katoa  
E te Atua tō mātou Kai-hanga,  
ka tiāho te māramatanga me te ora, i āu kupu kōrero,  
ka tīmata āu mahi, ka mau te tika me te aroha;  
meatia kia ū tonu ki a mātou  
tōu aroha i roto i tēnei huihuinga.  
Whakakī a matou whakaaro ā mātou mahi katoa,  
e tōu Wairua Tapu.  
Āmine.

(God our Creator,  
when you speak there is light and life,  
when you act there is justice and love;  
grant that your love may be present in our meeting.  
So that what we say and what we do may be filled with your Holy Spirit.  
Amen.)

### 2. Apologies

---

### 3. Declaration of Interests

---

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

## 4. Annual Budgets 2021-21

---

- 4.1. Budget Summary
- 4.2. Water, Sewerage and Stormwater Capital Budgets
- 4.3. Road and Footpaths Budget
- 4.4. Capital Expenditure Schedule
- 4.5. Reserve Balances
- 4.6. Infrastructure Upgrade Reserve
- 4.7. Forecast Financial Statements
- 4.8. Council Activities (also refer to the separate attachment)
- 4.9. Levels of Service Increases Convention Centre Management and Funding
- 4.10. Levels of Service Increases Economic Development and Regional Events
- 4.11. Levels of Service Increases Small Townships Programme
- 4.12. Levels of Service Increases CCTV and Wifi Extension and Funding
- 4.13. Levels of Service Increases Housing Supply Challenges (also refer to Attachment 4.13.1)
- 4.14. Levels of Service Increases Housing Opportunity - George Street
- 4.15. Levels of Service Increases Parking – Picton and Blenheim CBD
- 4.16. Levels of Service Increases Blenheim Business Association
- 4.17. Levels of Service Increases Picton and Blenheim – Innovative Streets Project
- 4.18. Levels of Service Increases Budget Provision - Sporting and Recreation Facilities
- 4.19. Levels of Service Increases Community Facilities: Capital Expenditure (Other)
- 4.20. Levels of Service Increases Community Facilities – Blenheim Area
- 4.21. Levels of Service Increases Community Facilities – Picton and Surrounds
- 4.22. Levels of Service Increases Community Facilities – Other Areas
- 4.23. Levels of Service Increases Renwick Museum – Earthquake Strengthening
- 4.24. Levels of Service Increases Environmental Science and Monitoring - Coastal Capital Expenditure
- 4.25. Levels of Service Increases National Policy Statement for Freshwater Management 2020 (also refer to Attachment 4.25.1 and Attachment 4.25.2)
- 4.26. Levels of Service Increases Redwood Street/Town Branch Drain Stormwater Upgrade
- 4.27. Levels of Service Increases Reassign Previously Approved Pouārahi Funding
- 4.28. Levels of Service Increases Greenwaste Acceptance Facility, Resource Recovery Centre and Weighbridges
- 4.29. Levels of Service Increases Videography Production
- 4.30. Levels of Service Increases Financing Options: Stadium 2000 Trust
- 4.31. Levels of Service Increases Development Contributions Policy (also refer to the separate attachment)
- 4.32. Levels of Service Increases COVID-19 Rates Relief Reserve

## 4.1. Budget Summary

(Report prepared by M Fletcher)

F230-L21-03

### Purpose of report

1. To provide Council with an overview of the budgets proposed for inclusion in Council's 2021-31 Long Term Plan (LTP).

### Executive Summary

2. The proposed budgets maintain a continuation of existing levels of service and a Capital Expenditure programme that in the main focuses on core infrastructure. The Capital Expenditure programme, the increase in the LGCI, Personnel costs and increased Government requirements are the main contributors to the proposed rates increases.
3. Because of the impact of Government requirements on Council costs and rates, it is proposed to include as a third element, i.e. Government Requirements, into the calculation of Council's "Rates Cap".
4. To reduce the impact on Rates, extensive use has been made of the Infrastructure Upgrade and Depreciation Reserves. However, as the Infrastructure Upgrade Reserve in reality reflects an ability to service debt, total debt levels have increased.
5. Debt levels are forecast to increase above previous levels and to reflect the impacts of inflation; it is recommended that Council increase its debt cap to \$230M. Council's forecast debt levels will remain within the covenants for LGFA borrowing increases.
6. The use of debt is one of the main methods of achieving intergenerational equity.

---

### RECOMMENDATION

That Council:

1. **Receive the information contained in this Budget Summary Paper and adopt it as supporting information to the 2021-31 Long Term Plan.**
2. **Agree to increase its "Debt Cap" to \$230M from \$140M (both figures are net debt).**
3. **Agree to include a third element into its "Rates Cap", i.e. Government Requirements of 1%.**
4. **Agree that its "Rates Cap" will be the movement in the LGCI + 2% for growth and levels of service increases + 1% for Government Requirements.**

---

### Background

7. Every three years Council is required to review and update its LTP. However the context in which the 2021-31 LTP is being prepared is significantly different than what existed in the past. Currently Council and the Community are facing:
  - The continuing impacts of COVID-19 both on Marlborough and the rest of the world. Much of Marlborough's economy is trade and tourism related and therefore reliant on how the rest of the world deals with the impacts of the COVID-19 epidemic. As a result, some commentators are forecasting that the worst has yet to come, but to date their forecasts have proven to be pessimistic.
  - Increasing impacts of Government Regulation and National Policy Statements. The Taumata Arowai – Water Services Regulator Act was passed in July 2020 and the National Policy Statement (NPS) on Freshwater Management 2020 was also issued in the same year.
  - Along with further NPS's being in the pipeline, there is also the review of the Resource Management Act 1991 and how the three waters will be delivered in the future. As a result of

the uncertainty surrounding these developments and reviews, it has been assumed that the status quo will remain for the purposes of preparing this LTP. They will be better addressed in the 2024-34 LTP when greater certainty exists. In the interim, Council must keep abreast of any developments and be prepared to provide input/comment.

- Higher levels of population growth are currently being experienced compared to say the position of 5-10 years ago. Higher levels of growth increase the demand for additional Council infrastructure. While the growth component is paid for via Development Contributions in the long term Council must fund the costs upfront.
- Increasing requests from the community for either increased levels of service or increased financial support.

8. There are a number of components in the process of preparing a LTP. These include:

**a) A review of Community Outcomes**

Council's Community Outcomes set out, in very high level terms, how Council would like to see the District/Community look in the future. Council's Community Outcomes under the headings of Governance, Environment, People, Economy, Connectivity and Living. These are consistent with the four "Well Beings" contained in the Local Government Act 2002 of social, economic, environmental, and cultural.

**b) Review Levels of Services (LoS)**

This review is actually a two-step process. The first is to look at existing LoS. As part of this review Council:

- received presentations from each Activity Manager;
- considered the results of the resident satisfaction survey;
- considered the proposed capital expenditure projects; and
- applied its collective knowledge of what LoS the community wanted.

There was a continued desire, on behalf of Councillors, to maintain existing LoS and continue with the high level capital investment in core infrastructure areas especially water, sewerage and roads. The detail of what comprises Council's existing LoS is contained in the Activity Statements in section 4.8 of this Agenda. Also included in these statements are the emerging issues facing each Activity.

The second step of the process is for Council to consider where it may lift its LoS. Proposals on where Council may decide to lift its LoS are contained in sections 4.9 to 4.32 of this Agenda. These proposals look to address in part or in full a number of the issues contained in the emerging issues section of the Activity Statements.

**c) A review of how Council will finance its Activities**

Included in this component are:

• **the basis of rating**

Council has decided to retain Land Value Rating with the exception of the Wairau Valley River Works Rate and the Kenepuru Road Rate which are already Capital Value based;

• **rating areas**

Council intends to retain the current geographic rating areas and current boundary adjustment mechanisms;

• **the current benefit weightings for attributing the rates requirement for a particular Activity to Geographic Rating Areas.**

The LTP Working Group is in the process of considering any potential changes. Only very minor changes are likely, if any; and

• **what Council's rates cap should be**

This 'cap', while being required by the Local Government Act, is set by Council. It is not an absolute 'cap' in that Council can exceed it, but Council has to explain to the Community its reasoning for doing so if this occurs. Earlier in the LTP preparation Council decided to retain its current rates cap at the movement in the Local Government Cost Index (LGCI) plus 2%. Also see paragraph 23 and 24.

Council also has to agree a Debt Cap, this is addressed later in this paper.

**d) Reviewing the underlying key assumptions Council should use**

Key assumptions include legislative impact, inflation, interest rates, NZTA subsidy level, population growth and demographic make-up and the economic lives of Council Assets:

- **Inflation**

Council is continuing to use the forecast movements in the LGCI produced annually by BERL;

- **Interest Rates**

Council has decided to reduce its interest rate assumption to 4.0% from the previous 4.5% to take account of the forecast for continuing low interest rates, Council's access to Local Government Funding Agency debt, and reduction in interest rate margins resulting from Council's AA (positive credit watch) credit rating. As at 31 December Council's weighted average cost of debt was 4.25% including line fee.

- **NZTA Subsidy will remain at 51%**

- **Population growth and demographics** are covered in more detail in the Infrastructure Strategy which is soon to be considered by the Assets and Services Committee and the Finance Strategy which is soon to be considered by the LTP Working Group. Growth projections are based on long run straight line averages using the Department of Statistics population projections supplemented by more recent economic forecasts and the actual growth that has occurred over recent years.

- **Forecast Asset Economic Lives**

Forecast Economic Lives are important for two reasons:

- for long term asset management planning; and
- as the basis for depreciation which is a significant component of Council's expenditure.

The economic lives of Council's assets have been reviewed over the last three years and adjustments made where appropriate. Depreciation is funded for Water, Sewerage, Stormwater and Roading assets (at 49%, the balance being NZTA). Community Assets depreciation is not funded by rates with the exception of Library/Art gallery/museums and toilets.

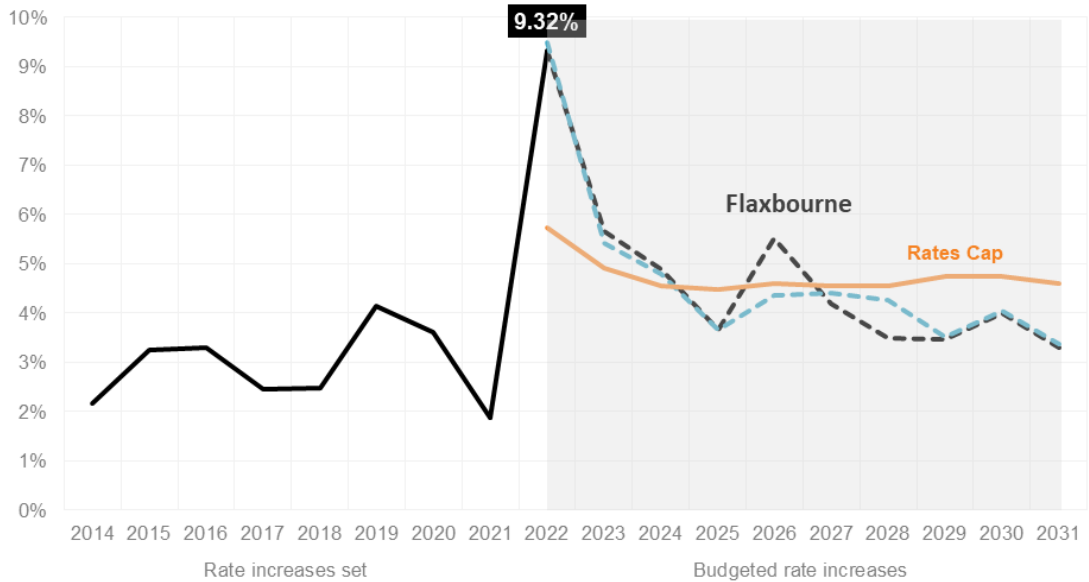
## **Budget Approach**

9. The budgets presented and contained in each of the Activity Statements have been prepared on the basis of maintaining existing LoS.
10. Over the 10 years of the LTP these budgets include adjustments made for:
  - movements in the Local Government Cost Index;
  - known movements in contract prices (e.g. insurance and the retendering of Reserves Contracts),
  - the impact of previous Council investment and funding decisions (e.g. the new library in Picton and new water schemes in Seddon, Renwick and Havelock);
  - reduced debt financing costs as a result of adopting 4.0% as the interest rate assumption.
11. Where additional or increased LoS are proposed, a separate paper has been prepared as part of this meeting Agenda.
12. The forecast percentage increases in total Rates and Charges for the next 10 years are shown in the graphs below:



**Percentage of Rates increases, with and without Voluntary targeted rates**

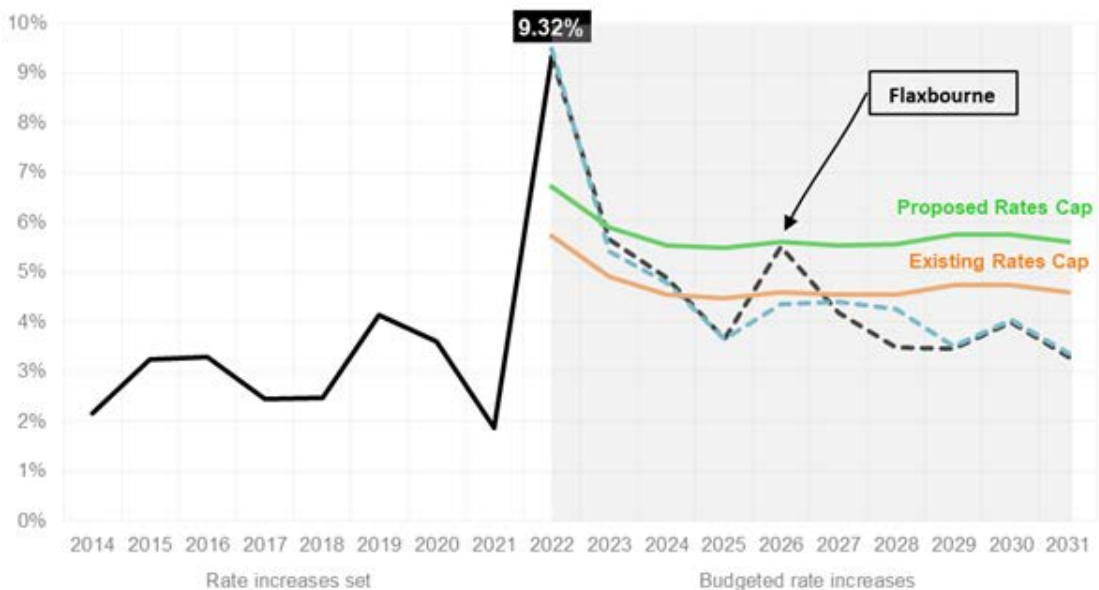
The 2020-21 rates increase was an historic low . The reductions applied by Council to mitigate the economic impact of Covid-19 in our region have translated into a higher rate increase in 2022 as shown below:



13. As identified in the above graph, the main reason for exceeding the 'Rates Cap' is the significant lift in Capital Expenditure especially in the Three Waters and the forecast rating impact of the Flaxbourne Irrigation Scheme. The targeted rate for the \$16M (previously \$30.1M inflated) Flaxbourne Irrigation Scheme is applicable to Scheme members only.
14. The following graphs shows the forecast levels of for each of the 10 years of the LTP, showing both with and without voluntary targeted rates.

**Percentage of Rates increases, with and without voluntary targeted rates**

The 2020-21 rates increase was an historic low . The reductions applied by Council to mitigate the economic impact of Covid-19 in our region have translated into a higher rate increase in 2022 as shown below:



## Prime Drivers for Rates Increases

15. Commenting on projected rates increases, traditionally the three biggest drivers are the Local Government Cost Index (LGCI), capital expenditure and personnel costs.
16. As stated above, the LGCI is forecast each year by BERL and used by the majority of Local Authorities to forecast likely inflation movements. The forecast for 2021-22 is 2.3 (Table 1.1 below).
17. This index forecasts the increase in Local Authority costs assuming no changes in the level and quantum of service delivered. The index attempts to forecast the price movements for items such as pipes, bitumen, diesel etc as compared to the CPI which measures increases in household costs such as food, housing and clothing.

Table 1.1

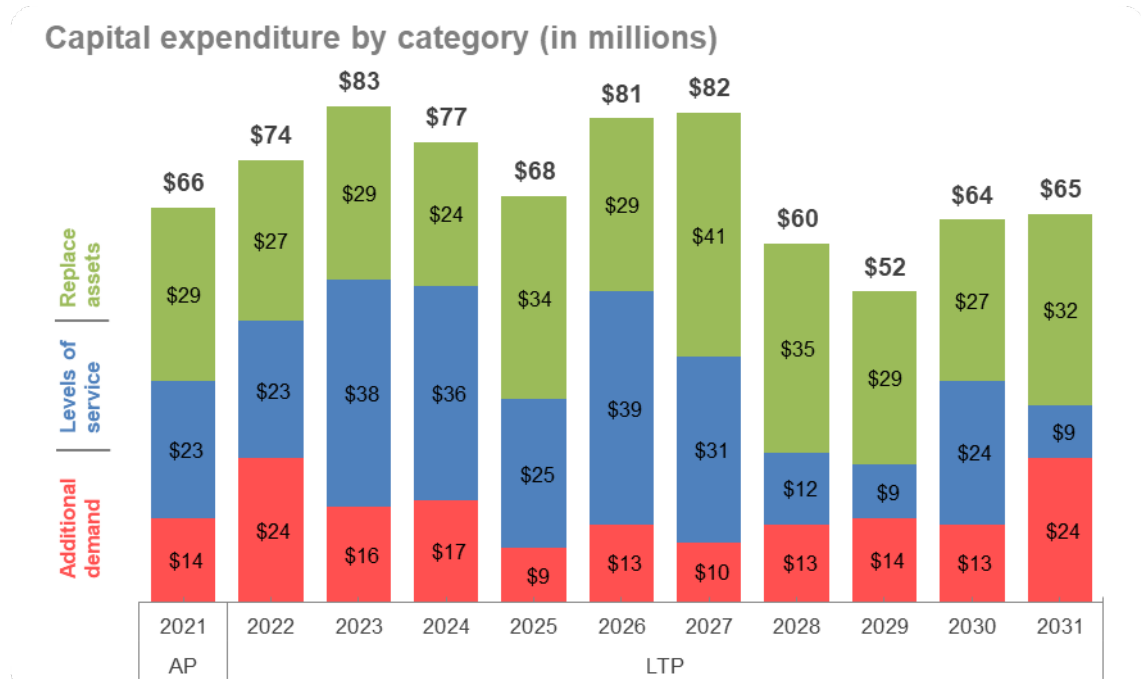
Annual average % change, June Year	2020 Actual	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
CPI *	1.5	1.4	1.2	1.4	1.8	2.1
Hourly wages (annual % change)*	3.0	2.3	2.2	2.3	2.8	3.3
LGCI	2.2	2.2	2.3	2.3	2.4	2.4

\* Source: Treasury 2020 Half Year Economic and Fiscal Update.

18. The other point to note is that while actual CPI at 1.5% is a headline figure, it is an historic metric covering the period 1 January to 31 December 2020. In the 2021-31 LTP we are looking forward 10 years. The RBNZ and Treasury in their Monetary Policy Statement and Economic and Fiscal Update are predicting increases to gradually move towards the mid-point of the Reserve Bank of New Zealand's (Reserve Bank's) inflation target range of 1% to 3%.
19. One of the other main drivers is financing Capital Expenditure. Over the past five years actual Capital Expenditure has ranged from \$29.5M in 2016 to \$63.1M in 2018 with an average of \$43.3M. The projection for 2020-21 is over \$70M. **NB, Individual project budgets actually total a significantly higher figure, being a culmination of the budgets for work not completed in the year ended 30 June 2020 and new projects budgeted for 2020-21.** However, as it is highly unlikely that all projects will be completed by 30 June 2021 an allowance of just over \$70M has been made for budget purposes.
20. The 2018-28 LTP included a strategic decision to limit the financing of Capital Expenditure to approximately \$60M for the first three years of the LTP for core Council Assets. This decision has proven to be correct with actual Capital Expenditure exceeding \$60M in only one of the past three years. The average amount of Capital Expenditure over the past three years is \$48.9M, noting that this would be low due to COVID-19 affecting one year.
21. The other key point to note is that Council in making the strategic decision it did, still included all the projects originally identified for completion over the 10 years of the LTP; it is just that their timing may vary.
22. It is intended to adopt a similar approach in the 2021-31 LTP, but increase the indicative capital allowance figure to \$70M to recognise the 2020 COVID-19 related under expenditure, the increased demand for growth and regulation driven infrastructure, tied Government funding and roading backlog expenditure. Council can feel comfortable to again make a similar high level strategic decision to limit project financing, because:
  - This level of discounting project timings is common across local government; and
  - Capital project timing in project delivery terms as compared to financing terms can vary for many reasons including:
    - finalising community consultation;
    - obtaining land access;
    - obtaining resource consents;
    - the availability of external professional expertise;
    - receiving an acceptable contract price and contractor availability.

23. To assist in the financing of the increased capital expenditure programme maximum use of Depreciation Reserves and the Infrastructure Upgrade Reserve (item 4.6) has been made. The infrastructure Upgrade Reserve has benefited from improved revenue streams and the reduction of the Interest Rate assumption in calculating the funds available to allocate towards funding capital expenditure. The other points to note in regard to Capital Expenditure are:
- the full cost of interest and depreciation apply from the year after construction is completed; New assets generate ongoing operations and maintenance expenditure; and
  - the Local Government Act requires Council to separately report under the following headings for Capital expenditure. Capital expenditure to:
    - improve Level of Service
    - meet additional demand for an activity (Growth); and
    - replace existing assets (Renewal).
24. For the purpose of calculating the amount under each heading, the Act permits the total amount value of a project to be included under the heading that reflects the primary purpose of the expenditure, e.g. if 55% of a project is to address a level of service issue, then the total value is included in the Level of Service category. It is worth noting that one of the tests used by Audit, is whether renewals expenditure is close to the level of depreciation. In 2022 renewals expenditure is \$27M and the forecast depreciation for that year is \$25.4M, which is broadly in balance. Audit have been concerned that Councils have not been keeping up with their renewals and spending significantly less on renewals than the value of depreciation. This is not the case in Marlborough.

### Capital Expenditure by Demand Type



25. Allowing for the inaccuracy that's inherent in this allocation process, it would be reasonable to expect that in broad terms:
- (a) Increases in level of service to be funded by current and future generations, which is typically achieved through the use of debt funding with debt servicing costs being met by rates;
  - (b) Increases in demand (growth) to be funded by Development Contributions; and
  - (c) Replacement of existing assets (renewal) to be funded from depreciation reserves.
26. As approximately \$23M of 2022 Capex relates to improving level of service, applying the assumed 4.0% interest rate assumption and a low 1% depreciation rate generates a funding demand of \$1.15M, i.e. just over a quarter of the total rates increase. In addition previous Councils have decided not to recover the full cost of Growth Capital Expenditure from Development Contributions to encourage growth, which will have a further impact on Rates.

27. Offsetting in part the impact of additional capital expenditure on Rates has been the Government Grants for the Library/Art Gallery (\$11M), River Protection (\$3M) and the Three Waters Projects (\$12.5M).

### Personnel Costs

28. To achieve the 2020-21 reduction in Rates to 1.88%, a number of vacancies were budgeted as not being filled and staff forwent their annual salary review. This was a short term solution that is not seen as acceptable in the long term. Council relies on having good quality staff to deliver its services. To recruit and retain good staff Council must remain competitive in the broader market. To do otherwise would result in increased staff turnover, with a corresponding drop in productivity and additional cost. Studies have shown that it costs up to six months' salary in recruitment, training and lost productivity should a staff member resign. As a result an increased budget provision has been made to permit Council to remain competitive in the market for 2021-22.

### Combined Impact of LGCI, Capex and Personnel

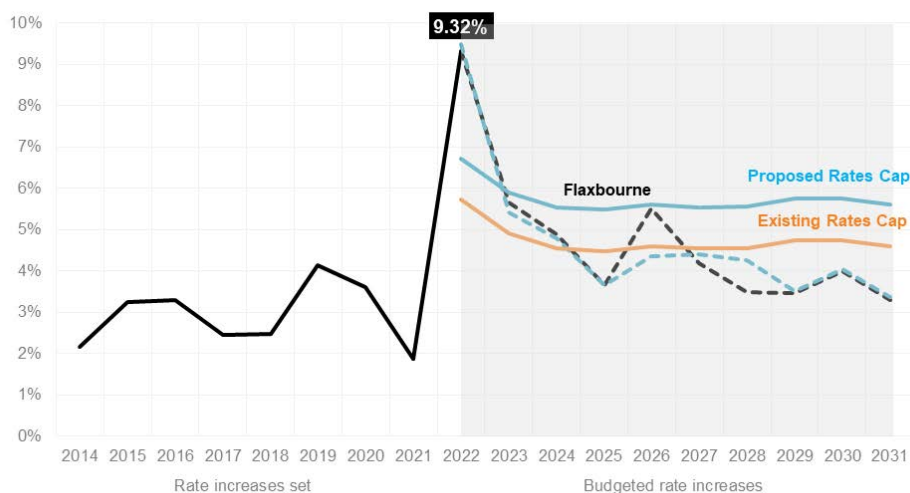
29. With the LGCI forecast to increase by 2.3% and the indicative impact on rates from Capex and Personnel being 2.7% and 3.5% respectively these three factors explain a significant portion of the total rates increase of 9.5%.

### Additional Cost Driver – Government Requirements – Impact on Rates Cap

30. There is also a fourth significant driver, Government requirements. The exact dollar value of the additional costs resulting from increasing Government requirements are difficult to quantify as collectively they impact the whole of Council, including for example, the NZ Drinking Water Standards, Traffic Management requirements, National Environmental and Policy Statements, even down to specifying the level of training required by Building Control Officers. There is no indication that the pace of Government reforms and resulting additional costs will slow. As Council has no control over these additional requirements it is proposed that an additional category be added to Council's "Rates Cap" calculation, i.e. "Government Requirements". Initially it is proposed to add an additional one percent to the Rates Cap, so the calculation would become LGCI+2% for growth and Levels of Service + 1% for Government Requirements. The one percent would need to be monitored closely and reviewed at the 2024-34 LTP.
31. Adopting this proposal would have the following impact as shown in the graph below:

#### Percentage of Rates increases, with and without Voluntary targeted rates

The 2020-21 rates increase was an historic low. The reductions applied by Council to mitigate the economic impact of Covid-19 in our region have translated into a higher rate increase in 2022 as shown below:

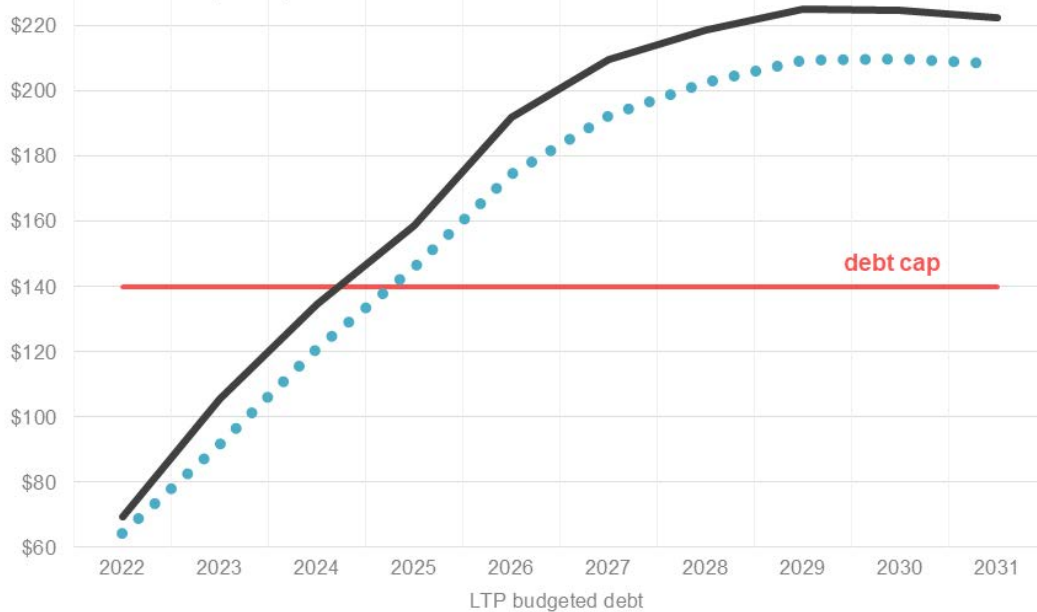


**Debt**

32. The other aspect Council should be aware of is how the proposed budget impacts upon projected debt. The following table identifies Council's:
- a) 2021-22 projection of net debt (i.e. net of cash and investments)
  - b) 2021-22 projection of net debt without Flaxbourne.
  - c) The historic \$140M Council determined net debt cap.

**Council debt, net of investments and cash - including and excluding Flaxbourne irrigation**

Council's 2018-28 self imposed **debt cap** is exceeded in 2025, this is mainly due to the increased level of capital expenditure since the last LTP.



33. As a result of the 2021-31 LTP proposing a Capital Expenditure budget of \$705M which is \$180M higher (paragraph 28) in value than the \$525M budget included in the 2018-28 LTP, net debt is projected to increase and peak at \$225M in 2029. This amount is above Council's self-determined \$140M net debt cap that was set as part of the 2018-28 LTP.
34. Simply inflating this number to recognise the inflation that's occurred over the past three years would increase the \$140M to \$150M. However, Council should also recognise that standards have increased (earthquake, safety and health) and that Council is offering a wider range of facilities than that envisaged in 2018.

The recommendation is that Council increase its debt cap to \$230M.

In increasing the debt cap, Councillors should note:

- (a) Council's debt still remains relatively well inside the LGFA's debt covenants:

<b>FINANCIAL COVENANTS</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Net debt / total revenue <250%	47%	73%	94%	107%	122%	128%	127%	128%	124%	120%
Net interest / total revenue <20%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Net interest / annual rates income <30%	3%	4%	4%	4%	4%	4%	4%	4%	4%	3%
Liquidity > 110%	157%	140%	132%	128%	123%	122%	121%	120%	121%	121%

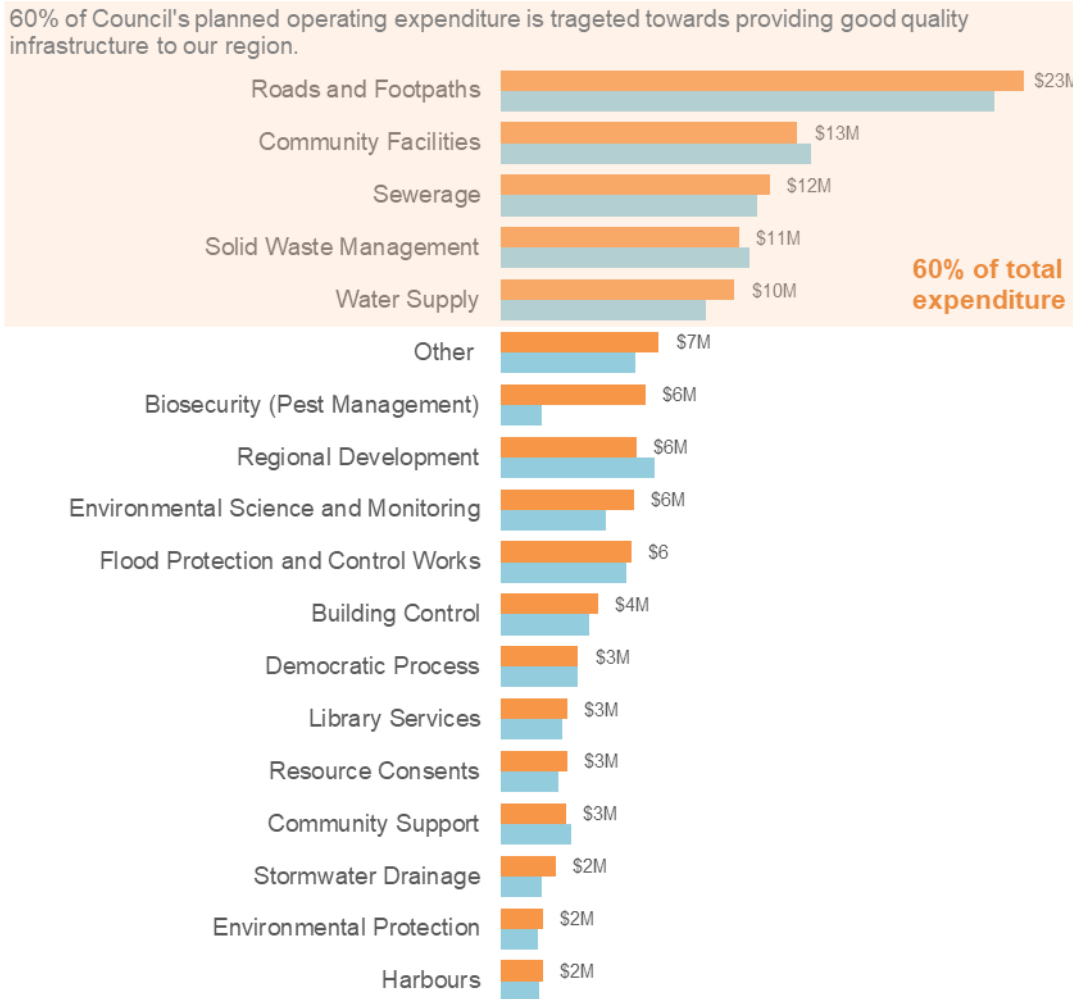
- (b) That over the period of the LTP total assets increase from \$1.95 Billion to \$2.93 Billion and that the debt cap represents less than 8% of total assets.

**Proposed Council Operating Expenditure**

35. The following graph shows the proposed 2021-22 Operating Expenditure levels for each activity and the amounts approved in the 2020-21 Annual Plan.

36. As can be seen the vast majority of expenditure is targeted towards providing good quality infrastructure and local public services.

**2021-22 LTP proposed operating expenditure by Activity compared to 2020-21 Annual Plan (in millions)**



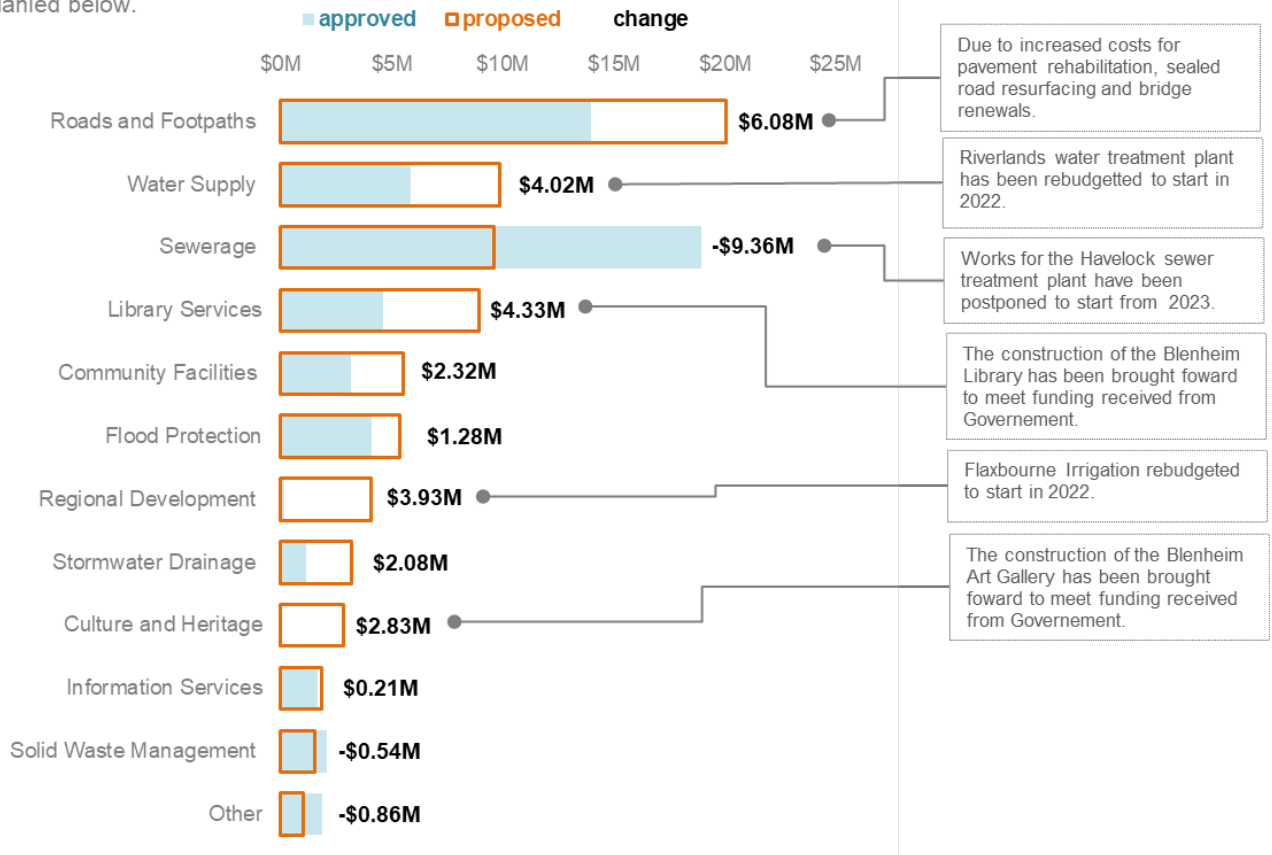
**Proposed Council Capital Expenditure**

37. The following graph shows the proposed 2021-22 Capital Expenditure levels for each activity and the amounts approved in the 2018-28 LTP for 2021-22.

38. Again the vast majority of expenditure relates to core infrastructure and public services. Separate agenda items (refer items 4.2 to 4.4) provide more detail on the proposed Capital Expenditure programme.

**2021-22 proposed capital expenditure against previous LTP budget**

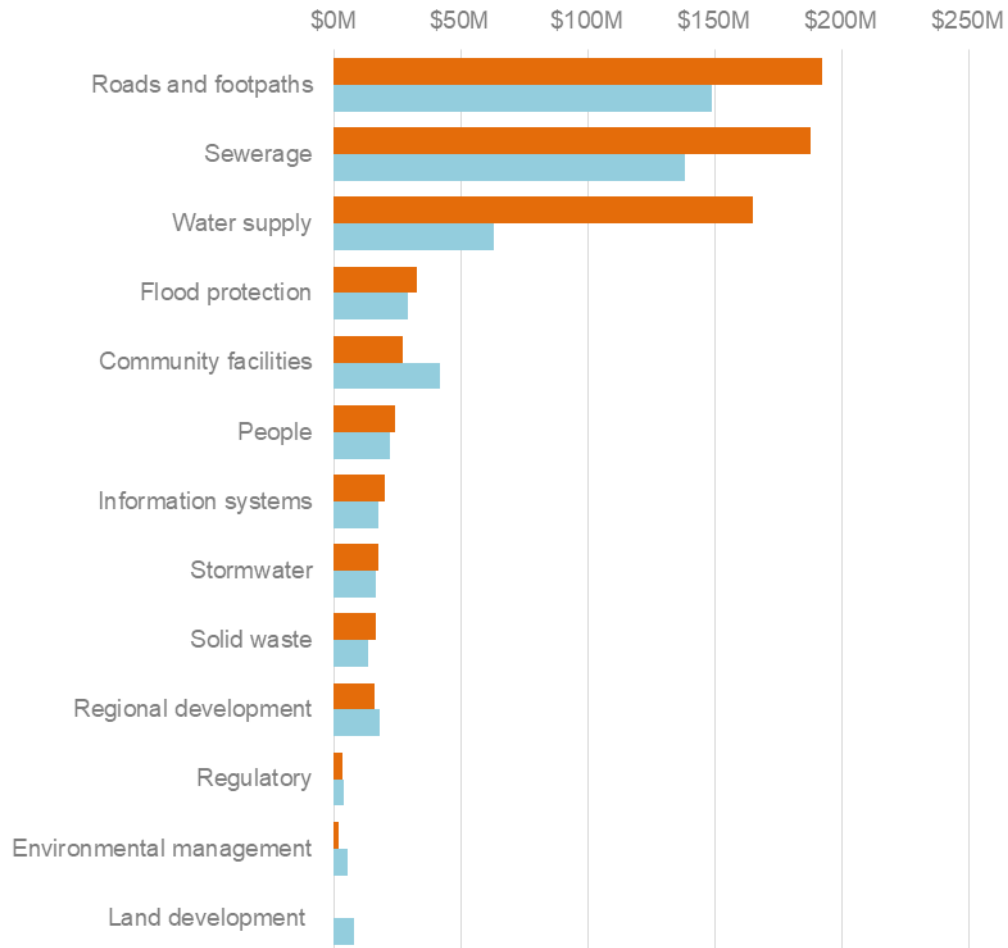
In the 2018-28 Long Term Plan Council approved \$57M of capital expenditure for 2021-22. In this LTP we are now proposing \$74M of capital for 2021-22. The main changes are in **Roads, Water Supply, Sewerage, Library and Regional Development**. The main variances are explained below.



39. Also included in the graph below is the total inflated level of planned capital expenditure over the entire period covered by the LTP compared to the amounts budgeted in the 2018-28 LTP. As mentioned earlier, the total value of the programme in this LTP is \$180M higher than the previous LTP.

### 10 years 2021-31 LTP capital expenditure against 2018-28 LTP

The 2021-31 LTP budget is proposing an inflated capital expenditure budget of \$705M. This is \$180M higher than the \$525M capital budget approved in the 2018-28 LTP.



### Commenting on the Proposed 2021-2022 Increase in Rates and Charges

40. The table below identifies the activities that have the greatest impact on the proposed increase in rates and charges and in summary the reasons why. It should also be noted that some of the increase results from the flow on effects of previous year's decisions, particularly if last year expenditure was funded from reserves for one year and this year are fully rate funded and investment in infrastructure intensive activities such as sewerage, water and community facilities. These projects are now incurring a full year's charge for depreciation, interest on loans and, for some, increased operating costs. Conversely, if budgeted Capital Expenditure has been deferred or delayed, then the corresponding depreciation and interest will not come to charge.

#### General Rates & Charges:

General Revenues	891,569	Decreased funding from the General Revenues Account following the reduction in the interest rate assumption to 4% as agreed in the LTPWG's August 2020 meeting.
Community Facilities	738,035	Increase in street trees and street plot costs due to increased transport management plan requirements and additional contract maintenance costs.
Environment policy	629,988	Increase in strategic planning resources and legal costs for environment plan appeals.



Environmental Management	560,551	Additional resources are required for environmental review to keep pace with government (National policy and environmental statements) and the community demand for quality environmental data and monitoring to position Council well for the future.
Flood protection	454,165	Increased operating costs due to the increased river bank length required to be maintained and also the increase in a number of contract costs.
Library	275,470	A decrease in personnel costs was budgeted last year due to COVID-19, which have now been returned to the budget.
Building control	256,043	Last year it was expected that building consents would decrease due to COVID-19 which had a reduction in this budget. The effect of these reductions has now been removed as there has been no reduction in activity levels.
General Roding and Footpaths	235,098	The main increases are additional traffic management costs and increased sealed pavement maintenance costs.
Storm water	232,816	There has been an increase in depreciation costs due to additional assets. Increased costs as laboratory samples are now necessary to meet the new Springlands Stormwater management area resource consent.
Harbours	197,909	Increased depreciation costs due to the new Harbour incident management system and new boat.
Environmental protection	142,176	Additional resources to implement the Regional Pest Management Plan and increased legal costs.
Culture Heritage	138,123	The grant to the Art gallery has been moved forward to offset the quarter of the Library/art gallery building, the internal loan costs relating to this were previously in 2022-23. The heritage grants have increased back to the pre COVID-19 value.
Resource Consents	107,432	Increase in cost of resources and depreciation for the new Resource Consenting software.
Environmental Health	92,701	Last year was significantly decreased due to COVID-19 impacts on the hospitality industry, which have now been reversed.

**Targeted Rates and Charges:**

Combined Water	1,090,280	The main increase is due to an increase in maintenance costs. Mains, Connection and Toby Maintenance costs have all increased by over 40% due to most jobs being in the road corridor with the associated increase in traffic management compliance costs. Treatment costs have also increased by over 40%. Other infrastructure costs have increased in line with last year's actual costs.
Awatere & Riverlands water supplies	67,749	Additional costs due to the Riverlands new water treatment plant.

**Additional Expenditure Requests**

41. A number of new initiatives with supporting papers are contained elsewhere in this Agenda. The table below shows the indicative impact on Rates should Council agree to proceed with the proposed initiatives. Similar to previous years Chris Lake will have her Rates Forecasting Model at the 25 February meeting to provide Councillors with an indicative Rates movement at the conclusion of the meeting. NB, the indicative rates movement at time will include the financial impact of any related staff positions, depreciation and debt servicing costs.

<b>Levels of Service Increases</b>	<b>Total \$</b>	<b>Indicative Rates Impact 2021-22</b>	<b>Comments</b>
Marlborough Convention Centre	\$1.1M	-	As a result of the uncertainties surrounding the long term cost of operating this facility, particularly as a result of COVID-19, it is suggested that this item be Reserve funded for the first 3 years.
Economic Development and Regional Events	\$150K	\$100K	Economic development program costs from this year's rates with the Garden Marlborough assessment and additional publications in future years.
Small Townships Programme	\$500K	-	Extending the per annum cost from 2028-29 onwards.
CCTV and Wifi Extension and Funding	\$95K	\$30K	CCTV maintenance being rates funded while installation from the Forestry and Land Reserve. Wifi costs in future years.
Parking – Picton and Blenheim CBD	-	-	Pending outcome of Council discussions.
Housing Opportunity - George Street	\$3.6M	-	Building expenditure will be offset by rental income.
Picton and Blenheim Innovative Streets	\$1.8M	-	Expenditure in 2022-23 and 2025-26.
Budget Provision - Sporting and Recreation Facilities	\$11.0M	-	Some items may be funded from Land Sub. Only year one of the Seddon domain reserve management plan improvements is in 2021-22 at \$100k, rates funding for internal loan costs.
Financing Options: Stadium 2000 Trust	-	-	Nil rates impact as it is recommended that Council support the Stadium by means of Guarantee.
Community Facilities: Capital Expenditure (Other)	\$4.4M	-	Increased budgets to address user demands, community requests and to ensure areas are fit for purpose.
Community Facilities – Blenheim Area	\$87K	\$87K	New facilities require annual expenditure to maintain.
Community Facilities – Picton and Surrounds	\$108K	\$108K	New facilities require annual expenditure to maintain.
Community Facilities – Other Areas	\$287K	\$272K	New facilities require annual expenditure to maintain.
Videography Production	\$25K	\$25K	Annual increase in expenditure.
Environmental Science and Monitoring Levels of Service Coastal Capital Expenditure	\$1.2M	\$75k	Multi beam data analysis annual costs.
National Policy Statement for Freshwater Management 2020	\$1.2M	\$197K	Annual costs required for NPSFM, increasing in next few years, then steady annual costs for the ten years.
Redwood Street/Town Branch Drain Stormwater Upgrade	\$10.4M		Increased capital budget to complete stormwater upgrade in future years.
Reassign Previously Approved Pouārahi Funding	(\$30k)	(\$30K)	Relied on Tasman/Nelson providing part funding which has not eventuated.
Greenwaste Acceptance Facility, Resource Recovery Centre and Weighbridges	\$649K	\$49K	Weighbridge capital expenditure and 25% of expenses if fees to rates 75:25 split is agreed.
Blenheim Business Association	\$30K	\$30K	Annual budget to replace uncertainty of annual grant.
Renwick Museum – Earthquake Strengthening	\$130K	-	Funds from Emergency Events Reserve.

## Reserve Funds

42. The forecast balances (\$000) of Council's discretionary Reserves are shown in the table below. Further detail on the allocations already approved from these Reserves are shown in Item 4.4:

<b>Discretionary Reserves (in \$millions)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Forestry and Land Development	13.8	10.5	6.7	5.1	4.6	4.3	4.0	3.8	4.0	4.3	4.6
Infrastructure Upgrade	11.7	13.3	14.3	14.9	14.8	14.4	14.0	12.9	11.9	10.6	8.5
Emergency Events	9.3	5.2	3.1	1.8	0.6	0.3	0.8	1.9	3.3	5.3	8.2
<b>Total</b>	<b>34.8</b>	<b>29.0</b>	<b>24.1</b>	<b>21.8</b>	<b>20.0</b>	<b>19.0</b>	<b>18.8</b>	<b>18.6</b>	<b>19.2</b>	<b>20.2</b>	<b>21.3</b>

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

## 4.2. Water, Sewerage and Stormwater Capital Budgets

(Report prepared by R Coningham and S Donaldson)

F230-L21-03

### Purpose of report

1. To provide an overview of Water, Sewerage and Stormwater projects and capital budgets<sup>1</sup> over the 2021-31 period.

---

### RECOMMENDATION

**That the water and sewerage budget and programme for the 2021-31 Long Term Plan be received and the information be adopted as supporting information.**

---

### WATER

2. A paper was presented to the Assets and Services Committee on 20 August 2020 which includes more background and detail on new wells, treatment and alternative sources.

#### Awatere - Rural

3. \$1.5M is budgeted in 2023-24 for point of entry treatment for rural households not served by the Seddon water treatment plant.
4. The Lions Back tanks are to be replaced with a 360m<sup>3</sup> reservoir in 2021-22. The budget is \$1,100,000
5. A reservoir is planned for the Dashwood (north side of the Awatere River) and there is budget provision of \$170,000 in 2024-25 and \$455,000 in 2025-26. Winery redevelopments in this area have queried whether additional capacity could be added to the reservoir for their requirements. Any increase reservoir size for this would need to be funded by the winery developments.
6. Computer hydraulic modelling has been used to assess the performance of the reticulation. Pipelines that require upgrading to increase their capacity have been identified. Upgrades are prioritised and programmed.
7. Water main upgrades are planned for 2023-24 \$208,454; 2026-27 \$168,806 and 2029-30 \$204,968

#### Seddon

8. \$328,000 is budgeted in 2021-22 water pipeline upgrades to service currently undeveloped land in Seddon. Also in the same year there is \$190,000 budgeted to reduce backwash volumes and reduce the discharge to the sewage treatment plant.

#### Blenheim

##### *Reticulation Upgrades*

9. Computer hydraulic modelling has been used to assess the reticulation capacity needs. Pipelines that require upgrading to increase their capacity have been identified and budget has been made for \$2.6M over the period 2021-31.

---

<sup>1</sup> All capital budgets in this paper exclude overheads and inflation.

### *Pump Stations and Reservoirs*

10. \$190,000 is budgeted in 2022-23 for upgrades to reservoirs. In 2023-24 there is budget of \$440,000 for the supply and installation of standby generators to two sites. There is budget of \$1,780,000 in 2026-28 for replacement of the Wither Road booster station.

### *Chlorination*

11. It is expected that chlorination will be required for all water supplies in NZ unless a vast investment is made to upgrade the reticulation. There is \$5,220,000 budgeted for chlorination of the Blenheim supply over the period 2021-23.

### *New Wells and Treatment*

12. New wells to the north of Blenheim are proposed to increase the resilience and capacity of the supply.
13. \$480,000 is budgeted for new wells in the period 2021-24. Pipelines for the new wells are budgeted in 2023-26 for \$10M over the period 2023-26. A budget of \$10M is allocated to a distribution pump station and treatment plant in 2026-27.

### *Universal Metering*

14. Budget of \$10,725,000 is provided for universal metering in 2028-30, which is expected to be a national compliance requirement by that time. Water meters have been proven as a means of reducing leakage and encouraging efficient use of water.

## **Havelock**

### *Water Treatment*

15. There is \$6,861,500 budgeted in 2021-22 for a water treatment plant with supply pipeline for Havelock which will ensure the supply complies with the Drinking Water Standards for New Zealand (DWSNZ).

### *Reservoir*

16. \$298,000 is budgeted in 2021-22 for completion of the construction of a second reservoir.

### *Reticulation Upgrades*

17. There is \$180,000 budgeted in 2023-24, \$120,000 in 2025-26 and \$150,000 in 2028-29 for reticulation upgrades.

### *New Source*

18. Havelock's existing water source is a shallow aquifer near the Kaituna River. The groundwater has been affected by saltwater intrusion in dry summers, in particular in 2015 when restrictions on water use had to be imposed.
19. Engineering reports have been received on the issue of salinity and potential alternative water sources. A new source will be a significant cost, primarily because of the distance from the town to a source that is reliable and free of the risk of saltwater intrusion.
20. There is budget of \$12,545,000 for a new source is in 2029-30. This work may be able to be delayed if the recently drilled wells further inland in the Kaituna River valley are successful and demand is reduced as a result of the recently installed water meters.

## **Picton**

### *Speeds Road Pipeline*

21. The pipeline is 5.6km long and connects the Speeds Road well source and treatment with the Elevation reservoirs. The first 1.7km has been replaced. There is budget from government funding of \$4,195,000 in 2021-22 to replace the balance of the pipeline. Consents are required for several stream crossings and Kiwirail approval is needed for the new pipelines under the rail line.

### *Speeds Road Additional Wells and Treatment*

22. New wells have been drilled and it is proposed to bring these into service with a filtration stage to improve resilience of the supply. There is budget of \$5,620,000 in 2021-22.

### *Universal Metering*

23. Only commercial and industrial connections in Picton are currently metered. It is planned to investigate metering all connections and there is budget of \$85,000 in 2021-22 and \$1,915,000 in 2022-23 and \$120,000 in 2023-24.
24. Metering has been shown to reduce consumption. Picton is at the limit of its existing two sources and a third source would be a substantial cost, in the order of \$19.0M. Demand management using metering and using reclaimed water for non-potable uses is considered a better option than a third source. Treatment of sewage treatment plant effluent for reuse is discussed in paragraph 72 (below).

### *Treatment for pH Control*

25. Treatment for improved pH control is proposed and there is budget of \$780,000 in 2022-23.

### *Pressure Management Zones*

26. Pressure management zones are proposed for the lower areas of Picton and Waikawa. These zones will reduce usage and leakage. Budget is provided of \$120,000 in 2021-22 and \$503,303 2024-25. The Waikawa Pressure Management Zone is subject to resolving some difficulties maintaining sufficient pressure to a small number of properties.

### *Essons Valley Raw Water Pipeline*

27. There are two existing pipelines from Barnes Dam to Essons Valley water treatment plant, one cast iron, the other steel. The steel pipeline was installed for the supply of water to the Picton freezing works and has had to be removed from service due to the increasing rate of failure. There is budget of \$1,200,000 in 2024-25 to re-line the cast iron pipeline.

### *Essons Water Treatment Plant Upgrade*

28. The Essons Valley water treatment plant complies with the Drinking Water Standards, but there is an aesthetic issue with taste and odour. A significant upgrade would be required to resolve this which is not budgeted for at present. There is budget provision of \$110,000 for replacement of the filter media in 2021-22.

### *Barnes Dam*

29. Consultants are currently assessing the structural integrity of the dam. It is not yet known if any strengthening or other improvements will be required, therefore no budget has been provided.

### *New Source*

30. There is a budget of \$19,300,000 in 2030-31 for a new source including pipelines and treatment.

## **Renwick**

### *Water Treatment and Condors Bend Road Bores*

31. There is budget of \$5,460,000 in 2021-22 to complete construction of a new water treatment plant and connection of the bores in Condors Bend Road.

### *Reticulation Upgrades*

32. Groundwater used to supply Renwick is of low alkalinity, and because of that the water corrodes the asbestos cement (AC) reticulation piping. As a result, a replacement programme has been budgeted for \$250,000 per annum over five years beginning in 2017-18, then \$82,000 per annum for 11 years from 2022-23. The first stage in Kowhai Drive and High Street from Boyce to Uxbridge Streets has been completed. Crafar Crouch Construction has commenced the next stage of this renewal work. Water mains in High St from Uxbridge to Brook Streets are being replaced. 3 Waters Stimulus funding is to contribute to the next stage of this program later in the year.

## **Riverlands**

33. If the current wells supplying water to Riverlands are to be retained, relatively involved treatment is required to reduce the concentration of manganese and to meet the Drinking Water Standards. The preferred option is an alternative source within the same freshwater management unit that is low in manganese. Low manganese simplifies treatment significantly.
34. New wells have been drilled further inland close to Blenheim. The pump testing of the two new wells shows they are suitable for supplying Riverlands.
35. Budget is provided for upgrading of \$15,666,700 in 2020-22 to bring the new wells in to operation with treatment meeting the drinking water standards.

## **Wairau Valley**

36. Wairau Valley township water supply requires a major treatment upgrade to meet the Drinking Water Standards. Government funding is available for this project. There is budget of \$755,000 in 2021-22.
37. Properties on the south east side of the highway are using groundwater which is elevated in arsenic and allowance has been made in the budget for connecting these properties subject to consultation. The supply would be limited to household usage. Budget is provided in 2022-23 of \$385,000.

## **SEWERAGE**

### **Blenheim**

#### *Sewage Treatment Plant – Industrial Upgrade (Riverlands)*

38. There is considerable variation in the industrial loading from one vintage to another depending on the growing season and harvest conditions; however, an upward trend has been forecasted as recently planted vines come into production.
39. The industrial treatment plant is operating at close to capacity during vintage and an upgrade is required. Budget of \$2,750,000 is provided in 2021-22 for additional aeration to maintain sufficient capacity.
40. There is a budget in 2026-27 of \$3M for sludge management. This will take industrial sludge out of the ponds system and thereby reduce future pond desludging requirements.
41. Capital upgrade costs are recovered from users by tradewaste charges.

#### *Sewage Treatment Plant – Domestic Upgrade*

42. Waveband reconstruction in pond 2B is planned for 2021-22 for \$650,000 from government funding. There is \$350,000 in the same year for consent investigations.
43. There is a budget of \$2,360,000 in 2028-29 for the construction of a large high flow buffer pond as part of the strategy to reduce overflows from the sewer network.
44. \$3,500,000 is budgeted in 2023-24 to desludge domestic pond 2. This is actually three ponds (2a, 2b, 2c) with a total area of approximately 30 hectares.

#### *Sewage Treatment Plant – Domestic and Industrial - Resource Consent Upgrading*

45. The sewage treatment plant will require upgrading for the next resource consent. The details of the upgrade will not be known until options are reviewed, consultation completed, Council approval is given and resource consent granted. Assumptions have been made for budgeting; however, the range in potential costs is large. The budgeted option involves continued discharge at the same outlet as currently used but with increased treatment. Other options include an ocean outfall and application to land. Iwi will be closely involved in considering options.

46. Industrial and “domestic” discharges share the cost. The following budgets are included:

	<b>2022-25 per annum</b>	<b>2025-26</b>	<b>2026-27</b>
Domestic	\$350,000	\$21,000,000	\$175,000
Industrial - Riverlands	\$150,000	\$9,000,000	\$150,000

### *Sewage Treatment Plant Upgrade – Pond 6 Desludging – Domestic and Industrial*

47. Pond 6 is the largest of the ponds at 18ha. The pond has accumulated a large volume of sludge which requires removing. The 18ha pond is utilised by both the industrial and domestic waste streams, therefore costs are apportioned. The budget is split between industries that pay tradewaste charges “industrial” and the other properties connected to the treatment plant that pay by way of rates “domestic”. There is \$450,000 budgeted in 2021-22 to industrial and \$1,050,000 to domestic for completing the desludging process which is due to start March 2021.

### *Reclaimed Water Reticulation*

48. \$10M is budgeted in 2026-28 for the reticulation of reclaimed water from the BSTP for irrigation and other non-potable uses.

### *Reticulation Upgrades*

49. Growth in housing and current capacity challenges require significant upgrading of sewers and pump stations. A construction contract is currently underway for sewers and pump stations in the northern parts of Blenheim. The upgrade project includes the McLauchlan Street and Budge Street (west) catchments and a pump station in Bomford Street to replace the existing Nelson Street pump station on the intersection of Nelson Street and Bomford Street. There is a budget of \$3,744,556 in 2021-22 to complete the works.
50. The upgrades will reduce the occurrence of untreated overflows.
51. Due to the Kaikoura Earthquake on November 2016, a significant portion of Blenheim’s 16km of earthenware sewer reticulation has sustained damage. A provisional amount of \$9.5M spread over 10 years has been included in the budget. This number will be refined as staff finalise insurance settlement amounts with Council’s insurers. The first stage of this work was awarded to Reline NZ Ltd and involved relining 2.3km of sewer. This phase is now complete. The Phase 2 contract has been awarded to Pipeworks NZ Ltd. This contract relined approx. 3.0km of sewer mains (this includes approx. 200 metres in Picton) and is substantially complete. Tenders have been received and are currently being evaluated for phase 3 of this project. Phase 3 is the balance of earthenware sewer to be relined in Blenheim. The works in this phase are not eligible for financial support from NEMA however Council has been granted funding from the 3 Waters Stimulus package. This will fund all of phase 3. The balance of sewer relining in Picton will form phase 4.
52. There is \$925,000 budgeted in 2021-22 for upgrading of the Purkiss Street north pump station and pipelines.

### *Main Terminal Pump Station – Alabama Road (MOPS)*

53. This station pumps all of the sewage from Blenheim, Woodbourne, Renwick and Marlborough Ridge through a 5.1km long pipeline to the Blenheim sewage treatment plant. The station is built in an area that is susceptible to liquefaction. Consideration was given to ground improvement and strengthening but that proved impractical. A new station will provide improved seismic and hydraulic performance.
54. \$450,000 is budgeted in 2020-21 for investigations and design. \$3,500,000 is budgeted in 2022-23 and \$4,000,000 in 2023-24 for construction.
55. Relining of the original MOPS to treatment plant pipeline is budgeted in 2027-29 for \$3,530,000. This is part of the plan to provide for growth and limit overflows.



### *Battys Road South Pump Station*

56. If the population of Blenheim keeps growing, an additional large pump station will be needed in Battys Road. Council has already purchased the land and an interim small pump station is on the site.
57. There is budget of \$6.4M in 2023-24 but the timing is very much dependent on growth.
58. Budget has been provided in 2027-29 for \$4,420,000 for high flow storage as part of the strategy to reduce sewage overflows.

### *Other Works*

59. Muller Road sewer from Redwood Street to Weld Street is being replaced at the same time as the new stormwater is laid. There is budget of \$526,000 in 2021-22 to complete this work.
60. \$1.3M is budgeted in 2023-24 for sewage pump station upgrades and reticulation.
61. Provision is made for sewerage in Burleigh in 2025-27 with a budget of \$2,464,000.
62. There are several other smaller pump and pipeline upgrades budgeted in the ten year period.

### **Havelock**

63. A new sewage treatment plant is planned for Havelock.
64. The treatment system needs to be upgraded to improve effluent quality. A detailed geotechnical study identified significant issues with the land around the existing ponds which means the site is unsuitable for further development. Consideration will be given to retaining the ponds for a wetland to give some additional treatment and act as a buffer between the treated effluent from the new sewage treatment plant and the Kaituna River.
65. The project is budgeted over 2021-24 for the consenting, design and building of a new treatment plant at a new site and upgrade of the terminal pump station. The budget over this period is \$9,500,000.
66. Budget of \$6,025,000 is provided in 2029-31 for a land treatment system. This system would be an add-on to the new sewage treatment plant.

### **Picton**

#### *Stage 4 Trunk Sewer*

67. Stages 1, 2, 3 and 4A have been completed. Stage 4B in Waikawa Bay is programmed to begin in 2020-21 and be completed in 2021-22. The budget in 2021-22 is \$1,215,000.
68. There is \$1,900,000 budgeted in 2021-22 for Stage 4C Waikawa storage tank.

#### *Reticulation*

69. \$2,910,000 is budgeted over 2022-25 for replacing sewers in Picton and Waikawa.
70. Due to the Kaikoura Earthquake in November 2016, a significant portion of Picton's 4km of earthenware sewer reticulation has sustained damage. A provisional amount of \$2.4M spread over 10 years has been included in the budgets. The final phase of sewer relining for Picton may be completed in one year starting from 2022. This will require budgets to be bought forward.

#### *Treatment*

71. In 2021-22 there is \$250,000 budgeted for new aeration equipment.
72. A reclaimed water treatment system is budgeted in 2023-24 for \$3,300,000. This system will treat effluent from the Picton Sewage Treatment Plant to a high standard for non-potable uses. This will take pressure off the water supply which is extended during summer.

73. In 2026-27 there is \$6,700,000 budgeted for a second aeration basin. The timing of this project will depend on growth.

### Seddon

74. The Seddon sewage treatment plant requires major upgrading. Although the existing treatment plant could be replaced with a modern plant producing a consistently high quality effluent suitable for continuing discharge to the Starborough Creek without environmental impact, Te Rūnanga o Kaikōura wants the discharge removed from the Starborough Creek all together for cultural reasons. A significant volume of storage and large area of land is required for all year round land treatment to achieve this.
75. Budgets have been provided for the land treatment option as follows:

Year	2021-22	2022-23	2023-24
Budget	\$400,000	\$3,600,000	\$10,000,000

### Spring Creek

76. A budget of \$80,000 is provided in 2022-23 for aerators on the existing ponds.

### St Andrews

77. Part of St Andrews is now served by a grinder pump system. There is budget of \$900,000 in 2023-24 to complete the scheme.
78. A report by Pattle Delamore Partners in 2008 into the on-site septic tank systems at St Andrews concluded that a community scheme was required to avoid an unacceptable public health risk. The report used the proposed protocol of Auckland Health Care Services which assesses the environmental conditions and management practices to determine whether a community requires sewer reticulation in order to prevent possible risks to public health from existing septic systems.

## STORMWATER

### Blenheim

79. A diversion pipeline is required as part of the Springlands Stormwater Area management plan resource consent. The pipeline will be in Middle Renwick Road to the Boyce Street pump station and include upgrading at the pump station. The consent also requires stormwater treatment on the Aston Street pipe outfall and treatment devices installed on the commercial and industrial stormwater connections in Middle Renwick Road. The cost of these works is budgeted across 2021 to 2024 at a total of \$4,063,014.
80. The stormwater main in Muller Road from Redwood Street to Weld Street is currently being upgraded. This budgeted across 2021-23 at \$3,578,667
81. There is budget to replace the stormwater main in Redwood Street from Muller Road to Stephenson Street in 2022-23 at \$1,000,000. This work is dependent on the Town Branch Drain upgrades being substantially complete.
82. There is funding of \$4,250,000 across 2023-2028 for upgrades of stormwater mains in Scott, Lewis, Redwood, Graham, Stephenson and Stuart Streets.

### Picton

83. Planning and design is well advanced to upgrade the stormwater in Hampden and Leicester Streets. This project will remove open drains and pipe from private properties. There is \$350,000 budgeted to date however to complete this project may require additional funding. When the final design and estimate is complete, a paper will be presented to the Assets & Services Committee to consider options and total cost.

Author	Stuart Donaldson, Planning & Development Engineer
Authorisers	Richard Coningham, Manager Assets & Services, and Martin Fletcher, Chief Financial Officer

## 4.3. Road and Footpaths Budget

(Report prepared by S Murrin)

F230-L21-03

### Purpose of report

1. Roothing is Council's single biggest item of expenditure at around 20% of total expenditure. This paper gives an overview of that expenditure.

### RECOMMENDATION

That the report be received.

### Background

2. Roothing expenditure is broken down into three categories, Maintenance, Renewals and Capital expenditure (improvements).
3. Expenditure is split into subsidised and unsubsidised. Subsidised expenditure attracts a subsidy from Waka Kotahi. Currently subsidy is set at 51%.

