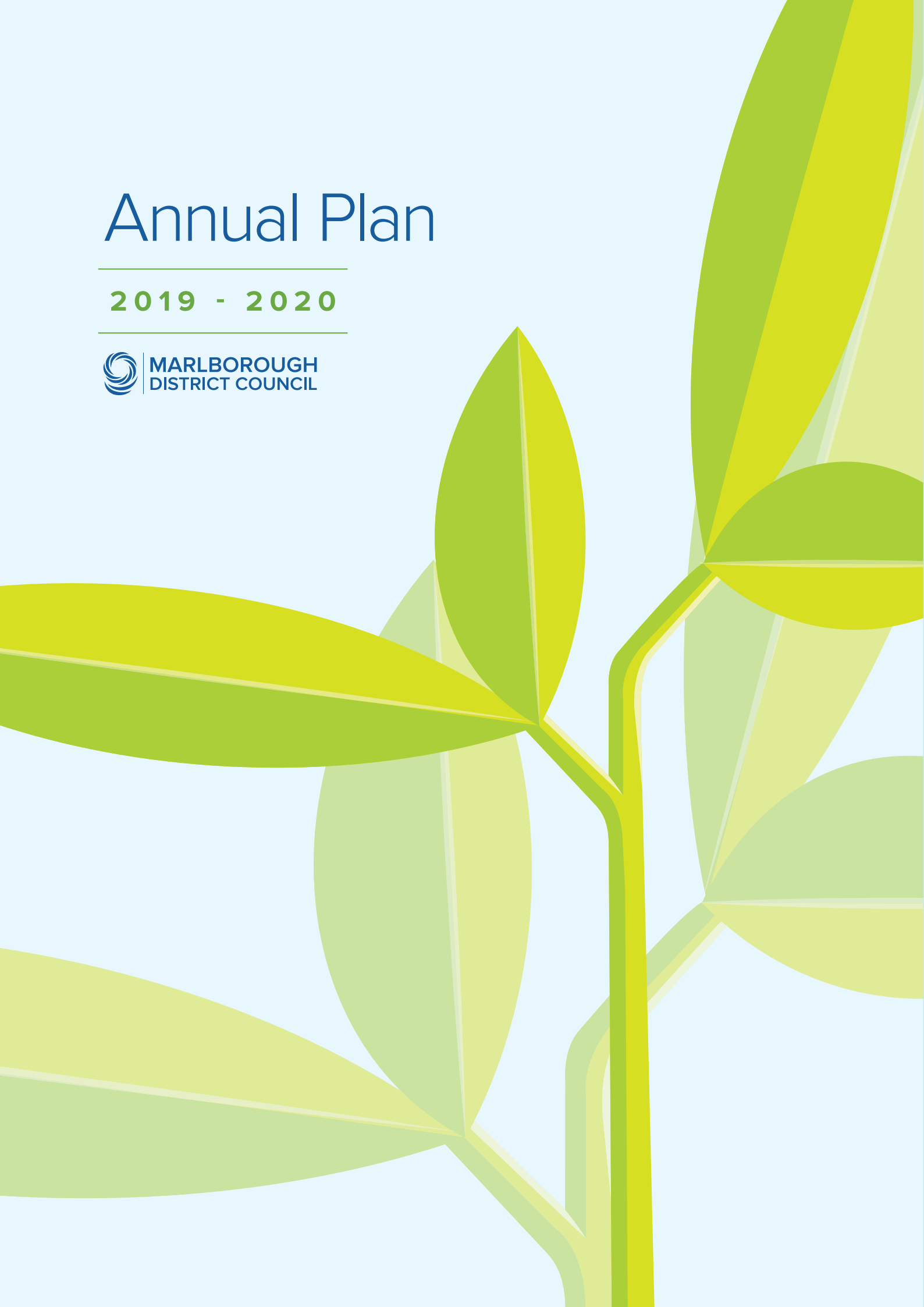


Annual Plan

2019 - 2020



Annual Plan

This Annual Plan explains what Council plans to do in the 2019-20 financial year; how much Council intends to spend on its activities and services and how this will be funded – including the expected impact on rates.

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VISION

Marlborough is a globally-connected district of smart, progressive, high-value enterprises, known for our economic efficiency, quality lifestyle and wellbeing, caring community, desirable location and healthy natural environment

MISSION STATEMENT

We invest in Marlborough's future, our people, quality lifestyle and outstanding natural environment

COMMUNITY OUTCOMES

Governance
Environment
People
Economy
Connectivity
Living

VALUES

We are open, transparent and collaborative
We partner with tangata whenua iwi
We involve and respect our many cultures
We are innovative and strive for excellence
We are adaptive and responsive to community needs
We work in an environmentally sustainable manner

Part 1: Executive Summary



- Mayor's Message
- Elected Council Members
- Results of Consultation
- Financial Overview
- Annual Plan Disclosure Statement for the Period Commencing on 1 July 2019

Mayor's Message



It is always challenging for Council to manage the community's desire for increased levels of service and project funding, whilst keeping a lid on rates increases.

My Council confirmed our funding priorities for this Annual Plan on 10 June, after considering 118 submissions from the public. I'd like to thank all the submitters

for taking the time to participate.

We have been able to keep the rates increase this year at 3.62%, down from the 3.96% we consulted on, and also fund some excellent initiatives and projects that were brought to us by members of the public.

Council's major investments in Marlborough's core infrastructure, particularly water, sewer and stormwater upgrades, remain our most significant priority and cost driver. We have been able to maintain a strong environmental and infrastructural focus, whilst recognising that public amenities and community projects need support.

Significant infrastructure projects underway include upgrading Renwick's water supply, building a new water treatment plant in Havelock, and building new water and sewerage infrastructure in Picton. In Blenheim, we are building a new stormwater and wastewater network in the town's north-west to support residential section development. Planning and development work is continuing on Blenheim's new District Library and Art Gallery and the Lansdowne Park Sports Hub.

The combination of all these initiatives means Marlborough will become an even better place to work and live.

This year, Council received a range of submissions from iwi, who suggested some initiatives which we will progress through the Te Ao Māori Sub-committee. There were also a number of submissions on how Picton's future development should occur. Agreement on an overall strategy for the town will require a review of the 10-year old Urbanism Plus development study, at an estimated cost of \$200,000 spread over the next two years. This is an appropriate

investment in Marlborough's most important gateway.

The rates increase includes new funding for Marlborough Roads to increase the cleaning of Picton and Blenheim CBD pavements, and for more road and cycleway sweeping.

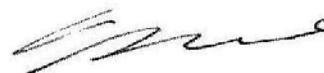
The Council agreed to fund a variety of requests by submitters, including:

- Marlborough Riding for the Disabled
- Picton Little Theatre
- Marlborough Heritage Trust
- Graeme Dingle Foundation Marlborough
- D'Urville Island Stoat Eradication Trust
- Blenheim Business Association
- Marlborough Youth Trust
- Te Rūnanga o Rangitāne o Wairau
- Rai Valley Area School, Whitney Street School and Tua Marina School.

The expenditure in this year's annual plan is in line with forecasts in the 2018-2028 Long Term Plan, with Council investing \$519M on core services over ten years.

Council's strong financial management was recently confirmed by rating agency S&P Global Ratings, with Council retaining its "AA Positive" long term credit rating. S&P has recognised our robust financial management and governance, good fiscal processes and moderate level of debt. Marlborough's residents and ratepayers can have confidence that the Council's books are in very good shape.

As we approach elections this coming October, I'd like to thank this group of Councillors for their committed stewardship of the Marlborough District over the three years of this electoral term. By working together in a cooperative, focused and practical way, we have made excellent progress that will benefit the people of Marlborough for many years to come.

A handwritten signature in black ink, appearing to read 'John Leggett'. The signature is fluid and cursive, written over a light-colored background.

John Leggett
Mayor

Elected Council Members



Back – left to right:
Clr Jenny Andrews
Clr Mark Peters
Clr Jamie Arbuckle
Clr Laressa Shenfield (resigned 17 October 2018)
Clr David Oddie
Clr Michael Fitzpatrick
Clr Gerald Hope

Front – left to right:
Clr Cynthia Brooks
Clr Terry Sloan (Deputy Mayor)
Mayor John Leggett
Clr Nadine Taylor
Clr Trevor Hook
Clr Geoff Evans

Insert: Clr Brian Dawson

Results of Consultation

At its meeting on 4 April Council adopted the document "Have Your Say Annual Plan Update – 2019-2020". This was a high level summary outlining Council's major capital budgets and a list of the new projects proposed in this year's Annual Plan. There were no significant variations from Council's LTP.

The document encouraged members of the public to make submissions on the Annual Plan and also to raise initiatives, projects or ideas that they would like Council to consider further.

The period for submissions was open until 6 May 2019 and a total of 118 submissions were received.

The topics covered by the submissions were very wide ranging and included comment on a number of Council-funded activities and proposals as well as funding requests for new and existing projects around the region.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 4-6 June 2019. Over 80 oral submissions were made at the hearings.

Councillors considered all submissions at a meeting held on 10 June 2019.

Following Council's decisions on submissions the total Rates and Charges across the district will rise by **3.62%**, compared with the **3.96%** initially forecast.

Proposals approved by Council (in some cases subject to conditions) include:

- **Marlborough Roads** to increase the cleaning of Picton and Blenheim CBD pavements, and for more road and cycleway sweeping: **\$146.8k**
- **Marlborough Riding for the Disabled** ground maintenance: **\$10k**
- **Picton Little Theatre** seismic assessment: **\$26k**
- **Marlborough Heritage Trust** base funding increase of **\$8.6k**; **Edwin Fox** security and weather protection: **\$15.2k**
- **Graeme Dingle Foundation Marlborough** Career Navigator programme: **\$12k** on-going
- **Sport Tasman** base funding increase: **\$5k**
- **Age Concern**: **\$5k**
- **D'Urville Island Stoat Eradication Trust**: **\$500k** over six years, beginning 2020-2021
- **Blenheim Community Patrol**: **\$4k per year** for three years
- **Blenheim Business Association**: **\$15k** one-off
- **Marlborough Youth Trust**: **\$20k** one-off
- **Te Rūnanga o Rangitāne o Wairau**: **\$88k** maximum, one-off
- **Picton Forum Charge – ceased**: **\$5k** reduction
- **Havelock Community Association**: **\$1,452**
- **Disabled changing facility, Pollard Park**: **\$100k** (referred to the Assets and Services Committee).
- **Rai Valley Area School, Whitney Street School and Tua Marina School** received funding for their playground developments.

In addition, Council received a range of submissions from iwi, who suggested a number of initiatives which Council will progress through the Te Ao Māori Sub-committee.

There were also submissions on how **Picton's future development** should occur. There was consensus from submitters that further investment in Picton is needed, but agreement on an overall strategy for the town will require a review of the 10-year old Urbanism Plus development study, at an estimated cost of \$200,000 spread over two years.

A number of submitters' proposals were referred to the relevant Committee for further development and consideration. Proposed cycleway and bike projects have been referred to Bike Walk Marlborough to progress. Some submitters were advised to apply to the Community Grants Scheme.

A proposal for a fourth court at **Renwick Tennis Club** and a playground at **Endeavour Park Pavilion** were referred to the Land Subdivision Account process.

Financial Overview

Similar to previous years, Council has prepared its 2019-20 Annual Plan with the objectives of:

- maintaining the direction, priorities and levels of service contained in the 2018-2028 Long Term Plan (LTP);
- responding to community and central government requirements for essential infrastructure and improved levels of service;
- keeping rates increases and debt levels low. Debt can be used to minimise rates increases, but transfers the financial burden to future generations.

Council believes that it has met these objectives:

- budgets have been prepared on the basis of maintaining levels of service.
- budgets include Council's responses to meeting Government requirements, e.g. compliance with New Zealand Drinking Water Standards and have favourably considered many of the community's

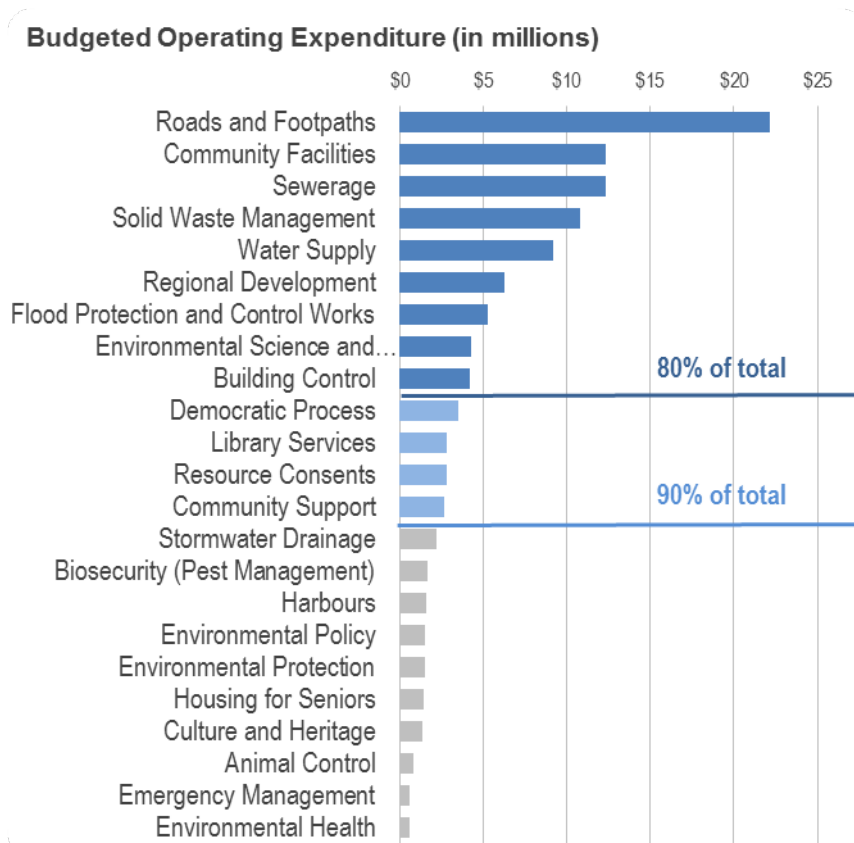
requests for improved service levels/funding as shown in the next section "Results of Consultation".

- reduced the forecast rates increase shown in the LTP for 2019-20 of 5.72% to 3.62%. Council has also kept its rates increase below its rates increase cap.
- reduced the forecast level of nett debt shown in the LTP for 30 June 2020 from \$62.3M to \$53.9M.

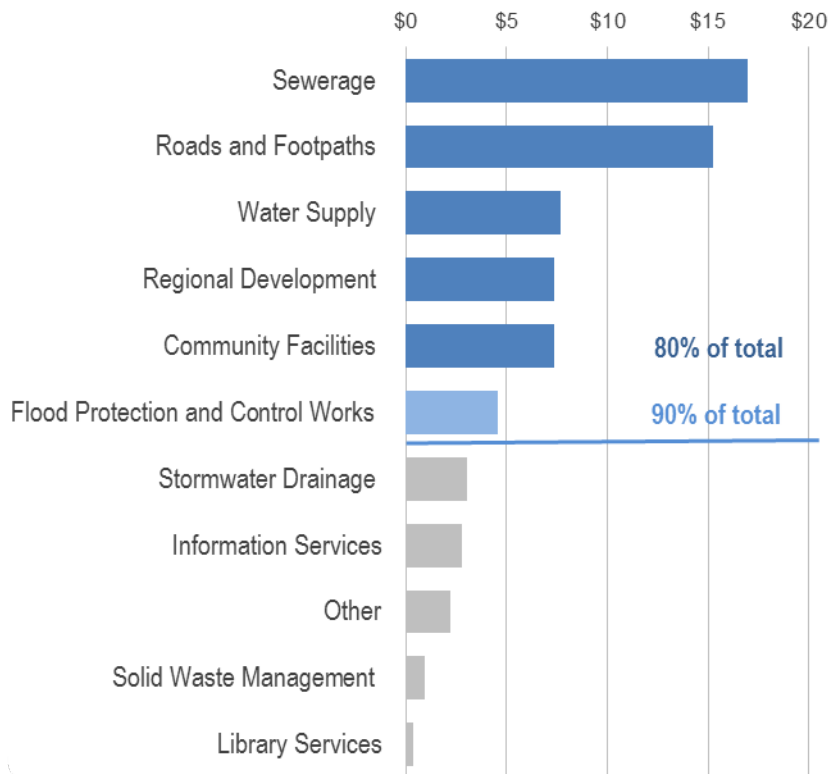
In addition Council has retained its S&P Global (formerly Standard and Poors) AA positive rating. This rating is only one step below that of the NZ Government and held by only seven councils in New Zealand.

For more detail on Council's expenditure please refer to the remainder of this document.

Below in graphical format is Council's proposed Operating and Capital Expenditure by Activity. As signalled in the Mayor's statement there is a heavy emphasis on core Council activities and infrastructure.



Budgeted Capital Expenditure (in millions)



Annual Plan Disclosure Statement for the Period Commencing on 1 July 2019

What is the Purpose of this Statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this Statement.

| Benchmark | | Government Quantified limit | Council Planned 2019-20 | Met |
|--|---|-----------------------------|-------------------------|-----|
| Rates affordability | | | | |
| (a) income | ≤ | 98.2M | 70.0M | Yes |
| (b) increases | ≤ | 4.32% | 3.62% | Yes |
| Debt affordability | | | | |
| (c) net debt / total revenue | < | 250% | 44.56% | Yes |
| (d) net interest / total revenue | < | 20% | 1.79% | Yes |
| (e) net interest / rates income | < | 30% | 3.09% | Yes |
| (f) liquidity | > | 110% | 149.42% | Yes |
| Balanced budget | | | | |
| (g) revenue / operating expenditure | ≥ | 100% | 104.63% | Yes |
| Essential services | | | | |
| (h) capital expenditure / depreciation | ≥ | 100% | 263.03% | Yes |
| Debt servicing | | | | |
| (i) borrowing costs / total revenue | ≤ | 10% | 3.85% | Yes |

Rates Affordability Benchmark

For this benchmark:

(a) the Council's planned rates income for the year is compared with a quantified limit on rates contained in the Financial Strategy included in Council's Long Term Plan;

(b) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the Financial Strategy included in Council's Long Term Plan.

The Council meets the rates affordability benchmark if:

(a) its planned rates income for the year equals or is less than each quantified limit on rates; and

(b) its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt Affordability Benchmark

For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in the Financial Strategy included in Council's Long Term Plan.

The Council meets the debt affordability benchmark if:

(c) its planned net debt as a proportion of total planned revenue for the year is less than the quantified limit; and

(d) its planned net interest as a proportion of total planned revenue for the year is less than the quantified limit; and

(e) its planned net interest as a proportion of total planned rates income for the year is less than the quantified limit; and

(f) its planned liquidity for the year is less than the quantified limit.

Balanced Budget Benchmark

(g) For this benchmark, the Council's planned revenue (excluding development contributions,

vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential Services Benchmark

(h) For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on

network services equals or is greater than expected depreciation on network services.

Debt Servicing Benchmark

(i) For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth, it meets the debt servicing benchmark if its borrowing costs are equal or less than 10% of its revenue.

Part 2: Our Business



Activity Groups and Activities

People

- Democratic Process
- Culture and Heritage
- Housing for Seniors
- Community Support
- Library Services
- Emergency Management

Community Facilities

Roads and Footpaths

Flood Protection and Control Works

Sewerage Including Treatment and Disposal

Stormwater Drainage

Water Supply

Solid Waste Management

Environmental Management

- Environmental Policy
- Environmental Science and Monitoring
- Resource Consents
- Environmental Protection

Regulatory

- Biosecurity (Pest Management)
- Building Control
- Environmental Health
- Animal Control
- Harbours

Regional Development

Democratic Process

What is this Activity About?

Marlborough District Council is a unitary authority; with the functions, duties and powers of both a regional council and a territorial authority, as conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being: to enable democratic local decision-making and action by, and on behalf of, communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses.

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

While considering the range and diversity of the communities in Marlborough, the Council recognises the special relationship it has with tangata whenua, and acknowledges the specific responsibilities it has to Māori under the Local Government Act 2002 and the Resource Management Act 1991 and is taking steps to further improve its current relationships with Iwi.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Public Communications

An emerging issue within this Activity is the community's growing expectation for more information and a greater level of consultation, which has the potential to increase costs.

In addition, commercial pressure on regional print media means there are fewer newsroom staff than before, with a corresponding reduction in published information about Council decisions and news, and less in-depth reporting. Council has responded to this to a degree by increasing its use of digital channels to share information, notably Facebook and Twitter, and also the use of apps. If there is further media shrinkage, Council may have to consider alternative means of providing public information and communications services.

A biennial survey is conducted to gauge residents' communication channel preferences, and their level of satisfaction with Council communications.

Levels of Service : Democratic Process

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|--------------------------|--------------------------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, 10 = "service delivered extremely well". | 6.7 | 6.7 |
| Provide a communications level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, 10 = "service delivered extremely well". | 6.1 | 6.4 |
| Provide a service that is timely and responsive to residents' needs. | Percentage of agendas available to the public, by way of the website and counter inquiry, at least three working days prior to meetings. | 100% | 100% |
| Properly managed local elections. | Elections and polls will comply with the provisions of the Local Electoral Act 2001 with no petitions for an inquiry. | no petitions for inquiry | no petitions for inquiry |
| Public contribution to decision making process. | % of Council items of business open to the public. | 90% | 90% |

Funding Impact Statement for 2019-20

Democratic Process

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,969 | 3,143 | 3,149 |
| Fuel tax, fines, infringement fees and other receipts | 228 | 291 | 318 |
| Total operating funding | 3,197 | 3,434 | 3,467 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,527 | 1,729 | 1,707 |
| Internal charges and overheads applied | 1,663 | 1,698 | 1,754 |
| Other operating funding applications | 7 | 7 | 6 |
| Total applications of operating funding | 3,197 | 3,434 | 3,467 |
| Surplus (deficit) of operating funding | - | - | - |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | - | - | - |
| Capital expenditure to improve the level of service | - | - | - |
| Capital expenditure to replace existing assets | - | - | - |
| Increase (decrease) in reserves | (0) | - | (0) |
| Total applications of capital funding | (0) | - | (0) |
| Surplus (deficit) of capital funding | 0 | - | 0 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 3,197 | 3,434 | 3,467 |
| Expenditure as per statement of comprehensive revenue and expense | 3,197 | 3,434 | 3,467 |

Culture and Heritage

What is this Activity About?

This Activity promotes cultural well-being. Council defines “culture” as encompassing the customs, practices, languages, values and world views that define social groups in Marlborough. Practices such as arts, design and architecture reflect and create our cultural identity. Likewise, the ways in which we approach and understand our heritage shapes our image of ourselves, and the image we convey to future generations.

The Marlborough culture is unique: nowhere else in the world is there the same combination of people, place and practices. Cultural identity — the sense of connection with other people through a shared culture — can make a strong contribution to a person’s overall well-being. Responding to community changes requires a continual balance between the old and the new.

The Council’s Arts and Culture Strategy, and its Heritage Strategy, outline the Council’s roles in the arts and heritage sectors, and the ways in which it proposes working with the community to achieve outcomes for culture and heritage.

These include:

- forming partnerships with organisations and institutions that contribute to cultural well-being (eg the collections database project);
- supporting projects that reflect and strengthen Marlborough’s cultural identity;
- managing the cultural and heritage assets and resources in a sustainable manner.

Council also provides annual heritage operating grants and access to a contestable grant fund.

While a range of operating grants/contracts are provided to key heritage, arts and culture organisations in Marlborough, Council’s relationships with its partners in the heritage and arts sectors will remain its most important resource in delivering this Activity.

Further information about this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Funding

The Heritage and Arts sectors are under stress due to limited funding sources and a need to invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of arts being practised in Marlborough. Expansion and maintenance of museum facilities is an ongoing challenge.

Council recognises the importance of heritage and the arts to Marlborough and will assist organisations in accessing support beyond the current levels from other funding agencies.