### Maintenance

4. The subsidised Roothing Programme is funded in a 3 year block. The next 3 year programme commences on 1 July 2021 and goes through till 30 June 2024.
5. Bids were submitted to Waka Kotahi back in December for the Roothing Programme. Waka Kotahi are currently reviewing all of Council's bids.
6. At this stage the outcome of our bid is not known.
7. The bid submitted for the 2021-24 programme was \$53,684,317, this bid is still subject to approval by Waka Kotahi and is subject to change. The 2018-21 programme was \$39,035,431. This is an increase of around 27%. The figures expressed are prior to receiving the Waka Kotahi roading subsidy which is currently set at 51%, the cost to Council is 49% of these figures.
8. The Level of Service Workshop ran through the reasons for the increase in programme. These include the following:

Category	Annual Increase (\$000)	Three Year Programme Increase (\$000)
Network and Asset Management	\$1,562	\$4,686
Sealed Road Resurfacing and Rehabilitation	\$1,189	\$3,567
Bridge Replacements	\$607	\$1,822
Unsealed Road Metalling	\$495	\$1,485
Sealed pavement maintenance	\$223	\$669
Operational Traffic Management	\$220	\$660
Minor Improvements	\$105	\$315
Footpath and cycle renewals	\$482	\$1,446
<b>Total</b>	<b>\$4,883</b>	<b>\$14,650</b>

Both Bridge Replacements and the Network Management Contract (Marlborough Roads Contract) are new additions to the subsidised program and were previously funded from other budgets. Of the amounts listed above, \$1,068,000 pa relates to operational expenses with the balance of \$3,815,000 pa relating to capital expenses.

9. The table below shows the significant items of budgeted maintenance expenditure for the 2021-22 financial year. Expenditure for subsequent years is similar with only inflation adjustments budgeted.
10. Subsidised Maintenance:
  - (a) Sealed pavement maintenance - \$1,345,000;
  - (b) Unsealed pavement maintenance - \$640,000;
  - (c) Environmental maintenance - \$975,000;
  - (d) Network services maintenance - \$1,102,270;
  - (e) Footpath maintenance - \$172,000;
  - (f) Network and Asset Management - \$991,600;
  - (g) Emergency Reinstatement - \$2,000,000.
11. The total subsidised maintenance programme is \$9,133,792 for the upcoming year.
12. Major items of unsubsidised maintenance are:
  - (a) Street cleaning - \$611,578;
  - (b) Jetties - \$60,000.

### **Renewals**

13. The significant subsidised renewals budgeted for 2021-22 are listed below. Again, only inflation adjustments are budgeted for subsequent years:
  - (a) Unsealed road metalling - \$1,510,847;
  - (b) Sealed road resurfacing - \$5,460,044;
  - (c) Sealed pavement rehabilitation - \$1,563,348;
  - (d) Bridge and Structural Renewals - \$968,343.
14. The total subsidised renewal programme for the upcoming year is \$11,521,220.
15. The main unsubsidised renewals are:
  - (a) Jetty replacements - \$107,000;
  - (b) Seal extensions - \$100,000.

### **Capital improvements**

16. The only major capital improvement proposed in the long-term plan is replacement of the High Street Bridge. There is a total of \$6.5m budgeted in 2027-28.
17. Subsidised capital improvements are generally funded under the 'Low Cost, Low Risk' work category.
18. This work category permits the funding of projects up to a total of \$2m without the need to go through the Waka Kotahi Business Case process.
19. In the past this work category was known as Minor Safety projects and the focus was on road safety improvements.
20. Now with the re-defining of the work category several projects are funded from this budget. It now includes Walking and Cycling projects.
21. The budget is a three year programme to align with the three year term of the National Land Transport Programme (NLTP).

22. This proposed budget for the next three year programme 2021-24 is \$5,788,000.
23. Significant project budgets over the period are:
- (a) Kenepuru Barge site - \$800,000;
  - (b) Tennyson Hill Drainage Channels - \$200,000;
  - (c) Speed Management - \$120,000;
  - (d) Beaver Road Cycleway - \$160,000;
  - (e) Stuart St- Taylor River Path - \$170,000;
  - (f) Dublin St Cycleway - \$400,000;
  - (g) Various Seal Widening Projects - \$600,000;
  - (h) Various Walking and Mobility Improvements.
24. Also funded within the roading budgets are small townships at \$500,000 per year and the CBD budgets set at \$1M per annum out to 2026-27.

### **Risks not Currently Budgeted**

25. Marlborough is seeing significant Traffic Growth. Over the next two to three years Marlborough Roads is going to be undertaking a comprehensive Transport Study. It is likely this study will recommend interventions that will be required to improve traffic movements. These interventions will need to be budgeted in future Roading Programmes.
26. The Elmslie Bay (French Pass) jetty is coming to the end of its life. WSP are currently looking at options for either a major maintenance project or a replacement. The outcome of this work will be brought to Assets and Services Committee as there is no current budget for either option.
27. Marlborough Roads are seeing a lot more requests for dust suppressant and seal extensions to combat issues with dust being generated particularly by logging trucks. Dust suppressant is currently being funded from unsealed roads budgets. Seal extensions are seen as a LoS increase where the area of benefit is expected to contribute. With the increase in costs from the new NOC it is unlikely these works will be able to be funded without an increase in budget.

Author	Steve Murrin, Marlborough Roads Manager
Authoriser	Richard Coningham, Manager Assets & Services

## 4.4. Capital Expenditure Schedule

(Report prepared by Martin Fletcher/Rainbow Zhao)

F230-L21-03

### Purpose of report

1. To present a summary of the proposed Capital Expenditure Programme for 2021-31 LTP (as attached).

### Executive Summary

2. The majority of the larger items are either commented on in item 4.2 and 4.3 of this agenda or relate to the Blenheim Library and Art Gallery, Flaxbourne Irrigation, Solid Waste Management.

---

### RECOMMENDATION

That the information be received and adopted as supporting information.

---

Author	Rainbow Zhao, Systems Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

## Inflated Capital Expenditure (\$000's)

2020-21

	Budget	Projection	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	10 year total
Democratic Process	-	-	-	-	-	-	-	-	-	-	-	-	-
Democratic Process	-	-	-	-	-	-	-	-	-	-	-	-	-
Arts	-	1,417	2,833	1,573	-	-	-	-	-	-	-	-	4,406
Heritage	-	10	-	-	-	-	-	-	-	-	-	-	-
Culture and Heritage	-	1,427	2,833	1,573	-	-	-	-	-	-	-	-	4,406
Housing for Seniors	160	180	-	185	-	193	-	202	-	211	-	220	1,010
Housing for Seniors	160	180	-	185	-	193	-	202	-	211	-	220	1,010
Passenger Transport	20	23	23	23	24	24	25	25	26	27	27	28	251
Community Support	20	23	23	23	24	24	25	25	26	27	27	28	251
Library Services	4,320	4,670	8,916	5,945	399	388	405	423	442	492	482	494	18,386
Library Services	4,320	4,670	8,916	5,945	399	388	405	423	442	492	482	494	18,386
Emergency Management	9	56	9	9	9	81	10	10	10	11	11	11	172
Emergency Management	9	56	9	9	9	81	10	10	10	11	11	11	172
<b>People Total</b>	<b>4,509</b>	<b>6,356</b>	<b>11,781</b>	<b>7,734</b>	<b>432</b>	<b>687</b>	<b>440</b>	<b>660</b>	<b>478</b>	<b>740</b>	<b>520</b>	<b>753</b>	<b>24,225</b>
Cemeteries	105	339	247	69	63	45	63	68	60	80	73	71	840
Memorials	8	19	228	18	8	9	9	26	9	10	10	10	337
Street berms, trees and plots	38	79	38	40	41	42	43	44	45	46	47	48	431
Halls	567	547	20	21	337	22	22	23	23	24	24	25	540
Public Toilets	1,169	1,345	1,365	252	564	26	56	58	80	37	10	29	2,478
Reserves	6,534	9,613	3,489	4,049	1,694	1,615	1,618	1,755	1,880	2,218	2,026	2,025	22,370
Swimming Pools	100	-	130	-	-	-	-	-	-	-	-	-	130
Community Facilities	8,521	11,941	5,517	4,449	2,707	1,759	1,810	1,972	2,098	2,414	2,191	2,208	27,126
<b>Community Facilities Total</b>	<b>8,521</b>	<b>11,941</b>	<b>5,517</b>	<b>4,449</b>	<b>2,707</b>	<b>1,759</b>	<b>1,810</b>	<b>1,972</b>	<b>2,098</b>	<b>2,414</b>	<b>2,191</b>	<b>2,208</b>	<b>27,126</b>
Roading	14,016	17,945	20,026	17,024	16,510	16,676	20,758	21,360	24,958	17,828	18,358	18,889	192,388
Roads and Footpaths	14,016	17,945	20,026	17,024	16,510	16,676	20,758	21,360	24,958	17,828	18,358	18,889	192,388
<b>The Provision of Roads and Footpaths Total</b>	<b>14,016</b>	<b>17,945</b>	<b>20,026</b>	<b>17,024</b>	<b>16,510</b>	<b>16,676</b>	<b>20,758</b>	<b>21,360</b>	<b>24,958</b>	<b>17,828</b>	<b>18,358</b>	<b>18,889</b>	<b>192,388</b>
Rivers Outside Wairau Floodplain	20	80	20	21	21	22	22	23	24	25	25	26	229
Wairau Floodplain Drainage	630	1,033	1,790	2,826	2,251	33	696	462	762	37	344	39	9,240
Wairau Floodplain Rivers	3,527	4,439	3,550	3,884	966	1,571	3,132	2,262	1,476	2,363	1,858	2,060	23,123
Flood Protection and Control Works	4,177	5,552	5,360	6,731	3,239	1,626	3,851	2,747	2,262	2,424	2,227	2,126	32,592
<b>Flood Protection and Control Works Total</b>	<b>4,177</b>	<b>5,552</b>	<b>5,360</b>	<b>6,731</b>	<b>3,239</b>	<b>1,626</b>	<b>3,851</b>	<b>2,747</b>	<b>2,262</b>	<b>2,424</b>	<b>2,227</b>	<b>2,126</b>	<b>32,592</b>
Combined Sewerage	15,825	10,605	7,312	7,339	28,983	22,133	30,581	26,990	15,142	21,225	2,817	6,776	169,298
Riverlands Sewerage	2,359	772	2,267	1,194	164	191	10,330	3,785	198	200	198	-	18,528
Sewerage	18,184	11,377	9,579	8,533	29,146	22,324	40,911	30,775	15,340	21,425	3,015	6,776	187,826
<b>Sewerage Total</b>	<b>18,184</b>	<b>11,377</b>	<b>9,579</b>	<b>8,533</b>	<b>29,146</b>	<b>22,324</b>	<b>40,911</b>	<b>30,775</b>	<b>15,340</b>	<b>21,425</b>	<b>3,015</b>	<b>6,776</b>	<b>187,826</b>



Blenheim Stormwater	2,382	949	2,814	3,665	3,543	698	831	2,066	2,131	295	305	315	16,663
Other Stormwater Schemes	50	575	400	83	85	87	62	58	60	62	64	66	1,025
Stormwater Drainage	2,432	1,524	3,214	3,748	3,628	786	893	2,123	2,190	357	369	381	17,688
<b>Stormwater Drainage Total</b>	<b>2,432</b>	<b>1,524</b>	<b>3,214</b>	<b>3,748</b>	<b>3,628</b>	<b>786</b>	<b>893</b>	<b>2,123</b>	<b>2,190</b>	<b>357</b>	<b>369</b>	<b>381</b>	<b>17,688</b>
Awatere Water	1,703	362	1,104	1,592	2,489	522	530	211	9	9	279	9	6,753
Combined Water	2,480	5,413	4,642	7,565	8,960	18,059	9,772	20,343	8,740	3,920	31,068	27,454	140,523
Riverlands Water	1,380	759	4,137	9,185	4,347	1	1	1	1	1	1	1	17,678
Water Supply	5,562	6,534	9,883	18,342	15,797	18,582	10,303	20,555	8,750	3,930	31,348	27,464	164,954
<b>Water Supply Total</b>	<b>5,562</b>	<b>6,534</b>	<b>9,883</b>	<b>18,342</b>	<b>15,797</b>	<b>18,582</b>	<b>10,303</b>	<b>20,555</b>	<b>8,750</b>	<b>3,930</b>	<b>31,348</b>	<b>27,464</b>	<b>164,954</b>
Landfills	4,286	4,336	1,530	3,235	3,325	653	517	120	132	481	3,176	3,278	16,447
Refuse Collections	-	-	-	-	195	-	-	-	-	-	-	-	195
Transfer Stations	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Minimisation	-	363	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	4,286	4,699	1,530	3,235	3,520	653	517	120	132	481	3,176	3,278	16,642
<b>Solid Waste Management Total</b>	<b>4,286</b>	<b>4,699</b>	<b>1,530</b>	<b>3,235</b>	<b>3,520</b>	<b>653</b>	<b>517</b>	<b>120</b>	<b>132</b>	<b>481</b>	<b>3,176</b>	<b>3,278</b>	<b>16,642</b>
Environmental Science & Monitoring	454	574	185	155	159	390	168	173	179	185	191	197	1,982
Environmental Science and Monitoring	454	574	185	155	159	390	168	173	179	185	191	197	1,982
Environmental Protection	-	31	-	-	-	46	-	-	-	-	-	-	46
Environmental Protection	-	31	-	-	-	46	-	-	-	-	-	-	46
Resource Consents	3	35	3	3	-	44	-	-	-	-	-	-	50
Resource Consents	3	35	3	3	-	44	-	-	-	-	-	-	50
<b>Environmental Management Total</b>	<b>457</b>	<b>640</b>	<b>188</b>	<b>158</b>	<b>159</b>	<b>480</b>	<b>168</b>	<b>173</b>	<b>179</b>	<b>185</b>	<b>191</b>	<b>197</b>	<b>2,078</b>
Building Control	-	196	-	-	-	289	-	-	-	-	-	-	289
Building Control	-	196	-	-	-	289	-	-	-	-	-	-	289
Environmental Health	3	18	3	4	4	31	4	4	4	4	4	4	66
Environmental Health	3	18	3	4	4	31	4	4	4	4	4	4	66
Biosecurity (Pest Management)	-	121	-	-	-	186	-	-	-	-	-	-	186
Biosecurity (Pest Management)	-	121	-	-	-	186	-	-	-	-	-	-	186
Dog Control	-	-	-	-	-	-	-	-	-	-	-	-	-
Animal Control	-	-	-	-	-	-	-	-	-	-	-	-	-
Harbours	792	1,204	380	269	262	278	243	249	690	260	266	186	3,081
Harbours	792	1,204	380	269	262	278	243	249	690	260	266	186	3,081
<b>Regulatory Total</b>	<b>795</b>	<b>1,539</b>	<b>383</b>	<b>272</b>	<b>266</b>	<b>783</b>	<b>247</b>	<b>253</b>	<b>694</b>	<b>264</b>	<b>270</b>	<b>190</b>	<b>3,622</b>

Irrigation Schemes	816	577	4,000	10,677	16	18	17	18	20	20	20	20	14,827
Parking	86	466	86	101	91	105	133	123	126	145	149	153	1,212
Regional Development	902	1,043	4,086	10,778	108	123	150	141	146	165	169	174	16,038
<b>Regional Development Total</b>	<b>902</b>	<b>1,043</b>	<b>4,086</b>	<b>10,778</b>	<b>108</b>	<b>123</b>	<b>150</b>	<b>141</b>	<b>146</b>	<b>165</b>	<b>169</b>	<b>174</b>	<b>16,038</b>
Corporate Management	-	10	50	51	52	54	55	56	57	59	60	61	555
Information Services	1,742	2,292	1,860	2,020	1,337	1,152	1,178	1,204	1,231	1,258	1,286	1,316	13,842
Office Services	100	451	270	251	105	289	110	112	115	117	120	122	1,611
Customer Service Centres	-	-	-	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Development	700	570	-	-	-	-	-	-	-	-	-	-	-
Assets + Services Management	-	602	-	-	-	944	-	-	-	-	-	-	944
Plant Operations	118	224	110	266	185	312	156	275	528	482	517	185	3,017
<b>Grand Total</b>	<b>66,502</b>	<b>73,299</b>	<b>73,839</b>	<b>83,594</b>	<b>77,189</b>	<b>67,229</b>	<b>81,547</b>	<b>82,527</b>	<b>59,157</b>	<b>52,129</b>	<b>63,818</b>	<b>64,119</b>	<b>705,149</b>

## 4.5. Reserve Balances

(Report prepared by Chris Lake)

F230-L21-03

### Purpose of report

1. The purpose of this agenda item is to outline the forecast balances for Council's significant Reserves.

### RECOMMENDATION

That Council receive and adopt this paper as supporting information.

### Background/Context

2. Emergency Events Reserve

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
5.17	3.11	1.80	0.57	0.28	0.75	1.95	3.32	5.31	8.16

By way of comparison for the 2018-2028 LTP the 2027-28 balance was forecast to be \$1.628M.

This Reserve has been established, as part of Council's funding plan for damage repair following a major disaster event. It is also commonly used to fund damage repairs for lesser, but still significant events such as expensive roading, flood damage and earthquake damage repairs. This fund was used for additional expenditure due to COVID-19.

The two funding sources for this Reserve are primarily General Revenues, and river leases.

The results of consultation of the 2018-28 LTP indicated a preferred balance of between \$10-15M in 2028.

At the 6 August 2020 LTP Working Group it was agreed to increase the emergency events reserve in out-years where the increase does not breach the rates cap.

The budget provides for:

- **Projection for 2020-21**
  - \$0.51M Flaxbourne Hall
  - \$1.232M annually for Council's share (net of NZTA subsidy) of roading flood damage
  - \$0.26M River edge protection damage balance
  - \$0.57M annually for Rivers flood damage
  - \$1.00M COVID-19 community facility emergency funding plus increase community grants\*
  - \$0.75M Regional development TEAM funding\*
  - \$0.25M Free parking Blenheim and Picton CBDs
- **Budget for individual years**
  - \$2.8M for Combined Sewer being \$2.5M in the year 2021-22 and \$0.29M in the year 2022-23
- **Annually over ten years**
  - \$1.25M annually (plus LGCI) for Council's share (net of NZTA subsidy) of roading flood damage
  - \$0.33M annually (plus LGCI) for Rivers flood damage

\* these items reflect the unspent allocations carried forward from 2020

**Councillors should note the forecast balance of this Reserve excludes the impact of any unforeseen drawdowns and the value of the yet to be resolved Kaikoura earthquake claim proceeds because of their high level of uncertainty.**

## 3. Forestry and Land Development Reserve

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
10.47	6.68	5.08	4.65	4.29	4.04	3.78	4.04	4.30	4.56

The significant revenue sources are:

- Distribution from Marlborough Regional Forestry which is dependent on harvesting targets being achieved and current log prices being maintained. Harvesting will cease in 2020-21 with budgeted income starting again in 2028-29
- Settlement proceeds from the final stage of Boulevard on Taylor developments are budgeted in projection (2020-21). All sections are pre-sold and proceeds will be received on settlement, with the timing being dependent on the date that the titles are received from LINZ. This revenue source will then cease for the foreseeable future.

The budget provides for:

- **Projection 2020-21**
  - \$2.10M for Lansdowne Park sports pavilion
  - \$1.00M for The Whale Trail
  - \$0.49M for the new Blenheim Library /Art gallery
  - \$0.30M Towards Multi-beam seabed mapping
  - \$0.28M Marlborough Heritage Trust Fire protection plan
  - \$0.17M Completion of the Link pathway
  - \$0.15M for the remaining two years ending 2021-22 for New Zealand Research Institute of Viticulture and Oenology (NZRIVO)
  - \$1.53M for various projects previously approved by Council
- **2021-22**
  - \$1.36M for the new Library / Art gallery
  - \$0.50M for Marlborough Kaikoura Trail
  - \$0.31M Wither Hills woolshed
  - \$0.30M for Information Services rural broadband
  - \$0.15M for the remaining year ending for New Zealand Research Institute of Viticulture and Oenology (NZRIVO)
  - \$0.45M for various projects previously approved by Council
- **Future years**
  - \$1.89M for the new Library / Art gallery
  - \$1.13M Smart monitoring in 2022-23 and 2023-24
  - \$0.80M funding for Awatere rural water supply budgeted to be completed in 2023-24
  - \$0.50M for The Whale Trail in 2022-23
  - \$0.17M Linkwater hall upgrade in 2022-24
  - \$0.93M for various projects previously approved by Council
- **Annually over ten years**
  - \$0.22M per annum for the Council's central computer systems.

## 4. Infrastructure Upgrade Reserve

See item 4.6 (below) for further information on this Reserve.

## 5. Wairau Rivers Operating Reserve

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
(2.20)	(3.36)	(3.01)	(2.47)	(2.19)	(1.77)	(1.37)	(0.65)	(0.06)	0.76

This Reserve is primarily used to assist with maintaining Council's rivers and flood protection system and for land purchases for river protection works.

The significant revenue sources are:

- River Leases
- Gravel Extraction

The Reserve will be used for greenscape contacts, rock & gabion protection, drainage channels, road maintenance and maintain the stopbanks on the lower Wairau,

This Reserve will go into deficit in 2020-21 and will remain so until returning to a surplus in 2030-31. This is to continue to ensure the activity has sufficient Reserves to meet the development of river control assets and to meet any unplanned expenditure. This Reserve is credited/debited with interest.

## 6. Land Sub Reserve

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
0.76	0.27	0.17	0.21	0.23	0.23	0.11	(0.29)	(0.46)	0.10

The funding source for this Reserve is Development Contributions - \$1.46M in 2021-22 with an average of \$1.70M over the next nine years.

The budget provides for:

- **Allocations**
  - Minor allocations for various parks and reserves
  - \$0.59M in 2020-21 for carparks at pollard park
  - \$0.27M Works at Taylor river in 2021-22
- **Unallocated amounts**
  - Average \$1.63M over the 10 years.

## 7. Depreciation Reserves

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
17.32	11.08	(0.26)	(11.52)	(10.61)	(6.11)	2.10	16.77	29.66	43.17

These amounts represent the depreciation funded to Reserves from each activity of Council net of any transfers funded from the Reserve (*eg; funding of capital or debt repayment*). Depreciation Reserves will build up in the latter half of the 2021-31 LTP as a result of a period where activities fund their Depreciation Reserves without major capital expenditure being planned. This occurs when assets are new and won't have to be upgraded or renewed for some time. The Infrastructure Strategy identifies that renewals will become an increasingly important issue over time. The Depreciation Reserves for water and sewerage have been used as part of funding the current capital expenditure in those activities with significant funding required in the 2023-24 and 2024-25 years resulting in Depreciation Reserves going into deficit, but they are built up over the following years.

A previous Audit New Zealand Long Term Plan Management Report included the following comment, "the key for the District Council is that in fully funding its operating costs including depreciation, its funding is at a level that is sufficient for long term sustainable funding of asset renewals. This is essential for maintaining levels of service in the long term. Over the 10 years of

the LTP, expenditure on renewals (\$133.00M is at a substantially lower level than depreciation (\$221.00M)..... at a future point the situation will reverse and renewals will exceed depreciation.”

Author	Chris Lake, Financial Services Manager
Authoriser	Martin Fletcher, Chief Financial Officer

## 4.6. Infrastructure Upgrade Reserve

(Report prepared by Chris Lake)

F230-L21-03

### Purpose of report

- To provide the Council with an update on the Infrastructure Upgrade Reserve.

### RECOMMENDATION

That the information/presentation be received.

### Background/Context

2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
13.27	14.33	14.93	14.80	14.43	13.97	12.91	11.89	10.64	8.50

- By way of comparison for the 2018-28 LTP the 2027-28 balance was forecast to be \$22.738M.
- This Reserve was originally established to assist funding (up to 50%) of essential infrastructural assets (e.g. Combined Sewerage schemes (including Grovetown), Picton water, now part of Combined Water schemes, and the Aquatic Centre). Infrastructural assets are defined in the Long Term Plan as 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.
- The Reserve has the following income streams:
  - MDC Holdings Limited dividend (full value) - \$2.59M for the first year then an average of \$4.85M for the next 9 years.
  - Property lease income - \$2.58M to \$2.49M per annum based on projections supplied by APL.
- The property lease income is derived from three leases at Conders Bend with varying review frequencies (five or six years) and differing bases for calculation, consistent with the Long Term Plan.
- This Reserve and its associated income streams have been set up to service debt.
- Further allocations can be made from this Reserve.
- For Council's information, previous Council decisions have provided the following guidance as to the use of Infrastructure Upgrade Reserve:
  - that it is applied to essential infrastructure;
  - that it assists funding new assets (to a maximum of 50%) after taking account of subsidies provided by Central Government; and
  - that it assist significant capital upgrades required to increase the targeted level of service supplied to the community (to a maximum of 50%) after taking account of other subsidies supplied by Central Government.

9. Below is a table of all items that have been approved to be funded by the Infrastructure Upgrade reserve. The allocated column show the funds that have already been borrowed from this fund, while the other column shows the amounts approved, that have not yet been taken up.

<b>Project</b>	<b>Allocated</b>	<b>Approved but not yet Allocated</b>
Lansdowne Park	\$0.33M	\$2.10M
Blenheim Library	\$0.50M	\$5.78M
Picton Library	\$1.82M	-
Aquatic Centre	\$4.00M	-
Blenheim Water	-	\$22.88M
Havelock Water	\$0.01M	\$11.45M
Picton Water	\$3.33M	\$19.95M
Renwick Water	\$0.60M	\$5.60M
Awatere Water	-	\$1.15M
Blenheim Sewerage	\$6.93M	\$40.34M
Grovetown Sewerage	\$0.51M	-
Havelock Sewerage	\$0.02M	\$7.95M
Picton Sewerage	\$12.67M	\$8.96M
Renwick Sewerage	-	\$0.69M
Seddon Sewerage	\$0.16M	\$7.43M
Spring Creek Sewerage	\$0.63M	\$0.04M
St Andrews Sewerage	\$0.11M	\$0.49M

Author	Chris Lake, Financial Services Manager
Authoriser	Martin Fletcher, Chief Financial Officer



## 4.7. Forecast Financial Statements

(Report prepared by Loren Moore)

F230-L21-03

### Purpose of report

1. To present to Council forecast Financial Statements reflecting the income, expenditure and funding decisions in the 2021-2031 Draft Long Term Plan.

### Executive Summary

2. This report includes the following forecasts:
  - Statement of Comprehensive Revenue and Expense;
  - Statement of Changes in Net Assets / Equity;
  - Statement of Financial Position;
  - Statement of Cash Flows; and
  - the accompanying Financial Statement Notes.
3. The data presented covers the ten years of the Long Term Plan and is for Marlborough District Council including the Marlborough Regional Forestry (MRF) Joint Committee.
4. All budgets are adjusted for projected price increases using the recommended indices supplied by BERL.
5. Explanations on the main variations in this Long Term Plan are provided below.

---

### RECOMMENDATION

**That the information presented be received as supporting documentation.**

---

### Forecast Statement of Comprehensive Revenue and Expense

6. This Statement is commonly called an Income Statement or Statement of Financial Performance. It shows all of Council's revenue and operating expenditure and the resulting surplus. Capital expenditure, loan repayments or transfers to/from reserves are not included in calculating the surplus.
7. The surplus, while correct in accounting terms, considers all inflows as revenue. However, some of this revenue is either non-cash or specifically targeted and cannot be used to fund operating expenditure. Specifically this revenue can be:
  - non-cash eg; vested assets and Forestry revaluation gains;
  - tied to a Reserve eg; rivers lease revenue and subsidiary's dividend revenue is used to fund the Infrastructure Upgrade Reserve which in turn is used to fund infrastructure capital expenditure;
  - dedicated to funding capital expenditure eg; NZTA, Government grants and Development Contributions; and
  - levied specifically for the repayment of debt, eg; water and sewerage loan rates.
8. "Other revenue" includes fees and charges, rental revenues, vested assets, MDC Holdings Ltd dividends, amongst others. Marlborough Regional Forestry revenue is typically included under this line, however, due to the cycle of forestry logging revenue is not expected until 2027-28.

## Statement of Financial Position

9. This statement is commonly called a Balance Sheet. It summarises all Council's assets and liabilities, including external debt. The total amount of external debt is shown as "Borrowings";
10. Council's net debt can be determined by deducting from this cash and cash equivalents, the advance to MDC Holdings Ltd and the \$12M investments Council has determined to carry for emergency events.
11. Council's net debt is provided below this Statement. For more information on the components that make up Council's net debt refer to the "Budget Summary" item (refer item 4.1 above).
12. The emergency events investments are included in the current portion of "Other financial asset".
13. The amounts forecast to be on-lent to MDC Holdings Limited are included under the non-current portion of "Other financial assets – Other" and also under non-current "Borrowings".

## Statement of Cash Flows

14. The forecast Statement of Cash Flows shows the forecast cash generated and used for each year.

## Main variations

15. The main variations are:

### Forecast Statement of Comprehensive Revenue and Expense

- (a) Subsidies and grants revenue: 2022 includes government grants received for shovel ready projects like the new art gallery/library and river flood protection. In 2028 the increase represents additional funding received from NZTA for the replacement of the High Street Bridge.
- (b) Interest revenue: includes the interest received on advances to MDC Holdings Ltd.
- (c) Other revenue: The first three years of the Plan includes government funds for the National Wilding Conifer Control Programme and from 2028 Forestry revenue.
- (d) Gains: the drop from 2021 represents the end of sections sales from the BPoT development.
- (e) Solid Waste Management expenditure: reduced contract costs due to the end of the Container Return Scheme trials coupled with increased amortisation due to the timing of development of the landfill stages.
- (f) Biosecurity: The first three years of the Plan includes the costs for the National Wilding Conifer Control Programme.
- (g) Regional Development: the Annual Plan included allocation for the TEAM Covid-19 for economic response projects.
- (h) Gain of property revaluations: these are calculated using the BERL recommended indexes.

### Statement of Financial Position

- (i) Provisions: the change since 2021 represents the increased value of our interest rate swap liability since the Annual Plan was prepared. Future variations have not been budgeted due to uncertainty.
- (j) Other reserves: 2022 represents the increases in the Forestry revaluation reserve and lesser demands on the depreciation reserve.
- (k) Council own debt: Projected debt for 2021 is currently at \$67 million and is \$29 million less than the \$84 million originally budgeted in the 2020-21 Annual Plan. This is mainly due to slower than anticipated capital spent in 2019-20 which is part of the 2021 debt balance reported in the Annual Plan.

**Statement of Cash Flows**

- (l) Receipts from other revenue: increased in 2022 due to government grants.
- (m) Receipts from sale of Property, Plant and Equipment: the sale of the existing library building is budgeted for 2023.
- (n) Movements in investments: mainly represents the (advances to)/repayments from MDC Holdings Ltd and Marlborough Regional Forestry.
- (o) Purchase of PPE: 2022 and 2023 include \$4 million and \$9.7 million respectively for Flaxbourne Irrigation and 2026 includes large sewer and water developments.
- (p) Movement in borrowings: Borrowings are raised to finance the difference between operating cash and capital expenditure. The movement in borrowings represents Council's own increase/(decrease) in debt and also the amounts advanced to/(repaid from) MDC Holdings Ltd and Marlborough Regional Forestry.

Author	Loren Moore, Financial Accountant
Authoriser	Martin Fletcher, Chief Financial Officer

## Marlborough District Council

## Forecast Statement of Comprehensive Revenue and Expense

for the year ending 30 June:

Notes	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
<b>Revenue:</b>												
Rates, excluding targeted water rates	2	69,492	76,086	80,278	84,258	87,000	92,069	95,808	99,422	102,911	107,074	110,628
Targeted rates for metered water supply	2	2,522	2,894	3,172	3,266	3,737	3,675	3,950	3,823	3,907	4,003	4,104
Subsidies and grants	4	10,349	25,333	14,027	12,001	12,251	14,540	14,974	17,223	13,637	14,056	14,455
Interest revenue	3	1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
Development and financial contributions	4	3,572	4,216	4,508	4,275	6,023	4,395	4,468	4,543	4,620	4,699	4,582
Other revenue	4	33,575	39,003	41,685	38,110	38,686	40,669	42,829	46,177	49,672	51,386	52,408
Gains	4	4,884	1,263	1,693	1,434	1,501	1,591	1,692	1,059	486	423	314
<b>Total revenue</b>	<b>1</b>	<b>126,114</b>	<b>151,262</b>	<b>149,485</b>	<b>149,069</b>	<b>155,745</b>	<b>163,390</b>	<b>170,069</b>	<b>178,462</b>	<b>181,328</b>	<b>187,609</b>	<b>192,171</b>
<b>Expenditure by function:</b>												
<b>People</b>												
Democratic Process		3,438	3,478	3,783	3,839	3,795	4,044	4,080	4,052	4,335	4,394	4,364
Culture and Heritage		1,248	1,351	1,352	1,414	1,417	1,419	1,423	1,427	1,432	1,436	1,439
Housing for Seniors		1,560	1,586	1,563	1,597	1,606	1,615	1,767	1,735	1,754	1,807	1,831
Community Support		3,194	2,936	2,966	2,870	2,936	2,949	2,989	3,054	3,074	3,119	3,188
Library Services		2,748	3,004	3,147	3,521	3,534	3,648	3,714	3,758	3,843	3,974	4,068
Emergency Management		654	732	753	772	792	805	826	846	869	893	915
<b>Community Facilities</b>		13,899	13,300	13,665	13,590	13,740	14,102	14,224	14,530	14,794	15,158	15,543
<b>Roads and Footpaths</b>		22,128	23,460	24,731	25,807	26,775	27,743	28,851	29,850	30,925	32,005	33,046
<b>Flood Protection and Control Works</b>		5,652	5,844	6,173	6,470	6,680	6,946	7,229	7,469	7,720	7,984	8,270
<b>Sewerage</b>		11,491	12,058	12,762	13,701	14,950	16,796	19,331	20,887	22,066	22,988	23,548
<b>Stormwater Drainage</b>		1,871	2,469	2,623	2,742	2,859	2,952	3,079	3,215	3,346	3,473	3,599
<b>Water Supply</b>		9,181	10,479	11,691	12,643	13,525	14,194	15,093	16,049	16,444	17,644	19,400
<b>Solid Waste Management</b>		11,163	10,674	12,600	12,709	13,046	12,442	12,712	13,025	13,357	13,693	13,987
<b>Environmental Management</b>												
Environmental Policy		1,270	1,900	1,869	1,907	1,959	2,012	2,068	2,126	2,190	2,255	2,320
Environmental Science and Monitoring		4,708	5,966	6,216	5,913	5,964	5,976	6,117	6,276	6,286	6,462	6,387
Resource Consents		2,613	2,993	3,092	3,179	3,253	3,326	3,445	3,531	3,548	3,636	3,669
<b>Regulatory</b>												
Environmental Protection		1,663	1,900	2,044	2,106	2,161	2,214	2,275	2,337	2,404	2,471	2,539
Biosecurity (Pest Management)		1,842	6,499	7,737	2,675	2,026	2,082	2,040	2,100	2,162	2,228	2,288
Building Control		3,974	4,377	4,506	4,671	4,761	4,886	4,982	5,149	5,263	5,410	5,556
Environmental Health		486	697	722	745	764	784	804	826	849	873	896
Animal Control		803	828	851	872	891	911	932	953	975	995	1,018
Harbours		1,713	1,888	1,934	1,995	2,032	2,006	2,040	2,115	2,193	2,252	2,295
<b>Regional Development</b>		6,929	6,109	6,308	6,602	6,588	6,771	7,172	7,089	7,233	7,356	7,466
less internal interest eliminated	3	(2,041)	(529)	1,085	2,216	3,025	1,984	898	41	(318)	(1,096)	(2,270)
<b>Total expenditure by function</b>		<b>112,187</b>	<b>123,999</b>	<b>134,173</b>	<b>134,556</b>	<b>139,079</b>	<b>142,607</b>	<b>148,091</b>	<b>152,440</b>	<b>156,744</b>	<b>161,410</b>	<b>165,362</b>
<b>Non-activity expenditure:</b>												
Other expenditure	5	7,006	4,520	4,887	4,958	5,006	5,019	4,999	5,028	5,145	5,170	5,173
Marlborough Regional Forestry	5	1,108	1,009	1,212	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
<b>Total non-activity expenditure</b>		<b>8,114</b>	<b>5,529</b>	<b>6,099</b>	<b>6,167</b>	<b>6,215</b>	<b>6,228</b>	<b>6,208</b>	<b>6,237</b>	<b>6,354</b>	<b>6,379</b>	<b>6,382</b>
<b>Total expenditure</b>	<b>5</b>	<b>120,301</b>	<b>129,528</b>	<b>140,272</b>	<b>140,723</b>	<b>145,294</b>	<b>148,835</b>	<b>154,299</b>	<b>158,677</b>	<b>163,098</b>	<b>167,789</b>	<b>171,744</b>
<b>Surplus</b>		<b>5,813</b>	<b>21,734</b>	<b>9,213</b>	<b>8,346</b>	<b>10,451</b>	<b>14,555</b>	<b>15,770</b>	<b>19,785</b>	<b>18,230</b>	<b>19,820</b>	<b>20,427</b>

## Forecast Statement of Other Comprehensive Revenue and Expense

for the year ending 30 June:

Note	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
<b>Surplus for the year</b>		<b>5,813</b>	<b>21,734</b>	<b>9,213</b>	<b>8,346</b>	<b>10,451</b>	<b>14,555</b>	<b>15,770</b>	<b>19,785</b>	<b>18,230</b>	<b>19,820</b>	<b>20,427</b>
<b>Other comprehensive revenue:</b>												
Gain on property revaluations	8	32,571	61,560	56,062	54,365	56,437	61,548	64,319	69,332	75,024	78,391	81,053
<b>Total other comprehensive revenue and expense</b>		<b>32,571</b>	<b>61,560</b>	<b>56,062</b>	<b>54,365</b>	<b>56,437</b>	<b>61,548</b>	<b>64,319</b>	<b>69,332</b>	<b>75,024</b>	<b>78,391</b>	<b>81,053</b>
<b>Total comprehensive revenue and expense</b>		<b>38,384</b>	<b>83,294</b>	<b>65,275</b>	<b>62,711</b>	<b>66,888</b>	<b>76,103</b>	<b>80,089</b>	<b>89,117</b>	<b>93,254</b>	<b>98,211</b>	<b>101,480</b>

## Forecast Statement of Changes in Net Assets / Equity

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Balance at 1 July</b>	1,720,456	1,706,655	1,789,949	1,855,224	1,917,935	1,984,823	2,060,926	2,141,015	2,230,132	2,323,386	2,421,597
Total comprehensive revenue and expense for the year	38,384	83,294	65,275	62,711	66,888	76,103	80,089	89,117	93,254	98,211	101,480
<b>Balance at 30 June</b>	<b>1,758,840</b>	<b>1,789,949</b>	<b>1,855,224</b>	<b>1,917,935</b>	<b>1,984,823</b>	<b>2,060,926</b>	<b>2,141,015</b>	<b>2,230,132</b>	<b>2,323,386</b>	<b>2,421,597</b>	<b>2,523,077</b>

## Forecast Statement of Financial Position

as at 30 June:		2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Notes		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
<b>Assets:</b>													
<b>Non-current assets:</b>													
	Property, plant and equipment	8	1,809,037	1,820,635	1,919,335	2,008,609	2,097,376	2,204,173	2,299,344	2,396,806	2,496,183	2,594,005	2,693,425
	Intangible assets	8	9,512	10,687	11,185	10,953	10,511	10,146	9,777	9,403	9,259	9,119	9,004
	Forestry assets		17,750	23,342	24,678	26,090	27,583	29,161	30,830	31,877	32,348	32,757	33,061
	Other financial assets	7											
	- Investments in subsidiaries		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
	- Other		76,711	88,050	143,574	193,925	214,773	204,628	194,983	184,653	171,273	160,893	150,893
	Investment property	11	10,500	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
	<b>Total non-current assets</b>		<b>1,929,510</b>	<b>1,959,464</b>	<b>2,115,522</b>	<b>2,256,327</b>	<b>2,366,993</b>	<b>2,464,858</b>	<b>2,551,684</b>	<b>2,639,489</b>	<b>2,725,813</b>	<b>2,813,524</b>	<b>2,903,133</b>
<b>Current assets:</b>													
	Cash and cash equivalents		111	813	827	926	1,037	1,184	1,358	1,605	1,944	2,260	2,622
	Debtors and other receivables	6	11,064	12,953	13,330	13,670	14,010	14,375	14,740	15,117	15,532	15,960	16,375
	Other financial assets	7	11,263	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299
	Inventory		329	312	321	329	337	346	355	364	374	384	394
	<b>Total current assets</b>		<b>22,767</b>	<b>28,377</b>	<b>28,777</b>	<b>29,224</b>	<b>29,683</b>	<b>30,204</b>	<b>30,752</b>	<b>31,385</b>	<b>32,149</b>	<b>32,903</b>	<b>33,690</b>
	<b>Total assets</b>		<b>1,952,277</b>	<b>1,987,841</b>	<b>2,144,299</b>	<b>2,285,551</b>	<b>2,396,676</b>	<b>2,495,062</b>	<b>2,582,436</b>	<b>2,670,874</b>	<b>2,757,962</b>	<b>2,846,427</b>	<b>2,936,823</b>
<b>Liabilities:</b>													
<b>Non-current liabilities:</b>													
	Borrowings	10	166,864	167,639	258,168	336,123	379,773	401,427	408,082	406,752	399,873	389,394	377,593
	Provisions		6,049	9,616	9,670	9,715	9,761	9,809	9,858	9,909	9,961	10,013	10,069
	Employee entitlements		282	287	295	303	311	319	327	335	344	353	362
	<b>Total non-current liabilities</b>		<b>173,195</b>	<b>177,542</b>	<b>268,133</b>	<b>346,141</b>	<b>389,845</b>	<b>411,555</b>	<b>418,267</b>	<b>416,996</b>	<b>410,178</b>	<b>399,760</b>	<b>388,024</b>
<b>Current liabilities:</b>													
	Creditors and other payables	9	17,958	18,239	18,770	19,248	19,726	20,240	20,754	21,285	21,869	22,471	23,055
	Employee entitlements		2,284	2,111	2,172	2,227	2,282	2,341	2,400	2,461	2,529	2,599	2,667
	<b>Total current liabilities</b>		<b>20,242</b>	<b>20,350</b>	<b>20,942</b>	<b>21,475</b>	<b>22,008</b>	<b>22,581</b>	<b>23,154</b>	<b>23,746</b>	<b>24,398</b>	<b>25,070</b>	<b>25,722</b>
	<b>Total liabilities</b>		<b>193,437</b>	<b>197,892</b>	<b>289,075</b>	<b>367,616</b>	<b>411,853</b>	<b>434,136</b>	<b>441,421</b>	<b>440,742</b>	<b>434,576</b>	<b>424,830</b>	<b>413,746</b>
	<b>Net assets</b>		<b>1,758,840</b>	<b>1,789,949</b>	<b>1,855,224</b>	<b>1,917,935</b>	<b>1,984,823</b>	<b>2,060,926</b>	<b>2,141,015</b>	<b>2,230,132</b>	<b>2,323,386</b>	<b>2,421,597</b>	<b>2,523,077</b>
<b>Equity</b>													
	Accumulated funds		649,743	679,917	701,059	726,360	744,693	750,711	758,844	766,243	765,245	766,870	767,183
	Asset revaluation reserves		1,063,148	1,050,473	1,106,535	1,160,900	1,217,337	1,278,885	1,343,204	1,412,536	1,487,560	1,565,951	1,647,004
	Other reserves	13	45,949	59,559	47,630	30,675	22,793	31,330	38,967	51,353	70,581	88,776	108,890
	<b>Total equity</b>		<b>1,758,840</b>	<b>1,789,949</b>	<b>1,855,224</b>	<b>1,917,935</b>	<b>1,984,823</b>	<b>2,060,926</b>	<b>2,141,015</b>	<b>2,230,132</b>	<b>2,323,386</b>	<b>2,421,597</b>	<b>2,523,077</b>
<b>DEBT</b>													
	Borrowings		166,864	167,639	258,168	336,123	379,773	401,427	408,082	406,752	399,873	389,394	377,593
	less MIDCH debt		(70,980)	(83,900)	(138,100)	(186,950)	(206,295)	(194,645)	(183,495)	(172,545)	(159,165)	(148,785)	(138,785)
	<b>Council own debt</b>		<b>95,884</b>	<b>83,739</b>	<b>120,068</b>	<b>149,173</b>	<b>173,478</b>	<b>206,782</b>	<b>224,587</b>	<b>234,207</b>	<b>240,708</b>	<b>240,609</b>	<b>238,808</b>
	<b>Council net debt</b>		<b>84,122</b>	<b>69,240</b>	<b>105,555</b>	<b>134,561</b>	<b>158,755</b>	<b>191,912</b>	<b>209,543</b>	<b>218,916</b>	<b>225,078</b>	<b>224,663</b>	<b>222,500</b>

## Forecast Statement of Cash Flows

as at 30 June:		2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	
<b>Cash flows from operating activities:</b>													
	Receipts from rates revenue		72,014	78,980	83,450	87,524	90,737	95,744	99,758	103,245	106,818	111,077	114,732
	Receipts from other revenue		42,707	64,348	56,220	50,052	52,184	53,756	55,309	60,557	59,737	61,378	62,650
	Interest received		1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
	Payments to suppliers and employees		(88,060)	(94,604)	(99,596)	(96,091)	(97,835)	(100,590)	(104,011)	(106,550)	(109,562)	(112,650)	(115,657)
	Interest paid		(3,832)	(4,827)	(7,106)	(8,939)	(10,119)	(9,884)	(10,153)	(10,132)	(10,176)	(9,971)	(9,519)
	<b>Net cash flow from operating activities</b>		<b>24,549</b>	<b>46,265</b>	<b>36,987</b>	<b>38,164</b>	<b>41,403</b>	<b>45,362</b>	<b>47,132</b>	<b>53,211</b>	<b>52,784</b>	<b>55,669</b>	<b>57,748</b>
<b>Cash flows from investing activities:</b>													
	Receipts from sale of property, plant and equipment		6,000	-	3,540	23	718	5	24	32	64	99	16
	Movement in investments		(6,667)	(19,921)	(55,524)	(50,352)	(20,848)	10,147	9,645	10,333	13,380	10,377	10,001
	Dividends received		2,995	2,599	2,447	2,788	3,194	4,204	5,279	5,655	6,377	6,893	6,893
	Purchase of property, plant and equipment		(66,439)	(69,007)	(78,068)	(68,585)	(68,117)	(81,339)	(68,680)	(67,777)	(65,515)	(62,376)	(62,633)
	<b>Net cash flow from investing activities</b>		<b>(64,111)</b>	<b>(86,230)</b>	<b>(127,502)</b>	<b>(116,019)</b>	<b>(84,942)</b>	<b>(66,868)</b>	<b>(53,613)</b>	<b>(51,633)</b>	<b>(45,566)</b>	<b>(44,874)</b>	<b>(45,585)</b>
<b>Cash flows from financing activities:</b>													
	Movement in borrowings		39,571	40,026	90,529	77,954	43,650	21,653	6,655	(1,331)	(6,879)	(10,479)	(11,801)
	<b>Net cash flow from financing activities</b>		<b>39,571</b>	<b>40,026</b>	<b>90,529</b>	<b>77,954</b>	<b>43,650</b>	<b>21,653</b>	<b>6,655</b>	<b>(1,331)</b>	<b>(6,879)</b>	<b>(10,479)</b>	<b>(11,801)</b>
	<b>Net increase / (decrease)</b>		<b>9</b>	<b>61</b>	<b>14</b>	<b>99</b>	<b>111</b>	<b>147</b>	<b>174</b>	<b>247</b>	<b>339</b>	<b>316</b>	<b>362</b>
<b>Cash, cash equivalents and bank overdrafts:</b>													
	At the beginning of the year		102	752	813	827	926	1,037	1,184	1,358	1,605	1,944	2,260
	<b>At the end of the year</b>		<b>111</b>	<b>813</b>	<b>827</b>	<b>926</b>	<b>1,037</b>	<b>1,184</b>	<b>1,358</b>	<b>1,605</b>	<b>1,944</b>	<b>2,260</b>	<b>2,622</b>

## Financial Statement Notes

## 1. Summary cost of services

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue:</b>											
People	11,873	20,401	14,676	13,725	13,932	14,456	14,774	15,001	15,536	15,922	16,168
Community Facilities	12,919	13,345	13,795	14,315	14,533	14,969	15,158	15,532	15,883	16,280	16,724
The Provision of Roads and Footpaths	23,015	25,148	26,070	26,800	27,739	30,692	31,823	34,670	31,773	32,846	33,861
Flood Protection and Control Works	7,998	10,620	10,075	9,862	10,175	10,566	11,206	11,664	12,019	12,399	12,747
Sewerage	12,031	15,072	13,763	14,973	16,032	17,151	18,508	19,768	20,812	21,708	22,343
Stormwater Drainage	2,512	2,922	3,361	3,227	5,031	3,433	3,568	3,713	3,855	3,992	3,948
Water Supply	9,648	12,462	12,127	12,853	13,420	14,068	14,820	15,720	16,201	17,222	18,530
Solid Waste Management	12,131	11,948	12,346	12,688	13,049	13,403	13,767	14,187	14,633	15,100	15,538
Environmental Management	10,321	12,609	13,072	12,955	13,175	13,447	13,824	14,190	14,348	14,743	14,835
Regulatory	8,750	14,177	15,634	10,836	10,320	10,539	10,762	11,108	11,405	11,726	11,996
Regional Development	5,908	6,219	6,415	6,642	6,777	8,035	8,071	7,555	7,723	7,897	8,016
<b>Total activity revenue</b>	<b>117,108</b>	<b>144,922</b>	<b>141,334</b>	<b>138,875</b>	<b>144,183</b>	<b>150,760</b>	<b>156,280</b>	<b>163,111</b>	<b>164,189</b>	<b>169,836</b>	<b>174,706</b>
Plus other income (including Forestry)	14,540	10,478	12,881	15,549	17,208	18,997	21,420	24,441	27,210	28,478	28,998
Internal Interest - Loans	(5,917)	(5,400)	(6,066)	(6,768)	(7,139)	(7,945)	(9,300)	(10,137)	(10,541)	(11,114)	(11,837)
Forestry revaluation gains	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
<b>Total revenue</b>	<b>126,114</b>	<b>151,262</b>	<b>149,485</b>	<b>149,069</b>	<b>155,745</b>	<b>163,390</b>	<b>170,069</b>	<b>178,462</b>	<b>181,328</b>	<b>187,609</b>	<b>192,171</b>
<b>Expenditure:</b>											
People	12,841	13,088	13,564	14,013	14,079	14,480	14,801	14,870	15,307	15,622	15,805
Community Facilities	13,899	13,300	13,665	13,590	13,740	14,102	14,224	14,530	14,794	15,158	15,543
The Provision of Roads and Footpaths	22,128	23,460	24,731	25,807	26,775	27,743	28,851	29,850	30,925	32,005	33,046
Flood Protection and Control Works	5,652	5,844	6,173	6,470	6,680	6,946	7,229	7,469	7,720	7,984	8,270
Sewerage	11,491	12,058	12,762	13,701	14,950	16,796	19,331	20,887	22,066	22,988	23,548
Stormwater Drainage	1,871	2,469	2,623	2,742	2,859	2,952	3,079	3,215	3,346	3,473	3,599
Water Supply	9,181	10,479	11,691	12,643	13,525	14,194	15,093	16,049	16,444	17,644	19,400
Solid Waste Management	11,163	10,674	12,600	12,709	13,046	12,442	12,712	13,025	13,357	13,693	13,987
Environmental Management	10,255	12,759	13,222	13,105	13,338	13,528	13,905	14,271	14,429	14,824	14,916
Regulatory	8,818	14,289	15,751	10,958	10,473	10,668	10,798	11,144	11,441	11,759	12,052
Regional Development	6,929	6,109	6,308	6,602	6,588	6,771	7,172	7,089	7,233	7,356	7,466
<b>Total activity expenditure</b>	<b>114,228</b>	<b>124,528</b>	<b>133,088</b>	<b>132,340</b>	<b>136,054</b>	<b>140,623</b>	<b>147,193</b>	<b>152,399</b>	<b>157,062</b>	<b>162,506</b>	<b>167,632</b>
Plus other expenditure (including Forestry)	11,991	10,400	13,249	15,152	16,379	16,158	16,406	16,416	16,577	16,397	15,950
Interest - Internal Loans	(5,918)	(5,400)	(6,065)	(6,769)	(7,139)	(7,946)	(9,300)	(10,138)	(10,541)	(11,114)	(11,838)
<b>Total operating expenditure</b>	<b>120,301</b>	<b>129,528</b>	<b>140,272</b>	<b>140,723</b>	<b>145,294</b>	<b>148,835</b>	<b>154,299</b>	<b>158,677</b>	<b>163,098</b>	<b>167,789</b>	<b>171,744</b>

## 2. Rates revenue

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
People	9,087	9,904	10,350	10,868	10,981	11,356	11,661	11,788	12,156	12,522	12,649
Community Facilities	10,030	10,959	11,330	11,754	11,920	12,299	12,439	12,755	13,044	13,378	13,752
The Provision of Roads and Footpaths	11,007	11,509	12,232	12,869	13,440	13,997	14,646	15,216	15,841	16,451	17,052
Flood Protection and Control Works	4,478	4,938	5,332	5,739	6,011	6,347	6,697	6,966	7,250	7,577	7,875
Sewerage	8,289	8,677	9,215	9,925	10,875	11,878	13,114	14,239	15,184	15,976	16,514
Stormwater Drainage	2,071	2,339	2,490	2,607	2,722	2,814	2,939	3,073	3,203	3,328	3,452
Water Supply	9,005	10,163	11,134	11,849	12,405	13,040	13,779	14,665	15,130	16,134	17,426
Solid Waste Management	3,058	2,977	3,068	3,167	3,266	3,344	3,433	3,533	3,626	3,706	3,791
Environmental Management	7,581	9,200	9,624	9,699	9,928	10,180	10,484	10,808	10,912	11,242	11,274
Regulatory	3,575	4,217	4,372	4,573	4,641	4,742	4,845	5,060	5,228	5,414	5,546
Regional Development	3,830	4,094	4,300	4,470	4,547	5,745	5,719	5,140	5,242	5,347	5,398
<b>Total activity rates</b>	<b>72,012</b>	<b>78,977</b>	<b>83,447</b>	<b>87,522</b>	<b>90,734</b>	<b>95,742</b>	<b>99,756</b>	<b>103,243</b>	<b>106,816</b>	<b>111,074</b>	<b>114,729</b>
Non-activity rates	2	2	2	2	2	2	2	2	2	2	2
<b>Total gross rates revenue</b>	<b>72,014</b>	<b>78,980</b>	<b>83,450</b>	<b>87,524</b>	<b>90,737</b>	<b>95,744</b>	<b>99,758</b>	<b>103,245</b>	<b>106,818</b>	<b>111,077</b>	<b>114,732</b>
less rates remissions	(851)	(381)	(681)	(681)	(670)	(671)	(683)	(674)	(676)	(679)	(681)
<b>Rates revenue net of remissions</b>	<b>71,163</b>	<b>78,599</b>	<b>82,769</b>	<b>86,843</b>	<b>90,067</b>	<b>95,073</b>	<b>99,075</b>	<b>102,571</b>	<b>106,142</b>	<b>110,398</b>	<b>114,051</b>

## 3. Finance revenue and finance costs

for the year ending 30 June:

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Finance revenue - interest revenue:</b>											
Term deposits and investments	1,720	2,467	4,122	5,725	6,547	6,451	6,348	6,215	6,095	5,968	5,680
<b>Total finance revenue</b>	<b>1,720</b>	<b>2,467</b>	<b>4,122</b>	<b>5,725</b>	<b>6,547</b>	<b>6,451</b>	<b>6,348</b>	<b>6,215</b>	<b>6,095</b>	<b>5,968</b>	<b>5,680</b>
<b>Finance costs - interest expense:</b>											
Total activity related interest expense	5,917	5,400	6,066	6,768	7,139	7,945	9,300	10,137	10,541	11,114	11,837
Less internal interest eliminated	(2,041)	(529)	1,085	2,216	3,025	1,984	898	41	(318)	(1,096)	(2,270)
<b>Total finance costs</b>	<b>3,876</b>	<b>4,871</b>	<b>7,151</b>	<b>8,984</b>	<b>10,164</b>	<b>9,929</b>	<b>10,198</b>	<b>10,178</b>	<b>10,224</b>	<b>10,018</b>	<b>9,568</b>
Bank charges on borrowings	44	44	44	45	45	45	46	46	46	47	47
<b>Net finance costs</b>	<b>2,113</b>	<b>2,361</b>	<b>2,985</b>	<b>3,214</b>	<b>3,572</b>	<b>3,433</b>	<b>3,805</b>	<b>3,917</b>	<b>4,083</b>	<b>4,004</b>	<b>3,841</b>

**4. Other revenue including gains**

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Other revenue:</b>											
User charges	20,718	21,958	23,268	24,308	24,929	25,575	26,476	27,293	28,020	28,780	29,496
Regulatory revenues	4,977	5,145	5,268	5,381	5,490	5,604	5,720	5,846	5,971	6,100	6,234
Infringements and fines	642	667	688	708	729	749	771	793	816	839	863
Vested assets	1,139	1,139	1,177	1,210	1,244	1,280	1,317	1,356	1,398	1,443	1,486
Rental income from investment properties	730	731	761	782	811	833	865	888	921	946	982
Marlborough Regional Forestry distribution	34	-	-	-	-	-	-	1,887	3,562	3,796	3,796
Other revenue	5,335	9,362	10,523	5,721	5,483	6,627	7,681	8,113	8,985	9,481	9,551
<b>Total other revenue</b>	<b>33,575</b>	<b>39,003</b>	<b>41,685</b>	<b>38,110</b>	<b>38,686</b>	<b>40,669</b>	<b>42,829</b>	<b>46,177</b>	<b>49,672</b>	<b>51,386</b>	<b>52,408</b>
<b>Subsidies and grants:</b>											
NZTA roading subsidy	9,501	11,449	11,599	11,676	12,015	14,354	14,787	17,036	13,450	13,868	14,266
Other donations and grants	847	13,884	2,428	325	236	187	187	187	188	188	188
<b>Total subsidies and grants</b>	<b>10,349</b>	<b>25,333</b>	<b>14,027</b>	<b>12,001</b>	<b>12,251</b>	<b>14,540</b>	<b>14,974</b>	<b>17,223</b>	<b>13,637</b>	<b>14,056</b>	<b>14,455</b>
<b>Development and financial contributions:</b>											
Capital contributions	300	50	-	-	-	-	-	-	-	-	-
Development contributions	1,944	2,893	3,198	2,968	4,678	3,010	3,042	3,075	3,108	3,143	2,980
Development impact levies	100	100	103	106	109	112	116	119	123	126	130
Other contributions	244	159	164	126	129	132	135	139	142	146	149
Land subdivision revenues	984	1,013	1,044	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322
<b>Total development and financial contributor</b>	<b>3,572</b>	<b>4,216</b>	<b>4,508</b>	<b>4,275</b>	<b>6,023</b>	<b>4,395</b>	<b>4,468</b>	<b>4,543</b>	<b>4,620</b>	<b>4,699</b>	<b>4,582</b>
<b>Gains</b>											
Gain on sale of fixed assets	4,500	-	357	22	8	13	23	12	15	14	10
Forestry revaluation gain	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
<b>Total gains</b>	<b>4,884</b>	<b>1,263</b>	<b>1,693</b>	<b>1,434</b>	<b>1,501</b>	<b>1,591</b>	<b>1,692</b>	<b>1,059</b>	<b>486</b>	<b>423</b>	<b>314</b>

**5. Expenditure**

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Other non-activity expenditure:</b>											
Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:											
Insurance	1,535	1,784	1,809	1,832	1,855	1,880	1,904	1,929	1,955	1,981	2,008
Property costs	3,753	1,486	1,459	1,474	1,440	1,460	1,453	1,428	1,457	1,423	1,420
Rate remissions as note 2	851	381	681	681	670	671	683	674	676	679	681
Other (including Forestry)	1,975	1,879	2,149	2,180	2,250	2,218	2,168	2,206	2,266	2,296	2,272
<b>Total non-activity expenditure</b>	<b>8,114</b>	<b>5,529</b>	<b>6,099</b>	<b>6,167</b>	<b>6,215</b>	<b>6,228</b>	<b>6,208</b>	<b>6,237</b>	<b>6,354</b>	<b>6,379</b>	<b>6,382</b>
Expenditure disclosures:											
Revenue and Expense includes the following amounts which are required to be disclosed separately:											
<b>Fees to principal Auditor:</b>											
Audit fees for the Annual Report	140	149	162	166	170	173	177	181	185	189	194
Audit fees for the LTP	120	-	-	126	-	-	134	-	-	144	-
Finance costs as note 3	3,876	4,871	7,151	8,984	10,164	9,929	10,198	10,178	10,223	10,018	9,567
Depreciation	27,493	28,880	32,455	34,620	36,269	37,321	39,093	40,924	42,452	44,242	45,685
Amortisation	426	433	471	494	496	420	425	431	203	200	176
Personnel costs	24,657	27,922	29,002	29,736	30,616	31,389	32,303	33,272	34,269	35,299	36,352
Grants and donations	6,549	3,806	3,953	3,473	3,505	3,505	3,542	3,583	3,590	3,622	3,677
Insurance premiums	2,798	3,126	3,191	3,248	3,311	3,370	3,433	3,504	3,572	3,647	3,724
Councillors remuneration	739	714	732	749	765	782	800	818	836	854	874
Operating leases payments	515	135	138	140	143	136	138	141	143	146	149
Loss on disposal of fixed assets	-	-	18	-	114	-	-	-	27	24	-
Investment properties direct operating expenses	90	45	47	49	50	52	54	55	57	59	61
Other operating expenses	51,790	58,437	61,740	57,730	58,483	60,549	62,793	64,380	66,331	68,136	70,077
Marlborough Regional Forestry	1,108	1,009	1,212	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209
<b>Total expenditure disclosures</b>	<b>120,301</b>	<b>129,528</b>	<b>140,272</b>	<b>140,723</b>	<b>145,294</b>	<b>148,835</b>	<b>154,299</b>	<b>158,677</b>	<b>163,098</b>	<b>167,789</b>	<b>171,744</b>

**6. Debtors and other receivables**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Non-exchange receivables:</b>											
Rates receivables	1,018	1,245	1,282	1,314	1,347	1,382	1,417	1,453	1,493	1,534	1,574
Other	2,476	629	647	664	680	698	716	734	754	775	795
GST (net)	759	1,212	1,247	1,279	1,311	1,345	1,379	1,414	1,453	1,493	1,532
<b>Total non-exchange receivables</b>	<b>4,253</b>	<b>3,086</b>	<b>3,176</b>	<b>3,257</b>	<b>3,338</b>	<b>3,425</b>	<b>3,512</b>	<b>3,602</b>	<b>3,700</b>	<b>3,802</b>	<b>3,901</b>
<b>Exchange receivables:</b>											
Trade receivables	3,516	4,566	4,699	4,819	4,939	5,067	5,196	5,329	5,475	5,626	5,772
Other	3,273	2,872	2,955	3,031	3,106	3,188	3,269	3,352	3,444	3,539	3,631
Prepayments	35	2,440	2,511	2,575	2,639	2,708	2,777	2,848	2,926	3,007	3,085
<b>Total exchange receivables</b>	<b>6,824</b>	<b>9,878</b>	<b>10,166</b>	<b>10,425</b>	<b>10,684</b>	<b>10,963</b>	<b>11,241</b>	<b>11,529</b>	<b>11,845</b>	<b>12,172</b>	<b>12,488</b>
Less provision for impairment	(13)	(11)	(12)	(12)	(12)	(13)	(13)	(13)	(14)	(14)	(14)
<b>Total debtors and other receivables</b>	<b>11,064</b>	<b>12,953</b>	<b>13,330</b>	<b>13,670</b>	<b>14,010</b>	<b>14,375</b>	<b>14,740</b>	<b>15,117</b>	<b>15,532</b>	<b>15,960</b>	<b>16,375</b>

**7. Other financial assets**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Current portion:</b>											
Term deposits and bonds with maturities of 4-12 months	11,263	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299
<b>Total current portion</b>	<b>11,263</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>	<b>14,299</b>
<b>Non-current portion:</b>											
Term deposits and bonds and community loans with maturities 12 months plus	1,400	265	266	267	267	268	268	269	269	269	269
Community loans	14	10	6	2	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Loan to joint venture Marlborough Regional Forestry	3,983	3,540	4,868	6,372	7,877	9,381	10,886	11,505	11,505	11,505	11,505
Loan to subsidiary MDC Holdings Ltd	69,860	82,780	136,980	185,830	205,175	193,525	182,375	171,425	158,045	147,665	137,665
Unlisted shares in subsidiaries	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
NZ Local Govt. Insurance Corp. and LGFA shares	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453
Other shares	1	1	1	1	1	1	1	1	1	1	1
<b>Total non-current portion</b>	<b>82,711</b>	<b>94,050</b>	<b>149,574</b>	<b>199,925</b>	<b>220,773</b>	<b>210,628</b>	<b>200,983</b>	<b>190,653</b>	<b>177,273</b>	<b>166,893</b>	<b>156,893</b>
<b>Total other financial assets</b>	<b>93,974</b>	<b>108,349</b>	<b>163,873</b>	<b>214,225</b>	<b>235,072</b>	<b>224,927</b>	<b>215,282</b>	<b>204,952</b>	<b>191,572</b>	<b>181,192</b>	<b>171,192</b>