Council is budgeting to make a capital contribution to a new art gallery in Blenheim as part of the library development.

| Levels of Service : Culture and Heritage | | | |
|---|---|----------|---------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents’ expectations. | Resident satisfaction with this service as measured by survey, where 10 = “service delivered extremely well”. | 6.9 | 6.9 |
| Oversee Council’s grants and third party providers to ensure service quality and value. | % of contract and grant requirements met. | 100% | 100% |

Funding Impact Statement for 2019-20

Culture and Heritage

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,091 | 1,105 | 1,166 |
| Fuel tax, fines, infringement fees and other receipts | 83 | 80 | 91 |
| Total operating funding | 1,174 | 1,185 | 1,257 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 108 | 8 | 68 |
| Finance costs | 3 | 3 | - |
| Internal charges and overheads applied | 133 | 134 | 200 |
| Other operating funding applications | 2,906 | 1,062 | 1,086 |
| Total applications of operating funding | 3,150 | 1,207 | 1,355 |
| Surplus (deficit) of operating funding | (1,976) | (22) | (98) |
| Sources of capital funding | | | |
| Increase (decrease) in debt | (1) | (2) | - |
| Total sources of capital funding | (1) | (2) | - |
| Applications of capital funding | | | |
| Capital expenditure to replace existing assets | - | 10 | 10 |
| Increase (decrease) in reserves | (1,977) | (34) | (108) |
| Total applications of capital funding | (1,977) | (24) | (98) |
| Surplus (deficit) of capital funding | 1,976 | 22 | 98 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 3,150 | 1,207 | 1,355 |
| plus - Depreciation and amortisation | 6 | 6 | 6 |
| Expenditure as per statement of comprehensive revenue and expense | 3,156 | 1,213 | 1,360 |
| Operating expenditure | | | |
| Arts | 2,153 | 704 | 755 |
| Heritage | 1,002 | 509 | 606 |
| Capital expenditure | | | |
| Heritage | - | 10 | 10 |

Housing for Seniors

What is this Activity About?

The Council considers how to help people access housing which meets their needs. The most effective way to do this is to provide an option for seniors to access Council-owned housing.

Council also has an advocacy and facilitation role. Council will continue to work closely with other housing entities to attract more funding and housing options for the Marlborough community.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Financial Sustainability

Emerging issues within this Activity are:

- the age of the units and their increasing maintenance costs;

- the increasing proportion of older people in Marlborough;
- the fixed incomes of many tenants;
- an increase in demand for the current units, and demand for Council to build more units;
- an increase in the use of mobility scooters and the need for secure storage of them — this will be considered if developing new complexes;
- damage caused by tenants smoking inside or near the units. The Council proposes to implement a full smoking ban inside and outside the units to extend the life of the units and decrease the costs involved in renovation after smoke damage has occurred.

An ongoing programme of refurbishments is required to maintain the quality of the units.

Levels of Service : Housing for Seniors

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|---|--|----------|---------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.8 | 7.0 |
| | Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 8.1 | 8.0 |
| Provide up-to-date record of Occupancy levels | Minimum occupancy in units to be maintained. | 98% | 98% |
| Provide housing for seniors reactive maintenance service in two categories | Urgent Unplanned Maintenance ¹ - Percentage of unplanned maintenance completed within 24 hours of notification. | 97% | 98% |
| | Non-Urgent Unplanned Maintenance ² - Percentage of unplanned non-urgent maintenance completed within 20 working days of notification. | 97% | 90% |
| Provide an annual checklist of planned maintenance/projects as set out in budget and from Committee meetings. | Percentage of planned maintenance/projects completed in financial year. | 65% | 98% |

¹ Urgent unplanned maintenance is for events that would make the unit unliveable if left for an extended period.

² Non urgent unplanned maintenance is for events that do not pose a risk to the tenant if not dealt with straight away but does need to be dealt with in the near future.

| Funding Impact Statement for 2019-20 | | | |
|--|--------------|--------------|--------------|
| Housing for Seniors | | | |
| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| Rent, fuel tax, fines, infringement fees and other receipts | 1,437 | 1,509 | 1,435 |
| Total operating funding | 1,437 | 1,509 | 1,435 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 828 | 932 | 921 |
| Internal charges and overheads applied | 168 | 172 | 184 |
| Other operating funding applications | 13 | 14 | 20 |
| Total applications of operating funding | 1,009 | 1,118 | 1,125 |
| Surplus (deficit) of operating funding | 428 | 391 | 309 |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | 175 | - | - |
| Capital expenditure to replace existing assets | 155 | 158 | - |
| Increase (decrease) in reserves | 98 | 233 | 309 |
| Total applications of capital funding | 428 | 391 | 309 |
| Surplus (deficit) of capital funding | (428) | (391) | (309) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 1,009 | 1,118 | 1,125 |
| plus - Depreciation and amortisation | 309 | 320 | 330 |
| Expenditure as per statement of comprehensive revenue and expense | 1,318 | 1,438 | 1,455 |

Community Support

What is this Activity About?

Community support is provided by Council in a number of ways through organisations and agencies working with particular groups within the community, provision of funding, advocacy, and directly addressing specific issues through service provision. This Activity combines a number of distinct ways Council is involved in supporting their community.

Community Safety

Community safety is an important component of the “living” Community Outcome, which is *“Marlborough’s enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy”*.

Council has reviewed its role in community safety and has resolved to commit to longer term arrangements with the police and central government wherever possible.

A number of projects organised by the Safer Communities Marlborough section of the Council contribute to community well-being. These have resulted in positive outcomes at minimum direct cost to the Council as the majority of the Safer Communities activities are self-funding via Government grants.

The security camera network in the Blenheim and Picton CBD is managed by the Council’s Support Services Department and is funded by rates.

Community Support and Development

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

Similarly, Council has a Youth Policy and Youth Initiatives Plan to work towards achieving a better environment and services for this sector, and to encourage input from youth. This includes making progress towards the Mayor’s Task Force goal “that all young people under the age of 25 should be engaged in appropriate education, training, work or positive activities in their

communities”. Monthly Youth Council meetings are held to provide a voice for youth and to give effect to the Youth Policy and Plan. The Plan also provides direction for the allocation of Council’s Youth Funding.

The volunteer sector, including non-government and not-for-profit organisations, underpins most of the delivery of community services in Marlborough.

Advocating for the needs of the community sector is an ongoing issue, particularly given the changes being experienced in the age and ethnicity of the community. Strengthening relationships with key organisations, and providing training and support are key elements of building the capacity of the sector.

Council also assists by providing community grants. Criteria for these grants have been set to target specific needs in the community and relationships with other funding providers have the potential to maximise the funds available.

- The contestable grant provides one-off funding for not-for-profit organisations providing essential services in the Marlborough community, supporting community welfare, social services, the environment and/or sports and recreation.
- Council contracts the Youth Trust to deliver youth services and Volunteer Marlborough to build the capacity of the voluntary sector through training.

Events Management

Free community based events make a positive contribution to the well-being of the community by enhancing cultural identity, physical activity and social cohesion. Events also have a role to play in attracting visitors to Marlborough, along with showcasing and promoting the area.

Marlborough Festival and Events Trust and Go Marlborough have a contract to organise events on behalf of the Council, including the summer concert series, Blenheim Christmas parade, senior citizens concerts, Christmas festival, Southern Jam youth festival, children’s theatre and the New Year celebrations. They attract up to 5,000 attendees per event.

Energy Efficiency

Council promotes energy efficiency by providing upfront funding for approved home insulation,

solar water heating and clean heating solutions. This service now includes photovoltaic systems.

This cost is recovered over nine years through a voluntary targeted property rate for participating households. The rates recovery amount also includes interest, an administration charge and GST on all costs. This is cost neutral to Council.

Passenger Transport and Total Mobility Scheme

Public transport services give people access to economic and social opportunities. Council currently operates an urban bus service in Blenheim and a district-wide mobility scheme.

These activities are part funded by the NZ Transport Agency. In addition, Bayleys Marlborough provides sponsorship funding for the bus service.

Smart and Connected Communities

Council has supported the establishment of community-led groups in some of our larger communities (Havelock, Picton, Renwick and Seddon) via the Smart+Connected process. These groups have developed a strategic plan and a number of working groups to implement their plans through their own efforts, and by working with key partners including Council, other public providers and businesses. The Smart + Connected groups have successfully galvanised a large number of people in each community to participate in the groups and to achieve agreed actions.

Emerging Issues and Expected Changes

Changing Demographics

The changing age structure of the Marlborough community will pose some challenges for future infrastructure provision and the delivery of services such as health and education services, along with housing, transport (including passenger transport and mobility) and recreation. That's

because in the coming years our community is going to be "older" — 2018 population projections by Statistics NZ indicates 23% of the population is over 65 and this is projected to increase to 34% by 2043.

Another change is a significant increase in the ethnic diversity of the Marlborough community. It is already apparent that the population is becoming more ethnically and culturally diverse and this trend is expected to continue.

Community Safety

Safer Communities Marlborough has always operated in an environment of potential change due to its reliance on central government for the majority of its funding.

Events Management

The main challenges are to keep events relevant and interesting in times of changing population demographics, and to access external funding and sponsorships.

Energy Efficiency

The main challenges are the anticipated uptake levels of the schemes, especially the new photovoltaic systems scheme, and future early repayment requests.

Bus Services

Options to expand bus services to Picton and Renwick as well as a commuter service for Blenheim have been approved for an 18 month trial period. If the trials are successful, an expanded range of services could eventually become permanent.

Smart and Connected Communities

Additional staff resources have been provided to support the current groups (Picton, Renwick, Havelock and Seddon/Awatere). This is expected to enhance groups' abilities to plan, to deliver projects for their communities, and to work more effectively with Council and other partners.

Levels of Service : Community Support

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|---|-----------------------|-----------------------|
| Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport). | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | | |
| | • Community Support. | 6.8 | 6.8 |
| | • Community Safety. | 7.3 | 7.3 |
| | • Events Management. | 7.0 | 7.0 |
| Manage Council's community grants and third party providers to ensure service quality and value. | Contract and grant requirements met. | 100% | 100% |
| Manage third party providers to ensure service quality and value of community events. | Compliance with contract requirements. | 100% | 100% |
| | Participation numbers match targets in contracts. | 98% | 98% |
| Implement the Positive Ageing Accord. | Number of Older Persons Forums held annually (minimum 10). | 100% | 100% |
| | Frequency of Seniors Expo. | Biennial Seniors Expo | Biennial Seniors Expo |
| | % of actions in Positive Ageing Accord Plan completed each year. | 88% | 88% |
| Implement Youth Initiatives Plan. | Number of Youth Forums held annually (minimum 9). | 100% | 100% |
| | % of actions in Youth Initiatives Plan completed each year. | 97% | 97% |
| Build capacity of the Volunteer Sector through provision of training in partnership with key service providers. | Number of training courses provided per annum where attendance numbers meet targets. | 3 | 3 |
| Provide quality service that meets and exceeds the expectations of the funding ministries and thus providing quality service to the community. | % of compliance with Ministry of Justice contract conditions met. | 100% | 100% |
| Provide a well-used and affordable bus service in Blenheim that is timely and responsive to community needs. | Increase levels of customers patronage by 3% per annum (total patronage for 2016-17 year was 22,691). | 3% > previous year | 3% > previous year |
| | Resident satisfaction as measured by survey, where 10 = "service delivered extremely well". | 6.5 | 6.7 |
| | Improve infrastructure to support bus service by adding a minimum of three bus shelters per year (as funding allows). | 3 | 3 |

Funding Impact Statement for 2019-20 Community Support

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,444 | 1,491 | 1,356 |
| Targeted rates | 325 | 400 | 403 |
| Subsidies and grants for operating purposes | 420 | 448 | 457 |
| Fees and charges | 30 | 32 | 33 |
| Fuel tax, fines, infringement fees and other receipts | 161 | 161 | 107 |
| Total operating funding | 2,380 | 2,532 | 2,356 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,553 | 1,516 | 1,508 |
| Finance costs | 11 | 11 | 14 |
| Internal charges and overheads applied | 279 | 353 | 380 |
| Other operating funding applications | 738 | 635 | 706 |
| Total applications of operating funding | 2,581 | 2,515 | 2,608 |
| Surplus (deficit) of operating funding | (201) | 17 | (252) |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 10 | 10 | 10 |
| Increase (decrease) in debt | (7) | (7) | (9) |
| Lump sum contributions | - | - | 100 |
| Total sources of capital funding | 3 | 3 | 102 |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | 20 | 20 | 20 |
| Increase (decrease) in reserves | (218) | (0) | (170) |
| Total applications of capital funding | (198) | 20 | (150) |
| Surplus (deficit) of capital funding | 201 | (17) | 252 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 2,581 | 2,515 | 2,608 |
| plus - Depreciation and amortisation | 11 | 12 | 13 |
| Expenditure as per statement of comprehensive revenue and expense | 2,592 | 2,527 | 2,621 |
| Operating expenditure | | | |
| Community Safety | 267 | 272 | 261 |
| Community Support and Development | 1,066 | 938 | 986 |
| Events Management | 245 | 249 | 219 |
| Energy Efficiency | 308 | 308 | 360 |
| Passenger Transport | 550 | 594 | 646 |
| Smart and Connected Communities | 158 | 164 | 150 |
| Capital expenditure | - | - | - |
| Passenger Transport | 20 | 20 | 20 |

Library Services

What is this Activity About?

This activity provides the community with a professional library service. The purpose of the library is to help customers help themselves by encouraging a joy of reading and the pursuit of knowledge, through the provision of a wide range of current resources in various formats, as well as computers and educational programmes, in a safe and accessible environment.

The Council provides library services to all Marlborough residents through a network of library facilities. These comprise a District Library in Blenheim and a Branch Library in Picton (a combined Library and Service Centre) which are both open seven days a week. Council also supports school based community libraries in Ward, Havelock and Waitaria Bay, along with a community library in Renwick.

Further information on what this Activity is about is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Library Facilities

The Picton Library and Service Centre Waitohi Whare Mātauranga celebrated its first year in the new facility validated by increases in issues and visitors to the facility. The new Blenheim Library/Art Gallery will have an even greater impact and construction has been moved out a year to allow land, design and funding elements to be finalised and project risks to be minimised. This project will be partially funded from the Forest and Land Development Reserve and the sale of the old library and civic theatre buildings.

| Levels of Service : Library Services | | | |
|--|--|------------------|--------------------------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| An overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.6 | 7.6 |
| A range of current resources supporting the tastes, interests and reading levels of users is provided. | Average age of resources. | 8 years or less | 8 years or less |
| | Frequency of items being taken out (turnover rate). | 4 times per year | 4 times per year |
| | Number of overdue items not returned 28 days after due date. | 130 items | <130 items |
| A range of programmes or training opportunities that meet or exceed customers' expectations | Evaluate the satisfaction of courses and programmes offered by the libraries by survey, where 1=, 3= Good and 5 = Excellent. | >4 | >4 |
| Access to information electronically. | Number of e-book and e-audio loaned. | 10,934 | 10% increase on baseline |

Funding Impact Statement for 2019-20

Library Services

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,304 | 2,365 | 2,404 |
| Fees and charges | 6 | 6 | 6 |
| Internal charges and overheads recovered | - | - | 113 |
| Fuel tax, fines, infringement fees and other receipts | 296 | 295 | 309 |
| Total operating funding | 2,606 | 2,666 | 2,831 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,599 | 1,623 | 1,718 |
| Finance costs | 112 | 136 | 100 |
| Internal charges and overheads applied | 538 | 549 | 624 |
| Total applications of operating funding | 2,249 | 2,308 | 2,443 |
| Surplus (deficit) of operating funding | 357 | 358 | 389 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | 440 | 432 | (59) |
| Total sources of capital funding | 440 | 432 | (59) |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 1,000 | 3,061 | - |
| Capital expenditure to improve the level of service | 25 | 27 | 26 |
| Capital expenditure to replace existing assets | 261 | 422 | 314 |
| Increase (decrease) in reserves | (489) | (2,720) | (10) |
| Total applications of capital funding | 797 | 790 | 330 |
| Surplus (deficit) of capital funding | (357) | (358) | (389) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 2,249 | 2,308 | 2,443 |
| plus - Depreciation and amortisation | 470 | 494 | 490 |
| less - Internal charges and overheads recovered | - | - | (113) |
| Expenditure as per statement of comprehensive revenue and expense | 2,719 | 2,802 | 2,820 |

Emergency Management

What is this Activity About?

Council is a key member and the sole funding agency of the Marlborough Civil Defence Emergency Management (CDEM) Group, with responsibility for the administration and implementation of a CDEM Group Plan.

The operative CDEM Group Plan describes:

- the emergency management policies and procedures in place to manage the hazards and risks;
- arrangements for declaring a state of emergency in the District;
- arrangements for cooperation and coordination with all other Civil Defence Emergency Management Groups;
- Marlborough's risk profile which identifies the hazards, likelihood, consequence and total risk rating which must be managed by the CDEM Group. The eight most significant risks are:
 - local source tsunami;
 - earthquake;
 - human pandemic;
 - marine accident;
 - animal pandemic;
 - marine pests and diseases;
 - river flooding;
 - plant and animal pests.

Marlborough also needs to be prepared to deal with a number of other hazards not mentioned here, such as drought and electricity failure

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

TAG Review Outcomes

The 2017 Ministerial Review of CDEM titled "Better Responses to Natural Disasters and Other Emergencies" has now morphed into the Emergency Management System Reforms (EMSR). A number of work streams will come online in 2019-20. Some of the key ones include

the development of a new national 'Common Operating Picture' system. Fly-in teams are also being established to deploy to events as required reporting to the Group Controller. Legislation changes including the development of further national standards are also being worked on. These new standards may have financial implications.

Multi-Group Response Plans

The South Island Alpine Fault Emergency Response (SAFER) Framework has been completed and an implementation plan developed. MCDEM will cease funding the programme in 2019 leaving the six South Island Groups to continue funding a Coordinator. Financial contributions will be population based and for 2019-20 this amounts to \$5,000. MCDEM have completed the Wellington Earthquake National Initial Response Plan (WENIRP). Marlborough is uniquely positioned to support Wellington when such an event occurs. Both of these programmes will require extensive planning to ensure that Marlborough CDEM can respond to the expectations in these plans. The third multi Group Response Plan is the Hikurangi subduction zone plan which has just been started in 2019. Marlborough CDEM will be involved in the development of this plan and will again need to develop local plans to manage the expected tsunami risk.

Iwi Involvement

Following a hui at Te Hora Marae in late 2018 there is now an opportunity for Marlborough CDEM to develop strong working relationships with iwi and marae throughout Marlborough. Following the 2016 earthquake a Māori Emergency Advisory Network (MEAN) Team was established led by Te Puni Kōkiri and this is now starting to bear fruit. There is a growing interest in marae becoming Civil Defence Centres and being involved in the response at the Emergency Operations Centre (EOC) and this will be a focus for 2019-20.

Incident Management Team

Marlborough CDEM currently does not have the capacity to operate the EOC for multiple shifts and is heavily reliant on volunteers to fill key positions.

There are currently three people working towards being qualified as alternate controllers and this will require significant investment in training over the next year or two. Filling the other key CIMS roles within the EOC will require more effort.

FENZ Co-location

By the end of 2019 the EOC extension will be completed and occupied by all the Fire and Emergency staff based in Marlborough including urban and rural. This will ensure that we will

retain a very strong working relationship with our key response stakeholder and will be able to support one another through any multi hazard event.

| Levels of Service : Emergency Management | | | |
|--|--|-----------------|----------------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 8.2 | 8.2 |
| Provide a planned, tested capability to respond to major Civil Defence and Emergency Events. | The CDEM Group Plan and Group Welfare Plan fully comply with the Ministry of Civil Defence Director's Guidelines. | comply | comply |
| | The Coordinating Executive Group, the Readiness & Response Committee and Welfare Coordination Group each meet at least 3 times per year. | 3x3 meetings | 3x3 meetings |
| | Regional Incident Management Team train/exercise at least 10 times per year. | ≥10 | ≥10 |
| | Activate the Emergency Operations Centre (EOC) within 30 minutes of an event or post a national warning being received from MCDEM if an active response is required. | 100% | 100% |

Funding Impact Statement for 2019-20

Emergency Management

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 522 | 531 | 514 |
| Fuel tax, fines, infringement fees and other receipts | 59 | 58 | 69 |
| Total operating funding | 581 | 589 | 583 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 403 | 410 | 438 |
| Internal charges and overheads applied | 144 | 147 | 129 |
| Total applications of operating funding | 547 | 557 | 568 |
| Surplus (deficit) of operating funding | 34 | 32 | 15 |
| Sources of capital funding | | | |
| Other dedicated capital funding | - | - | 275 |
| Total sources of capital funding | - | - | 275 |
| Applications of capital funding | | | |
| Capital expenditure to replace existing assets | 9 | 30 | 60 |
| Increase (decrease) in reserves | 25 | 2 | (45) |
| Total applications of capital funding | 34 | 32 | 290 |
| Surplus (deficit) of capital funding | (34) | (32) | (15) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 547 | 557 | 568 |
| plus - Depreciation and amortisation | 34 | 31 | 30 |
| Expenditure as per statement of comprehensive revenue and expense | 581 | 588 | 598 |

Community Facilities

What is this Activity About?

The Council provides and maintains open spaces and built facilities to meet a range of community needs. Community facilities include reserves, parks, accessways, open space and planted areas, street, trees, playgrounds, tracks and trails, sports parks and buildings, public toilets, cemeteries and memorials.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Cemeteries

Master plans are complete and provide guidance for future development, management and operational requirements across Council-run cemeteries. The plans have an implementation programme, with prioritised projects to be reflected in budget allocations.

Marlborough, like other areas around the country, is experiencing an increase in cremations compared to burials. Consequently there is a need to consider the most appropriate options for ashes interments at each of the cemeteries.

Memorials

A district-wide master plan is being prepared for memorials. Similar to the cemetery master plans, this will guide future development, management and operational requirements relating to memorials.

Public Toilets

Renewals of facilities at Havelock Township, Collins Reserve, Anakiwa, Okiwi Bay, Horton Park and Oliver Park are planned over the next 12 month period. Funding assistance has been received for several of these projects through application to the Ministry of Business Innovation and Employment's *Tourism Infrastructure Fund*.

Further, improvements are planned for facilities at Elterwater Layby, Hodder Bridge, Picton High Street, Seymour Square and Taylor Dam in the 2019-20 to 2020-21 period, some of which will possibly be eligible for *Tourism Infrastructure Funding*.

Reserves

New Reserves

New reserves have been obtained by Council as a result of subdivision development, earthquake damage and purchase. Equipping and maintaining these new reserves will be challenging within existing budgets.

Development on existing Reserves

There will be cost implications relating to the planned upgrades to a number of reserves currently underway including Neil Street Upgrade in Havelock, Taylor River carpark, Pump/Skills Track on Taylor Reserve, Pump Track at Rifle Range Carpark, Seddon Pump Track, Wither Hills Grigg to Rotary Track and the Waterfall Track (Havelock).

Several upgrades to district playgrounds are planned or currently underway, which include: Pollard Park Playground, Renwick, Renwick Village Green, Omaka Landing, Eric Young and Mark Smith Reserve.

Management Plans

Reserves have several working documents underway that will assist Council and the community to address planning and budgeting in our reserves. The Victoria Domain plan is being written in conjunction with Te Ātiawa and the Seddon and Waikawa reserves are in the early stages of preparing for public discussion.

Building Work Following the 2016 Earthquake

Ongoing work is being carried out on community facilities that require seismic strengthening or demolition as a consequence of earthquake activity or to meet national building codes. Work continues on strengthening Stadium 2000 has recently been completed. Funding will be required should the demolition proceed of the A & P Park Grandstand given the Council's decision in March 2018 to demolish it. A replacement pavilion building and grandstand at A & P Park has been budgeted for in the 2020-21 period. Strengthening and redevelopment of the Awatere Community Hall is underway with completion in July 2019. Preparation for repair work on the Awatere Pavilion is to begin this year.

Accommodation Proposals

A continued increase in proposals to develop high density vineyard accommodation has required careful consideration of the possible impact on Council facilities.

Tree Management

The more robust data capture and monitoring system introduced for managing trees has resulted in an improved understanding of our tree portfolio. Along with the development of a tree policy, currently underway, this refined approach supports a more rigorous approach to management of our trees. This year has seen a higher number of trees removed (or pruned) than in previous years from our reserves and this is expected to continue for the next 18 months. A planned tree planting programme will be developed to replace a number of the trees removed, possibly with the support of the central government Billion Tree Project initiative.

Responsible Camping

Responsible camping numbers continue to grow significantly in Marlborough, given the presence of the inter-island ferry terminals and our location along State Highway 1.

Central government is actively looking at the impacts of freedom camping on local communities and we are continuing to closely monitor this activity to determine whether changes in our approach may be needed. We will seek funding from the *Tourism Infrastructure Fund* for a feasibility study of the impact of Responsible Camping in Marlborough and to support our planning and budgetary considerations.

Climate Change

The implications of these events will need to be considered, along with the impacts of anticipated sea level rise. There may be costs associated with managing these impacts, and issues to resolve regarding how the public expects the Council to respond to these events.

Weather events are already having an effect on the parks and open spaces environment with a noticeable damage and loss of assets.

Walking and Cycling

There is an increasing demand for the development of more paths and tracks for walking and cycling communities, including locals and tourists. The Walking and Cycling Strategy for Marlborough outlines areas where cycling and walking are to be enhanced and/or new connections made to the network. Funding to

develop and to maintain these facilities will need to be considered.

Small Townships Programme

There will be significant budgetary implications for the new projects identified through the Small Townships Programme. These projects have an impact on maintenance costs and subsequent increase in levels of service. Examples have included proposed development of a picnic area at Spring Creek and the Village Green at Renwick. With a growing number of projects identified over the next 10-year period, there will need to be some funding provided to ensure these new projects are maintained at a level which meets community expectations.

Some of those projects include the Ward Hall landscaping project, Rai Valley Village Green, Renwick cycle lanes and tree planting in Renwick, Spring Creek planter boxes, Rarangi – outdoor gym, and an upgrade to the area at Bluegums Corner.

Lansdowne Park Redevelopment

The development of a “Sportsville” facility at Lansdowne will provide for all the potential sport codes that make use of the park. There is an opportunity to further develop the facility to provide for some commercial operations which will help to subsidise the operating expenses. Concept design options and costings are being developed within the 2018/19 year. It is expected the Sportsville facility will cost \$5M.

Outdoor Sports Facilities Plan

The redevelopment of Lansdowne Park has come about as a consequence of opportunities set out in the Council’s Outdoor Sports Facilities Plan. This plan was prepared in 2010, and has achieved a number of other outcomes for sporting facilities in Marlborough. It is important that this plan stays current, and will be reviewed in 2020–21.

Contracts and Tenders

A number of our larger key maintenance contracts have been renewed in the last two years. These contracts had been in place for about 8-10 years and all contracts went through an open market tender process. The market review resulted in increases to all contracts with costs rising by more than the anticipated 5% to between 20-40% increases. We expect the two contract renewals (while much smaller in size) that will go to the open market in the FY 19/20 and FY 20/21 will also increase within the same range of 20-40%.

Levels of Service : Community Facilities

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|-------------|---|
| Community facilities are accessible and maintained to a high standard appropriate to the range and level of use, including: <ul style="list-style-type: none"> • reserves, parks, gardens, civic and open spaces; • cycling and walking tracks and paths; • cemeteries and war memorials; • swimming pools; • sports parks; and • public conveniences. | Resident satisfaction with this service as measured by survey, where 10 = “service delivered extremely well”. | ≥ 7.8 | ≥ 7.8 |
| Neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values. | The proportion of residentially zoned houses in urban areas within 500m walking distance of neighbourhood parks. | ≥ 98% | ≥ 98% |
| Use and development of reserves is carried out in accordance with Reserve Management Plans. | Reserve management plans are in place for Council reserves and reviewed or prepared as necessary. | New measure | Review of Wither Hills Farm Park and Picton Foreshore RMP's |
| A connected network of walking and cycling paths and tracks that is accessible and visible and caters for a range of abilities. | An enhanced and/or extended walking and cycling paths and tracks network. | New measure | Enhancements made to existing network and/or new additions to network |
| Street trees provide an attractive streetscape and are well maintained. | Appropriately planted street trees on new urban roads and renewal of street trees on existing roads. | New measure | 100% |
| | Number of street trees planted per year. | New measure | 100 |
| | Condition assessment of each street tree undertaken once every two years (or sooner if necessary). | New measure | 100% |
| Playgrounds are varied and stimulating and are safe and well maintained. | New playgrounds and renewals have incorporated shade (including natural shading) into the design. | New measure | 85% |
| | Playground audits are undertaken and recommendations implemented. | New measure | 100% |
| Cemeteries Provision of well-maintained cemeteries to provide accessible and appropriate sites for the interment needs | Cemeteries managed and developed in accordance with cemetery master plans. | New measure | Implementation of short term priorities from cemetery master plans. |

Levels of Service : Community Facilities

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|---|---|-------------|-------------------|
| of the community. | Number of burial and ashes plots. | 650 | 650 |
| Sports parks The Council's sports parks: <ul style="list-style-type: none"> • provide for a range of sporting and recreation activities; and • are well maintained, available and accessible and safe to use. | Sports park user survey to determine satisfaction with maintenance, availability, accessibility and safety. | New measure | ≥85% satisfaction |
| | Develop the Council's Outdoor Sports Facilities Plan. | New measure | Review scope |
| Public toilets The Council's public toilets are well designed, accessible, clean and safe to use. | Initial response to requests for service actioned within allotted time. | New measure | 100% |

Funding Impact Statement for 2019-20

Community Facilities

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 9,293 | 9,777 | 9,720 |
| Targeted rates | - | - | 3 |
| Subsidies and grants for operating purposes | 11 | 11 | 858 |
| Fees and charges | 142 | 145 | 174 |
| Fuel tax, fines, infringement fees and other receipts | 971 | 744 | 854 |
| Total operating funding | 10,417 | 10,677 | 11,610 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 6,284 | 6,474 | 6,551 |
| Finance costs | 859 | 969 | 948 |
| Internal charges and overheads applied | 2,038 | 2,065 | 2,076 |
| Other operating funding applications | 179 | 699 | 815 |
| Total applications of operating funding | 9,360 | 10,207 | 10,391 |
| Surplus (deficit) of operating funding | 1,057 | 470 | 1,219 |
| Sources of capital funding | | | |
| Development and financial contributions | 1,240 | 1,278 | 1,278 |
| Increase (decrease) in debt | 2,012 | 1,863 | 1,448 |
| Other dedicated capital funding | 229 | - | 151 |
| Total sources of capital funding | 3,481 | 3,141 | 2,877 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 978 | 1,397 | 1,433 |
| Capital expenditure to improve the level of service | 1,930 | 4,693 | 4,199 |
| Capital expenditure to replace existing assets | 3,590 | 450 | 1,738 |
| Increase (decrease) in reserves | (1,960) | (2,929) | (3,274) |
| Total applications of capital funding | 4,538 | 3,611 | 4,095 |
| Surplus (deficit) of capital funding | (1,057) | (470) | (1,219) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 9,360 | 10,207 | 10,391 |
| plus - Depreciation and amortisation | 1,808 | 1,898 | 1,946 |
| Expenditure as per statement of comprehensive revenue and expense | 11,168 | 12,105 | 12,337 |
| Operating expenditure | | | |
| Cemeteries | 553 | 572 | 548 |
| Memorials | 125 | 128 | 129 |
| Street berms, trees and plots | 629 | 645 | 604 |
| Halls | 426 | 478 | 476 |
| Public Toilets | 1,143 | 1,190 | 1,097 |
| Reserves | 6,519 | 7,296 | 7,709 |
| Swimming Pools | 1,772 | 1,795 | 1,774 |
| Capital expenditure | | | |
| Cemeteries | 218 | 145 | 307 |
| Memorials | 58 | 131 | 8 |
| Street berms, trees and plots | 34 | 39 | 38 |
| Halls | 3,199 | 20 | 761 |
| Public Toilets | 530 | 448 | 1,030 |
| Reserves | 2,410 | 5,757 | 5,226 |
| Swimming Pools | 50 | - | - |

Roads and Footpaths

What is this Activity About?

This Activity is carried out to provide our community with an efficient, safe and resilient road network.

As the owner of the local roading network, the Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. In addition, Council is responsible for all roading-related assets — footpaths, kerb and channelling, street lighting and car parks. Some wharves are also owned and maintained by Council. Recently there has been an increased emphasis on alternative modes such as walking and cycling, particularly the provision of high quality pedestrian facilities for an ageing population.

Separate Roles

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of the New Zealand Transport Agency (Transport Agency).

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

The Transport Agency is a key partner in Council's land transport management because the State Highway network is of significant strategic importance in achieving community outcomes.

Council also works closely with the Police on road safety issues and maintains and annually reviews a Road Safety Action Plan for the District.

Further information on this Activity and the assets involved is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Deterioration of Bridges and Culverts

Council has more than 360 bridges on its transport network. Currently 28 bridges are

posted for not meeting Class 1 criteria. All of these bridges are posted for restricted speeds and seven are posted for restricted weights.

As many bridges as funding permits will be replaced during this LTP period (2018–2028).

Deterioration of Unsealed Roads and Dust Control

Unsealed roads require frequent maintenance as they deteriorate rapidly when exposed to increased traffic, such as logging trucks. This rapid deterioration is exacerbated with wet weather.

Council also receives requests for dust control. Dust suppressants will be applied where this is necessary.

Urban Growth Effects

Proposed new zone developments need to follow planned roading layouts and services plans to ensure good community outcomes and equitable cost sharing. Capital costs are expected to be met by developers, with road costs included in Council zone levies.

High Impact Natural Events

Over recent years storm events and earthquakes have had a large effect on Council's Rooding Budgets and the frequency of these storm events is likely to increase as a result of climate change.

Conflicting Road Network Use

The increase in viticulture, forestry, tourism and an ageing demographic is resulting in the transport network being used for many different purposes.

A key challenge is to provide a safe transport network that affordably meets the needs of all road users.

Levels of Service : Roads and footpaths

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|---|---------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.7 | 6.5 |
| Road safety Provide a safe transport infrastructure. | The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. | 1.0 | 0 |
| Road condition Provide a quality transport infrastructure. | Average quality of ride on a local sealed road network measured by Smooth Travel Exposure ³ and classified using ONRC hierarchy. | | |
| | Arterial | 91% | 90% |
| | Primary Collector | 89% | 88% |
| | Secondary Collector | 92% | 90% |
| | Access | 89% | 88% |
| | Low Volume | 94% | 90% |
| | 85% average road roughness classified using ONRC hierarchy | | |
| | Arterial | 104.2 | ≤ 110 |
| | Primary Collector | 119.0 | ≤ 120 |
| | Secondary Collector | 124.0 | ≤ 125 |
| | Access | 135.0 | ≤ 140 |
| | Low Volume | 132.0 | ≤ 150 |
| | NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel road will have a roughness value higher than 300. | | |
| | Road maintenance Provide a sustainable land transport infrastructure. | The percentage of sealed road network that is resurfaced annually. Average chipseal life is 13.5 years. | 5.25% |
| Footpaths To provide footpaths that meet the needs of an ageing community. | % of footpaths that meets the Asset Management Plan rating of better than 4, where 1="Excellent" 2="Good" 3="Average" 4="Poor" 5="Very Poor". | 94% | 95% |
| Respond to Service Requests | % of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days. | 87% | 90% |

³ Smooth Travel Exposure is the percentage of vehicle kilometres travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the roading network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users. The Marlborough values compare favourably with peer agencies.

Funding Impact Statement for 2019-20

Roads and Footpaths

| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
|--|----------------|----------------|----------------|
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 10,036 | 10,439 | 10,627 |
| Targeted rates | 63 | 63 | 63 |
| Subsidies and grants for operating purposes | 4,304 | 4,410 | 4,452 |
| Fees and charges | 7 | 7 | 7 |
| Fuel tax, fines, infringement fees and other receipts | 1,324 | 1,336 | 1,164 |
| Total operating funding | 15,734 | 16,255 | 16,314 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 9,755 | 9,767 | 9,793 |
| Finance costs | 541 | 618 | 550 |
| Internal charges and overheads applied | 1,341 | 1,369 | 1,387 |
| Other operating funding applications | 25 | - | 15 |
| Total applications of operating funding | 11,662 | 11,754 | 11,746 |
| Surplus (deficit) of operating funding | 4,072 | 4,501 | 4,569 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 4,663 | 4,668 | 4,925 |
| Development and financial contributions | 645 | 661 | 1,194 |
| Increase (decrease) in debt | 992 | 1,836 | 1,438 |
| Other dedicated capital funding | 806 | 838 | 820 |
| Total sources of capital funding | 7,105 | 8,003 | 8,377 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 3,253 | 3,169 | 3,365 |
| Capital expenditure to improve the level of service | 2,555 | 2,396 | 3,175 |
| Capital expenditure to replace existing assets | 8,890 | 9,121 | 8,727 |
| Increase (decrease) in reserves | (3,520) | (2,182) | (2,321) |
| Total applications of capital funding | 11,178 | 12,503 | 12,945 |
| Surplus (deficit) of capital funding | (4,072) | (4,501) | (4,569) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 11,662 | 11,754 | 11,746 |
| plus - Depreciation and amortisation | 9,548 | 9,866 | 10,390 |
| Expenditure as per statement of comprehensive revenue and expense | 21,210 | 21,620 | 22,135 |

Flood Protection and Control Works

What is this Activity About?

The Activity is primarily about managing flood hazard and drainage of the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks, drainage improvements and from recent assessments of flood risks as land uses change with development.

Staff will also provide appropriate input into resource consent and building applications near waterways or where a possible flood hazard exists.

Further information on this Activity and the assets involved can be found in the 2018-28 LTP.

Emerging Issues and Expected Changes

Maintaining the Wairau River Alignment and Stopbank Security

The Wairau River from the Waihopai confluence downstream to SH 1 has very powerful and erosive river flows. Bank protection in the form of rock rip-rap armoring, tree planting and wide river berms is required to protect the stopbanks from erosion, especially during larger flood events.

Regular asset inspections have confirmed the need for continued investment in new works and regular maintenance of existing works to ensure a robust flood protection system remains in place.

The main change for this plan is to make provision for the new edge protection works rock that has been identified as being required along the south bank for 2.5km below the Waihopai confluence.

Downstream of SH 1 edge protection is also important but the current priority is to upgrade some remaining sections of stopbank on the lower Wairau channel to ensure security during a very large flood event. This work was delayed by repairs required after the November 2016 Kaikoura earthquake. Construction of the next section of stopbank upgrade is expected to resume in summer 2019-20 now that earthquake repairs are complete.

Blenheim Stormwater Outfall Upgrades

Ongoing development of Blenheim including infill housing and expansion into the rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations and budget provision has been included in this plan.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Muller Road link, Town Branch drain enlargement, new Snowdens outfall and pump station). Construction of the first stage of the Caseys Creek upgrade is underway. The resource consent application to cover stormwater discharge to the Murphy's Creek and the new Middle Renwick Road stormwater main is being prepared in accordance with the preferred option selected by community consultation.

Pukaka Quarry Extension

The Council owned Pukaka Quarry is a key source of rock rip-rap for river protection works on the Wairau River and tributaries. The quarry also supplies a variety of aggregates to the contracting market as a by-product of the rock production.

The rock resource within the existing land boundary is now limited and further land will be required if the quarry is going to continue for a further 50 years. Discussions with the adjacent landowner are continuing.

No specific capital budget is provided for in this plan. However the Pukaka Quarry is self-funding and capital requirements for any extension are proposed to be serviced from operating revenue.

Gibsons Creek Upgrade/Renwick Lower Terrace

Council has approved funding for Gibsons Creek channel upgrades immediately north of Renwick. The planned upgrades will reduce flood risk to existing and potential future development on the lower terrace area immediately below Renwick. The works will be subject to a resource consent. Consultation prior to any application being lodged is planned to commence in late 2019.

Levels of Service : Flood Protection and Control Works

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|---|----------------------|----------------------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.0 | 7.0 |
| Wairau River scheme - system and adequacy These major flood protection and control works are maintained, repaired and renewed to the standards defined in Rivers and Drainage Asset Management Plan (AMP). | % of floodway and tributary network inspected annually for condition and maintenance requirements. | 95% | 95% |
| | % of programmed maintenance and renewal works identified in the Rivers AMP practically ⁴ completed. | 100% | 100% |
| | % of capital improvement works in the AMP achieved. | 80% | 80% |
| | Timeliness of providing a report to the Assets and Services Committee on the damage to the Floodway network and potential problem areas following significant flood events (generally exceeding a 1:2 year return). | <2 months post event | <2 months post event |
| Wairau Plains Effective drainage provided to the lower Wairau plains. | % of drain network inspected at least annually for condition and maintenance requirements. | 100% | 100% |
| | % of drains weed sprayed each year. | 90% | 90% |
| | % of drains mechanically cleared each year. | 4% | 4% |
| Picton Floodways Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event. | % of floodway network inspected annually for condition and maintenance requirements. | 100% | 100% |
| | % of programmed maintenance and renewal works identified in the AMP practically completed. | 100% | 100% |
| Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls. ⁵ | % of programmed maintenance and renewal works identified in the AMP practically completed. | 100% | 100% |
| | % of capital improvement works in the AMP achieved. | 80% | 80% |
| Sound flood hazard advice provided. | Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes. | <5 | <5 |

⁴ NZS 3910:2003 defines practical completion as when the contract works or any separable portion are complete except for minor omissions and minor defects.

⁵ Channels and pump stations, including the Town Branch Caseys, Fulton and Murphys Creeks to provide for a 1 in 50 year return period storm event runoff including both infill and greenfield development.

Funding Impact Statement for 2019-20 Flood Protection and Control Works

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 290 | 296 | 263 |
| Targeted rates | 4,020 | 4,218 | 4,098 |
| Fees and charges | 585 | 600 | 619 |
| Internal charges and overheads recovered | 205 | 209 | 205 |
| Fuel tax, fines, infringement fees and other receipts | 2,677 | 2,741 | 2,900 |
| Total operating funding | 7,777 | 8,064 | 8,085 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 3,342 | 3,421 | 3,362 |
| Finance costs | 119 | 181 | 181 |
| Internal charges and overheads applied | 1,752 | 1,790 | 1,675 |
| Other operating funding applications | 36 | 37 | 26 |
| Total applications of operating funding | 5,249 | 5,429 | 5,244 |
| Surplus (deficit) of operating funding | 2,528 | 2,635 | 2,841 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | 822 | 1,420 | 2,000 |
| Total sources of capital funding | 822 | 1,420 | 2,000 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 600 | 974 | 550 |
| Capital expenditure to improve the level of service | 950 | 1,435 | 1,150 |
| Capital expenditure to replace existing assets | 1,492 | 1,250 | 2,850 |
| Increase (decrease) in reserves | 308 | 396 | 291 |
| Total applications of capital funding | 3,350 | 4,055 | 4,841 |
| Surplus (deficit) of capital funding | (2,528) | (2,635) | (2,841) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 5,249 | 5,429 | 5,244 |
| plus - Depreciation and amortisation | 184 | 200 | 212 |
| less - Internal charges and overheads recovered | (205) | (209) | (205) |
| Expenditure as per statement of comprehensive revenue and expense | 5,228 | 5,420 | 5,251 |
| Operating expenditure | | | |
| River Leases | 293 | 296 | 316 |
| Rivers Outside Wairau Floodplain | 260 | 264 | 230 |
| Wairau Floodplain Drainage | 1,000 | 1,064 | 1,128 |
| Wairau Floodplain Rivers | 3,674 | 3,796 | 3,577 |
| Capital expenditure | | | |
| Rivers Outside Wairau Floodplain | 20 | 20 | 20 |
| Wairau Floodplain Drainage | 650 | 994 | 970 |
| Wairau Floodplain Rivers | 2,372 | 2,644 | 3,560 |

Sewerage Including Treatment and Disposal

What is this Activity About?

Collection, treatment and disposal of wastewater to provide sanitary living conditions, protect public health and avoid damaging discharges to the environment is an essential service that contributes to:

- the health of communities;
- minimisation of adverse environmental effects;
- industrial and residential development.

Council's 2018-28 LTP provides further information on this activity and the assets involved, including information on individual schemes.

Emerging Issues and Expected Changes

Reasons for the Upcoming Projects

- Gaining renewal of resource consents at Seddon and Havelock wastewater treatment plants has and will result in revised consent conditions. These may include a requirement to recycle effluent or discharge it to land.

- The Main Outfall Pump Station (MOPS) at Riverlands will require major upgrade works to improve its earthquake resistance. Council decided it would be more economical to rebuild the pump station in 2021-23.
- Increasing treatment capacity at the Blenheim Sewage Treatment Plant (BSTP) is necessary to meet continuing growth in trade waste.
- Infrastructure renewal is necessary across networks due to damage caused by the 2016 earthquakes and as pipelines near the end of their useful life. Rehabilitation works in response to earthquake damage utilising trenchless technologies commenced in November 2018.
- The management and control of rainfall derived inflow and groundwater infiltration into the wastewater reticulation.
- Failure of on-site wastewater treatment systems in townships and rural residential areas without municipal sewerage systems.

Levels of Service : Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|---|----------|---------|
| Customer Satisfaction Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.8 | 7.7 |
| | The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system. | 8.3 | 8.0 |
| System and Adequacy Provide a level of service quality that minimises environmental risks. | The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. | 0.4 | 0.4 |

Levels of Service : Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|---|--|----------|---------|
| Discharge Compliance Provide a reliable wastewater service with adequate system capacity and performance. | Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. | 1.1 | 1.1 |
| | Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions received by the territorial authority in relation those resource consents. | Nil | Nil |
| Fault Response Times Provide a service that is timely and responsive to customers' needs | Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and | 0.6 | 0.6 |
| | (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. | 1.7 | 1.7 |

Funding Impact Statement for 2019-20

Sewerage

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| Targeted rates | 8,014 | 8,777 | 8,465 |
| Fees and charges | 62 | 64 | 62 |
| Fuel tax, fines, infringement fees and other receipts | 2,921 | 3,004 | 2,955 |
| Total operating funding | 10,997 | 11,845 | 11,482 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 3,171 | 3,687 | 3,162 |
| Finance costs | 2,125 | 2,290 | 2,444 |
| Internal charges and overheads applied | 2,625 | 2,680 | 3,063 |
| Total applications of operating funding | 7,921 | 8,657 | 8,669 |
| Surplus (deficit) of operating funding | 3,076 | 3,188 | 2,813 |
| Sources of capital funding | | | |
| Development and financial contributions | 570 | 570 | 570 |
| Increase (decrease) in debt | 4,877 | 2,101 | 7,260 |
| Other dedicated capital funding | 120 | 123 | 120 |
| Total sources of capital funding | 5,567 | 2,794 | 7,950 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 5,404 | 4,981 | 7,360 |
| Capital expenditure to improve the level of service | 5,665 | 3,255 | 8,399 |
| Capital expenditure to replace existing assets | 6,151 | 4,400 | 1,242 |
| Increase (decrease) in reserves | (8,577) | (6,654) | (6,238) |
| Total applications of capital funding | 8,643 | 5,982 | 10,763 |
| Surplus (deficit) of capital funding | (3,076) | (3,188) | (2,813) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 7,921 | 8,657 | 8,669 |
| plus - Depreciation and amortisation | 3,380 | 3,666 | 3,629 |
| Expenditure as per statement of comprehensive revenue and expense | 11,301 | 12,323 | 12,298 |
| Operating expenditure | | | |
| Combined Sewerage | 9,164 | 10,011 | 9,847 |
| Riverlands Sewerage | 2,041 | 2,248 | 2,369 |
| St.Andrews (new) | 7 | 7 | 27 |
| Loan units (no lump sum) | 89 | 57 | 56 |
| Capital expenditure | | | |
| Combined Sewerage | 14,304 | 12,330 | 16,271 |
| Riverlands Sewerage | 2,865 | 253 | 628 |
| St.Andrews (new) | 51 | 53 | 102 |

Stormwater Drainage

What is this Activity About?