**8. Property, plant and equipment and Intangible assets**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Capital additions by activity:</b>											
<b>Opening value</b>	<b>1,747,403</b>	<b>1,728,928</b>	<b>1,831,322</b>	<b>1,930,520</b>	<b>2,019,562</b>	<b>2,107,887</b>	<b>2,214,320</b>	<b>2,309,122</b>	<b>2,406,209</b>	<b>2,505,442</b>	<b>2,603,124</b>
Culture and Heritage	-	2,833	1,573	-	-	-	-	-	-	-	-
Housing for Seniors	160	-	185	-	193	-	202	-	211	-	220
Community Support	20	23	23	24	24	25	25	26	27	27	28
Library Services	4,320	8,916	5,945	399	388	405	423	442	492	482	494
Emergency Management	9	9	9	9	81	10	10	10	11	11	11
<b>People</b>	<b>4,509</b>	<b>11,781</b>	<b>7,734</b>	<b>432</b>	<b>687</b>	<b>440</b>	<b>660</b>	<b>478</b>	<b>740</b>	<b>520</b>	<b>753</b>
<b>Community Facilities</b>	<b>8,521</b>	<b>5,517</b>	<b>4,449</b>	<b>2,707</b>	<b>1,759</b>	<b>1,810</b>	<b>1,972</b>	<b>2,098</b>	<b>2,414</b>	<b>2,191</b>	<b>2,208</b>
<b>Roads and Footpaths</b>	<b>14,018</b>	<b>20,026</b>	<b>17,024</b>	<b>16,509</b>	<b>16,676</b>	<b>20,758</b>	<b>21,359</b>	<b>24,958</b>	<b>17,828</b>	<b>18,359</b>	<b>18,889</b>
<b>Flood protection and control works</b>	<b>4,177</b>	<b>5,360</b>	<b>6,731</b>	<b>3,239</b>	<b>1,626</b>	<b>3,851</b>	<b>2,747</b>	<b>2,262</b>	<b>2,424</b>	<b>2,227</b>	<b>2,126</b>
<b>Sewerage</b>	<b>18,184</b>	<b>9,579</b>	<b>8,533</b>	<b>29,146</b>	<b>22,324</b>	<b>40,911</b>	<b>30,775</b>	<b>15,340</b>	<b>21,425</b>	<b>3,015</b>	<b>6,776</b>
<b>Stormwater Drainage</b>	<b>2,432</b>	<b>3,214</b>	<b>3,748</b>	<b>3,628</b>	<b>786</b>	<b>893</b>	<b>2,123</b>	<b>2,190</b>	<b>357</b>	<b>369</b>	<b>381</b>
<b>Water Supply</b>	<b>5,562</b>	<b>9,883</b>	<b>18,342</b>	<b>15,797</b>	<b>18,582</b>	<b>10,303</b>	<b>20,555</b>	<b>8,750</b>	<b>3,930</b>	<b>31,348</b>	<b>27,464</b>
<b>Solid Waste Management</b>	<b>4,286</b>	<b>1,530</b>	<b>3,235</b>	<b>3,520</b>	<b>653</b>	<b>517</b>	<b>120</b>	<b>132</b>	<b>481</b>	<b>3,176</b>	<b>3,278</b>
Environmental Science and Monitoring	454	185	155	159	390	168	173	179	185	191	197
Environmental Policy and Protection	-	-	-	-	46	-	-	-	-	-	-
Resource Consents	3	3	3	-	44	-	-	-	-	-	-
<b>Environmental Management</b>	<b>457</b>	<b>188</b>	<b>158</b>	<b>159</b>	<b>480</b>	<b>168</b>	<b>173</b>	<b>179</b>	<b>185</b>	<b>191</b>	<b>197</b>
Building Control	-	-	-	-	289	-	-	-	-	-	-
Environmental Health	3	3	4	4	31	4	4	4	4	4	4
Biosecurity	-	-	-	-	186	-	-	-	-	-	-
Harbours	792	380	269	262	278	243	249	690	260	266	186
<b>Regulatory</b>	<b>795</b>	<b>383</b>	<b>272</b>	<b>266</b>	<b>783</b>	<b>247</b>	<b>253</b>	<b>694</b>	<b>264</b>	<b>270</b>	<b>190</b>
<b>Regional Development</b>	<b>902</b>	<b>4,086</b>	<b>10,778</b>	<b>108</b>	<b>123</b>	<b>150</b>	<b>141</b>	<b>146</b>	<b>165</b>	<b>169</b>	<b>174</b>
<b>Land Development</b>	<b>700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Information Services</b>	<b>1,742</b>	<b>1,860</b>	<b>2,020</b>	<b>1,337</b>	<b>1,152</b>	<b>1,178</b>	<b>1,204</b>	<b>1,231</b>	<b>1,258</b>	<b>1,286</b>	<b>1,316</b>
<b>Corporate services and asset management</b>	<b>-</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>997</b>	<b>55</b>	<b>56</b>	<b>57</b>	<b>59</b>	<b>60</b>	<b>61</b>
<b>Plant Operations</b>	<b>118</b>	<b>110</b>	<b>266</b>	<b>185</b>	<b>312</b>	<b>156</b>	<b>275</b>	<b>528</b>	<b>482</b>	<b>517</b>	<b>185</b>
<b>Office Services</b>	<b>100</b>	<b>270</b>	<b>251</b>	<b>105</b>	<b>289</b>	<b>110</b>	<b>112</b>	<b>115</b>	<b>117</b>	<b>120</b>	<b>122</b>
<b>Total capital expenditure</b>	<b>66,504</b>	<b>73,838</b>	<b>83,594</b>	<b>77,189</b>	<b>67,229</b>	<b>81,547</b>	<b>82,526</b>	<b>59,158</b>	<b>52,129</b>	<b>63,818</b>	<b>64,119</b>
Disposal	(1,500)	-	(3,183)	(1)	(710)	8	(1)	(20)	(49)	(85)	(6)
(Less)/plus carryovers movement	1,491	(3,692)	(4,349)	(7,397)	2,134	1,071	(12,525)	9,974	14,784	-	-
Depreciation	(27,493)	(28,880)	(32,455)	(34,620)	(36,269)	(37,321)	(39,093)	(40,924)	(42,452)	(44,242)	(45,685)
Amortisation	(426)	(433)	(471)	(494)	(496)	(420)	(425)	(431)	(203)	(200)	(176)
Revaluation	32,571	61,560	56,062	54,365	56,437	61,548	64,319	69,332	75,024	78,391	81,053
<b>Closing value</b>	<b>1,818,550</b>	<b>1,831,322</b>	<b>1,930,520</b>	<b>2,019,562</b>	<b>2,107,887</b>	<b>2,214,319</b>	<b>2,309,121</b>	<b>2,406,209</b>	<b>2,505,442</b>	<b>2,603,124</b>	<b>2,702,429</b>
<b>Existing intangible assets</b>	<b>5,937</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>	<b>10,464</b>
<b>Accumulated Amortisation</b>	<b>(800)</b>	<b>(841)</b>	<b>(1,312)</b>	<b>(1,806)</b>	<b>(2,302)</b>	<b>(2,722)</b>	<b>(3,147)</b>	<b>(3,578)</b>	<b>(3,781)</b>	<b>(3,981)</b>	<b>(4,157)</b>
<b>Additions</b>	<b>4,376</b>	<b>1,064</b>	<b>2,033</b>	<b>2,295</b>	<b>2,350</b>	<b>2,405</b>	<b>2,461</b>	<b>2,518</b>	<b>2,576</b>	<b>2,636</b>	<b>2,696</b>
<b>Intangible assets</b>	<b>9,512</b>	<b>10,687</b>	<b>11,185</b>	<b>10,953</b>	<b>10,511</b>	<b>10,146</b>	<b>9,777</b>	<b>9,403</b>	<b>9,259</b>	<b>9,119</b>	<b>9,004</b>
<b>PPE Closing Value</b>	<b>1,809,037</b>	<b>1,820,635</b>	<b>1,919,335</b>	<b>2,008,609</b>	<b>2,097,376</b>	<b>2,204,173</b>	<b>2,299,344</b>	<b>2,396,806</b>	<b>2,496,183</b>	<b>2,594,005</b>	<b>2,693,425</b>

**9. Creditors and other payables**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Trade payables	7,848	8,602	8,852	9,078	9,303	9,546	9,789	10,039	10,314	10,598	10,873
Accrued expenses	2,085	1,821	1,874	1,922	1,969	2,021	2,072	2,125	2,183	2,244	2,302
Income in advance	2,802	3,029	3,117	3,197	3,276	3,362	3,447	3,535	3,632	3,732	3,829
Deposit	1,340	991	1,019	1,045	1,071	1,099	1,127	1,156	1,188	1,220	1,252
Agency account	143	123	126	130	133	136	140	143	147	151	155
Trust funds	244	245	252	258	265	272	278	286	293	301	309
Related party payables	3,496	3,429	3,528	3,618	3,708	3,805	3,901	4,001	4,111	4,224	4,334
<b>Total creditors and other payables</b>	<b>17,958</b>	<b>18,239</b>	<b>18,770</b>	<b>19,248</b>	<b>19,726</b>	<b>20,240</b>	<b>20,754</b>	<b>21,285</b>	<b>21,869</b>	<b>22,471</b>	<b>23,055</b>



**10. Borrowings**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
People	4,292	6,355	6,696	6,412	6,117	5,810	5,491	5,159	4,813	4,453	4,079
Community Facilities	20,328	19,779	20,786	19,984	18,785	17,511	16,230	14,886	13,506	12,079	11,377
The Provision of Roads and Footpaths	9,693	12,669	14,939	16,731	18,381	19,651	20,871	21,449	21,969	22,427	22,827
Flood Protection and Control Works	2,954	5,063	8,924	11,375	12,331	15,075	16,293	16,668	17,981	18,814	19,630
Sewerage	49,126	40,018	39,744	46,938	52,119	81,104	104,220	112,576	126,308	121,079	119,509
Stormwater Drainage	170	136	101	65	29	6	0	0	0	0	0
Water Supply	20,948	23,369	32,619	39,081	44,138	45,518	56,109	60,036	58,856	84,535	106,125
Solid Waste Management	5,923	5,317	4,773	4,218	3,688	3,191	2,694	2,213	1,854	1,606	1,371
Environmental Management	350	332	314	295	274	254	232	209	186	161	136
Regulatory	633	736	797	739	797	730	738	663	585	586	523
Regional Development	11,063	14,074	16,084	14,287	12,443	15,582	13,991	12,818	11,619	10,392	9,309
Commerical Property	10,416	9,835	9,235	8,610	7,959	7,283	6,579	5,847	5,085	4,293	3,468
Plant Operations	591	554	515	475	433	390	344	297	248	197	144
Marlborough Regional Forestry	2,655	3,540	4,868	6,372	7,877	9,381	10,886	11,505	11,505	11,505	11,505
MDC Holdings Ltd financing	70,420	83,340	137,540	186,390	205,735	194,085	182,935	171,985	158,605	148,225	138,225
<b>Total loans</b>	<b>209,563</b>	<b>225,118</b>	<b>297,933</b>	<b>361,971</b>	<b>391,106</b>	<b>415,570</b>	<b>437,612</b>	<b>436,311</b>	<b>433,121</b>	<b>440,352</b>	<b>448,230</b>
<b>less internal loans</b>	<b>(42,699)</b>	<b>(57,479)</b>	<b>(39,764)</b>	<b>(25,848)</b>	<b>(11,333)</b>	<b>(14,143)</b>	<b>(29,529)</b>	<b>(29,559)</b>	<b>(33,248)</b>	<b>(50,958)</b>	<b>(70,637)</b>
<b>Total borrowings (external loans)</b>	<b>166,864</b>	<b>167,639</b>	<b>258,169</b>	<b>336,123</b>	<b>379,774</b>	<b>401,427</b>	<b>408,083</b>	<b>406,752</b>	<b>399,873</b>	<b>389,394</b>	<b>377,593</b>

**11. Investment property**

	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2,031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July	10,500	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
<b>Balance at 30 June</b>	<b>10,500</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>	<b>10,750</b>

**12. Exchange and non-exchange revenue**

for the year ending 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Non-exchange revenue:</b>											
General rates and charges	69,492	76,989	81,215	85,231	88,009	93,117	96,896	100,552	104,084	108,290	111,891
Donations, subsidies and grants	10,373	25,357	14,051	12,025	12,275	14,564	14,998	17,247	13,661	14,080	14,479
Fees and charges	17,793	18,701	19,393	19,998	20,531	21,083	21,639	22,217	22,859	23,531	24,181
Other revenue	15,281	16,792	19,291	14,196	15,513	14,265	14,577	14,257	14,052	14,202	14,188
<b>Total non-exchange revenue</b>	<b>112,938</b>	<b>137,839</b>	<b>133,950</b>	<b>131,450</b>	<b>136,328</b>	<b>143,029</b>	<b>148,110</b>	<b>154,273</b>	<b>154,657</b>	<b>160,104</b>	<b>164,738</b>
<b>Exchange revenue:</b>											
Metered water	2,522	1,991	2,235	2,293	2,728	2,627	2,862	2,694	2,735	2,787	2,841
Rentals and leases	5,905	6,365	6,731	6,816	6,949	7,079	7,469	7,740	7,903	8,062	8,221
Marlborough Regional Forestry distribution	34	-	-	-	-	-	-	1,887	3,562	3,796	3,796
Interest and dividends	4,715	5,066	6,568	8,512	9,741	10,654	11,627	11,870	12,471	12,861	12,573
<b>Total exchange revenue</b>	<b>13,175</b>	<b>13,421</b>	<b>15,535</b>	<b>17,621</b>	<b>19,418</b>	<b>20,361</b>	<b>21,958</b>	<b>24,191</b>	<b>26,671</b>	<b>27,506</b>	<b>27,431</b>
<b>Total revenue</b>	<b>126,113</b>	<b>151,260</b>	<b>149,485</b>	<b>149,071</b>	<b>155,746</b>	<b>163,390</b>	<b>170,068</b>	<b>178,464</b>	<b>181,328</b>	<b>187,610</b>	<b>192,170</b>

**13. Other reserves**

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s

**13.1 Reserve funds - Council wide****Emergency Events Reserve**

**Purpose:** Council's Emergency Events Reserve, which is part of Council's risk management strategy, exists to:

- protect Council's infrastructural assets;
- make a provision for restoration of Council's roading network in the event of extraordinary flood damage; and
- provide for the restoration of Council's Wairau floodplain river protection assets;

**Activities to which it relates:** Infrastructural Assets including the roading network and rivers.

<b>Opening balance</b>	<b>12,776</b>	<b>9,328</b>	<b>5,168</b>	<b>3,105</b>	<b>1,799</b>	<b>573</b>	<b>278</b>	<b>753</b>	<b>1,946</b>	<b>3,317</b>	<b>5,314</b>
Transfer to reserve	1,262	334	348	360	489	1,477	2,302	3,079	3,317	4,002	4,904
Transfer from reserve	(5,351)	(2,016)	(2,119)	(1,666)	(1,715)	(1,772)	(1,827)	(1,886)	(1,946)	(2,006)	(2,061)
Capex transfer from reserve	(246)	(2,478)	(292)	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>8,440</b>	<b>5,168</b>	<b>3,105</b>	<b>1,799</b>	<b>573</b>	<b>278</b>	<b>753</b>	<b>1,946</b>	<b>3,317</b>	<b>5,314</b>	<b>8,157</b>

**Forestry and Land Development Reserve**

**Purpose:** Receives revenue from Marlborough Regional Forestry and from the sale of non-activity assets for funding any projects approved by Council.

**Activities to which it relates:** Any Activity approved by Council.

<b>Opening balance</b>	<b>11,022</b>	<b>13,761</b>	<b>10,468</b>	<b>6,676</b>	<b>5,077</b>	<b>4,646</b>	<b>4,294</b>	<b>4,041</b>	<b>3,782</b>	<b>4,038</b>	<b>4,299</b>
Transfer to reserve	7,503	-	-	-	-	-	-	3	506	510	516
Transfer from reserve	(4,039)	(1,005)	(709)	(208)	(211)	(131)	(34)	(42)	(30)	(29)	(39)
Capex transfer from reserve	(6,186)	(2,289)	(3,082)	(1,392)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
<b>Closing balance</b>	<b>8,300</b>	<b>10,468</b>	<b>6,676</b>	<b>5,077</b>	<b>4,646</b>	<b>4,294</b>	<b>4,041</b>	<b>3,782</b>	<b>4,038</b>	<b>4,299</b>	<b>4,555</b>

**Infrastructure Upgrade Reserve**

**Purpose:** To be used for essential infrastructure; to assist funding of new assets (up to a maximum of 50%), and to assist the funding of significant capital upgrades which will increase the targeted level of service supplied to the community.

**Activities to which it relates:** Infrastructure such as Water and Sewerage etc, and other Activities as determined by Council from time to time.

<b>Opening balance</b>	<b>9,433</b>	<b>11,724</b>	<b>13,268</b>	<b>14,333</b>	<b>14,934</b>	<b>14,800</b>	<b>14,428</b>	<b>13,974</b>	<b>12,910</b>	<b>11,892</b>	<b>10,638</b>
Transfer to reserve	4,657	4,646	4,552	4,893	5,299	6,309	7,630	8,130	8,852	9,369	9,369
Transfer from reserve	(3,232)	(3,102)	(3,487)	(4,292)	(5,434)	(6,681)	(8,084)	(9,195)	(9,870)	(10,623)	(11,510)
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>10,858</b>	<b>13,268</b>	<b>14,333</b>	<b>14,934</b>	<b>14,800</b>	<b>14,428</b>	<b>13,974</b>	<b>12,910</b>	<b>11,892</b>	<b>10,638</b>	<b>8,497</b>

as at 30 June:	2021 (AP)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s

**Land Subdivision Reserve**

**Purpose:** To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.

**Activities to which it relates:** Community Facilities including Reserves, Halls, Swimming Pools.

<b>Opening balance</b>	<b>3,824</b>	<b>2,545</b>	<b>761</b>	<b>268</b>	<b>167</b>	<b>205</b>	<b>234</b>	<b>233</b>	<b>110</b>	<b>(287)</b>	<b>(459)</b>
Transfer to reserve	3,536	1,463	1,507	1,553	1,599	1,647	1,697	1,747	1,800	1,854	1,909
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(2,619)	(3,248)	(2,000)	(1,653)	(1,560)	(1,618)	(1,698)	(1,870)	(2,197)	(2,026)	(1,350)
<b>Closing balance</b>	<b>4,741</b>	<b>761</b>	<b>268</b>	<b>167</b>	<b>205</b>	<b>234</b>	<b>233</b>	<b>110</b>	<b>(287)</b>	<b>(459)</b>	<b>100</b>

**Port Marlborough NZ Ltd Special Dividend Reserve**

**Purpose:** Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.

**Activities to which it relates:** Various.

<b>Opening balance</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>
Transfer to reserve	194	173	173	173	173	173	173	173	173	173	173
Transfer from reserve	(194)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>

**Wairau Rivers Reserve**

**Purpose:** Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.

**Activities to which it relates:** Rivers and Land Drainage on the

<b>Opening balance</b>	<b>263</b>	<b>(1,524)</b>	<b>(2,202)</b>	<b>(3,361)</b>	<b>(3,010)</b>	<b>(2,465)</b>	<b>(2,195)</b>	<b>(1,772)</b>	<b>(1,368)</b>	<b>(651)</b>	<b>(61)</b>
Transfer to reserve	1,233	1,124	1,169	1,201	1,228	1,265	1,283	1,331	1,385	1,414	1,449
Transfer from reserve	(444)	(551)	(562)	(584)	(574)	(557)	(549)	(534)	(520)	(492)	(470)
Capex transfer from reserve	(3,197)	(1,250)	(1,767)	(2,65)	(109)	(438)	(312)	(393)	(148)	(331)	(157)
<b>Closing balance</b>	<b>(2,145)</b>	<b>(2,202)</b>	<b>(3,361)</b>	<b>(3,010)</b>	<b>(2,465)</b>	<b>(2,195)</b>	<b>(1,772)</b>	<b>(1,368)</b>	<b>(651)</b>	<b>(61)</b>	<b>761</b>

**13.2 Reserve funds - Activity specific**

These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:

**General Reserve:** to accumulate targeted rates or other revenue for use in subsequent years.

**Depreciation Reserve:** to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.

**Landfill Aftercare Reserve:** to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.

**Development Contribution Reserve:** to accumulate development and financial contributions to fund qualifying capital expenditure.

**Landfill aftercare reserve**

<b>Opening balance</b>	<b>574</b>	<b>577</b>	<b>629</b>	<b>684</b>	<b>728</b>	<b>775</b>	<b>822</b>	<b>872</b>	<b>922</b>	<b>975</b>	<b>1,029</b>
Transfer to reserve	47	53	54	45	46	48	49	51	52	54	56
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>621</b>	<b>629</b>	<b>684</b>	<b>728</b>	<b>775</b>	<b>822</b>	<b>872</b>	<b>922</b>	<b>975</b>	<b>1,029</b>	<b>1,085</b>

**Development Contribution reserves**

<b>Opening balance</b>	<b>(1,941)</b>	<b>(2,966)</b>	<b>(3,826)</b>	<b>(2,955)</b>	<b>(4,497)</b>	<b>(1,782)</b>	<b>(748)</b>	<b>302</b>	<b>1,369</b>	<b>2,343</b>	<b>3,331</b>
Transfer to reserve	602	786	1,073	824	2,715	1,033	1,050	1,068	973	989	985
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(1,540)	(1,646)	(202)	(2,366)	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>(2,879)</b>	<b>(3,826)</b>	<b>(2,955)</b>	<b>(4,497)</b>	<b>(1,782)</b>	<b>(748)</b>	<b>302</b>	<b>1,369</b>	<b>2,343</b>	<b>3,331</b>	<b>4,317</b>

**Operational (General and Depreciation) reserves**

<b>Opening balance</b>	<b>6,378</b>	<b>13,601</b>	<b>12,986</b>	<b>5,238</b>	<b>(9,578)</b>	<b>(20,507)</b>	<b>(13,911)</b>	<b>(9,231)</b>	<b>838</b>	<b>17,640</b>	<b>32,961</b>
Transfer to reserve	25,055	25,502	28,588	31,343	32,805	38,246	34,810	38,032	39,112	40,898	42,385
Transfer from reserve	(7,772)	(7,770)	(8,998)	(9,716)	(9,757)	(9,334)	(10,604)	(11,200)	(11,440)	(11,808)	(11,942)
Capex transfer from reserve	(22,364)	(18,348)	(27,337)	(36,443)	(33,977)	(22,316)	(19,526)	(16,763)	(10,870)	(13,769)	(14,013)
<b>Closing balance</b>	<b>1,297</b>	<b>12,986</b>	<b>5,238</b>	<b>(9,578)</b>	<b>(20,507)</b>	<b>(13,911)</b>	<b>(9,231)</b>	<b>838</b>	<b>17,640</b>	<b>32,961</b>	<b>49,391</b>

**Road Funding reserves**

<b>Opening balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to reserve	138	138	143	147	151	155	159	164	168	173	178
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(138)	(138)	(143)	(147)	(151)	(155)	(159)	(164)	(168)	(173)	(178)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MRF biological assets reserve**

<b>Opening Balance</b>	<b>12,018</b>	<b>16,731</b>	<b>17,994</b>	<b>19,330</b>	<b>20,742</b>	<b>22,235</b>	<b>23,813</b>	<b>25,482</b>	<b>26,529</b>	<b>27,000</b>	<b>27,409</b>
Transfer to reserve	384	1,263	1,336	1,412	1,493	1,578	1,669	1,047	471	409	304
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>12,402</b>	<b>17,994</b>	<b>19,330</b>	<b>20,742</b>	<b>22,235</b>	<b>23,813</b>	<b>25,482</b>	<b>26,529</b>	<b>27,000</b>	<b>27,409</b>	<b>27,713</b>

**Total movements**

<b>Opening balance</b>	<b>58,660</b>	<b>68,091</b>	<b>59,559</b>	<b>47,630</b>	<b>30,675</b>	<b>22,793</b>	<b>31,329</b>	<b>38,966</b>	<b>51,352</b>	<b>70,580</b>	<b>88,775</b>
Transfer to reserve	44,611	35,481	38,942	41,948	45,998	51,931	50,822	54,825	56,809	59,844	62,228
Transfer from reserve	(21,032)	(14,616)	(16,047)	(16,637)	(17,864)	(18,647)	(21,270)	(23,029)	(23,979)	(25,131)	(26,195)
Capex transfer from reserve	(36,290)	(29,396)	(34,824)	(42,266)	(36,017)	(24,747)	(21,914)	(19,410)	(13,602)	(16,519)	(15,918)

**Other reserves closing balance as shown in Equity**

	<b>45,949</b>	<b>59,559</b>	<b>47,630</b>	<b>30,675</b>	<b>22,793</b>	<b>31,329</b>	<b>38,966</b>	<b>51,352</b>	<b>70,580</b>	<b>88,775</b>	<b>108,889</b>
--	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	----------------

## 4.8. Council Activities

(also refer to the separate attachment)

(Report prepared by Martin Fletcher/Rainbow Zhao)

F230-L21-03

### Purpose of report

1. The purpose of this paper is to present for Councillors' information the proposed levels of service and related budgets proposals for each of Council's Activities.

---

### RECOMMENDATION

That the information/presentation be received and made available to the public during the consultation process as supporting information.

---

### Attachment

Attachment 4.8 – Council Activities (attached separately to the Agenda paper)

Author	All Departmental Managers
Authoriser	Martin Fletcher, Chief Financial Officer

## **4.9. Levels of Service Increases Convention Centre Management and Funding**

---

(Report prepared by Dean Heiford)

C600-005-C03-01

### **Purpose of report**

1. To approve the management structure and funding for the Marlborough Convention Centre.

### **Executive Summary**

2. The Marlborough Convention Centre (MCC) has been operated by Scenic Group under a lease for 13 years. Scenic Group gave notice and exited this agreement on 31 January 2021.
  3. Council has been negotiating with the Marlborough Civic Theatre Trust (MCTT) to undertake the operation of the MCC.
  4. It is intended to change the name of the Marlborough Convention Centre to the Marlborough Events Centre.
  5. Council staff have been working closely with the MCTT staff to transition the MCC to a new management structure while still maintaining existing bookings and pursuing new bookings.
- 

### **RECOMMENDATIONS**

**That Council:**

1. **Approve the Marlborough Civic Theatre Trust as the managers of the Marlborough Convention Centre for three years with the option to extend.**
  2. **Approve up to \$300,000 for the one-off costs of fitting out and undertaking deferred maintenance of the Marlborough Convention Centre to be funded from the Forestry and Land Development Reserve.**
  3. **Agree to fund the fixed operating costs of the Marlborough Convention Centre estimated at \$250,000 per annum for the first three years from the Forestry and Land Development Reserve.**
  4. **Agree to delegated authority for the Chief Executive to finalise a management agreement for the Marlborough Convention Centre with the Marlborough Civic Theatre Trust.**
- 

### **Background/Context**

6. Scenic Group have been managing and operating the Marlborough Convention Centre for 13 years under a lease from Council.
7. Scenic Group relinquished their lease and operating agreement effective 31 January 2021.
8. Council and the MCTT agreed to an interim management transition of the MCC under the MCTT to ensure continuity for existing and future bookings. Until a management agreement is signed Council is paying the MCTT for hours spent in setting up the MCC and underwriting existing events as necessary to a break-even point.
9. The Scenic Group chattels associated with the lease are being negotiated between the parties for Council to obtain them for the ongoing operation of the facility.
10. There are some maintenance issues that will need to be addressed.

### **Management Agreement with MCTT**

10. Negotiations with MCTT are centred around three issues;
  - 10.1. Honouring existing bookings and quotes  
MCTT are happy to do this but cannot take the risk of these events making a loss. Council has agreed for any existing bookings that have been confirmed and quoted we will underwrite them on a break even basis.
  - 10.2. Chattels and Maintenance  
Council is negotiating with Scenic Group to retain their assets for the operation of the MCC – this includes the website, commercial kitchen and other catering assets in the main. If this cannot be achieved there will need to be a refit of the kitchen and other chattels will need to be purchased.  
There are also some delayed maintenance items that should be undertaken while the MCC is going through a light booking period – the majority of this is painting and other minor upgrades.
  - 10.3. Fixed Operating Costs  
The MCTT will be operating the MCC under a management agreement. The MCTT cannot absorb the fixed operating costs associated with the MCC under the current pricing structure. Council has agreed to consider funding the fixed operating costs directly but having a share of any operating profit on a 50/50 basis for each event excluding the events covered under para 10.1 **above**.
11. The estimate for chattels and maintenance is a minimum of \$100,000 if we can negotiate the retention of the Scenic chattels or \$300,000 if the refit of a commercial kitchen is required. These are one off costs.
12. The estimate for fixed operating costs is \$250,000 per annum and includes power, insurance, rates, body corporate charges, staffing, cleaning, etc. These costs would be offset by any profit share on new events.

### **Event and Venue Fees**

13. The current event and venue fees need to be reviewed to ensure the viability of the MCC going forward. Any proposed fees increase will be indexed against other venues around the country to ensure the MCC rack rates are competitive.
14. Council currently has a community use agreement for the use of the MCC. This allows up to 10 days per annum where community groups can hire the facility for 10% of the base venue hireage with all other services at cost. This will need to be reviewed as this is unsustainable cost wise and Council is getting more requests for community usage.

### **Name and Branding**

15. The current name and branding for the MCC is 13 plus years old. Council staff have discussed the option of changing the name with Destination Marlborough and the MCTT and recommend renaming the facility to the "Marlborough Events Centre" (MEC).
16. The proposed new name provides a wider audience in terms of what can be held at the facility and will be more marketable in the conference / events / business events arena.

### **Recommendation One – Approve the Marlborough Civic Theatre Trust as the managers of the Marlborough Events Centre**

17. The MCTT are the best equipped to pick up the current operation of the MEC within the current time frames and budgets. It is proposed that the initial agreement be for three years with an option to extend.

### **Advantages**

18. MCTT is already operating a similar facility / business.
19. MCTT is a community owned asset.
20. MCTT staff have experience in running events.

21. MCTT has existing supply agreements and promotion avenues to assist in the transition of management of the facility.

*Disadvantages*

22. There has been no open market testing of other potential service providers.
23. The profitability of the MEC in the post COVID-19 economy is problematic. It is considered at the present that there is no realistic option available. The Clubs of Marlborough are struggling financially and are focussed on redeveloping a sustainable business.

**Recommendation Two – Approve up to \$300,000 for the one-off costs of fitting out and undertaking deferred maintenance of the Marlborough Events Centre to be funded from the Forestry and Land Development Reserve**

24. Subject to the negotiations with Scenic Group the existing chattels may be utilised at a lower cost.
25. There are some maintenance and fit out costs that need to be covered to refresh the facility and reduce ongoing maintenance and cleaning costs.

*Advantages*

26. Brings the facility up to an acceptable standard for the new management team.
27. Reduces maintenance and cleaning costs in the short term.

*Disadvantages*

28. Reduces the balance of a Council reserve.

**Recommendation Three – Agree to fund the fixed operating costs of the Marlborough Events Centre estimated at \$250,000 per annum for the first three years from the Forestry and Land Development Reserve**

29. Gives certainty to the new management team on their operating costs.

*Advantages*

30. Reduces the risk to the MCTT in operating the MEC.
31. Provides Council with a fixed cost to operate the MEC.

*Disadvantages*

32. The fixed costs may be high.
33. The potential income share is unknown.

**Recommendation Four – Agree to delegated authority for the Chief Executive to finalise a management agreement for the Marlborough Events Centre with the Marlborough Civic Theatre Trust**

34. There are a number of elements to the management agreement that need to be negotiated which can be done under delegated authority.

Author	Dean Heiford, Manager Economic, Community and Support Services
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables consideration to be given to providing an economic driver to attract delegates to Marlborough and provide a wider economic benefit to the district.			
<b>Fit with Council policies and strategies</b>			
<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Arts & Culture	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This proposal contributes to the LTP / Annual Plan, Economic Development and Social well-being and Arts & Culture relating to the provision of an events centre.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
This review would need sign off from Council as part of the LTP process.			
There are significant one off and ongoing costs to Council.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The Marlborough Community is already well aware of the changes in management of the Marlborough Events Centre.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			

## **4.10. Levels of Service Increases**

### **Economic Development and Regional Events**

---

(Report prepared by Neil Henry)

E100-000-01

#### **Purpose of report**

1. To propose a revised economic development programme requiring an increased budget of \$100,000 per annum.
2. To propose increasing the print, distribution and promotion of the Spring and Autumn Marlborough events guides requiring an increased budget of \$30,000 from 2022-23 onwards.
3. To propose undertaking a detailed economic assessment of the Garden Marlborough event in 2022 requiring a budget of \$20,000 in 2022-23.

#### **Executive Summary**

4. Proposals have been developed:
    - To reorganise the economic development programme to continue the key delivery areas, and also address new opportunities in technology, food and screen sectors;
    - For the increased printing, distribution and promotion of the Spring and Autumn events guides; and
    - To undertake a detailed event evaluation of the Garden Marlborough event in 2022-23.
- 

#### **RECOMMENDATIONS**

1. **That an additional \$100,000 per annum operational budget be provided to support the proposed new economic development programme and the technology, food and screen sectors.**
  2. **That an additional budget of \$30,000 be provided from 2022-23 onwards for the increased printing, distribution and promotion of the Spring and Autumn events guides.**
  3. **That a budget of \$20,000 be provided in 2022-23 to undertake a detailed event evaluation of the Garden Marlborough event.**
- 

#### **Background/Context**

##### **ECONOMIC DEVELOPMENT**

5. Council is the lead economic development organisation for the Marlborough Region. The work programme of the economic development team has evolved since the function was reinvigorated in 2013-14. A review of the economic development, tourism and events services was undertaken in 2018 (informed by a report by MartinJenkins economic consultancy), which recommended an 'enhanced status quo' - the continuation of the current delivery model with some enhancements. This recommendation was accepted (Minute Cncl-0318-293).
6. In recent years, the programme has focused on two main areas for service delivery:
  - (a) Marlborough Smart+Connected programme (S+C):
    - Establishment of five industry groups;
    - Focused on collaborative effort to improve industry and community outcomes and overcome collective issues;
    - The Smart+Connected programme won national recognition at the 2019 Economic Development New Zealand awards by winning the Inclusive Growth and Premier Award for Best Practice.



- (b) Smart Business Marlborough (SBM):
- This programme is focused on business support services, regional economic data, international opportunities, migrant attraction and Screen Marlborough;
7. Screen Marlborough has operated as a three year pilot partnership with Screen Wellington. The partnership is due to end in June 2021 and a decision is required as to whether the Screen Marlborough function should be continued
8. Currently the economic development function has 3 FTE, and an annual operational budget of \$200,000.
9. A proposal has been developed to reorganise the economic development programme to continue the key delivery areas, and also advance new opportunities.

## **REGIONAL EVENTS**

10. Council's Regional Events role was established in 2012 following a request by the events community. Since that date, the role has developed to incorporate a range of services including managing the Follow-ME platform to promote Marlborough events, supporting event organisers, managing the Commercial Events Fund and enabling Council wide support for events. The role is guided by the Regional Events Strategy which was recently updated and approved.
11. Currently the Regional Events function has 1 FTE, an annual operational budget of \$69,000 plus the Commercial Events Fund budget of \$130,000 p.a. The majority of the operational budget is deployed to manage the Follow-ME platform and produce and disseminate the quarterly events guide.
12. A proposal has been developed to increase the printing and distribution of the quarterly events guide to enhance national promotion of Marlborough's events. Also, there is a proposal to undertake an economic impact assessment for the Garden Marlborough event in 2022. If agreed, this would mean that a detailed understanding of the economic impacts of each of the major events in the region, including how many visitors, what and where they spend, and how event operations benefit local businesses is completed. This information is unique to each event.

## **Assessment/Analysis**

### **ECONOMIC DEVELOPMENT**

13. A new approach to Council's economic development services has been identified that will maintain and enhance the successful S+C programme and SBM activities, and add new areas of support for three key sectors where potential has been identified for high value growth. The new approach proposed is based upon six pillars of work, compared to the two areas operated to date (S+C and SBM).
14. The six pillars are:
- Business capability;
  - Innovation, R&D and transformation;
  - Workforce and talent development;
  - Economic leadership and vision;
  - Investment and attraction; and
  - Foresight and intelligence.
15. The six pillars of support will provide support for Marlborough's key economic sectors:
- Wine;
  - Aquaculture;
  - Forestry and wood processing;

- Food (new);
  - Screen industry (new/enhanced);
  - Technology (new);
  - Tourism and hospitality; and
  - Retail.
16. The new sectors chosen indicated above for activation programmes are carefully considered based on a set of factors including:
- Size and importance of the sector;
  - Potential for growth and sustainability;
  - Future outcomes incl. jobs, wages, sustainability, expected trends;
  - Alignment with government agencies and sectors; and
  - Natural 'fits' for Marlborough.

### **Business capability**

17. Business capability includes support that enables individual businesses to start-up and grow, and to ensure business support providers are working effectively together and with business and industry partners. Support includes:
- Continued support for Business Trust Marlborough;
  - Instigate an online pop-up business school in Marlborough in partnership with the existing business support network providing an intensive short course for anyone new to starting a business. The programme has run successfully across NZ since 2017, with MSD support; and
  - Undertake a cross industry annual network and display event in collaboration with the existing business support network. This event enables cross-industry collaboration and stimulates growth and innovation.

### **Economic leadership and vision**

18. This activity is aimed at developing and helping implement strategies and plans for the future Marlborough economy. This includes:
- The continuation of support for the successful Marlborough Smart+Connected industry programme where each group develops and implements industry plans with the assistance of many industry and community partners;
  - Development of the Marlborough economic development strategy; and
  - Establishment of a Marlborough CEO's programme to enable the leaders of Marlborough's larger businesses to work with each other and other regional leaders including Council.

### **Foresight and intelligence**

19. This programme is aimed at obtaining data to understand Marlborough's economy in terms of its past and current performance, and gaining insights into the future. This includes:
- Infometrics annual and quarterly economic updates;
  - Data on Marlborough's key sectors eg. partnering with industry on economic studies, Marketview consumer spend data, labour and skills related data; and
  - Further investigation into a regional CRM system for Marlborough businesses alongside regional business support delivery partners. A CRM system would enable the various business support provided to a business to be tracked across the various providers to ensure a complete service is provided.

## Food

20. Marlborough has many small & large food producers and there is real opportunity to assist these businesses to grow, export and also to better highlight Marlborough's food as a tourism drawcard. To do this it is proposed that Council works alongside the industry to develop a food strategy, a coherent food story and to connect the industry to the considerable support being offered nationally for the food sector by government to grow this sector. Other strong food regions in NZ, such as Hawkes Bay and Nelson Tasman have already taken steps in this direction. Support for the food sector includes:
- Marlborough food-story and strategy development and development platform/content alongside industry partners;
  - Connecting businesses to government support services available through Ministry of Primary Industries and Ministry of Business Innovation and Employment; and
  - Support industry buyers and investment campaigns.

## Screen

21. The Marlborough screen office is due to complete its initial three year phase in June 2021. The initial phase focused on a partnership with Screen Wellington to enable both the key aspects of a screen office to be established – film permitting service, screen website and location database, connection to NZ screen office network; alongside joint promotion of Marlborough for film projects and support for local talent. The second year report for the office reported to Planning, Finance and Community committee on 23 July 2020 indicated that four film projects valued at over \$350,000 took place in Marlborough, and that the core aspects of the office are now in place. Progress was impacted by staff changes and the COVID-19 pandemic.
22. The progress made to date indicates that it is timely to move to a Screen Marlborough office that is stand alone, so it can support the industry to grow better, faster and more coordinated. It is also important to be part of the collaborative and national network of Film Office Regions so Marlborough gets included in strategic plans, promotion and attraction activities. Whilst the formal partnership with Screen Wellington would not continue beyond June 2021, the two offices would continue to work together informally into the future as it is of mutual benefit.
23. It is proposed continue to develop a screen sector for Marlborough. Council's role via the Screen Marlborough office would be to direct deliver some activities as well as helping the industry via facilitation, support, connect, collaboration and initiation of these activities. The Screen Office will develop a Marlborough screen strategy, including activation plan:
- Talent development of local film industry practitioners through collaboration with schools, NZ Film Commission, screen industry bodies and MSD;
  - Collaboration with all other screen industry bodies i.e. Regional Film Offices New Zealand (RFONZ) and New Zealand Film Commission (NZFC) as a screen office in its own right;
  - Permitting and promotion campaign activity;
  - Attraction Screen productions and crews/talent to Marlborough;
  - Attract private investment opportunities and bring private screen investments come to fruition; and
  - Ongoing Screen Marlborough web content development.

## Technology

24. Supporting technology development is proposed because this sector will help set Marlborough up for the future. Technology is disrupting jobs, business-models, businesses and sectors and all our sectors will be impacted by the innovation and disruption that technology brings with it. Marlborough industries have traditionally been innovative and two of the main regional industries are leading in the country (Wine and Aquaculture). These industries should be enabled to lead technology and innovation for our strong sectors – Agritech, Artificial Intelligence, Internet of Things (IoT), sensors, data collection and usage, drones.

25. Council's role is to help build the much needed strong connections, confidence, collaboration and knowledge to be leading through and with technology. The technology sector creates high paid jobs; it's a light weight IP-driven sector sustainable for the environment. Technology products and services are easily scalable and easy to export.
26. Develop a technology sector for Marlborough, by developing a Marlborough technology sector strategy, including activation plan to:
- Drive technology collaboration and connection;
  - Help drive innovation programmes in collaboration with industry leaders and industry bodies to encourage new technology businesses and innovative practices in business;
    - Start-Up Weekends to bring together technologists, entrepreneurs and investors;
    - Inspiring speakers to bring new ideas to the region, and share experiences in collaboration with partner business support providers;
    - Incubation programmes to accelerate growth and new investment opportunities for new and established businesses;
  - Help attract technology businesses to Marlborough through campaigns in collaboration with industry;
  - Help create Marlborough IP and a 'light-weight' economy with high paid jobs and products and services that are easy to scale;
  - Talent development and attraction;
  - Further enhance innovation and exports in existing wine/viticulture/aquaculture industries technology capability in collaboration with the industry leaders and industry bodies, including Ningxia sister region wine technology coalition; and
  - Help create Marlborough IP and commercial investment opportunities in collaboration with the Angel Investors Marlborough.

### Proposed Budget

27. The proposed reprioritised budget for economic development across the six pillars is as follows:

	ACTIVITY	BUDGET
<b>1</b>	<b>Business Capability</b>	<b>67,500</b>
	Business Trust Marlborough	47,500
	Pop-up Business School	10,000
	Cross Industry annual network and display event	10,000
<b>2</b>	<b>Economic Leadership &amp; Vision</b>	<b>65,000</b>
	Smart+Connected industry programme	50,000
	Strategy development and publications	5,000
	CEO's in Marlborough programme	10,000
<b>3</b>	<b>Foresight &amp; Intelligence</b>	<b>50,000</b>
	Infometrics	25,000
	Other data projects eg. CRM, Marketview, industry data contributions	25,000
	<b>Sector Specific Plans:</b>	
<b>4</b>	<b>Food Sector</b>	<b>30,000</b>
	Support industry buyers and investment campaigns	10,000
	Marlborough food-story and strategy development and development platform/content	20,000
<b>5</b>	<b>Screen Marlborough</b>	<b>50,000</b>
	Talent development and talent community workshops	10,000
	Screen production attraction campaigns	10,000
	Hosting visits incl. private investment attraction	10,000

	Web content development and social media	20,000
<b>6</b>	<b>Technology</b>	<b>37,500</b>
	Talent and business attraction activities	12,500
	Inspiring speaker-series	5,000
	Start-up weekend	20,000
	<b>TOTAL</b>	<b>300,000</b>
	<b>Current operational budget</b>	<b>200,000</b>
	<b>NET BUDGET REQUIREMENT</b>	<b>100,000</b>

### Option One (Recommended Option)

28. That an additional \$100,000 per annum operational budget is provided to support the proposed new economic development programme and the technology, food and screen sectors.

#### *Advantages*

29. That existing work programmes can be continued and support be given to screen, technology and food sectors.
30. Growth in food, technology and screen sectors will further diversify and grow Marlborough's economy.

#### *Disadvantages*

31. Additional \$100,000 operational budget is required to support these activities.

### Option Two – Status Quo

32. That the current \$200,000 operational budget is maintained for the economic development programme.

#### *Advantages*

33. No additional funding is required to support the economic development programme.

#### *Disadvantages*

34. The proposed new economic development programme will be curtailed and/or support may not be available for some key sectors.
35. Screen Marlborough activity will cease as no operational budget is available after three year pilot ends in June 2020.

## REGIONAL EVENTS

### Quarterly Events Guides

36. The production and dissemination of the quarterly events guide is a key aspect of the Regional Events activity. The printed guides are a key promotional tool alongside the Follow-ME website and advertising. Currently, the Summer guide is printed and distributed locally and nationally as this is the main events season, whilst in Spring, Autumn and Winter fewer guides are printed and are only distributed within Marlborough to accommodation providers, i-sites, libraries etc.
37. It is proposed that the Spring and Autumn guides are printed and distributed locally and nationally as this would increase the awareness of potential visitors to the region about major events in those seasons where there are still significant events taking place (eg. Garden Marlborough in Spring, Havelock Seafood and Mussel Festival, Whitehaven Grape Ride, Saint Clair vineyard half marathon and Classic Fighters in Autumn).
38. The cost of increasing the print run, distributing the guides nationally and promotion is \$15,000 per guide, therefore an additional \$30,000 per annum would be required for the Spring and Autumn guides. Due to the importance of events in the current COVID-19 economic climate, TEAM

economic recovery funding is covering the costs of the Autumn 2021, Spring 2021 and Autumn 2022 guides. It is therefore requested that the additional funding be made available from the 2022/23 year. Should it be decided that budget for only one guide be possible, it is recommended that the Autumn guide is selected due to the number of events that usually take place from March-May.

### **Option One (Recommended Option)**

39. That an additional budget of \$30,000 be provided from 2022-23 onwards for the increased printing, distribution and promotion of the Spring and Autumn events guides.

#### *Advantages*

40. That the events guides for the second (Autumn) and third (Spring) busiest events seasons are distributed and promoted nationally to enable more potential visitors to visit Marlborough for events.

#### *Disadvantages*

41. Additional budget of \$30,000 is required

### **Option Two – Status Quo**

42. That no funding is provided for additional printing, distribution and promotion of the Spring and Autumn events guides.

#### *Advantages*

43. No additional budget is required

#### *Disadvantages*

44. No printed guides available outside of Marlborough region for potential visitors to receive in Spring and Autumn.

### **Option Three**

45. That an additional budget of \$15,000 be provided from 2022-23 onwards for the increased printing, distribution and promotion of the Autumn events guide.

#### *Advantages*

46. That the events guides for the second (Autumn) busiest event season is distributed and promoted nationally to enable more potential visitors to visit Marlborough for events.

#### *Disadvantages*

47. That an additional budget of \$15,000 is required.
48. That printed events guides are not distributed nationally in Spring each year.

### **Event evaluation**

49. A second proposal for Regional Events is that a budget is provided to undertake a detailed event evaluation for the Garden Marlborough event in Spring 2022 (financial year 2022/23). Detailed event evaluations survey actual event participants on their activities during their time in Marlborough for our premier events and provide a robust picture of the economic value of an event that is not possible using generic event evaluation tools. The evaluation includes details on visitor related event spending as well as how the costs to run the event benefit local suppliers.

50. In 2015, the evaluation of the Marlborough Wine and food Festival identified that the event generated:

- 7,500 visitor nights in the region.
- \$1.3m in tourism to the region.

- A return on investment of 4.61.
51. Detailed event evaluations have been undertaken for other premier regional events – Omaka Classic Fighters, Wine and Food Festival and funding is in place for an evaluation of the Saint Clair Half Marathon/Feast Marlborough event (this evaluation was due to take place in 2020 but the event was cancelled due to COVID-19). Garden Marlborough is the remaining premier event in Marlborough that attracts a large number of visitors to the region.
52. The cost of an event evaluation is approximately \$20,000. It is proposed that the Garden Marlborough event evaluation would take place for the event in November 2022 (financial year 2022-23).

**Option One (Recommended Option)**

53. That a budget of \$20,000 is provided in 2022-23 to undertake a detailed event evaluation of the Garden Marlborough event.

*Advantages*

54. The economic impact of the Garden Marlborough event is understood in terms of visitor spend and event related local supplier spend.

*Disadvantages*

55. A budget of \$20,000 is required in 2022-23

**Option Two – Status Quo**

56. That no budget is provided for an economic evaluation of the Garden Marlborough event is provided

*Advantages*

57. No budget is required

*Disadvantages*

58. The economic impact of the Garden Marlborough event is not understood in terms of visitor spend and event related local supplier spend.

Author	Neil Henry, Manager, Strategic Planning and Economic Development
Authoriser	Dean Heiford, Manager, Economic, community and Support Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
Economic development and events fit within the four 'wellbeings' that local government is charged to help deliver, particularly economic and social wellbeing.			
<b>Fit with Council policies and strategies</b>			
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts & Culture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and reserves	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
If approved, the project requires additional funding as described in the report.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Some engagement has taken place for the economic development proposals. The Regional Events proposals are relevant to the recently adopted Regional Events Strategy which was consulted upon.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			



## **4.11. Levels of Service Increases Small Townships Programme**

(Report prepared by Neil Henry)

E100-002-02

### **Purpose of report**

1. To consider extending the funding for the Small Townships Programme beyond 2027-28.

### **Executive Summary**

2. The purpose of Marlborough's Small Township Programme is to design a liveable town with an attractive central space with freedom of movement, connectivity and accessibility, and a sense of place and unique identity.
3. The programme is currently funded until financial year 2027-28.
4. The breadth of the STP in terms of the number of eligible settlements, and the depth of the STP programme in terms of process means it takes many years for each of the many towns and small settlements to complete the Township Plan and for projects to be implemented. Furthermore, as the programme's 'first round' nears completion across Marlborough, those townships that featured early on the programme may be ready for new projects as it would have been some years that their work was completed.

---

### **RECOMMENDATION**

**That Council extend the annual \$500,000 funding allocation for the Small Townships Programme to 2030-31 and beyond (Option One).**

---

### **Background/Context**

5. Marlborough's Small Townships Programme (STP) was approved as part of the 2015-25 Long Term Plan. The purpose of this programme is to design a liveable town with an attractive central space with freedom of movement, connectivity and accessibility, and a sense of place and unique identity.
6. The programme structure was developed in 2015-16 and got underway in 2016-17. The programme had an initial budget allocation of \$1 million in 2015-16, and \$500,000 per annum from 2016-17 until 2024-25. The funding for the STP is collected from the Blenheim Vicinity and General Rural rating areas only as the townships that are part of the programme are in these areas. The funding is around two thirds capital, and one third operational costs are required including staff costs, strategic planning, maintenance for the first year, interest etc.
7. The funding for the STP was extended as part of the 2018-28 Long Term Plan by \$500,000 per annum from 2025-26 to 2027-28.
8. The Small Townships Programme Sub-Committee was established to oversee the programme, and has full delegation to approve budgetary expenditure.
9. Council links the aspirations of communities with good outdoor public space design. These come together in a Township Plan for each community to create the kind of place where people want to live, work and play. Small, easy to achieve projects will be implemented as soon as possible through Stage One. The planning and delivery of Stage Two of the Plan is likely to take around two to three years to complete.

10. In addition, a Community Projects Fund has been developed for small projects in settlements that are awaiting the full STP process, or are 'quick wins' in very small communities such as Sounds settlements.
11. The eligible towns that are currently on the Growing Marlborough Strategy list are: Anakiwa/ Tirimoana, Canvastown/Wakamarina Valley, Grovetown, Havelock, Linkwater/The Grove, Momorangi Bay, Ngakuta Bay, Ohingaroa Bay, Okiwi Bay, Rai Valley Township, Rarangi, Renwick, Seddon, Spring Creek, Tuamarina, Wairau Valley and Ward.
12. Work is well underway to complete the delivery of projects identified in the Township Plans for Renwick, Havelock, Wairau Valley, Spring Creek, Ward and Canvastown with the assistance of the Property and Community Facilities Department. As the programme continues new communities will be brought into the process each year as the current ones are completed.
13. The feedback from communities on STP is positive in terms of the engagement and plan development process, and the value of the projects to communities when they are completed. In 2020, a focus on completing projects in townships ahead of starting new township plans was agreed by the STP Sub-Committee, and this process is ongoing into 2021.

### **Assessment/Analysis**

14. The breadth of the STP in terms of the number of eligible settlements, and the depth of the STP programme in terms of process means it takes many years for each of the many towns and small settlements to complete the Township Plan and for projects to be implemented. Furthermore, as the programme's 'first round' nears completion across Marlborough, those townships that featured early on the programme may be ready for new projects as it would have been some years that their work was completed. Consequently, a case can be made for extending the programme either for a further three years until the end of the next Long Term Plan, or to make the budget permanent so that small communities have an ongoing fund for township improvements.

### **Option One (Recommended Option)**

15. That the annual \$500,000 funding allocation for the Small Townships Programme be extended to 2030-31 and beyond.

#### *Advantages*

16. Communities are able to have a further three years to access the STP and funding for improvements outside the main town centres is ongoing.
17. Communities are able to continue to access STP funding for second and subsequent Township Plans.
18. Progress will be reviewed regularly and these budgets can be reviewed through Annual Plans or the next Long Term Plan.

#### *Disadvantages*

19. Rating costs on the Blenheim Vicinity and General Rural rating area communities are continued to fund the STP budget.

### **Option Two – Status Quo**

20. That the annual \$500,000 funding allocation for the Small Townships Programme is not extended beyond 2027-28.

#### *Advantages*

21. Rating costs on the Blenheim Vicinity and General Rural rating area communities are reduced after 2027-28.

*Disadvantages*

- 22. Communities are unable to access the STP beyond 2027-28 to fund improvements.
- 23. Projects identified through the Township Plan, but not prioritised in first round will not be implemented.
- 24. Communities may make separate approaches to Council to fund improvements via alternative sources, eg Annual Plan submissions.

**Option 3**

- 25. That the annual \$500,000 funding allocation for the Small Townships Programme be extended for three years at the end of the 2021-31 Long Term Plan period – 2028-29 to 2030-31 financial years.

*Advantages*

- 26. Communities are able to have a further three years to access the STP.

*Disadvantages*

- 27. Communities are unable to access the STP beyond 2027-28 to fund improvements.
- 28. Projects identified through the Township Plan, but not prioritised in first round will not be implemented.

Author	Neil Henry, Manager of Strategic Planning and Economic Development
Authoriser	Dean Heiford, Manager, Economic, Community and Support Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making and action by, and on behalf of communities, and relates to providing a public service and it is considered good-quality and cost effective.			
<b>Fit with Council policies and strategies</b>			
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts & Culture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
If approved, the project requires an additional \$500,000 capital funding per annum from 2028-29 onwards			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No engagement is proposed because it is a continuation of the existing programme			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## **4.12. Levels of Service Increases CCTV and Wifi Extension and Funding**

(Report prepared by Dean Heiford)

C315-2012/24

### **Purpose of report**

1. The purpose of this report is:
  - (a) To consider funding increases for the network extension and operating costs of CCTV cameras in the Blenheim and Picton CBD's.
  - (b) To consider funding increases for the operation of free wifi in the Blenheim and Picton CBD's.

### **Executive Summary**

2. The provision of the replacement, network extension and installation of CCTV systems for the Blenheim and Picton CBD's has been very effective.
3. Network Tasman Limited has provided a fully maintained system for both CBD's.
4. Council budgets are no longer adequate to cover the upgraded CCTV systems or the proposed upgrades and additions requested by NZ Police. The LTP budgets need to be adjusted to cover these proposed changes.
5. The "free" wifi solution needs to have the budget continued in the LTP with an additional hardware upgrade every 5 years.

---

### **RECOMMENDATION**

1. **That Council agree to an annual increase to the CCTV maintenance and management budget of \$30,000 per annum from general rates.**
2. **That Council agree to a one off installation budget for the CCTV system extension of \$30,000 to be funded from Reserves.**
3. **That Council agree to an annual budget of \$15,000 per annum for the "free" wifi systems from general rates continuing after 2024.**
4. **That Council agree to an upgrade budget for the wifi system of \$10,000 every five years to be funded from general rates starting in 2022.**

---

### **CCTV**

6. Up to 30 camera sites across Blenheim (20 general and 2 MDC Assets specific) and Picton (8) that were of use to Police and Council were identified in 2012. The type of camera required was also identified with a proposed 50/50 split between fixed cameras and PTZ cameras (pan/tilt/zoom). There were also four viewing/connectivity sites identified – MDC, Picton Police Station, Blenheim Police Station and the Alfred Street Parking Building.
7. The original CCTV and wifi decisions were approved by the C&FP Committee under minutes A.12/13.e.16 and C.15/16.276.
8. NZ Police provide the manpower and host the viewing stations to monitor the systems. All public enquiries to access the system for crime or other issues are managed by the Police. This assists in the protection of privacy for individuals.

9. Network Tasman Limited (NTL) is the preferred supplier. A full service contract where the respondent owns and operates the system under a Council full maintenance lease was entered into.
10. This was for a 10 year period with replacement of the camera units between years five and 10 as required by NTL. The system has also been fully maintained and is flexible enough to add further sites or change existing sites over that period.
11. The main sites have wireless nodes operating from them for the “free” wifi service in each CBD.
12. There were economies of scale in getting both sites completed. The “free” wifi costings relied on the CCTV infrastructure being in place. Standalone node installations to sites would increase the cost.
8. Initial costs were funded from the depreciation reserve at the time and an annual provision was included in the 2013-14 Annual Plan. This was to cover the maintenance and replacement costs over 10 years.
9. Police have found the CCTV system to be very useful in the prevention of crime and the solving of crimes. They have requested the installation of further sites and upgrades to existing sites.
10. The flexibility of the system and the ability to leverage the existing budget has enabled camera changes and additions to be undertaken. This has increased the operating budget over time and needs to be increased. There are also a number of further cameras that Police have requested which requires capital to install power and fibre connections to specific sites.
11. Blenheim now has 44 cameras, one MDC office viewing station, two Blenheim police viewing stations, two library connections to bring back existing camera images, one parking building connection to bring back existing images.
12. Picton now has 18 cameras and two Picton police viewing stations.
13. The budget needs to be increased by \$30,000 per annum to make up the operating shortfall and provide some future flexibility. The additional cameras (four – two each in Blenheim and Picton) would require a further \$30,000 capital for cabling and installation.

### **“Free” Wifi**

14. The CCTV system has been designed to co-host wifi nodes to provide “free” wifi service in the Blenheim and Picton CBD’s and environs.
15. NTL and Pacific.net installed the wifi network for both sites.
16. Depending on uptake the operating costs per annum were approximately \$7,500 for a fully managed service per CBD. These costs assume no purchasing by users of extra time on the system or any advertising revenue. Marlborough Airport funds its own connection.
17. Free wifi is currently limited to a maximum of one hour each day per user. The free use is transferrable between Blenheim, Picton and Marlborough Airport. There has been no “purchasing” of extra time on the wifi system.
18. The system can also be programmed to have longer periods of free use for specific dates and events. This has been especially useful on cruise ship days in Picton.
19. The current system requires \$15,000 per annum to cover the operating costs for both CBD’s. There is currently budget through to 2024 but this will need to be continued for the balance of the new LTP. There is also the opportunity to remove the one hour limit for free wifi but keep the download limits in place for a small programming fee.

20. The free wifi is well utilised and an expected service for most traveller and visitors to Marlborough. The system is well used and the removal of the time limit may relieve some of the demand on the free library wifi service.
21. The current wifi nodes are at their end of life and need to be replaced every five years at a cost of \$10,000. This is not currently budgeted and needs to be included from 2022 and five yearly in the new LTP.

Author	Dean Heiford, Manager Economic, Community & Support Services
Authoriser	Mark Wheeler, Chief Executive

## 4.13. Levels of Service Increases

### Housing Supply Challenges

(also refer to Attachment 4.13.1)

---

(Report prepared by Mark Wheeler)

U045-04-03

#### Purpose of Report

1. This report summarises Council's current role in the provision of residential housing; it also updates zoned land supply progress and considers issues, challenges and opportunities to contribute to improved supply.
2. It briefly outlines affordability and social housing issues.

#### Executive Summary

3. Housing supply and affordability is a challenge across New Zealand and in Marlborough.
4. Marlborough is more affordable than many other regions but social agencies and employers are concerned about the worsening trend.
5. Council has a key role in the housing market and in particular through the Proposed Marlborough Environment Plan (PMEP) residential zoning of land and in providing infrastructure to support the housing in those new zones. Infrastructural development is progressing well particularly now that the North West Sewer Upgrade is underway.
6. There are over 1900 lots (plus infill possibilities) zoned within Blenheim, which represents 15 years' supply if the current 125 lots of consented houses per year continues.
7. Landowners and developers may not however be willing to sell or develop their land as demand desires and may not support the sequential infrastructure works required.
8. Council could use legislative tools to enable this infrastructural development to progress.
9. Rating policy could also influence the release of private land for development.
10. There are other stakeholders and influences on housing supply and affordability. In particular government monetary policy, interest rates, Reserve Bank policies, bank lending profiles, developers' strategies, covenants, taxation and social housing programmes are all extremely significant.
11. The provision of senior housing is a core Council role and a renewal programme continues. Other local social housing initiatives are underway and the Council supported Marlborough Housing Group facilitates discussion amongst local housing stakeholders.
12. Council could intervene in subdivision development and the housing market but there are both financial risks and possible private sector disincentives in that.
13. Further planning work is recommended to consider Council's roles, desired outcomes and the logic for any Council intervention in housing matters beyond its mandated role.

---

#### RECOMMENDATIONS

1. **That the provision of infrastructure and the regulatory requirements to enable appropriate housing on zoned land to continue to be given high priority.**
2. **That discussions with land owners and developers continue to encourage and support residential subdivision and development.**
3. **That impediments to sequential infrastructure development for residential zones be addressed and the use of designations under the Resource Management Act 1991 (RMA) and other powers under the Local Government Act 2002 and the Public Works Act are considered where negotiated settlements cannot be reached.**
4. **That Council considers the rationale for any Council intervention in housing matters being considered beyond its mandated role and what outcomes it is seeking to achieve.**
5. **That the feasibility of Council purchasing zoned but undeveloped residential land and subdividing it be explored and a report to Council outlining feasibility and funding options be prepared.**



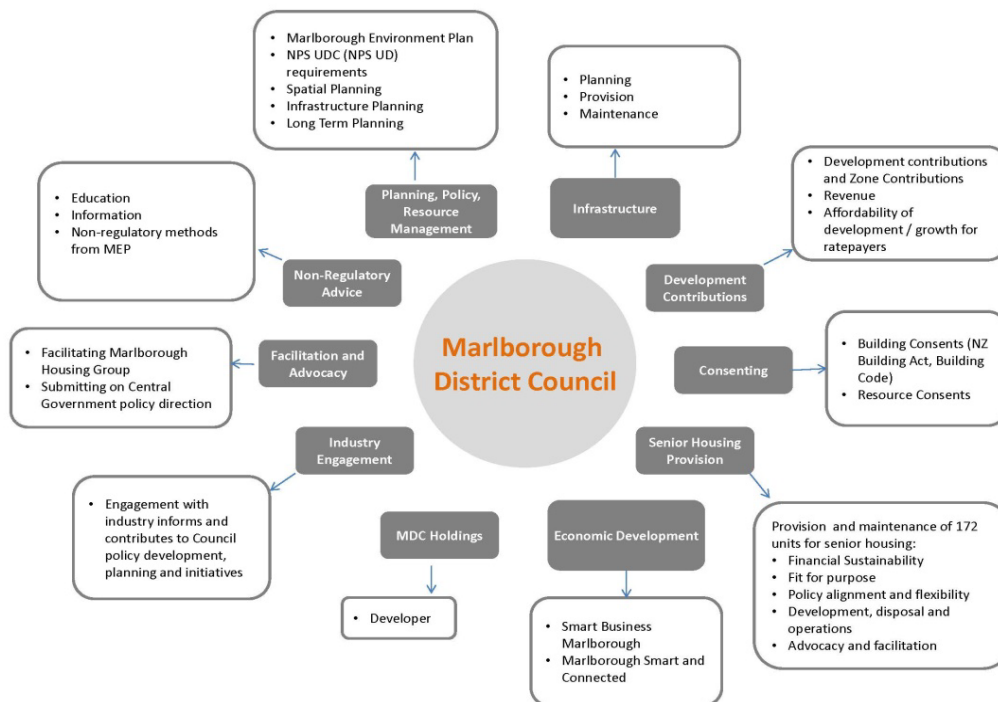
6. That Council-led development of “affordable” housing or apartments on Council-owned land be investigated and a feasibility and funding options report be prepared.
7. That Council continues to monitor and report on housing data and information according to the National Policy Statement on Urban Development (NPS-UD) methodology utilising updated Statistics NZ information when it is available and that this work informs planning for new residential zoning capacity requirements.
8. That a housing preferences survey of our community be commissioned looking at style, location and cost aspirations and the survey outcomes be discussed with the Marlborough and Central Government housing stakeholders to inform action plans.
9. That Council work with the Ministry of Education and KiwiRail to assist the understanding and possible solutions to housing supply challenges related to the Combined Colleges and iReX projects.
10. That the current rating policy for rezoned but undeveloped rural land be reviewed for consultation in the 2022/23 Annual Plan with progress in the development of that land being a key consideration.
11. That further strategic planning work be undertaken through the Senior Housing Sub Committee on the Senior Housing Unit Renewal Plans.
12. That a budget of up to \$100,000 from the Forestry and Land Development Reserve be provided to assist with any planning and analysis work required to implement these recommendations.
13. That a work programme including a timetable be prepared for the above to be considered at the Planning Finance and Community meeting on 20 April 2021.

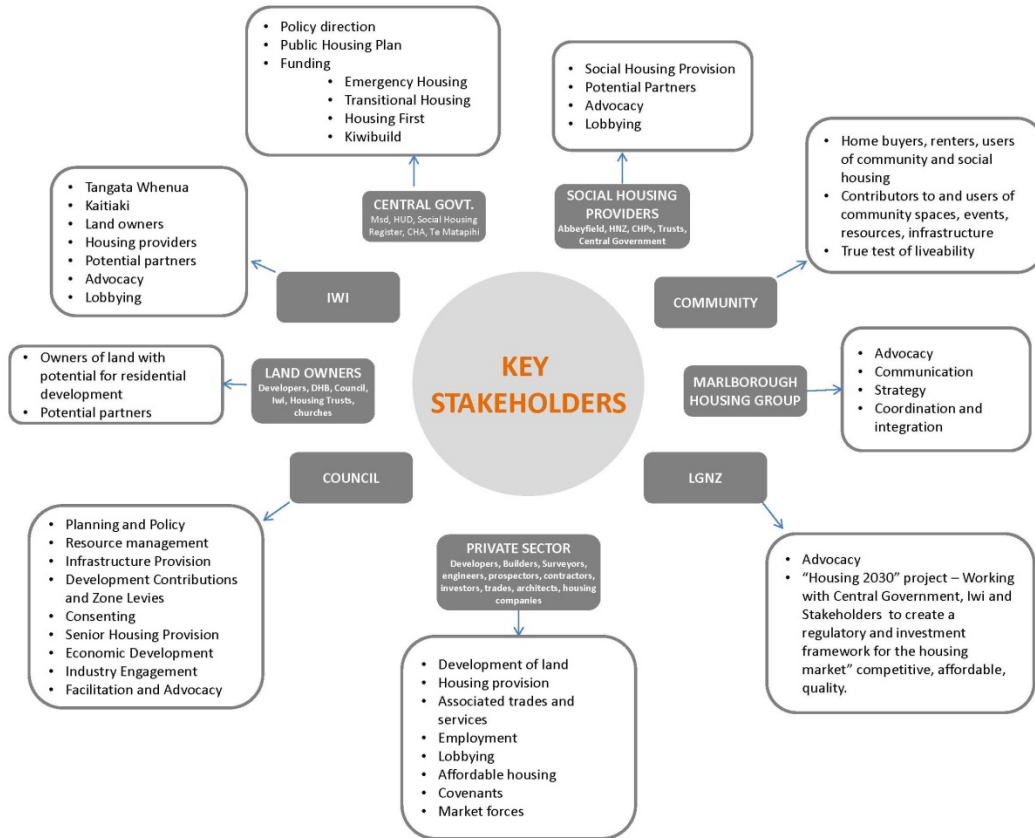
## Background/Context

14. The following diagrams set out the various roles of Council and other stakeholders at present:

### *Housing in Marlborough*

#### **Defining the roles and functions of Marlborough District Council and other stakeholders in the planning and provision of housing for the Marlborough community**

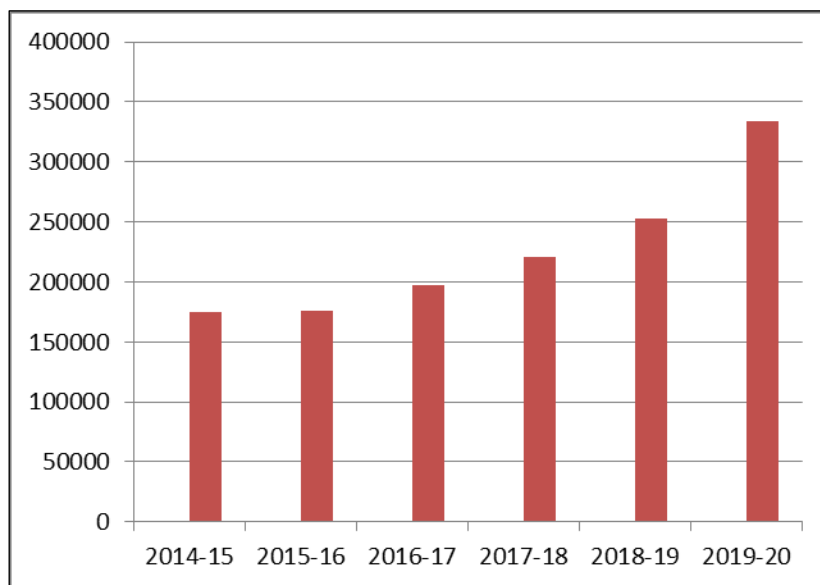




15. Council has important roles to play in housing but there are several other very significant stakeholders who also strongly influence housing affordability and supply.

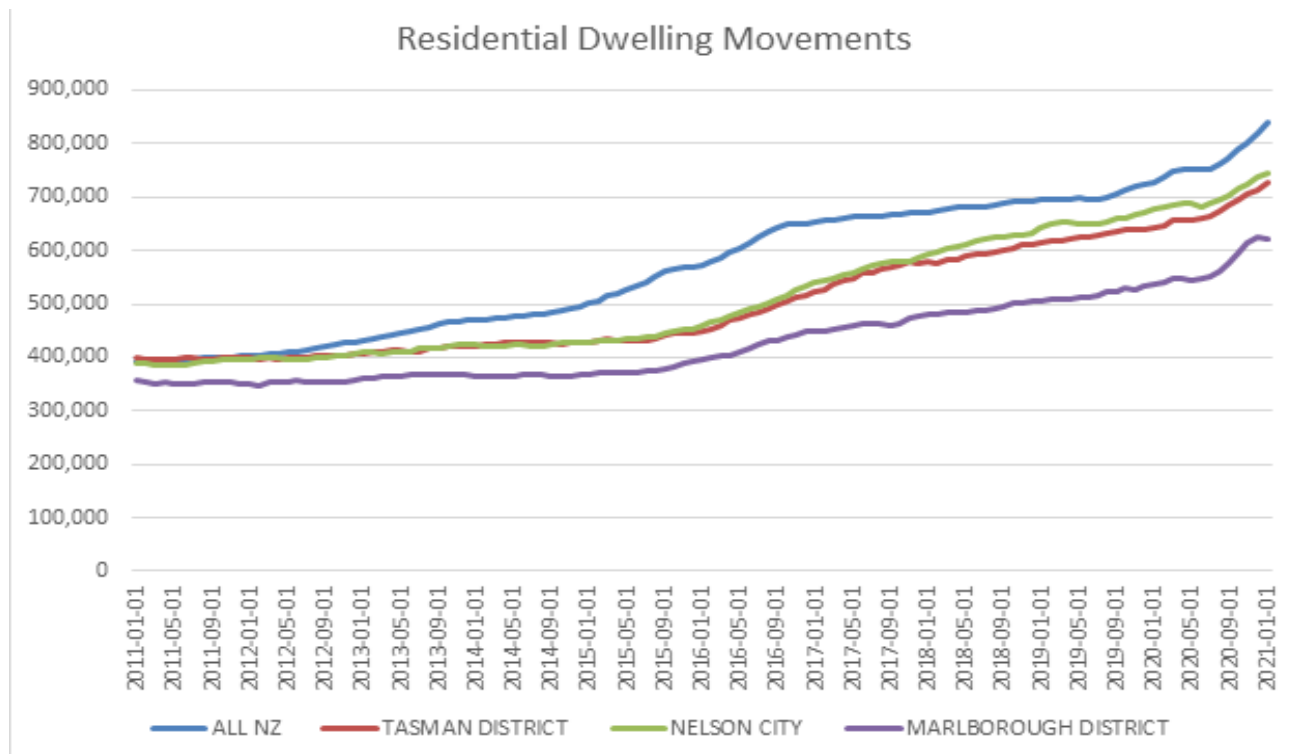
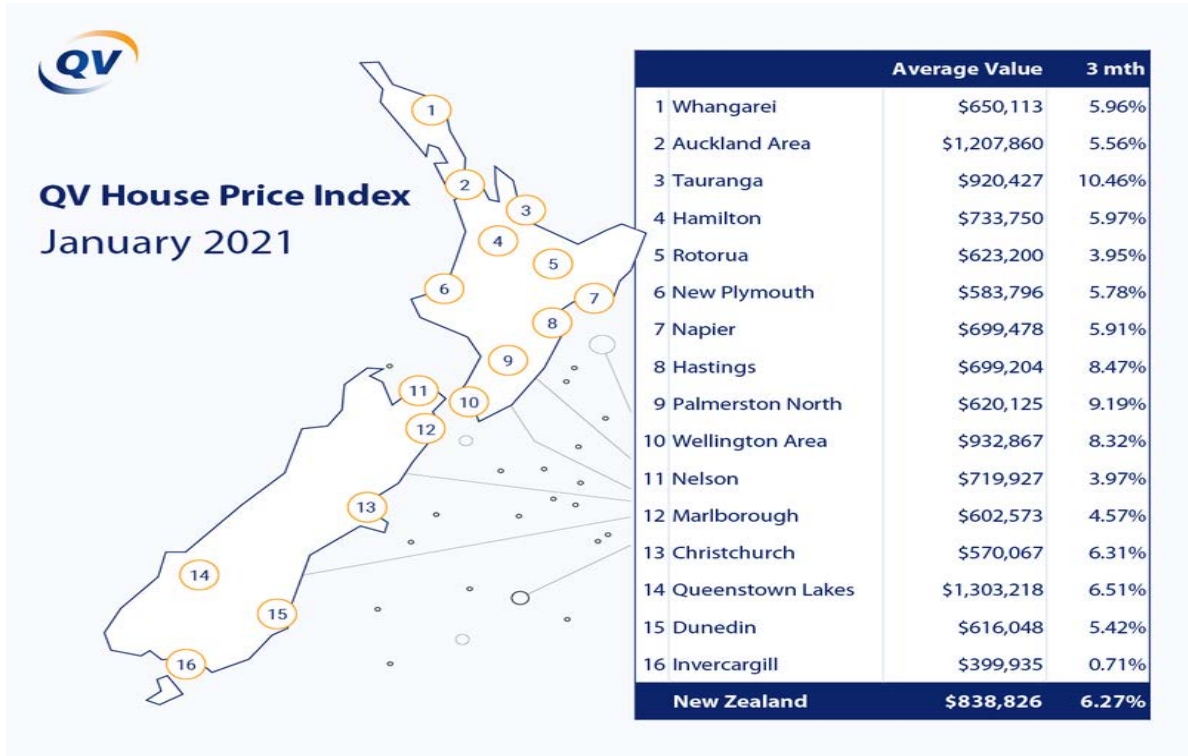
**New Zealand and Marlborough’s Housing Challenge**

16. The challenges of housing in New Zealand are widely known and the subject of daily media coverage. In simple terms housing costs (including the underlying land) have increased dramatically across New Zealand. The graph which follows (below) demonstrates this:



Boulevard Park on Taylor Residential Section Prices

Quotable Value Data



17. It can be seen that land and housing prices have risen rapidly, well in excess of the Consumer Price Index, across New Zealand. Marlborough’s prices have also increased but not to the same degree as Nelson’s and Tasman’s, where land supply is even more constrained. Christchurch in contrast has benefitted from the post-earthquake fast track rezoning and government assisted infrastructure rebuild, and its much greater residential land supply has seen much lower price pressure. That is now quickly changing but demonstrates the benefits of zoned land supply and central government infrastructure spend.

18. An imbalance of demand and supply is one of the key drivers of rising prices. There has been a lot of analysis undertaken across New Zealand to identify the causes of this supply imbalance and other causes of rising costs. There have been central government responses to the various reports including the introduction of the National Policy Statement on Urban Development and Capacity 2016 which was revised and extended by the National Policy Statement on Urban Development 2020 (NPS-UD) methodology as an excellent basis for Council's urban development planning, and to enable uptake of that capacity over time. The recommendations of this paper include use of this methodology.
19. The Ministry of Housing and Urban Development is working in high growth areas of New Zealand (which does not include Marlborough at present) to fast track rezoning and infrastructure provision. However Marlborough's issue has not been rezoning nor infrastructure funding. Our challenge in recent years has been getting consultant designs complete and infrastructure work done. We are now catching up on this work.
20. In addition to demand exceeding supply there are other important drivers affecting house prices including:
- Record low mortgage interest rates
  - Record low interest rates on savings
  - Government policy on loan value ratios
  - Government policy not to introduce a capital gains tax
  - The 'Bright-line test' which requires a five year 'no sale' timeframe to avoid residential property sale profits being taxed.
21. This paper focuses on the actions Council is undertaking as core business activity which can influence the supply of housing in Marlborough. It considers possible improvement or further intervention options which could increase supply.
22. These actions can be summarised as:

Council can assist with policies providing	Council does not control
<ul style="list-style-type: none"> <li>• Zoned land supply</li> <li>• Infrastructure provision to that zoned land</li> <li>• Appropriate RMA polices which provide clear direction to developers and encourage appropriate development in the right areas e.g. lot sizes and provision of amenity based on good demand and supply data</li> <li>• Fair and efficient resource and building consent processes</li> <li>• Provision and maintenance of the Senior Housing Portfolio</li> <li>• Development Contributions policy which helps fund required infrastructure (but also adds cost)</li> <li>• Zone levies to help efficiently service development sites where adjacent multiple developers need to coordinate infrastructure design</li> <li>• Rating policy to encourage the subdivision of zoned land</li> </ul>	<ul style="list-style-type: none"> <li>• House construction costs</li> <li>• Electricity supply costs</li> <li>• Availability of skilled, trained professionals and tradespersons to design, engineer and build subdivisions and houses</li> <li>• Monetary policy affecting interest rates and bank lending (LVRs)</li> <li>• Bank lending policies</li> <li>• Taxation policies - 'Bright-line test' - capital gains tax</li> <li>• Resource Management Act 1991 (which the Government is reviewing) including National Policy Statements</li> <li>• Landowner aspirations</li> <li>• Developers strategies for the timing of releasing land to the market</li> <li>• Covenants on development</li> <li>• The type of houses that are built on lots</li> <li>• Supply and demand market movements</li> <li>• Purchaser incomes and willingness to invest in housing</li> </ul>

23. Monetary policy and bank lending policies have a very significant effect on house prices. To quote Westpac Economist Dominick Stephens (Stuff, 16 February 2021) "Our analysis has shown that financial factors and in particular interest rates are by far the biggest driver of house prices and with mortgage rates at record lows there is scope for significant gains in prices."

- a) Investors have complained that the loss of 2<sup>nd</sup> and 3<sup>rd</sup> tier lenders (eg. South Canterbury Finance) and the major banks unwillingness to fund land development is impeding developers aspirations to construct subdivisions.
24. Even when Council does undertake its core supply actions effectively, landowners and developers may not be ready or willing to sell or develop their land. Personal circumstances can influence this e.g. enjoying an older family home and large garden may be more important than development profits at a point in time. Developers are quite rightly motivated by profit and opportunity and their investment and risks can be high. These factors and their assessment of the market will drive their development timetables. Market forces will in theory mean developers try to sell when supply is low and demand high but that is not always the case as the land supply tables below in this report demonstrate.

### **Discussion on Council Actions to Assist the Supply of Land**

25. Population and new lot requirements:  
The tables following this section provide the current and future Blenheim residential lot availability. We are assuming that the recent annual average building consent issued figure of 125 houses per year will provide 15 years supply. However that 125 may itself have been constrained by supply. It is recommended that we review that assumption based on Statistics NZ updated population and persons per house projections when they are available by region and sub region. Previous Statistics NZ projections were much more pessimistic about growth than what we have experienced in recent years, so we will consider adjustments to Statistics NZ figures accordingly. It is also intended to review the total zoned land requirement at this point to ensure that the NPS-UD requirements for short, medium and long term supply are able to be met.  
New zones may need to be considered and Council will need to resource the planning and engineering investigation work required. The requirements of the proposed Natural and Built Environments Act, replacing the RMA, are intended to make plan changes and in particular land development for residential subdivision a faster process. We will respond accordingly once the new legislation content and timeframe for enactment is clearer.  
At this time we will also consider possible supply outside of Blenheim. This may well be more expensive to develop and have infrastructure constraints but there may be opportunities in and around smaller townships.
26. Infrastructure  
Zoned land cannot be fully developed and titles issued without the infrastructure required to service the new lots being in place when titles are issued. Generally downstream trunk infrastructure – sewer pipelines and pump stations, stormwater channel and pump station capacity, roading (e.g. roundabouts) – is the responsibility of Council. On site infrastructure work is generally undertaken by the developer's contractor. Onsite works may also benefit upstream landowners when they develop. For example stormwater pipes will be sized for upstream zoned development not just for the current development area need. Where this is the case, Council acts as the banker for the additional cost of providing for future development capacity. Funding for infrastructure works which are a result of development needs (growth) is obtained from development contributions and zone levies (generally on site works). These tools help developer's service sites efficiently for development and zone levies enable adjacent developers to coordinate infrastructure design. The upgrade costs in excess of growth needs, represent renewals and levels of service increases to the wider rating area so will affect rates. Council's role as the "banker" for future capacity also carries the risk that future growth may be slower than forecast, leaving ratepayers to fund unused capacity. There is some subsidisation of development contributions from rates. A separate paper by CFO Martin Fletcher provides a more detailed explanation of proposed changes to development contributions.
27. Infill  
There is significant opportunity to subdivide existing residential lots within Blenheim. Our 2019 estimate, assuming the Wairau/Awatere Resource Management Plan minimum lot sizes rules, was that approximately 900 lots could be provided. Council has recognised that infill may not create the same capacity issues as 'greenfield' development and has discounted roading and reserve fund development contributions for infill by 50%. This can save developers between \$6000 and \$8000 per lot. The development contributions review paper contains more detail on this. Builders and

developers have indicated that infill is technically more difficult and is not as profitable as 'greenfield' development.

It is apparent that infill resource consent applications have been progressively increasing in response to the current record section price levels and shortage of sections for sale.

28. Sequential development of infrastructure

As discussed earlier 'downstream' development areas are required to have infrastructure in place with sufficient capacity to not only deal with their own areas' needs but also upstream zoned land areas as they develop. The benefitting landowners/developers ultimately fund the works with Council acting as 'banker'.

If development proceeds sequentially – from catchment bottom to top – and landowners/developers willingly enable the necessary infrastructure to be installed, with appropriate easements in place, new lots can be released for sale and building, progressively and efficiently. However if a landowner/developer does not enable the sequence to proceed, alternative routes may not be possible and development in the area grinds to a halt.

If landowner/developer negotiations to enable continuous development and infrastructure corridors do not progress Council could commence its own negotiations to obtain easements or acquire land. If unsuccessful, the public importance of new residential land development would support a Notice of Requirement process which could lead to a designation under the RMA or use of LGA powers followed by use of the Public Works Act to provide equitable landowner compensation.

29. Council as a developer

Council could also consider intervention by developing land itself. Boulevard on Taylor (BoT) was a Council led development on Council owned land. However BoT and the previous development of Forest Hills (a Council/developer joint venture) enjoyed the very low cost land purchase made in the 1970s. A 2021 land purchase of largely viticultural land would be much more expensive and it would be expected that development profits would be lower and risks higher. It is recommended that the rationale and business case for Council development be considered in more detail.

30. Council as a house builder

Council's only house building at present is that required to meet the requirements of our Senior Housing Portfolio, guided by the Senior Housing Sub-Committee. A separate paper on a proposal to build 12 new units in George Street, funded by rentals, is included in the Council Long Term Plan Budget meeting agenda. Further portfolio redevelopment opportunities are being considered including opportunities to work with government agencies and community housing providers ('CHiPs).

Recently the desirability of CBD apartment development has become topical. There are many vacant first floor areas in the Blenheim CBD which with redevelopment work could accommodate residents or provide short term accommodation such as the pre-Covid proposal for a YMCA in Scott Street. Conversion from offices or storage to accommodation can be costly given additional plumbing, fire, cell and egress requirements in particular. Council planning rules do enable first floor development but current building standards must of course be met.

Council could look to its own land holdings and consider apartment buildings or other higher density forms of housing which the market has not provided locally. However local and national developers from the private sector have considered apartment build opportunities on Council land and have not progressed them. If they do not consider these opportunities to be viable why would Council? However, it is recommended that apartment opportunities on Council land be investigated in more detail.

31. Rating Policy

During the extensive planning work over several years which lead to the Plan Change Hearings Panel (chaired by John Maasen and including Councillors Oddie and Shenfield) decision to rezone rural land in the north west of Blenheim to residential, some land owners were concerned about probable large rate increases. These would occur due to revaluation and the additional rates applicable to Blenheim Residential compared to Blenheim Vicinity land. Concerns were addressed by introducing a policy in 2014 (attached as Attachment 4.13.1) which in summary, said Council would only revalue rural land to residential values when subdivision was completed (by a s 224 RMA Notice). Only then would Blenheim residential rates be applied. This policy was mentioned in the Commissioners Decision Report.

Rating rezoned land at its residential value is justified because its market value will reflect the higher value and development margin achievable. The higher rating can make existing land uses more marginal although current viticulture returns are very good. Rating at the higher value provides a small incentive to realise that margin by developing the land, eg. a five hectare block within the Urban Greenfield zone currently paying \$4902 per annum rates would pay \$13,951 per annum if revalued to Residential and paying Blenheim rates – an additional \$9049 per annum.

The land supply, demand and cost situation is much different in 2021 to the situation in 2014 when the rating policy was adopted. A review of the policy would be justified because of this change. However landowners who supported the rezoning in 2014 may not accept a policy review.

Given these factors it is suggested the policy continue until at least 30 June 2022. If development of the new zones is not proceeding satisfactorily a review of the rating policy with appropriate consultation could be undertaken in April and May 2022 for consideration in Annual Plan 2022 decision making.

### Updated Residentially Zoned Land Availability

32. Clearly Council has a very important role in providing zoned land for residential development. Ideally that land is spread, enabling choice for purchasers as different developers provide section size and subdivision quality differences affecting price and creating competition. The Growing Marlborough growth strategy work undertaken in 2010 informed the zoning decisions made since and now included in the Proposed Marlborough Environment Plan.
33. Council is also responsible for providing the core infrastructure to these zones to ensure three waters capacity, roads, parks and open spaces are adequate. A large capital expenditure programme is progressively providing this core infrastructure as engineering designs, property access or purchase, resource consents then construction occurs.
34. We estimate the current supply of residentially zoned land and its availability for subdivision as follows:

Area	Potential Residential Lots (at 10 lots per hectare)	Developer Intentions	Infrastructure Upgrade Requirements
Clifford/Marris block west of Battys Road	315	A plan change to Urban Residential 2 zone was approved in the MEP. The two landowners are working together and intend to develop residential lots including lots < the 400m <sup>2</sup> Residential 2 permitted activity level. Timing is unclear.	<ul style="list-style-type: none"> <li>Stormwater discharge route and consent being planned</li> <li>Roundabout being built</li> <li>Other services straight forward</li> </ul>
Alabama Road/Nikau Drive (formerly McGregor Block)	133	Staged development underway. Stage 1 of 5 has 33 presold.	<ul style="list-style-type: none"> <li>On site stormwater storage provides capacity until Town Branch Drain and Snowdens Basin upgrades progress sufficiently</li> <li>Other services are straightforward</li> </ul>
Boulevard on Taylor	33	Mid 2021 - presold	Infrastructure being constructed now
Rose Manor	142	Servicing available for 90 now, then another 52 dependent on the completion of the McLauchlan Street sewer upgrade. Development is progressing in stages	New sewer upgrade underway. Completion early 2022
North West Growth Area (Old Renwick Road east of Thomsons Ford Road)	168	Remaining capacity east of Thomsons Ford Road. Developer negotiating with landowners	Relies on sequential construction of stormwater and sewerage reticulation

Area	Potential Residential Lots (at 10 lots per hectare)	Developer Intentions	Infrastructure Upgrade Requirements
North West Growth Area (Old Renwick Road west of Thomsons Ford Road)	360	Landowners not selling currently Large lifestyle blocks and vineyards	Relies on sequential construction of stormwater and sewerage reticulation
David/Severne Street	128	Some interest expressed A mix of large lot and potentially more standard lot sizes	Requires stormwater investigation and upgrades
Middle Renwick Road	641	Mixed interest from developers Largest landowner currently not interested in immediate development Another large landowner has been investigating development options	<ul style="list-style-type: none"> <li>• 193 lots can be made infrastructure ready quickly</li> <li>• Others can follow readily</li> </ul>

**Total 1920**

35. These numbers exclude potential significant infill opportunities.
36. If more than ten houses per hectare are built then more houses would be built than indicated in the table. There is evidence from recent new developments that smaller lots have become more popular but there may be reluctance from some developers to move to that.
37. In recent years building consents issued have averaged 125 per annum for Blenheim so 1920 lots will provide 15 years supply at this rate. Smaller lots of say 600m<sup>2</sup> would increase the lots available to 2552 (a 1/3 increase). Activity levels in the short term are expected to be higher but dropping over time.
38. However not all these lots are immediately available as the table illustrates. Our estimate of lots available to be provided title with minimal Council and further on site infrastructure work is:

Wai Iti (Alabama Road/Nikau Drive)	133 (with stormwater storage)
Boulevard on Taylor	33
Rose Manor	90
Middle Renwick Road	128
Rose Street	65

**Total 449 lots** – (this is 3 1/2 years supply at 125 lots per annum)

**Note: Some of the above lots have already been pre-sold but cannot be built on until site works and infrastructure are completed and titles issued.**

39. Other lots will be made available once landowners and developers are able and willing to subdivide. Those areas which are relatively easy to quickly provide the required infrastructure to are:
- |   |          |  |
|---|----------|--|
| Battys Road<br>(Clifford/Marris)                                  | 315 lots | <ul style="list-style-type: none"> <li>• Owners developing their plans</li> <li>• Council to progress stormwater consent</li> <li>• Richardson/New Renwick/Battys roundabout under construction</li> </ul> |
| Rose Manor  | 52 lots  | <ul style="list-style-type: none"> <li>• Able to connect when North West sewer upgrade finished (early 2022)</li> </ul>  |
| Old Renwick Road –<br>east of Thomsons Ford<br>Road to Rose Manor | 168 lots | <ul style="list-style-type: none"> <li>• Relies on willing landowners/developers enabling sequential stormwater sewer and road construction</li> </ul>   |



Old Renwick Road – west of Thomsons Ford Road	360 lots	<ul style="list-style-type: none"> <li>• As above</li> <li>• The proposed Summerset Retirement Village development (awaiting resource consent) represents approximately 60 of those lots but will provide housing for 300 people. Infrastructure is planned and can be provided in a timely manner</li> </ul>
Middle Renwick Road up to Summerset	448 lots	<ul style="list-style-type: none"> <li>• As above</li> </ul>
<b>Total</b>		<b>1343 lots</b>

40. This provides a further 10.7 years of supply assuming a requirement for 125 lots per annum.
41. The remainder of the 1920 listed in the table is the David/Severne streets area where stormwater and flood hazard investigation is required before development can readily progress.
42. In addition there are 4.8ha of residentially zoned land owned by the NMDHB at Hospital Road which may be surplus to the DHB's requirements. If developed at 10 lots/ha, 48 lots could be made available quickly given the available infrastructure. More intensive development would be possible and could be covenant free affordable housing. An announcement from the Ministry on the future development of this land is expected soon.
43. Council has relied on Statistics NZ projections of population growth, population age and historic average house occupancy rates to assist its planning for residential development both for zoning and infrastructural needs.
44. The last Census suffered from well publicised problems. Unfortunately that has meant delays in obtaining up to date, detailed regional and sub-regional information required to review our planning assumptions. Once received Council can advance its planning work following the NPS-UD methodology for the preparation of a housing and business development capacity assessment.

### Housing Affordability

45. Affordable housing is important for people's well-being. For lower-income households, high housing costs relative to income are often associated with severe financial difficulty, and can leave households with insufficient income to meet other basic needs such as food, clothing, transport, medical care and education. High outgoings-to-income ratios are not as critical for higher-income earners, as there is sufficient income left for their basic needs.
46. Infometrics provide Council with a housing affordability index which is the ratio of the average current house value to average household income. A higher ratio, therefore, suggests that median houses cost a greater multiple of typical incomes, which indicates lower housing affordability.

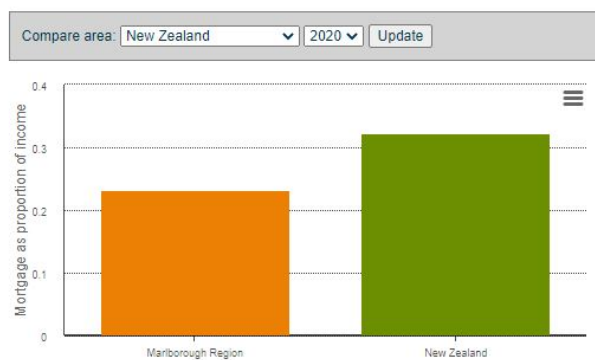
### Housing affordability index, 2020



### Housing affordability, 2006-2020



### Mortgage proportion of income, 2020



### Mortgage proportion of income, 2006-2020



47. The graphs portray Marlborough favourably compared to New Zealand as a whole but social agencies and employers seeking to recruit staff (including Council) complain of a challenging housing problem. This paper has considered Council's current core roles and in particular zoned land supply and servicing which does influence affordability but there are other factors contributing outside Council's control. Builders or developers have not provided lower cost houses such as smaller one or two bedroom units or apartments, although there are recent signs in Blenheim that this might be changing.  
  
Some councils have intervened in the private market in a number of ways to try to assist with more affordable supply. For example, in Queenstown developers must provide a number of lots in a subdivision to a community housing trust who provide a long term land lease (at 1% of land value) to qualifying low income tenants. The Marlborough Housing Group (supported by Council) comprises stakeholders depicted in the Key Stakeholder diagram earlier in this report. These options have been discussed by that group. Council could assist by undertaking a housing preferences survey of our community looking at style, location and cost aspirations. Such surveys have been undertaken recently by a number of councils. This would inform further consideration of interventions. The Queenstown model required a council plan change which was highly contentious.
48. Kāinga Ora (Housing NZ) has announced a new state housing programme in Marlborough. Their four year programme provides for 89 new builds and 19 supported houses on both existing and new sites. This is additional to recent new builds in the Mayfield area.
49. There are local housing trusts that are progressing new builds in Blenheim and Picton.
50. The Christchurch Methodist Mission is providing 44 transitional houses in Blenheim.
51. Council will continue to facilitate the Marlborough Housing Group's discussions.

### **Accommodation for Construction Project Workers**

52. Marlborough is soon to host major infrastructure projects on top of Council's own record investment programme. The Combined Colleges build and the iReX (new ferries) development in Picton will employ large numbers of staff for several years, many of whom could be from out of town. This will stretch an already very tight housing supply.
53. The housing issue is being considered by government agencies and the project teams involved. Options could include hotels, motels and camping grounds, which would benefit from the decline in business caused by the Covid-19 pandemic and border closures. There may be temporary villages possible, but suitable sites will be required.
54. It is recommended that Council works with the project teams and government agencies investigating this issue.

### **Option One (Recommended Option)**

55. Continue current core housing activities.
56. Complete feasibility studies and NPS-UD planning reports as recommended.

#### *Advantages*

57. Assist with Housing Supply challenges and consider intervention to assist.

#### *.Disadvantages*

58. \$100,000 consulting cost.

### **Option Two – Status Quo**

59. Save \$100,000
60. Potential interventions are not considered.

### **Attachment**

Attachment 4.13.1 – Urban Residential 2 Greenfield Land in Rural Areas,  
Community and Finance Committee 9 October 2014, Minute A.14/15.128

Page 82

### **Presentation**

A short presentation will be given by Mark Wheeler (15 minutes).

Author	Mark Wheeler, Chief Executive, Marlborough District Council
Authoriser	Mark Wheeler, Chief Executive, Marlborough District Council

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables [e.g. <i>democratic local decision-making and action by, an on behalf of communities and relates to providing a public service and it is considered good-quality and cost effective</i> ].			
<b>Fit with Council policies and strategies</b>			
<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to the supply of suitable housing in Marlborough.			
<b>Nature of the decision to be made</b>			
The relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga have been identified.			
Not applicable although Māori have a strong interest in housing policies.			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
\$100,000 is being requested to fund feasibility and NPS-UD work.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Engagement has occurred with some developers, builders, the business community and social agencies discussing housing issues over a long period of time.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications because the recommendations are for development of feasibility studies and national policy statements at modest cost.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## **A.14/15.128      Urban Residential 2 Greenfield Land in Rural Areas      W045-15-(64-71)**

The Manager, Corporate Finance Department reported that the purpose of the report was for Council to decide on a rating remission policy for the recently approved zone titled 'Urban Residential 2 Greenfield Zone' in the Wairau Awatere Resource Management Plan.

It was noted that the zoning change will affect property values and landowners do not wish to see an increase in rates until such time as the land is subdivided. Landowners will face significant rate increases if a remission policy is not applied to the new 'Urban Residential 2 Greenfield Zone' areas. The rates remission policy recommends that rating of all properties located within the new zone continues on the basis of the rating assessment carried out prior to the approval of the new zone until such time as the land is subdivided for residential use.

**Cirs Shenfield/Andrews:**

**That the Rates Remission Policy as below be adopted for the newly created 'Urban Residential 2 Greenfield Zone':**

### **Urban Residential 2 Greenfield Land in Rural Areas**

#### **Objective**

*To ensure that owners of residential rating units situated in rural areas are not unduly penalised by the zoning decisions of Council.*

#### **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 'Urban Residential 2 Greenfield Zone' in the Wairau-Awatere Resource Management Plan (Ratepayers can determine how their property has been zoned by inspecting the Wairau/Awatere Resource Management Plan, copies of which are available from either the District Administration Office or on Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz)).*
- *Remain unsubdivided ie; subdivision title has not been granted.*
- *Continue, for any remaining unsubdivided area, to have a land use that's consistent with the rural character that existed on approval of the new zone on 18 September 2014.*

#### **Application**

- *All rating units located within the 'Urban Residential 2 Greenfield Zone' will be rated on the basis of the underlying land being zoned Rural 3.*
- *Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit in zoned Rural 3. 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.*

**Carried**

## 4.14. Levels of Service Increases

### Housing Opportunity - George Street

(Report prepared by Jamie Lyall)

C600-004-002-01

#### Purpose of report

1. To seek funding approval for a 12 unit Senior Housing development located at 85 George Street, Blenheim. The development will require initial funding upfront but once occupied and operational will cover ongoing financial costs.

#### Executive Summary

2. Council owns an 800m<sup>2</sup> vacant site in George Street Blenheim. Development plans have been prepared to construct a 2 storey, 12 unit Senior Housing complex.
3. The development has been quantity surveyed and is estimated to cost approximately \$3.7M including construction and 10% contingency, design, consenting and project management.
4. It is proposed that the rents will be set slightly higher for the new units when compared with the existing senior housing units. The development modelling produces a positive NPV and an internal rate of return of 4.48%.
5. If approval is granted to progress the development it is scheduled to commence in May 2021 and to be completed prior to the start of the 2022-23 financial year.

#### RECOMMENDATION

**That Council approve the construction of 12 new Senior Housing units at 85 George Street, Blenheim that are to be funded by way of rental income acquired from occupancy of the development.**

#### Background/Context

6. In 2012 Council purchased 85 George Street Blenheim. The purchase was deemed strategic as the site is located adjacent to Council's existing Senior Housing complex, Vevian Place. The goal was to develop the 800m<sup>2</sup> lot into a senior housing facility.
7. Two years ago approaches were made to Abbeyfield, Salvation Army and Central Government to establish if there was any desire from these entities to develop this land. This did not result in any pursuable options.



Figure 1 – George Street Development site



**Progress to date**

8. Last year Council’s Senior Housing Committee requested that staff progress a concept development for the George Street site. A concept plan and a planning assessment were prepared for the site along with a construction cost estimate and an initial financial feasibility assessment. In late 2020 Council agreed to progress to developed design, lodge a resource consent application and submit a proposal to the 2021-31 LTP.
9. The proposed development at 85 George Street comprises of 12 one-bedroom residential units, with 6 units located at ground floor level and 6 units located at first floor level. It is to be constructed out of permanent materials and is a simple and efficient design based off existing floor plans that tenant feedback has suggested work very well (Fig 2).



**Figure 2 - West facing view and proposed Unit layout**

10. If Council agrees to progress the development and resource consent is granted the timeframe for construction is programmed to commence in May 2021. The build time is estimated at 14 months. The development should be complete for the start of the 2022-23 financial year.

**Financial Analysis**

**Development Assumptions**

11. The cost for the proposed 12 unit build has been quantity surveyed and assessed at a total of \$3,639,549. All residential activity is treated on a GST inclusive basis. The development assumptions are made up as below:

<b>Development Assumptions</b>	
Construction Costs (per unit)	\$177,583
Total Construction Cost	\$2,930,393
Professional Fees	\$234,432
Total Development Cost (ex GST)	\$3,164,825
GST	\$474,724
<b>Total Development Cost (inc GST)</b>	<b>\$3,639,549</b>

**Operating Assumptions**

12. The operating costs include rates, insurance, facility management and ground upkeep. It is recommended that the rent for a new unit in the George Street development will be in the \$220-230 per week range. This is in accordance with Council policy of rents being within 80% of the market rate. The median market rate for a Blenheim one bedroom unit today is \$280 per week (MBIE supplied data).
13. The rent for an existing 1 bedroom senior housing unit is projected to be \$190 per week by the start of the financial year in 2022/23. These units are approximately 50 years old and have been upgraded to meet the healthy homes standards. The additional \$30-40 margin for a new George Street unit will be necessary to ensure that the development is financially sustainable:

**Operating Assumptions**

Number of Units	12
Gross Weekly Income (Rental per Unit)	\$220
Gross Annual Income (Total Complex Ren	\$137,280
Vacancy Allowance	NIL
Insurance (Per unit - including GST)	\$748
Rates (Per unit - including GST)	\$2,041
Ground Maintenance (Annual)	\$7,332
Administration Cost (Annual GST Inc)	\$8,527

**Financial Assumptions**

14. The financial assumptions have allowed a 4% cost of debt over a 20 year timeframe and for yearly rent increases of 3.5%. This results in a positive NPV and a 4.48% internal rate of return:

**Financial Assumptions**

Holding Period	20
Discount Rate	4.00%
Yearly Rental Increase	3.50%
Current Land Value	\$262,200
Terminal Value (per unit)	\$450,679
Terminal Value (total)	\$5,408,152
<b>Net Present Value</b>	<b>\$265,047</b>
<b>Internal Rate of Return</b>	<b>4.48%</b>

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive



## **4.15. Levels of Service Increases Parking – Picton and Blenheim CBD**

(Report prepared by Jamie Lyall)

R800-002-03

### **Purpose of report**

1. The purpose of this report is to review and update Council on the financial impacts of first hour free parking to Blenheim and Picton central business districts (CBD) **NB: Picton kerbside parking is P60 and not metered.**

### **Executive Summary**

2. In response to the COVID-19 pandemic Council has provided free parking to Picton and Blenheim CBD's on-street and off-street car parks since May 2020.
3. As a result of free parking collections revenue has dropped by approximately 50% per month. The year-end position is projected at a collections loss of \$552,896. Infringement revenue is ahead of budget and the year-end position is favourable by \$253,210. The parking account is projecting a deficit of \$241,230 for the 2020-21 financial year.
4. A number of options have been explored to address the shortfall, including an increase in parking fees, targeted and region-wide rate increases, and the discontinuation of free parking. All options will be unpopular with different sections of the community.
5. A proposed parking fee increase of 50% across kerbside parking, off-street parking, leases, permits and the Parking Building will provide additional income of \$301,005.
6. A 0.75% general rate increase will be required to address the collections revenue loss of approximately \$550,000.
7. The parking account currently sits at a total deficit of \$1,931,360 and based on pre-pandemic projections the account was scheduled to return to surplus in year 2029-30.
8. The first hour free parking subsidy is scheduled to end on 30 June 2021.

---

### **RECOMMENDATION**

**No recommendation pending discussion by Council.**

---

### **Background/Context**

9. In May 2020 Council agreed to introduce 2 hours free parking in Picton and Blenheim's CBD's through till 30 June 2020. This was further extended until 30 September 2020. Council then agreed to introduce first hour free parking through to 30 June 2021.
10. These decisions were in response to COVID-19 events with the aim to assist the retail and service communities return to 'business as usual' as quickly as possible. Council agreed to fund 50% of the projected parking account shortfall from the Emergency Events Reserve.
11. It was decided that the parking activity would be reviewed as part of the 2021-31 Long Term Plan, to better understand the impact a continued free parking initiative would have on the parking account.
12. The first hour free parking subsidy is scheduled to finish on 30 June 2021.

## Finances

13. For the current 2020-21 financial year, revenue data is available from July through to December 2020. The parking budget, revenue for the first six month period and year end forecast for the 2020-21 parking activity is shown in Figure 1 below:

	20-21 Budget	Actuals as at Dec 2020	EOY Forecast
Collections	\$ 994,000	\$ 245,058	\$ 441,104
Infringements	\$ 582,000	\$ 464,006	\$ 835,210
Leases	\$ 246,777	\$ 194,053	\$ 246,777
Recoveries/Misc	\$ 72,819	\$ 55,716	\$ 72,819
<b>Total</b>	<b>\$ 1,895,596</b>	<b>\$ 958,833</b>	<b>\$ 1,595,910</b>
Operating costs	\$ 1,052,425	\$ 527,130	\$ 1,054,260
Depreciation	\$ 396,390	\$ 193,782	\$ 396,390
Interest	\$ 224,397	\$ 111,222	\$ 224,397
Internal costs	\$ 157,856	\$ 119,172	\$ 162,100
<b>Total</b>	<b>\$ 1,831,068</b>	<b>\$ 951,306</b>	<b>\$ 1,837,147</b>
<b>Surplus/(Deficit)</b>	<b>\$ 64,528</b>	<b>\$ 7,527</b>	<b>-\$ 241,237</b>

### Year End Projection

14. The end of financial year totals for the parking activity project a deficit of \$241,237 against a budgeted surplus of \$64,528 for the 2020-21 financial year. An increase in infringement revenue is partially off-setting the \$552,896 loss in collections revenue.

### Collections

15. For the first six month period, Collections generated \$245,058 revenue, which is 50% down on budget. Collections revenue ranged from \$30,826 to \$58,468 per month compared to a monthly average budget of \$82,833. By the end of the financial year it is forecast to be down by a total of 55%, or \$552,896.

### Infringements

16. Infringement revenue is tracking ahead of budget due to the recent roll-out of pay-by-plate and automation of the enforcement system. A year end projection of \$253,210 above budget is forecast.
17. Council's approach to infringement revenue has always been conservative due to the fluctuating nature of this revenue, especially after the introduction of a new automated system. As knowledge of the probability of getting caught spreads, voluntary compliance increases. It is not appropriate to rely on infringement revenue to balance the books as it sends the wrong message to the public and the enforcement contractor.
18. A comparison of infringements data between 2018 and 2021 has seen the number of infringements issued for no WOF's or licences double, exceeding time limit increase by 50%, and non-activation of meter increase four fold. Public education is ongoing and an important part of any enforcement process.

### ***Leases and Recoveries***

19. Lease income and recoveries is tracking to budget with the bulk of annual renewals in July and October taken into consideration. Approximately 25% of the budgeted lease revenue is attributed to the parking within commercial lease agreements with the remainder apportioned to individual parking leases.

### ***Expenses***

20. Operating costs, depreciation, interest and internal costs are all tracking to budget.

### **Comments**

21. The Council policy prior to COVID-19 events was that the parking activity should fund itself on a user-pays basis. As reported in July 2020, the parking account currently sits at a total deficit of \$1,931,360 and based on pre-pandemic projections the account was scheduled to return to surplus in year 2029-30.
22. Both of Councils '2 Hours Free' and 'First Hour Free' parking campaigns have been received positively in the community over the past 10 months. Visual observations and CBD occupancy reports conclude that parking levels across all CBD zones are back to pre-pandemic levels with the Wynen Street all day car park frequently sitting at around 80% occupancy. This has largely occurred across New Zealand regardless of changes in parking policy.
23. The Collections revenue is down by approximately \$550,000 per annum due to the first hour free policy so any funding options need to be of a scale to address that amount of shortfall. Although infringement revenue is exceeding budget it is advised that Council adopt a level of conservatism due to the fluctuating nature of infringement revenue especially after the introduction of a new monitoring system.
24. Parking fees can be very emotive, with opposing views in the community on a user-pays system versus rate payers funding the activity. The last time Council increased parking fees was in 2014 and at that time a decision was made to eliminate all rate funded subsidies and the Council decided that the parking activity was to be based on a user-pays model.
25. There may be some resistance to Council ending the first hour free policy on 30 June 2021. Therefore, it is worth exploring what other funding options could allow a continuation of the current first hour free policy.

### **Options**

26. One option could be to increase parking fees right across the board or to specific parking areas such as those with high occupancy areas.

### ***Parking Fee Increases***

27. An assessment of proposed tariff changes were made as follows:
  - a. An increase in kerbside parking from \$1.50/hr to \$2/hr (Zone 1 – 283 parks).
  - b. An increase in the off-street hourly charge from \$1/hr to \$1.50/hr (Zone 2, Zone 3 and Alfred Street Car Park Building).
  - c. An increase in the off-street all-day charge from \$4/day to \$6/day (Zone 3 and Alfred Street Car Park Building).
  - d. An increase in the annual MDC parking permit fee from \$900/year to \$1,350/year, reflecting the margin increase to the all-day parking tariff.
  - e. An increase in the annual MDC Blenheim parking lease fee from \$900/year to \$1,350/year, reflecting the margin increase to the all-day parking tariff.
  - f. An increase in the annual Alfred Street car park undercover lease fee from \$1,265/year to \$1,715/year.

28. The options above have been tabulated below for easy reference and for Councillors to assess the impacts of changes to specific areas (see Table 1 below). A 50% increase has been applied to parking revenue centres (excluding leases and permits) which results in potential additional revenue of \$215,505:

Area	Current Tariffs and Monthly Collections		Proposed Tariffs and Monthly Collections		Average Additional Revenue Per Month/Year	
	Current Tariff	Current Average Monthly Collections	Proposed New Tariff	New Average Monthly Collections	Average Additional Monthly Revenue	Additional Annual Collections
Kerbside	\$1.50/hr	\$ 4,504	\$2/hr	\$ 6,006	\$ 1,501	\$ 18,017
Hourly (all zones)	\$1/hr	\$ 5,686	\$1.50/hr	\$ 8,529	\$ 2,843	\$ 34,116
All-day	\$4/day	\$ 9,210	\$6/day	\$ 13,814	\$ 4,605	\$ 55,258
Car Park Building (hr)	\$1/hr	\$ 2,730	\$1.50/hr	\$ 4,095	\$ 1,365	\$ 16,380
Car Park Building (day)	\$4/day	\$ 6,278	\$6/day	\$ 9,417	\$ 3,139	\$ 37,668
PayMyPark App (hr)	\$1/hr	\$ 3,842	\$1.50/hr	\$ 5,763	\$ 1,921	\$ 23,052
PayMyPark App (day)	\$4/day	\$ 5,169	\$6/day	\$ 7,754	\$ 2,585	\$ 31,014
	Subtotal:	\$ 37,419	-	\$ 55,378	\$ 17,959	\$ 215,505

Total Additional Annual Revenue:	\$ 215,505
----------------------------------	------------

Table 1 – Parking fee increases

29. A 50% increase in the permits and leases revenue centres is also modelled to ensure equity between the two (see Table 2 below) **NB: There is a difference between the leases budget of \$246,777 and the average revenue of \$179,395 in Table 2 as income from parking leases is tied to property/commercial lease terms and review dates so has therefore been excluded ie. Countdown Supermarket parking:**

	Annual Fee	Daily Rate	Current Average Revenue	No. Current Users	New Proposed Annual Fee	New Daily Rate	New Yearly Revenue	Additional collections
Permits	\$ 900	\$ 3.60	\$ 52,200	58	\$ 1,350	\$ 5.40	\$ 78,300	\$ 26,100
Leases Blenheim	\$ 900	\$ 3.60	\$ 98,100	109	\$ 1,350	\$ 5.40	\$ 147,150	\$ 49,050
Leases undercover car park building	\$ 1,265	\$ 5.06	\$ 29,095	23	\$ 1,715	\$ 6.86	\$ 39,445	\$ 10,350
			\$ 179,395				\$ 264,895	\$ 85,500

Total Additional Annual Revenue:	\$ 85,500
----------------------------------	-----------

Table 2 – Private lease and parking permit fee increases

30. The proposed increases above provide total additional revenue of \$301,005 per annum which is approximately 54% of the shortfall.
31. Another option could be to fund any collections revenue shortfall by an across the board rate increase or application of a targeted rate to CBD businesses.

### Rating Increase

32. As previously reported, the Blenheim Business Association (BBA) members were surveyed in September 2020 and 94% of the respondents advised they would be unwilling to fund any shortfall in parking revenue by way of an increase in commercial rates.
33. If a targeted rates increase were to be considered then one option could be to apply the \$550,000 annual shortfall to the 1019 ratepayers within the Blenheim and Picton general commercial/industrial zones. This would equate to an average increase of \$530 per ratepayer, or an 8% rate increase. This option may meet resistance as many of the ratepayers in this zone are not located within the CBD and could argue that they would receive nil benefit from this decision.
34. A second option could be to implement a new rate for CBD commercial ratepayers only. This would impact 486 ratepayers and on average would cost an additional \$1131 per rating assessment, or an increase of 15% per commercial property.

35. A third option could be to implement a region wide rate increase at \$550,000 per year. This could be charged to all Marlborough ratepayers via the Geographic area general works and services charges. If this was done then an agreed split between the 6 areas would be required. If this was evenly spread, it would equate to an additional \$21 per rateable property or a 0.75% rate increase.

***Discontinuation of First Hour Free***

36. Another option is for the parking activity to return to a non-subsidised/user pays operation from 1 July 2021 with no free parking discounts. It could be argued that this could have the effect of stopping people coming to town because they don't want to pay the fee of \$1.50 per hour for kerbside or \$1.00 per hour for off-street parking.

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive

## 4.16. Levels of Service Increases Blenheim Business Association

(Report prepared by Jamie Lyall)

C230-001-B04

### Purpose of report

1. To seek Council approval to allocate funding of \$30,000 per annum to the Blenheim Business Association (BBA) for operating purposes.

### Executive Summary

2. The BBA have requested that funding of \$30,000 be provided annually to allow the co-ordinator role to continue in support of the CBD activity.

---

### RECOMMENDATION

**That funding of \$30,000 be allocated annually to the Blenheim Business Association to assist with ongoing operations and functions of the group.**

---

### Background/Context

3. Council has approved funding for the BBA as follows:
  - a) 2016-17 Annual Plan - \$25,000;
  - b) 2018-19 Annual Plan - \$25,000;
  - c) 2019-20 Annual Plan - \$15,000 and \$15,000 granted in November 2019;
  - d) 2020-21 Annual Plan - \$20,000.
4. In 2018-19 the BBA appointed a co-ordinator to manage the day to day interactions with clients, provide a social media presence, carry out administration and advocacy, events leverage/conduit, deal with member (and non-member) queries, meeting preparation, website updates, manage pop up park initiatives, arrange Xmas decorations, co-ordinate Marlborough Mile research and to liaise with Council.
5. Post COVID-19 the BBA has been very active surveying, working with and providing support to Blenheim CBD retailers. The BBA has also been active in supporting the recent economic related parking and footpath occupancy changes brought about in response to the pandemic.

### Comments

6. The BBA consists of a motivated group of volunteers who give freely of their time. Councillor Fitzpatrick is Council's representative on the BBA and other Councillors regularly attend monthly BBA meetings. The co-ordination role is based on 20 hours a week and is important for ensuring that works streams are actioned and followed through.
7. The BBA are an excellent conduit for sharing information and seeking feedback from Blenheim's central business area community for Council. It is considered that the BBA will play a very important role in assisting the retail community to adapt to the post COVID-19 environment.

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive

## 4.17. Levels of Service Increases

### Picton and Blenheim – Innovative Streets Project

(Report prepared by Jane Tito)

R510-021-01

#### Purpose of report

1. The purpose of this report is to seek funding for central business district improvement projects in Picton and Blenheim that enhance the visitor and community experience.

#### Executive Summary

2. Council developed improvement streetscape plans when an opportunity to be part of an NZTA urban improvement initiative in 2020 was presented during COVID-19.
3. Plans were identified for the Blenheim and Picton central business districts, with distinct sets of priorities for each town. A project brief was undertaken and costings established.
4. The improvement plans provide Marlborough with a roadmap to improving the two main centres particularly around pedestrian and vehicle access while providing revitalised energy to the towns and supporting local businesses and the community alike.
5. It is suggested that funding of \$960,250 be provided from the Forestry and Land Development Reserve for the Picton CBD Innovative Streets project.
6. The Blenheim CBD has a number of upgrades planned that will align with the completion of the Library – Art Galley such as the ‘greening’ of Wynen and High Streets which were identified by Urbanismplus in the Town Centre report. The innovative streets works will be combined with the above works and funded from existing CBD budgets.

---

#### RECOMMENDATION

That Council approve funding of \$960,250 from the Forestry and Land Development Reserve for improvement projects in the Picton CBD as set out in *Table 1: Picton CBD Project Plan*.

---

#### Introduction and Background

7. In 2020, through an NZTA urban improvement initiative, Council developed plans for enhancing the CBDs of Picton and Blenheim to provide improved connections to the CBDs from various points and to create attractive places to stay and play while improving shared pedestrian and vehicle areas.
8. It was recognised that both CBDs would benefit from a more structured approach to providing the centres of town with quality streetscape options to improve hospitality, connectivity and safety.
9. The projects provide an opportunity for a re-focus on the two CBDs to encourage a revitalisation with momentum to support increased visitors to the townships while highlighting in particular the tourism reputation of Marlborough.

#### Picton CBD

10. Funding of \$960,250 is sought to progress the enhancement of the CBD in 2022-23, a detailed project plan is at Table 1 (below).

11. As the major gateway to Marlborough, a first place to enjoy South Island hospitality and a safe link to onward road and rail networks, further emphasized by the government's support of Port Marlborough's expansion.
12. This project provides the opportunity to improve connections within Picton, as a key junction within New Zealand and other connections as the entry point to the South Island.
13. There are three themes identified in the improvement plan for Picton:
- 13.1. Theme 1: Connecting the port with the town centre:
- i) Improve route legibility between ferry terminal and Picton Foreshore including an orientation point/board near the terminal to direct visitors into the town centre;
  - ii) Increase public foreshore area with a revised carpark layout redesigned to gain space for pedestrians along the beach frontage;
  - iii) Improve pedestrian conditions, outdoor seating and the streetscape in London Quay West, without affecting traffic flows.
- 13.2. Theme 2: Improving and creating attractive spaces to stay, eat and walk:
- i) Expand improved outdoor dining area over parking zones in front of the cafes facing the foreshore in London Quay East;
  - ii) Enhance High Street North with outdoor dining areas that replace carparks, and an upgraded landscaped median;
  - iii) Create a place to interact at the Waikawa Road roundabout, adding public seating and improving landscaping new the new library.
- 13.3. Theme 3: Improving the experiences of vehicle and pedestrian in shared space:
- i) Improve shared space to improve experience between pedestrians and vehicles at the town basins, using long barriers, bollards, planters and tighter controls such as barrier arms, electronic access to better manage vehicle flow and ensure pedestrian safety with a prioritizing of people over vehicles;
  - ii) The concept will be balanced with commercial access, operational requirements, pedestrian movement and public open space monitored, ensuring compliance with vehicle and pedestrian traffic.
14. Council would use a tactical urbanism approach to test approaches that shift the balance from vehicles towards pedestrians. Council would undertake consultation with the respective community and business groups to decide on approaches to be implemented.

	<b>Project cost description</b>	<b>\$NZD (GST excl)</b>
1	Project management - 10%	\$83,500
2	Design – 5%	\$41,750
3	Place-making – 10%	\$83,500
4	Materials -15%	\$125,250
5	Construction – 55%	\$459,250
7	Traffic Management – 2%	\$16,700
8	Review design and build in response to consultation – 1%	\$8,350
9	Monitoring and evaluation – 1%	\$8,350
10	Communications / engagement – 1%	\$8,350
	Total costs	\$835,000
12	Contingency 15%	\$125,250
	<b>Total costs including contingency</b>	<b>\$960,250</b>

Table 1: Picton CBD Project Plan

15. It is suggested that funding could be provided from the Forestry and Land Development Reserve.



**Blenheim CBD**

16. As a key hub of Marlborough's tourism, winemaking, residential, business and administrative activity, Blenheim plays a vital role as a gathering point for people.
17. There are two themes in the improvement plan for Blenheim:
- 17.1. Theme 1: Improving pedestrian amenity around the town to support:
- i) Traffic calming and pedestrian improvements around the Kinross Street locale to improve vehicle entranceways and pedestrians;
  - ii) To improve Stadium 2000 playground accessibility and seating, signage and a bus stop;
  - iii) To improve the Scott Street / Kinross Street intersection and provide more space for outdoor seating around existing and future outlets;
  - iv) Make Market Street North more attractive for pedestrians and new street furniture and landscaping.
- 17.2. Theme 2: Improved legibility and entrance experiences at key SH1 gateways into the town centre:
- i) To improve and develop wayfinding from the western motels into the CBD and to the river front park/the art gallery/library with new signage;
  - ii) To attract SH1 traffic into Blenheim town centre with strong and unique gateway features that combine public art, bold messaging and directional signage; and
  - iii) To provide pedestrian and cyclist signage at the respective SH1 gateways.
18. Council would use a tactical urbanism approach to test approaches that shift the balance from vehicles towards pedestrians. Council would undertake consultation with the respective communities.

	<b>Project Plan</b>	<b>\$NZD (GST excl)</b>
1	Project management	\$75,000
2	Design	\$25,000
3	Place-making	\$175,000
4	Materials	\$165,000
5	Construction	\$205,000
6	Asphalt art/Roadway Art	\$35,000
7	Traffic Management	\$18,000
8	Review design and build in response to consultation	\$7,500
9	Monitoring and evaluation	\$2,000
10	Communications / engagement	\$7,000
	Total costs	\$714,500
	Contingency	\$107,100
	<b>Total costs including contingency</b>	<b>\$821,600</b>

Table 2: Blenheim CBD Project Plan

19. The Kinross and Scott Streets' areas have long been recognised as areas that would benefit from improved open space areas.
20. Council would work with wide ranging stakeholders including Iwi, businesses, arts, traffic management and community groups.
21. It is suggested that this work could be funded from existing CBD budgets.

Author	Jane Tito, Manager Parks and Open Spaces
Authoriser	Jamie Lyall, Manager Property and Community Facilities

## 4.18. Levels of Service Increases

### Budget Provision - Sporting and Recreation Facilities

(Report prepared by Jane Tito)

R510-021-01

#### Purpose of report

- To seek funding for a number of projects related to the provision of sporting and recreation facilities across Marlborough.

#### Executive Summary

- Funding is sought for a number of significant projects related to the provision of sporting and recreation facilities across Marlborough. A number of the projects have come through Annual Plan processes while others have been identified in the draft Sports Facilities Strategic Plan 2020.
- Projects that are in response to growth needs could be eligible for funding from the Land Subdivision Account. A summary of the funding sought to be included in the 2021-31 Long Term Plan is set out in Table 1 (below):

Description	Amount	2021-22	2022-23	2023-24	2024-25	2025-26	2026-29
Seddon Domain reserve management plan improvements	\$100,000	✓		✓		✓	
Feasibility studies <ul style="list-style-type: none"> <li>investigate existing change facilities</li> <li>investigate extra lighting, field needs and artificial turf</li> </ul>	\$30,000		✓				
Seddon Domain Pool repair or replacement	\$500,000 or \$1,000,000		✓				
Seddon Domain playground replacement	\$300,000		✓				
Marlborough Equestrian Park – Stage 2	\$299,000		✓				
A & P Park new pavilion	\$2,200,000			✓			
Feasibility study <ul style="list-style-type: none"> <li>investigate need for additional indoor court space</li> </ul>	\$20,000			✓			
Horton Park pavilion redevelopment	\$2,090,000	\$90,000					\$2,000,000
Artificial turf (location dependent on outcome of feasibility study)	\$1,600,000				✓		
Lighting of sports parks (location dependent on outcome of feasibility study)	\$400,000				✓		✓
Hockey turf replacement	\$500,000						✓

Table 1 – Summary of Funding for Sporting and Recreation Facilities

#### RECOMMENDATION

That Council approve funding for sport and recreation facilities in the 2021-31 Long Term Plan as set out in *Table 1 – Summary of Funding for Sporting and Recreation Facilities*.

## Introduction

4. Funding is sought for a number of significant projects related to the provision of sporting and recreation facilities across Marlborough. A number of the projects have come through Annual Plan processes while others have been identified in the draft Sports Facilities Strategic Plan 2021.
5. A description of the projects and the funding sought to be included in the 2021-31 Long Term Plan are set out below. A summary of the projects along with, the funding sought and the year for inclusion in the Long Term Plan are in paragraph 2 and Table 1 above.

## Sports Facilities Strategic Plan

6. While the draft Sports Facilities Strategic Plan Sports 2021 has yet to be finalised by Council, it is considered prudent to seek funding for several projects requiring feasibility studies and the related outcomes in the 2021-31 Long Term Plan. This will enable staff to be on the front foot to commence the projects once the draft Plan is confirmed by Council (there are some outcomes in the draft Plan where funding is being sought separately to this item, including developments at Horton Park, A & P Park and Marlborough Equestrian Park).
7. The projects for which funding is sought are set out below:

Description	Amount	2022-23	2023-24	2024-25	2025-29
Feasibility studies <ul style="list-style-type: none"> <li>• investigate existing change facilities</li> <li>• investigate extra lighting, field needs and artificial turf</li> </ul>	\$30,000	✓			
Feasibility study <ul style="list-style-type: none"> <li>• investigate need for additional indoor court space</li> </ul>	\$20,000		✓		
Artificial turf (location dependent on outcome of feasibility study)	\$1,600,000			✓	
Lighting of sports parks (location dependent on outcome of feasibility study)	\$400,000			✓	✓
Hockey turf replacement	\$500,000				✓

Table 2 – Funding for Sporting and Recreation Facilities

## Horton Park redevelopment

8. For the past five years Marlborough Cricket have been presenting to Council's Long Term Plan and Annual Plan processes seeking assistance to provide new cricket facilities at Horton Park. An indoor training facility, new carpark and new pavilion with changing facilities are proposed with the development costed at \$4.8 million. Marlborough Cricket have indicated a willingness to undertake fundraising of up to \$800,000 to support the development of a new cricket facility.
9. A centre piece of the development is the replacement of the old pavilion built in 1973. The pavilion has undergone a number of extensions and redevelopments over time in an attempt to provide usable facilities for the sports using Horton Park at the time. A seismic assessment of the facility was carried out by Aurecon in 2014 and the structure met 45% of NBS (National Building Standard) for an IL3 building (greater than 300 persons) and 70% of NBS for an IL2 building. As the structure is above 33% NBS it is not deemed earthquake prone.
10. Marlborough Cricket has focused on replacing the existing facility with a new one. It is suggested that Council should investigate the cost comparison between a new building and renovating the existing one. To do this work to an accurate level it is estimated that the cost would be approximately \$90,000.
11. It is proposed that a budget allocation for design and pricing of \$90,000 be made for the 2021-22 year.

12. Cricket has successfully changed to ensure its survival with playing numbers having been consistent through the 5 years of submitting to the Council although the demographics of those numbers have changed with a decrease in adult men playing numbers and an increase in junior and women players. Other sports related organisations that could also use the facility also need to be consulted so that a wider community benefit can be achieved by any Council investment.
13. It is proposed that a budget of \$2,000,000 be included in Council's LTP in years 2026-29.

### **A & P Park – new pavilion**

14. The pavilion at A & P Park has stood on its site since 1903 when it was initially built as a grandstand. Significant redevelopment of the building was undertaken in 1988 by volunteers and earthquake strengthening has also taken place. The draft 2020 Sports Facilities Strategic Plan identified the need for replacement of the facility as did the earlier 2010 Outdoor Sports Facilities Plan.
15. Currently \$1.5 million is allocated in Council's budgets to replace the pavilion in the 2023-24 financial year. However, this amount is now insufficient with today's building costs. A costing for a draft pavilion design, following consultation with all users of the park, is \$3.7 million.
16. An additional \$2.2 million is required for the 2023-24 year to start construction of this facility at A & P Park.

### **Marlborough Equestrian Park**

17. Marlborough Equestrian Park NZ Incorporated (MEPNZ) submitted to Council during the 2020-21 Annual Plan process seeking financial assistance to begin Stage 2 of developing the Equestrian Park at Bothams Bend. Stage 2 is intended to provide expanded facilities to cope with increasing demand being experienced of the facility and to cater for future growth. Stage 2 involves construction of a new irrigated arena, covered pens for horses, power, a public address system and new ablution facilities.
18. MEPNZ are seeking Council's support for 50% of the total cost to undertake stage two, which has a total cost of \$598,000. Council's contribution would be \$299,000.
19. At present staff are working to obtain a water permit for the existing and future facilities of MEPNZ. Ablution facilities and irrigation of arenas would not be able to proceed if the necessary water permit cannot be obtained. Council could still support some aspects of the Stage 2 development by funding construction costs of \$202,000 that do not require water and provide full funding when water is available, a further \$74,000.
20. Funding support of \$299,000 is sought for the 2022-23 financial year.

### **Seddon Domain**

#### *Pool*

21. The Seddon community pool has suffered ongoing leaks since the 2016 Kaikoura earthquake sequence. A repair to a substantial crack was undertaken prior to the pool being filled for the 2020-21 summer swimming season. However, the repair work has not been as effective as hoped with significant water loss occurring. Further investigation on the loss of water will be required.
22. The future of the pool needs to be decided as a continuing loss of water is not sustainable going forward and there are costs associated with this.

23. There are two options to consider in replacing the current pool setup, one being a complete replacement including replacing plant and filtration systems while the other is a new product with a material lining of the pool surfaces that provides better flexibility. Costs for each option are set out below:

Option	Cost
Option 1 involves lining the existing pool with a new surface	\$500,000
Option 2 would see a complete replacement of the pool, plant and filtration system	\$1,000,000

### *Reserve Management Plan*

24. A reserve management plan for Seddon is currently being reviewed with a draft plan likely to be completed in late March. In considering the feedback received in the early stages of reviewing the reserve management plan, some initial designs have been developed that would see a range of improvements to the Domain. These include enhanced planting to improve biodiversity and amenity, pathways to improve accessibility and safety, small footbridge, park furniture (picnic tables, seats and barbecue), signage, lighting, fitness circuit, fencing for netball court and memorial garden.
25. Funding of \$100,000 to implement these projects is sought for each of the 2021-22, 2023-24 and 2025-26 financial years.

### *Playground*

26. The Seddon Domain playground has been in place for over 18 years although the swing set dates back to 1982. This play area has bark for safe fall, which is held in by a wooden surround. The equipment is looking tired and weekly and monthly inspections indicate a significant decline in the equipment. The wooden railings and footing surround the playground is falling away and is in need of repair or replacement. Most of Council's other playgrounds have matting as opposed to bark.
27. A new playground was identified as being needed by some community members who provided feedback in the early stages of developing the reserve management plan for the Domain. Provision for accessible play was also requested as part of a redevelopment of the playground. While the reserve management plan process has yet to be completed, some design work as part of the project is underway and this contemplates a new or refreshed playground.
28. Funding of \$300,000 is sought for the 2022-23 financial year.

Author	Jane Tito, Manager Parks and Open Spaces
Authoriser	Jamie Lyall, Manager Property and Community Facilities

## 4.19. Levels of Service Increases

### Community Facilities: Capital Expenditure (Other)

(Report prepared by Jane Tito)

R510-021-01

#### Purpose of report

- To request funding for Community Facilities capital projects identified to maintain current levels of service and not currently in the Long Term Plan (as set out in Table 1 below).

#### Executive Summary

- Funding is sought for a number of projects to meet current levels of service and to allow for appropriate renewal of assets. Several projects including resealing of parking areas and access ways in both reserves and cemeteries are needed to meet current levels of service and improve the health and safety outcomes for the public when visiting these sites.
- One of the larger projects identified earlier by staff and Council through the 2020 Responsible Camping Control Bylaw review is the development of a more formalised responsible camping site at the Wairau Diversion. The funding will also provide a much needed improvement to the day user area and complement the natural environment of the location.
- Additional funding is sought to progress renovations of three public conveniences where the actual project estimates have exceeded that budgeted. These three projects are consented and ready to proceed.

Location	Description	Amount	2021-22	2022-23	2023-24	2024-25	2025-29
Taylor Dam Reserve, Okiwi Bay Reserve, and Collins Memorial Reserve	An increase to the budgeted amount is sought to progress the improvement works of the three public conveniences to meet the actual project costs against the original estimates	\$500,000	✓				
Renwick Dog Park, Spring Creek/Ferry Bridge & The Wedge, Link Pathway	New funding to address user demands and community requests for public conveniences	\$350,000 each year		✓	✓	✓	
Wairau Diversion	Development of responsible camping site with landscaping, a public convenience and limited amenities	\$450,000 each year	✓	✓			
Tirohanga Track, Picton	Development and upgrade of entire track to meet user demands and health and safety considerations. The construction of new bridge to replace stepping stones	\$258,000			✓		
Shelly Beach Reserve	Shoreline protection works and enhancement of open space to align with the Victoria Domain Reserve Management Plan, resource consent approved	\$345,000	✓				
Pollard Park	Redevelopment of Toddler playground –replacement of matting, extension of area and new play pieces	\$200,000			✓		
Pollard Park	Development works to main depot and storage yard including new roof over staff room and public convenience, resealing of road	\$100,000 each year		✓	✓		
Seymour Square	Fit-out of new staff room and storage area with new public convenience development where this area has been lost	\$75,000	✓				

Cemetery works (Havelock, Fairhall, Omaka, Picton and Tuamarina)	Reseal of vehicle access ways and parking areas to align with the cemetery master plans and ensure safe access to cemetery areas	\$310,000 each year		✓	✓		
Waikawa Bay Foreshore Reserve	Reseal of vehicle access ways and parking areas to ensure fit for purpose and safe access to open space areas	\$80,000			✓		
Ward Memorial	Reseal of vehicle access way and parking area to ensure it is fit for purpose and provides a safe access for the public	\$35,000			✓		
Reserve Management Plan	Planning and policy development: design works and professional expertise	\$15,000 for 10 years	✓	✓	✓	✓	✓
Tirimoana Reserve Playground	New play equipment at request of local community	\$75,000				✓	
<b>Total</b>		<b>\$4,488,000</b>					

Table 1: Proposed capital improvements

---

## RECOMMENDATION

**That \$4,488,000 be allocated in the Long Term Plan to fund the development and installation of capital improvement projects to meet level of service and asset renewal requirements as set out in Table 1: Proposed capital improvements.**

---

## Background

5. The following projects have been identified for consideration in the 2021-31 Long Term Plan:
- a) An increase in the current budget to progress the redevelopment of public conveniences to meet the actual project costs against the original estimates received for the Taylor Dam Reserve, Okiwi Bay Reserve, and Collins Memorial Reserve. (FY 2021-22)
  - b) New funding to address public convenience user demands and community requests at Renwick Dog Park, Spring Creek/Ferry Bridge and the Wedge (located along the Link Pathway) (FY 2022-23, FY 2023-24, FY 2024-25)
  - c) Development including public convenience and limited amenities for the Wairau Diversion responsible camping site, per the recently developed Responsible Camping and Control Bylaw 2020 (FY 2021-22 and FY 2022-23)
  - d) Development and upgrade to entire tracks and trails along the Tirohanga Track and a new bridge, re-engineered to upgrade the level of bridge required (FY 2025-26 and FY 2026-27)
  - e) Shelly Beach Reserve shoreline protection and enhancement of open space, vehicle access way, parking and amenity values to align with the Victoria Domain Reserve Management Plan (FY 2021-22)
  - f) Pollard Park toddler playground – redevelopment of playground including replacement of matting, extension of area and new play pieces (FY 2023-24)
  - g) Pollard Park depot and storage yard – new roof to staff room and public convenience, and seal of depot yard and to the top working yard (FY 2022-23 and FY 2023-24)
  - h) Seymour Square – fit-out of staff room and storage area (FY 2021-22)
  - i) Reseal of vehicle access ways and parking at Havelock, Fairhall, Omaka, Tuamarina and Picton cemeteries, aligning with the cemetery master plans (FY 2022-23 and FY 2023-24)
  - j) Reseal of vehicle accessways and parking areas at Waikawa Bay Foreshore Reserve (FY 2023-24)

- k) Reseal of vehicle accessways and parking area at Ward Memorial (FY 2023-24)
- l) Reserve Management Plan planning and policy development design works (FYs 2021-31)
- m) Tirimoana Reserve Playground – New play equipment at request of community (FY 2025-26)

### *Comments*

#### 6. **Public Conveniences**

- a) Council's public convenience improvement programme is well underway with many improved or new facilities in place and supported by funding through the Government's Tourism Infrastructure Fund.
- b) A recent tendering of improvements to three facilities showed a significant difference between the budget and the actual project costs that was more than what would normally be acceptable. To that end, additional funding is being sought to cover the difference. These three projects are consented and ready for works to proceed.
- c) Three new public convenience facilities have been identified in the region owing to demand on use and community requests. The Renwick Dog Park has only recently been identified due to increased users, user data supports this request.
- d) A new public convenience at the Ferry Bridge recreational area has been proposed using recent data of increased numbers of visitors to the site. We anticipate that once this location is developed as a recreational activity area there will be increased activity and a public convenience will be required.
- e) A public convenience has been identified for The Wedge in conjunction with the Link Pathway. The Link Pathway is becoming more popular and the public convenience will be located close to the track for users of the track.
- f) It should be noted that Council will apply to the Tourism Infrastructure Fund to support these public conveniences where they meet the criteria of the fund.