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

- minimising the incidence of flooding to protect the community from harm;
- minimising damage to properties from flooding;
- facilitating commercial and residential development;
- protecting the aquatic environment through the management of water quality from urban stormwater run-off;
- reducing erosion.

Council's 2018-28 LTP provides further information about this activity including detail about the individual areas served.

Emerging Issues and Expected Changes

Stormwater Strategy

Blenheim's flat topography and sensitive receiving environments provide challenging conditions for stormwater management. Council has approved a stormwater strategy which provides clear direction and an integrated approach to managing Blenheim's stormwater future. This strategy sets out a 10 year plan of activity and provides a comprehensive framework to manage both the quality and quantity of stormwater. It also provides for an overhaul of the resource consent structure for Blenheim's stormwater, which will involve review and consolidation of existing stormwater discharge consents.

The strategy requires clear lines of responsibility, improved integration, rigorous monitoring and a more modern approach to regulation. It will result in the establishment of effective Stormwater Management Area Plans throughout Blenheim.

Ongoing investment in the objectives of the strategy will result in functional infrastructure, improved customer experience and minimal impact on the natural receiving environments.

The strategy's goals and approach will be extended to other townships over time.

Urban Growth Strategy

Stormwater management is a significant element in planning new urban development pockets as part of the Growing Marlborough Urban Growth Strategy. Early involvement with developers from the outset of the planning process allows structures to manage stormwater quantity and quality to be incorporated into the design of new subdivisions.

Urban growth in Blenheim is largely to the north and west of the town — and it will be important to ensure downstream upgrades are provided in a timely manner. Evaluation and installation of effective stormwater quality control techniques for new subdivisions and retrofit of existing reticulation will also occur.

Climate Change

The impact of climate change is likely to become increasingly important in future planning. The current indications are that extreme weather events will become more frequent and more intense. Sea level rise will have implications for the effectiveness of discharge to the sea and from the outfalls of the drainage network. Additional contingencies are being built into new designs but existing infrastructure will be severely tested by changing weather patterns.

The following issues are emerging within this Activity:

- Implementation of the Blenheim Stormwater Strategy and extension of strategic goals to other townships.
- Establishment of effective Stormwater Management Area Plans in Blenheim and other areas.
- Review and consolidation of existing stormwater discharge consents.
- Urban growth in Blenheim is largely to the north and west of the town – ensuring downstream upgrades are provided in a timely manner.
- Ensuring good stormwater design is incorporated into the design of new subdivisions.
- Evaluate and install effective stormwater quality control techniques for new subdivisions and retro-fit to existing reticulation where required.
- Adaption to climate change.

Levels of Service : Stormwater Drainage

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|------------------------------|------------------------------|
| Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.6 | 6.6 |
| | The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. | 2 | 2 |
| System adequacy Provide a reliable stormwater service. | The number of flooding events that occur in a territorial authority district. | Actual number to be reported | Actual number to be reported |
| | For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system. | 3.0 | 2.8 |
| Discharge compliance Minimise the environmental risks of stormwater discharge. | Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation those resource consents. | Nil | Nil |
| Response times Provide a service that is timely and responsive to customers' needs. | The median* response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (*The statistical median is the time in which half of calls are responded to in less time and half in a longer time.) | 1 hour | 1 hour |

Funding Impact Statement for 2019-20

Stormwater Drainage

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,006 | 2,110 | 2,058 |
| Fees and charges | 51 | 52 | 51 |
| Fuel tax, fines, infringement fees and other receipts | 153 | 153 | 161 |
| Total operating funding | 2,210 | 2,315 | 2,270 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 317 | 346 | 300 |
| Finance costs | 14 | 12 | 12 |
| Internal charges and overheads applied | 429 | 439 | 354 |
| Total applications of operating funding | 760 | 797 | 666 |
| Surplus (deficit) of operating funding | 1,450 | 1,518 | 1,604 |
| Sources of capital funding | | | |
| Development and financial contributions | 25 | 25 | 25 |
| Increase (decrease) in debt | (28) | (29) | (29) |
| Other dedicated capital funding | 200 | 205 | 200 |
| Total sources of capital funding | 197 | 201 | 196 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 51 | 52 | 251 |
| Capital expenditure to improve the level of service | 280 | 277 | 530 |
| Capital expenditure to replace existing assets | 769 | 583 | 2,229 |
| Increase (decrease) in reserves | 547 | 807 | (1,210) |
| Total applications of capital funding | 1,647 | 1,719 | 1,800 |
| Surplus (deficit) of capital funding | (1,450) | (1,518) | (1,604) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 760 | 797 | 666 |
| plus - Depreciation and amortisation | 1,454 | 1,506 | 1,553 |
| Expenditure as per statement of comprehensive revenue and expense | 2,214 | 2,303 | 2,219 |
| Operating expenditure | | | |
| Blenheim Stormwater | 1,603 | 1,665 | 1,563 |
| Other Stormwater Schemes | 611 | 638 | 656 |
| Capital expenditure | | | |
| Bleheim Stormwater | 1,050 | 297 | 2,410 |
| Other Stormwater Schemes | 50 | 615 | 600 |

Water Supply

What is this Activity About?

Council drinking water supplies are necessary so that larger communities can receive an adequate supply of potable (drinking) water which cost-effectively contributes to:

- the health of the community;
- minimisation of adverse environmental effects;
- community safety through providing for the firefighting capability of the water supply system;
- industrial and residential development.

Around 82% of the Marlborough population has access to the Council's reticulated water supplies. Underground water reticulation systems are expensive to install and maintain, so are only cost-effective with a certain level of population density. Funding upgrades (particularly to meet the New Zealand Drinking Water Standards and depreciation) has been a challenge but this has been partially resolved by the introduction of the Combined Water Scheme Charges Policy in 2017.

Council's 2018-28 LTP provides further information about this activity and the assets involved, including detail on each individual scheme.

Emerging Issues and Expected Changes

Compliance with the DWSNZ

Compliance with the DWSNZ continues to require significant capital expenditure. The affordability issues for smaller communities (Awatere, Renwick, Wairau Valley and Havelock) have largely been resolved with the adoption of the Combined Water Schemes Charging Policy in 2017. Upgrades to treatment plants to meet the DWSNZ have been delayed beyond the target dates in the Health Amendment Act (2007) but planning, design and budgets are in place. The Seddon Water Treatment Plant was completed in 2018.

Havelock North Drinking-Water Contamination Inquiry

The recommendations of the Havelock North Drinking-Water Contamination Inquiry will have far reaching consequences for water suppliers. The Government's response to the recommendations has not been confirmed to date but is likely to include the revocation of 'secure bore' status

(affecting the Riverlands supply), chlorination of all supplies, more training and accreditation of staff, and more monitoring of water quality.

A consequence of changes to the Drinking Water Standards will be that communities managing water supplies for themselves may find it increasingly more difficult to meet the compliance criteria. This could result in these communities seeking assistance from Council.

Renewal of Infrastructure

Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life, particularly for older networks such as the Awatere.

Demand Management

Growth in demand for water in Renwick and Havelock has caused supply capacity issues. The residents have agreed to fit meters to all properties to help suppress peak demand and delay the need for investment in new water sources. Other demand management techniques such as pressure zone management and leakage control are being implemented where practicable.

Also, in the past the Council has adopted a 'passive' leak detection policy. Leaks were not actively identified, but service crews would respond to leaks reported by customers and those detected by the reticulation monitoring systems. More recently the Council has also instigated an 'active' leakage programme in Renwick, Seddon, Picton and Havelock. Specialist contractors are employed to search for and locate leaks in underground pipes that are not obvious from the surface. These projects have helped to reduce the volume of unaccounted for water but are relatively costly because of the specialist equipment and skills required.

Considerable care is required to ensure active leak detection projects return good value for money. It is likely these techniques will be used more in future along with other demand management techniques such as pressure control, district leakage management, public education and voluntary restraint measures. Water demand management is a particularly important technique in areas where the water sources are limited in times of high demand.

Firefighting capacity in some industrial/commercial areas is lower than the capacity sought by the New Zealand Fire Service (NZFS). Upgrades to the reticulation have been programmed over the next 10 years.

Levels of Service : Water Supply

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|---|---|
| Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 8.2 | 8.3 |
| | The total number of complaints received by the local authority about any of the following: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues Expressed per 1000 connections to the local authority's networked reticulation system. ⁶ | 1.30 1.90 0.65 1.90 1.30 0.65 | 1.10 1.70 0.60 1.90 1.30 0.65 |
| Safety of drinking water Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk. | The extent to which the local authority's drinking water supply complies with: (a) Part 4 of the drinking-water standards (bacteria compliance criteria), and (b) Part 5 of the drinking-water standards (protozoal compliance criteria). | Blenheim a) Y b) Y Picton a) Y b) N Havelock a) Y b) N Renwick a) Y b) N Riverlands a) Y b) N Awatere a) N b) N Wairau Valley a) N b) N | a) Y b) Y a) Y b) Y a) Y b) N a) Y b) N a) Y b) N a) N b) N a) N b) N |
| Maintenance of the reticulation network | The percentage of real water loss from the local authority's networked reticulation system. ⁷ | Blenheim ≤ 44% Picton ≤ 48% Havelock ≤ 51% Renwick ≤ 50% Awatere ≤ 28% Wairau Valley ≤ 42% | 37% 32% 38% 32% 15% 15% |
| Fault response times Provide a service that is timely and responsive to | Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: | | |

⁶ Assumes 15,591 connections. Estimated in accordance with DIA recommended option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

⁷ The water loss figures shown are based on the best available information and do not include legitimate commercial/industrial night usage, day/night adjustment factor or system specific issues that are not currently monitored. Water loss has been calculated in accordance with Method Option 2 (minimum night flow analysis) recommended by the Department of Internal Affairs guidance for non-financial performance measures for water supply.

Levels of Service : Water Supply

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|---|--|------------|---|
| customers' needs. (The target figures are the 'median' time ie half of all call-outs will be responded to/resolved in less time, half will be greater) | (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and | 30 minutes | Blenheim, Picton, Riverlands, Renwick - 60 minutes; Awatere, Havelock, Wairau Valley – 120 minutes* |
| | (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. | 3 hours | 4 hours * |
| | (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and | 8 hours | 3 working days* |
| | (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. | 13 hours | 10 working days* |
| Demand management Provide a reliable water supply service | The average consumption of drinking water per day per resident within the territorial authority district. | 800 litres | 770 litres |

*Target has been revised as part of the 2019-20 Annual Plan Consultation process.

Funding Impact Statement for 2019-20

Water Supply

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| Targeted rates | 8,216 | 8,824 | 8,636 |
| Fees and charges | 143 | 167 | 163 |
| Internal charges and overheads recovered | - | - | 388 |
| Total operating funding | 8,359 | 8,991 | 9,187 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 2,735 | 3,027 | 2,817 |
| Finance costs | 1,146 | 1,232 | 1,188 |
| Internal charges and overheads applied | 1,629 | 1,665 | 2,052 |
| Other operating funding applications | 39 | 40 | 33 |
| Total applications of operating funding | 5,549 | 5,964 | 6,090 |
| Surplus (deficit) of operating funding | 2,810 | 3,027 | 3,097 |
| Sources of capital funding | | | |
| Development and financial contributions | 285 | 285 | 285 |
| Increase (decrease) in debt | 1,981 | 1,083 | 1,374 |
| Other dedicated capital funding | 195 | 200 | 195 |
| Total sources of capital funding | 2,461 | 1,567 | 1,854 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 1,875 | 1,844 | 1,758 |
| Capital expenditure to improve the level of service | 5,811 | 3,216 | 2,948 |
| Capital expenditure to replace existing assets | 1,796 | 1,436 | 2,982 |
| Increase (decrease) in reserves | (4,211) | (1,902) | (2,737) |
| Total applications of capital funding | 5,271 | 4,595 | 4,951 |
| Surplus (deficit) of capital funding | (2,810) | (3,027) | (3,097) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 5,549 | 5,964 | 6,090 |
| plus - Depreciation and amortisation | 3,306 | 3,542 | 3,492 |
| less - Internal charges and overheads recovered | - | - | (388) |
| Expenditure as per statement of comprehensive revenue and expense | 8,855 | 9,506 | 9,194 |
| Operating expenditure | | | |
| Water: Awatere Rural | 731 | 794 | 737 |
| Water: Riverlands | 312 | 336 | 318 |
| Combined Water | 7,812 | 8,377 | 8,139 |
| Capital expenditure | | | |
| Combined Schemes | 9,186 | 5,665 | 7,316 |
| Water: Awatere Rural | 142 | 672 | 218 |
| Water: Riverlands | 154 | 159 | 155 |

Solid Waste Management

What is this Activity About?

Marlborough District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner, reducing any potential environmental impact and protecting public health. Council is the main source of waste management infrastructure for the district, providing a network of seven transfer stations, a central landfill, waste sorting centre, resource recovery centre, reuse centre, e-waste collection facility, hazardous waste storage facility, rural community recycling stations and salvage yard. They are all operated under contract to Council.

These facilities are designed and operated to ensure the minimum impact on people's amenity and the environment. By promoting the reduction, reuse and recycling of waste we will reduce our reliance on landfill for disposal and also have the ability to influence the direction of our waste management and minimisation planning. Council also collects refuse and recyclables from the kerbside in Blenheim and Picton through a contract.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Product Stewardship

The introduction of Product Stewardship schemes could have a significant impact on the cost of managing waste and recycling. Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimising the product's environmental impact throughout all stages of the product's life cycle, including end of life management. There are two types of product stewardship schemes, voluntary and mandatory. To date the approach has focused on voluntary schemes set up by

interested parties. In future the focus is likely to be on mandatory schemes through the Government's declaration of 'priority products'. Council supports the costs associated with managing waste products being redistributed to the producer/consumer and away from the ratepayer. We will continue to participate in policy discussions and development of product stewardship at a national level as a means of achieving this.

Waste Sorting Centre Fire

A fire occurred at the waste sorting centre in January 2019. The facility is likely to be out of commission for up to 12 months and will increase the amount of waste sent to landfill. The facility reinstatement costs will be covered by insurance with the exception of a \$10k excess.

Recycling Markets

Recycling markets continue to deteriorate. This has caused councils and central government to have a fundamental rethink on how we manage our recycling. The main concern is the containment of materials within a secure waste management system, i.e. no leakage into the surrounding environment. This may involve some processing capacity being established within New Zealand as opposed to exporting recycling offshore.

Waste to Energy (Buller District)

Council is in discussion with a company called Renew Energy Limited, who are in the process of developing a waste to energy plant in Westport. This facility could become a strategic alternative to landfill and have a significant impact on how we manage waste in Marlborough. Any future changes would be subject to full consideration by Council and consultation with community. The premise of this plant is to provide the West Coast region with lower cost electricity which in turn would stimulate economic activity and secure the long term future of the harbour facilities at Westport. Waste deliveries to the site would be by road, rail or sea barge.

Levels of Service : Solid Waste Management

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|---------------------|------------------------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.6 | 7.6 |
| Reduce the amount of waste sent to the landfill. | % growth in diverted material throughput at the Resource Recovery Centre (RRC). | 5,000 tonnes | 5% growth from 2017-18 |
| | % growth in sales at the Reuse Shop. | \$225K(incl. GST) | 5% growth from 2017-18 |
| | % growth in tonnage diversion from the Waste Sorting Centre (WSC). | 3,000 tonnes | 5% growth from 2017-18 |
| | % growth in greenwaste material throughput at the Greenwaste Acceptance Facility (GAF). | 16,500 cubic metres | 5% growth from 2017-18 |
| Effective operation of waste management and minimisation services. | Number of resident's complaints in regards to Bluegums Landfill operations. | 12 | <12 |
| | % of Kerbside Refuse and Recycling Collection Service complaints/missed lifts. | 13,200 households | <1% of 2017-18 |
| | Number of resident's complaints in regards to Compost operation. | 12 | <12 |
| | Number of resident's complaints in regards to the transfer stations, reuse centre, resource centre, e waste facility, coin skips and salvage yard. | 36 | <36 |

Funding Impact Statement for 2019-20

Solid Waste Management

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,530 | 1,602 | 1,320 |
| Targeted rates | 1,435 | 1,470 | 1,484 |
| Subsidies and grants for operating purposes | 185 | 151 | 345 |
| Fees and charges | 7,072 | 7,272 | 7,761 |
| Fuel tax, fines, infringement fees and other receipts | 315 | 300 | 281 |
| Total operating funding | 10,537 | 10,795 | 11,191 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 7,184 | 7,463 | 7,683 |
| Finance costs | 378 | 352 | 388 |
| Internal charges and overheads applied | 1,170 | 1,194 | 1,406 |
| Other operating funding applications | 495 | 493 | 565 |
| Total applications of operating funding | 9,226 | 9,503 | 10,042 |
| Surplus (deficit) of operating funding | 1,310 | 1,293 | 1,149 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | (399) | (562) | (502) |
| Total sources of capital funding | (399) | (562) | (502) |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | 142 | - | 82 |
| Capital expenditure to replace existing assets | 215 | 53 | 851 |
| Increase (decrease) in reserves | 554 | 678 | (299) |
| Total applications of capital funding | 911 | 730 | 647 |
| Surplus (deficit) of capital funding | (1,310) | (1,293) | (1,149) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 9,226 | 9,503 | 10,042 |
| plus - Depreciation and amortisation | 740 | 804 | 744 |
| Expenditure as per statement of comprehensive revenue and expense | 9,966 | 10,307 | 10,786 |
| Operating expenditure | | | |
| Landfills | 4,017 | 4,213 | 4,425 |
| Refuse Collections | 1,670 | 1,710 | 1,720 |
| Transfer Stations | 2,893 | 2,954 | 3,173 |
| Waste Minimisation | 1,387 | 1,430 | 1,468 |
| Capital expenditure | | | |
| Landfills | 275 | 53 | 64 |
| Transfer Stations | - | - | 800 |
| Waste Minimisation | 82 | - | 82 |

Environmental Policy

What is this Activity About?

This Activity is the first of the cycle of Activities that play an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor Review cycle as described in the rationale for the delivery of the Environmental Management Group of Activities.



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

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

- The Marlborough Regional Policy Statement (RPS);
- The Marlborough Sounds Resource Management Plan (MSRMP);
- The Wairau/Awatere Resource Management Plan (WARMP);
- The Proposed Marlborough Environment Plan (MEP).

Further information on this activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Proposed Marlborough Environment Plan (MEP)

The MEP is progressing through the First Schedule process of the RMA. The task of hearing submissions and making decisions on the MEP is being undertaken by an appointed panel of accredited hearing commissioners, consisting of four elected Councillors and three independent commissioners. The hearings commenced in November 2017 and concluded in February 2019. One thousand three hundred and twenty two submissions and over 17,000 submission points have been considered by the Hearings Panel.

Decisions on MEP will be publicly notified in 2019. Any submitter to the proposed MEP can appeal the Council's decision to the Environmental Court. Resolving the appeals, through either Environment Court mediation or hearing will be a significant priority for the Environmental Policy Activity for the 2019-20 year. The amount of work involved will depend upon the number and nature of the appeals.

Once appeals are resolved, the MEP can be made operative. This means that the current operative framework consisting of the Marlborough Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan will cease to have effect. This will, in turn, simplify the task of other activities, particularly Resource Consents and Environmental Protection.

Review of Aquaculture Provisions

In notifying the proposed MEP, Council decided not to notify marine farming provisions, opting instead to continue the review process. This review commenced in March 2017 and the Council is being assisted by an Aquaculture Review Working Group consisting of industry members, members of the local community and central government agencies. The work of the Group is likely to result in the notification of a Variation/Plan Change to the MEP in the 2019-20 year. The First Schedule process would then run for approximately the following two years.

Central Government Initiatives

Government initiatives (such as legislative change or the introduction of national policy statements or national environmental standards) can influence the nature, scope and timing of the Environmental Policy Activity work programme. In particular, the Council is required to give effect to the provisions of national policy statements, while the provisions

of the Council's resource management framework cannot duplicate or conflict with national environmental standards.

There are currently five national policy statements and six national environmental standards. In most cases these were given effect to through the review of the resource management framework.

National Policy Statement for Freshwater Management

In the case of the National Policy Statement for Freshwater Management 2014, the Council has adopted a staged implementation programme to establish a minimum aquifer level for the Wairau Aquifer in 2019 and to establish freshwater quality limits through to 2024. These programmes set out the various actions that will be taken by the Council to establish those limits, including technical investigations, community consultation and planning. Budget provision is included in the Environmental Policy and Environmental Science and Monitoring 2019-20 budgets to establish a minimum aquifer level for the Wairau Aquifer.

Note that there are government commitments to further review the NPSFM and this could have an effect on the Environmental Policy Activity work programme in 2019-20.

National Policy Statement on Urban Development Capacity

In the case of the National Policy Statement on Urban Development Capacity 2016, the Council is required to monitor a range of indicators for housing and business development capacity in Blenheim on a quarterly basis. A housing and business development capacity assessment is also likely in the 20-21 year.

National Planning Standards

Government is in the process of developing national planning standards. The standards can

relate to any aspect of the structure, format or content of regional policy statements and plans, and the Council must amend its planning documents if so directed. The first tranche of standards are expected in early 2019. These will cover structure and form of RMA plans, and electronic accessibility. It is not possible to plan for any changes at this stage as the nature of the national planning standards is not known. However, it is possible that changes will be required to the Council's resource management framework (including e-plans) in the 2019-20 year.

Transitioning to the Marlborough Environment Plan

Leading up to and following notification of the reviewed RPS/RMP, the operative resource management framework still has legal status and therefore requires maintenance.

Plan change requests to the operative resource management framework made by members of the public, which cannot be anticipated, have a similar effect on the environmental policy work programme as central government initiatives. Any new plan change request has to be processed in accordance with statutory processes and timeframes. The costs of plan change requests are borne by the person who has made the request (unless the Council adopts the plan change as its own). Two plan change requests were being processed at the time of preparing this annual plan.

If the MEP is made operative in the 2019-20 year, the Environmental Policy Activity will also commence coordinating the implementation of the non-regulatory methods and monitoring of anticipated environmental results contained in the MEP. This will influence the work programme and budgets of other activities. This will be reflected in subsequent annual plan processes.

Levels of Service : Environmental Policy

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|--|-------------|--------------------------------------|
| A second generation resource management framework for Marlborough. | Decisions on the MEP publicly notified prior to the local government elections. | N/A | Prior to local government elections* |
| | A variation to the MEP providing for and managing the effects of marine farming activity is publicly notified. | N/A | By the end of 2019 calendar year* |
| Progressive implementation Programmes under the NPS Freshwater Management are implemented. | Minimum aquifer level established for Wairau Aquifer. | New measure | Dec-19 |

*Target has been revised as part of the 2019-20 Annual Plan Consultation process.

Funding Impact Statement for 2019-20 Environmental Policy

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,271 | 1,289 | 1,329 |
| Fuel tax, fines, infringement fees and other receipts | 97 | 94 | 104 |
| Total operating funding | 1,368 | 1,383 | 1,433 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,435 | 1,104 | 1,219 |
| Internal charges and overheads applied | 273 | 279 | 313 |
| Total applications of operating funding | 1,708 | 1,383 | 1,533 |
| Surplus (deficit) of operating funding | (340) | - | (100) |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Increase (decrease) in reserves | (340) | - | (100) |
| Total applications of capital funding | (340) | - | (100) |
| Surplus (deficit) of capital funding | 340 | - | 100 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 1,708 | 1,383 | 1,533 |
| Expenditure as per statement of comprehensive revenue and expense | 1,708 | 1,383 | 1,533 |

Environmental Science and Monitoring

What is this Activity About?

The Activity involves establishing and maintaining an efficient environmental resource information base to allow Council to properly discharge its resource management functions and to provide advice to the community on environmental resources and on issues affecting the resources of the district. The Activity includes the investigation, monitoring and analysis of the district's natural and physical resources (eg land, air, fresh water and coast).

This Activity is also responsible for implementing a number of non-regulatory resource management methods and programmes to promote the sustainable management of our natural and physical resources. This includes education, advocacy and support for flood and other environmental emergency responses.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Additional Investment

The Marlborough Environment Plan will set the future direction and resourcing for State of Environment (SoE) monitoring, resource investigations and programmes in the district.