#### 7. **Wairau Diversion**

- a) During the 2020 review of the Responsible Camping Control Bylaw it was identified that the Wairau Diversion could be transformed into a larger sized complex to host responsible campers to the region. The site encompasses a large area and early concept plans show the potential to enhance the area into a more structured area for camping while also providing an improvement for day users to the area.
- b) Staff are proposing the budget of \$900,000 be split over two financial years to develop a suitable landscape, a public convenience facility, and a user pays amenity block with showers and kitchen/dish washing area.
- c) The day use area will be enhanced to complement the natural landscape with furniture and shelters and formed parking.

#### 8. **Tirohanga Track, Picton**

- a) The Tirohanga Track has had some improvements over the last 3-4 years including stepping stones over the river. A bridge that was designed (and budget approved during the 2018-28 LTP process) did not eventuate due to engineering concerns with the river flow in flood and a new design was sought to meet those concerns. The track needs a complete upgrade to keep it at a level that attracts more users along with the newly designed and consented bridge.

#### 9. **Shelly Beach Reserve**

- a) A plan to provide protection of the shoreline has been underway for some time and a consent has been provided for those works, quoted costs are \$95,000. The enhancement of open space including an upgraded access way, parking and amenity values have been identified during the Victoria Domain Reserve Management Plan and this budget would progress. These works have been budgeted at \$250,000.

#### 10. **Pollard Park**

- a) Redevelopment of "fenced" toddler playground – the current toddler playground has been in place for 15-20 years with some of the current pieces recycled from the original Pollard Park playground equipment.



- b) The matting and play pieces are aged beyond their normal life (of 10 years for play equipment in a premier park) and NZ Standard for safety materials in a playground (allow eight years for safety matting). The area will also be extended to allow for newer play pieces. Budget for these works is \$200,000.
- c) The main staff depot (near the Golf Club entry) which also houses the public conveniences requires a new roof and new seal of the depot storage yard. The top working yard is in need of a reseal and a locked storage shed. Budget for these works is \$200,000.

11. **Seymour Square**

- a) The new public convenience renovation project removed the existing staff room and storage area. Fit out of the current ladies toilet/facility will be converted to the new staff room and storage area. Budget for fit-out and cladding (to match the public convenience) has been estimated at \$75,000.

12. **Cemetery Improvements**

- a) A reseal of the access ways and parking area has been identified for five of Council's cemeteries, to help improve safety and access into the cemeteries. These works have not been improved for at least 20 years and are budgeted at \$620,000 and align with Council's cemetery master plans – planned improvements.
- b) The cemeteries identified are Havelock, Omaka, Picton, Tuamarina and Fairhall.

13. **Waikawa Bay Foreshore Reserve**

- a) The reseal of the parking area at the Waikawa Bay Foreshore Reserve has been in need for some time. There have been pothole infilling however a complete reseal is required including the vehicle access way to allow safe access to the foreshore area. These works are budgeted at \$80,000.

14. **Ward Memorial**

- a) A reseal of the access way and parking area into the Memorial area has been identified to improve the safety of visitors to the area. Budget of \$35,000 is requested.

15. **Reserve Management Plans and Policy Development**

- a) Parks and Open Spaces have a planned approach to development of reserve management plans and reviews of various policies. There is a need to provide improved and realistic budgeting to meet the design works and professional expertise required to provide these reports and services to the community. Budget of \$15,000 for each year is requested.

16. **Tirimoana Reserve**

- a) A request from the local community for a new playground facility at the Tirimoana Reserve will complement other assets on site (pétanque court, book fridge). The new playground will have a smaller sized play piece. Budget of \$75,000 is requested.

**Budget**

- 17. The funding required for the areas described above based on level of service requirements and additional open space areas is **\$4,488,000** for the 2021-31 Long Term Plan.

Author	Jane Tito, Manager Parks and Open Spaces
Authoriser	Jamie Lyall, Manager Property and Community Facilities

## 4.20. Levels of Service Increases Community Facilities – Blenheim Area

(Report prepared by Jane Tito)

R510-021-01

### Purpose of report

- To request funding for the maintenance of newly developed parks, tracks and facilities and to maintain current levels of service for facilities located within the Blenheim area.

### Executive Summary

- A number of areas and new facilities require funding to ensure that levels of service are maintained to a standard consistent with other areas. A summary of the funding sought to be included in the 2021-31 Long Term Plan is set out in Table 1 below:

Location	Description	Amount
Grovetown Reserve and Lagoon	Garden plots, trees, tracks and trails, road berm mowing, car park maintenance and playground	\$15,000
Blackmore Place Reserve	Playground and shade shelter	\$2,000
Taylor River Reserve	Pathways connections and asset repairs.	\$15,000
Wither Hills	Connections, Redwood Street carpark, buffer strip, maintenance of walking and biking tracks.	\$55,000
<b>Total</b>		<b>\$87,000</b>

Table 1: Areas of proposed improved levels of service (Blenheim Area maintenance)

### RECOMMENDATION

**That Council approve an increase in budget by \$87,000 to meet the cost of maintaining additional facilities and meeting expected levels of service in Blenheim area as set out in *Table 1: Areas of proposed improved levels of service (Blenheim Area maintenance)*.**

### Background

- Each year Council makes a number of decisions on funding capital projects in parks and open spaces and the recreational sector for the community. These projects flow from the Annual Plan, Small Townships program and the Land Subdivision Account and are ratified by Council through the committee process.
- A large number of the projects are also in response to growth or to align with community needs and expectations. The capital costs for these projects are generally funded from Council's Financial Reserves with the on-going maintenance costs funded by Rates, aligned to the rating area in which the asset resides. The following provides an overview as to where additional costs are arising:
  - One of the outcomes from residential subdivision development is growth in open space and recreational areas. This results in new playgrounds, parks, tracks and trails along with connections to and from the new residential areas.
  - An increase in user activity at existing sites can also lead to development of new and additional facilities. A good example of this is growth in parking requirements at popular areas such as Pollard Park.
  - Additional challenges include levels of service for tracks and trails, to address risks such as the increasing dry environment of the Wither Hills and the connections to the residential areas resulting in additional safety signage, improvements and maintenance requirements.

### Comments

5. The Blenheim Open Spaces Contract was tendered on the open market with a new contract awarded in November 2018. All maintenance of additional areas and facilities as they are developed are included as a variation to the main contract.
6. New parks added into the Blenheim maintenance contract through land purchases and subdivision development are the Grovetown Reserve and Blackmore Place. New walkways recently established in the Blenheim vicinity include the Grovetown Lagoon Track. Along with the roadside berm mowing, the adjoining new car park completed at Grovetown Lagoon will also require maintenance.
7. There is also greater use of the Wither Hills Farm Park, (including activity areas at Rifle Range Place and the Mountain Bike Park) and upper Taylor River Reserve. This has resulted in increased maintenance of tracks and trails, connecting pathways from residential areas, gateways, signage, fencing, shared area clean up (including from dogs), pedestrian and cyclist entrances, street and park garden plots and trees, playgrounds and reserves.

### Budget

8. The additional cost to sustain the current levels of service required in Blenheim is \$87,000 per year from FY 2021-22.

Author	Jane Tito, Manager Parks and Open Spaces
Authoriser	Jamie Lyall, Manager Property and Community Facilities

## 4.21. Levels of Service Increases

### Community Facilities – Picton and Surrounds

(Report prepared by Jane Tito)

R510-021-01

#### Purpose of report

1. To request additional funding for operational aspects to meet increases in the levels of service to key destination areas within Picton and surrounds.

#### Executive Summary

2. A number of new facilities and recognition of the increased use in Picton and surrounds requires funding to ensure that levels of service are maintained. A summary of the funding sought to be included in the 2021-31 Long Term Plan is set out in Table 1 below:

Location	Description	Amount
Picton Contract Review	Increase to contract – from 1 July 2021 – 20% (estimate)	\$80,000
Picton Foreshore and Shelly Beach	Beach grooming and clean-up prior to special events	\$8,000
Berms	Additional berm areas requiring maintenance.	\$20,000
<b>Total</b>		<b>\$108,000</b>

Table 1: Areas of proposed improved levels of service (Picton and Surrounds)

#### RECOMMENDATION

**That Council approve an increase in budget by \$108,000 per annum to meet increases in the levels of service to key destination areas within Picton and surrounds as set out in *Table 1: Areas of proposed improved levels of service (Picton and Surrounds)*.**

#### Background

3. Each year Council makes a number of decisions on funding capital projects in parks and open spaces and the recreational sector for the community. These projects flow from the Annual Plan, Small Townships program and the Land Subdivision workshop and are ratified by Council through the committee process.
4. A large number of the projects are also in response to growth or to align with community needs and expectations. The capital costs for these projects are generally funded from Council's Financial Reserves with the ongoing maintenance costs to be funded by Rates, aligned to the rating area in which the asset resides. The following provides an overview as to where additional costs are arising:
  - a. An increase in user activity at existing sites can lead to development of new and additional facilities. A good example of this is the number of visitors to Picton using the Picton Foreshore, regarded as one of Marlborough's premier (destination) parks as well as the increasing use made of tracks and trails on Victoria Domain and Essons Valley. Additional and enhanced facilities have seen a need for increased levels of maintenance.
  - b. The community also demands increases in levels of service to address risks such as the increasing dry environment in the summer at Victoria Domain, connections to residential areas resulting in additional safety signage, improvements and maintenance requirements.
5. Picton is identified as a destination area, a location that should present exceptionally as a first impression for newcomers and visitors to Marlborough.

## Comments

6. The Picton/Waitohi Parks, Cemetery and Open Space Maintenance Services will be tested on the open market in February/March 2021. It is expected that the market rate increase will be at least 20 percent which reflects the approximate size that the contract has grown by. This is commensurate with trends shown in recent tenders of open space contracts.
7. Several groups from Picton have made submissions in the past few years to the Annual and Long Term Plans calling for an increased level of maintenance in the township to meet the expectations of being a destination town.
8. There are areas in Picton particularly the Foreshore (including London Quay and Shelly Beach) where consideration should be given to a “higher level” of maintenance. An overview of a number of the matters in which an increased level of service is proposed includes:
  - Frequency of litter clearing and removal of litter
  - Frequency of cleaning Picton Foreshore playground
  - Improved maintenance along High Street – of both upper and lower areas of the street
  - Refurbishing park furniture
  - Increased frequency of cleaning of assets
  - Cleaning of barbecue – Waikawa Bay Foreshore Reserve
  - Additional planting and more frequent weeding.
9. Several opportunities for improvement have been identified within the current maintenance regime to bring Picton’s higher-spec areas in alignment with the higher-spec areas in Blenheim.

## Budget

10. The increased cost to achieve a level of service increase in Picton that aligns with the maintenance level at Marlborough’s other high specification areas is \$108,000 per annum from FY 2021-22.

Author	Jane Tito, Manager, Parks and Open Spaces
Authoriser	Jamie Lyall, Manager, Property and Community Facilities

## 4.22. Levels of Service Increases Community Facilities – Other Areas

(Report prepared by Jane Tito)

R510-021-01

### Purpose of report

1. To request funding for the maintenance of newly established parks, tracks and facilities within Marlborough, not including Picton and Blenheim.
2. To address increased Health and Safety responsibilities to do with traffic, trees and compliance with NES and MEP requirements.

### Executive Summary

3. The development of open space areas and making public areas safe requires maintenance funding. A number of areas also require an increase in level of service. A summary of the funding sought to be included in the 2021-31 Long Term Plan is set out in Table 1 (below):

Location	Description	Amount
Small township projects	Renwick Village Green, Wairau Valley loop track and gardens, Canvastown - riverside vegetation planting and playground, Ferry Bridge picnic area, Ward Memorial Hall landscaping	\$15,000*
Marlborough Environment Plan and National Environmental Standards as it affects parks and open spaces	Managing trees, hazardous soil issues, under new plan provisions, water allocation (water meters and data loggers) and consents for activities on parks and open spaces	\$58,000
Shade in playgrounds	Maintenance/cleaning	\$3,000
Health and safety	Traffic management and site fencing	\$25,000
Street trees in Marlborough	Maintenance and watering of 100 extra trees	\$15,000
Reserves and open spaces tree management	Increased response to managing risk associated with trees	\$30,000
Various parks, reserves and open spaces	Plant pest control – to improve biodiversity and recreational enjoyment	\$35,000
Various parks, reserves and open spaces	Animal pest control – working alongside DOC and Biosecurity Section – to improve biodiversity and recreational enjoyment	\$55,000
Public toilets across the district	Cleaning new (e.g. Grovetown Lagoon) or redeveloped toilet facilities (e.g. Havelock, Anakiwa) as set out in capital works programme	\$10,000**
Seddon Domain	Pump track, playground and hall gardens maintenance, ongoing costs for pool, maintenance for RMP outcomes (barbecue, picnic tables, seats)	\$26,000
Havelock	Waterfall Track, Havelock Community Pathway, Neil Street, Link Pathway maintenance	\$15,000
<b>Total</b>		<b>\$287,000</b>

\* Increasing by \$5,000 per annum to \$35,000 per annum in 2024/25

\*\* Increasing to \$20,000 per annum in 2023/24

Table 1: Areas of proposed improved levels of service (Other Areas maintenance)

### RECOMMENDATION

That Council approve an increase in budget by \$287,000 to meet the cost of maintaining additional facilities and meeting levels of service for the areas identified in *Table 1: Areas of proposed improved levels of service (Other Areas maintenance)*.

## Background

4. Each year Council makes a number of decisions on funding capital projects in parks and open spaces and the recreational sector for the community. These projects flow from the Annual Plan, Small Townships program and the Land Subdivision Account and are ratified by Council through the committee process.
5. A large number of the projects are in response to growth or to align with community needs and expectations. The capital costs for these projects are generally funded from Council's Financial Reserves with the ongoing maintenance costs to be funded by Rates, aligned to the rating area in which the asset resides. The following provides an overview as to where additional costs are arising:
  - a. One of the effects of residential subdivision development is a growth in open space and recreational areas. This results in new playgrounds, parks, tracks and trails along with connections to and from the new residential areas.
  - b. An increase in user activity at existing sites can also lead to development of new and additional facilities. A good example of this is growth in tracks and trails in locations such as Havelock.
  - c. Council has a level of service that establishes the need for works such as sun shading within each new playground and where upgrades are made to existing playgrounds. Along with the initial capital outlay there are also ongoing maintenance costs.
  - d. The adoption of new processes in managing Council's tree portfolio along with increasing summer temperatures and drier summers brings an increase in level of service for maintaining and managing trees in urban areas.
  - e. The provisions of the Marlborough Environment Plan will introduce added costs to our open spaces management.

## Comments on specific areas

### *Seddon*

6. While the Awatere Contract was tendered on the open market with a new contract awarded in August 2019, the maintenance of additional areas and facilities will be included as a variation to the main contract and estimates are provided below.
  - a. The recently completed renovation of the Awatere Memorial Hall has new landscaping to complement the structure and this will require maintenance.
  - b. Construction of the Seddon pump track is completed and this area will require specific maintenance.
7. Additional funds for maintaining the Seddon pool and playground are also sought.

### *Havelock and Sounds*

8. The Havelock and Sounds Contract was renewed in November 2020 with an approximate increase of 9% in maintenance costs and incorporating additional areas and facilities into the main contract, as noted below
  - a. Outram Street, Havelock berm mowing and Canvastown bank mowing.
  - b. New and improved parks and pathways underway or nearing completion include the Waterfall Track, Havelock War Memorial Domain (Neil Street project) and the new connecting Motuweka Pathway from Queen Charlotte Drive to the Havelock township. While these projects are not complete the maintenance component will require funding to meet current levels of service.
  - c. The Waterfall Track has been located on public land which has allowed wider paths and a subsequent level of service increase for a better quality track to be built suitable for more users.

### *Small Township Programme*

9. Other areas that will be added into existing contracts in the coming months include the following:
  - Renwick Village Green

- Canvastown - vegetation planting along Wakamarina River, upgraded playground
  - Wairau township - loop pathway
10. Provision has been included for subsequent years for other projects that are in the planning stages but that will be implemented during the life of the LTP.

*Trees – Risk Management and Planting*

11. Council has introduced a new system to manage the risk associated with Council's tree portfolio on reserves and other open space areas. A two-staged approach in identifying and assessing the risk has increased the costs to manage the trees along with additional costs to remove trees in public places and near roads where trees are found to be unsafe.
12. Council plants about 150 street trees each year either in locations where no trees exist currently or to replace trees that have either been removed due to poor health of the tree, pose a risk to the public or suffer wind or other damage. There has been a noticeable decline in tree health and drought stress due to changing climate conditions.

*Health and Safety*

13. Additional funds are required to manage work sites safely. From site fencing requirements to comprehensive Traffic Management Plans now being required for all operations on or beside a road, this has significant cost implications to all street plot/tree operations.
14. Council's playground policy establishes the need for additional works such as sun shading within each new playground and where upgrades are made to existing playgrounds. Along with the initial capital outlay there is also a requirement for maintenance.

*Pest management*

15. Additional resources are required to manage increasing presence of both plant and animal pests on our parks and open space areas. Work is undertaken in conjunction with Council's Biosecurity and DOC where practicable. Managing pests will help to restore biodiversity, protect native species and also improve recreation enjoyment of areas.

*Public toilets*

16. Council's programme of toilet improvements is well underway supported by funding through the Government's Tourism Infrastructure Fund. With new toilets in some locations and redeveloped facilities there are associated funding requirements for ongoing maintenance. For the first two years of the LTP an increase of \$10,000 per annum is sought and this increases to \$55,000 in the 2023/24 year as more toilets come on stream.

*Marlborough Environment Plan*

17. With the Marlborough Environment Plan coming into effect this year, a budget allocation to cover increased costs to carry out normal duties will be required. This includes consenting requirements with trees, land uses, contaminated land, water-permits, wells and water meters.

**Budget**

18. The funding required for the areas described above based on level of service requirements and additional open space areas is \$287,000 from FY 2021/22.

Author	Jane Tito, Manager, Parks and Open Spaces
Authoriser	Jamie Lyall, Manager, Property and Community Facilities



## **4.23. Levels of Service Increases**

### **Renwick Museum – Earthquake Strengthening**

(Report prepared by Jamie Lyall)

C600-003-04

#### **Purpose of report**

1. The purpose of this report is to seek funding for the earthquake strengthening of the Renwick Museum.

#### **Executive Summary**

2. The Renwick Museum was built in 1931 and overtime has received several extensions/additions.
3. A seismic assessment was commissioned which identifies the building as having an NBS of 20% and categorises the structure as a 'High Risk' earthquake prone building.
4. A preliminary design based on the installation of diaphragms and steel beams is expected to increase the NBS rating of the building to 67%. The strengthening work has been quantity surveyed and is estimated at a cost of \$127,157 (excl GST).
5. The time frame to remediate or remove the building is July 2035 but Council needs to assess the risks due to the Museum being a public access building.

---

#### **RECOMMENDATION**

**That Council fund \$130,000 from the Emergency Events Reserve to seismically strengthen the Renwick Museum.**

---

#### **Background/Context**

6. The Renwick Museum was built in 1931 and constructed of cast in-situ concrete. Several extensions have been added overtime, comprising of a mix of concrete blockwork and timber framing. The building is Council owned and managed.
7. In October 2020 a detailed seismic assessment (DSA) was undertaken on the building by local engineering firm SES. The building was identified as having an estimated NBS (New Building Standard) of 20% and categorised as a 'High Risk' earthquake prone building. The DSA report recommended that the building be upgraded to at least 67% NBS.

#### **Comments**

8. A high level assessment of possible remedies to bring the the building up to 67% of code was sought from a local engineering consultancy. The solutions include the installation of a plywood diaphragm ceiling to the library, enhancing the connection between the roof and blockwork walls and fitting large steel beams to support the existing concrete and blockwork walls throughout the building. These recommendations are based on preliminary design observations and detailed design calculations have not been carried out.
9. The DSA and initial design solution was provided to QS Marlborough, who were asked to prepare a preliminary budget to carry out the recommended remedial works. The value of this work is estimated to cost \$127,157 (excl GST) (see Table 1 **below**).

<b>Budget Summary and Allowances</b>	
• Prelim & General	\$20,000
• Enabling / Decant Works	\$15,580
• Construction	\$40,867
• Contractors Margin 15%	\$11,469
• Contingency	\$8,793
• Prof Fees	\$30,450
• GST	<u>\$19,074</u>
<b>Total</b>	<b>\$146,231</b>

Table 1 – Preliminary budget for Renwick Museum seismic strengthening

10. Due to the fixed nature of the museum displays, the QS has noted that the cost implication of removing and storing the contents of the displays is relatively unknown, but has included a sum of \$15,580 to cover this item.
11. Renwick Museum is located in a high risk area and is deemed to be a low priority building. The time frame to remediate the building is therefore 15 years from notification of the building being an EPB, or 28 July 2035. Council needs to either remove or remediate the building within this period.
12. Council needs to consider the risks associated with a building occupied by the public as part of its decision making.

Author	Jamie Lyall, Property & Community Facilities Manager
Authoriser	Mark Wheeler, Chief Executive

## 4.24. Levels of Service Increases

### Environmental Science and Monitoring - Coastal Capital Expenditure

(Report prepared by Capt. Luke Grogan & Oliver Wade)

File Reference

#### Purpose of report

1. To propose an efficient and cost effective approach toward analysing and processing the multibeam survey data captured during the 2019-20 Pelorus Sound/Te Hoiere multibeam survey.

#### Executive Summary

2. This report briefly summarises the background to the 2019-20 Pelorus Sound/Te Hoiere multibeam survey and highlights the need to process the data to information for scientific purposes. It explains that the cost of processing the data can be reduced from an initial advised estimate of \$3 million dollars down to \$1.2 million dollars spread over six years.

#### RECOMMENDATIONS

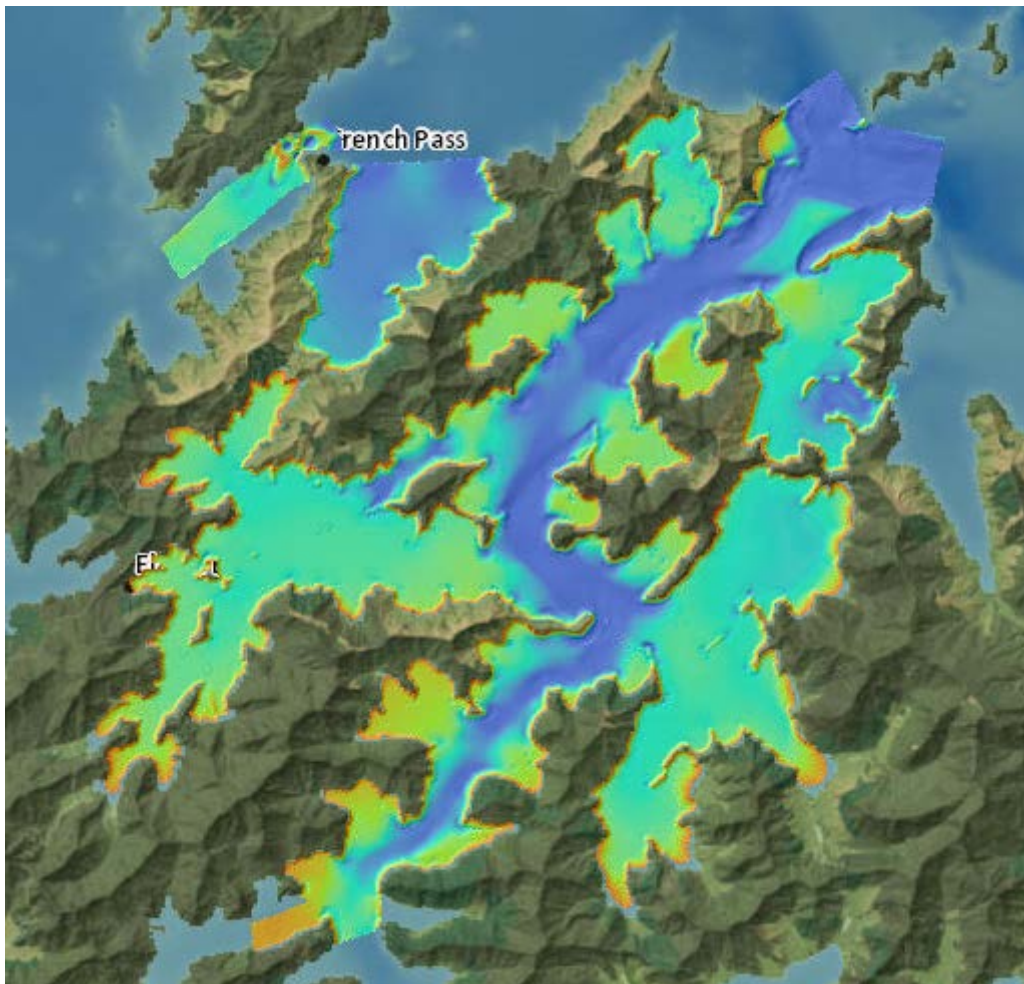
1. That Council receives the information.
2. That Council make a \$1.2 million provision for funding in the 2021-31 LTP to enable processing of the Pelorus Sound/Te Hoiere multi-beam survey data.
3. That Council spreads the funding over spread 6 years as follows; \$75,000 for 2021-22, \$125,000 for 2022-23 and \$250,000 per year for four (4) years thereafter as shown in the table.

Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Budget amount	\$75,000	\$125,000	\$250,000	\$250,000	\$250,000	\$250,000

#### Background/Context

3. In 2019-20 Council collaborated with Land Information New Zealand (LINZ) to undertake a multibeam survey of the seabed of a large proportion of Pelorus Sound/Te Hoiere; Admiralty Bay and Te Aumiti/French Pass (see below).
4. Council contributed \$3 million to the Pelorus Sound/Te Hoiere multibeam survey alongside a contribution of \$2 million by LINZ.
5. The Pelorus Sound/Te Hoiere multibeam survey followed similar methods to the ground-breaking Queen Charlotte Sound/Tōtaranui multibeam survey which continues to increase Council's understanding of the coastal marine area, attract coastal research to the region and enhance the effectiveness of our management practices within this space.
6. LINZ processed the bathymetric data collected during the Pelorus Sound/Te Hoiere survey and produced precise electronic and paper navigation charts for the region. This data is also available online via the Council's smartmaps service and contributes greatly to navigation safety in the area.
7. However, the marine science component of the Pelorus Sound/Te Hoiere survey data has yet to be processed.
8. Unlike the aforementioned Queen Charlotte Sound/Tōtaranui survey, both sufficient spatial coverage of the survey area and procurement of the processed data in the form of useful scientific deliverables could not be achieved within the available budget. This limitation was simply due to the more complex and remote nature of the Pelorus Sound/Te Hoiere survey area.

9. Council therefore opted to take the sensible and pragmatic approach to maximise the spatial extent of the survey area. This decision capitalised on the collaboration with LINZ to achieve near full coverage of the survey area and avoided the significant vessel mobilisation costs that would have been incurred by multiple small scale surveys.
10. The downside of the decision to maximise the survey area was that no budget remained to process the backscatter or water column data. These two data types contain the fundamental environmental knowledge layers that underpin cohesive management of the marine environment.
11. If this data is not processed the anticipated benefits of the 2019-20 Pelorus Sound/Te Hoiere multi-beam survey will not be realised. Specifically, there is a risk that \$3 million dollars' worth of survey data with the potential to enable an informed, effective and data led approach to marine management will remain unprocessed.
12. This risk can be effectively mitigated by ensuring a clear plan is in place to process the data. The plan proposed in this paper will ensure the survey data is processed to a rigours standard and in a manner that enables Council, the community and industry to pursue answers to the important questions that will progress our collective efforts toward effective coastal marine management.
13. Map of the 2019-20 Pelorus Sound/Te Hoiere multi-beam survey area.



### Assessment

14. All existing levels of service of the Coastal Science and policy functions as relate to the Pelorus Sound/Te Hoiere will be enhanced by the acquisition of processed multi-beam survey data.

15. The processing of this data will enable council to meet the anticipated environmental results (8.AER.1;2;3&5) laid out in the PMEP around indigenous biodiversity and also use of the coastal environment (13.AER.1;9;16).
16. The key objectives for the Coastal Science activity that will be improved are:
  - a. The monitoring, and investigation of the Coastal Marine Area to enable reporting on the state and trend of Marlborough's natural and physical resources.
  - b. The implementation of non-regulatory resource management programmes to help maintain or improve the condition of Marlborough's natural and physical resources.
  - c. The provision of high quality digital resources and information for customers and the community.
  - d. The development of a targeted work programme to ensure the effective implementation of the Marlborough Environment Plan (MEP).
17. The benefit of processing this data will also extend to multiple other projects and initiatives seeking to improve management practices within the coastal space. For example, phase 2 of the Te Hoiere restoration project has identified that the processing of this data is required to ensure effective monitoring of the impacts of catchment restoration efforts.
18. Furthermore, as is evident with the Charlotte Sound/Tōtaranui survey data, provision of a processed data set will provide unlimited scope for external institutes and agencies to pursue research initiatives that build our understanding and knowledge of the Pelorus Sound/Te Hoiere marine environment. The long term collective benefit of these endeavours is immeasurable.

## Analysis

19. Initial enquiries as to the cost of processing the Pelorus Sound/Te Hoiere multibeam data to produce scientific deliverables using similar methods to the Queen Charlotte Sound/Tōtaranui survey would cost Council an additional \$3 million.
20. Subsequent work by Council's Coastal Scientist has determined that a staged approach to data processing could potentially reduce this figure to \$1.2 million and yield better value for money and enhanced scientific outcomes.
21. A staged approach would enable the total processing cost of \$1.2 million dollars to be spread over the next six (6) years and aim to share the costs of data processing with other agencies through strategic partnerships, alliances and collaborative efforts. Initial indications from potential collaborators and partners have been extremely positive.
22. The proposed staged approach differs from that used to process the Charlotte Sound/Tōtaranui survey in which the data was processed to answer a specific set of queries posed by Council. This provided Council with processed data and a singular 'one off' report. Further questions require further investment.
23. In contrast, this proposal seeks to establish long term arrangements with institutions and organisations such that a range of questions is are being continually posed and answered to support coastal marine management. Council will encourage and facilitate investigation into our specific areas of scientific concern or interest and leverage of the expertise off the expertise of a network of scientists, students and institutions.
24. The proposed staged approach is considered low risk assuming sufficient time is available to establish a programme that will ensure the value, quality and outputs of the processed data are able to meet Council's needs. Based on current estimates this is expected to take 1-2 years.
25. A stage approach to processing the Pelorus Sound/Te Hoiere multi-beam data can be achieved with funding of \$75,000 for 2021-22, \$125,000 for 2022-23 and \$250,000 per year for four (4) years thereafter (review table in the recommendation above).

**Option One (Recommended Option)**

- 26. Provide provision in the LTP for funding of \$1.2 million to process the Pelorus Sound/Te Hoiere multi-beam data for science purposes over a 6 year period.

*Advantages*

- 27. Cost savings of up to \$1.8 million from original estimates as provided by external suppliers
- 28. Creates an opportunity to develop strategic partnerships, alliances and collaborative efforts toward maximising the use and benefit of multibeam data including what was collected for the Queen Charlotte Sound/Tōtaranui survey.
- 29. Enables a significant component of the multibeam funding to be deferred until 2023.

*Disadvantages*

- 30. Creates a demand on the Council’s Coastal Scientist to fully explore and develop all opportunities that exist with potential partner agencies.
- 31. Requires a longer timeframe in terms of the receipt of specific scientific deliverables than would exist under a ‘one off’ data processing model.

**Option Two – (High Risk)**

- 32. Defer processing of the Pelorus Sound/Te Hoiere multi-beam data.

*Advantages*

- 33. Reduces immediate financial burden on Council to process multibeam data.

*Disadvantages*

- 34. Creates a risk that the survey data will not be processed and the benefit of the original \$3 million dollars will not be realised.
- 35. Restricts Council’s ability to meet its obligations toward effective management of the Coastal Marine Area.
- 36. Prevents formation of an efficient, strategic and data led approach to effective management of the Pelorus Sound/Te Hoiere Coastal Marine Area.
- 37. May result in a piecemeal, fragmented approach to data processing that is likely to incur higher cost and be less effective in the medium to long term.

**Next steps**

- 38. Council’s Coastal Scientist will continue to work with institutions and agencies to formalise a collaborative approach toward efficient and rigorous processing of multibeam data.
- 39. An RFIP process will be undertaken so as to ensure Council is fully informed as to the capability of all parties interested in processing and analysing the Pelorus Sound/Te Hoiere multibeam data.
- 40. Regular updates on progress will be provided to Council’s Environment Committee.

Author	Oliver Wade – Coastal Scientist
Authoriser	Capt. Luke Grogan Harbourmaster

## **4.25. Levels of Service Increases**

### **National Policy Statement for Freshwater Management 2020 (also refer to Attachment 4.25.1 and Attachment 4.25.2)**

(Report prepared by Pere Hawes & Alan Johnson)

L225-09-04-01 & E360-002-002-02

#### **Purpose of report**

1. To provide a preliminary report on the implications of the National Policy Statement for Freshwater Management 2020 (NPSFM) and to seek budget approval to enable the monitoring and reporting required under the NPSFM.

#### **Executive Summary**

2. The Essential Freshwater package, introduced by central government in 2020, creates additional requirements for the Council in respect of freshwater management and protecting ecosystem health. This includes substantial changes to the NPSFM that the Council is required to give effect through the PMEP.
3. It is anticipated that the existing budgets of the Environmental Policy and Environmental Science and Monitoring will not be sufficient to give effect to the NPSFM. However, in order to allow the Council to make informed decisions with respect to resourcing, external advice on the implications of the NPSFM, and the remainder of the package, is currently being sought.
4. In the meantime, the additional costs of monitoring new attributes under the National Objectives Framework and the requirement to also monitor ecosystem health have been evaluated.
5. The assessment has determined that the existing resources to monitor flow and level sites are adequate for meeting the statutory requirements.
6. However there is a need to scale up the monitoring network with the addition of 21 river sites for measuring fresh water quality and ecosystem health, bringing the total number of sites monitored to 55. In addition incorporate in the monitoring the establishment of dissolved oxygen meters at 19 of these sites, measuring Periphyton / Deposited fine sediment at 18 of sites and increase macroinvertebrate sampling at 15 of sites.
7. There is a new requirement for measuring the health of our lakes at 5 new sites, introducing fish, wetland and habitat monitoring regimes.
8. In addition cultural indicator monitoring (development of methods, value setting) including monitoring of threatened species and mahinga kai for health of indigenous flora and fauna is required.
9. Reporting functions including annual assessments for each of the attributes and five year synthesised reporting will require development, coordination and standardisation of reporting freshwater monitoring outcomes across Council.
10. The impacts on funding have been assessed and where practical it is envisaged the budget implications are introduced over a transitional period to enable capacity building to occur in a sustainable way commencing 2021-22.

---

#### **RECOMMENDATIONS**

1. That the information be received.
  2. That Council make provision for additional funding in the 2021-31 LTP to implement the statutory requirements under the NPSFW for monitoring and reporting services;
  3. That Council approve funding of \$197,375 for 2021-22 year for fresh water quality and ecosystem health monitoring and reporting, increasing to \$387,700 for 2022-23, incrementally rising to \$487,700 for subsequent years to 2030-31.
  4. That Council make provision for capital funding for establishing instruments to measure dissolved oxygen, lake monitoring and the provision of a vehicle of \$95,000 for 2021-22 and \$58,700 for 2022-23.
-

## Background/Context

11. In August 2020, central government released the Essential Freshwater package. The Essential Freshwater package aims to:
  - Stop further degradation of freshwater;
  - Start making immediate improvements so water quality improves within five years;
  - Reverse past damage to bring waterways and ecosystems to a healthy state within a generation.
12. The package includes a number of new pieces of law including:
  - The National Policy Statement for Freshwater Management 2020 (NPSFM), which replaces the National Policy Statement for Freshwater Management 2017;
  - New National Environmental Standards for Freshwater;
  - New stock exclusion regulations;
  - Amendments to the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010.
13. There were also two sets of amendments to the RMA, as follows:
  - Amendments to the RMA to provide for a faster freshwater planning process;
  - Amendments to the RMA to enable mandatory and enforceable freshwater farm plans, and the creation of regulations for reporting nitrogen fertiliser sales.
14. This a significant package of national direction and the Council, like the remainder of the local government sector, is working through the implications of the package.
15. This paper focusses on the implications of the NPSFM only.

## NPSFM

16. The Ministry for the Environment identifies the following as some of the key components and requirements of the NPSFM that the Council will have to act on:
  - a) Manage freshwater in a way that 'gives effect' to Te Mana o te Wai (see more details below):
    - i) through involving tangata whenua;
    - ii) working with tangata whenua and communities to set out long-term visions in the regional policy statement;
    - iii) prioritising the health and wellbeing of water bodies, then the essential needs of people, followed by other uses.
  - b) Improve degraded water bodies, and maintain or improve all others using bottom lines defined in the NPSFM.
  - c) An expanded national objectives framework:
    - i) two additional values - threatened species and mahinga kai - join ecosystem health and human health for recreation, as compulsory values;
    - ii) councils must develop plan objectives that describe the environmental outcome sought for all values (including an objective for each of the five individual components of ecosystem health);
    - iii) new attributes, aimed specifically at providing for ecosystem health, include fish index of biotic integrity (IBI), sediment, macroinvertebrates (MCI and ASPM), dissolved oxygen, ecosystem metabolism and submerged plants in lakes; councils will have to develop action plans and/or set limits on resource use to achieve these attributes;
    - iv) tougher national bottom lines for the ammonia and nitrate toxicity attributes to protect 95% of species from toxic effects (up from 80%).



- d) Avoid any further loss or degradation of wetlands and streams, map existing wetlands and encourage their restoration.
  - e) Identify and work towards target outcomes for fish abundance, diversity and passage and address in-stream barriers to fish passage over time.
  - f) Set an aquatic life objective for fish and address in-stream barriers to fish passage over time.
  - g) Monitor and report annually on freshwater (including the data used); publish a synthesis report every five years containing a single ecosystem health score and respond to any deterioration.
17. The NPSFM **requires** new or updated regional policy statements and regional plans that set out how councils will implement the above. The timeframe requires the Council to notify a variation to the PMEP by 31 December 2024. The timeframe for action to achieve attribute target states is a long-term process set by councils in consultation with their communities.

### **Te Mana o Te Wai and Te Tau Ihu Initiative**

18. Te Mana o te Wai is the fundamental concept that underpins the NPSFM. It is described by the Ministry for the Environment as follows:
- “Te Mana o te Wai refers to the vital importance of water. When managing freshwater, it ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water. It expresses the special connection all New Zealanders have with freshwater. By protecting the health and well-being of our freshwater we protect the health and well-being of our people and environments. Through engagement and discussion, regional councils, communities and tangata whenua will determine how Te Mana o te Wai is applied locally in freshwater management.”*
19. Under the NPSFM councils must:
- Give effect to Te Mana o te Wai;
  - Set a long-term vision (ie, multi-generational) for water informed by the aspirations of tangata whenua and communities;
  - Actively involve tangata whenua in freshwater management (eg, preparation of policy statements and plans);
  - Investigate options for tangata whenua involvement in other RMA processes in relation to freshwater.
20. The NPSFM includes a new compulsory value for mahinga kai. This requires regional councils to work with and enable tangata whenua to identify measures of freshwater health in their local contexts.
21. Council is currently participating in hui with Tasman District Council and Nelson City Council and Te Tau Ihu iwi to discuss what giving effect to Te Mana o Te Wai means in a local context. Those discussions have only recently commenced and the outcome will be reported to the Planning, Finance and Community Committee at a future date.

### **External Review**

22. The PMEP was notified in 2016 and gave effect to the NPSFM 2014. There were amendments made to the NPSFM 2014 in 2017. The Hearings Panel took the opportunity provided by submissions to update the notified provisions where considered necessary.
23. Given the significance of change represented by the NPSFM, the Council has sought external advice on giving effect to the requirements of the NPSFM and implementing the remainder of the Essential Freshwater Package. Happen Consulting is contracted to provide this advice and the advice is due at the end of February 2021. Happen Consulting is in a good position to provide informed advice as they are also involved in assisting the wider regional council and unitary authority sector on NPSFM implications. The advice to Council will be reported to the Planning, Finance and Community Committee in due course.

24. A component of the brief is to identify gaps in the current provisions of the PMP that require action to give effect to the NPSFM. It is inevitable that changes and additions to the current plan content will be required and a variation will have to be prepared (by virtue of new requirements).
25. The advice sought also includes resourcing implications of the additional and new requirements. It is not anticipated that the existing budgets for Environmental Policy and Environmental Science and Monitoring will be sufficient to give effect to the NPSFM. Further detail on monitoring and reporting requirements is provided below.
26. It is possible that the resourcing implications of the NPSFM will not be fully understood in time to inform the LTP process. In these circumstances, resourcing implications may be identified through the submission process or subsequent annual plan processes.

## Monitoring and Reporting

27. Staff concluded an interim review of the level of service in order to meet the monitoring and reporting expectations of the NPSFW.
28. Monitoring serves two distinct related purposes for giving effect to the NPSFW;
  - a) to determine baselines and develop information required for setting target attribute states, limits and action plan development.
  - b) ensuring water bodies and freshwater ecosystems are monitored over time and allow action to be taken to halt and reverse freshwater degradation.
29. Reporting is set at two levels, annual reporting for each component of ecosystem health, and all water monitoring data (quality and quantity). Five yearly reporting is required to provide for an assessment of NPSFM implementation and to publish ecosystem health scorecards, assess over allocation and track cumulative effects over time.
30. In terms of background Council existing level of service provides for the monitoring of our rivers flow and levels in our freshwater systems 17 river and 16 groundwater sites that are representative of our freshwater management units.
31. In regard to freshwater quality we currently monitor 35 sites monthly measuring a range of chemical, physical and biological parameters. In addition we monitor 7 sites weekly under the recreational bathing water programme during the summer months and 50 sites are annually monitored for macroinvertebrates.
32. The NPSFW additionally requires monitoring of new attributes; specific monitoring of wetlands, rivers and primary contact sites. There are also two further compulsory values (Threatened species and mahinga kai) where attributes must also be identified. In addition monitoring methods must include measures of Mātauranga Maori and the health of indigenous flora and fauna. A summary of the attributes are **attached** (see **Attachment 4.25.1**).
33. Assessment of the adequacy of flow and level monitoring sites has determined that existing resource is adequate for meeting the statutory requirements.
34. The assessment of the freshwater quality monitoring network including monitoring of ecosystem health attributes and reporting will require an increase in level of service. The additional requirement would be to;
  - a) Establish 21 new river monitoring sites to ensure representative sampling across the region bringing the total number of monitored sites to 55.
  - b) Installation of dissolved oxygen meters at 19 of these sites.
  - c) Monitoring of Periphyton and deposited fine sediment at 18 of these sites.
  - d) Increase macroinvertebrate annual sampling by 15 sites.
  - e) Lake monitoring at 5 sites.
  - f) Fish index of biotic integrity (establish methods and monitoring).

- g) Wetland, habitat and ecosystem health monitoring.
  - h) Cultural indicator monitoring (development of methods, value setting) including monitoring of threatened species and mahinga kai for health of indigenous flora and fauna.
  - i) Reporting, the development, coordination and standardisation of reporting freshwater monitoring outcomes across Council.
35. The majority of the requirements will have an impact on rates over the duration of the LTP. The impact have been analysed and additional cost saving have been made where appropriate by minimising the number of sites monitored for particular parameters (e.g. Dissolved oxygen and fine sediment). This includes minimising the rating impacts by enabling capacity building to occur in a sustainable way to deliver timeframes over a transitioned period.
36. The additional level of service and budget provision is detailed in the **attached** (see **Attachment 4.25.2**).

### Option One

37. Commence monitoring additional attributes and ecosystem health as soon as possible in order to enable data and information to be available by the December 2024 deadline to help give effect to the national freshwater framework

#### *Advantages*

38. The monitoring will create data to inform planning processes required to give effect to the NPSFM.
39. The Council is able to commence reporting on ecosystem health and water quality in response to central government requests.

#### *Disadvantages*

40. As detailed above, additional resourcing is required for the Environmental Science and Monitoring budget to commence monitoring ecosystem health and the new attributes.

### Option Two

41. Delay monitoring additional attributes and ecosystem health.

#### *Advantages*

42. Additional budget is not required in the short term but budget provision will eventually be required.

#### *Disadvantages*

43. Changes to the PMEP necessary to give effect to the NPSFM are required to be notified by December 2024. The absence of ecosystem health and attribute data may adversely affect the ability to effectively undertake the planning required.
44. The Council would be unable to respond to any request (most likely from central government) for ecosystem health and water quality data in the interim.

### Attachments

Attachment 4.25.1 – NPSFW Attributes

Page 121

Attachment 4.25.2 –NPSFW Monitoring and Reporting budget provision

Page 122

Author	Pere Hawes, Manager Environmental Policy and Alan Johnson, Manager of Environmental Science and Monitoring
Authoriser	Hans Versteegh, Manager of Environmental Policy, Science and Monitoring

**NPSFW 2020 Attributes (fresh water quality and ecosystem health)**

<b>Water Quality and Physical habitat</b>	<b>Aquatic life and Ecosystems Processes</b>	<b>Human contact</b>	<b>Other</b>
Ammonia (toxicity) in rivers and *lakes	Macroinvertebrates-MCI (wadeable rivers)	E. coli in *lakes and rivers (primary contact sites)	*Threatened species
Nitrate (Toxicity) in rivers and *lakes	*Macroinvertebrates-ASPM (wadeable rivers)		*Mahinga kai
Dissolved reactive phosphorus ( rivers)	*Fish (Rivers)		*Wetlands (habitat and extent)
*Suspended fine sediment (wadeable rivers)	*Submerged plants (natives) in lakes		
*Dissolved oxygen in rivers (contious)	*Submerged plants (invasive) in lakes		
*Lake-bottom dissolved oxygen	*Ecosystem metabolism (rivers)		
*Mid-hypolimnetic dissolved oxygen (seasonally stratifying lakes)			

\* New attributes to be measured

## NPSFW 2020 Monitoring and Reporting

## NPS Freshwater Monitoring and Reporting

Activity	Description	Capex 2021/22	Capex 2022/23	Opex										
				2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
Monitoring (implementation of NPS- FM attributes)	FTE			\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	
	Overhead /vehicle	\$ 45,000.00		\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	
<i>NPS-FM monitoring is done at representative sites for six FMUs; with an extended regionally representative monitoring network</i>	Monthly Chemical/Physical monitoring and data collection			\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	
	Periphyton/Deposited Fine Sediment			\$ 3,500.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	
	Macro- invertebrates			\$ 1,875.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	
	Dissolved Oxygen	\$ 50,000.00	\$ 55,000.00											
	Lake Monitoring		\$ 3,700.00		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
	Fish Monitoring (estabilsh methods and implementation)					\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	
	Wetlands, Habitat and Ecosystem Health; Development of monitoring plans and implementation (1Fte)					\$ 50,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Reporting (Annual & five yearly reporting)	Statutory requirement, Development, Coordination and standardisation of reporting fresh water monitoring outcomes (1Fte)				\$ 50,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	
Matauranga Maori	Cultural indicator monitoring/developme nt of methods, value setting (including threatened species & Mahinga kai) for health of indigenous flora and fauna.			\$ 75,000.00	\$100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	
<b>Total</b>		<b>\$ 95,000.00</b>	<b>\$ 58,700.00</b>	<b>\$197,375.00</b>	<b>\$387,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	<b>\$ 487,700.00</b>	

## 4.26. Levels of Service Increases

### Redwood Street/Town Branch Drain Stormwater Upgrade

---

(Report prepared by Geoff Dick)

R760-02-005

#### Purpose of report

1. To confirm the additional funding required to construct the planned Town Branch Drain/Snowdens Basin/Ōpaoa River outfall to enable the Town Branch stormwater management area outfall capacity to be brought up to current design standards.

#### Executive Summary

2. Stormwater infrastructure within Blenheim is essential infrastructure to meet current and future development needs. It has been agreed to manage Blenheim's stormwater, including outfall discharge consents, in 11 stormwater management areas.
3. To date Assets & Services staff have focussed work on three priority stormwater management areas to meet a combination of growth, asset renewal/capacity, and environmental objectives including water quality and stream health. These areas are Caseys Creek or Blenheim North, Springlands including Murphys Creek, Fultons Creek and Camerons Creek catchments (now underway), and the Redwood Street/Town Branch stormwater area.
4. The Caseys Creek stormwater upgrades downstream of the new Rose Manor subdivision are complete enabling this subdivision and those to the west within the Blenheim North rezone area to proceed once other services are installed.
5. A stormwater management area plan for the Fultons and Murphys Creek catchments has been completed and discharge resource consent granted. Key outcomes include the requirement for full retention of stormwater for new development along the western boundary of Blenheim, new Boyce Street diversion pipe and an enhanced stormwater outfall water quality monitoring programme.
6. For the Redwood Street/Town Branch catchment the key issue is the significant capacity limitations of the existing Redwood Street outfall main and pump station, poor structural condition of parts of the pipe, need to provide for both zoned greenfield and ongoing infill development and options for some water treatment before discharge to the Taylor/Lower Ōpaoa River.
7. The preferred option for the Redwood Street/Town Branch catchment is to divert more of the upper Redwood Street catchment east into the Town Branch drain at Muller Road and Stephenson Street, upgrade the Town Branch drain including the Snowdens Basin link, new pump station and outfall to the Lower Ōpaoa River. The preliminary design of this upgrade is completed and it is now recommended that Council include the additional funding in the 2021-31 LTP budget to enable the outfall upgrades to be constructed within the term of the plan.
8. An update presentation on the planned Town Branch Drain/Snowdens Basin outfall upgrades was provided to Councillors at the Assets & Services meeting on 28 January 2021. A copy of the presentation is available on request.

---

#### RECOMMENDATION

1. That Council agrees that additional funding of \$10.4M is included in the Draft 2021-31 LTP to enable the Town Branch Drain/Snowdens Basin outfall upgrade to be completed within the term of the plan.
  2. That the funding for completing construction of the project is based on Option 2 being applied (over seven (7) financial years), meaning additional funding over existing budgets is scheduled in the Draft LTP in 2027-28 and 2028-29 (years 6 and 7).
-

## Background/Context

9. Preliminary design of the proposed new town Branch/Snowdens Basin new outfall to the Ōpaoa River is complete including input and feedback from affected landowners. The design, based on the adopted upgrade option (Option 9), provides for significant channel capacity upgrades east of the Ham subdivision (Easthaven Place), new upgraded outfall link from the existing Camborne Green stormwater channel, new diversion structure/pipes under the railway line at the existing Abbatoir pump station, construction of the new Snowdens stormwater retention basin, new 2.1 cumec capacity pump station and associated rising main/gravity outfall to the Ōpaoa River.
10. The new upgraded outfall includes a public access/cycling track to Riverlands, and significant landscape and ecology plantings along the main Town Branch east-west channel and within the Snowdens Basin stormwater buffer pond.
11. Once completed the outfall upgrade will enable permanent stormwater diversions from the current Redwood Street stormwater main at Muller Road and Stephenson Street and bring the whole Redwood Street/Town Branch catchment up to the current design stormwater capacity standards. Note the new Muller Road/Redwood Street link pipe is complete with a temporary diversion gate installed to keep stormwater flowing north until the downstream upgrade work is complete. In an emergency the gate can be opened to provide additional stormwater outfall to the Town Branch drain.
12. Before construction of the main Town Branch and Snowdens Basin/River outfall works can be constructed, four key steps need to be completed:
  - Granting of necessary resource consents including Notice of Requirement for the land required to complete the upgrade. Council approval of the draft Stormwater Management Area Plan for this part of Blenheim will be sought before the necessary applications are lodged.
  - Acquisition of additional land for the wider Town Branch drain channel and at the new Snowdens Basin outfall. The main Snowdens Basin pond land (2.3ha) has already been acquired.
  - Additional funding to complete the construction primarily Snowdens Pond and associated inlet piping, pump station and new river outfall.
  - Agreed programme for completing the upgrade works.
13. The option of replacing the existing stormwater main in Redwood Street with a new larger pipe plus a new higher capacity pump station at the current Taylor River outfall was discarded due to estimated higher total costs, technical challenges under SH1 and rail crossings and disruption to residents.

## Assessment/Analysis

14. The estimated cost to complete the Town Branch upgrade/Snowdens Basin/new Ōpaoa River outfall works including land compensation is \$17.4M.
15. Currently, the Rivers Section budget set aside for this project is \$7M assuming a \$200,000 contribution from existing land purchase funding to this project. This budget is Wairau River rate funded.
16. Additional budget required in the 2021-31 LTP is therefore \$10.4M proposed to be funded from a combination of Wairau River rates, Development Contributions, Blenheim Stormwater rates.
17. In addition the funding needs to meet a sensible project construction plan that can be broken down into two phases:
  - Land acquisition including Town Branch upgrades to Abbatoir pump station – allow three years, estimate cost \$7.3M;
  - Snowdens Basin including diversion under railway line, new pump station and river outfall – allow two years, estimated cost \$10.1M. Suggested share of the project costs is:

- Wairau River rates – \$7.3M;
- Development contributions - \$2.1M;
- Blenheim stormwater - \$8M;

so in effect the first three years to complete upgrade of the existing Town Branch Drain system, including land acquisition, is funded from existing budgets obtained from Wairau River rates. The additional costs of Snowdens Basin including new inlet and outfall links to be funded from Blenheim stormwater and the Development Contribution fund.

**Option One – spread construction over 5 years**

18. Complete construction over next five years with the additional funding coming in years 4 and 5 (2025-26, 2026-27) of the proposed new LTP.

*Advantages*

19. Completes the project within the shortest reasonable time frame with significantly reduced stormwater flooding risks/increased level of service coming as early as can reasonably be achieved.

*Disadvantages*

20. Large additional capital spend in years 4 and 5 of the new plan which it may be preferable to include in later years of the plan to smooth.

**Option Two – spread construction over 7 years**

21. Under this option the Town Branch upgrades plus property acquisition is planned to be completed over the first three years of the plan as per Option 1. However the Snowdens Basin construction including inlet link, new outfall and pump station would be constructed in years 6 and 7 (2027-28, 2028-29) of the new LTP plan.

*Advantages*

22. Spreads the capital spend over a longer time frame to help smooth overall Council capital expenditure. It also recognises that there could be delays in acquiring the necessary land by agreement.

*Disadvantages*

23. Delays by two years the additional stormwater outfall capacity with a consequential marginal increase in stormwater flooding risk to parts of the catchment including ponding to land within existing and new residential areas adjacent to the Town Branch drain.

Author	Geoff Dick, Rivers & Drainage Engineering Manager
Authoriser	Richard Coningham, Assets & Services Manager



## **Summary of decision-making considerations**

### **Fit with purpose of local government**

The proposal enables Council to make provision for upgrades to Blenheim stormwater infrastructure that enables ongoing development and health and well being of the community.

### **Fit with Council policies and strategies**

<b>X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	✓	<input type="checkbox"/>	<input type="checkbox"/>

### **Nature of the decision to be made**

The options do not involve a significant decision in relation to land or a body of water.

### **Financial considerations**

The project has been partly budgeted for in Rivers Section budgets However significant additional funding is required to enable the project to be completed and this report recommends appropriate provision is made in the 2021 -2031 LTP for this.

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

Engagement has occurred with affected landowners, adjacent residents and initial contact made with iwi and similar statutory authorities, Issues and concerns raised to date are considered resolvable with continued discussion and that the Town Branch upgrade should proceed to formal application under the RMA.

A communications plan has been developed but will need regular updating as the project proceeds.

### **Risks: Legal / Health & Safety etc**

The recommended option carries the risk of not being able to obtain the necessary land by agreement or that the necessary resource consents will be granted as applied for. These risks will be managed through ongoing communication and engagement with affected landowners and stakeholders and ensuring best practice mitigate measures are employed through construction and future management of the waterway.

Safety considerations have been and will remain part of the design of the upgrades including land stability, public access and where necessary safety fencing and barriers.

### **Climate Change Implications**

In assessing the preferred option, staff have considered the effects of climate change in the design of catchment inflows to ensure adequate outfall capacity is provided into the foreseeable future.

## **4.27. Levels of Service Increases**

### **Reassign Previously Approved Pouārahi Funding**

---

(Report prepared by Brian Paton)

E200-001-003-03

#### **Purpose of report**

1. To gain approval to develop Marae resilience plans in partnership with Marlborough District Council which will deliver mutual benefits to Iwi and the wider community from funding previously approved for a Pouārahi role.

#### **Executive Summary**

2. At the 27 February 2020 meeting Council approved the annual and ongoing funding of \$30,000 per annum, being a third share, to establish a full time Pouārahi role in Te Taihū subject to Nelson and Tasman Councils funding their equitable share.
3. Nelson and Tasman Councils have funded a Kaihautū role as their Iwi liaison point of contact as opposed to the Pouārahi role.
4. Therefore it has not proved possible to employ a full time person nor has it proved possible to engage a suitably qualified person on a permanent part time basis for the Pouārahi role for Marlborough only.
5. Since the Kaikoura earthquakes Marlborough Emergency Management has forged enduring and valuable relationships with Te Taihū Iwi who have provided significant benefits to the Marlborough community in responding to emergencies over previous years and particularly during the COVID-19 lockdown.
6. To continue the momentum there are opportunities for each Marae in Marlborough to use the previously approved Pouārahi funding to pay for direct costs associated with developing Marae Emergency Preparedness Plans by the end of the 2020-21 financial year.
7. The development of preparedness plans was one of the expected outcomes from employing a full time Pouārahi across Te Taihū which would have focussed on increasing the resilience of Iwi, Whānau and Marae to further emergencies.

---

#### **RECOMMENDATION**

1. **That Council allow a one off reassignment of the Pouārahi role allocation to be used to fund the six Marlborough Marae to develop individual Emergency Preparedness Plans in 2021**
2. **That Council confirm the ongoing budget for the Pouārahi role from 2022 onwards be surrendered and reconsidered under any future proposal should funding for a fulltime position across the Te Taihū develop**

---

#### **Background/Context**

8. Since the previous motion to approve the Pouārahi funding in February Marlborough Emergency Management has worked in partnership with Te Taihū Iwi to provide support to hapu and whānau impacted by the COVID-19 pandemic. This has led to the establishment of Te Pataka Incorporated which continues to meet needs on a weekly basis.
9. Marlborough Emergency Management has also provided training opportunities for Iwi members and Maori Wardens to attend Coordinated Incident Management System (CIMS) training and Emergency Operations Centre Introduction training.
10. Marae are often one of the key response hubs in small communities and have regularly stood up to provide support to anyone who has a need during times of emergencies.

11. There are six Marae in Marlborough: Waikawa, Te Hora, Omaka, Hauhunga, Wairau Pa and Tua Matene.
12. Being prepared reduces the risk that service continuity is disrupted and particularly whether Marae can host displaced whānau and community members.
13. To achieve a level of preparedness Marae need to be aware of, and have in place, the following:
  - 13.1. Plans, processes, policies and procedures to determine in advance how Marae will respond in the event of an emergency.
  - 13.2. The necessary skills and capabilities to understand the situation and be able to respond appropriately.
  - 13.3. The necessary infrastructure to ensure health and safety concerns are managed, facilities can handle the increased loads and Marae have the ability to manaaki people during and after an event.
  - 13.4. Contingency plans for the provision of water, communication, medical and energy services on the Marae.
14. It is proposed that Marlborough Emergency Management would:
  - 14.1. Allocate up to \$5,000 per Marae to develop their Emergency Preparedness Plans.
  - 14.2. Provide appropriate training to members of the Marae.
  - 14.3. Provide expertise, advice and support to the Kaimahi.
15. To support this kaupapa Marae would:
  - 15.1. Promote, attend, advocate and where practical host the emergency management training.
  - 15.2. Provide a Kaimahi from each Marae to take responsibility for the facilitation of consultation with trustees, whānau, hapu and iwi.
  - 15.3. Draft and complete the Emergency Preparedness Plans.
16. It is hoped that the plans will be finalised by the end of June 2021.

### **Assessment/Analysis**

17. Progress in enabling Iwi and Marae to be more resilient across Te Taihū has already been hindered by having to respond to the COVID-19 outbreak last year.
18. There is no reason however that some of the original funding agreement outcomes cannot be achieved by engaging with individual Marlborough Marae as outlined.
19. It is possible that if each Marae appoint a Kaimahi, the work of developing the plans will be done as effectively as employing a full time role.
20. Marlborough Emergency Management will continue to advocate for a full time Pouārahi role across Te Taihū.

### **Option One (Recommended Option)**

21. That Council agrees to allow the repurposing of the Pouārahi role 2021 budget of \$30,000 as a one off grant to be used to enable the six Marlborough Marae to develop individual Emergency Preparedness Plans in 2021.

### **Advantages**

22. Retention and enhancement of relationships between Te Taihū Iwi and Marlborough Emergency Management.
23. Increased community resilience.

24. Increased Marae preparedness prior to an emergency.
25. Iwi representatives thoroughly understand emergency management functions and processes during and after an event.
26. Provides a basis for ongoing relationships between Marlborough Emergency Management and Te Taiuhu whānau, hapu and iwi and retains an ability to respond to and manaaki people during an emergency.

*Disadvantages*

27. Marlborough Emergency Management staff will need to provide more direct input into the programme than previously planned due to the Pouārahi role not being filled.

**Option Two – Status Quo**

28. That Council does not agree to allow the repurposing of the Pouārahi role 2021 budget of \$30,000 as a one off grant to be used to enable the six Marlborough Marae to develop individual Emergency Preparedness Plans in 2021.

*Advantages*

29. \$30,000 saving in expenses for Council for the 2021 financial year

*Disadvantages*

30. Possible deterioration in relationships between Marlborough Emergency Management and Te Taiuhu Iwi.
31. Difficulties in enabling Marae to become more resilient and contribute to our communities response and recovery post an emergency.

Author	Brian Paton, Marlborough Emergency Management Group Manager
Authoriser	Richard Coningham, Assets & Services Manager

## Summary of decision-making considerations

### **Fit with purpose of local government**

Section 12 of the Civil Defence Emergency Management Act 2016 states that *a unitary authority must establish a Civil Defence Emergency Management Group for the purposes of this Act.* Marlborough Emergency Management exists and functions under this purpose.

Section 81 of the Local Government Act 2002 states that *a local authority must establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.* The Kaimahi role will provide Marae and Emergency Management the capacity to meet this obligation.

Section 82(2) also states that *a local authority must ensure that it has in place processes for consulting with Māori...* Again the Kaimahi role proposed will facilitate this process between Marlborough EM and Te Taihū Iwi.

### **Fit with Council policies and strategies**

	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Social well-being	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Environment & RMA Plans	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	Yes	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	N/A

This proposal contributes to the current Long Term Plan where it states under Emergency Management that Council will *engage with vulnerable sectors of the community to assist them with their preparedness planning and encourage communities to build their own community resilience by being prepared at home and work supported by EM.*

### **Nature of the decision to be made**

The options do not involve a significant decision in relation to land or a body of water.

### **Financial considerations**

The funding of \$30,000 has been allocated to Emergency Management, is unspent and could be returned to Council's pool funding if the proposal was declined.

### **Significance**

The decision is considered of low significance under Council's Significance and Engagement Policy.

### **Engagement**

Engagement has occurred with Te Puni Kōkiri and Iwi leaders beginning with hui held at Te Hora Marae and in Nelson in early 2019 where the genesis of this programme was discussed. Marlborough Emergency Management has continued to be involved in the development of resilience programmes with Te Puni Kōkiri up until the present.

### **Risks: Legal / Health & Safety etc**

There are no known significant risks or legal implications.

### **Climate Change Implications**

There are no known climate change implications to this decision.

## 4.28. Levels of Service Increases

### Greenwaste Acceptance Facility, Resource Recovery Centre and Weighbridges

---

(Report prepared by Alec McNeil)

C315-13-11-01

#### Purpose of report

1. The purpose of this report is to seek approval to install a weighbridge system at the greenwaste acceptance facility (GAF) and resource recovery centre (RRC).

#### Executive Summary

2. The Government want to improve the collection of waste and diverted material data. To date national waste data collection has been limited to the landfill sites receiving general waste. From 2022 Council will be required to report on waste and diverted material in tonnage from all transfer stations. This paper sets out the options available to satisfy this tonnage-based reporting requirement.

---

#### RECOMMENDATIONS

That Council approve the inclusion of a \$600,000 capital amount in the draft 2021-31 Long Term Plan to cover the works associated with the design, installation and commissioning of a weighbridge system at both the greenwaste acceptance facility and resource recovery centre.

---

#### Background/Context

3. The Waste Minimisation (Information Requirements) Regulations 2021 when implemented will require the reporting of tonnages of waste and diverted materials from transfer stations. Whilst these Regulations have provision for manual calculations of tonnage by volume conversion, a weighbridge measurement is more reliable and accountable. Weighbridge data is also deemed more reliable when supplied in a tender process.
4. Currently only the waste sorting centre in Blenheim and the Bluegums landfill have a weighbridge system installed. The other transfer stations, greenwaste acceptance facility (GAF) and resource recovery centre (RRC) do not have weighbridges.
5. The Regulations have three options for calculating tonnage data namely:
  - a) On-site weighbridge where available;
  - b) Off-site weighbridge where available; and
  - c) Manual calculation of tonnage using Ministry for the Environment (MfE) conversion ratios.
6. Whilst the Regulations are still subject to approval and a final announcement the anticipation is that they will be implemented and that reporting of transfer station waste and diverted material tonnage will be required by 2022.

#### Assessment/Analysis

7. Current waste and diverted material data capture is achieved through contract reporting. The current reporting system will require some refinement to be compliant with the new Regulations. An example of the current reporting format is appended to this report.

#### Option – On-site Weighbridges

8. On-site weighbridges are not practical for the transfer stations at Havelock, Rai Valley, Seddon, Wairau Valley, and Ward due to the site layout and low volume throughput per annum. Picton, whilst a

busier site, would require a significant reorganisation of the traffic flow system to accommodate weighbridges.

9. The greenwaste site would benefit from a standalone on-site weighbridge system due to the number of site users and overall material throughput.

### **Option - Off-site Weighbridges**

10. In terms of off-site weighbridges allowed by the Regulations the outlying transfer stations can utilise the weighbridge at Bluegums to report on waste volumes. Installing a weighbridge system at the resource recovery centre would provide the ability to report on diverted materials from across the region and where appropriate introduce gate fees for commercial recycling currently funded by the ratepayer. For clarity, the weighbridge system at the resource recovery centre would be to measure incoming bulk loads of material from the kerbside, transfer stations and commercial customers. The public would not use any weighbridge at the resource recovery centre.

### **Option – Manual Calculation of Tonnage Using MfE Conversion Ratios**

11. Manual calculation of tonnage using the MfE conversion ratios would require transfer station attendants to categorise waste as follows:
  - 11.1. Waste or material in rubbish bags or carried in cars - ratio of 0.13.
  - 11.2. Uncompacted general waste or material – ratio of 0.2.
  - 11.3. Compacted waste or material – ratio of 0.32.
  - 11.4. High density waste or material – ratio of 1.5.
12. The ratios in 11.1 to 11.4 would then be used to convert the volume recorded manually in cubic metres into tonnages. The manual system of conversion therefore poses a risk through waste classification.

### **Weighbridge Installation**

13. The works associated with the design, installation and commissioning of a weighbridge system at the greenwaste acceptance facility and at the resource recovery centre would require a capital budget of \$600,000 (excluding GST). The expense repayment against finance would be in the region of \$44,000 (excluding GST) per annum based on a 20 year loan period and 4% finance charge. The annual weighbridge operating cost (weighbridge attendants x 3, repair and maintenance) would be in the region of \$150,000 (excluding GST).
14. In terms of weighbridge options the resource recovery centre would have a single weighbridge installation similar to Bluegums. Loads would weigh in and out and be controlled from the existing site offices. The greenwaste acceptance facility has two weighbridge installation options:
  - 14.1. Option1 – install a second out weighbridge and kiosk and combine with the existing waste sorting centre system; or
  - 14.2. Option 2 – install a standalone double weighbridge system and two person kiosk.
15. Weighbridge gate fees would be calculated based on operational and capital expenses associated with the two sites. Cost recovery would then be based on an agreed level. The current cost recovery is set at 75% gate fee funded and 25% general rate funded.