Additionally the Government is increasingly directing Council services through legislative change consisting of a number of National Policy Statements and National Environmental standards. For example, the National Policy Statement for Freshwater Management is expected to impact on the levels of service for setting of catchment based limits, monitoring and contaminant accounting systems.

The Council is investing in the following projects:

- There will be progressive increases in the funding for the Council's environmental science and monitoring activities from 2019/20 to implement the MEP as well as the range of National Environmental Policy Standards and Regulations. In particular, additional resources have been allocated for environmental monitoring, coastal monitoring, biodiversity, riparian management, Taylor River enhancement, implementation of the National Environmental Standard for Assessing and

Managing Contaminants in Soil, monitoring of winery waste discharges, monitoring of air pollutants and implementation of the National Policy Statement for Freshwater Management.

- A multi-beam survey of the entire seabed of Pelorus Sound/Te Hoiere will be carried out as part of a co-funding partnership with Land Information New Zealand. This investment in understanding the different habitats and their values will enable the Council to improve management of marine ecosystems in this extensive area.
- Council will also be capturing LIDAR data which is a remote sensing method to measure the land surface area across the entire District. This project is in partnership with Land Information New Zealand.

Environmental Information

There is also an increasing expectation from Government, the community and the regional sector that resource information will be readily available for national environmental reporting and the community in an open digital format.

Water Quality

Diffuse pollution, sediment runoff and discharges to land as a consequence of intensive urban and rural land use will remain as the main human induced threat to water quality in the district. Monitoring programmes focused on determining the effects of diffuse pollution and sediment runoff are immediate options to help us better understand and mitigate these effects.

Land Resources

The implementation of catchment based enhancement plans will involve collaborative action to help mitigate diffuse pollution and sediment runoff. Catchment enhancement plans developed with stakeholders are intended to be solution focused to manage diffuse pollution and sedimentation in catchments that are defined as degraded or at risk.

Air Quality

Agriculture spray drift and the effects on air quality in the District are little known. A monitoring programme to address cumulative effects will be a necessary step to better understanding these complex issues. A programme to determine air quality risks in Picton is also expected.

Council has an obligation to ensure the most up to date information exists on sites that are potentially contaminated, and these sites recorded as HAIL. A focused programme systemically surveying sites and reviewing the level of risk is being carried out.

Biodiversity

The community terrestrial biodiversity programme has an objective to halt the decline in biodiversity values. Resourcing has been allocated to address the protection of high value significant sites. The community also expects more investment in broad scale biodiversity interventions such as pest control, and this will be achieved through implementation of a Biodiversity Strategy and the Regional Pest Management Plan. The potential of a NPS for indigenous biodiversity and the review of the NZ biodiversity Strategy will also influence future activities.

Coastal

The Council continues to increase our knowledge of the complex nature of our marine environment.

Opportunities exist for additional resourcing including collaborative approaches with stakeholders.

An improved understanding of our coastal water quality and the effects from human induced effects and natural processes can be measured more efficiently and effectively by investments in real time monitoring instruments. Opportunities to measure change in the environment with better technology off-setting existing manual sampling regimes requires a review which could potentially be funded through mechanisms such as coastal occupancy charging.

Climate Change

The longer term consequences of climate variability will need to be better understood, including establishing measures and coordinated responses across the Council. Resourcing has been allocated for this work.

| Levels of Service : Environmental Science and Monitoring | | | |
|---|---|----------|---------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Monitoring, investigations, gather and analyse information, and report on the state of Marlborough's natural resources including: | Timeliness of completion data integrity audits and quality coding (In accordance with National Environmental Monitoring Standards). | 30 June | 30 June |
| Fresh Water, Land, Air and Coastal. | Number of technical SoE monitoring report cards completed. | 6 | 6 |
| | Timeliness completion of resource investigations and reporting to Council. | 30 June | 30 June |
| Effective real time environmental monitoring network is operated. | Percentage availability of the environmental monitoring network. | 99% | 99% |
| Promotion of resource management programmes to help maintain or improve the condition of the environment. | Increase in the number of sites classified as Significant Natural Areas on private land that are either protected by management interventions or legal covenants. | 92 | 100 |
| Encourage the community and industry to look after and restore the environment through communication, education and advocacy. | Number of planned communication programmes with Industry/Community sector groups completed annually. | 5 | 5 |

Funding Impact Statement for 2019-20 Environmental Science and Monitoring

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 3,737 | 3,967 | 3,907 |
| Fees and charges | 5 | 5 | 5 |
| Internal charges and overheads recovered | 65 | 66 | 65 |
| Fuel tax, fines, infringement fees and other receipts | 285 | 288 | 306 |
| Total operating funding | 4,092 | 4,326 | 4,283 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 2,998 | 3,205 | 2,995 |
| Finance costs | 21 | 20 | 21 |
| Internal charges and overheads applied | 900 | 923 | 1,073 |
| Other operating funding applications | 1 | 1 | 1 |
| Total applications of operating funding | 3,920 | 4,149 | 4,089 |
| Surplus (deficit) of operating funding | 172 | 177 | 193 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | (13) | (14) | (14) |
| Total sources of capital funding | (13) | (14) | (14) |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | - | 1,025 | 1,000 |
| Capital expenditure to replace existing assets | 150 | 154 | 180 |
| Increase (decrease) in reserves | 9 | (1,016) | (1,001) |
| Total applications of capital funding | 159 | 163 | 179 |
| Surplus (deficit) of capital funding | (172) | (177) | (193) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 3,920 | 4,149 | 4,089 |
| plus - Depreciation and amortisation | 241 | 247 | 279 |
| less - Internal charges and overheads recovered | (65) | (66) | (65) |
| Expenditure as per statement of comprehensive revenue and expense | 4,096 | 4,330 | 4,303 |

Resource Consents

What is this Activity About?

This Activity involves discharging Council's statutory obligations under the Resource Management Act 1991 (RMA). The RMA sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for a resource consent. Consistent with the RMA's purpose, this Activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds and the Wairau/Awatere Resource Management Plans (which will be superseded by the Proposed Marlborough Environment Plan once this is operative).

Specifically this Activity processes five different types of resource consents:

- Land use consents.
- Water permits.
- Discharge permits.
- Subdivision consents.
- Coastal permits.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Legislative Changes

The challenges for this Activity are centered on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents and providing a

fair, cost effective and consistent service to the community. As a large unitary authority, the Council is responsible for processing a constantly fluctuating work flow, including a number of applications of a complicated nature, particularly those involving the allocation of water and coastal space. Council constantly reviews its processes and procedures to ensure adherence with current best practices.

The number of applications being processed by the team was consistently over 450 in 2018 with a peak week of 500, this compared to 400 in 2017 and 340 in 2016. The number of applications spiked with notification of the Proposed Marlborough Environment Plan on 9 June 2016. The earthquake on 14 November 2016 also created a significant increase in applications received with an average of 24.5 received weekly over this period. The number of applications received in all consent areas was significantly less in 2017 and 2018 with the average number received weekly being 19 for each year.

Quality Management System

The Regulatory Department is continuing to experience increased demands from statutory functions. To ensure the section fulfils these functions, the department operates under a Quality Management System (QMS). Control and suitability of the QMS is reliant on Regulatory Department managers and staff resourcing. However, increasing resource demands limit the department's ability to maintain and continually improve the QMS.

The resource needed to properly fulfil this function will be reviewed as part of 2021-31 Long Term Plan work.

Levels of Service : Resource Consents

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|---|----------|---------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6 | 6 |
| Provide a consent service that is fair, consistent, cost effective and timely. | % of resource consent applications processed within statutory timeframes. | 100% | 100% |

| Levels of Service : Resource Consents | | | |
|--|---|----------|---------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| | % of objections under section 357(b) compared to total number of applications processed. ⁸ | <0.5% | <0.5% |
| Provide consistent, appropriate and timely information to applicants and the public on the RMA, resource consent and approval process. | % of incomplete applications rejected under the requirements of section 88 of the RMA. | <15% | <5% |

| Funding Impact Statement for 2019-20 | | | |
|--|--------------|--------------|--------------|
| Resource Consents | | | |
| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 893 | 930 | 921 |
| Fees and charges | 1,680 | 1,716 | 1,819 |
| Internal charges and overheads recovered | 23 | 23 | 46 |
| Fuel tax, fines, infringement fees and other receipts | 68 | 67 | 72 |
| Total operating funding | 2,664 | 2,736 | 2,858 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,846 | 1,895 | 1,958 |
| Internal charges and overheads applied | 818 | 841 | 815 |
| Total applications of operating funding | 2,664 | 2,736 | 2,773 |
| Surplus (deficit) of operating funding | 0 | 0 | 84 |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | - | - | - |
| Capital expenditure to improve the level of service | 3 | 3 | 3 |
| Capital expenditure to replace existing assets | - | - | - |
| Increase (decrease) in reserves | (3) | (3) | 81 |
| Total applications of capital funding | 0 | 0 | 84 |
| Surplus (deficit) of capital funding | (0) | (0) | (84) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 2,664 | 2,736 | 2,773 |
| plus - Depreciation and amortisation | 0 | 0 | 84 |
| less - Internal charges and overheads recovered | (23) | (23) | (46) |
| Expenditure as per statement of comprehensive revenue and expense | 2,641 | 2,713 | 2,812 |

⁸ RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Environmental Protection

What is this Activity About?

The primary purpose of this section is to implement statutory responsibilities under section 35 of the Resource Management Act 1991 (RMA) which contribute towards the sustainable management of our natural and physical resources. This includes the monitoring and enforcement of activities within the district.

Council monitors the effect of implementing its resource management plans by monitoring compliance with the conditions of resource consent conditions and permitted activity standards.

The key objectives for the activity are:

- to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural and physical resources;
- to provide feedback and information on resource use and sufficient environmental information to enable other objectives to be met;
- to integrate programmes with Environmental Science & Monitoring and align with anticipated environmental outcomes set in the Proposed Marlborough Environment Plan (MEP).

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Resource Consent Numbers

A significant challenge facing the section is the sheer volume of resource consents, as there are more than 35,000 current resource consents. A number of annual monitoring programmes are undertaken of activities which have been identified as a monitoring priority. The number of monitoring programmes which can be delivered is restricted by the team's resources.

As noted previously in this Group Activity, the Council is increasing its investment in funding for environmental protection.

Proposed Marlborough Environment Plan

As a result of the notification of the Proposed Marlborough Environment Plan (MEP) the status and rules relating to many activities have changed — and the team's monitoring programmes are under continual review to reflect these changes as and when they have legal effect.

Water

Water is a valuable commodity in Marlborough, both environmentally and economically. Increasing water takes are putting pressure on Marlborough's aquifers and waterways. The introduction and transition of water takes to the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 has placed increased functions and responsibilities on both Council and the holders of water permits. Active monitoring of water takes is critical to the sustainability of Marlborough's aquifers and waterways.

Enforcement

Identification of breaches of the RMA and investigation of the over 500 complaints received annually and escalated enforcement due to their significance can have a substantial effect on the Environmental Protection team's work programme by diverting staff and other activities into enforcement proceedings.

Cost Recovery

Budgetary levels restrict the available resources to undertake the team's activities. While some activities are identified as of private benefit (with monitoring charges applied) many activities undertaken by the team are for public benefit and cannot be cost recovered, such as incident investigation and enforcement. Implementation and review of monitoring charges for resource users is ongoing, to ensure as much cost recovery as possible for the team's active monitoring programmes.

Quality Management System

The section is continuing to experience increased demands from statutory requirements. To ensure the section fulfils these functions the Regulatory Department operates under a Quality Management System (QMS). Control and suitability of the QMS is reliant on Regulatory

Department managers and staff resourcing.
 Increasing resource demands limit the
 Department's ability to maintain and continually
 improve the QMS.

The resource needed to properly fulfil this function
 will be reviewed as part of 2021-31 Long Term
 Plan work.

| Levels of Service : Environmental Protection | | | |
|--|--|--|--|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.3 | 6.5 |
| Monitor activities that have either a greater environmental impact warranting special consideration, or are activities that generate community concern or are related to trends highlighted through the State of the Environment Report. | Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consent conditions. | 31-Aug | Annually by 31 August |
| | | Improved or unchanged compliance level | Improved or unchanged compliance level |
| | Report on waste from wineries for compliance with resource consent conditions (waste water and grape marc). | 30-Nov | Annually by 30 November |
| | | Improved or unchanged compliance level | Improved or unchanged compliance level |
| | Report on resource consents for forestry in the district. | 30-Nov | Annually |
| | | Improved or unchanged compliance level | Improved or unchanged compliance level |
| Monitor and investigate alleged breaches of the RMA, RMP and Consents. | % of complaints assessed within one working day. | 86% | 80% |

**Funding Impact Statement for 2019-20
Environmental Protection**

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 769 | 840 | 826 |
| Fees and charges | 587 | 605 | 597 |
| Fuel tax, fines, infringement fees and other receipts | 61 | 64 | 67 |
| Total operating funding | 1,417 | 1,509 | 1,490 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 971 | 1,050 | 1,037 |
| Internal charges and overheads applied | 446 | 459 | 453 |
| Total applications of operating funding | 1,417 | 1,509 | 1,490 |
| Surplus (deficit) of operating funding | (0) | - | (0) |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Increase (decrease) in reserves | (0) | - | (0) |
| Total applications of capital funding | (0) | - | (0) |
| Surplus (deficit) of capital funding | 0 | - | 0 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 1,417 | 1,509 | 1,490 |
| Expenditure as per statement of comprehensive revenue and expense | 1,417 | 1,509 | 1,490 |

Biosecurity (Pest Management)

What is this Activity About?

Under the Biosecurity Act 1993 the Council has leadership responsibilities to prevent, reduce, or eliminate adverse effects from harmful organisms which are in New Zealand but not Marlborough, or are present in the region and are a significant threat. Marlborough has a long history of pests impacting on our economy and the environment, and the potential of new pest threats is ongoing and requires an active regime in order to understand and manage those threats.

The ways in which Council undertakes its activities include:

- promoting the alignment of pest management in the region;
- facilitating the development and alignment of regional pest management plans and regional pathway management plans in the region;
- promoting public support for pest management and facilitating communication and cooperation among people involved in pest management activities to enhance the effectiveness, efficiency, and equity of programmes;
- monitoring to determine whether or not pests are present and undertaking surveillance of pests, and unwanted organisms;
- investigating, eradicating or managing pests in accordance with relevant pest management plans.

The guiding framework and principles for biosecurity are outlined in the Marlborough District Council Biosecurity Strategy. A key component in the Strategy is the use of a Regional Pest Management Plan (RPMP). The RPMP highlights the priority programmes and sets clear, achievable objectives for specific harmful organisms.

The RPMP defines programmes for a number of plant and animal species. These organisms are declared pests in accordance with the Biosecurity Act 1993. The programme for each species is clearly outlined and has both objectives and outcomes that align with the National Policy

Direction for Pest Management.

The Council also provides a range of non-regulatory biosecurity services through the facilitation of community partnerships, conducting research, supporting biological control initiatives and promoting voluntary control of a range of other harmful organisms.

Further information on this Activity is contained in the 2018-28 LTP and the RPMP.

Emerging Issues and Expected Changes

The implementation of Regional Pest Management Plan (RPMP) programmes and other biosecurity initiatives guided by the Biosecurity Strategy will continue. For some of the newer RPMP programmes, such as the willow-leaved hakea and woolly nightshade programmes on Rangitoto ki te Tonga/D'Urville Island, they will move from a planning phase into becoming operational on-the-ground. Other programmes to prevent the establishment of known threats – such as Mediterranean fanworm and wallabies – will see Council delivering ongoing surveillance and/or ready to respond accordingly.

The ongoing threat from the invasive pest plants Chilean needle grass and wilding conifers continue to put pressure on the community and agencies alike. The programme for Chilean needle grass will continue to grow the level of understanding needed within the community of what level of intervention is needed – to both manage infestations and ensure spread around the region does not take place leaving future legacies.

Major progress continues with the approach to managing the wilding conifer threat with Council's role as part the National Wilding Conifer Control Programme. This national collaborative programme continues to demonstrate success but needs to grow substantially to address the ongoing threat – especially in Marlborough. As it grows, it is expected that Council will need to play a critical role providing regional oversight, facilitation and potential delivery. This will be to ensure both any RPMP programme is implemented successfully and the National Programme investment is directed appropriately to achieve the best possible outcomes.

| Levels of Service : Biosecurity (Pest Management) | | | |
|--|---|----------|---------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.3 | 6.4 |
| Implementation of the Regional Pest Management Plan (RPMP). | Operational Plan targets relating to the RPMP are met. | 95% | 95% |
| Delivery of non-RPMP biosecurity services and/or initiatives. | Operational Plan targets relating to non-RPMP biosecurity services and/or initiatives are met. | 95% | 95% |
| Prepare an annual report on the Operational Plan. | Timeliness completion of annual Operational Plan report to the Environment Committee. | 31-Oct | 31-Oct |

| Funding Impact Statement for 2019-20 Biosecurity (Pest Management) | | | |
|---|-----------------------|-----------------------|----------------------|
| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 1,324 | 1,456 | 1,517 |
| Fees and charges | 12 | 12 | 12 |
| Fuel tax, fines, infringement fees and other receipts | 113 | 118 | 131 |
| Total operating funding | 1,449 | 1,586 | 1,660 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,078 | 1,209 | 1,199 |
| Internal charges and overheads applied | 325 | 331 | 395 |
| Other operating funding applications | 60 | 60 | 60 |
| Total applications of operating funding | 1,463 | 1,600 | 1,654 |
| Surplus (deficit) of operating funding | (14) | (14) | 6 |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Increase (decrease) in reserves | (14) | (14) | 6 |
| Total applications of capital funding | (14) | (14) | 6 |
| Surplus (deficit) of capital funding | 14 | 14 | (6) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 1,463 | 1,600 | 1,654 |
| plus - Depreciation and amortisation | 3 | 3 | 6 |
| Expenditure as per statement of comprehensive revenue and expense | 1,466 | 1,603 | 1,660 |

Building Control

What is this Activity About?

This Activity is important for the health and safety of the residents, workers and visitors to the Marlborough District because the main purpose of the Building Act and Regulations is the health and safety of building users. The efficient processing of building consents is a key focus of this Activity to ensure we are responsive to customer needs.

This Activity involves giving effect to the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories: as a Territorial Authority (TA) and as a Building Consent Authority (BCA). The Council's role is to ensure compliance and to meet the requirements of the relevant Acts and Regulations.

The most significant component of this Activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing Code Compliance Certificates. The standard of compliance required is set out in the Building Regulations and means of compliance are outlined in the New Zealand Building Code. Council is also required to have Building Consent Authority accreditation.

This Activity also involves other functions under separate legislation including:

- monitoring swimming pool fencing under the Building (Pools) Amendment Act 2016;
- investigating building related complaints under the Local Government Act and the Building Act 2002;
- administering the requirements in the Earthquake Prone Buildings Amendment Act 2016.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

IANZ Accreditation

The Group's Building Consent Authority (BCA) accreditation status is audited by IANZ bi-annually. The next audit round is booked for May 2020.

Succession Planning

An increasing number of the Building team members are older than 60 years of age. We need to plan ahead to ensure adequate numbers of trained staff are available to meet industry demands and the requirements of the Building (Accreditation of Consent Authorities) Regulations Act 2006. Such succession plans and upskilling of staff were considered as part of the LTP.

Training for Building Control Officers

The qualification process has now changed for new Building Control Officers (BCOs) under Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006. The previous recognition of prior learning (APL) system has been removed. New officers without a recognized qualification will now be required to complete a 2 year NZQA diploma level 6 (or gain any of the other recognized qualifications). The level 6 diploma process will require the candidate to complete 240 units which will include monthly classroom training events (main centres), self-driven learning and on-site practical training. It is envisaged that this will negatively affect the number of potential candidates for job vacancies, affect resource availability and will impact on the training budget for Building Control. On a positive note, the diploma ensures that the BCA has fully qualified technical staff who have the competency to make appropriate decisions on compliance and therefore protect the Council from future liability.

MBIE Surveillance

On the 20 December 2018 MBIE announced its intention to increase its surveillance on all Councils in New Zealand in regard to compliance with the New Zealand Building Code for residential swimming pools and the Earthquake Prone Building Amendment Act. Whilst this Council actively monitors both requirements and follows what it believes to be the requirements as set under the Building Act it is unaware of what impact the surveillance by MBIE will raise.

Dam Safety Programme

Under the Building Act 2004 the requirements for a Dam Safety programme were introduced. In 2015 Nick Smith, Minister of Building and Housing removed the requirement from the Building Act and moved the programme to the Resource Management Act 1991. After being removed from the Act in 2015, in 2018 the new minister of Building and Housing, Hon Jenny Salesa,

announced the dam safety programme was to be reintroduced back into the Building Act. At the time of writing this report, Council had received no

information from MBIE stating what actions are required. It is expected that the cost of this activity should be recoverable from dam owners.

| Levels of Service : Building Control | | | |
|---|---|-----------------|----------------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 6.3 | 6.3 |
| Provide a service that is responsive to customer needs and minimise risks to public safety. | % of Building Consents applications granted within 20 working days of receipt of the application. | 97% | 100% |
| | % of Code Compliance Certificates issued within 20 working days of receipt of application. | 96% | 100% |
| | % of swimming pools inspected annually. | 33.3% | 33.3% |
| | % of Building Warrants of Fitness audited annually. | 20% | 20% |
| Provision of Land Information Memoranda. | Number of liability claims made because of incomplete or inaccurate information supplied. | <3 | <3 |

Funding Impact Statement for 2019-20

Building Control

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 649 | 529 | 640 |
| Targeted rates | - | - | 95 |
| Subsidies and grants for operating purposes | 132 | 56 | - |
| Fees and charges | 3,132 | 3,198 | 3,298 |
| Fuel tax, fines, infringement fees and other receipts | 65 | 54 | 94 |
| Total operating funding | 3,978 | 3,837 | 4,127 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 2,765 | 2,590 | 2,949 |
| Internal charges and overheads applied | 1,162 | 1,195 | 1,217 |
| Other operating funding applications | 20 | 20 | 20 |
| Total applications of operating funding | 3,947 | 3,805 | 4,187 |
| Surplus (deficit) of operating funding | 32 | 32 | (60) |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Increase (decrease) in reserves | 32 | 32 | (60) |
| Total applications of capital funding | 32 | 32 | (60) |
| Surplus (deficit) of capital funding | (32) | (32) | 60 |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 3,947 | 3,805 | 4,187 |
| plus - Depreciation and amortisation | 0 | 0 | 0 |
| Expenditure as per statement of comprehensive revenue and expense | 3,947 | 3,805 | 4,187 |
| Operating expenditure | | | |
| Building Control | 3,748 | 3,603 | 3,892 |
| LIMs | 199 | 203 | 295 |

Environmental Health

What is this Activity About?

This Activity protects public health through registration, inspection and verification of operators, and the investigation of food complaints, as required by the Health Act 1956 and Food Act 2014. The Activity also promotes public health and food safety by undertaking education activities and providing written information to the public.

The Environmental Health Officers also administer the Sale and Supply of Alcohol Act 2012, which requires the issuing of alcohol licences, monitoring of compliance with licence conditions and licensing of Class 4 venues under the Gambling Act 2003. Staff also investigate nuisance complaints such as noise, smoke, odours, pest control and hazardous substances.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Legislative Changes

Changes over the last few years to the Food Act 2014 and Sale and Supply of Alcohol Act 2012 have placed additional pressures on the Environment Health Section. Implementation of

the new Food Act is not yet fully realised. Increased staffing may be required to deliver Council's statutory duties.

Industry Education

Increased education services are required for industries as a result of legislative changes.

Electronic Systems

The team is working towards making the majority of processes electronic and carrying out geospatial mapping of registrations and licensing. These changes will provide increased functionality and access to information via web-based systems for applicants and the public.

Quality Management System

The section is continuing to experience increased demands from statutory functions. To ensure the section fulfils these functions the Regulatory Department operates under a Quality Management System (QMS). Control and suitability of the QMS is reliant on Regulatory Department managers and staff resourcing. Increasing resource demands limit the department's ability to maintain and continually improve the QMS.