### **Option One (Recommended Option)**

16. Approve the installation of two weighbridge systems, one at the greenwaste acceptance facility and one at the resource recovery centre.

*Advantages*

- 17. Aligns the reporting capability of these sites to future Central Government legislative requirements and provides the public with an independent measurement of their waste at the greenwaste acceptance facility.

*Disadvantages*

- 18. Unplanned capital expenditure that affects the overall rate impact incurred in the draft 2021-31 Long Term Plan.

**Option Two – Status Quo**

- 19. Retain the current greenwaste acceptance facility volume based charging system and develop manual tonnage reporting methodologies to satisfy Central Government legislative requirements.

*Advantages*

- 20. No capital expenditure required.

*Disadvantages*


- 21. Retains a manual charging and reporting system.

**Next steps**

- 22. Approve the inclusion of the weighbridge capital expenditure of \$600,000 into the draft 2021-31 Long Term Plan.
- 23. Tender the weighbridge procurement via an open request for proposal and signal that approval is contingent on the 2021-31 Long Term Plan processes.
- 24. Install the weighbridges during 2021, subject to final approval via the 2021-31 Long Term Plan.

Author	Alec McNeil, Solid Waste Manager
Authoriser	Stephen Rooney, Operations and Maintenance Engineer



<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables <i>democratic local decision-making and action by, and on behalf of the community and relates to consideration of providing a public service, its need, and cost effectiveness.</i>			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan		<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy		<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy		<input type="checkbox"/>	<input type="checkbox"/>
Social well-being		<input type="checkbox"/>	<input type="checkbox"/>
Economic development		<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans		<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture		<input type="checkbox"/>	<input type="checkbox"/>
3 Waters		<input type="checkbox"/>	<input type="checkbox"/>
Land transport		<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves		<input type="checkbox"/>	<input type="checkbox"/>
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
The installation of weighbridges will have a financial impact on the draft 2021-31 Long Term Plan.			
<b>Significance</b>			
The decision is considered of moderate significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
The community will be made aware of any changes as a result of weighbridge installations.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications caused by this request for funding.			
<b>Climate Change Implications</b>			
There are no known climate change implications as a result of this request to install weighbridges.			

## Current Transfer Station Reporting

Sites	Refuse Tonnes	No Of Users	Fees Cash	Fees Charge	Total Fees	Refuse CuM	Glass CuM	Recycling CuM	Wwareetc CuM	Greenwaste In	Greenwaste Out	Tyres	Refuse Bags	Grass	Metal	Cleanfill
Havelock	481.62	3371	45187.7	25438.04	70625.74	1905.922	231	1480	118	0	0	16	5526	0	0	0
Picton	1228.06	12620	96183.45	165920.29	262103.74	6879.877	416	2519	628.5	205.472	256	76	9586	0	0	0
Rai Valley	159.96	608	5890.8	12924.76	18815.56	892.869	54	273	30	0	0	0	407	0	0	0
Seddon	66.2	737	7303.2	469.94	7773.14	201.897	42	468	49.5	0	0	9	1549	0	0	0
Wairau Valley	52.54	565	5172.3	422.1	5594.4	145.304	150	314	30	0	0	6	2927	0	0	0
Ward	47.54	0	0	0	0	550	90	420	0	0	0	0	0	0	0	0
<b>Total</b>	2035.92	17901	159737.45	205175.13	364912.58	10575.869	983	5474	856	205.472	256	107	19995	0	0	0

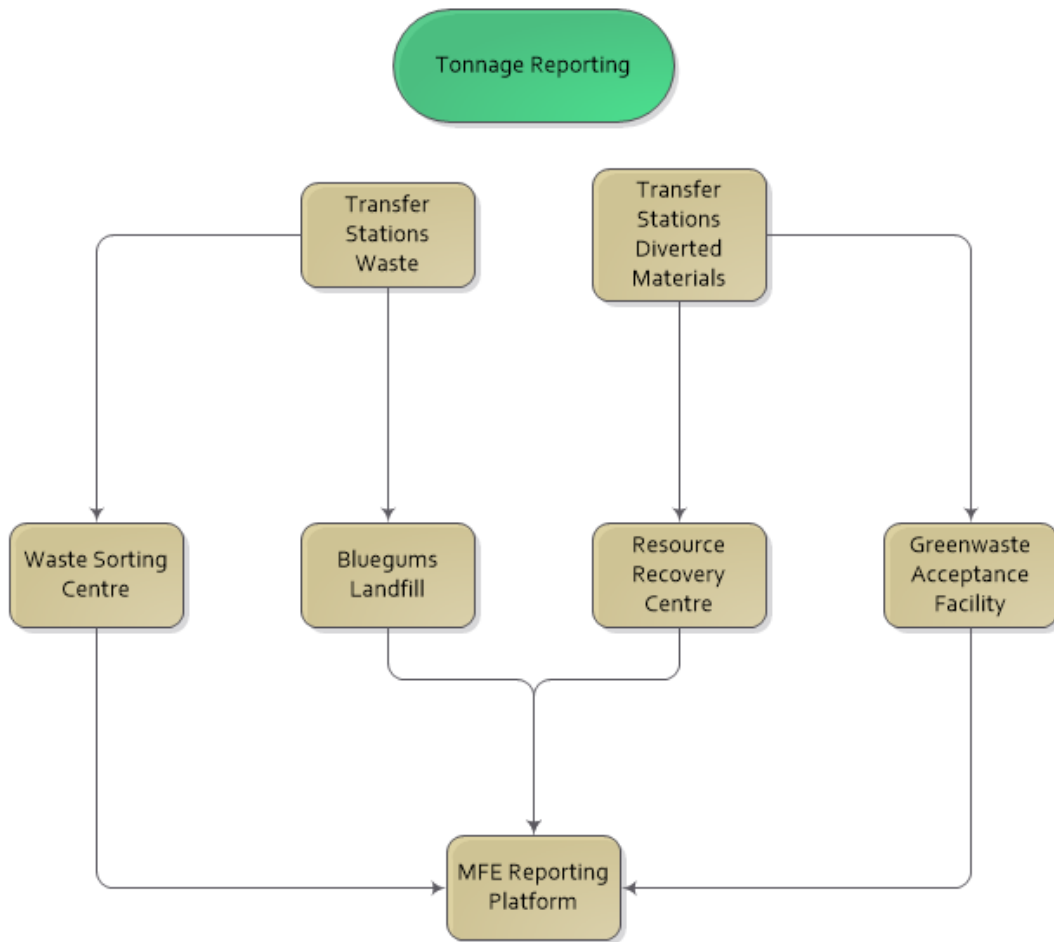
# Weighbridge Options

- 1 Resource Recovery centre single weighbridge similar set up to Bluegums landfill site – single weighbridge weigh in and out for net weight. Connects to existing office set up.
- 2 Greenwaste weighbridge out only – combines with existing waste sorting centre system. Separate weighbridge kiosk.
- 3 Greenwaste weighbridge standalone system – two weighbridges and one weighbridge kiosk. Independent from adjacent waste sorting centre.



# Reporting Flow

---



## 4.29. Levels of Service Increases Videography Production

---

(Report prepared by Glyn Walters)

C500-007-000-01

### Purpose of report

1. To approve annual funding of \$25,000 per annum for video production, to showcase the Council's key assets, projects, work programmes and newsworthy items to residents.

### Executive Summary

2. Marlborough District Council currently uses print and images to explain its activities and decisions to the public. While the Council enjoys a relatively high level of satisfaction with its communications, at 68% of residents (Resident Satisfaction Survey 2020), it rarely shares videos on its website, Facebook or YouTube channel.
3. Print newspapers are residents' preferred channel for receiving Council news and information (Resident Satisfaction Survey 2020). However Facebook and the Council's website are most people's second preference across all age groups.
4. Shareable online videos have become enormously popular in recent years. Better, cheaper smartphone technology, the attraction of visual storytelling and the ease of sharing have contributed to this growth.
5. There is an opportunity for Council to produce shareable videos showcasing key projects and Council assets or explaining news items of interest to residents. Video allows us to be concise and capture the viewer's interest in only a few seconds. While still images drive traffic and clicks online, providing video gets a higher level of engagement and increases followers, giving the user greater insight into who we are and what we do.
6. In addition, videos can be shown at Council events, launches, our reception areas, libraries and at community meetings.
7. Council does not currently have its own inhouse video production expertise. There are freelance videographers in Marlborough who can be contracted to do this work.

---

### RECOMMENDATION

**That Council approve annual funding of \$25,000 per annum for video production, to showcase and share information about the Council's key assets, projects, initiatives and items of interest to residents and ratepayers.**

---

### Background/Context

8. Market research shows people want to see more video content online from the organisations they support. The average internet user spends 88% more time on a website that has video than one that does not. Social media platforms also 'reward' video posts. Recent UK statistics show 50% of 16-to-24 year olds watch YouTube every day and 60% of 65 year olds watch 'how to' videos.
9. Daily YouTube watch time exceeds 1 billion hours globally. Over 2 billion logged-in users visit YouTube each month and more 18-to-34 year olds watch YouTube than any TV network. In a US survey, 40% of marketers ranked video as the content with the best ROI compared to photos (27%), blog posts (12%), text (10%) and infographics (9%) ([Animoto, 2018](#)).
10. Younger Marlborough residents (aged 18-39) were less likely to recall Council communications (60%; Resident Satisfaction Survey 2020). Video can help to reach this demographic.

**Assessment/Analysis**

11. Marlborough District Council is missing an opportunity to explain its work to residents, particularly younger adults, using shareable video.

**Option One (Recommended Option)**

12. For Council to produce shareable videos showcasing key projects and items of interest to residents and ratepayers.
13. *Advantages*
  - Provide video content to Marlburians on one of their preferred channels.
  - Maximise our use of Facebook, our website and YouTube.
  - Harness the power of video to explain our work and showcase the Council’s key assets to viewers, particularly younger adults.
  - Improve the user experience for consumers of Council news and information; increase resident satisfaction with Council communications.
  - Utilise local video producers and work in collaboration with Destination Marlborough and the Council’s Economic Development team, where appropriate.
14. *Disadvantages*
  - There is a cost to video production. These costs vary depending on production values (quality) and the investment of time and other resources by the videographer. A high quality five minute showcase including scripting, historical research, drone footage, travel, music and captioning can cost in the order of \$5k. A short news item shot on a phone costs much less and depends only on the hourly rate of a freelance editor.
  - Having little or no video presence online restricts our ability to engage more residents and ratepayers, particularly younger adults.

**Option Two – Status Quo**

15. For Council not to produce shareable videos showcasing key projects and items of interest to residents and ratepayers.
16. *Advantages*
  - No additional cost.
17. *Disadvantages*
  - Marlborough District Council does not keep up with the expectations of residents, particularly younger adults, and does not maximise its existing online investment in order to reach a wider audience.

**Next steps**

18. A supplier was contracted in July last year to produce videos themed ‘In Your Backyard’, funded through the 2020 - 2021 Annual Plan. These videos feature our major parks, and three are being released this quarter.
19. Committed funding would allow Council to produce further videos each year, for the life of this Long Term Plan, and also allow us to also investigate resourcing shorter, news-oriented videos about projects and initiatives.

Author	Glyn Walters, Communications Manager
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
Online video, like other publicly funded communications, can help to explain the Council's decision-making and the work councillors and staff do on behalf of the community. Some Council communications are mandatory, such as public consultations. Marlburians have told us via a public survey they wish to receive Council news and information via online channels.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	✓	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	✓	<input type="checkbox"/>	<input type="checkbox"/>
This proposal contributes to showcasing Council's work programmes and assets.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
Indicated budget cost only. Some staff hours to oversee the contract and suppliers' work.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
Engagement is being undertaken with local video producers.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## **4.30. Levels of Service Increases**

### **Financing Options: Stadium 2000 Trust**

(Report prepared by Martin Fletcher)

E100-000-12

#### **Purpose of report**

1. To explore the financing options available to assist the Stadium 2000 Trust (Trust) replace major plant.

---

#### **RECOMMENDATION**

**That Council agrees to be a guarantor for a bank loan of up to \$300,000, subject to the Stadium 2000 Trust agreeing to provide first ranked General Security Agreement over its assets.**

---

#### **Background/Context**

2. The current the aquatic air handling units (AHU's) are at the end of their useful life and are requiring significant and considerable ongoing maintenance costs due to regular breakdowns. The AHU's are central to the operation of the aquatic centre and without replacement Trust will struggle to provide a safe and healthy environment in the aquatic area, including changing rooms. The money is needed for replacement of AHU's and control system.
3. The benefits of replacing the AHU's will include efficient temperature control in the aquatic centre, safe air quality, reduced costs in repairs each month (up to \$50,000), extended life of the facility, reduction in electricity and diesel required on an ongoing basis when the current AHU's breakdown. The preferred supplier is a New Zealand Company with Marlborough companies given the opportunity to tender for installation of the new AHUs and removal/disposal of existing AHUs.
4. The Trust maintains an asset management fund for the ongoing maintenance and replacement of plant. Partly as a result of COVID-19 these funds have reduced over the past year. The Trust is mindful of other ongoing maintenance and replacement of assets especially as the facility ages. As a result it is able to commit to some funding, but cannot fund the whole project as it would leave the Trust in a vulnerable position, especially with the uncertainties of the next 12 months and being able to provide for ongoing operation of the facility. The Trust applied for a \$794,640 funding from Lotteries and was granted \$200,000. As a result, the Trust has investigated all options and made the decision to replace four instead of all six units. The total estimated cost of the revised project is \$900,000 including a 10% contingency (previously \$1.2M).
5. In order to finance this project, in addition to the \$200,000 Lotteries grant, the Trust is looking to contribute \$400,000 and borrow a further \$300,000 for a five year period.
6. The indicative interest rate for this loan as advised by Trust's bank is 3.5% on the assumption that the Trust will either provide a General security agreement (GSA) or term deposit as security for the loan. The bank has also indicated that should Council guarantee the loan that the interest rate charged could drop by 1.5 to 2.0%.

#### **Assessment/Analysis**

7. In broad terms, there are three options:
  - i) For Council to lend the funds to the Trust;
  - ii) For the Trust to borrow directly from the bank; and
  - iii) For Council to guarantee a loan from a bank.
8. Each option will be discussed in turn.



**Option One – Council loans the Trust \$300,000**

9. Under this option Council would loan \$300,000 and take first ranked security over the Trust's assets. The interest rate would be 4.5%, (reducing to 4% from 1 July) the same as that charged to all ratepayers. The repayments over a 5 year period would be just over \$67,000 per annum (principal and interest).
10. The advantage of this option to Trust is that financing certainty can be obtained relatively quickly.
11. This is not the preferred option as it is more expensive than the Trust can obtain directly and the loan is recorded on Council's balance sheet.

**Option Two – For the Trust to borrow directly from the bank**

12. Under this this option the Trust would borrow directly from its bank. The indicative interest rate would be 3.5%, with repayments over a 5 year period being just over \$65,000 per annum (principal and interest).
13. The advantage of this option to Trust is that financing certainty can be obtained very quickly and at a slightly lower cost than Option 1.

**Option Three – The Trust borrows the funds from its bank with a Council Guarantee**

14. The advantage of this option is that it achieves the lowest interest rate, expected to be approximately 1.5-2.0%. The repayments over a 5 year period would be between \$62,300 and \$63,100 per annum (principal and interest). This is a reasonable cost saving to MRC allowing it to maximise the economic benefit from the funding it applies for this purpose.
15. This is the preferred Option as it is the least cost option and the debt only appears as a contingency in Council's financial statements. This option was also preferred for the recently approved guarantee to the Marlborough Research Centre (MRC). Again similar to the MRC, Council would look to have a first ranked security over the Trust's assets.

**Cash flow**

16. Despite the impacts of the Kaikoura earthquake and COVID-19, the Trust has generated positive operating cash flows. The Trust's audited financial statements disclose the following operating cash flow surpluses.

	<b>2017/18</b> \$	<b>2018/19</b> \$	<b>2019/20</b> \$
Operating Cash Flows	33,518	429,362	245,907
Contribution to Council for earthquake repairs	400,000		
"Normal" Operating Cash Flows	433,518	429,362	245,907

17. This table demonstrates that historically the Trust has the ability to service its proposed loan in "normal" years.

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

## 4.31. Levels of Service Increases

### Development Contributions Policy (also refer to the separate attachment)

(Report prepared by Martin Fletcher)

F230-L21-03

#### Purpose of report

1. To review Council's Development Contributions Policy.

#### RECOMMENDATION

That Council approve the Development Contributions Policy for consultation at the same time as the Long Term Plan.

#### Development Contributions Review

2. Every three years Council is required to review its Development Contributions Policy and resulting charges. Reviews can be conducted more frequently if Council thinks that this is appropriate (as was the case with regard to stormwater levies reviewed early in 2020).
3. This agenda item provides information in regard to the review conducted and highlights the amendments to the Policy and changes to charges for Council consideration.

#### Review of Income Derived from Development Contributions

4. The table below shows the expected development contribution income per annum compared to the last three years average. This highlights that the contributions collected have been significantly higher than forecast in Blenheim (with the exception of storm water where on site remediation is being done in lieu of development contributions) other areas in Marlborough have not achieved these same levels.

Activity	Forecast \$	Actual Annual Average \$	Variance
Reserves and Community Facilities	2,476,350	1,979,906	-20%
Roads	226,009	202,429	-10%
Sewer Combined	883,346	1,523,210	72%
Stormwater: Blenheim	271,260	46,183	-83%
Stormwater: Renwick	11,700	2,753	-76%
Water: Combined	380,560	724,562	90%
Water: Picton	109,285	39,375	-64%
Water: Seddon	20,664	14,572	-29%
<b>Total</b>	<b>3,782,519</b>	<b>3,215,360</b>	<b>-15%</b>

5. Development Contributions are calculated to recover expenditure on infrastructure which is made to allow for growth over the long term. Development Contributions received in advance of expectations merely highlights the nature of development and the consumption of infrastructure capacity to cater for growth. Higher than expected development is merely a timing issue or highlights the need to provide more infrastructure to enable development.
6. The forecast and actual income comparisons allow for adjustment of the Household Equivalent Units (HEU's) used in modelling and accordingly Blenheim HEU's have been increased. It should be noted that the shortfall in Blenheim stormwater levies is due to a change in policy in relation to zone infrastructure and network infrastructure at the beginning of 2020 and also the recognition made for on-site stormwater systems to remediate impacts.

**Core Information Included within Development Contributions Policy**

- 7. The following key information has been included in the development contributions policy:
  - (a) Growth forecasts – measured in household equivalents have been reviewed and revised upwards to reflect the ongoing increase in demand from development activity being experienced.
  - (b) A schedule of capital expenditure (as per the Long Term Plan) and that apportioned to growth to be recovered by development contributions (refer appendix to agenda item for summary of capital expenditure schedule).
  - (c) Development Contributions applied to the areas and activities defined.
  - (d) Methods of calculation and rules associated with implementation and review of contributions.

**Financial modelling to Determine Development Contributions**

- 8. Financial modelling has been carried out to determine the appropriate charges to be applied to development to fund capital expenditure related to growth. The core assumptions in relation to growth, timing of capital expenditure, apportionment of capital expenditure to growth and the discount rate (interest rate) applied have remained consistent with that applied in the adoption of previous policies.
- 9. The modelled results are determined using consistent methodology as followed in previous Policy reviews. The key assumptions are as follows:
  - i. Capital expenditure and apportionment to growth is derived from the LTP budgets and the apportionment to growth determined by Council’s Asset and Services Plans – Attachment 3 of the Policy document;
  - ii. The discount rate applied to cash flows is Council’s internal interest rate of 4% (at the last review in 2018 the discount rate was 5.5%);
  - iii. Household equivalents growth is derived using available data and trends and applying a straight line method for future growth; Household Equivalent Unit’s (HEU’s) have been amended to take account of the increase in development activity over recent years in Blenheim as follows:

Area	HEU’s 2018	HEU’s 2021
District Wide	150	170
Blenheim	60	125
Reserves	109	135

- iv. Contributions are inflation adjusted using projected PPI index, a long run average of 2.5% is applied in the modelling.

**Review Outcome**

- 10. The outcome of the review indicates that as with previous models the modelled result for development contributions is higher than that currently charged by Council. As Council has been consistent, over previous reviews, with the relative level of development contributions it wishes to charge compared to the total modelled cost a comparison between the modelled result, current charge and proposed charge (showing applied discount) is provided.
- 11. It should be noted that Council operates a combined funding model for water and sewerage. In the 2018 Development Contributions Policy review it was decided that development contributions for water and sewer would be the inflation adjusted status quo or set to the same level as that applied for Blenheim, (the equivalent of the Combined Scheme) whichever is the higher. It is for this reason that the remained separate development contributions for Picton and Seddon water at that time. The current proposal is to combine all water schemes and set one combined development contribution’s levy for water and sewerage.
- 12. The discount between modelled development contributions and adopted development contributions has historically been approximately 50% for water and sewerage. The proposed development contributions for water and sewerage have maintained that level of discount.

### **“Cap” on Reserve Contributions**

13. There has been a “Cap” on Reserve Contributions of \$13,000 (GST exclusive) since 1 July 2009 when the Development Contribution Policy was first adopted. The “Cap” was reached when a Section (HEU) was valued at \$216,000. Since that time the cost of providing Reserves has increased broadly in line with the Producer Price Index (PPI) and the cost of land. The application of the PPI to the previous “Cap” yields approximately \$14,500.
14. Sections prices have increased significantly which has meant that in all cases of development in Blenheim (other than for infill) the cap is applied. It is proposed that the Council consider removing the policy of determining development contributions as 6% of land value provided it is below the maximum amount able to be levied under the Local Government Act 2002. It is suggested that this is replaced with a fixed levy for reserve fund contributions applied on the basis of the respective rating areas as follows:
  - Blenheim and Picton \$14,500 + GST
  - Blenheim and Picton Vicinity \$11,600 + GST
  - General Rural \$8,700 + GST
  - Sounds Admin Rural \$7,250 + GST
15. The adoption of Geographic Rating Areas has been proposed as these areas were largely developed on the basis of potential to benefit. The adoption of these areas also recognises the lower land values existing in these areas. The other benefits of adopting this approach are:
  - (a) the early clarity it provides to a potential developer. Previously the value of Reserve contributions was only known post valuation;
  - (b) it avoids the cost of a valuation; and
  - (c) ease of administration.
16. Further that the fixed amounts be adjusted for PPI in the same manner that infrastructure levies are adjusted annually and review three yearly in line with the Development Contributions Policy review. The Blenheim and Picton value is equivalent to 6% of a land value of \$241,000 (GST exclusive).
17. In addition to the introduction of fixed fee's for reserve fund contributions the Policy has been amended to apply similar discounts for large rural subdivisions in the rural; areas of Marlborough with the amendment reflecting the terminology changes contained in Council's Resource Management Plan.
18. Provision has also been provided to establish rules associated with apportionment of levies associated with special assessments for small homes. The apportionment rules have been modelled from Tasman District Council's policy and are considered good practice.
19. The changes associated with reserve fund contributions are in section 5.1 of the Development Contributions Policy.

### **Amendments Included into Policy**

20. The following amendments have been made to the Development Contributions Policy (since 2018):
  - (a) Introduction of a fixed levy for reserve fund contributions by rating area removing the % to land value and cap previously used in the Policy. The Policy provides for apportionment where appropriate.
  - (b) Inclusion of Burleigh Zone levy (\$500 plus GST) for Battys road / Old Renwick Road roundabout (refer Assets and Service 1 October 2020 agenda). Allowance of \$1.4 million capital expenditure included in the budget funded by \$500,000 roading subsidy, \$513,000 general rates, \$225,000 Upgrade Levy and \$162,000 Burleigh zone road levy). The Policy will need to be have the discrete Burleigh road zone levy map included following Council's budget meeting.
  - (c) Change is terminology to account for the Marlborough Environment Plan (MEP) areas ensuring a continuation of the existing discounts and waivers for reserve fund contributions associated for rural subdivision.

- (d) Stormwater development contributions review undertaken in 2020 which reduced zone levies and increased stormwater upgrade levies to recognise urban wide benefits associated with trunk main upgrades (refer previous separate agenda item).
- (e) Inclusion of Picton and Seddon into combined water development levy.
- (f) Inclusion of small homes apportionment policy to reflect the impact of these types of developments.
- (g) Incorporation of rules associated with Business 1 Zone parking obligations to determine parking contribution obligations and the ability to waive these obligations through the provision of parking. This amendment was required to reflect the removal of parking provisions from the MEP and maintain the status quo. (Refer Development Contributions Policy section 5.5 Parking)

**Summary of Development Contributions**

21. The financial modelling, the current levies and the proposed charges to recover expenditure related to growth is summarised as follows (GST exclusive):

Description	Modelled Levy	Existing Levy as at 1 July 2020	Proposed DC levy	% Change
Reserves	\$16,388	\$13,000 cap	Blenheim & Picton \$14,500 Blenheim Vin. \$11,600 Picton Vin. \$11,600 General Rural \$8,700 Sounds Admin Rural \$7,250	var
Community Facilities	\$3,988	\$3,509	\$3,500	0%
Roads	\$2,308			
Urban		\$974	\$1,500	54%
Urban Infill		\$653	\$750	15%
Rural		\$1,949	\$2,300	18%
Total Combined Sewerage	\$25,021	\$8,746	\$12,500	43%
Blenheim Stormwater	\$6,765	\$4,521	\$6,765	50%
Renwick Stormwater	\$1,317	\$1,300	\$1,300	0%
Combined Water	\$11,064	\$5,360	\$5,500	3%
Picton Water		\$9,935	\$5,500	-45%
Seddon Water		\$6,888	\$5,500	-20%
Riverlands Water	Assessed on a development by development basis			
Wairau Valley Water	Assessed on an individual basis			
Awatere Water Rural	Assessed on an individual basis			

22. The extract from the Development Contributions Policy provides all the Development Contributions as follows:

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2021
Regional	Land Transport	\$2,308	\$1,500 (Urban) \$750 (Infill <1500) \$2,300 (Rural)
	Reserves	\$16,388	Blenheim \$14,500* Picton \$14,500* Blenheim Vicinity* \$11,600 Picton Vicinity* \$11,600 General Rural* \$8,700 Sounds Admin Rural* \$7,250  *These areas are the Geographic Rating Areas used by Council for levying General Rates and Charges
	Community infrastructure Levy (refer 7.3.2 re rural subdivision)	\$3,988	\$3,500
Road Zone Levies	Roading		
Kenepuru Road seal extension		\$11,700 (March 2006)  Upgrade to Kenepuru Road between the site and Kenepuru Heads	\$14,638 PPI adjusted to 1 July 2020) Upgrade to Kenepuru Road between the site and Kenepuru Heads
David Street, Blenheim		\$4,000 (March 1999)	\$5,963 (PPI adjusted to 1 July 2020)
Combined (All urban areas serviced by Council)	Wastewater	\$25,021	\$12,500
	Water	\$11,064	\$5,500
Blenheim	Storm water	\$6,765	\$6,765
North West Zones	Zone Infrastructure		
Mowat		\$19,055	\$19,055
Roseneath		\$16,894	\$16,894
Colemans		\$10,645	\$10,645
			(Updated for PPI to 1 July 2020)

Catchment	Activity	Levy per HEU (GST excl) as calculated by financial model	Levy per HEU (GST excl) effective 1 July 2021
Burleigh	Zone Infrastructure (Wastewater)	\$3,616	\$3,616 (Updated for PPI to 1 July 2020)
	Zone Infrastructure (Roads)	\$500	\$500
North West Extension Zone (PC 64,65 and 67)	Zone Infrastructure	\$22,362	\$22,362 Updated for PPI to 1 July 2020)
North West Extension Zone (PC 66,69), Rose East	Zone Infrastructure	\$24,397	\$24,397 Updated for PPI to 1 July 2020)
Westwood	Zone Infrastructure (Stormwater)	\$4,162 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$4,162 for each litre per second of discharge. (Limited to 35 l/s).	\$4,162 This is not per HEU. This is to be applied to the design out flow to the Council stormwater system at \$4,162 for each litre per second of discharge. (Limited to 35 l/s).
Blenheim / Picton Business 1 Zone MEP	Parking	\$10,646 per required park should it not be able to be provided by the development.  Based on land value and construction costs per park.	\$10,646 per assessed carpark in lieu of provision (refer 5.5 of the DC Policy). Updated for PPI to 1 July 2020)
Renwick	Storm water	\$1,317	\$1,300

### Recommended Charges

23. The modelled results provide a guide to the appropriate contributions to be charged by Council the modelled results are subject to variation depending on the following parameters:
- Growth forecasts used and timing of when growth occurs.
  - Extent of capital apportioned to growth and timing of when capital is expended.
24. A conservative approach has been taken which seeks to encourage growth and ultimately housing supply. Council has the ability to use its discretion to determine what the appropriate contributions should be. For this reason charges implemented by Tasman are provided for comparative purposes with Blenheim. Tasman is an appropriate comparison owing to the similarities between the districts and the nature of their infrastructure.

25. Tasman District Council current contributions in comparison with the proposed charges for Blenheim are as follows:

<b>Activity</b>	<b>Tasman 2020 (Waimea Catchment)</b>	<b>Blenheim (Proposed Levies))</b>
Water	\$9,406	\$5,500
Wastewater	\$11,030	\$12,500
Roads	\$1,401	\$1,500
Stormwater	\$6,788	\$6,765
Reserves	\$15,455	\$14,500
Assumes a land value of \$275,000	5.62%	
Community Infrastructure		\$3,500
<b>Total</b>	<b>\$44,080</b>	<b>\$44,265</b>

26. It should be noted that Tasman District Council are reviewing their Development Contributions at present and it is likely that their Development Levies will increase following the review.
27. The Council should also be aware that Development Contribution's which are set below the level modelled results in ratepayer funding being applied to meet these development costs to cater for the planned growth.

### Other Considerations

28. A further consideration in the Policy review was whether there should be more incentive to promote infill development (developments of four or less). At present there is a 50% reduction in roading levies and a 50% reduction in reserve levies. It is not considered that any further reduction in levies will result in more infill development. The level of infill development has grown significantly over recent years.

### Option 2

29. The alternatives are for Council to leave Development Contribution Levies at current levels plus PPI or decrease the levies. These options are not supported as it would increase the subsidy provided to Developers by ratepayers and there is no guarantee that section prices would drop as a result. The price of sections is set by the market, willing buyer/willing seller.



**Capital Expenditure Summary**

Description	Capital NPV (10 years) \$	Growth NPV (10 years) \$	Proposed DC levy	Proposed DC Levy income NPV \$	Act % DC	% Other
Reserves	57,500,329	20,648,329	\$14,500	22,120,602	38%	62%
Community Facilities	34,151,705	6,941,693	\$3,500	6,674,716	20%	80%
Roads	163,620,553	3,318,857	Urban \$1,500, Urban Infill \$750, Rural \$2,300	3,318,857	2%	98%
Total Combined Sewerage	176,459,154	38,646,851	\$12,500	18,493,597	10%	90%
Blenheim Stormwater	33,636,195	8,477,032	\$6,765	8,477,032	25%	75%
Renwick Stormwater	349,970	77,800	\$1,300	77,800	22%	78%
Combined Water	128,283,503	16,011,779	\$5,500	8,071,083	6%	94%
Awatere Rural Water	6,126,641	466,558	Assessed on an individual basis			
Riverlands Water	16,442,341	3,292,769	Assessed on a development by development basis			
Wairau Valley Water	1,137,566	407,844	Assessed on an individual basis			
<u>North West Extension Zone</u>						
Water	190,052	190,052		190,052	100%	0%
Stormwater	2,155,255	2,155,255		2,155,255	100%	0%
Sewer	162,330	162,330		162,330	100%	0%
Roading	1,115,831	1,115,831		1,115,831	100%	0%
	3,623,468	3,623,468	\$22,362	3,623,468	100%	0%

**Attachment**

Attachment 4.31 – 2021 Development Contributions Policy (attached separately to the Agenda paper)

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The review of Council's Development Contribution Policy is required by the Local Government Act 2002.			
<b>Fit with Council policies and strategies</b>			
<b>✓ X</b>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	✓
Economic development	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	✓	<input type="checkbox"/>	<input type="checkbox"/>
Land transport	✓	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	✓	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial considerations</b>			
The Policy aims to fairly recover the cost of development from developers.			
<b>Engagement</b>			
Engagement has occurred with consultation to be undertaken as part of the LTP consultation.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
Some risks which will be mitigated by an opinion from Simpson Grierson.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			

## 4.32. Levels of Service Increases COVID-19 Rates Relief Reserve

(Report prepared by Martin Fletcher)

F230-L21-03

### Purpose of report

1. To obtain Council's agreement to:
  - i. Establish a new Reserve called the COVID-19 Rates Relief Reserve (CRRR);
  - ii. Identify a funding source for this Reserve; and
  - iii. Allocate funds from this Reserve to smooth rates increases for the first three years of the 2021-31 LTP.

### RECOMMENDATIONS

That Council:

1. **Agree to establish COVID-19 Rates Relief Reserve.**
2. **Agree that the funding source for the COVID-19 Rates Relief Reserve be surplus or unallocated funding from the Infrastructure Upgrade Reserve.**
3. **Agree to indicatively allocate the following amounts from the COVID-19 Rates Relief Reserve for the first three years of the 2021-31 LTP:**

2021-22	2022-23	2023-24	Total
\$3,600,000	\$3,900,000	\$4,100,000	\$11,600,000
4. **Note that the final amounts to be allocated are to be confirmed post the decisions made at this meeting.**
5. **Note that in the early years of the 2021-31 LTP, the balance of this Reserve will be negative.**
6. **Agree to close the COVID-19 Rates Relief Reserve on it achieving a positive balance.**
7. **Agree that following the COVID-19 Rates Relief Reserve achieving a positive balance, surplus funding from the Infrastructure Upgrade Reserve be allocated to Emergency Events Reserve until such time as an appropriate balance is achieved, as informed by consultation undertaken as part of the 2018-28 LTP.**
8. **Agree that following the achievement of recommendations 5 and 6 above surplus funding from the Infrastructure Upgrade Reserve either be retained in the Infrastructure Upgrade Reserve or credited to a renamed Forestry and Land Development Reserve, e.g. "Forestry and Investment Revenue Reserve".**

### Background

2. COVID-19 has had an unprecedented impact on Marlborough's community. To mitigate some of the effects of COVID-19 it is proposed to establish a separate Reserve called the COVID-19 Rates Relief Reserve (CRRR). Funding from this Reserve would reduce the impact of possible rates increases by applying funds from this Reserve to reduce General Rates. Council already applies approximately \$3M per annum from its General Revenues Account surplus to reduce General Rates. Any remaining surplus is then credited to Council's Emergency Events Reserve.
3. This proposal builds on this practice in that it also proposes to reduce General Rates. The proposal is to reduce General Rates only as it benefits all ratepayers more equitably than targeted rates. Also the proposed funding source is from assets owned by all Marlburians.

## Why Create a Separate Reserve?

4. As COVID-19 generated the need for emergency responses on many fronts, initial thinking was that funding could come from the Emergency Events Reserve. However, as thinking evolved establishing a separate Reserve was considered the better option as it:
  - more transparently identified the level of rates assistance provided;
  - could utilise different funding sources from that currently available to the Emergency Events Reserve;
  - enabled the preservation of the Emergency Events Reserve balance to respond to the damage resulting from more traditional emergency events such as floods, earthquakes and tsunami.
5. The Emergency Events Reserve has already been used to provide funding for initiatives approved to maintain Marlborough's economy. As a result, the forecast balance of the Reserve is currently below the optimal \$10-15M value identified as part of the 2018-28 LTP consultation.

## Funding source

6. Currently the Infrastructure Upgrade Reserve is funded by revenue from vineyard leases and dividends from MDC Holdings Ltd.
7. The Infrastructure Upgrade Reserve (IUR) has been used to fund up to 50% of Water, Sewerage and some very large Community Facilities such as Lansdowne Park and the Library/Art Gallery.

### Infrastructure Upgrade Reserve Revenue Forecasts

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
MDC Holdings Dividend	2,587,000	2,434,781	2,775,632	3,182,261	4,191,719	5,267,382	5,642,979	6,364,895	6,881,364	6,881,364
River Leases	1,924,315	1,969,343	1,957,388	1,941,228	1,923,262	2,153,367	2,260,798	2,242,617	2,227,896	2,216,990
	<b>4,511,315</b>	<b>4,404,124</b>	<b>4,733,020</b>	<b>5,123,489</b>	<b>6,114,981</b>	<b>7,420,749</b>	<b>7,903,777</b>	<b>8,607,512</b>	<b>9,109,260</b>	<b>9,098,354</b>

8. Currently there are two initiatives which have the potential to increase the revenue to the IUR and reduce the demand on it.
9. These initiatives are:
  - the Ferry Terminal Redevelopment which should generate additional dividend income as shown above; and
  - the Government led Three Water delivery reforms. As part of providing the information requested by the Department of Internal Affairs it has been identified that up to 50% of Council's internal debt and a large portion of external debt relates to the Three Waters. Should the restructure proceed as currently signalled by Government, not only will the assets transfer, but also all related debt. As a result the demand on the IUR should reduce to less than 25% of current levels. While Council's Reserves position is in reasonable shape, the transfer of Three Waters debt will provide a significant boost.

Discretionary Reserves (in \$millions)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Forestry and Land Development	13.8	10.5	6.7	5.1	4.6	4.3	4.0	3.8	4.0	4.3	4.6
Infrastructure Upgrade	11.7	13.3	14.3	14.9	14.8	14.4	14.0	12.9	11.9	10.6	8.5
Emergency Events	9.3	5.2	3.1	1.8	0.6	0.3	0.8	1.9	3.3	5.3	8.2
<b>Total</b>	<b>34.8</b>	<b>29.0</b>	<b>24.1</b>	<b>21.8</b>	<b>20.0</b>	<b>19.0</b>	<b>18.8</b>	<b>18.6</b>	<b>19.2</b>	<b>20.2</b>	<b>21.3</b>

10. As a result it is recommended that Council agree to fund the CRRR from funds surplus to the requirements of the IUR.
11. This would continue until the CRRR has returned to a zero balance. At that stage, the purpose of the Reserve would be completed. Also at that stage Council could redirect surplus funds from the Infrastructure Upgrade Reserve to the Emergency Events Reserve. On achieving the desired

balance In the Emergency Events Reserve, Council could then credit the surplus funds to either a renamed Forestry and Land Development Reserve or establish a Rates Stabilisation Reserve.

- While we cannot be 100% certain of the timing and quantum of the money available to fund the CRRR if the initiatives in paragraph 9 (above) eventuate, will more than cover the amount allocated, especially when currently forecast \$8.5M surplus in the IUR is taken into account .

### Allocations from the CRRR

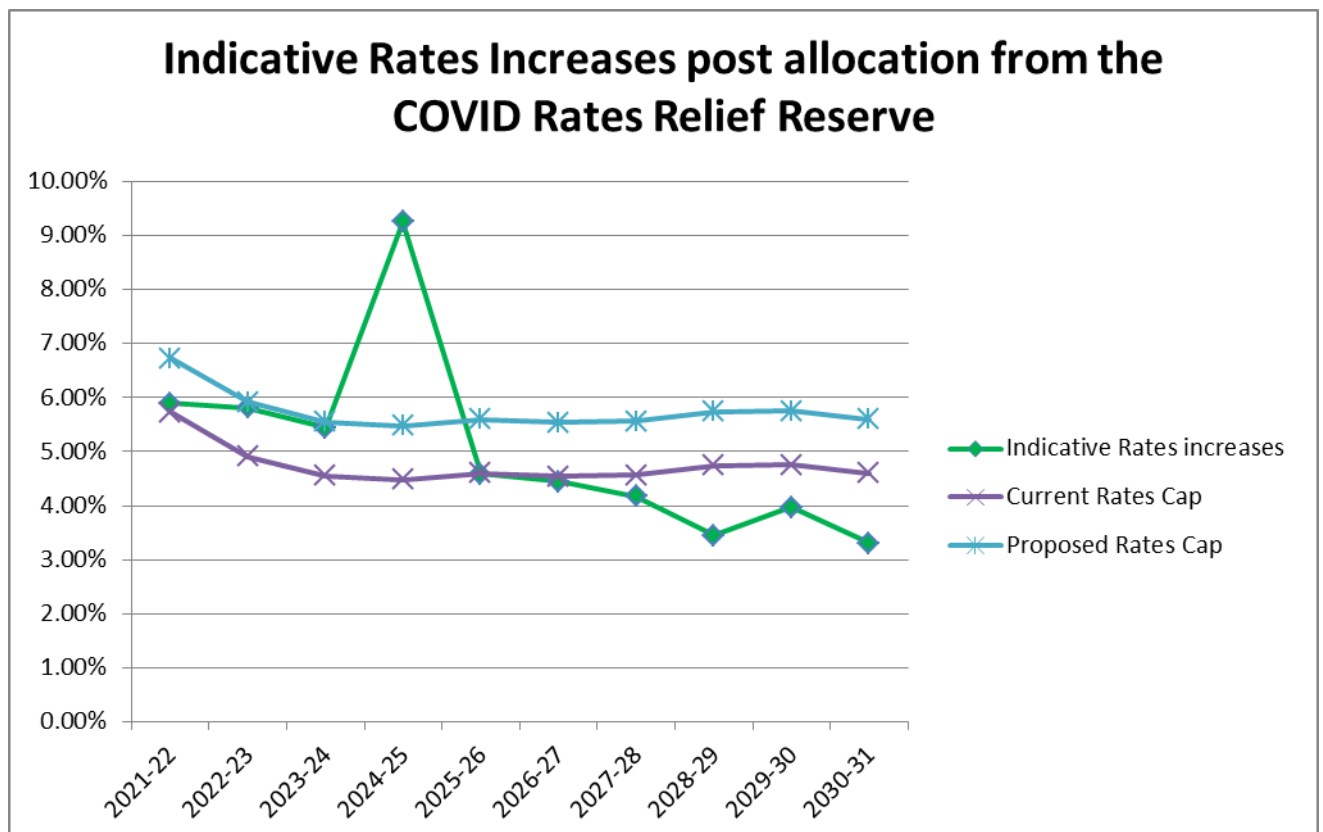
- Depending on the rating impact of Council decisions made on earlier items of this agenda, indicatively the following allocations are proposed:

2021-22	2022-23	2023-24	Total
\$3,600,000	\$3,900,000	\$4,100,000	\$11,600,000

Each allocation from the CRRR, while it may reduce the rating impact in one year, then increases the rates increase in the following year, requiring a further allocation for that year.

- At this stage it is proposed to make allocations for three years only and that they be reviewed at the next LTP or earlier. The reason for this is that if the currently proposed three waters reforms proceed, the indicative rates increases shown below will be completely recast with the removal of the Water and Sewerage Targeted Rates and the Stormwater component of General Rates and Charges. Currently the rating requirements for water, sewerage and Stormwater are predicted to increase as shown in the table below.

Three Waters Rates Requirements	2021	2024	% Increase	Average % increase	2031	10 year % increase	Average % increase
Water Supply	9,005,384	11,849,269	31.6%	10.5%	17,425,958	93.5%	9.4%
Sewerage	8,289,268	9,925,261	19.7%	6.6%	16,514,084	99.2%	9.9%
Stormwater	2,236,275	2,741,607	22.6%	7.5%	3,598,897	60.9%	6.1%
	<b>19,530,927</b>	<b>24,516,137</b>	<b>25.5%</b>	<b>8.5%</b>	<b>37,538,940</b>	<b>92.2%</b>	<b>9.2%</b>
% of Total Rates	<b>27.0%</b>	<b>31.0%</b>			<b>32.7%</b>		



### **Option One (Recommended Option)**

15. As described above.

#### *Advantages*

16. Option 1 has the following advantages:

- It provides relief to the otherwise proposed rates increase;
- All ratepayers will benefit from the relief equitably;
- The quantum of the relief provided and the repayment of the CRRR are identified transparently; and
- The Emergency Events Reserve is kept untouched, plus there is a plan to increase Emergency Events Reserve balance to our optimal level.

#### *Disadvantages*

17. To achieve the desired rates reduction in 2021-22 and subsequent years, the allocations need to be applied over a number of years.

### **Option Two – Status Quo**

18. Provide no rates relief.

#### *Advantages*

19. Reduced demand on Council Reserves, as the high rates increase predominantly affects 2021-22 only.

#### *Disadvantages*

20. The indicative rates increase for 2021-22 would be just over 11%.

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal takes into account the considerations required by ss 100 and 101(3)(b) of the Local Government Act 2002.			
<b>Fit with Council policies and strategies</b>			
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Social well-being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Nature of the decision to be made</b>			
Financial decision.			
<b>Financial considerations</b>			
Outlined in the above paper.			
<b>Significance</b>			
The amounts involved, while large fall below the financial trigger of Council Significance and Engagement Policy.			
<b>Engagement</b>			
Part of LTP Consultation.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
N/A			
<b>Climate Change Implications</b>			
N/A			



## **5. Minutes**

---

- 5.1 Confirmation of the Minutes of the Council Meeting held on 10 December 2020  
(Minute Nos. Cncl-1220-193 to Cncl-1220-203)



**Minutes of a Meeting of the  
MARLBOROUGH DISTRICT COUNCIL  
held in the Council Chambers, 15 Seymour Street, Blenheim  
on THURSDAY 10 DECEMBER 2020 commencing at 9.00 am**

**Present**

The Mayor J C Leggett (in the Chair), Cirs J L Andrews, J A Arbuckle, C J Brooks, J D N Croad, B G Dawson, M J Fitzpatrick, G A Hope, F D Maher, D D Oddie, M A Peters, T P Sowman and N P Taylor.

**Present via Zoom**

Clr B A Faulls

**In Attendance**

Mr M S Wheeler (Chief Executive), Mr A P Quirk (District Secretary) and Ms N J Chauval (Committee Secretary)

**Karakia**

The meeting opened with a karakia.

**Cncl-1220-193 Declaration of Interests** -

Members were reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

A number of declarations were noted in the agenda:

- The various interests as declared under Minute No. Cncl-1120-191 (Minute Nos. Cncl-1120-192).
- The interest as declared under Minute No. A&S-1120-145 (Minute No. A&S-1120-150); and
- The interest as declared under Minute No. PF&C-1120-176 (Minute No. PF&C-1120-178 and PF&C-112-e-28);
- The interest as declared under Minute No. Grnt-1120-164.

**Apologies**

No apologies were received.

**Cncl-1220-194 Confirmation of Minutes** -

The Mayor/Clr Taylor:

That the Minutes of the Council Meeting held on 29 October 2020 (Minute Nos. Cncl-1020-135 to Cncl-1020-144) be taken as read and confirmed.

Carried

**Cncl-1220-195 Confirmation of Minutes** -

The Mayor/Clr Oddie:

That the Minutes of the Extraordinary Council Meeting held on 27 November 2020 (Minute Nos. Cncl-1120-191 to Cncl-1120-192) be taken as read and confirmed.

Carried

## Committee Reports

### **Cncl-1220-196 Assets & Services Committee** -

**Clrs Taylor/Fitzpatrick:**

**That the Committee report contained within Minute Nos. A&S-1120-145 to A&S-1120-161 be received and the recommendations adopted.**

**Carried**

Members discussed the Item - Parking for Construction Tradespersons which was to lie on the table to enable staff to provide further detail on the parking requirements. Prior to the meeting a memo provided by the Manager, Property and Community Facilities was circulated (filed in CM Record No. 20233649). It was reported that because the parking peak is not forecast to occur until mid-late 2022; and free parking is available on a first come first served basis at the carpark beside the Fire Station; there is no immediate need to dedicate the car park adjacent to the Fire Station for trades vehicles. It was agreed that the best option is to monitor the situation and report back to Council if any parking relating issues arise.

Members were advised that they will be forewarned by Jamie Lyall to ensure a speedy resolution if carparking is required.

**Clrs Peters/Brooks:**

**That the information be received and that trade vehicle parking be monitored throughout the construction period of the Library/Art Gallery project.**

**Carried**

### **Cncl-1220-197 Environment Committee** -

**The Mayor/Clr Croad:**

**That the Committee report contained within Minute Nos. Env-1120-165 to Env-1120-175 be received and the recommendations adopted.**

**Carried**

### **Cncl-1220-198 Planning, Finance & Community Committee** -

**Clrs Peters/Brooks:**

**That the Committee report contained within Minute Nos. PF&C-1120-176 to PF&C-1120-190 be received and the recommendations adopted.**

**Carried**

### **Cncl-1220-199 Grants Sub-Committee** -

**Clrs Brooks/Sowman:**

**That the Sub-committee report contained within Minute Nos. Grnt-1120-162 to Grnt-1120-164 be received and the recommendations adopted.**

**Carried**

### **Cncl-1220-200 Draft Sports Facilities Strategic Plan** -

Members noted their approval of the draft Marlborough District Council Sports Facilities Strategic Plan and indicated their support to notify the draft plan for wider public/community feedback. It was noted that feedback will be reported back through to the Assets & Services Committee with any funding implications from the final plan.

**Cllrs Taylor/Brooks:**

**That Council approve the Draft Marlborough District Council Sports Facilities Strategic Plan for public consultation.**

**Carried**

ATTENDANCE: Sarah Edmonds, Council's Planner Biosecurity was in attendance for the following item.

## **Cncl-1220-201 Proposed East Coast Protection Bylaw**

**E325-016-004-05**

Members noted that the purpose of the report was to delegate to a sub-committee of Council powers relating to the proposed bylaw dealing with motor use on and along the East Coast of Marlborough.

Sarah Edmonds noted that Council has agreed in principle to advance a proposed bylaw to address the issues that have arisen relating to continued uncontrolled motor vehicle use on the East Coast of Marlborough, including the adverse environmental effects following the Kaikōura earthquake and the adverse effects on public safety.

Members discussed the options of either prohibiting all vehicles to part of the East Coast or only prohibiting 4 wheel type utes and SUV's and allow ATV's and motorbikes to travel below the mean high water mark. At the conclusion of the discussion it was agreed that option one was the most favourable as it will provide suitable protection to a unique and highly valued environment and to the public in general.

Members further discussed the proposal to form a sub-committee to finalise the preparation of material to enable the special consultative process to commence and to make certain decisions relating to the bylaw. The Mayor, Cllrs Oddie, Hope and Arbuckle accepted their nominations to this sub-committee.

For clarity it was agreed that an amendment be made to point three of the original recommendation to include 'the above sub-committee'.

**Cllrs Hope/Brooks:**

**That Council:**

- 1. Decides to progress with a proposed bylaw to prohibit and restrict the use of motor vehicles on and along the East Coast of Marlborough (Option 1);**

***Option 1: Prohibit the use of motor vehicles from the Awatere River mouth to the Waima (Ure) River. There would be exemptions for boat launching areas at Marfells and Ward beaches for both recreational and commercial users. The existing commercial operators would be able to continue to use their existing launching areas, subject to any other consents or regulations for those activities. Some central and local government agencies would be able to use their vehicles on the beaches; they would only be for emergency or enforcement purposes.***

***Motor vehicles will have access south of the Waima (Ure) River to Council's southern boundary but their speed would be limited to 30km/h.***

***Specific provisions, for the avoidance of doubt, would apply to dunes and the unformed legal road along the coast; motor vehicles would be banned.***

- 2. Appoints the Mayor and Councillors Oddie, Hope and Arbuckle to a sub-committee of the Planning, Finance & Community Committee to make certain decisions relating to the making of the bylaw; and**
- 3. Delegates to the above sub-committee under clause 32 of the 7th Schedule to the Local Government Act 2002 (LGA02) the powers to make decisions precedent to the making of the bylaw; namely—**
  - (a) Finalise engagement with iwi:**

- (b) Determine, based on that engagement, the final version of the proposed bylaw, the statement of proposal and other consultation documents:
- (c) Amend the Technical Report to take account of iwi feedback:
- (d) Make the decisions required by section 155 of the Local Government Act 2002:
- (e) Determine the opening and closing dates for submissions:
- (f) Develop a consultation plan.
- (g) Publicly notify the proposed bylaw, commencing the special consultative procedure.

**Carried**

ATTENDANCE: David Gordon (KiwiRail's Chief Operating Officer – Capital Projects and Asset Development), Stephen O'Keefe (KiwiRail's iReX Programme Director) and Sue Allen (KiwiRail Comms Team) were present for the following item.

**Cncl-1220-202 KiwiRail Presentation on iReX Project**

**S400-005-006-01**

Steve O'Keefe and Dave Gordon discussed the iReX Project which will revitalise the Interislander by way of purchasing two new, purpose built ferries, providing new ferry terminals and redevelopment of the Waitohi Picton Ferry Precinct. The redevelopment is in partnership with PMNZ, MDC and waka Kotahi NZ Transport Agency. It was noted that the Waitohi Picton project was included in the COVID-19 Recovery (Fast-track Consenting) Act 2020, noting that it is a fast track not a short cut process.

To highlight the report a powerpoint presentation was shown (presentation filed in CM Record No. 20243664).

**The Mayor/Clr Taylor:  
That the information be received.**

**Carried**

Following the above item the Mayor took the opportunity to reflect on the year that has been and acknowledged the exceptional work done by Mark Wheeler, the Executive Team and all of Council staff in what has truly been a year like no other.

The Mayor noted there will continue to be challenges in the New Year such as the Long Term Plan, Three Waters Review and Freshwater Review and acknowledged the work that will be involved in these areas. Noted the iReX Project and Council needing to be well abreast of any developments. There is also the co-located colleges project which is gaining momentum.

These will be exciting times!

The Mayor acknowledged the outstanding effort by Council in achieving a AA+ rating in this current climate.

Thanked the media, in particular Chloe Ranford, for her work over the year.

**Cncl-1220-203 Decision to Conduct Business with the Public Excluded**

**The Mayor/Clr Andrews:  
That the public be excluded from the following parts of the proceedings of this meeting, namely:**

- Confirmation of Public Excluded Minutes
- Committee Reports (Public Excluded Sections)
- Port Marlborough NZ Ltd Governance

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Minutes and Committee Reports	As set out in the Minutes	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
Port Marlborough NZ Ltd Governance	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

**Carried**

The meeting closed at 11.15 am.

Confirmed this 25<sup>th</sup> day of February 2021

J C LEGGETT  
**MAYOR**

Record No. 20243964

## **6. Committee Reports**

---

### **6.1 Assets & Services Committee**

Assets & Services Committee Meeting held on 28 January 2021  
(Minute Nos. A&S-0121-204 to A&S-0121-213)



**Report and Minutes of a Meeting of the  
ASSETS & SERVICES COMMITTEE**  
held in the Council Chambers, 15 Seymour Street, Blenheim  
on THURSDAY 28 JANUARY 2021 commencing at 9.00 am

**Present**

Cirs N P Taylor (Chairperson), M J Fitzpatrick (Deputy), J L Andrews, C J Brooks, B G Dawson, F D Maher, M A Peters, Mayor J C Leggett, Mr R Hunter (iwi representative)

**Also Present**

Cirs J A Arbuckle, D D Oddie, T P Sowman and B A Faulls (from 9.05 am)

**In Attendance**

Mr Richard Coningham (Manager – Assets & Services Department) Jamie Lyall (Manager – Property and Community Facilities) and Nicole Chauval (Committee Secretary)

**Apologies**

Cirs Brooks/Andrews:

That the apology from Clr Faulls for lateness be noted.

**Carried**

**A&S-0121-204 Declaration of Interests** -

No interests with items on the agenda were declared.

**A&S-0121-205 Regional Playground Allocation** R510-021-02

Members were advised that a budget allocation of \$600,000 for capital improvements to Marlborough's playgrounds was approved at the Land Subdivision meeting of 2 October 2020. It was noted that this budget allocation is for playground capital improvements that have priority in the region, due to increase use or for health and safety reasons.

Staff have identified eight reserve areas where the budget allocation will support improvements. Contained within the agenda item was a description of the improvements to each of the playgrounds. The amount for improvements is \$596,600.

Members discussed the request and noted their support. During discussion it was noted that shade sails will be provided for in a separate budget.

Cirs Brooks/Andrews:

That Council agree to the allocation of \$596,600 to commence works to eight playgrounds in the region located at Okiwi Bay, Havelock Domain, Hammond Reserve, Rousehill Reserve, George Powell Reserve, Clearwater Reserve, Rata Place Reserve and Ward Domain.

**Carried**



ATTENDANCE: Cllr Faulks joined the meeting at 9.05am during the following item.

ATTENDANCE: Grahame Smail, Council's Parks and Open Spaces Officer was in attendance for the following item.

## **A&S-0121-206 Rai Valley Open Space Project – Concept**

**R510-021-02**

Members were advised that the purpose of the report was to seek Council approval to continue discussions with a local property owner to establish a "Village Green" and new public toilet facility in the Rai Valley Township.

Members were aware that the Rai Valley community and Council have been working on finding a suitable area for a central Village Green and new public convenience facility for some time. A suitable site has now been identified in the carpark of the Rai Valley Tavern.

It was noted that Council had approved a budget of \$278,000 for a new public convenience for Rai Valley (Assets and Services Committee in November 2018). This amount included 50% funding approved through the Tourism Infrastructure Fund (TIF), this has since been withdrawn due to the period of time taken to find a suitable site. Staff propose to lodge a new funding application through TIF in March 2021. There may also be funding available through Council's Small Townships Programme budget.

Staff have had discussions with the new property owner around development of the site and a concept plan has been prepared. An aerial of the site and concept plan was shown (filed in CM Record No. 2120035). It was noted that the proposed village green will have a defined area and appropriate fencing to clearly distinguish between the business and the public space.

Members were advised that staff have had informal discussions with Marlborough Roads regarding the siting of the toilet facility on road reserve. Marlborough Roads have also advised that a pedestrian refuge is planned at a location adjacent to the proposed toilet which would provide safer pedestrian movement from each side of the road.

Council staff are currently working with the owner regarding effluent disposal and costs for developing the site. A valuation will also be carried out with respect to the lease which is anticipated to be for a period of 30 years.

**Cllrs Brooks/Maher:**

**That Council approve staff continuing discussions with a local property owner to establish the feasibility and costings of a "Village Green" and new toilet facility in Rai Valley township.**

**Carried**

ATTENDANCE: Tessa Dever, Council's Management Accountant – Operations, was present for the following item.

## **A&S-0121-207 Financial Report for Period Ended 30 November 2020**

**F275-001-02**

Tessa Dever, Council's Management Accountant – Operations presented the five month report for the Assets & Services Property and Community Facilities Department for the period ended 30 November 2020.

In summary Ms Dever noted that an operating surplus of \$6.52M has resulted, which is favourable to budget by \$5.58M. Revenues have been impacted by the receipt of government grant funding of \$6.26M as part of the three water reforms. This has been partially reduced by roading subsidies related to the delayed timing of the capital expenditure programme.

Operating expenditures are favourable to budget due to the timing of grant payments for COVID-19 Community Support and the Whale Trail and a low roading maintenance spend to date. Capital expenditure for the reporting period was \$16.3M of the \$114M programmed for the 2020/21 year. It was noted that while

there is \$114M of programmed capital expenditure Council has agreed to only finance \$57.2M across all activities. A number of large projects including the Blenheim sewer network upgrade (\$13.4M), Lansdowne Park Sports Hub (\$4.5M) and Regional Landfill stage 8 development (\$3.2M) are underway. Work is continuing to progress other major projects as well as many smaller projects.

Members discussed the information presented in particular whether a paper would be helpful on capital expenditure and the parking account which is currently being topped up from other budgets to support the decision to extend free parking until 30 June 2021.

Members discussed the information contained in the report and during discussion it was requested that a paper be presented to the LTP Working Group providing information on capital expenditure to enable Councillors to better understand how these projects affect Council's books and when the money may impact on rates. It was also suggested that a report be provided to the LTP budget meeting on the parking account providing information on how to get the account back to at least neutral, as it is currently being topped up from other budgets to support the decision to extend free parking until 30 June 2021.

Ms Dever advised that accrual entries have been completed to account for November revenues and expenditures in that month, including outstanding retention value of \$1,155,663 for 38 separate construction contracts.

**Clr Peters/Mr Hunter:**

**That the financial report for the period ended 30 November 2020 be received.**

**Carried**

ATTENDANCE: Alec McNeil, Council's Solid Waste Manager, was present for the following two items.

**A&S-0121-208      Waste Management and Minimisation Plan 2021-2027      W300-006-008-12**

Alec McNeil advised that the purpose of the report was to review and adopt for consultation the draft Waste Management and Minimisation Plan (WMMP) 2021-27. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2120527). A website link to the draft WMMP 2021-27 was included in the accompanying Information Package and a copy of the Public Notice and Statement of Proposal (SOP) that accompanies the consultation process was attached to the agenda item.

By way of background it was noted that the Waste Minimisation Act 2008 (WMA) gives councils the responsibility to promote effective and efficient waste management and minimisation within their district. The WMA requires councils to adopt a waste management and minimisation plan (WMMP), which must be reviewed every six years.

It was noted that the draft WMMP 2021-27 has been completed and is ready for review and adoption.

The options to consult under the special consultation process or adopt the draft WMMP and include in the next LTP were discussed. Members discussed the options presented and at the conclusion of the discussion supported the proposal that consultation be undertaken separately to the LTP noting that this will provide a sole focus on the WMMP and not overshadow the LTP.

In response to a query raised on consultation Mr McNeil noted that there has been ongoing consultation with the community on the plan since 2019. A significant print media campaign will be undertaken and staff contacts will be utilised. Members also suggested that contact be made with Smart + Connected groups to utilise their networks.

It was raised whether comments from the community regarding a review of the manual charging system for green waste following the withdrawal of the weigh station could be treated as a submission. Mr McNeil advised that any concerns on the day to day working of the service can be raised directly with him and if necessary be dealt with through a committee paper.

Members were advised that the costs included in the draft WMMP 2021-27 are estimates. Future procurement processes will establish the actual costs for consideration, approval and inclusion in subsequent budgeting rounds.

**Cllrs Fitzpatrick/Brooks:  
That Council:**

1. **Approve the adoption of the draft Waste Management and Minimisation Plan 2021-27 for consultation.**
2. **Approve the release of the draft Waste Management and Minimisation Plan 2021-27 for special consultation under section 83 of the Local Government Act 2002.**

**Carried**

## **A&S-0121-209 Waste Fees and Charges Review Timing**

**W300-006-008-14**

It was noted that the purpose of the report was to update the Committee on the timings associated with the review process for waste fees and charges.

Members were advised that waste fees and charges are reviewed annually and any Council approved amendments are published on the Council website. To date changes to waste fees and charges have occurred on 1 January each year. It was noted that from 1 July 2021 the Government have indicated that the waste disposal levy will increase and to achieve alignment with these increases the timeline for the annual review of waste fees and charges by Council will need to be amended.

It was noted that the amended review timeline would see the relevant information presented to Council for consideration, review and approval by end of April each year. Any subsequent approved amendments to waste fees and charges would be implemented by 1 July each year.

The amended review timeline will also present an opportunity to consider the current performance against budget for each waste and recycling business unit.

Members were advised that the 2020 waste fees and charges review has been deferred to the new timeline taking into account the forthcoming proposed changes to the waste disposal levy (July 2021) and the impacts of COVID-19.

**Cllrs Fitzpatrick/Peters:  
That Council approve the waste fees and charges review be undertaken and reported to Council by April each year and that any adopted amendments to the waste fees and charges be implemented with effect from 1 July each year.**

**Carried**

ATTENDANCE: Geoff Dick, Council's Rivers and Drainage Engineering Manager, was present for the following item.

## **A&S-0121-210 Town Branch Drain/Snowdens Basin/New Ōpaoa River Outfall**

**R760-02-005**

Members were advised that the purpose of the report was to update the Committee on progress with design of the planned upgrade of the Town Branch drain and new Snowdens Basin Ōpaoa River outfall. To highlight the report a powerpoint presentation was shown (presentation filed in CM Record No. 2120614).

It was noted that the Rivers Section has been working on this project for five years or so, including extensive consultation with affected landowners. This work is close to the point of seeking approval from Council to lodge the necessary Notice of Requirement and Resource Consent applications and undertake further land purchase.

Mr Dick advised that a further, more detailed presentation will be given at the March Assets & Services meeting taking into account budget considerations and further landowner negotiation/discussions to assist LTP decision making. It was noted that there will be one further meeting with St Andrews residents to confirm the development will have no affect their bore water.

It was reported that detailed design has also been completed for the section of land immediately adjacent to the Nikau Drive Ltd subdivision along the Town Branch Drain with the view to that 200m section of the upgrade being completed this summer. Budget approval for this initial piece of work is provided for in the Rivers Section 2020/21 capital programme.

Members were advised that to progress construction of the upgrade additional capital funding will need to be included in the new 2021–31 Long Term Plan currently being prepared for Council consideration. A report will be included in the agenda for Council consideration on 25 February 2021.

It was noted that consultation has identified the desire of rural landowners adjacent to the Town Branch drain and Snowdens Basin to be able to more intensively develop their land. It was noted that expansion had been considered several times in the past both through resource consent and plan change processes. There were various factors which contributed to the decisions not to approve redevelopment including infrastructure capacity and high upgrade costs, roading, drainage, soils including liquefaction and lateral spread. The area is currently zoned as Rural Environment and for intensive development to be undertaken it would require a Plan Change or a resource consent. There is a two year prohibition on private plan changes following the MEP notification. There would also need to be solutions similar to other developments where there are constraints on infrastructure.

**Clrs Maher/Taylor:**  
**That the information be received.**

**Carried**

## **A&S-0121-211      Regional Transport Committee      D050-001-R01**

The Minutes of the Regional Transport Committee were held on 16 December 2020 and were attached for ratification by the Committee.

**Clrs Maher/Fitzpatrick:**  
**That the Minutes of the Regional Transport Committee meeting held on 16 December 2020 be ratified.**

**Carried**

## **A&S-0121-212      Information Package      -**

**Clrs Brooks/Andrews:**  
**That the Assets and Services Information Package dated      be received and noted.**

**Carried**

## **A&S-0121-213      Decision to Conduct Business with the Public Excluded      -**

**Clr Dawson/The Mayor:**  
**That the public be excluded from the following parts of the proceedings of this meeting, namely:**

- Legalise Road
- Parking Lease

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Legalise Road Parking Lease	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) provided for under Section 7(2)(i)	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

**Carried**

The meeting closed at 11.00 am.

Record No. 2121109

## **6. Committee Reports**

---

### **6.2 Environment Committee**

Environment Committee Meeting held on 4 February 2021  
(Minute Nos. Env-0221-214 to Env-0221-227)



**Minutes of a Meeting of the  
ENVIRONMENT COMMITTEE  
held in the Council Chambers, 15 Seymour Street, Blenheim  
on THURSDAY 4 FEBRUARY 2021 commencing at 9.00 am**

### **Present**

Mayor J C Leggett (Chairperson), Councillors D D Oddie (Deputy), G A Hope (Deputy), J A Arbuckle, J D N Croad, B A Faulls and T P Sowman

### **Also Present**

Councillors J L Andrews, C J Brooks, B G Dawson, F D Maher, N P Taylor and M A Peters

### **In Attendance**

Mr H R Versteegh (Environmental Science and Policy Group Manager) and Nicole Chauval (Committee Secretary)

### **Apologies**

The Mayor/Clr Arbuckle:

That the apology for absence from Mr E R Beech (Rural representative) be received and sustained.

### **Carried**

## **Env-0221-214 Declaration of Interests -**

No interests with items on the agenda were declared.

## **Env-0221-215 Resource Hearing Commissioner Decisions -**

Cls Oddie/Arbuckle:

That the Resource Hearing Commissioner Decisions as contained within the reports dated 2 September 2020 (U200218), 22 September 2020 (U190483) and 13 October 2020 (U200049) be received and the recommendations adopted.

### **Carried**

ATTENDANCE: Mr Matt Oliver, Council's Environmental Scientist – Land Management, was present for the following item.