The resource needed to properly fulfil this function will be reviewed as part of 2021-31 Long Term Plan work.

| Levels of Service : Environmental Health | | | |
|--|---|----------|---------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Ensure the residents of Marlborough and visitors to the district have confidence that they live and stay in an environment that is safe. | % of registered premises inspected once a year. | 100% | 100% |
| | Number of annual inspections of markets and events with 10 or more food stalls. | 14 | ≥ 12 |
| | % of complaints of critical nature (e.g. food poisoning) actioned within one working day. | 100% | 100% |
| | % of complaints of a non-critical nature assessed within seven working days. | 98% | 100% |
| Administer Food Control Plans under the Food Act 2014. | Register businesses required under Food Act 2014 in Food Control Plans and National Programmes. | 100% | 100% |
| | Audit registered business as scheduled in the Food Act 2014 and Regulations. | 89% | 100% |

Levels of Service : Environmental Health

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|--|---|----------|---------|
| Carryout the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse. | % of "On Licences" inspected once a year. ⁹ | 93% | 90% |
| Provide a service for investigation of noise complaints. | Report on performance of noise control contract. | 30-Sep | 30-Sep |
| | Assess complaints concerning unreasonable noise within one working day. | 88% | 89% |

Funding Impact Statement for 2019-20

Environmental Health

| | LTP 2018-19 \$000s | LTP 2019-20 \$000s | AP 2019-20 \$000s |
|--|-----------------------|-----------------------|----------------------|
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 190 | 195 | 190 |
| Fees and charges | 354 | 363 | 359 |
| Fuel tax, fines, infringement fees and other receipts | 17 | 17 | 15 |
| Total operating funding | 561 | 575 | 565 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 406 | 417 | 410 |
| Internal charges and overheads applied | 154 | 157 | 154 |
| Total applications of operating funding | 560 | 574 | 565 |
| Surplus (deficit) of operating funding | 1 | 1 | 0 |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Capital expenditure to replace existing assets | 4 | 4 | 3 |
| Increase (decrease) in reserves | (3) | (3) | (3) |
| Total applications of capital funding | 1 | 1 | 0 |
| Surplus (deficit) of capital funding | (1) | (1) | (0) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 560 | 574 | 565 |
| plus - Depreciation and amortisation | 0 | 0 | 0 |
| Expenditure as per statement of comprehensive revenue and expense | 560 | 574 | 565 |

⁹ An 'On-Licence' allows the sale or supply of liquor to any person present on the premises for the consumption on the premises.

Animal Control

What is this Activity About?

The Activity involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs. It also provides services in relation to wandering livestock on public land and roads. The Dog Control Act 1996 (DCA) is the primary legislative tool used in this Activity, together with related regulations including the Impounding Act 1955 and Council Bylaws. Council oversees the effective delivery of this service, which is delivered on a day-to-day basis under contract.

The objective for the Activity is to encourage responsible dog ownership which allows owners to enjoy their dogs without infringing on the enjoyment and safety of others.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Perceptions of Dogs in the Community and Dog Attacks

There has been regular media interest in dog attacks in the last few years. This can create fear in the community. However, serious dog attacks are rare. When serious incidents do occur, these need to be investigated thoroughly and the likely cause of the attack assessed so that appropriate action can be taken.

Education

Education is key to achieving responsible dog ownership and safety for others. Dog experts suggest that 85 percent of attacks are triggered by the victim's behavior. To minimize this risk there needs to be continued education of the public, particularly children, on how to behave around dogs.

Responsible and knowledgeable owners are less likely to have a dog that creates a nuisance or

danger to the community. Animal Control provides information on dog behaviour and encourages owners to seek advice from professional dog trainers.

Staff Retention

More than 10,000 dogs are registered in the district and the Council receives more than 1,000 dog associated complaints each year. This makes a significant resource demand on the Animal Control contractor and Council's Animal Control Contract Manager. It is an issue retaining and recruiting adequately trained staff to deal with sometimes difficult customers and situations.

Dog Parks

Council has approved funding in the LTP for the establishment of Council-owned dog parks for the region. Council has been working with the Renwick Smart and Connected Group and the establishment of a dog park at the Foxes Island site in Renwick will be completed in 2019. A working group has been set up in Picton to look at a suitable location for a dog park in Picton. Land has been designated for a dog park on the Taylor River Reserve in Blenheim. The general reserve fund for Animal Control has \$324,000 which will cover the costs for the establishment of the dog parks.

Quality Management System

As for other Activities within this Regulatory Group, the Animal Control team is continuing to experience increased demands from statutory functions. To ensure the section fulfils these functions the Regulatory Department operates under a Quality Management System (QMS). Control and suitability of the QMS is reliant on Regulatory Department managers and staff resourcing. Increasing resource demands limit the department's ability to maintain and continually improve the QMS.

The resource needed to properly fulfil this function will be reviewed as part of 2021-31 Long Term Plan work.

| Levels of Service : Animal Control | | | |
|---|---|---|---|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.4 | 7.2 |
| To provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA). | Level of compliance with the Animal Control contract. | No significant deviations from contract specification | No significant deviations from contract specification |
| | Compliance with DCA requirements by preparing and publicising a report annually. | 30-Sep | 30-Sep |

| Funding Impact Statement for 2019-20 | | | |
|--|-------------|-------------|-------------|
| Animal Control | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 140 | 144 | 145 |
| Fees and charges | 572 | 573 | 572 |
| Fuel tax, fines, infringement fees and other receipts | 83 | 85 | 84 |
| Total operating funding | 795 | 802 | 801 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 674 | 690 | 691 |
| Internal charges and overheads applied | 64 | 65 | 74 |
| Other operating funding applications | 11 | 11 | 11 |
| Total applications of operating funding | 749 | 766 | 776 |
| Surplus (deficit) of operating funding | 46 | 36 | 25 |
| Sources of capital funding | | | |
| Total sources of capital funding | - | - | - |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | 198 | - | - |
| Increase (decrease) in reserves | (152) | 36 | 25 |
| Total applications of capital funding | 46 | 36 | 25 |
| Surplus (deficit) of capital funding | (46) | (36) | (25) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 749 | 766 | 776 |
| plus - Depreciation and amortisation | 4 | 5 | 5 |
| Expenditure as per statement of comprehensive revenue and expense | 753 | 771 | 781 |
| Operating expenditure | | | |
| Dog Control | 665 | 680 | 693 |
| Other Animal Control | 88 | 89 | 88 |
| Capital expenditure | | | |
| Dog Control | 198 | - | - |

Harbours

What is this Activity About?

The purpose of the Harbours Activity is to ensure Council meets its statutory obligations as a Harbour Authority to ensure maritime safety in the region.

As provided for under the Maritime Transport Act, the Council has appointed a Harbourmaster to meet its responsibility for maritime safety in the port and harbour.

The Harbourmaster leads the Harbours Activity and is supported by a team of four full-time staff including a deputy Harbourmaster, two Maritime Officers and an Administration Officer. Additional personnel are employed in the summer months on a casual basis to support safer boating initiatives.

In addition to maritime safety, the Harbours Activity is responsible for ensuring the region maintains an adequate Oil Spill Response Capability as required under the Maritime Transport Act 1994. As with maritime safety, this requires close collaboration with Maritime New Zealand.

The foundation of all Harbours Activity is the Harbour Safety Management System. This is a risk based approach to managing all known hazards and risks in the Harbour and the system constantly evolves to meet the changing risk profile of the Harbour.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

Increased Activity Levels

Growth continues across all sectors in the maritime industry, increasing the number of vessels and people sharing the Marlborough harbour. This brings with it the potential for increased conflict between the various user groups.

On the recreational side, there has been a noticeable increase in jet ski activity in the harbour and a trend towards larger and faster outboard motor driven vessels.

On the commercial side, ships are getting bigger and carrying more people, cargo and fuel which increase the risk of a serious shipping incident.

Growth is expected in the superyacht sector and in "adventure" focused cruise ships and pressure to open Pelorus Sound to these vessels is likely to increase.

Introduction of Cook Strait ferries which are longer than the current ones has been proposed. Improved tidal modelling of Tory Channel Entrance is required to plan for the ongoing safety of this route.

Areas of the Sound previously considered low risk and largely self-regulating are now requesting more direct input from the Harbours office. Examples include Port Underwood and Okiwi Bay.

Safety Buoys

The use of 5 knot buoys to mark high risk areas continues to expand with 75–100 units expected to be installed in the next five years. The initiative is proving effective but regular servicing to maintain buoyancy, visibility and correct location creates significant demands on staff resources.

Mooring Management Area

The proposed implementation of a mooring management area in Waikawa Bay will require appointment of a mooring manager. In the first instance, this is likely to be undertaken by the Harbourmaster group. The workload of this mooring management function is as yet unknown.

Ageing Recreational Vessels

An ageing fleet of recreational vessels is creating an increase in the number of wrecks and derelict craft. This is particularly relevant in the case of wooden displacement launches and sailing vessels. Events involving abandoned, derelict and wrecked vessels are continuous.

Marine Farms

Marine farm audits will expand to include the anchoring systems of fin fish farms. A practical method for achieving a robust audit of these structures is being defined. The workload and demand on Harbour resources from completing these audits is unknown.

Harbour Risk Assessment

Compliance with the Port and Harbour Safety Code will remain paramount though continuous improvement of the Harbour Safety Management System. This requires a complete and comprehensive Harbour Risk Assessment to be undertaken and a 'living' risk register to be maintained.

Tracking the changes in the risk profile of the harbour over time is essential to ensure appropriate risk management strategies are in place. Collecting data to understand this change has traditionally been achieved through public consultation and review of the harbours incident register. Whilst these methodologies remain integral to risk assessment, new technologies have resulted in new information and streams which can enhance understanding of risk. The challenge is in collecting, tracking and analyzing the incoming data.

To assist with this crucial work, an RFP is being developed for a digital harbour management system that will support efforts to meet Risk Assessment Safety Management System requirements.

Navigation Safety Bylaws

A revised draft of navigation safety bylaws is expected to be put out for consultation in late 2019.

Mass Rescue Plan

A regional Mass Rescue Plan has been developed by Police to deal with an event such as the foundering of a cruise ship. In an event of this scale the initial local response will be critical. The Harbourmaster, the CDEM Group and Police have held preliminary discussions on undertaking local and routine training exercises.

Hydrographic Survey

Work is underway with LINZ to plan and complete an extensive hydrographic survey of Pelorus Sound and Admiralty Bay in 2019/20. The Harbours group is identifying all areas where improved hydrographic survey has the potential to significantly benefit safety of navigation.

Oil Rigs

The offshore oil and gas sector is showing signs of improvement and consequentially oil rig activity around the New Zealand coast may increase in 19/20. Some of these rigs are unloaded/loaded in Admiralty Bay, a process that creates significant demand on the Harbours group. This demand arises as there are no pilots for Admiralty Bay yet the area is a compulsory pilotage area under Maritime Rule 90.

To resolve the issue the Harbours group seeks an exemption from the regulation which is granted by Maritime New Zealand on the proviso that the Harbours group manages any resulting navigation safety risk.

The rig COSL BOSS was offloaded (floated off a heavy lift ship) successfully into Admiralty Bay in February 2019 and will be loaded (floated onto a heavy lift ship) in the same location. This 'float on' operation may occur in early 2019/20.

AIS and Vessel Traffic Monitoring

Implementation of new networks to increase monitoring and communication capabilities with ships will continue to be installed in the harbour through 2019-20. This will ensure all ships entering harbour waters are provided with the messaging and information they need to ensure safe passage. It will also enable the provision of virtual aids to navigation in the Marlborough harbour and active monitoring of ships at anchor.

Cruise Guide

The Cruise Guide app will continue to be improved and promoted to make it the primary mechanism for communication by the Harbourmaster and recreational harbour users. New features include an Automatic Identification System (AIS) ship tracking layer, additional live camera links, incident reporting functionality and access to historical and environmental information about the Marlborough Sounds.

Aids to Navigation

Aids to Navigation (AtoNs) continue to form a critical component of the Harbour Safety Management System and their operation complies with international standards set by the International Light House Authority (IALA). New technologies will be used to reduce the number of vessel visits required to each AtoN site. These technologies must be strategically implemented throughout the Sounds. Major lights that need upgraded in 19/20 include the Tory Channel Sector light.

Rivers

Changes to the Maritime Transport Act in late 2017 enabled Regional Councils to take enforcement action on rivers in their regions when a breach of a Maritime Rule is observed. This ability to take regulatory action on rivers exists and applies despite the exclusion of rivers from the Marlborough Navigation Safety Bylaws. Further, the authority to regulate rivers creates an implied obligation to do so when maritime safety issues are identified. Work is presently underway to better manage risks on the Wairau River and the inclusion of rivers into the draft navigation safety bylaws is likely.

| Levels of Service : Harbours | | | |
|--|---|---|--|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well". | 7.4 | 7.4 |
| Provide a safe environment for all users through effective public education. | Distribute 7000+ Marlborough Safe Navigation and Tides Brochures. | Annually | Annually |
| | Increase number of Cruise Guide App users by 5% annually based on Google Analytics. | 927 users as of January 2018 | 1,022 |
| | Complete 1000 safe boating surveys through face to face on water interactions. | New Measure | 1,000 |
| | Undertake 15 targeted 'no excuses' enforcement days per year in high risk areas. | New Measure | 15 |
| Comply with the Harbours Maritime Transport Operators Plan (HTOP). | Maintain compliance with the MTOP system as certified by Maritime New Zealand. Carry out annual review. | MTOP certificate valid. Annual review completed. | Annually |
| Ensure that Port and Harbour Safety Code requirements are met. | Complete annual self-assessment and annual review of the Safety Management System (SMS), Risk Assessment, General Direction, and Harbourmaster Notices. | Annually | Annually |
| | Under take a minimum of two risk review meetings with Port Marlborough Marine Services. | 2 | 2 |
| | Safety Management System either self-assessed or verified by external review panel as compliant with the Code, each year. | Last confirmed by review panel on instruction of Code Working Group in 2013 | Review by external panel confirms compliances* |
| Removal of Wrecks. | All wrecks removed in a reasonable timeframe (target 30 days) and navigation warnings provided when necessary. | 30 Days | 30 Days |
| Marine Farm Audits. | Audit marine farm lighting on minimum of 200 farms annually. | 200 farms annually | 200 |
| | Audit mooring arrangements on all Fin Fish farms annually. | New Measure | Annually |
| Pilotage. | Review of the Certified Marlborough Pilot Exemption Certificate (PEC) Training Programme. | Annually | Annually |
| | Check of Pilot and PEC Master Currency. | Quarterly | Quarterly |

| Levels of Service : Harbours | | | |
|---|--|---------------|----------|
| Performance Targets (for the financial year) | | | |
| Level of Service | Indicator | Baseline | 2019-20 |
| Provide navigation aids to International Light House Authority (IALA) standard. | Availability of lights must meet or exceed IALA standards. Each category of light has a set availability target. | Cat 1 ≥ 99.8% | ≥ 99.8% |
| | | Cat 2 ≥ 99.0% | ≥ 99.0% |
| | | Cat 3 ≥ 97.0% | ≥ 97.0% |
| Oil Spill Response. | Meet all annual requirements as specified by the Maritime New Zealand Oil Spill Response Service. | Annually | Annually |

*Target has been revised as part of the 2019-20 Annual Plan Consultation process.

| Funding Impact Statement for 2019-20 Harbours | | | |
|--|--------------|--------------|--------------|
| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 915 | 987 | 864 |
| Fees and charges | 432 | 441 | 432 |
| Fuel tax, fines, infringement fees and other receipts | 163 | 167 | 161 |
| Total operating funding | 1,510 | 1,595 | 1,457 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 1,134 | 1,166 | 1,184 |
| Finance costs | 9 | 22 | 8 |
| Internal charges and overheads applied | 207 | 211 | 249 |
| Total applications of operating funding | 1,350 | 1,399 | 1,442 |
| Surplus (deficit) of operating funding | 160 | 196 | 15 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | (6) | 503 | (6) |
| Total sources of capital funding | (6) | 503 | (6) |
| Applications of capital funding | | | |
| Capital expenditure to improve the level of service | - | - | - |
| Capital expenditure to replace existing assets | 212 | 523 | 112 |
| Increase (decrease) in reserves | (58) | 176 | (103) |
| Total applications of capital funding | 154 | 699 | 9 |
| Surplus (deficit) of capital funding | (160) | (196) | (15) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 1,350 | 1,399 | 1,442 |
| plus - Depreciation and amortisation | 157 | 186 | 164 |
| Expenditure as per statement of comprehensive revenue and expense | 1,507 | 1,585 | 1,607 |

Regional Development

What is this Activity About?

This Activity supports the regional economy to achieve long term economic growth for the benefit of the Marlborough community. It is about identifying where the direction of growth could be, how we could get there and what needs to be done. It is important to recognise that regional development is not just about supporting businesses, but also about ensuring people have the skills and knowledge to play their part in the development of Marlborough's economy and to benefit from the wealth created.

Local government makes long-term and strategic investment decisions that impact on the nature and structure of the local economy. It undertakes planning and manages regulatory functions, infrastructure and services that impact on business and investment decisions.

Council also directly provides some services for the benefit of the regional economy:

- Economic development, marketing and tourism.
- Marlborough Research Centre.
- Parking.
- Irrigation.
- The Small Townships Programme.

Economic Development

In Marlborough, economic development comprises two activities:

- Marlborough Smart + Connected (industry) (S+C).
- Smart Business Marlborough (SBM).

Marlborough Smart+Connected is an industry and community focused initiative to develop strong leadership groups which develop and implement strategies. Council's role is to assist in the establishment, review and maintenance of the groups, and to participate in implementation where appropriate. (S+C community is discussed under the 'Community Support' Activity in the People Group.)

Smart Business Marlborough (SBM) consists of a range of specific economic development

initiatives to support local businesses as outlined below:

- Development advice.
- Marlborough Food and Beverage Innovation Cluster.
- Business Trust Marlborough.
- Information resources.
- International connections.

Council is working with Nelson and Tasman on establishing a Te Tau Ihu Regional Growth Partnership. Similar partnerships have been established elsewhere in New Zealand, and the Top of the South were invited to commence the process in late 2017. The process will lead to the development of a Top of the South economic strategy, action plan and governance/leadership group. Central government will also appoint a senior representative to ensure focused investment on the identified key priorities.

Small Townships Programme

The Small Townships Programme (STP) provides a strategic planning and design process for improving public amenities in small townships as part of the implementation of the Growing Marlborough Strategy.

The purpose of this programme is to:

- design liveable towns with an attractive central space;
- enable freedom of movement, connectivity and accessibility;
- strengthen a sense of place and unique identity;
- enhance the use, enjoyment and pride in outdoor public spaces.

Regional Events Strategy

Council has developed a Regional Events Strategy with the support of the events sector to identify opportunities for growing events in the region and increasing the commercial return to local businesses. A key focus of the role is to assist communication within the events sector, and to help promote the many events offered in the region to locals and visitors alike. The Follow

ME* website is the primary tool alongside targeted promotional documents such as the Summer Events Guide and Marlborough Arts Month. Council has also established the Commercial Events Fund to assist with the development of existing and new events to grow the economic and other benefits of hosting events in the region.

Marketing and Tourism

Destination marketing services are undertaken on Council's behalf by the Destination Marlborough Trust Inc. Destination Marlborough exists to grow and support a sustainable visitor economy that contributes to achieving a Smart and Connected economy for Marlborough.

Marlborough Research Centre

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

Irrigation

Sourcing water for irrigation is of critical importance to our primary industries, particularly in areas of water shortage such as south Marlborough. Council has significant experience in providing water infrastructure in Marlborough, and has developed an irrigation scheme for the Southern Valleys to the south of Renwick for horticultural, farming and rural residential properties which covers an area of approximately 4,500 ha.

A proposed irrigation scheme for the Flaxbourne area, covering just over 1200 hectares and with an estimated cost between \$10.5M and \$16M, is under consideration. It will provide similar benefits to the Southern Valley scheme and it will be paid for by the beneficiaries through a targeted rate. Council has agreed to support the development of this scheme subject to a number of conditions:

- Securing sufficient water.
- Satisfactory final design, estimates and funding.
- Securing 100% commitment to fund the scheme from landowners and/or the Crown Irrigation Fund.
- The actual cost of construction being within the funding secured.

In principle the Council supports other community irrigation schemes if environmental effects can be managed and mitigated. The table below

provides a summary of the Southern Valleys' Irrigation Scheme assets.

Parking

A large number of businesses are located in or close to the main town centres of Blenheim and Picton. The ability for customers, staff and visitors to access these businesses is supported by the provision of convenient and affordable car parks. Council provides, operates and maintains more than 1,900 on and off-street parks in Blenheim and Picton.

This provision of car parking in the Blenheim and Picton town centres is guided by parking strategies for each town, which were updated in 2017.

Further information on this Activity is contained in the 2018-28 LTP.

Emerging Issues and Expected Changes

The following are the emerging issues and expected changes within this Activity:

- Government has signalled that Council, business and industry organisations across the Top of the South should develop an economic strategy and action plan. This plan is under development and will guide the future development of the economy in the Top of the South with a specific focus of increasing the wellbeing of our communities. Council will participate in the development and implementation of this strategy.
- Council will continue to consider applications to Government's Provincial Growth Fund, and support other applications from Marlborough as appropriate.
- In August 2018, an agreement was signed with Screen Wellington to help develop a film office for Marlborough that will promote the region as a filming location and also support our local film sector. This will continue to develop in 2019.
- Marlborough Research Centre is engaged in discussions relating to the new New Zealand Winegrowers Wine Research Centre (WRC) that will be collated next to the MRC Campus. Discussions are focused on co-ordinating the various wine research and education facilities managed by MRC, WRC and NMIT.

- Increase in cruise visits – expecting larger ships and more frequent visitation as Picton and Marlborough cements itself as a key inclusion in cruise deployment. This will increase passenger spend in the region but also will increase pressure on local infrastructure and social licence.
- International visitor arrivals are still in growth, but it is slowing and the outlook for 2019 and 2020 is soft.
- Replacement of the coin meters in the CBD and replacement with a Pay by Plate system will commence in 2019. Parking occupancies are monitored on a continuing basis.