## **Env-0221-216 Freshwater Improvement Funding – Te Hoiere Project E355-021-01-001**

Members were advised that the purpose of the report was to provide an update on the recent allocation of funding from the Ministry for the Environment Freshwater Improvement Fund. The Catchment Care – Catchment Condition Survey brochure was attached to the agenda for members' information.

It was noted that Council has been successful in securing \$1,000,000 in funding from the Freshwater Improvement Fund to enable work to begin on the Te Hoiere Project. The new funding will be used to fund a Catchment Condition Survey and commence other on-ground remediation work in the Te Hoiere/Pelorus area once the survey is completed in June 2021.

The survey work will identify quick-fix and longer-term fix work to be done. Work will be carried out by an existing Council contractor once training has been completed and under supervision from staff. Initial trial surveying indicated that fencing and correction of 'critical source areas' (concentrated sources of sediment and other pollutants connected to waterways) are areas of most need and these will present many quick-fix opportunities. Members were advised that longer-term fixes will be addressed by the Integrated Catchment Enhancement Plan which is currently being completed.

Councillors congratulated Matt Oliver and the Environmental Team on the excellent work they have done to-date and the professionalism shown in getting this project off the ground.

Members were advised that post-survey, landowners will be consulted regarding the results and assistance will be given to draw up action plans for their properties. Items from the action plans will be prioritised across the catchment to access incentives for on-ground mitigation work. Incentives of up to 50% may be available to complete work beyond regulatory requirements.

It was noted that the funding is expected to generate approximately 22,000 person hours of work as part of the Jobs for Nature Programme. The positions will be wide ranging from highly skilled to more manual type roles and will create significant stimulus to the area.

Upon completion of the full Deed of Funding agreement between Council and MfE, funds will be available from June 2021 for the on-ground work.

It was reported that all MfE funding comes with an increased reporting requirement for Council and where possible this being handled via new electronic systems. These systems have been developed in-house and are essential to manage the work efficiently. They are described by the Government analysts as innovative and welcome technological developments.

**Cirs Hope/Fauls:**  
**That the information be received.**

**Carried**

ATTENDANCE: Alan Johnson, Council's Environmental Science & Monitoring Manager, was present for the following item.

## **Env-0221-217 Working for Nature / Mahi mō te Taiao E390-003-20**

The purpose of the report was to provide an update to the Committee on the sub-committee's decisions regarding the allocation of Mahi mō te Taiao /Working for Nature grant funding.

Members were advised that the Working for Nature/Mahi mō te Taiao grant round was officially launched on Monday 2 November 2021 and closed Friday 27 November 2021. There were a total of 20 Habitat Marlborough applications and 14 Protecting Marlborough applications received. The combined requested total of both categories far exceeded the \$70,000 budget that was allocated and as a result not all applications have been funded.

It was reported that 10 Habitat Marlborough and 10 Protecting Marlborough applications were successful. Letters will be sent to the successful applicants. The work outlined in each project must be completed by 1 November 2021. A list of the applications and grants allocated were detailed in the agenda item.

There was general discussion on how to grow this fund as it is a good way for Council to help communities where there has been a gap in the past. It was suggested that a paper on future funding streams be brought back to this Committee for consideration.

**Cirs Oddie/Croad:**  
**That the report be received.**

**Carried**



ATTENDANCE: Liam Falconer, Council's Biosecurity Officer, was present for the following item.

**Env-0221-218      Biosecurity Programme Update - Mediterranean Fanworm      E315-003-019**

The purpose of the report is to provide an update to the Committee on the management of a key marine biosecurity threat Mediterranean Fanworm (fanworm). To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2124224).

It was noted that fanworm was first detected on a vessel in Marlborough in February 2014. Since then, there have been 12 separate detections of fanworm on vessels and four different locations where it has been found on structures or in the environment.

Council has responded by escalating an operational programme but there remains a constant risk of introduction from vessels carrying fanworm as biofouling on their hulls. While the response to this threat has been increasing, particularly in conjunction with Marlborough Sounds marinas, detections continue to be made.

Members were advised that active ongoing surveillance in the water by commercial divers is necessary but does not cover all key risk areas or intercept all the potential inward risks.

It was noted that there are positive signs that the intensive ongoing work in Picton and Waikawa, plus rapid response to detections is paying off with fanworm not found to be established as a result of any of the detections to-date.

The big pressure is the arrival of fanworm as biofouling on vessels. If this occurs, and there is a substantial amount of time before being detected and response initiated, established infestations in the environment will be highly likely affecting ecosystems, food gathering or the aquaculture industry.

It was noted that Council's Biosecurity team will continue to implement the RPMP programme for Mediterranean fanworm aiming to prevent establishment of this pest in Marlborough waters. Through the annual reporting cycle on the RPMP, continual assessments will need to be made regarding the progress of this programme and whether the type and level of interventions are adequate.

**Cllrs Croad/Oddie:**  
**That the information be received.**

**Carried**

ATTENDANCE: Cllr Maher withdrew from the meeting at 9.50am during the following item.

ATTENDANCE: Peter Hamill, Council's Environmental Scientist, was present for the following item.

**Env-0221-219      State of the Environment Surface Water Quality Monitoring Report 2020      E375-001-001-03**

The purpose of the report was to present the 'Surface Water Quality - Monitoring 2020' report to the Committee for approval. A link to the report on Council's website was included in agenda item. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2124127).

Members were advised that the report is one of a series of annual reports on the state of the environment of the Marlborough District. The focus of this report is the state of surface water quality in the region's rivers and streams.

It was noted that monthly measurements of chemical and physical parameters at 35 sites across Marlborough are summarised using the CCME Water Quality Index. The Index combines data of the last three years (2017-2019) and allows categorisation of water quality into five classes excellent, good and fair which represent acceptable water quality, marginal and poor water quality needs to be improved, where possible.

Members were advised that the majority of Marlborough sites have good or fair water quality. 14 sites are in the marginal category, indicating unacceptable water quality in these waterways. Sites in the marginal category generally show the greatest number of parameters. In Doctors Creek, as many as seven parameters exceed guideline values. Apart from the mid Awatere, all rivers in the marginal category are listed in the Marlborough Environment Plan as degraded or at risk from degradation.

It was reported that Council has been successful in securing central government funding for a number of projects that aim to improve water quality in these waterways. These projects include the Taylor River Improvement Project (TRIP) and Catchment Care Programme. The Te Hoiere Project also aims to improve water quality and ecological health in a number of these waterways.

It was queried how long it would take before we could see the improvements in the Taylor River from the work being undertaken. Mr Hamill advised that it will depend on the completion of infrastructure works to the pipes which were damaged as a result of the 2016 earthquake. It was noted that planting has been carried out in Drs Creek to assist in bank stabilisation and once established this will assist in improving the water quality. It was also noted that the new National Environment Standards for Freshwater and regulations for stock exclusion released in 2020 will significantly aid the improvement efforts.

To bring the monitoring programme into alignment with the requirements of the NPS-FM, a programme review was carried out in 2020. It showed gaps in the regional coverage of the monitoring network and identified additional parameters that need to be added to the programme. The final configuration of the revised programme depends on a number of factors, including the implementation of the many new requirements of the NPS-FM.

Members were advised that Marlborough is in the top 5% of districts in regards to water quality.

**Cirs Hope/Arbuckle:**  
**That the information be received.**

**Carried**

ATTENDANCE: Georgia Murrin, Council's Environmental Health Technician, was present for the following item.

**Env-0221-220      Environmental Health: Development of the Food  
Control Plan Diary      E350-004-009-02**

Members were advised that the purpose of the report was to provide information to the Committee on work the Environmental Health Team has undertaken to update the Diary currently used by our food businesses operating a Template Food Control Plan (FCP) within Marlborough. An example of the Diary was shown to members.

Georgia Murrin noted that with the previous Plan the Ministry for Primary Industries (MPI) created a diary that food businesses could use to document the daily records that were required to show compliance. With the implementation of this new Plan the Environmental Health Team were seeing repeated corrective actions being issued for missing records resulting in further costs to the businesses. To assist businesses the Environmental Team developed a Food Control Plan Diary. This was initially sent out to four different food businesses to get feedback on its usefulness. The feedback was very positive with only a few minor adjustments suggested.

The plan is now finalised and the food businesses have been advised it is available to purchase. The charge for the diary remains at \$10 to cover the in-house production costs. It was noted that helpful hints are provided throughout the diary to improve food safety.

**Cirs Faulls/Croad:**  
**That the information be received.**

**Carried**

ATTENDANCE: Anna Eatherley, Council's Resource Consents Manager, was present for the following item.

**Env-0221-221      Annual Review of Resource Consent Fees –  
Resource Management Act 1991      R450-002-R02**

The purpose of the report was to consider an increase to the existing fee schedule for charges associated with the Resource Management Act 1991 (the Act).

It was noted that the current fees were last increased in July 2020. The current fees have been reviewed and it is recommended that there is a 1.4% increase to the Resource Consent charges for the 2021/2022 financial year in line with the Consumers Price Index (CPI) December Annual CPI figure reported by Stats NZ.

The Marlborough District Council Resource Management Act 1991 - Charging Policy was changed in 2020 to allow for CPI adjustments to Monitoring Fees and Charges on an annual basis from the 1 July each year.

It was noted that the increase would allow the Resource Consent fees and charges under the Resource Management Act 1991 to assist in covering the cost of the Resource Consent Team's function in line with Council's Revenue and Financing Policy.

The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining the group's level of service. It will also avoid additional burden on Councils rate payer's fees to keep pace with CPI.

The Resource Consent Fee Schedule was included in the agenda for members' information.

**Cllrs Oddie/Arbuckle:**

**That Council adopt the proposed increases to existing fee schedule for charges associated with consent processing activities under Resource Management Act 1991 (RMA) effective from 1 July 2021.**

**Carried**

ATTENDANCE: Bill East, Council's Building Control Manager and Brendon Robertson, Council's Senior Building Control Officer, were present for the following item.

**Env-0221-222      Annual Review of the Building Control Group  
Fees & Charges – Building Act 2004      R450-002-001**

The purpose of the report was to seek adoption of the proposed increases to the existing fees and charges for Building Control activities under the Building Act 2004 to take effect from the 1 July 2021.

It was noted that the current fees were last increased in July 2020 using the CPI. The current fees have been reviewed and it is recommended that there is a 1.4% increase to the Building Control Group's Fees and charges for the 2021/2022 financial year which are in line with the Consumer Price Index (CPI) December Annual CPI figure reported by Stats NZ.

The Marlborough District Council Building Control Group's Flat fee and charges was changed in 2020 to allow for CPI adjustments to charges on an annual basis from the 1 July each year.

Members were advised that the increase will allow the Building Control Group fees and charges to align with Council's Revenue and Financing Policy. The proposed increase to fees will maintain the group's ability to meet statutory and customer demands by maintaining a fully resourced group. It will also avoid additional burden on Council's ratepayer's fees to keep pace with CPI.

The Schedule of Fees & Charges were included in the agenda for members' information.

Bill East advised members that this would be the last report he would be making to the Committee as he will shortly be retiring. Members thanked Bill for all his hard work and effort for Council over the years and extended their best wishes on his upcoming retirement.

**Clrs Oddie/Sowman:**

**That Council adopt the proposed increases to existing flat fee and miscellaneous fee schedule for charges associated with activities under Building Act 2004 effective from 1 July 2021.**

**Carried**

ATTENDANCE: Jamie Clark, Council's Compliance Manager, was present for the following two items.

**Env-0221-223 Annual Review Resource Consent Monitoring  
Fees & Charges - Resource Management Act  
1991 E360-006-02**

The purpose of the report was to seek adoption of the proposed increases to the existing fees and charges for consent monitoring activities under Resource Management Act 1991 (RMA) for the financial year 2021/22 and approve the Consumer Price Index (CPI) adjustments to Monitoring Fees and Charges from 1 July 2021.

It was noted that the current fees were last increased in July 2020 using the CPI. The current fees have been reviewed and it is recommended there is a 1.4% increase to the Resource Consent Monitoring charges for the 2021/2022 financial year. This is in line with the Consumers Price Index (CPI) December Annual CPI figure reported by Stats NZ. Members were advised that the Marlborough District Council Resource Management Act 1991 - Monitoring Charging Policy was changed in 2020 to allow for CPI adjustments to Monitoring Fees and Charges on an annual basis from the 1 July each year.

Members were advised that the increase will assist in covering the costs of the Environmental Protection Teams function in line with Council's Revenue and Financing Policy and will maintain the group's ability to meet statutory and customer demands by maintaining a fully resourced group. It was reported that the increase will avoid additional burden on Council's rate payer's fees to keep pace with CPI.

The Schedule of Fees & Charges were included in the agenda for members' information.

**Clrs Oddie/Sowman:**

**That Council adopt the proposed increases to existing fee schedule for charges associated with consent monitoring activities under Resource Management Act 1991 (RMA) effective from 1 July 2021.**

**Carried**

**Env-0221-224 Proposed Monitoring Fees & Charges -  
Resource Management Act 1991 - NES Fresh  
Water E360-003-001**

The purpose of the report was to provide the Council with the proposed schedules of charges for monitoring permitted activities under the NES-Fresh Water and Resource Management Act 1991 (RMA).

Members were advised that it is proposed to charge property owners for monitoring permitted activities as set out in the Resource Management (National Environmental Standards for Fresh Water) Regulations 2020. It is considered that the proposed charges adhere to the criteria in section 36AAA of the Act and the sole purpose is to recover the actual and reasonable costs incurred by the Council in respect of the activity.

It was noted that monitoring NES-FW permitted activities undertaken by the Environmental Protection group incur a cost to Council, if the cost is not recovered from the property owner it would be borne by the general

ratepayer. In addition the proposed fees will maintain the group's ability to meet statutory and customer demands by maintaining a fully resourced group.

It was noted that the proposed fees are to be publicly notified and members queried whether specific approaches were being made to groups that will be affected by the increase. Mr Clark noted that they were and there is also a comprehensive mailing list that will be utilised. Members agreed to provide a further list of groups that would benefit from a direct approach.

Members discussed the recommendation to appoint three Councillors to the sub-committee to hear and determine submissions. It was discussed whether the memberships of the sub-committee should solely be made of councillors or whether consideration be given to have Ross Beech the Rural Representative on the Committee. It was noted that it was appropriate that it be councillors and that the sub-committee can seek advice from whomever they think appropriate.

Cirs Fauls, Croad and Hope accepted their nominations to be appointed to the Sub-committee.

During discussion it was suggested that consideration be given to changing the 'student environmental protection officer' name contained in the table for NES-FW Permitted Activity Monitoring to something more reflective of the responsibility of the role.

**Cirs Hope/Oddie:**

- 1. That the report be received.**
- 2. That approval is given for Council to consult on the proposed NES-FW Permitted Activity Monitoring Charges using the special consultative procedure under section 83 of the Local Government Act 2002.**
- 3. That a sub-committee is formed to hear and determine any submissions received on the proposed fees and policy through the consultation process.**
- 4. That Councillors Fauls, Croad and Hope be appointed as members to the sub-committee to hear and determine any submissions received on the proposed fees and policy through the consultation process.**

**Carried**

ATTENDANCE: Sue Bulfield-Johnston, Council's Administrator and Hearing facilitator, Advocacy and Practice Integration, was present for the following two items.

**Env-0221-225 Resource Consent Hearings Update**

**R450-004-22**

The purpose of the report was to provide the Committee with a summary of the hearings undertaken since the previous report was provided, together with an update as to changes in practice following COVID-19.

It was noted that the report provides a rolling summary of hearings scheduled and completed for applications for resource consent. Since the onset of COVID-19 and the Level 4 lockdown a practice has been implemented to consider extension of timeframe and online hearings where appropriate.

Ms Bulfield-Johnston's report covered detailed information on the 14 hearings that have taken place since 1 July 2020 and listed the eight hearing dates for resource consent applications. It was noted that there has been one hearing postponed.

**Cirs Oddie/Arbuckle:**

**That the information be received.**

**Carried**

## **Env-0221-226 Appointment of Hearings Commissioners**

**R450-004-02**

The purpose of the report was to present Michael Durand for inclusion on the list of Hearings Commissioners. Dr Durand's Summary CV was attached to the item for members' information.

Members were advised the Dr Michael Durand will serve as an Independent Commissioner on matters such as hearings on applications for resource consent as he has accumulated technical expertise in resource management, environmental law and management of land, water air, and coastal resources.

**Cirs Arbuckle/Croad:**

- 1. That the report be received.**
- 2. That Michael Durand is appointed to act as a Hearings Commissioner as and when required and that he be advised accordingly.**

**Carried**

## **Env-0221-227 Information Package**

-

Val Wadsworth, Council's Environmental Scientist – Hydrology provided updated hydrological information which was circulated to members and will be uploaded to the website. Document filed in CM Record No. 2122063.

**Cirs Oddie/Arbuckle:**

**That the Regulatory Department Information Package dated be received and noted.**

**Carried**

The meeting closed at 10.37 am.

Record No: 2124856

## **6. Committee Reports**

---

### **6.3 Planning, Finance & Community Committee**

Planning, Finance & Community Committee Meeting held on 11 February 2021  
(Minute Nos. PF&C-0221-228 to PF&C-0221-238)



**Report and Minutes of a Meeting of the  
PLANNING, FINANCE & COMMUNITY COMMITTEE  
held in the Council Chambers, 15 Seymour Street, Blenheim  
on THURSDAY 11 FEBRUARY 2021 commencing at 9.00 am**

**Present**

Clrs M A Peters (Chairperson), J D N Croad, J L Andrews, J A Arbuckle, C J Brooks, B A Faulls, M J Fitzpatrick, G A Hope, F D Maher, D D Oddie, T P Sowman, Mayor J C Leggett and Clrs B G Dawson and N P Taylor (from 9.02am)

**In Attendance**

Messrs M F Fletcher (Chief Financial Officer), D G Heiford (Manager, Economic, Community & Support Services) and N Chauval (Committee Secretary)

**Apologies**

No apologies were received.

**PF&C-0221-228 Declaration of Interests** -

Clr Taylor declared an interest in Item 6 – Appeals on the PMEP Decision.

ATTENDANCE: Clrs Taylor and Dawson joined that meeting at 9.02 am during the following item.

ATTENDANCE: Mr Neil Henry, Council's Manager, Strategic Planning & Economic Development, and Dion Brown, Board Member Feast Marlborough were present for the following item.

**PF&C-0221-229 TEAM COVID-19 Economic Recovery Group  
Update C500-005-010-03**

The purpose of the report was to update the Committee on the activities of the TEAM COVID-19 Economic Recovery Group. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2126469).

Neil Henry commenced the update by introducing Dion Brown who was present to discuss Marlborough's Summer Feast project.

It was noted that two key data projects are progressing - a survey of 400 Marlborough Businesses and a report on Consumer Electronic Card Spend. The survey will contain detailed questions about how COVID has affected business owners, how it is affected their business and how they think it could affect them in the coming months. Results of the survey are likely to be available late March/April and information from the survey will be included in the June report to the Committee.

TEAM have purchased a subscription to Market View which will provide the monthly reports on consumer electronic card spend data. The reports will show electronic card spend for Blenheim, Picton and other parts of Marlborough. The report will cover how much has been spent, what it has been spent on and any changes over time.

A town centre health check has been undertaken, this usually happens every two years with the last check completed in late 2019/20 which was pre-COVID. To provide a post-COVID view an additional check was undertaken on 21 January 2021. It recorded 18 units currently vacant which is only one more since December 2020. It was noted that most changes have been cancelled out by relocations or new occupants.

BBA undertook a mini survey of retailers on following the Christmas period. Most businesses stated that trading was strong over the Xmas period and saw an increase in sales compared to previous year. Nearly all noted a shortage of stock due to shipping delays. Generally comments were positive.



Members were advised that Make it Marlborough (Phase 1), Business Support Webinars (Chamber of Commerce), Career Navigator programme – Graeme Dingle Foundation, Garden Marlborough Event, Infometrics reports 1 and 2 and Summer Sounds Events have been completed.

Dion Brown, Board Member Feast Marlborough, provided members with an update on the happenings of the Summer Feast and noted that it was developed following the cancellation of the Marlborough Wine & Food Festival. He advised that the idea was to create multiple date events that did not replace the Wine & Food Festival. All key food and beverage operations in Marlborough were contacted and the proposal was put for them to come up with ideas that not only focused on their business but also Marlborough. Summer Feast was there to provide guidance and support but it was up to the businesses to organise and run the events.

To date 24 separate events have been created with a total of 44 events in the calendar, these will run to the end of March. Events include South Island Cheese Festival which was run on the weekend and was a huge success with over 3500 people attending over the whole day. The organisers are considering whether to continue with the event next year and beyond. It was noted that this and other events could be something that Marlborough could hang its hat on every year over the summer period which complemented the Wine & Food Festival and enticed people to stay in the district for longer.

Another event organised by Enviro Hub and Cloudy Bay Clams is a beach clean-up at Rarangi in March culminating in a clam bake on the beach. Mr Brown also touched on a number of other events that are coming up.

A survey will be undertaken following the events in March seeking information from event organisers, accommodation providers and businesses on the impacts from the events.

Members were advised that TEAM is open to suggestions from any group considering holding an event and there is information on project funding and support available on Council's website via the following link <https://www.marlborough.govt.nz/civil-defence-emergency-management/covid-19-novel-coronavirus/the-economic-action-marlborough-team-group/project-funding>

It was queried whether there was anything being planned around the Spirited Women's Adventure event which is planned for 9-11 April. It was noted that contact had been made with Fiona Fenwick of Feast Marlborough.

In response to a query on whether Feast Marlborough will be continue to be involved it was noted that this would be reviewed following the results of the survey.

Members were advised that the Make It Marlborough campaign has been running since 27 November and will continue until March. Ongoing campaigns will be undertaken. Pre-Christmas retail complete and post-Christmas regional campaign launched 12 January 2021. DM are currently planning for the next activation days and a report will be provided on those to a future meeting.

It was reported that TEAM have agreed to fund the Marlborough Event Guide for Autumn 2021 plus the Spring/Autumn issue for 2022. TEAM are also supporting the progressive dinner Methode Marlborough. It was noted that although Team's budget has almost been committed some of it may not be spent eg; the underwriting of some events.

Team will produce a second report in June. It was noted that it is unclear and how far past June TEAM will operate but they don't want to stifle any ideas and therefore may require further budget. Members were advised that TEAM would not seek further budget unless there was a definite need.

**Cirs Fitzpatrick/Brooks:**  
**That the information be received.**

**Carried**

ATTENDANCE: Dorieen Vermaas, Council's Economic Development Programmes Manager, and Adi James, Council's Community Advisor- Marlborough Townships were present for the following item.

**PF&C-0221-230      Marlborough Smart+Connected and Smart Business Marlborough update      E100-010-01**

The purpose of the report was to provide an update on Marlborough Smart+Connected and Smart Business Marlborough activities between 1 October 2020 and 27 January 2021. To highlight this report a powerpoint presentation was shown (presentation filed in CM Record No. 2126730).

Members were advised that a meeting of the Havelock S+C Value and Innovation group was held yesterday (10 February) with a very positive turn out. A paper will be provided to a future meeting on the ideas being progressed by the group. It was noted that the group has discussed the need for a future conversation around the protection of IP (Intellectual Property) and commercialising those ideas.

Noted the Labour and Skills Group has a new Chair, Carole Crawford, from NMIT.

Members were advised for the first time last year a meeting with all business service providers that work across Marlborough with our businesses was held. It is proposed that this be conducted on an ongoing basis. Also attended was Business Trust Marlborough, Chamber of Commerce along with Callahan Innovation who are Nelson based National Agency. Marlborough is facilitating these meetings.

It was reported the Economic Development team have been continued to focus on the story telling of Marlborough businesses and workshops have been held, initially internally with the Council's Communication team and then externally to see if there are gaps and what is the best way forward to tell our stories.

It was reported that Sweetshop & Green Productions, a film company from Auckland, visited Marlborough in October 2020 to shoot scenes for a short film. Shoot locations included Rarangi and Rainbow Ski field. Film in due for release later in 2021.

Screen Marlborough has held its first workshop hosted by Casey Zilbert and feedback from the event was very positive, further talent-development workshops are planned for April 2021.

Noted the Top of South Film festival was held in November, entries were up on previous years and the event continues to be extremely successful.

Members were advised that Marlborough had received a grant from the New Zealand Film Commission (NZFC) and Screen Marlborough had contracted local photographer Richard Briggs to undertake four days of photography around the Marlborough region. The new photographs will be a significant addition to the existing library of photographs promoting Marlborough as a filming destination. They will also be added to the NZFC's library which is aimed at attracting international productions to NZ.

During January a second production crew from Auckland visited the region to film a travel related TV-show. Locations where filming took place included Bay of Many Coves, Queen Charlotte track, Omaka Aviation Heritage Centre, Esson Valley and the vineyards along Rapaura Road. This is likely to air in February/March.

During January Screen Marlborough held its first industry and community meet-up at The Wine Station with approximately 40 people in attendance. It was an interactive session and a wide-ranging set of ideas have been gathered for further development of the screen-sector in Marlborough. Feedback from the event is now being reviewed and key priorities defined.

In response to a query on whether the support from Council (Screen Marlborough) helped in securing the film companies Sweet Shop and South Pacific to Marlborough. Ms Vermass advised that yes it did in that Screen Marlborough provided advice relating to organised lunches, caravans for makeup, and generally worked and collaborated with businesses to provide the things that the film companies required along with the photographs depicting film locations. This service level put Marlborough ahead of other regions.

Adi James provided a report on the Smart + Connected programmes and noted that a couple of the groups did struggle towards the end of the year for a variety of reasons but have come back a little bit stronger. The Havelock Community Assn met in January and are commencing a wattle eradication programme which they have funding from Council for and are investigating wayfinding around the town. The group want to identify 5-6 key routes around the township based on different themes and make those really easy for people to follow and will tie in with the Motuweka Pathway which is almost complete. The group is also working on banner designs, one which will fit in with the walkway.

It was noted that the Camp Ground and other accommodation providers in Havelock were quite pleased with the occupancy over the summer period.

Picton had a Christmas event at the end of the year and had a few changes to their Steering Group. Rob Burns has stepped down as chair but is still involved with the group. They now have a joint chair Richard Briggs and Hamish Watson and also have a new member in Linda Thompson. Key thing for the group is they are currently working with Department of Internal Affairs on a possibility of them funding a Community Development person in Picton.

Renwick Steering Group met last week and are very excited that the Renwick Village Green is progressing.

The Bike Walk group are working on the Renwick Vineyard Trail and are working well to get that underway. A new Transport Group has been established and a meeting is scheduled for mid-March.

Members were advised that Seddon Smart + Connected had a meeting on Tuesday with 20 people attending including representatives of all the Trusts and East Coast Business Network. Projects currently being worked on is Earthquake Early Warning System and the Whale Trail. It was noted that the group will undergo consultation with the community on exactly where the Whale Trail route will go as there are a couple of different options. They have a community meeting planned and will liaise with Council and the Whale Trail.

Construction on the Early Childhood Hub and is due to start 1 April.

It was raised as part of discussions whether there could be some thought given on how we can support the chairs in these groups, it doesn't necessarily need to be financial but some other way to retain people in these roles. It was noted that it is not any easy thing to answer but it was suggested that the first step would be to speak with current and past chairs for their views.

**Cirs Brooks/Taylor:**

**That the information be received.**

**Carried**

## **PF&C-0221-231 Age Friendly Community Update C150-002-012-02**

The purpose of the report was to provide a plan for implementing an Age Friendly Community process for Marlborough.

It was noted that Council's Positive Ageing Accord came to the end of its current term on 30 June 2019. The plan was to have the review completed by 30 June 2020 but Covid-19 intervened.

Members were advised that the ageing demographic will have a significant impact on the Marlborough community in areas such as housing, accessibility, transport, workforce, ratepayer base, impact on health services. Council has agreed to the Age-Friendly Community model to update its strategic approach to this issue.

This approach provides an opportunity for Council to engage with this group and partner with key stakeholders to develop an Action Plan. Council has engaged Liz Webb to undertake this work.

The timeframe for completing this work will now be 1 February 2021 through to a report being provided by 30 June 2021.

Costs associated with this work can be covered within existing budgets.

**Cirs Andrews/Sowman:**

- 1. That Council agrees to undertaking the WHO Age-Friendly Community model for development of a multi-agency strategy for our ageing population.**
- 2. That staff progress with the action plan to complete this work.**

**Carried**

ATTENDANCE: Clr Taylor declared a conflict of interest and withdrew for this item.

ATTENDANCE: Mr Pere Hawes, Council's Manager Environmental Policy, and Louise Walker, Council's Administration Officer/RMA Hearings Facilitator, were present for the following item.

**PF&C-0221-232 Appeals on the PMEP Decision M100-09-01**

The purpose of the report was to update the Committee on progress with resolving appeals made to the Environment Court on the PMEP.

Members were advised that Council had put forward a proposed mediation schedule for Council's group one of topics which was approved by the Court on 21 December 2020. Council was about to action the first commitment under that schedule but on 29 January 2021 the Court suspended the mediation schedule. No reason was provided at the time. A meeting with the allocated Court Commissioners to work through the schedule was held. Court's main concern was they could not commit to that schedule for a variety of reasons but including that they are also committed to a similar mediation process involving Environment Southland's plan. What was discussed was an amended schedule and Council is in the process of preparing that and will submit to the court for approval.

It was noted that it is unclear what this will mean other than it will push out the mediation schedule which was due to commence next week and run through to July 2021 for the group 1 of topics.

It was reported that this is a concern regarding available resources for Council, parties and the court. The court has therefore requested that mediation be kept to a three day week of Tuesday, Wednesday, Thursday which will also push out the schedule. This will possibly be confirmed at the next committee meeting.

Members were advised that regardless of the timing committing to that mediation schedule is going to be a major part of the Environmental Policy Group's work programme.

**Cirs Oddie/Sowman:**  
**That the report be received.**

**Carried**

**PF&C-0221-233 Plan Change Request Withdrawal – The New Zealand King Salmon Company Limited, Te Pangu Bay, Tory Channel M135-15-30-01**

The purpose of this report is to inform the Committee of the withdrawal of The New Zealand King Salmon Company Limited (NZ King Salmon) plan change request.

Members were advised that NZ King Salmon had previously requested an alteration to the Marlborough Sounds Resource Management Plan's (MSRMP) re-zoning a section of the coastal marine area in Te Pangu Bay from Coastal Marine Zone 1 to Coastal Marine Zone 2. It was noted that on 14 December 2020, Council received notice from NZ King Salmon of the company's withdrawal of the plan change. Accordingly, the plan change request has been closed and no further action is required by Council.

**Cirs Arbuckle/Oddie:**  
**That the report be received.**

**Carried**

**PF&C-0221-234 Small Townships Programme Sub-Committee D050-001-S03**

The Minutes of the Small Townships Programme Sub-Committee meeting held on 21 January 2021 were attached for ratification by the Committee.

Members were advised that the press release noted in the minutes on the Renwick High Street Crossing has been a delayed to enable community / business consultation to occur.

**Clrs Brooks/Croad:**

**That the Minutes of the Small Townships Programme Sub-Committee meeting held on 21 January 2021 be ratified.**

**Carried**

**PF&C-0221-235    Audit & Risk Sub-committee**

**D050-001-S02**

The Minutes of the Audit & Risk Sub-Committee meeting held on 16 December 2020 were attached for ratification by the Committee.

**Clrs Peters/Croad:**

**That the Minutes of the Audit & Risk Sub-committee meeting held on 16 December 2020 be ratified.**

**Carried**

**PF&C-0221-236    Long Term Plan Working Group**

**D050-001-S02**

The Minutes of the Long Term Plan Working Group meeting held on 10 December 2020 were attached for ratification by the Committee.

**Clrs Croad/Taylor:**

**That the Minutes of the Long Term Plan Working Group meeting held on 10 December 2020 be ratified.**

**Carried**

**PF&C-0221-237    Financial Report for Council – Period Ended 31  
December 2020**

**F275-002-19**

Martin Fletcher, Chief Financial Officer presented Council's financial report for the period ended 31 December 2020.

It was noted that while the programmed work is \$102.8M for the year, only \$65.5M was funded through the annual plan process. This ensures multiple projects can be kept on the go.

Members were advised that the forecast values included in the report are system generated and do require manual intervention to improve their accuracy. It was noted that much of the information required to improve accuracy will be gathered during the current Long Term Plan preparation and forecasts will continue to be updated throughout the year as information comes to hand.

Major variances between actual and budget were: - unbudgeted rental income and recoveries received from 22 Queen Street. Rooding income is behind budget due to lower development contributions and NZTA roading subsidies (these subsidies are directly correlated to lower roading expenditure both operational and/or capital). Unbudgeted funding received from the Ministry of Primary Industries to complete the Molesworth National Wilding Conifer Control Programme. Unbudgeted revenue from the shovel ready projects fund for the new Blenheim Library build. Unbudgeted grant revenue from the Department of Internal Affairs (DIA) for projects throughout sewer, water and stormwater. Lower external interest costs due to the low interest rates and lower capital expenditure in previous years. Internal interest costs are less due to lower capital expenditure last year.

It was queried whether the percentage of project completion could be included in reports to provide a timeline on projects. It suggested that this could be undertaken for the report to the Assets & Services Committee Financial Report due this being where most of the bigger projects are identified.

**Clrs Peters/Croad:**

**That Council receive the Financial Report for the period ending 31 December 2020.**

**Carried**

**PF&C-0221-238 Information Package** -

Cllrs Andrews/Faull:

That the Planning, Finance & Community Information Package dated be received and noted.

Carried

The meeting closed at 10.15 am.

Record No: 2130144

## **7. Local Roads Speed Limit Review 2021**

(also refer to Attachment 7.1, Attachment 7.2, Attachment 7.3, Attachment 7.4 and Attachment 7.5)

---

(Cllr Maher) (Report prepared by Andy High – Waka Kotahi NZTA)

R800-005-11

### **Purpose of report**

1. To review and make a decision on the proposed speed limit bylaw changes that have been recommended for approval by the hearing panel at its deliberations on 16 November 2020.

### **Executive Summary**

2. In September 2019, the Council consulted with the community on making changes to roads in the Marlborough District as part of the Speed Limit Review.
  3. Submissions to that consultation showed that there was generally support for reduced speeds across the region, broadly in line with the SaAS (Safe and Appropriate Speeds) as set out in the Waka Kotahi Speed Management Guide.
  4. The number and extent of submissions received suggested a preference for a district wide approach to speed limit changes to ensure regional consistency, rather than only reviewing individual roads.
  5. Taking into consideration signalled imminent government legislative changes to the speed limit bylaw process a staged approach was adopted by Council.
  6. Selected speed changes include the NZTA Top 10% for High Benefit Speed Management, other roads identified through the submission process considered a priority and where rezoning of land to residential land use has taken place.
  7. Council carried out formal consultation on the bylaw amendment in September 2020 on the proposed speed changes to the roads listed below:  
NZTA Top 10% for High Benefit Speed Management were:
    - Alabama Road (SH1 to east side of Redwood Street)
    - Old Renwick Road (east side of Hammerichs Road to SH6)
    - Hunter Road (SH1 to Tarrants Road)
    - Seymour Street (Alfred St to Maxwell Road)
    - Alfred Street (SH1 to Seymour St)Other priority roads were:
    - Old Renwick Road (Hammerichs Road to Waipuna St)
    - Battys Road
    - David Street
    - Beaver Road
    - Blenheim CBD- short section of Hutcheson St. north to the bridge, Seymour St- (Maxwell St - Scott St)
    - Picton CBD- London Quay, north High St, north Wellington St
  8. Forty one submissions were received and of those nine submitters indicated they wished to speak to their submission.
  9. At the submission hearing on 16 November 2020, the hearing panel reviewed and recommend that the proposed speed limit changes shown in the resolution below are approved by the Full Council at its meeting of 25 February 2021.
- 

### **RECOMMENDATIONS**

1. That Council receives the Local Roads Speed Limit Review 2021 (this report).
  2. That Council approves the following amendments to the Schedules in the Marlborough District Council Speed Bylaw 2014 to be implemented from 1 April 2021:
-

Road	Speed Restriction	Location/description
Seymour Street	30	Alfred Street -Scott Street
Alfred Street	30	SH1- Seymour Street
Hutcheson Street	30	Alfred Street to the Taylor River Bridge
Beaver Road	30	Full length
Battys Road	50	Move posted 50kph to 260m south of David Street to the bridge over Yelverton Stream.
David Street	50	Full length
Alabama Road	60	SH1 -520m east of Redwood Street
School Road	40	Full length
Dry Hills Lane	60	475 metres from Alabama Road
Old Renwick Road	80	SH6 to 100m west of Hammerichs Road
Old Renwick Road	50	100m west of Hammerichs Road to Waipuna Street
Blicks Lane	50	Full length
Rene Street	50	Full length
Thomsons Ford Road	50	60m north of Old Renwick Road
Rose Manor Drive	50	Full length
Rembrandt Drive	60	Full length
Spencer Place	50	Full length
Hunter Road	60	SH1- 500m east of SH1
Blind Creek Road	60	500m east of Hunter Road intersection
Campbells Road	40	Full length
Cotterill Street	40	Full length
London Quay	30	Full length
High Street	30	London Quay -Waikawa Road
Wellington Street	30	London Quay -Waikawa Road
Endeavour Lane	30	Full length

## Background/Context

10. The initial and formal consultation packages, together with the submissions received from 2019 and 2020 are available on the Council website under the Speed Limit Bylaw Review page (<https://www.marlborough.govt.nz/your-council/bylaws/speed-limit-bylaw-2014/proposed-speed-limit-bylaw-2020-local-roads>).
11. Attached to this report are five attachments. A brief description of each attachment is:
  - **Attachment 7.1** is the proposed Bylaw Amendment 2021 if ratified by Full Council;
  - **Attachment 7.2** is the proposed changes to the 2014 Schedules for the Marlborough District Speed Limit;
  - **Attachment 7.3** is the proposed changes to the Marlborough District Speed Limit Maps;
  - **Attachment 7.4** is the evidence-based tables to support the proposed changes to the speed limits; and
  - **Attachment 7.5** is the notes from the Submission Hearing on 16 November 2020.

## Assessment/Analysis

12. The proposed changes to the speed limits of the selected roads were based on evidence based tables as seen in Attachment 4.



## Options

13. Options for the current speed limits proposal:

Option	Pros	Cons
Option 1- <u>Recommended</u> Ratify the Hearing Committee's recommendations	Aligns with submitters	Nil
Option 2- Amend the recommendations and refer back to the Hearing Committee	Nil	Does not align with consulted proposal and submissions received.
Option 3- Do not approve the Hearing committee recommendations and review after National legislation released.	Nil	Does not align with consulted proposal and submissions received

## Next steps

14. If approved by Full Council, the speed limit changes will be implemented from 1 April 2021. This date allows time to arrange for the signage design, delivery and installation.
15. The 2021 amended speed limit schedules together with the maps will be posted on the Council website.
16. The 2021 changes will be advertised on the Council website and through media release.
17. Formal responses will be sent to all submitters.

## Attachments

Attachment 7.1 – 2021 Speed Limit Amendment to MDC Speed Bylaw 2014	Page 193
Attachment 7.2 – 2021 Amended Schedules to MDC Speed Limit Bylaw 2014	Page 195
Attachment 7.3 – 2021 Maps of Speed Limit changes	Page 202
Attachment 7.4 – Evidence based table to support speed limit	Page 210
Attachment 7.5 – Notes & deliberation from Hearing on 16 November 2020	Page 213

Author	Andy High, Senior Safety Engineer (Waka Kotahi NZTA)
Authoriser	Richard Conningham, Manager Assets & Services

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables democratic local decision-making through the Bylaw process.			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Infrastructure Strategy	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Social well-being	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Environment & RMA Plans	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
Land transport	<b>X</b>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	<b>X</b>
This proposal contributes to the Land transport Policies & Strategies.			
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
If the speed limit changes are approved there will be minor expenses to install or replace signage on local roads.			
This expense will be met from the Local road low cost low risk subsidised account.			
The project has been budgeted for in Local Roads 2021 budgets.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
This speed limit consultation has been of low significance overall to users of our wider road network but of high interest to residents on the roads with the proposed speed limit changes.			
<b>Issue</b>	<b>Level of significance</b>	<b>Explanation of Assessment</b>	
Is there a high level of public interest, or is the decision likely to be controversial?	Low	The speed limits proposed will have some effects on users of those roads included in this review and those people will likely have a high level of interest. Only a small proportion of the road network has been included in this review.	
Is there a significant impact arising from duration of effects from the decision?	Low	Speed limits can change over time.	
Does the decision relate to a strategic asset?	Low	Roads are a strategic asset however this review only includes a small proportion of the overall road network	

### Summary of decision-making considerations

	Does the decision create a substantial change in the level of service provided by Council?	Low	The proposed speed limits are likely to improve road safety on the included roads, which will contribute to the Council meeting its level of service performance targets regarding road safety.
--	--	-----	---

#### Engagement

The Council's Speed Limits Bylaw 2014 allows the Council to alter speed limits by resolution if it complies with the consultation process set out in the Land Transport Rule: Setting of Speed Limits 2003.

The consultation met the requirements of the Marlborough District Council Speed Limits Bylaw 2014, and Section 83 of the Local Government Act 2002.

#### Risks: Legal / Health & Safety etc

Community expectations have been raised through the engagement and consultation to date, that changes to speed limits are likely to be made. There has been support for the changes. Not approving the changes could lead to the questioning the Council's approach to road safety and community consultation.

The Land Transport Rule: Setting of Speed Limits 2003 (the Rule) legislates a number of requirements for road controlling authorities in setting speed limits on their network:

- Section 1.3(d): "encourage road controlling authorities to prioritise the review of roads where achieving travel speeds that are safe and appropriate is likely to deliver the highest benefits"
- Section 2.2(2): "In carrying out its functions under 2.2(1), a road controlling authority must consider whether a speed limit for a road is a safe and appropriate in accordance with this Rule"
- Section 4.2(2) :in reviewing a permanent, holiday or variable speed limit or considering a new permanent, holiday or variable speed limit, a road controlling authority must have regard to-
  - a) The information about speed management developed and maintained by the Agency (New Zealand Transport Agency):and
  - b) Any relevant guidance on speed management provided by the Agency:..."

The proposed changes to the speed limits are in line with the SaAS. (Safe and Appropriate Speeds) as set out in the Speed and Management Guide by Waka Kotahi.

The consultation met the requirements of the Marlborough District Council Speed Limits 2014, Section 83 of the local Government Act 2002 and the Land Transport: Setting of Speed Limits Rule: 2003.

#### Climate Change Implications

There are no known climate change implications to this decision.

Climate change consideration	Assessment	Explanation of assessment
Is this activity associated with one of the Councils climate actions plan?	Yes- moderate significance	Travelling at moderate and steady speeds reduces fuel consumption and vehicle emissions, directly and positively affecting goal 1.  <i>Council contributes to new Zealand's efforts to reduce green house emissions (including net carbon emissions)</i>
Will this decision affect the ability of the Marlborough District Council to proactively respond to the impacts of climate change?	The decision will have no impact on the ability of the council or the District	



## **Marlborough District Council Speed Limits Amendment Bylaw 2021**

This amendment bylaw is made under section 157(e) of the Land Transport Act 1998, the Land Transport Rule: Setting of Speed Limits 2003 and section 83 of the Local Government Act 2002.

### **1. Title**

1.1 This bylaw is the Marlborough District Council Speed Limits Amendment Bylaw 2021.

### **2. Date the speed limits come into force**

2.1 This bylaw comes into force on the 1 April 2021

### **3. Application**

3.1 This bylaw applies to all roads under the care, control or management of Marlborough District Council for which it has bylaw-making powers.

3.2 The schedules to this bylaw are the Council's Register of Speed Limits as required under section 7.3(1) of the Land Transport Rule: Setting of Speed Limits 2003

### **4. Interpretation**

4.1 The terms in this bylaw has the same meanings as in the Land Transport Rule: Setting of Speed Limits 2003.

### **5. Speed limits**

5.1 The roads described in the schedules specified in bylaw 7 of this bylaw or as shown on a map referenced in the schedules to this bylaw are declared to have the speed limits specified in the schedule and maps.

### **6. Amendment to 2014 Bylaw**

6.1 The schedule and plans attached are an amendment to the MDC Speed Limit Bylaw 2014.

### **7. Schedules**

The schedules of this bylaw are amendments to the 2014 Schedules that set out the Council's Register of Speed Limits

Schedule 1:	no change
Schedule 2:	Roads that have a speed limit of 30km/h
Schedule 3:	Roads that have a speed limit of 40km/h
Schedule 4:	Urban Traffic areas -roads that have a speed limit of 50km/h
Schedule 5:	Roads that have a speed limit of 60km/h
Schedule 6:	Roads that have a speed limit of 70km/h
Schedule 7:	Roads that have a speed limit of 80km/h

Schedule 8: no change  
Schedule 9 no change  
Schedule 10: no change  
Schedule 11: no change

**8. Promulgation**

This bylaw was made by resolution of the Marlborough District Council at a meeting of the Council on 25 February 2021, following consideration of submissions received during the special consultative procedure prescribed by the Local Government Act 2002.

The common seal of )  
Marlborough District Council )  
was affixed in the presence of: )

\_\_\_\_\_ Mayor

\_\_\_\_\_ Chief Executive Officer



## **Amended Schedule of Marlborough District Speed Limits**

**Date: February 2021**

**AMENDED SCHEDULES OF MARLBOROUGH DISTRICT SPEED LIMITS**

Schedule 1:	no change
Schedule 2:	Roads that have a speed limit of 30km/h
Schedule 3:	Roads that have a speed limit of 40km/h
Schedule 4:	Urban Traffic areas-roads that have a speed limit of 50km/h
Schedule 5:	Roads that have a speed limit of 60km/h
Schedule 6:	no change
Schedule 7:	Roads that have a speed limit of 80km/h
Schedule 8:	no change
Schedule 9:	no change
Schedule 10:	no change
Schedule 11:	no change

**Schedule 2      30km/hr**

The roads described in this schedule or as shown on a map referenced in this schedule are declared to have a speed limit of 30km/h.

Map number	Description	Date Speed limit comes into Force	Legal Instrument
1	Situated within Marlborough District Council at Blenheim CBD:  Seymour Street (Alfred Street-Seymour Street) Alfred Street (SH1 to Seymour Street) Hutcheson Street (Alfred Street to the Taylor River bridge)	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021
2	Situated within Marlborough District Council at Blenheim CBD:  Beaver Road		
8	Situated within Marlborough District Council at Picton CBD:  London Quay High Street (northern end) Wellington Street (northern end) Endeavour Lane		



**Schedule 3      40km/hr**

The roads described in this schedule or as shown on a map referenced in this schedule are declared to have a speed limit of 40km/h.

<b>Map number</b>	<b>Description</b>	<b>Date Speed limit comes into Force</b>	<b>Legal Instrument</b>
4	Situated within Marlborough District Council at Riverlands:  School Road	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021
8	Situated within Marlborough District Council at Tuamarina:  Campbells Road Cotterill Street	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021

**Schedule 4      50km/hr**

The roads described in this schedule or as shown on a map referenced in this schedule are declared to have a speed limit of 50km/h.

Map number	Description	Date Speed limit comes into Force	Legal Instrument
3	Situated within Marlborough District Council at Blenheim:  Battys Road (from a point 260m south of David Street to the south side of the bridge over the Yelverton Stream.) David Street	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021
5	Situated within Marlborough District Council at Blenheim:  Old Renwick Road (from a point 100m west of Hammerichs Road to Waipuna Street) Blicks Lane Rene Street Thomsons Ford Road (from Old Renwick Road to a point 60m north) Rose Manor Drive Rembrandt Drive Spencer Place	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021

**Schedule 5      60km/hr**

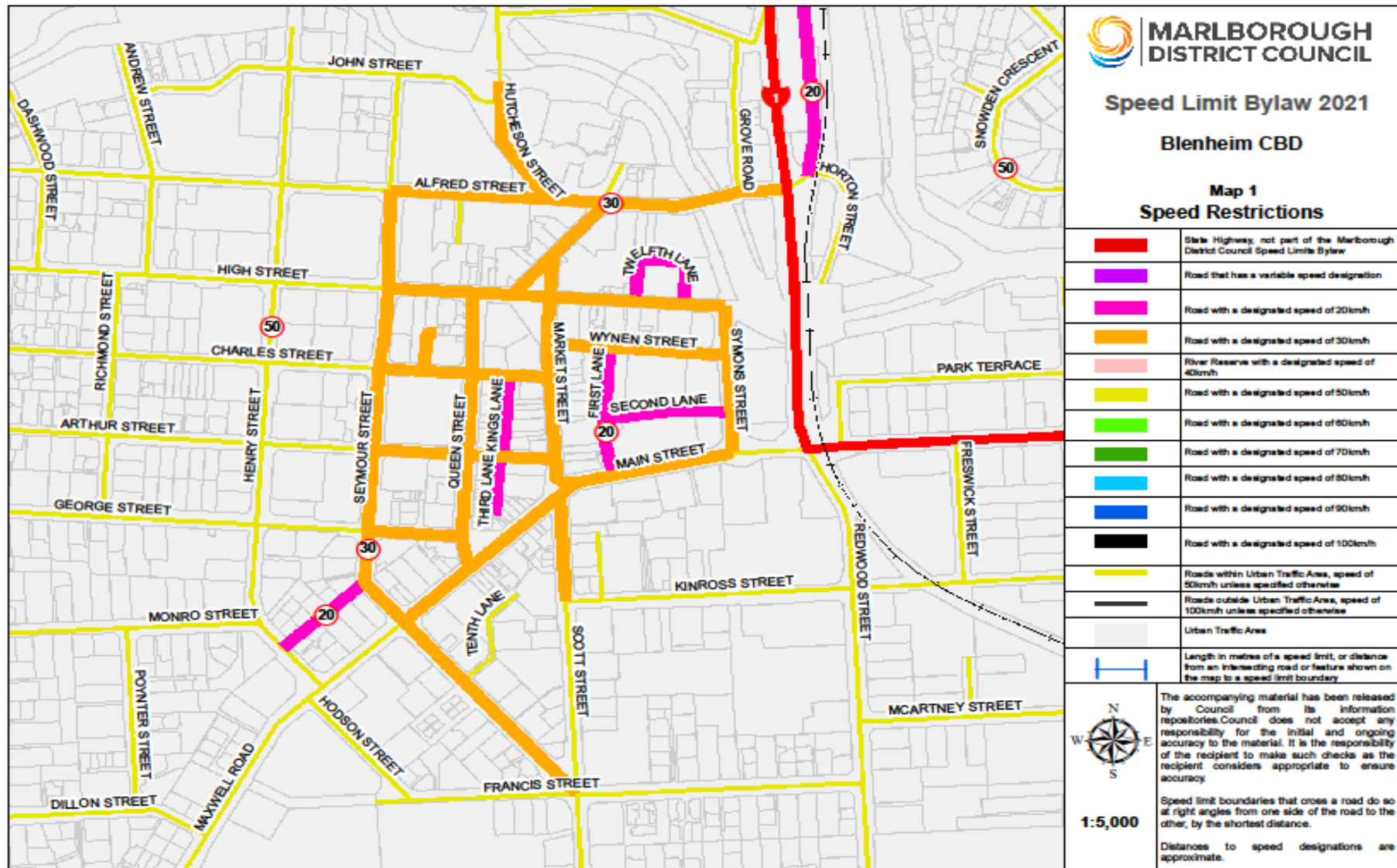
The roads described in this schedule or as shown on a map referenced in this schedule are declared to have a speed limit of 60km/h.

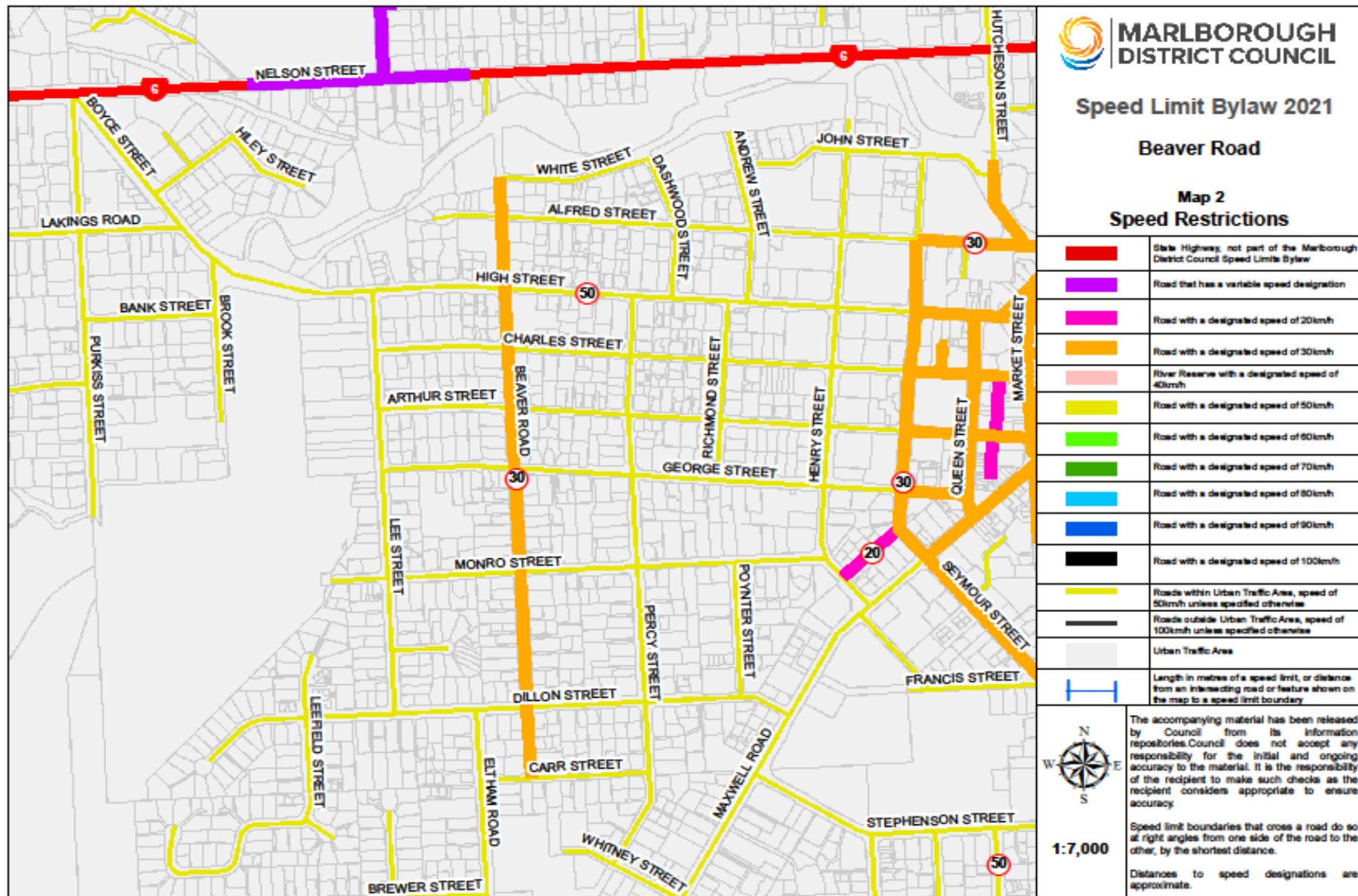
<b>Map number</b>	<b>Description</b>	<b>Date Speed limit comes into Force</b>	<b>Legal Instrument</b>
4	Situated within Marlborough District Council at Blenheim:  Alabama Road (from a point 520m east of Redwood Street to SH1)  Dry Hills Lane (to a point 475m south of Alabama Road)	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021
5	Situated within Marlborough District Council at Tuamarina:  Hunter Road (from 500m east of SH1)  Blind Creek Road (from 500m east of Hunter Road)	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 February 2021

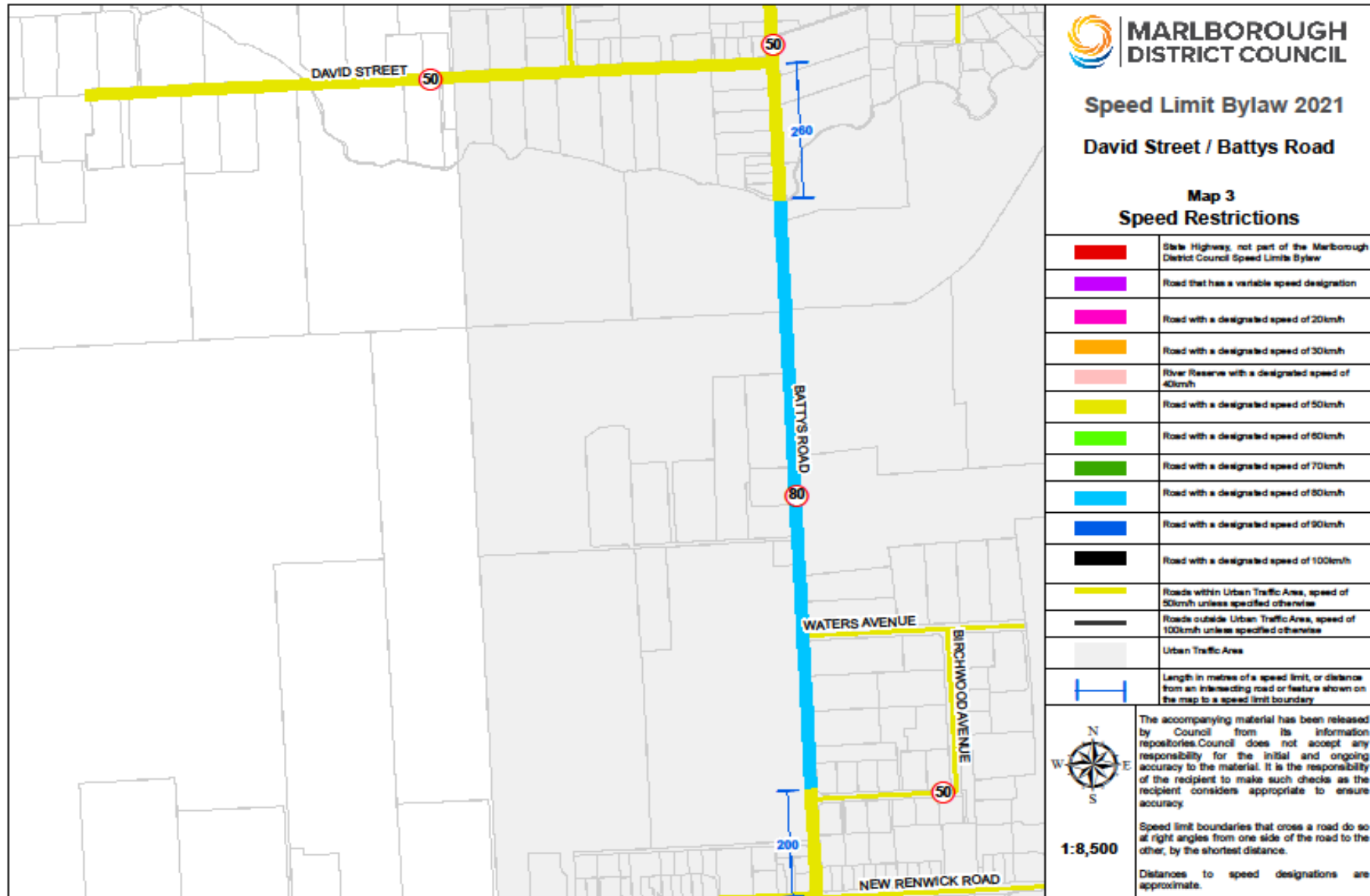
**Schedule 7      80km/hr**

The roads described in this schedule or as shown on a map referenced in this schedule are declared to have a speed limit of 80km/h.

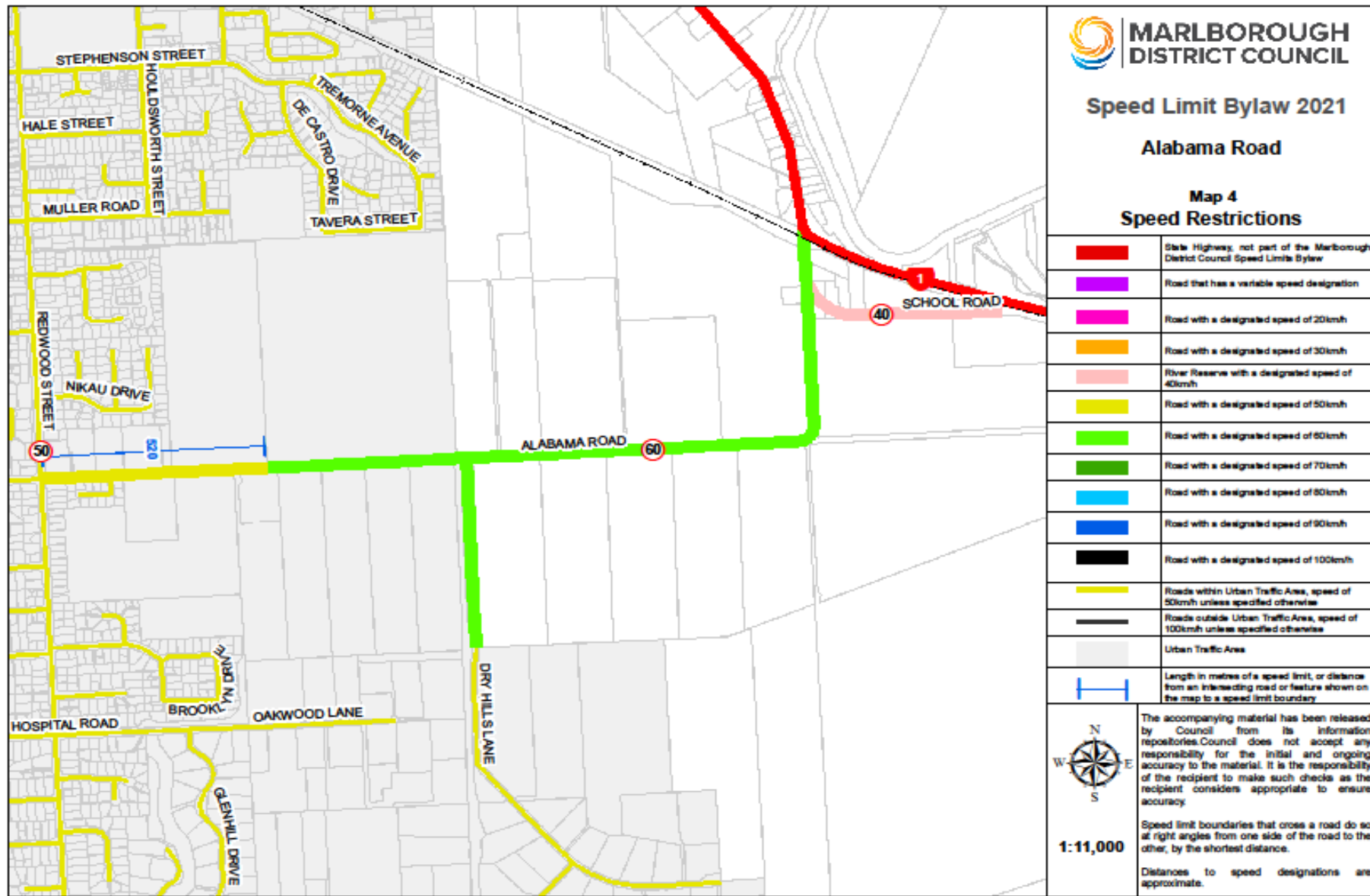
Map number	Description	Date Speed limit comes into Force	Legal Instrument
6	Situated within Marlborough District Council at Blenheim:  Old Renwick Road (from a point 50m west of SH 6 to a point 100 west of Hammerichs Road)	1 April 2021	Marlborough District Council Speed Limit Bylaw adopted 25 December 2020



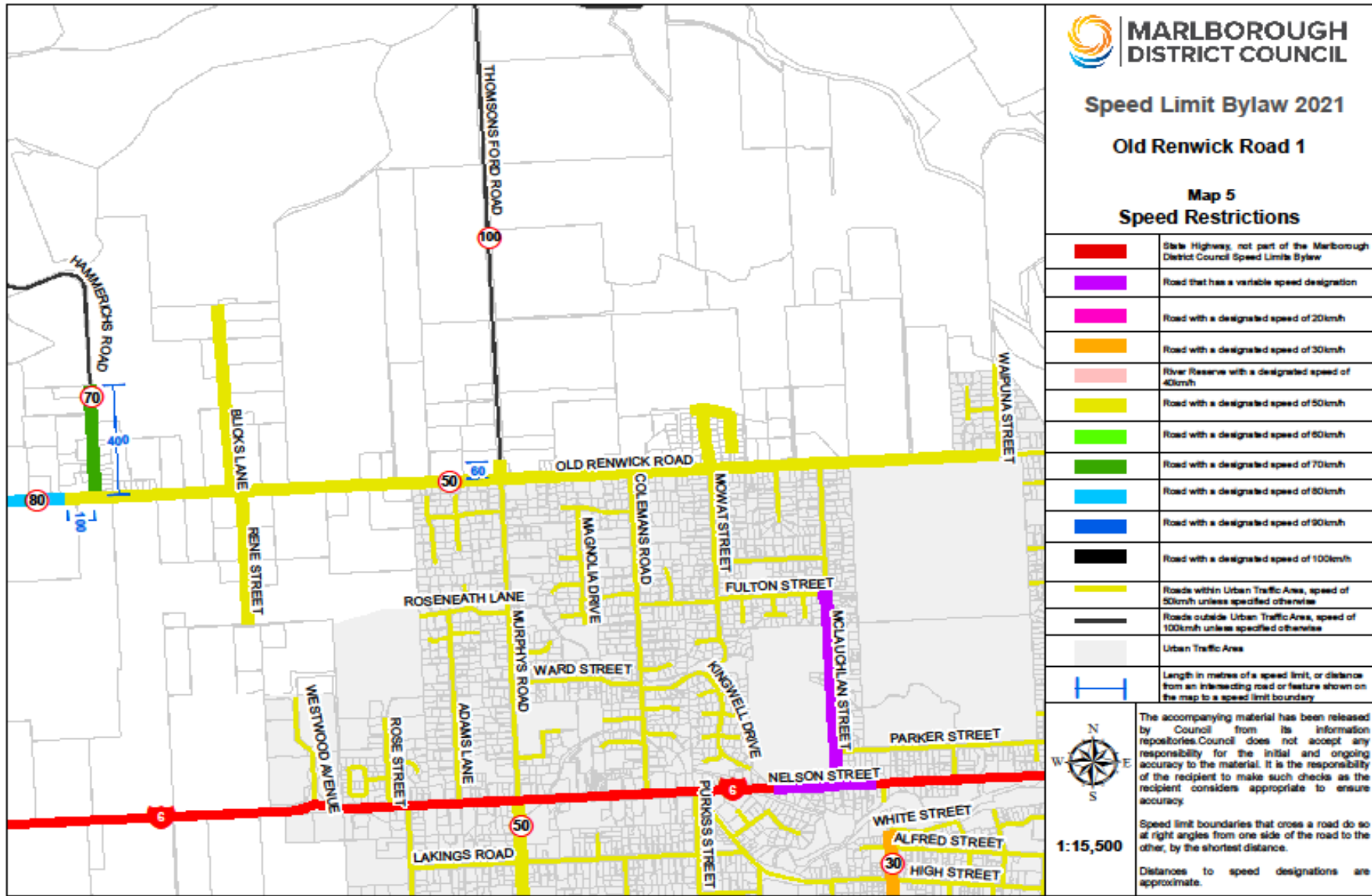


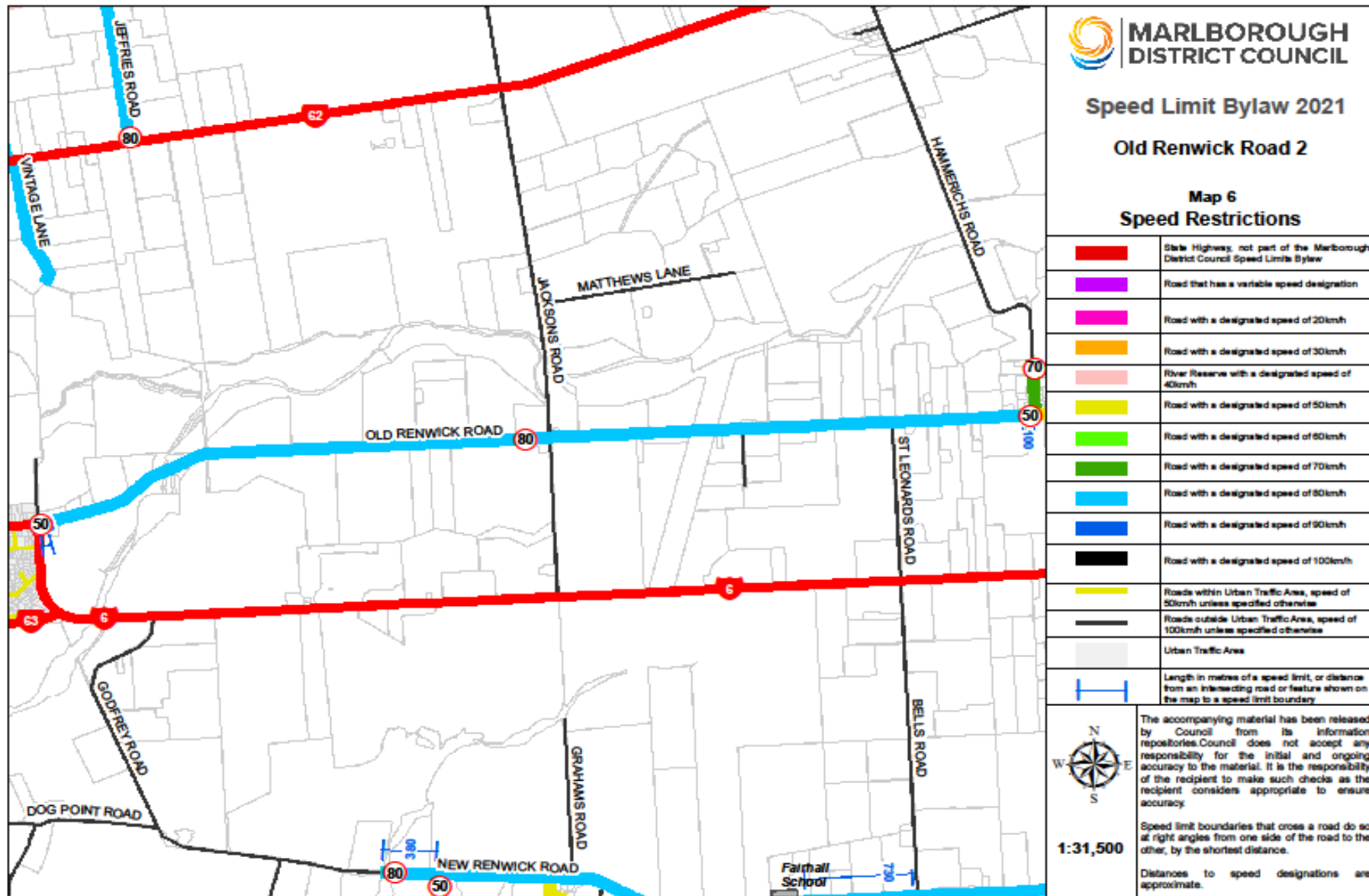


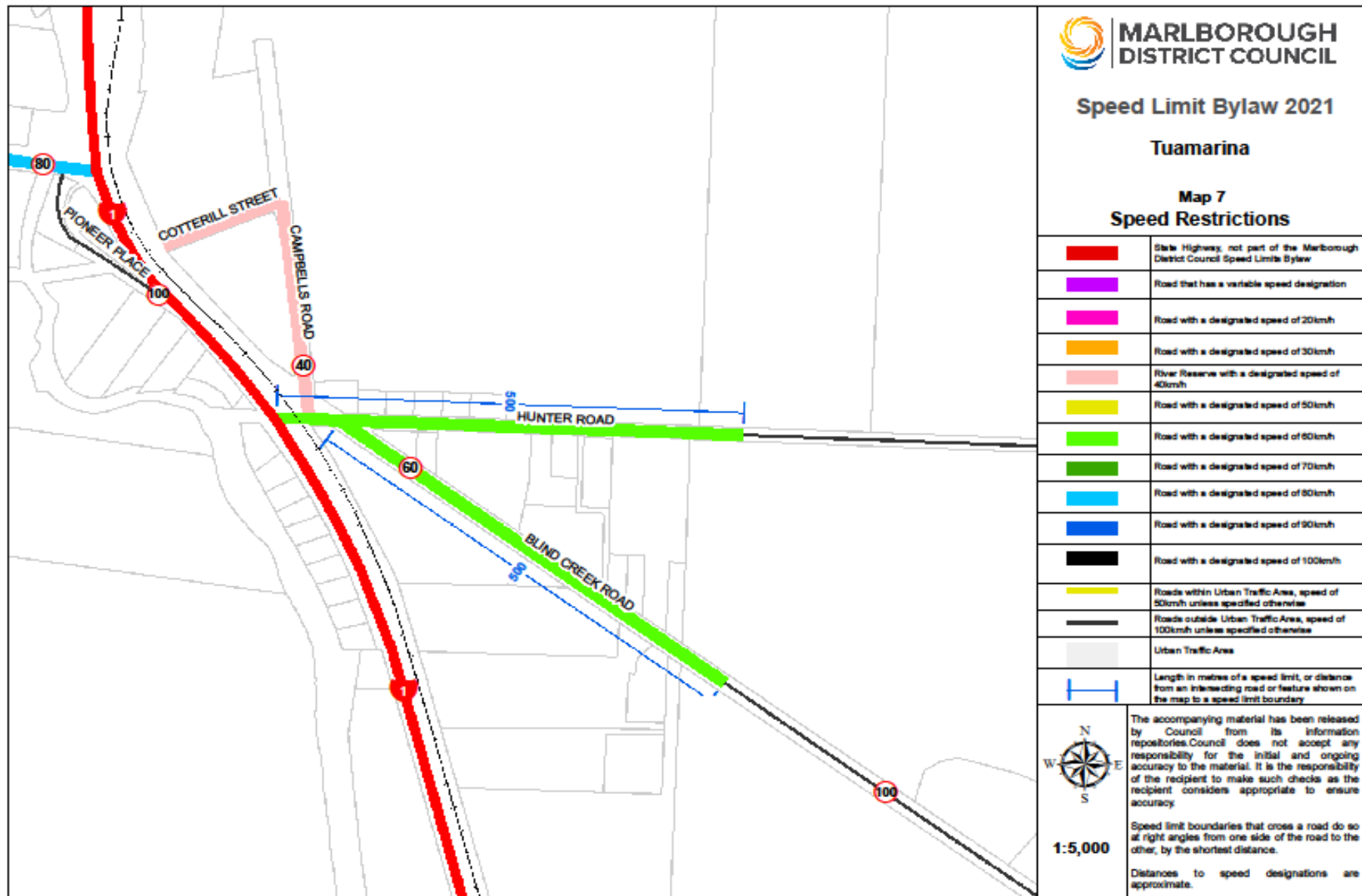


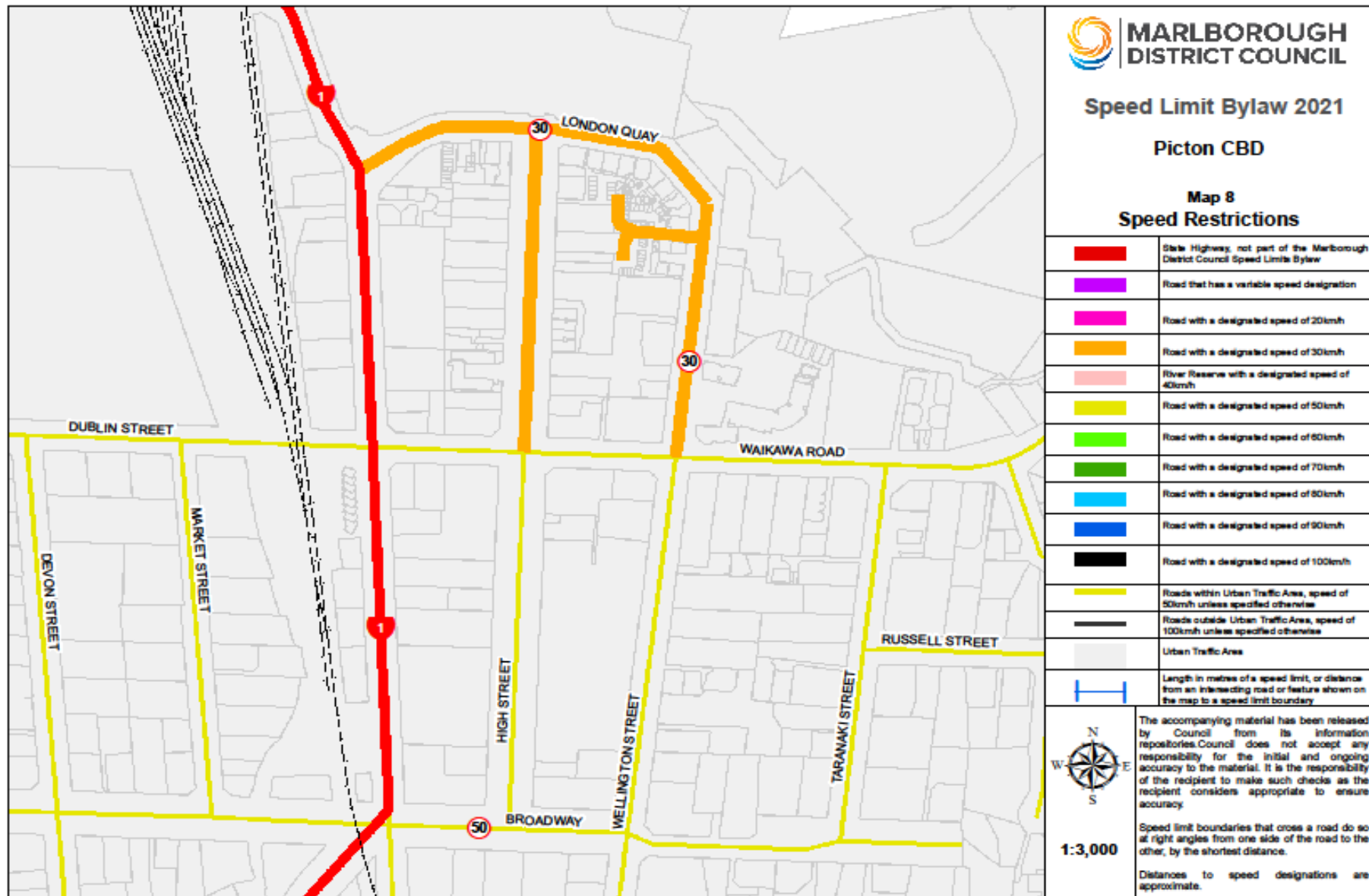












## Attachment 7.4

Road Name	Location	Posted Speed km/h	Operating speed (mega maps data) km/h	SAAS km/h	Primary reason for SaAS	Travel time change in seconds	Estimated death & serious injury savings per	Infrastructure Risk Rating (IRR) Score	Infrastructure Risk Rating (IRR) Band	Public submissions	Staff recommendation km/h	Staff assessment
Alabama Road	SH1 -520m east of Redwood Street	80	67	60	IRR?- Med-High	not listed	not listed	1.65	Medium High	See note*1	60	Identified by Waka Kotahi top 10% death and serious injury saving sections. Agrees with SaAS
Alfred Street	SH1- Seymour Street	50	24	30	Land use is commercial-Strip shopping	0	0	2.70	Medium High	See note *2	30	Identified by Waka Kotahi top 10% death and serious injury saving sections. Agree with consistent 30km/h in Blenheim CBD
Battys Road	Move posted 50kph to 260m south of David Street to the bridge over Yelverton Stream	80	70	70	not listed	not listed	not listed	1.43	Medium	See note*3	50	Moved the 50km/h posting south with the Councils extension of the urban residential area. Agreed with submitters on reduction in speed
Beaver Road	Full length	50	31	40	ONRC is Class 4	not listed	not listed	2.32	Medium	See note *4	30	Beaver Road is part of the dedicated cycle link between Maxwell Road and the Taylor River. Agree the 30km/hr limit is to for a slower speed environment, thereby making it safer for cyclists.
Blicks Lane	Full length	70	37	60	IRR	not listed	not listed	1.66	Medium High	See note *5	50	Provide consistency with Old Renwick Road reduction.
Blind Creek Road	500m east of Hunter Road intersection	80	43	80	not listed	not listed	not listed	1.44	Medium	See note *6	60	Consistent with Hunter Road. Agree with the high number of initial submitters on a reduction around this intersection.
Campbells Road	Full length	80	28	60	not listed	not listed	not listed	2.00	Medium High	See note *7	40	Provide consistency with Hunter Road. Agree with the high number of initial submissions that reduction to 40km/h for school zone is appropriate.
Cotterill Road	Full length	80	29	80	not listed	not listed	not listed	1.58	Medium	See note *8	40	Provide consistency with Campbell Road. Road used to access Tuamarina cemetery.
David Street	Full length	70	39	40	ONRC is Class 4	not listed	not listed	2.03	Medium	See note *9	50	Provide consistency with Severne St & Battys Road. Extension of urban residential area
Dry Hills Lane	475 metres off Alabama Road	80	46	80	not listed	not listed	not listed	1.3	Medium	See note *10	60	Consistency with the speed limit change on Alabama Road. Supported by SaAS.
Endeavour Lane	Full length	50	20	40	ONRC is Class 4	not listed	not listed	2.74	Medium High	See note *11	30	Supports pedestrian movements, carparking and tourists in the Picton CBD.
High Street	London Quay - Waikawa Road	50	20	30	Land use is commercial-Strip shopping	not listed	not listed	2.07	Medium	See note *12	30	Supports pedestrian movements, carparking and tourists in the Picton CBD.
Hunter Road	SH1- 500m east of SH1	80	78	60	ONRC is Class 3 or 4	not listed	not listed	1.38	Medium	See note *13	60	Identified by Waka Kotahi top 10% death and serious injury saving sections. Agree with reduction of speed with SH1, rail crossing and school zone. Agree with the high number of initial submitters on a reduction around this intersection.
Hutcheson Street	Alfred Street to the Taylor River Bridge	50	30	50	not listed	not listed	not listed	2.71	Medium	See note *14	30	Hutcheson St is currently posted at 30kph over this section. Agree with 30km/h in Blenheim CBD



London Quay	Full length	50	20	30	Land use is commercial-Strip shopping	not listed	not listed	2.7	Medium High	See note *15	30	Supports pedestrian movements, carparking and tourists in the Picton CBD.
Old Renwick Road	SH6 to 100m west of Hammerichs Road	100	83	80	ONRC is Class 3 or 4	18.21	0.54	1.33	Medium	See note *16	80	Identified by Waka Kotahi top 10% death and serious injury saving sections. Agree with reduction of speed due to high volumes of seasonal traffic and cyclists and pedestrian useage.
Old Renwick Road	100m west of Hammerichs Road to Waipuna Street	70	57	50	not listed	not listed	not listed	1.74	Low Medium	See note *17	50	Extension of urban subdivision zone so 50km/h is consistent. Agree with reduction by the high number of initial submitters
Rembrandt Drive	New urban road	100		no data							50	New subdivision outside urban area. 50km/h is consistent
Rene Street	Full length	70	33	60	IRR with speed	not listed	not listed	1.39	Medium	See note *18	50	Provide consistency with Old Renwick Road reduction; and extension of urban and industrial zoning.
Rose Manor Drive	New urban road	100		no data							50	New subdivision outside urban area. 50km/h is consistent
School Road	Full length	70	22	60	IRR?-Med-High	not listed	not listed	1.72	Medium High	See note *19	40	Consistent speed for the residential environment and Riverlands School zone
Seymour Street	Alfred Street -Scott Street	50	37	50	not listed	not listed	not listed	2.42	Medium High	See note *20	30	Identified by Waka Kotahi top 10% death and serious injury saving sections. Agree with consistent 30km/h in Blenheim CBD
Spencer Place	New urban road	100		no data							50	New subdivision outside urban area. 50km/h is consistent
Thomsons Ford Road	60m north of Old Renwick Road	70	72	60	IRR?-Med-High	not listed	not listed	1.68	Medium High	See note *21	50	Consistency with the reduction to 50km/h on Old Renwick Road
Wellington Street	London Quay - Waikawa Road	50	26	30	Land use is commercial-Strip shopping	not listed	not listed	2.16	Medium	See note *22	30	Supports pedestrian movements, carparking and tourists in the Picton CBD.

**General Note:** There were two submitters that said no to all speed limit reductions. They considered that the effects of changing one road has no effect down the line, and by reducing speed limits traffic becomes bunched which is not ideal for flow. Longer journey time leads to a lack of concentration. A lack of driving skills and bad habits contribute to crashes not speed.

Note *1	Alabama Road	8 in support, 8 against (with 2 against speed reductions on all roads) Concern over narrow carriageway width for cyclists and pedestrians. Those against reducing the speed considered it was a good straight section of road that was safe as is.
Note *2	Alfred St	9 in support, 2 against (with 2 against speed reductions on all roads) Concern over pedestrian safety in CBD area
Note*3	Battys Road	5 in support, 3 against (with 2 against speed reductions on all roads) As the residential zone widens the speed limits need to reduce. Others considered the extent should have been longer. Others considered the speed limit should remain as is and a cycle lane be added.
Note*4	Beaver Road	8 in support, 2 against (with 2 against speed reductions on all roads) Those in support wanted it safer for cyclists by reducing the speed limit.

		<i>Those against the reduction said cyclists should have dedicated cycleways and not share the road.</i>
Note*5	Blicks Lane	7 in support, 2 against (with 2 against speed reductions on all roads) <i>Consistency with ORR</i>
Note*6	Blind Creek Road	5 in support, (with 2 against speed reductions on all roads) <i>Intersection from SH1/Main North Line and school area</i>
Note*7	Campbells Road	5 in support, (with 2 against speed reductions on all roads) <i>School Zone</i>
Note*8	Cotterill Street	3 in support, 0 against (with 2 against speed reductions on all roads) <i>Consistency with Campbells road</i>
Note*9	David Street	5 in support, (with 2 against speed reductions on all roads) <i>Residential road use by cyclists and pedestrians.</i>
Note*10	Dry Hills Lane	7 in support, 1 against (with 2 against speed reductions on all roads) Reduction of speed appropriate for an urban lane to a residential area.
Note*11	Endeavour Lane	3 in support, 3 against (with 2 against speed reductions on all roads) <i>Pedestrian safety in CBD area</i>
Note*12	High St Picton	7 in support, 1 against (with 2 against speed reductions on all roads) <i>Pedestrian safety in CBD area</i>
Note*13	Hunter Road	5 in support, 0 against (with 2 against speed reductions on all roads) <i>Intersection from SH1/Main North Line and school area</i>
Note*14	Hutcheson Street	8 in support, 2 against (with 2 against speed reductions on all roads) <i>Concern over pedestrian safety and formalising existing speed limit past the Theatre.</i>
Note*15	London Quay	3 in support, 2 against (with 2 against speed reductions on all roads) <i>Concern over pedestrian safety in CBD area</i>
Note*16	Old Renwick Road (western end)	7 in support, 6 against (with 2 against speed reductions on all roads) Safe & appropriate speed support reduction. <i>Those against considered it was a main route Renwick to Blenheim and data does not suggest a reduction.</i>
Note*17	Old Renwick Road (eastern end)	7 in support, 8 against (with 2 against speed reductions on all roads) <i>Increased urban subdivision along the length of the road that supports speed reduction.</i> <i>Those against wanted to keep the traffic flowing, and to narrow the speed reduction to Murphys Road only. Others to reduce to 60kmh not</i>
Note*18	Rene Street	6 in support, 2 against (with 2 against speed reductions on all roads) <i>Consistency with ORR and future urban development</i>
Note*19	School Road	7 in support, 1 against (with 2 against speed reductions on all roads) <i>This is a school zone and reduced speed is appropriate. Conversely if the excessive signage were removed from the area the speed limits are OK as is.</i>
Note *20	Seymour St	6 in support, 3 against (with 2 against speed reductions on all roads) <i>Concern over pedestrian safety in CBD area</i>
Note *21	Thomsons Ford Road	6 in support, 4 against (with 2 against speed reductions on all roads) <i>Consistency with ORR</i>
Note *22	Wellington St	3 in support, 3 against (with 2 against speed reductions on all roads) <i>Pedestrian safety in CBD area</i>



**Report of a Meeting of the  
SPEED LIMIT BYLAW REVIEW HEARING  
held in the Council Chambers, 15 Seymour Street, Blenheim and via Zoom on  
MONDAY, 16 NOVEMBER 2020 commencing at 1.00 pm**

### Present

Councillors F D Maher (Chairperson), M J Fitzpatrick, C J Brooks

### In Attendance

Andrew James (Manager, Systems Management), Vicki Nalder (Speed Review Coordinator for NZTA) and Nicole Chauval (Committee Secretary)

Clr Maher (Chair) welcomed those present and explained the proceedings that would be undertaken for the hearings. Members of the panel, staff in attendance, submitter via Zoom and those in the public gallery introduced themselves.

There were 42 submissions received and of those 9 submitters indicated they wished to speak to their submission.

The following speaker had indicated that they would speak to their submission but withdrew prior to the Hearing date.

- *John Bowler* – Alabama Road East and selected side roads. He did not indicate on his submission whether he was in support or not of the proposed changes.
- 1. *Chris Davies*  
Did not support the reduction in speed on all roads. Considered they were ridiculously slow and people in manual vehicles won't be able to get out of second gear! Drivers naturally drive at a speed that they feel is safe for the prevailing road, weather and traffic conditions and in town it is next to impossible to speed on this basis.
- 2. *Jane Murray (on behalf of NMDHB Public Health Service) via Zoom*  
Supports the reduction of speed on all roads. Commends 30kmphr in CBD areas and 30kmphr Beaver Road as it is a cycleway.
- 3. *Sheira Hudson - via Zoom*  
No to a reduction of speed on all roads in the Picton CBD.

*Postscript:* The following was emailed as a summary by Sheira Hudson following her speaking at the Hearings.

The CBD in Picton is already at a virtual 30kmphr. Between the speed bumps, the narrowness of the road and the constant pulling out from parking spaces precludes any wild careening of vehicles.

Stress and distraction are often key factors in accidents. The stress of keeping your car at less than walking speed. The looking down to be sure you're not going 33K. And then the little kid comes flying across the road. Nope. A lot of hoopla for very little reward.

- 3. *Elizabeth Phillips*  
Supports the reduction of speed for Alfred St and Beaver Road.
- 4. *John & Wendy Gray*  
Supports the reduction of speed on Battys Road and David Street. Wants the reduction to 50 km/hr to be extended further south on Battys Road.

John Gray spoke to the report and Wendy Gray was in the public gallery.



Map 3 - David Street / Battys Road was shown and John Gray spoke to that and identified where he proposed speed signs be located.

Andrew James noted that consideration could be given to installing advanced warning signs of a reduction in speed limit. It was noted that there is a mandatory length of road for an 80 kmph speed.

It was noted there is a district wide speed limit/road review proposed for 2021 and this is where the proposed speed reduction could be raised.

5. *Ken & Marion Preston*

Supports the reduction of speed on Old Renwick Road and side roads.

Marion Preston spoke to the submission, Ken Preston was not present.

6. *Neill Kydd*

Supports the reduction of speed on Battys Road and David St. No to reduction of speed on Alabama Road East and Dry Hills Lane. No to reduction of speed over the full length of Old Renwick Road from SH6 to Waipuna St.

7. *William Holvey*

Does not support a reduction of speed on Battys Road and David St, Alabama Road east and side roads. Install cycle lanes on each of the above roads.

There being no further speakers the Hearing closed at 2.22 pm.

### **Deliberations on the SPEED LIMIT BYLAW REVIEW commenced at 2.41 pm**

#### **Present:**

Councillors F D Maher (Chairperson), M J Fitzpatrick, C J Brooks

#### **In Attendance:**

Andrew James (Manager, Systems Management), Vicki Nalder (Speed Review Coordinator for NZTA) and Nicole Chauval (Committee Secretary)

In summary it was noted that the Local Road Speed Limits Bylaw Review looked at the region's top 10 per cent of local roads that will benefit the most from speed limit changes.

Blenheim roads that feature in this review include Alabama Road East, School Road, Dry Hills Lane, Old Renwick Road, Blinks Lane, Rene Street, Thomsons Ford Road, Rose Manor Drive, Rembrandt Drive, Spencer Place, Battys Road, David Street, Beaver Road, Hutcheson Street, Seymour Street and Alfred Street.

In Picton, roads under review include London Quay, High Street, Wellington Street and Endeavour Lane. In Tuamarina, Hunter Road, Blind Creek Road, Campbells Road and Cotterill Street are all included in the review.

The panel considered the submissions that had been received and provided the following recommendations.

**Map 1** - Committee supported the 30kmph speed limit as proposed on Map 1.

**Map 2** – Committee supported the 30kmph speed limit for Beaver Road. It was noted that repeaters in road markers will make it really clear which should mitigate any confusion and improving signage.

It was suggest that further investigation on why kids are cycling on the footpath instead of the road be undertaken.

**Map 3** – David Street / Battys Road noted the minimum road length for 80 kmph speed limits. Committee considered the submitter's suggestions for this road and following discussion agreed to defer making a decision and consider it under the district wide plan review.

The Committee supported the proposed reduced speed limits of 200m and 260m either side of the 80kmph identified on Map 3.

It was proposed that advanced warning signage be installed.

**Map 4** – Alabama Road – in response to a query raised by a submitter that this road was supposed to be widened, members agreed to confirm whether this has been done. It was questioned whether this was to have been done as part of the Dry Hills development. The outcome to be included with the submitters decision letter.

The Committee supported the reduced speed limit of 60kph and a reduction in speed along School Road to 40 kmph.

**Map 5** – The Committee discussed the proposal and noted there is and will be substantial development along Old Renwick Road and for that reason supported the proposal to reduce the speed limit to 50 kmph for the length of Old Renwick Road as per the map noting that Hammerichs Road will be an anomaly.

Andrew James advised that he will check with Steve Murrin, Marlborough Roads, to determine why it wasn't included in this review.

It was suggested that additional signage be installed.

**Map 6** – The Committee supported the proposed reduction in speed for Old Renwick Road as indicated on the map.

**Map 7** – The Committee supported the proposed speed reductions as noted on the map.

**Map 8** – The Committee supported the recommendations for the Picton CBD as pedestrian safety is paramount and these reductions would support that.

It was agreed that Andrew James/Vicki Nalder would draft up the decision letters to submitters and forward to the Committee Secretary (Nicole Chauval) for distribution once approval has been received from Full Council.

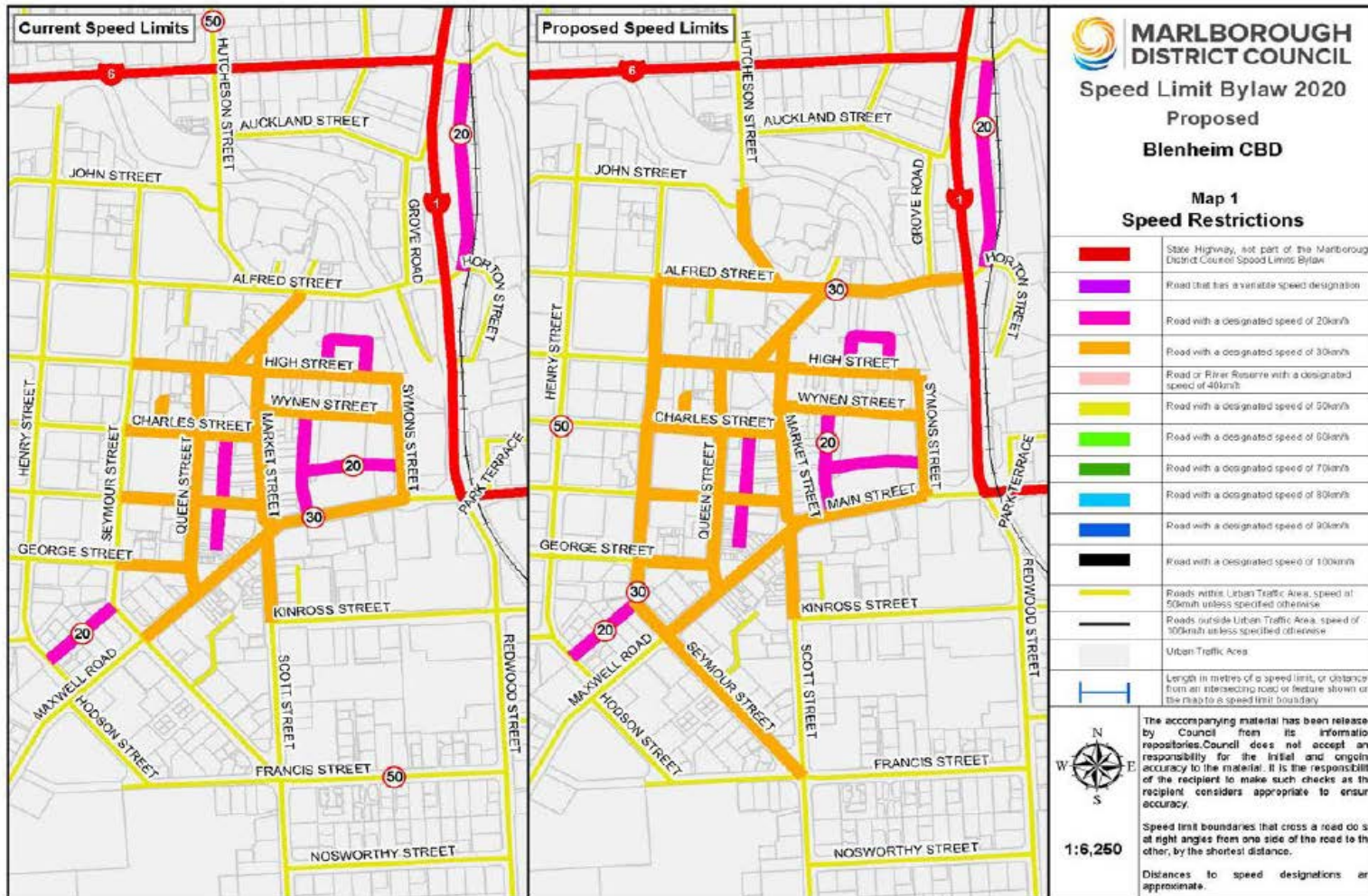
A report will be provided for consideration at a Full Council meeting.

There being no further discussion the deliberation meeting closed at 3.32 pm.

Record No: 20229907

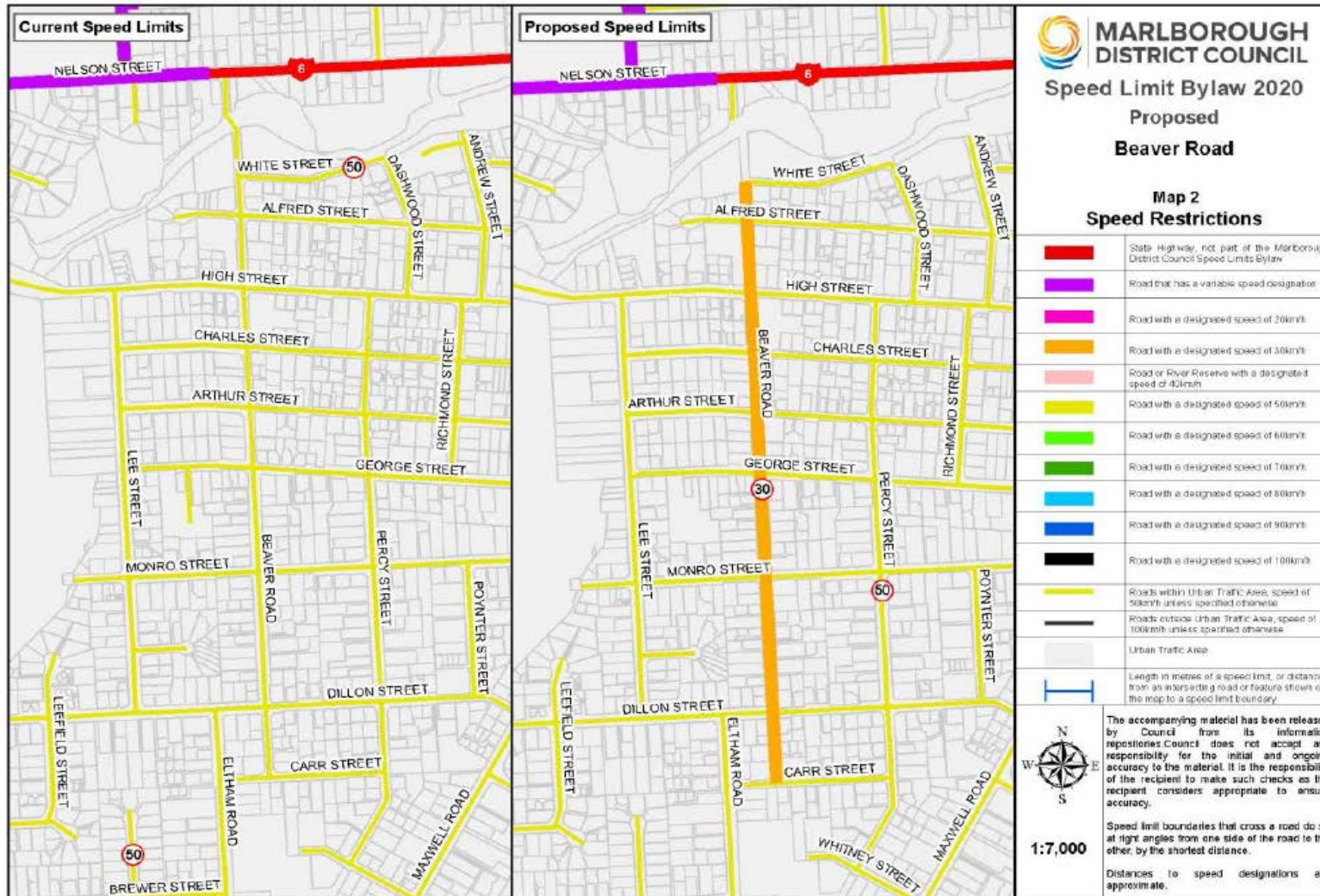
Appendices

Map 1

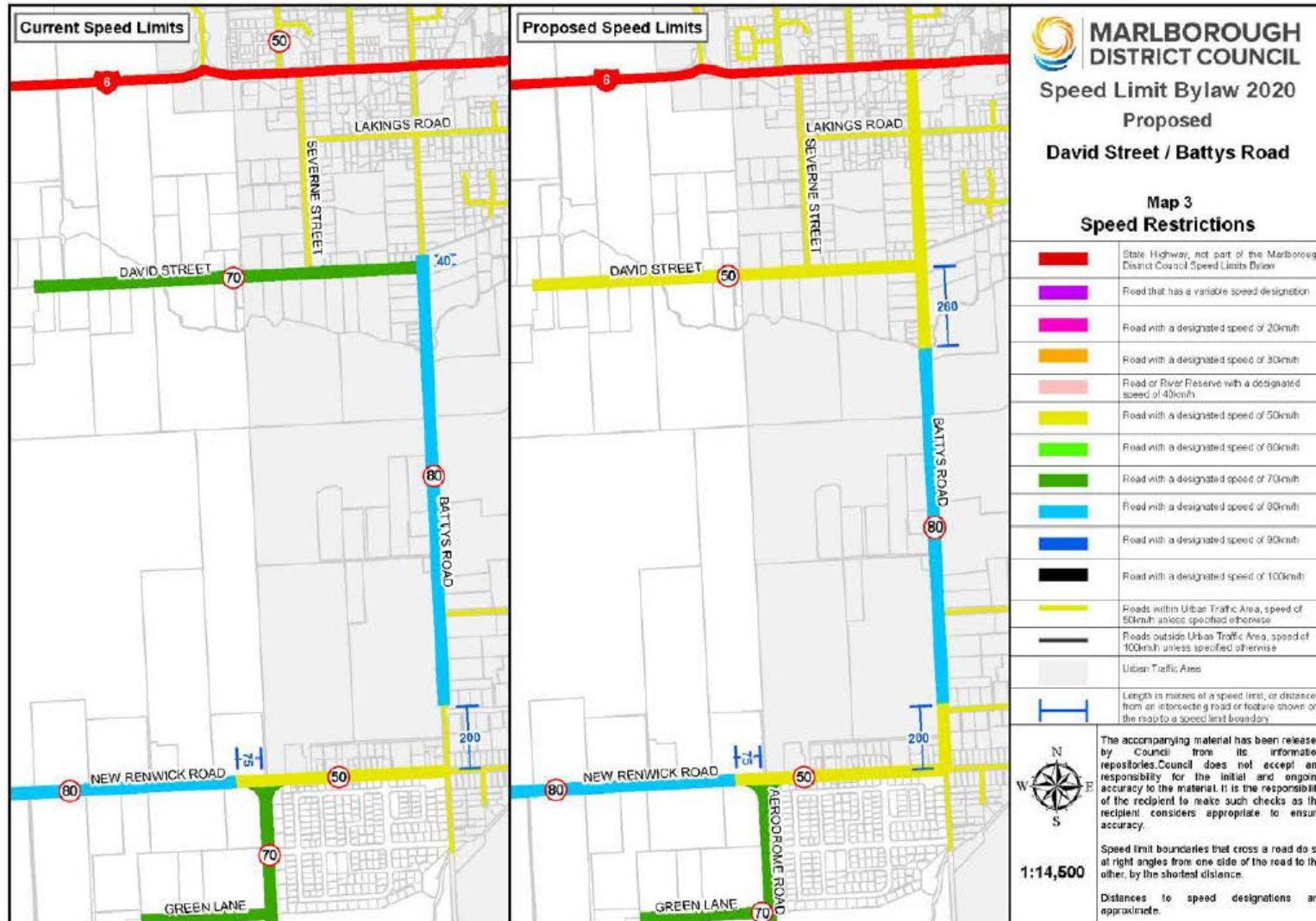




Map 2

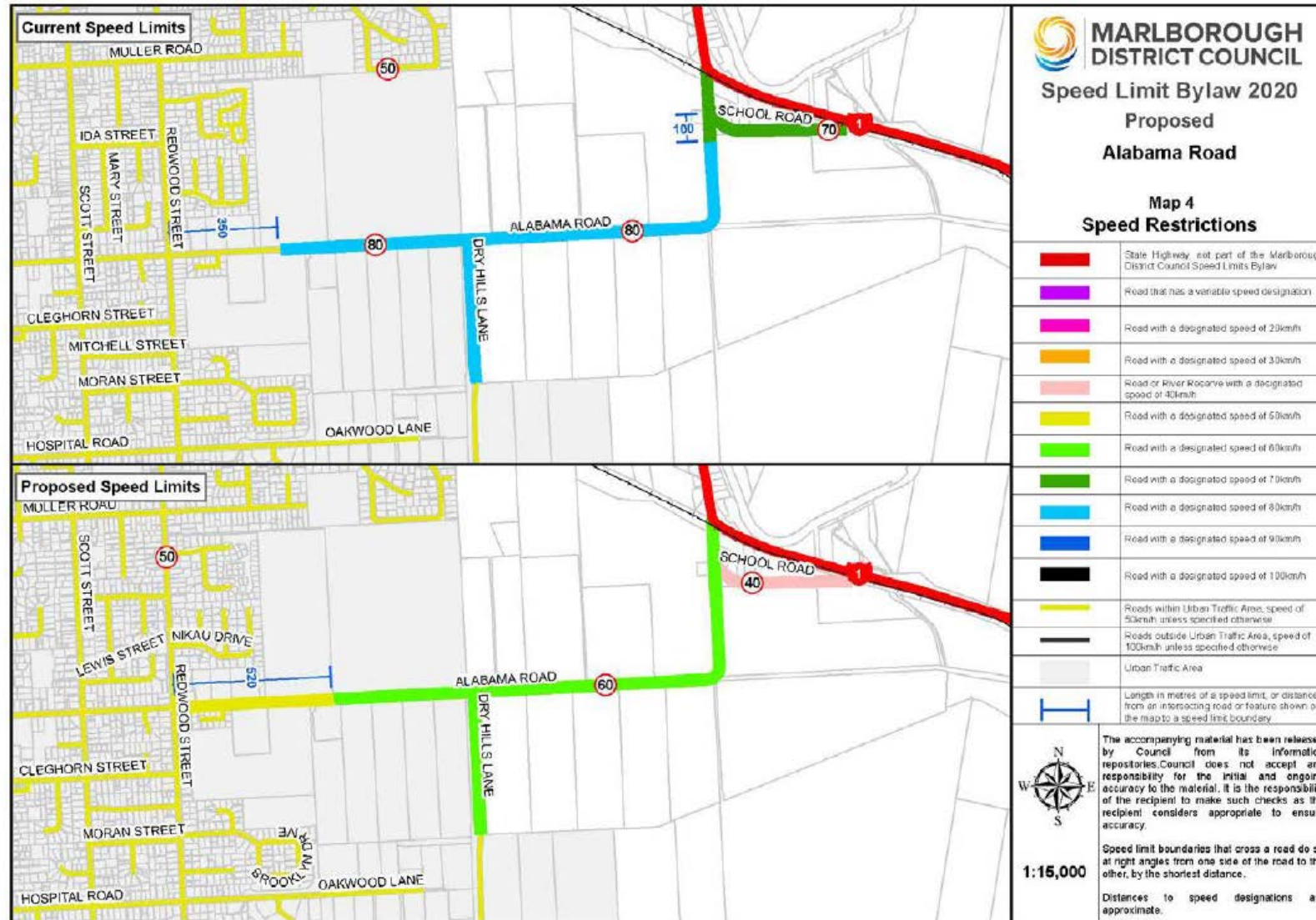


Map 3

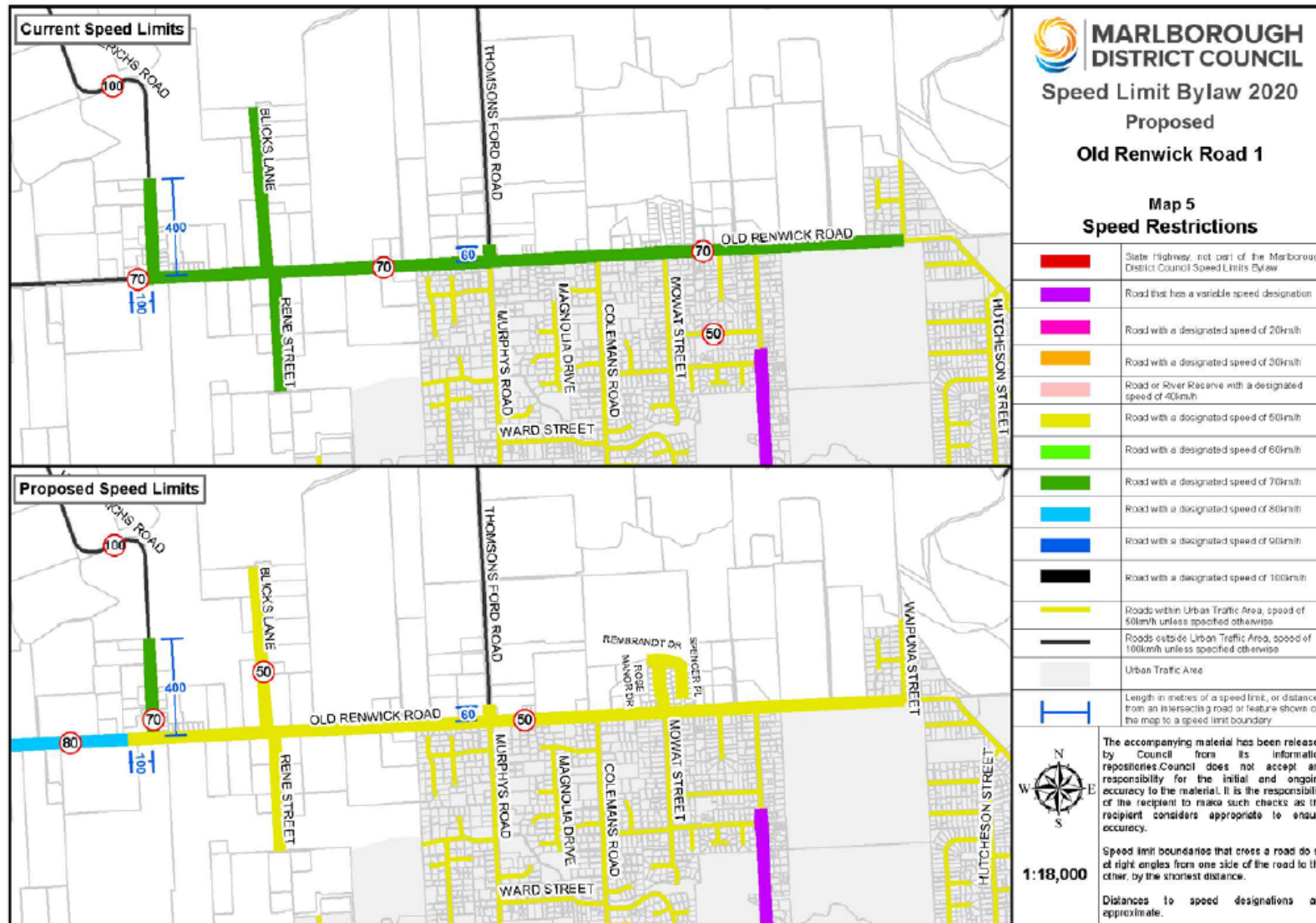




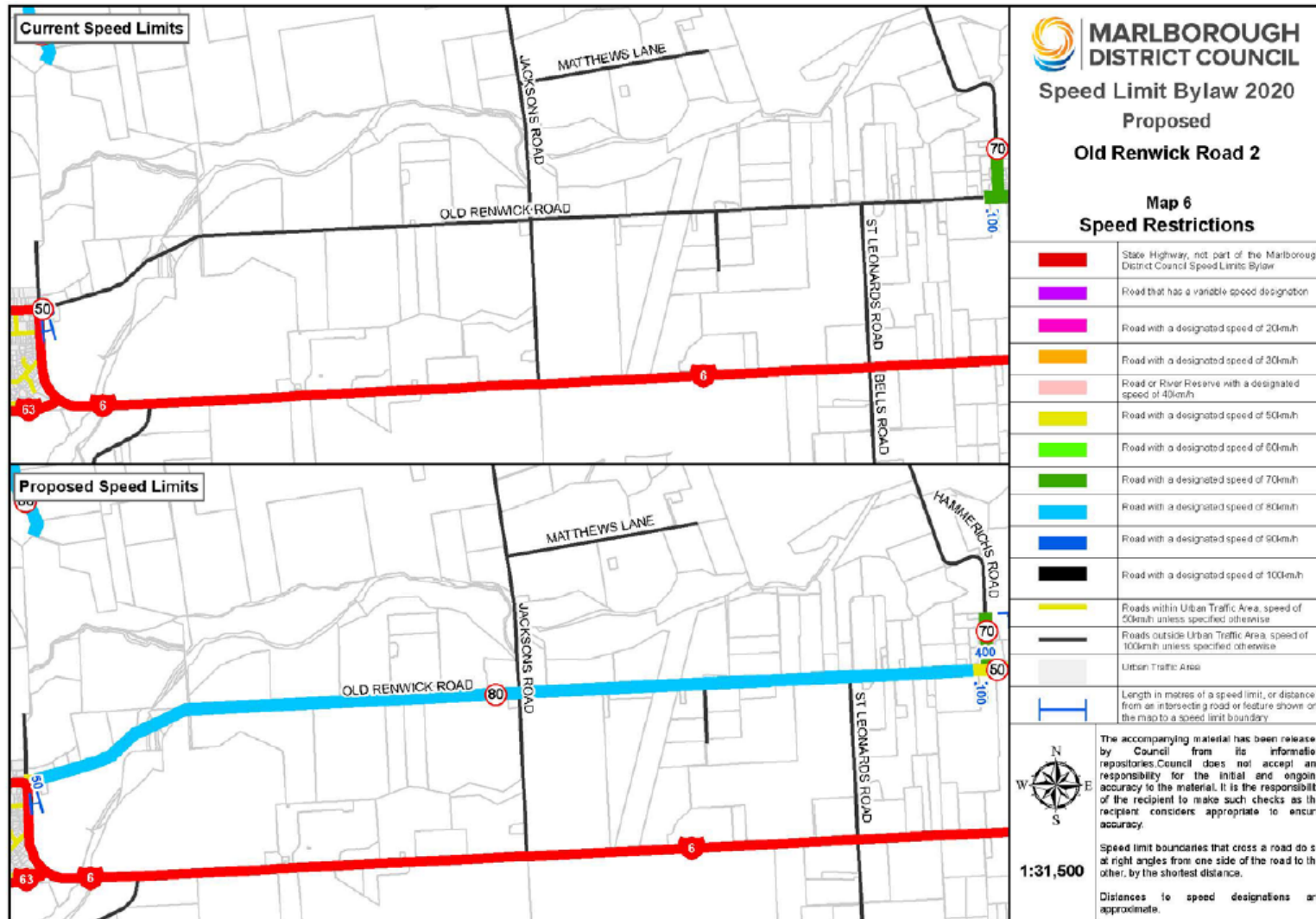
Map 4



Map 5

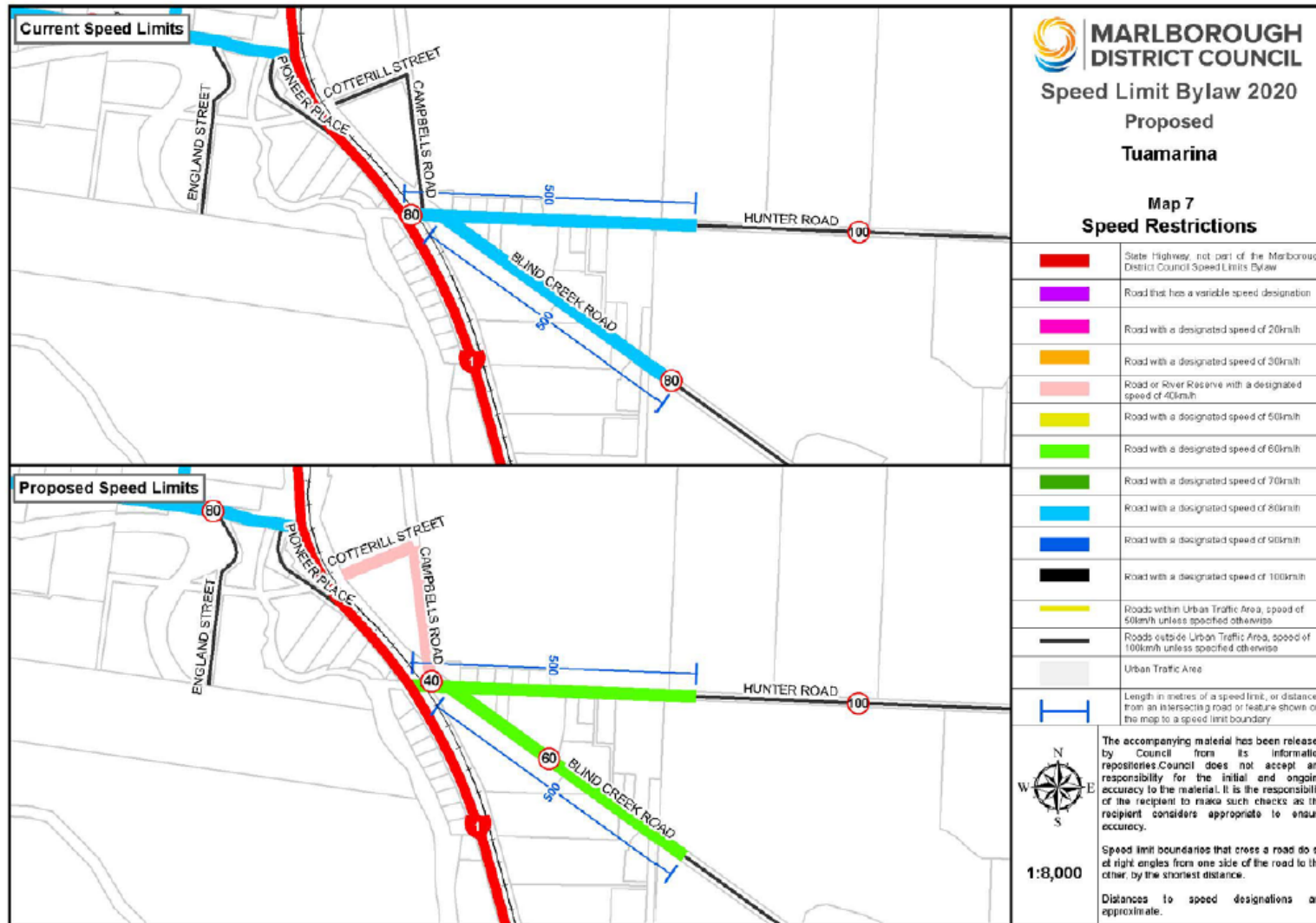


Map 6

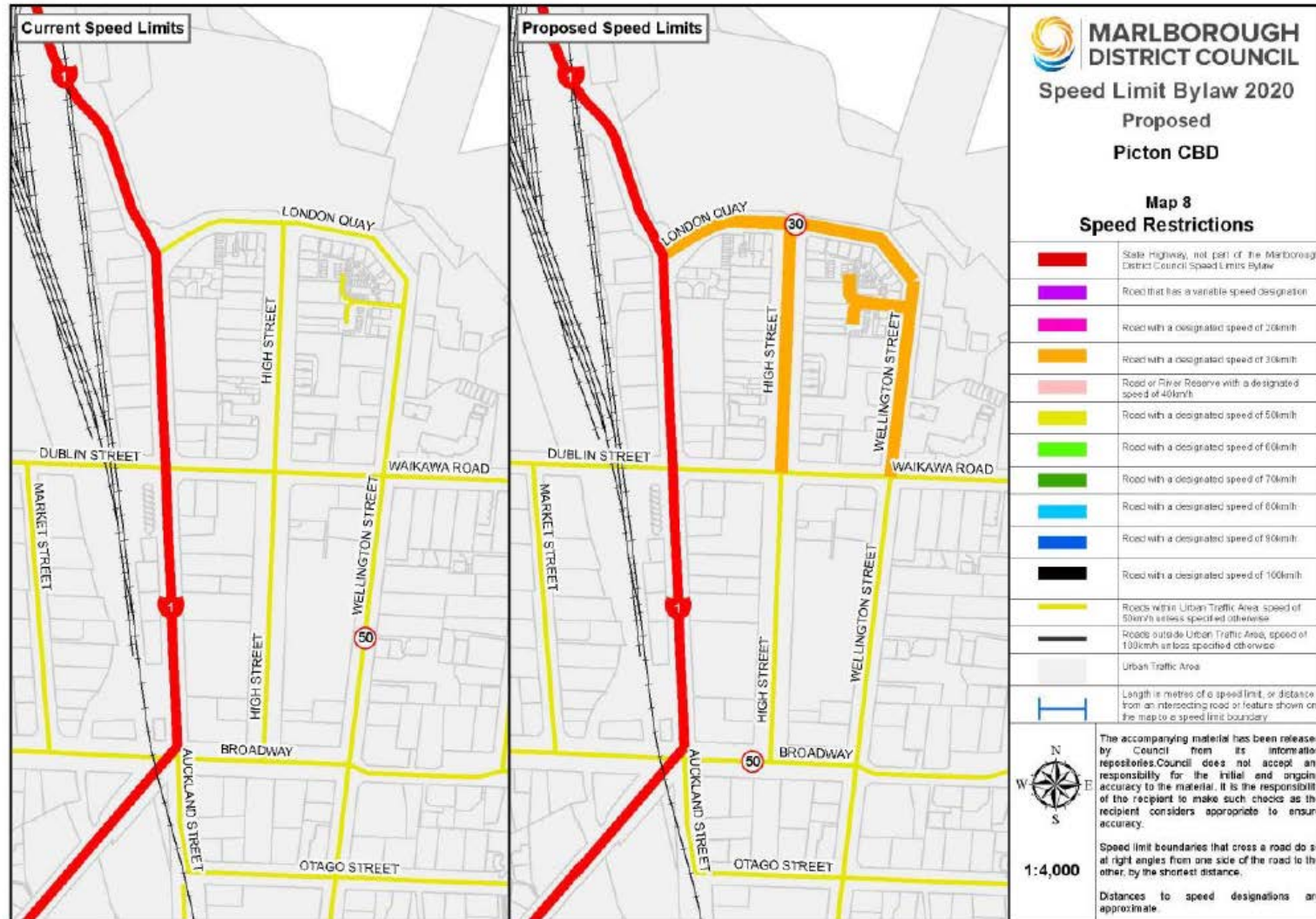




Map 7



Map 8



## **8. Sports Facilities Strategic Plan (also refer to Attachment 8.1 and to the separate attachment)**

---

(Cllr Taylor) (Report prepared by Linda Craighead and Robert Hutchinson)

R510-014-026-05

### **Purpose of Report**

1. To inform Councillors of feedback received on the draft Marlborough District Council Sports Facilities Strategic Plan and to seek adoption of a final Plan.

### **Executive Summary**

2. The draft Marlborough District Council Sports Facilities Strategic Plan was notified for public submission in December 2020 with 16 submissions received. No substantive issues were identified through submissions that were not otherwise contemplated by actions identified in the draft Plan. A final version of the Plan, with several minor amendments and the inclusion of a priority timeframe is before the Council for adoption.

---

### **RECOMMENDATION**

**That Council adopt the Marlborough District Council Sports Facilities Strategic Plan 2021 appended separately to the Agenda paper.**

---

### **Background/Context**

3. Councillors will recall that at the Council meeting of 10 December 2020 approval was sought to notify the draft Marlborough District Council Sports Facilities Strategic Plan for public submission. The draft Plan is to provide the Council with a framework for decision making in developing, upgrading or otherwise providing for sporting facilities across Marlborough.
4. The draft Plan was notified on 10 December 2020 and submissions closed on 29 January 2021. Sixteen submissions were received by the close of the submission period. Three of the submissions were received from individuals while the remainder were from sporting groups or other organisations. Nine of the 16 submissions received were from Picton based groups or individuals.

### **Assessment/Analysis**

5. A high level overview of the submissions received can be found in Attachment 1 to this report. There is nothing substantial in the submissions received that is not otherwise covered in the draft Plan and therefore no hearing has been determined as being necessary to hear further from submitters.
6. A number of the submissions from Picton sporting groups have sought development of Stage 2 facilities for the Endeavour Park Pavilion. However, no action is required in relation to these or other requests for additional indoor space as the draft Plan includes a specific action requiring an investigation into the need for additional court space. Funding is being sought through the Long Term Plan for such an investigation.
7. The Ministry of Education submitted noting that development of the Combined School's Master Plan will commence in early 2021 and that the Ministry is supportive of working closely with the schools and the Council to investigate opportunities for shared facilities on school properties.
8. Some matters raised in submissions are operational matters e.g. managing dogs on parks while others are beyond the scope of the draft Plan e.g. restrictions on sweetened drinks at venues and management of the Lansdowne Sports Hub.

9. A couple of minor changes are proposed in response to submissions and these are as follows:

Submission	Proposed Change
Table tennis was not identified as being played at Endeavour Park Pavilion	Amend 8.3.3 to include reference to table tennis being played at Endeavour Park Pavilion
Consideration for increased provision of seating for ageing population	Amend 5.1.5 to include reference the need for adequate provision to be made for seating at sporting venues

10. One further change proposed for the Plan is to include a priority timing alongside each of the key actions identified in 10.2. Budget requests for a number of the actions have been identified for inclusion in the 2021-31 Long Term Plan.

## Attachments

Attachment 8.1 – Overview of Submissions Received

Page 226

Attachment 8.2 – Final Sports Facilities Strategic Plan (attached separately to the Agenda paper)

Author	Linda Craighead, Parks and Open Spaces Planner and Robert Hutchinson, Parks and Open Spaces Officer
Authoriser	Jane Tito, Manager, Parks and Open Spaces

## Overview of Submissions Received

Submitter	Comment
Picton Table Tennis Club	Picton Table Tennis Club not referred to in draft Plan Would like roller blinds in Endeavour Park Pavilion
Hugh Girling	Would like investment in College Park and a second hockey turf
Lakchay Negi	Consideration of wider range of sports including powerlifting and boxing and provision of sporting equipment
Philip Sim	Dogs off leash at Endeavour Park Rabbits at Endeavour Park
Marlborough Touch	Happy with identified issues / opportunities
Nelson Marlborough District Health Board	Endorses plan Suggests consideration for increased provision of park furniture (seats / fountains etc.) for the ageing population Restriction of sugar sweetened beverages at venues Adequate cycle parking Smokefree venues
Tokomaru Netball Club	Support covering of some netball courts at Lansdowne Park Extension of Endeavour Park Pavilion to incorporate indoor court provision
Picton Football Club	Support Endeavour Park Pavilion stage two development Improved floodlighting
Picton Business Group	Support Endeavour Park Pavilion stage two development Support the re-development of the Queen Charlotte College Pool
Sport Tasman	Very supportive of Plan Emphasise the need for this plan to roll into the Top of the South Spaces and Places Plan Continue wide engagement to help shape planning Interested in working alongside the Council in engagement and insights Keen for discussions on management of Lansdowne Hub
Picton Bridge Club	Additional spaces required to cater for non-physical sports at Endeavour Park Pavilion Additional storage is required at Endeavour Park Pavilion
Ministry of Education	Interested in additional shared use of existing school sports facilities Interested in ongoing dialogue / partnership with the Council going forward
Endeavour Park Pavilion Society	Seek Stage two development (indoor court/s) at Endeavour Park Pavilion
Picton Badminton Clubs	Seek purpose built badminton facility
Badminton Marlborough Association	Seek purpose built badminton facility
Marlborough Cricket Association	Interested in development of Horton Park in line with Master Plan Keen to partner with other sports and the Council to progress
Waitohi Rugby Club	More storage required at Endeavour Park Pavilion

## 9. Road Naming Sub-Committee

---

(Cllr Taylor) (Report prepared by Richard Coningham)

R800-007-06-00

### Purpose of Report

1. To establish a Road Naming Sub-Committee to review proposed names or alteration of names for local roads in Marlborough.

### Executive Summary

2. Council has powers under the Local Government Act 1974 to name or alter the name of roads in the Marlborough region.
3. Council have a Road Naming and Addressing Policy which was last reviewed in 2017. The Policy is written in accordance with AS/NZS 4819:2011; Rural and Urban Addressing.
4. The establishment of a Road Naming Sub-Committee will provide a more efficient process to review proposed roads names against Council's Road Naming and Addressing Policy, prior to ratification by Council.

---

### RECOMMENDATION

**That Council establishes a Road Naming Sub-Committee with Councillor Taylor as Chair, and Councillor Maher, Councillor Brooks and Richard Hunter as members of the Sub-Committee.**

---

### Background/Context

5. Council has powers under the Local Government Act 1974 to name or alter the name of roads in the Marlborough region. Road naming proposals are usually initiated by developers of subdivisions in the region.
6. Council have a Road Naming and Addressing Policy which was last reviewed in 2017. The Policy is written in accordance with AS/NZS 4819:2011; Rural and Urban Addressing.
7. Council is required to advise Land Information New Zealand (LINZ) of any new or altered road names. LINZ then assesses the road name for compliance with AS/NZS 4819:2011.
8. Road name proposal have historically been subject of significant debate at Council's Committee meetings.
9. The establishment of a Road Naming Sub-Committee will provide a more efficient process to review proposed roads names against Council's Road Naming and Addressing Policy, prior to ratification by Council.
10. The Road Naming Sub-Committee can also carry out any future review of the Council's Road Naming and Addressing Policy.

### Option One (Recommended Option)

11. Establishment of a Road Naming Sub-Committee.

### *Advantages*

12. Improve process in considering road name proposals prior to being ratified at Council.
13. More certainty for Developers that decisions by the Sub-Committee will be ratified at Council.

*Disadvantages*

- 14. Decisions by the sub-committee are still open for challenge at Council.

**Option Two – Status Quo**

- 15. Council does not establish a Road Naming Sub-Committee.

*Advantages*

- 16. Status quo on process of recommendations remains.

*Disadvantages*

- 17. More time required to consider naming proposals at Committee and Council meetings.

Author	Richard Coningham, Manager Assets & Services and Gina Ferguson, Consents and Compliance Group Manager
Authoriser	Mark Wheeler, Chief Executive

<b>Summary of decision-making considerations</b>			
<b>Fit with purpose of local government</b>			
The proposal enables <i>democratic local decision-making and action by allowing in depth analysis of road names to ensure they align with community expectations.</i>			
<b>Fit with Council policies and strategies</b>			
	<i>Contributes</i>	<i>Detracts</i>	<i>Not applicable</i>
LTP / Annual Plan	<input type="checkbox"/>	<input type="checkbox"/>	✓
Financial Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Infrastructure Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Social well-being	<input type="checkbox"/>	<input type="checkbox"/>	✓
Economic development	<input type="checkbox"/>	<input type="checkbox"/>	✓
Environment & RMA Plans	<input type="checkbox"/>	<input type="checkbox"/>	✓
Arts & Culture	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters	<input type="checkbox"/>	<input type="checkbox"/>	✓
Land transport	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and reserves	<input type="checkbox"/>	<input type="checkbox"/>	✓
<b>Nature of the decision to be made</b>			
The options do not involve a significant decision in relation to land or a body of water.			
<b>Financial considerations</b>			
There are no known financial implications.			
<b>Significance</b>			
The decision is considered of low significance under Council's Significance and Engagement Policy.			
<b>Engagement</b>			
No engagement is proposed as this is the establishment of a sub-committee.			
<b>Risks: Legal / Health &amp; Safety etc</b>			
There are no known significant risks or legal implications.			
<b>Climate Change Implications</b>			
There are no known climate change implications to this decision.			



## 10. Exemption of Council Controlled Organisations

---

(Cllr Peters) (Report prepared by Martin Fletcher)

S400-001-03

### Purpose of Report

1. To obtain Council's agreement to exempt Marlborough Housing for the Elderly Trust from being a Council-Controlled Organisation in accordance with the provisions of section 7 Local Government Act 2002.
- 

### RECOMMENDATION

**That Council, in accordance with Section 7 of the Local Government Act 2002, exempt the Marlborough Housing for the Elderly Trust from being a Council Controlled Organisation.**

---

### Background/Context

2. The following organisations meet the requirements contained in section 6 Local Government Act 2002 (the "Act") for being a Council-Controlled Organisation:
  - MDC Holdings Limited; and
  - Marlborough Housing for the Elderly Trust.
3. As a result of being a Council-Controlled Organisation a number of governance, reporting and procedural requirements result. See part 5 and schedule 10 of the Act.
4. Section 7 of the Act, however provides Council the opportunity to exempt by resolution small organisations from being Council –Controlled Organisations after it has considered:
  - The nature and scope of the activities provided by the organisation; and
  - The costs and benefits, if an exemption is granted to the Council, the Council-Controlled Organisations and the community.

#### **NB Council can revoke an exemption at anytime.**

In the past, Marlborough Housing of the Elderly Trust has been granted an exemption.

5. Exemptions are required to be reviewed every three years and it is proposed that the exemption for Marlborough Housing of the Elderly Trust be continued for a further three years. The rationale for this proposal is:
  - The activity of this organisation is very small and reducing, with total revenue and expenditure decreasing from approximately \$10,000 in 2019 to \$6,000 in 2020. The Trust at 30 June 2020 had assets of \$6,787 and no liabilities;
  - Procedural requirements are simplified and less costly; and
  - There are strong reporting requirements already in place on the organisation's proposed activities and actual results.

Author	Martin Fletcher, Chief Financial Officer
Authoriser	Mark Wheeler, Chief Executive

## 11. Decision to Conduct Business with the Public Excluded

---

**That the public be excluded from the following parts of the proceedings of this meeting, namely:**

- Confirmation of Public Excluded Minutes
- Committee Reports (Public Excluded Sections)

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
<b>Minutes and Committee Reports</b>	<b>As set out in the Minutes and Reports</b>	<b>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.</b>