Levels of Service 2018-28: Regional Development

Performance Targets (for the financial year)

| Level of Service | Indicator | Baseline | 2019-20 |
|---|--|---|--------------------|
| Provide an overall level of service that meets or exceeds residents' expectations. | Resident satisfaction with this service as measured by survey where 10 = "service delivered extremely well". | Economic Development - 6.4 | 6.4 |
| | | Tourism - 7.2 | 7 |
| | | MRC - 6.8 | 7.1 |
| | | Parking - 6.8 | 6.5 |
| | | Irrigation - 6.9 | 6.6 |
| Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough. | a) Establish performance reporting framework, establish baseline. | New Target | 30 June* |
| | b) Implement performance reporting framework reporting. | New Target | N/A* |
| Manage Marlborough Research Centre contract to ensure service quality and value. | Reporting to Council % of MDC funded projects achieved. | New Target | 80% |
| Effective promotion of Marlborough as a visitor destination. | a) Establish performance reporting framework, establish baseline. | New Target | 30 June* |
| | b) Implement performance reporting framework reporting. | New Target | N/A* |
| Provision of convenient and affordable car parks to support CBD businesses. | Regularly review the parking strategies for Blenheim and Picton. (five yearly). | 2014-15 | 2019-20 |
| | Occupancy rates of off-street car parks in Blenheim. | Kerbside - 65% | 65% |
| | | Off-street - 76% (Queen St. and Clubs only) | 65% |
| | | Parking building - 30% | 45% |
| Support for land based industries through the supply of irrigation water. | Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown. | ≤1 event per annum | ≤1 event per annum |

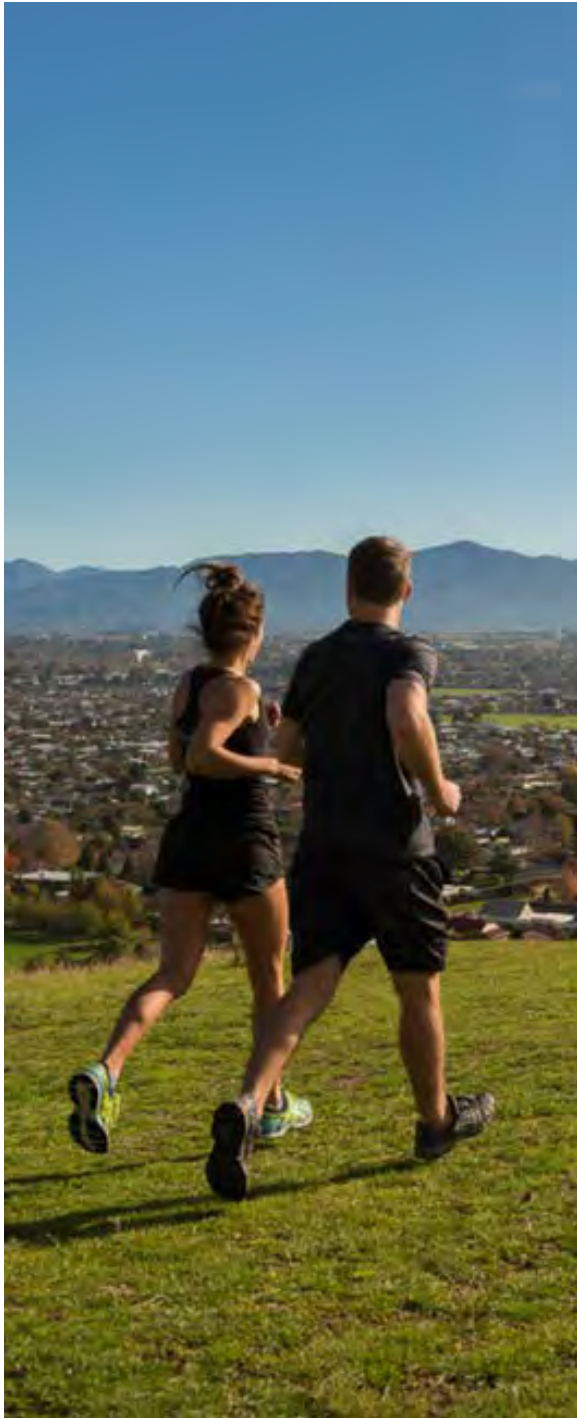
*Target has been revised as part of the 2019-20 Annual Plan Consultation process.

Funding Impact Statement for 2019-20

Regional Development

| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
|--|--------------|--------------|--------------|
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charges, rates penalties | 2,150 | 2,204 | 2,069 |
| Targeted rates | 1,606 | 1,888 | 1,799 |
| Fees and charges | 1,463 | 1,495 | 1,621 |
| Fuel tax, fines, infringement fees and other receipts | 501 | 498 | 251 |
| Total operating funding | 5,720 | 6,085 | 5,740 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 3,190 | 3,453 | 3,474 |
| Finance costs | 1,222 | 1,574 | 870 |
| Internal charges and overheads applied | 711 | 727 | 757 |
| Other operating funding applications | 406 | 409 | 410 |
| Total applications of operating funding | 5,529 | 6,163 | 5,510 |
| Surplus (deficit) of operating funding | 191 | (78) | 230 |
| Sources of capital funding | | | |
| Increase (decrease) in debt | 8,950 | 3,821 | 5,838 |
| Total sources of capital funding | 8,950 | 3,821 | 5,838 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 80 | 82 | 80 |
| Capital expenditure to improve the level of service | 10,632 | 5,125 | 7,000 |
| Capital expenditure to replace existing assets | 412 | 185 | 308 |
| Increase (decrease) in reserves | (1,983) | (1,649) | (1,321) |
| Total applications of capital funding | 9,141 | 3,743 | 6,068 |
| Surplus (deficit) of capital funding | (191) | 78 | (230) |
| Funding balance | - | - | - |
| Reconciliation | | | |
| Total applications of operating funding | 5,529 | 6,163 | 5,510 |
| plus - Depreciation and amortisation | 690 | 694 | 735 |
| Expenditure as per statement of comprehensive revenue and expense | 6,219 | 6,857 | 6,245 |
| Operating expenditure | | | |
| Economic Development | 979 | 982 | 1,153 |
| Marketing and Tourism | 1,247 | 1,264 | 1,286 |
| Research Centre | 338 | 344 | 351 |
| Irrigation Schemes | 1,781 | 2,373 | 1,714 |
| Parking | 1,873 | 1,895 | 1,742 |
| Capital expenditure | | | |
| Irrigation Schemes | 10,877 | 5,266 | 7,000 |
| Parking | 246 | 126 | 388 |

Part 3: Financial Information



- Statement of Comprehensive Revenue and Expense
- Statement of Other Comprehensive Revenue and Expense
- Statement of Changes in Net Assets/Equity
- Statement of Financial Position
- Statement of Cash Flows
- Notes to Financial Statements
- Financial Funding Impact Statement (FIS)
- Assumptions, Disclosure and Compliance
- Statement of Accounting Policies

Statement of Comprehensive Revenue and Expense

| Forecast Statement of Comprehensive Revenue and Expense | | | | |
|--|-------------|-------------------|-------------------|----------------|
| for the year ending 30 June: | Note | 2019 (LTP) | 2020 (LTP) | 2020 |
| | | \$000s | \$000s | \$000s |
| Revenue: | | | | |
| Rates, excluding targeted water rates | 2 | 66,360 | 70,175 | 67,695 |
| Targeted rates for metered water supply | 2 | 842 | 867 | 2,339 |
| Subsidies and grants | 4 | 9,704 | 9,733 | 11,024 |
| Interest revenue | 3 | 1,899 | 2,207 | 2,617 |
| Development and financial contributions | 4 | 2,766 | 2,818 | 4,083 |
| Other revenue | 4 | 53,630 | 36,134 | 36,554 |
| Gains | 4 | 5,674 | 2,603 | 9 |
| Total revenue | 1 | 140,875 | 124,537 | 124,321 |
| Expenditure by function: | | | | |
| Democratic Process | | 3,197 | 3,434 | 3,467 |
| Culture and Heritage | | 3,155 | 1,213 | 1,360 |
| Housing for Seniors | | 1,319 | 1,438 | 1,455 |
| Community Support | | 2,594 | 2,525 | 2,621 |
| Library Services | | 2,718 | 2,803 | 2,820 |
| Emergency Management | | 581 | 589 | 598 |
| Community Facilities | | 11,167 | 12,105 | 12,337 |
| Roads and Footpaths | | 21,210 | 21,619 | 22,135 |
| Flood Protection and Control Works | | 5,228 | 5,420 | 5,251 |
| Sewerage | | 11,301 | 12,323 | 12,298 |
| Stormwater Drainage | | 2,214 | 2,303 | 2,219 |
| Water Supply | | 8,854 | 9,507 | 9,194 |
| Solid Waste Management | | 9,967 | 10,307 | 10,786 |
| Environmental Policy | | 1,708 | 1,383 | 1,533 |
| Environmental Science and Monitoring | | 4,096 | 4,331 | 4,303 |
| Resource Consents | | 2,641 | 2,713 | 2,812 |
| Environmental Protection | | 1,417 | 1,508 | 1,490 |
| Biosecurity (Pest Management) | | 1,468 | 1,605 | 1,660 |
| Building Control | | 3,947 | 3,806 | 4,187 |
| Environmental Health | | 561 | 574 | 565 |
| Animal Control | | 753 | 770 | 781 |
| Harbours | | 1,507 | 1,584 | 1,607 |
| Regional Development | | 6,219 | 6,858 | 6,245 |
| | | 107,822 | 110,718 | 111,724 |
| less internal interest eliminated | 3 | (3,622) | (3,156) | (2,273) |
| Total expenditure by function | | 104,200 | 107,562 | 109,451 |
| Non-activity expenditure: | | | | |
| Other expenditure | 5 | 15,521 | 5,274 | 4,419 |
| Marlborough Regional Forestry | 5 | 7,394 | 4,069 | 4,942 |
| Total non-activity expenditure | | 22,915 | 9,343 | 9,361 |
| Total expenditure | 5 | 127,115 | 116,905 | 118,812 |
| Surplus | | 13,760 | 7,632 | 5,509 |

Statement of Other Comprehensive Revenue and Expense

| Forecast Statement of Other Comprehensive Revenue and Expense | | | | |
|--|------|---------------|---------------|---------------|
| for the year ending 30 June: | Note | 2019 (LTP) | 2020 (LTP) | 2020 |
| | | \$000s | \$000s | \$000s |
| Surplus for the year | | 13,760 | 7,632 | 5,509 |
| Other comprehensive revenue: | | | | |
| Gain on property revaluations | 8 | 25,796 | 31,602 | 33,505 |
| Total other comprehensive revenue and expense | | 25,796 | 31,602 | 33,505 |
| Total comprehensive revenue and expense | | 39,556 | 39,234 | 39,014 |

Statement of Changes in Net Assets/Equity

| Forecast Statement of Changes in Net Assets / Equity | | | | |
|---|------|------------------|------------------|------------------|
| for the year ending 30 June: | Note | 2019 (LTP) | 2020 (LTP) | 2020 |
| | | \$000s | \$000s | \$000s |
| Balance at 1 July | | 1,507,691 | 1,547,247 | 1,664,256 |
| Total comprehensive revenue and expense for the year | | 39,556 | 39,234 | 39,014 |
| Balance at 30 June | | 1,547,247 | 1,586,481 | 1,703,270 |

Statement of Financial Position

Forecast Statement of Financial Position

| as at 30 June: | Note | 2019 (LTP) \$000s | 2020 (LTP) \$000s | 2020 \$000s |
|---|------|----------------------|----------------------|------------------|
| Assets: | | | | |
| Non-current assets: | | | | |
| Property, plant and equipment | 8 | 1,564,920 | 1,633,319 | 1,744,803 |
| Intangible assets | 8 | 2,989 | 4,967 | 5,682 |
| Forestry assets | | 13,485 | 13,341 | 13,341 |
| Other financial assets: | | | | |
| - Investments in subsidiaries | 7 | 6,000 | 6,000 | 6,000 |
| - Other | 7 | 61,046 | 71,310 | 68,882 |
| Total non-current assets | | 1,648,440 | 1,728,937 | 1,838,708 |
| Current assets: | | | | |
| Cash and cash equivalents | | 54 | 272 | 197 |
| Debtors and other receivables | 6 | 11,445 | 11,688 | 11,060 |
| Other financial assets | 7 | 9,223 | 9,223 | 8,980 |
| Inventory | | 247 | 252 | 274 |
| Non-current assets land and buildings held for sale | | 793 | 793 | 0 |
| Total current assets | | 21,762 | 22,228 | 20,511 |
| Total assets | | 1,670,202 | 1,751,165 | 1,859,219 |
| Liabilities: | | | | |
| Non-current liabilities: | | | | |
| Borrowings | 10 | 100,517 | 141,781 | 131,137 |
| Provisions | | 2,403 | 2,444 | 3,106 |
| Employee entitlements | | 292 | 298 | 300 |
| Total non-current liabilities | | 103,212 | 144,523 | 134,543 |
| Current liabilities: | | | | |
| Creditors and other payables | 9 | 17,710 | 18,085 | 19,260 |
| Employee entitlements | | 2,033 | 2,076 | 2,146 |
| Total current liabilities | | 19,743 | 20,161 | 21,406 |
| Total liabilities | | 122,955 | 164,684 | 155,949 |
| Net assets | | 1,547,247 | 1,586,481 | 1,703,270 |
| Equity | | | | |
| Accumulated funds | | 605,631 | 626,353 | 633,586 |
| Asset revaluation reserves | | 887,428 | 919,030 | 1,019,512 |
| Other reserves | 12 | 54,188 | 41,098 | 50,172 |
| Total equity | | 1,547,247 | 1,586,481 | 1,703,270 |

Statement of Cash Flows

| Forecast Statement of Cash Flows | | | |
|---|-------------------|-------------------|-----------------|
| as at 30 June: | 2019 (LTP) | 2020 (LTP) | 2020 |
| | \$000s | \$000s | \$000s |
| Cash flows from operating activities: | | | |
| Receipts from rates revenue | 67,202 | 71,042 | 70,034 |
| Sale of inventory | 10,769 | - | - |
| Receipts from other revenue | 47,585 | 44,367 | 46,985 |
| Interest received | 1,899 | 2,207 | 2,617 |
| Payments to suppliers and employees | (87,603) | (85,603) | (87,162) |
| Interest paid | (3,460) | (4,610) | (4,715) |
| Net cash flow from operating activities | 36,392 | 27,403 | 27,759 |
| Cash flows from investing activities: | | | |
| Receipts from sale of property, plant and equipment | 10,383 | 3,405 | 30 |
| Movement in investments | 3,223 | (10,264) | (10,326) |
| Dividends received | 2,675 | 2,910 | 2,911 |
| Purchase of property, plant and equipment | (63,360) | (64,500) | (60,172) |
| Net cash flow from investing activities | (47,079) | (68,449) | (67,557) |
| Cash flows from financing activities: | | | |
| Movement in borrowings | 10,277 | 41,264 | 39,164 |
| Net cash flow from financing activities | 10,277 | 41,264 | 39,164 |
| Net increase / (decrease) | (410) | 218 | (635) |
| Cash, cash equivalents and bank overdrafts: | | | |
| At the beginning of the year | 464 | 54 | 831 |
| At the end of the year | 54 | 272 | 197 |

Notes to Financial Statements

| 1. Summary cost of services | | | |
|--|-------------------|-------------------|----------------|
| for the year ending 30 June: | 2019 (LTP) | 2020 (LTP) | 2020 |
| | \$000s | \$000s | \$000s |
| Revenue: | | | |
| People | 11,385 | 11,924 | 12,202 |
| Community Facilities | 11,657 | 11,954 | 13,039 |
| The Provision of Roads and Footpaths | 21,667 | 22,221 | 23,253 |
| Flood Protection and Control Works | 7,572 | 7,855 | 7,880 |
| Sewerage | 11,687 | 12,538 | 12,172 |
| Stormwater Drainage | 2,435 | 2,545 | 2,495 |
| Water Supply | 8,838 | 9,476 | 9,279 |
| Solid Waste Management | 10,537 | 10,795 | 11,191 |
| Environmental Management | 9,453 | 9,864 | 9,952 |
| Regulatory | 8,294 | 8,395 | 8,610 |
| Regional Development | 5,719 | 6,085 | 5,740 |
| Total activity revenue | 109,244 | 113,653 | 115,811 |
| Plus other income (including MRF) | 38,713 | 18,651 | 15,579 |
| Less activity related interest revenue | (7,082) | (7,766) | (7,070) |
| Total revenue | 140,875 | 124,537 | 124,321 |
| Expenditure: | | | |
| People | 13,564 | 12,001 | 12,323 |
| Community Facilities | 11,167 | 12,105 | 12,337 |
| The Provision of Roads and Footpaths | 21,213 | 21,622 | 22,135 |
| Flood Protection and Control Works | 5,228 | 5,420 | 5,251 |
| Sewerage | 11,301 | 12,323 | 12,298 |
| Stormwater Drainage | 2,214 | 2,303 | 2,219 |
| Water Supply | 8,854 | 9,507 | 9,194 |
| Solid Waste Management | 9,967 | 10,307 | 10,786 |
| Environmental Management | 9,862 | 9,934 | 10,137 |
| Regulatory | 8,233 | 8,337 | 8,799 |
| Regional development | 6,219 | 6,858 | 6,245 |
| Total activity expenditure | 107,822 | 110,718 | 111,724 |
| Plus other expenditure (including MRF) | 26,375 | 13,953 | 14,141 |
| Interest - Internal Loans | (7,081) | (7,766) | (7,053) |
| Total operating expenditure | 127,115 | 116,905 | 118,812 |

2. Rates revenue

| for the year ending 30 June: | 2019 (LTP) | 2020 (LTP) | 2020 |
|--|---------------|---------------|---------------|
| | '\$000s | '\$000s | '\$000s |
| People | 8,654 | 9,035 | 8,991 |
| Community Facilities | 9,293 | 9,777 | 9,723 |
| The Provision of Roads and Footpaths | 10,099 | 10,502 | 10,691 |
| Flood Protection and Control Works | 4,310 | 4,515 | 4,361 |
| Sewerage | 8,014 | 8,777 | 8,465 |
| Stormwater Drainage | 2,006 | 2,110 | 2,058 |
| Water Supply | 8,216 | 8,824 | 8,636 |
| Solid Waste Management | 2,965 | 3,072 | 2,804 |
| Environmental Management | 6,670 | 7,026 | 6,982 |
| Regulatory | 3,218 | 3,311 | 3,452 |
| Regional development | 3,755 | 4,092 | 3,868 |
| Total activity rates | 67,199 | 71,040 | 70,032 |
| Non-activity rates | 2 | 2 | 2 |
| Total gross rates revenue | 67,202 | 71,042 | 70,034 |
| less rates remissions | (843) | (792) | (763) |
| Rates revenue net of remissions | 66,359 | 70,250 | 69,271 |

3. Finance revenue and finance costs

| for the year ending 30 June: | 2019 (LTP) | 2020 (LTP) | 2020 |
|--|--------------|--------------|--------------|
| | '\$000s | '\$000s | '\$000s |
| Finance revenue - interest revenue: | | | |
| Term deposits and investments | 1,899 | 2,207 | 2,617 |
| Total finance revenue | 1,899 | 2,207 | 2,617 |
| Finance costs - interest expense: | | | |
| Total activity related interest expense | 7,082 | 7,766 | 7,053 |
| Bank charges on borrowings | 78 | 48 | 82 |
| Less internal interest eliminated | (3,700) | (3,204) | (2,355) |
| Total finance costs | 3,460 | 4,611 | 4,779 |
| Net finance costs | 1,562 | 2,404 | 2,162 |

4. Other revenue including gains

for the year ending 30 June:

| | 2019 (LTP) | 2020 (LTP) | 2020 |
|--|---------------|---------------|---------------|
| | '\$000s | '\$000s | '\$000s |
| Other revenue: | | | |
| User charges | 19,552 | 19,669 | 20,692 |
| Regulatory revenues | 4,944 | 5,028 | 5,158 |
| Infringements and fines | 538 | 550 | 462 |
| Vested assets | 1,139 | 1,166 | 1,139 |
| Marlborough Regional Forestry | 7,547 | 4,165 | 4,165 |
| Other revenue | 19,909 | 5,556 | 4,938 |
| Total other revenue | 53,630 | 36,134 | 36,554 |
| Subsidies and grants: | | | |
| NZTA roading subsidy | 9,206 | 9,341 | 9,672 |
| Other donations and grants | 488 | 382 | 1,352 |
| Total subsidies and grants | 9,694 | 9,723 | 11,024 |
| Development and financial contributions: | | | |
| Capital contributions | - | - | 426 |
| Other contributions | - | - | 305 |
| Land subdivision revenues | 928 | 955 | 955 |
| Development contributions | 1,678 | 1,700 | 2,236 |
| Development impact levies | 160 | 164 | 160 |
| Total development and financial contributions | 2,766 | 2,818 | 4,083 |
| Gains | | | |
| Gain on sale of fixed assets | 5,674 | 2,603 | 9 |
| Total Gains | 5,674 | 2,603 | 9 |

5. Expenditure

for the year ending 30 June:

| | 2019 (LTP) | 2020 (LTP) | 2020 |
|--|------------|------------|---------|
| | '\$000s | '\$000s | '\$000s |

Other non-activity expenditure:

Non-activity expenditure in the Statement of Comprehensive Revenue and Expense is made of:

| | | | |
|---------------------------------------|---------------|--------------|--------------|
| Insurance | 1,499 | 1,468 | 1,422 |
| Property costs | 1,735 | 1,424 | 1,317 |
| Rate remissions as note 2 | 843 | 792 | 763 |
| Cost of goods sold | 10,036 | - | - |
| Other (including MRF) | 8,802 | 5,659 | 5,859 |
| Total non-activity expenditure | 22,915 | 9,343 | 9,361 |

Expenditure disclosures:

Total expenditure in the Statement of Comprehensive Revenue and Expense includes the following amounts which are required to be disclosed separately:

Fees to principal Auditor:

| | | | |
|--------------------------------------|----------------|----------------|----------------|
| Audit fees for the Annual Report | 140 | 142 | 137 |
| Finance costs as note 3 | 3,460 | 4,610 | 4,780 |
| Depreciation | 24,855 | 26,085 | 26,093 |
| Amortisation | - | - | 211 |
| Personnel costs | 23,528 | 24,239 | 24,466 |
| Grants and donations | 4,048 | 4,064 | 4,288 |
| Insurance premiums | 2,402 | 2,389 | 2,478 |
| Councillors remuneration | 694 | 709 | 702 |
| Operating leases payments | 510 | 513 | 489 |
| Loss on disposal of fixed assets | 9 | 4 | 4 |
| Other operating expenses | 60,215 | 50,224 | 50,341 |
| Marlborough Regional Forestry | 7,394 | 4,069 | 4,942 |
| Total expenditure disclosures | 127,254 | 117,048 | 118,931 |

6. Debtors and other receivables

| as at 30 June: | 2019 (LTP) \$000s | 2020 (LTP) \$000s | 2020 \$000s |
|--|----------------------|----------------------|----------------|
| Non-exchange receivables: | | | |
| Rates receivables | 960 | 981 | 911 |
| Other | 1,656 | 1,692 | 2,469 |
| GST (net) | 876 | 894 | 1,352 |
| Total non-exchange receivables | 3,492 | 3,567 | 4,733 |
| Exchange receivables: | | | |
| Trade receivables | 5,691 | 5,811 | 4,621 |
| Other | 1,594 | 1,627 | 1,464 |
| Prepayments | 675 | 689 | 247 |
| Total exchange receivables | 7,959 | 8,127 | 6,331 |
| Less provision for impairment | (6) | (6) | (5) |
| Total debtors and other receivables | 11,445 | 11,688 | 11,060 |

7. Other financial assets

| as at 30 June: | 2019 (LTP) \$'000s | 2020 (LTP) \$'000s | 2020 \$'000s |
|--|-----------------------|-----------------------|-----------------|
| Current portion: | | | |
| Term deposits and bonds with maturities of 4-12 months | 9,223 | 9,223 | 8,980 |
| Total current portion | 9,223 | 9,223 | 8,980 |
| Non-current portion: | | | |
| Term deposits and bonds and community loans with maturities 12 months plus | 4,295 | 4,295 | 3,356 |
| Community loans | - | - | 62 |
| Loan to subsidiary MDC Holdings Ltd | 55,457 | 65,721 | 64,171 |
| Unlisted shares in subsidiaries | 6,000 | 6,000 | 6,000 |
| NZ Local Govt. Insurance Corp. and LGFA shares | 1,293 | 1,293 | 1,293 |
| Other shares | 1 | 1 | 1 |
| Total non-current portion | 67,046 | 77,310 | 74,882 |
| Total other financial assets | 76,269 | 86,533 | 83,862 |

8. Property, plant and equipment and Intangible assets

| as at 30 June: | 2019 (LTP) '\$000s | 2020 (LTP) '\$000s | 2020 '\$000s |
|---|-----------------------|-----------------------|------------------|
| Capital additions by activity: | | | |
| Opening value | 1,501,340 | 1,567,909 | 1,681,584 |
| Culture and Heritage | - | 10 | 10 |
| Housing for Seniors | 330 | 158 | - |
| Community Support | 20 | 20 | 20 |
| Library Services | 1,286 | 3,510 | 340 |
| Emergency Management | 9 | 30 | 335 |
| People | 1,645 | 3,728 | 705 |
| Community Facilities | 6,499 | 6,539 | 7,370 |
| Roads and Footpaths | 15,322 | 15,325 | 15,267 |
| Flood Protection and Control Works | 3,042 | 3,659 | 4,550 |
| Sewerage | 17,340 | 12,759 | 17,001 |
| Stormwater Drainage | 1,300 | 1,117 | 3,010 |
| Water Supply | 9,673 | 6,694 | 7,688 |
| Solid Waste Management | 357 | 53 | 946 |
| Environmental Science and Monitoring | 150 | 1,179 | 1,180 |
| Resource Consents | 3 | 3 | 3 |
| Environmental Management | 153 | 1,182 | 1,183 |
| Environmental Health | 3 | 4 | 3 |
| Animal Control | 198 | - | - |
| Harbours | 212 | 524 | 112 |
| Regulatory | 413 | 528 | 115 |
| Regional Development | 11,123 | 5,392 | 7,388 |
| Land Development | 3,391 | 4,048 | - |
| Information Services | 2,812 | 1,585 | 2,792 |
| Commercial Property | 400 | - | 200 |
| Plant Operations | 225 | 243 | 222 |
| Office Services | 100 | 102 | 100 |
| Total capital expenditure | 73,796 | 62,953 | 68,537 |
| Disposal | (2,568) | (805) | (21) |
| Less carryovers movement | (5,527) | 2,727 | (6,853) |
| Depreciation | (24,927) | (26,099) | (26,056) |
| Amortisation | - | - | (211) |
| Revaluation | 25,796 | 31,602 | 33,505 |
| Closing value | 1,567,910 | 1,638,287 | 1,750,485 |

9. Creditors and other payables

| as at 30 June: | 2019 (LTP) '\$000s | 2020 (LTP) '\$000s | 2020 '\$000s |
|---|-----------------------|-----------------------|-----------------|
| Trade payables | 9,627 | 9,831 | 10,196 |
| Accrued expenses | 2,293 | 2,342 | 1,799 |
| Revenue in advance | 1,512 | 1,544 | 1,789 |
| Deposit | 1,722 | 1,758 | 1,991 |
| Agency account | 109 | 111 | 209 |
| Trust funds | 252 | 257 | 254 |
| Amounts due to related parties | 2,195 | 2,242 | 3,021 |
| Total creditors and other payables | 17,710 | 18,085 | 19,260 |

10. Borrowings

| as at 30 June: | 2019 (LTP) '\$000s | 2020 (LTP) '\$000s | 2020 '\$000s |
|--|-----------------------|-----------------------|-----------------|
| People | 2,480 | 2,904 | 2,021 |
| Community Facilities | 16,460 | 18,323 | 17,772 |
| The provision of Roads and Footpaths | 10,153 | 11,989 | 10,563 |
| Flood Protection and Control Works | 2,552 | 3,973 | 4,255 |
| Sewerage | 40,533 | 42,634 | 47,934 |
| Stormwater Drainage | 231 | 202 | 202 |
| Water Supply | 21,491 | 22,574 | 21,946 |
| Solid Waste Management | 6,547 | 5,984 | 6,651 |
| Environmental Management | 370 | 356 | 367 |
| Regulatory | 152 | 654 | 146 |
| Regional Development | 26,343 | 30,164 | 18,429 |
| Commerical Property | 5,665 | 5,440 | 5,457 |
| Plant Operations | 656 | 626 | 627 |
| MDC Holdings Ltd financing | 56,017 | 66,281 | 64,731 |
| Total loans | 189,649 | 212,104 | 201,102 |
| less internal loans | 89,133 | 70,323 | 69,965 |
| Total borrowings (external loans) | 100,517 | 141,781 | 131,137 |

11. Exchange and non-exchange revenue

| for the year ending 30 June: | 2019 (LTP) '\$000s | 2020 (LTP) '\$000s | 2020 '\$000s |
|-----------------------------------|-----------------------|-----------------------|-----------------|
| Non-exchange revenue: | | | |
| General rates and charges | 64,559 | 68,346 | 67,695 |
| Donations, subsidies and grants | 9,725 | 9,754 | 11,048 |
| Fees and charges | 16,246 | 16,661 | 17,530 |
| Other revenue | 29,584 | 12,084 | 10,573 |
| Total non-exchange revenue | 120,113 | 106,845 | 106,845 |
| Exchange revenue: | | | |
| Metered water | 2,643 | 2,696 | 2,339 |
| Rentals and leases | 5,999 | 5,716 | 5,443 |
| Marlborough Regional Forestry | 7,547 | 4,165 | 4,165 |
| Interest and dividends | 4,574 | 5,117 | 5,528 |
| Total exchange revenue | 20,762 | 17,693 | 17,476 |
| Total revenue | 140,875 | 124,537 | 124,321 |

12. Reserves

| as at 30 June: | LTP 2019 \$000s | LTP 2020 \$000s | 2020 \$000s |
|---|--------------------|--------------------|----------------|
| 12.1 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; - 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. | | | |
| Opening balance | 9,925 | 9,739 | 15,260 |
| Transfer to reserve | 2,951 | 1,477 | 1,177 |
| Transfer from reserve | (1,583) | (1,873) | (1,691) |
| Capex transfer from reserve | (1,554) | (1,309) | - |
| Closing balance | 9,739 | 8,034 | 14,745 |
| 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. | | | |
| Opening balance | 13,138 | 18,559 | 21,792 |
| Transfer to reserve | 19,360 | 2,862 | 2,500 |
| Transfer from reserve | (3,153) | (1,077) | (1,866) |
| Capex transfer from reserve | (10,786) | (7,778) | (4,417) |
| Closing balance | 18,559 | 12,566 | 18,009 |

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 and other Activities as determined by Council from time to time.

| | | | |
|------------------------|--------------|--------------|--------------|
| Opening balance | 5,682 | 7,300 | 7,503 |
| Transfer to reserve | 4,287 | 4,522 | 4,523 |
| Transfer from reserve | (2,670) | (3,237) | (3,159) |
| Closing balance | 7,300 | 8,585 | 8,867 |

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 and Swimming Pools.

| | | | |
|-----------------------------|--------------|--------------|--------------|
| Opening balance | 2,831 | 2,791 | 3,263 |
| Transfer to reserve | 1,640 | 1,278 | 1,278 |
| Transfer from reserve | | | - |
| Capex transfer from reserve | (1,680) | (1,880) | (1,606) |
| Closing balance | 2,791 | 2,189 | 2,935 |

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.

| | | | |
|------------------------|--------------|--------------|--------------|
| Opening balance | 4,313 | 4,313 | 4,313 |
| Transfer to reserve | 237 | 237 | 237 |
| Transfer from reserve | (237) | (237) | (237) |
| Closing balance | 4,313 | 4,313 | 4,313 |

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 Wairau Plain.

| | | | |
|-----------------------------|--------------|--------------|--------------|
| Opening balance | 2,305 | 1,171 | 483 |
| Transfer to reserve | 1,059 | 1,064 | 1,235 |
| Transfer from reserve | (512) | (638) | (444) |
| Capex transfer from reserve | (1,680) | (1,854) | (2,140) |
| Closing balance | 1,171 | (257) | (866) |

12.2 Reserve funds - Activity specific

These reserves are "owned" by a specific activity or individual scheme 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. It 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 | | | |
| Opening balance | 488 | 469 | 382 |
| Transfer to reserve | - | 41 | 36 |
| Transfer from reserve | (19) | - | - |
| Closing balance | 469 | 510 | 418 |
| Development Contribution reserves | | | |
| Opening balance | (4) | (2,032) | (2,231) |
| Transfer to reserve | 185 | 189 | 201 |
| Transfer from reserve | (10) | (5) | (5) |
| Capex transfer from reserve | (2,204) | (2,697) | (3,758) |
| Closing balance | (2,032) | (4,545) | (5,793) |
| Operational (General and Depreciation) reserves | | | |
| Opening balance | 14,541 | 3,742 | 4,781 |
| Transfer to reserve | 22,358 | 22,902 | 23,184 |
| Transfer from reserve | (8,379) | (7,916) | (7,264) |
| Capex transfer from reserve | (24,778) | (17,017) | (21,152) |
| Closing balance | 3,742 | 1,710 | (451) |
| Opening balance | 53,219 | 46,052 | 55,545 |
| Transfer to reserve | 52,077 | 34,572 | 34,509 |
| Transfer from reserve | (16,563) | (14,983) | (14,665) |
| Capex transfer from reserve | (42,682) | (32,535) | (33,210) |
| Closing balance | 46,051 | 33,106 | 42,179 |
| Forestry assets | 13,485 | 13,341 | 13,341 |
| Marlborough Regional Forestry shares | (5,348) | (5,348) | (5,348) |
| Total reserves per Forecast Statement of Financial Position | 54,188 | 41,099 | 50,172 |

Financial Funding Impact Statement (FIS)

Accounting Policies

The “Sources of operating funding” section of the FIS includes revenue to the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in “Sources of capital funding” - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any gain from sale of assets is not included, instead the sale proceeds are included in “Sources of capital funding” - whereas under GAAP any such gain is included in “Gains” in the Forecast Statement of Comprehensive Revenue and Expense.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council’s Forecast Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included, they are included in “Other dedicated capital funding” - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.

The “Applications of operating funding” section includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense. The value of this expense is shown in the reconciliation section.
- In Council’s Forecast Statement of Comprehensive Revenue and Expense internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The “Finance costs” shown are the amount paid by the activity to Council’s Investment unit and so are also an internal cost.

- Any loss on sale of assets is not included as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense.

The “Sources of capital funding” section shows direct sources of funding the capital expenditure of the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are included - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any proceeds from the sale of an asset are included in here - whereas under GAAP only the loss or gain on sale would be included in the Forecast Statement of Comprehensive Revenue and Expense.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are included - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense
- Funding from a reserve is included as a negative value of “Increase (decrease) in reserves” in the “Applications of capital funding” section.
- While loans are included here there are some situations in which a loan is used to fund operating expenditure.
- Capital expenditure may also be funded from items included as “Sources of operating funding”, e.g. activities with low levels of capital expenditure often fund it directly from rates.

The “Applications of capital funding” section shows how much funding has been:

- Used to fund capital expenditure.
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

The Surplus (Deficit) of operating funding and capital funding represent funds transferred

between these two uses as defined by the FIS, for the reasons outlined here they differ from a surplus which would be calculated under GAAP.

Council's management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all activity groups will not agree to Councils financial statements. Similarly adding all "Internal charges and overheads recovered" gives a different answer to adding all "Internal charges and overheads applied" as most recoveries are to the management units.

Below each FIS a reconciliation is given of the "Total applications of operating funding" in the FIS and the operating expenditure disclosed for that activity in the Forecast Statement of Comprehensive Revenue and Expense. For some activities a further breakdown is given of the operating and capital expenditure, eg; to individual scheme. This operating expenditure breakdown uses information from the Statement of Comprehensive Revenue and Expense and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

Marlborough District Council: Funding Impact Statement for 2019-20

| | LTP 2018-19 | LTP 2019-20 | AP 2019-20 |
|---|----------------|-----------------|-----------------|
| | \$000s | \$000s | \$000s |
| Sources of operating funding | | | |
| General rates, uniform annual general charge, rates penalties | 43,898 | 45,777 | 45,299 |
| Targeted rates | 23,618 | 25,580 | 25,050 |
| Subsidies and grants for operating purposes | 5,052 | 5,076 | 6,113 |
| Fees and charges | 16,599 | 17,022 | 17,888 |
| Interest and dividends from investments | 4,574 | 5,117 | 5,529 |
| Fuel tax, fines, infringement fees, and other receipts | 18,411 | 14,700 | 14,286 |
| Total Operating funding | 112,152 | 113,272 | 114,165 |
| Applications of operating funding | | | |
| Payments to staff and suppliers | 92,036 | 81,572 | 82,867 |
| Finance costs | 3,460 | 4,610 | 4,780 |
| Other operating funding applications | 6,737 | 4,674 | 4,714 |
| Total applications of operating funding | 102,233 | 90,856 | 92,361 |
| Surplus of operating funding | 9,919 | 22,416 | 21,804 |
| Sources of capital funding | | | |
| Subsidies and grants for capital expenditure | 4,673 | 4,678 | 4,935 |
| Development and financial contributions | 2,766 | 2,818 | 3,352 |
| Increase (decrease) in debt | 10,277 | 41,264 | 39,164 |
| Gross proceeds from sale of assets | 21,152 | 3,405 | 27 |
| Lump sum contributions | - | - | 100 |
| Other dedicated capital funding | 3,700 | - | 1,761 |
| Total sources of capital funding | 42,568 | 52,165 | 49,339 |
| Applications of capital funding | | | |
| Capital expenditure to meet additional demand | 15,419 | 19,956 | 15,104 |
| Capital expenditure to improve the level of service | 31,091 | 23,514 | 29,763 |
| Capital expenditure to replace existing assets | 27,286 | 19,484 | 23,670 |
| Increase (decrease) in reserves | (18,085) | 1,364 | (16,661) |
| Increase (decrease) of investments | (3,224) | 10,263 | 19,267 |
| Total applications of capital funding | 52,487 | 74,581 | 71,143 |
| Deficit of capital funding | (9,919) | (22,416) | (21,804) |
| Funding balance | - | - | - |

Marlborough District Council: Funding Impact Statement for 2019-20

| | 2018-19 | 2019-20 | 2019-20 |
|---|----------|----------|----------|
| | \$000s | \$000s | \$000s |
| Reconciliation | | | |
| Total operating funding | 112,152 | 113,272 | 114,165 |
| plus - Subsidies and grants for capital expenditure | 4,673 | 4,678 | 4,935 |
| plus - Development and financial contributions | 2,766 | 2,818 | 3,352 |
| plus - Other dedicated capital funding | 3,700 | - | 1,761 |
| plus - Contributions vested assets | 1,141 | 1,166 | - |
| plus - Lump sum contributions | - | - | 100 |
| plus - Gain on sale of fixed assets | 5,674 | 2,603 | 8 |
| plus - Sale of inventory | 10,769 | - | - |
| plus - Fair value gains | - | - | - |
| plus - Forestry asset revaluation gain | - | - | - |
| Revenue as per Forecast Statement of Comprehensive Revenue and Expense | 140,875 | 124,537 | 124,321 |
| Total applications of operating funding | 102,233 | 90,856 | 92,361 |
| plus - Depreciation and amortisation | 24,873 | 26,045 | 26,303 |
| plus - Loss on sale of fixed assets | 9 | 4 | 4 |
| plus - Impairment of fixed assets | - | - | - |
| plus - Fair value losses | - | - | 144 |
| plus - Fair value movement (gain) loss on SWAP | - | - | - |
| Expenditure as per Forecast Statement of Comprehensive Revenue and Expense | 127,115 | 116,905 | 118,812 |
| Surplus of operating funding | 9,919 | 22,416 | 21,804 |
| less - Depreciation and amortisation | (24,873) | (26,045) | (26,303) |
| less - Loss on sale of fixed assets | (9) | (4) | (4) |
| less - Impairment of fixed assets | - | - | - |
| less - Fair value movement gain (loss) on SWAP | - | - | - |
| plus - Subsidies and grants for capital expenditure | 4,673 | 4,678 | 4,935 |
| plus - Development and financial contributions | 2,766 | 2,818 | 3,352 |
| plus - Other dedicated capital funding | 3,700 | - | 1,761 |
| plus - Lump sum contributions | - | - | 100 |
| plus - Contributions vested assets | 1,141 | 1,166 | - |
| plus - Gain on sale of fixed assets | 5,674 | 2,603 | 8 |
| plus - Sale of inventory | 10,769 | - | - |
| plus - Fair value gains | - | - | (144) |
| plus - Forestry asset revaluation gain | - | - | - |
| Surplus as per Forecast Statement of Comprehensive Revenue and Expense | 13,760 | 7,632 | 5,509 |

Assumptions, Disclosure and Compliance

Assumptions

With any financial forecasting, a number of assumptions must be made. The assumptions used in the preparation of this Plan are largely the same as those contained in the 2018-2028 Long Term Plan except for the inflation assumption. The costs, revenues and asset values contained in this plan have been updated to reflect the latest “Forecasts of Price Level Change Adjustors” produced by Business Economic Research Limited (BERL) in September 2018 for the Society of Local Government Managers.

Statement of Accounting Policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2019 and ending on 30 June 2020.

These prospective financial statements were authorised for issue by Council on 28 June 2019.

The accounting policies used to prepare these prospective financial statements are the same as those contained in the financial statements for the year ended 30 June 2018 which are on Council’s website.

Part 4: Rates Information



- Rates Funding Impact Statement
- Rates Movements 2019-20
- Indicative Impact on Benchmark Properties

Rates Funding Impact Statement

The Rates Funding Impact Statement provides the following information:

- Detailed explanations of the types of rates that are to be set, their purpose, and the basis on which they are calculated.
- A narrative description of the geographic areas that are used for General-type Targeted Rates and Charges.
- General Information in respect of rates instalment dates and penalties for late payment.
- Revaluation movements information.

The GST inclusive (incl) amounts shown in this Statement have been calculated using GST at 15%.

Terminology

Unless otherwise specified:

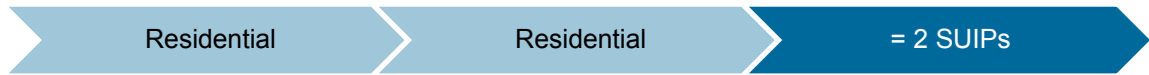
- The terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be.
- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are set differentially for the six geographic areas as a fixed amount on every separately used or inhabited part of a rating unit).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, eg: Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau Valley River Works rates and the Kenepuru Road rate, which are assessed on capital value, the Southern Valleys' Irrigation Loan rate and the Flaxbourne Community Irrigation Scheme Loan rate which are based on irrigable hectares; or the Energy Efficiency rates which are based on the service amount).
- LTP refers to Council's 2018-2028 Long Term Plan which was adopted on 28 June 2018.
 - A Separately Used or Inhabited Part of a Rating Unit (SUIP) is defined as a separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

For the purposes of this definition:

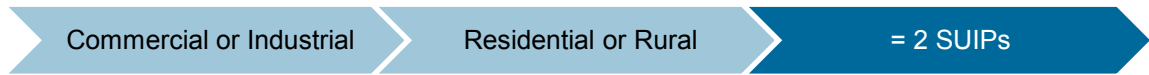
- A SUIP includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.
- A rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
- Vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Examples of the application of the definition

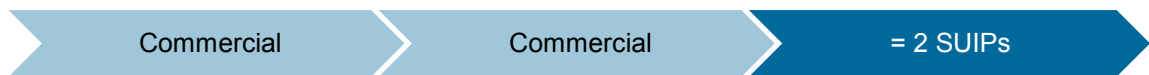
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



- Where a rating unit contains both a commercial or industrial type use, and a residential or rural type use they will be treated as two SUIPs.

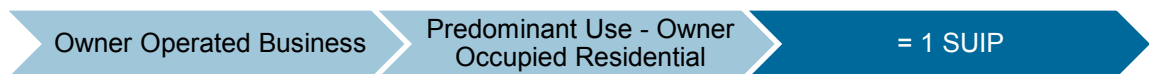


- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.



Exceptions to the definition

- Predominantly residential rating units where the owner of the unit resides and operates a business (including a homestay or farmstay activity) from the same rating unit will be charged as being one SUIP.



- Where two dwellings are located on a farm, vineyard, forestry or horticultural block, the first dwelling is considered an integral part of the farm, vineyard, forestry or horticultural block and every additional dwelling is assessed as a SUIP.



- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.



Differential Rating Category

Subject to the right of objection set out in section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of any property in the district.

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

Residential or Rural

All land used for a private residence and all land used for rural purposes.

"Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation.

"Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category.

Forestry is included in this category for the purposes of the General Works and Services Rate.

Commercial or Industrial

All land used for a commercial or industrial purpose.

"Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision.

"Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods.

For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as "utilities".

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration with the exemption of:

- Properties where the principal purpose is the provision of longstay accommodation ie: 28 days or more.
- Properties that provide accommodation for five or less people.
- Properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farmstay category.

Homestay or Farmstay

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

Infrastructural Utilities

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

Multiple Land Uses

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

General Type Targeted Rates and Charges

\$44,984,111 GST excl
(\$51,731,727 GST incl)

Although general type rates and charges have increased overall by \$1,469,533 GST excl (3.38%), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas.

Geographic Area General Works and Services Rates

\$27,557,532 GST excl
(\$31,691,162 GST incl)

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

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

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

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

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

Overall, these rates will increase by \$1,093,655 GST excl (4.13%); however there are varying impacts on the geographic areas and their differential rates.

Geographic Rating Areas

Fig 1: Geographic Rating Areas

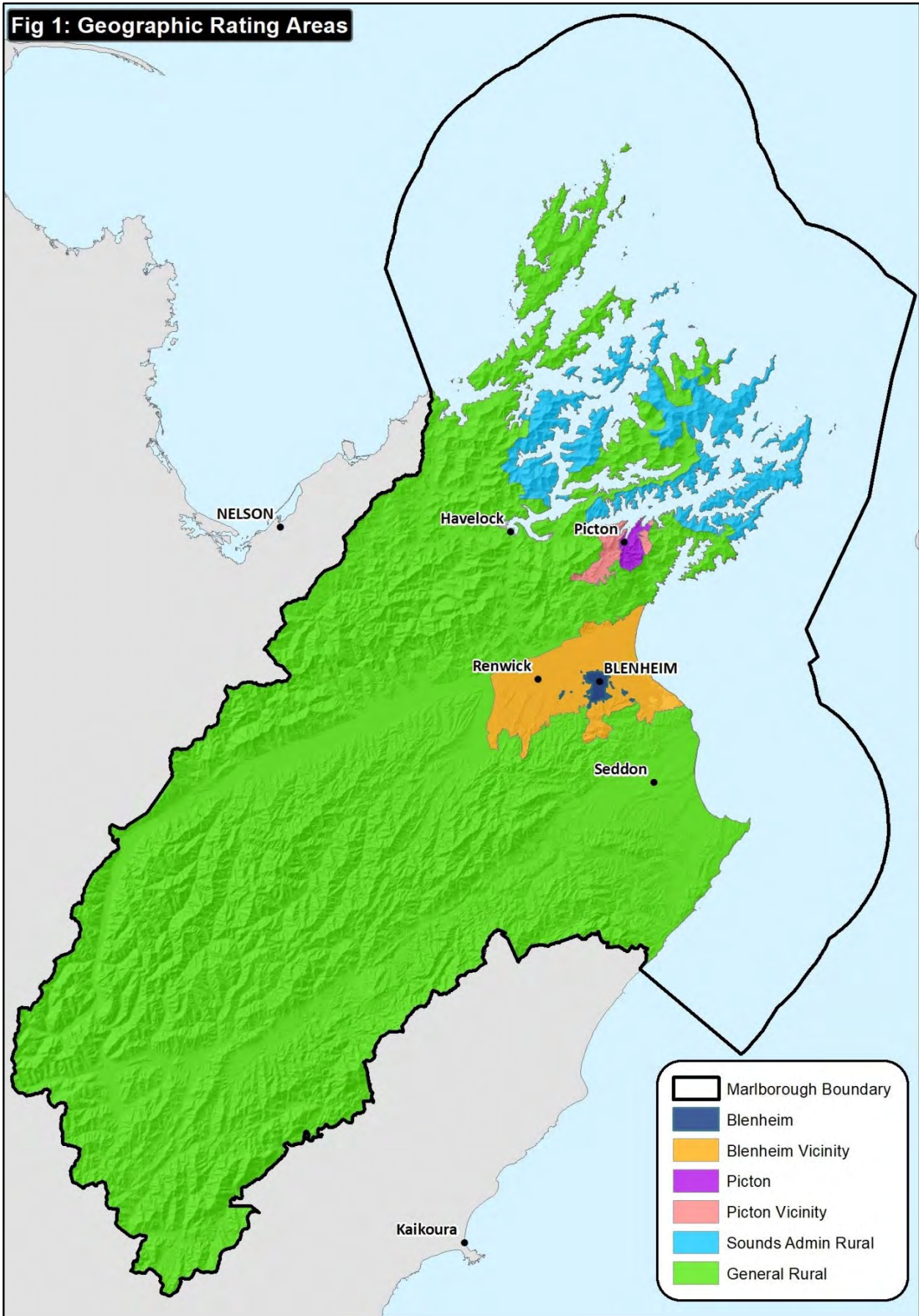


Fig 2: Blenheim & Blenheim Vicinity Geographic Area

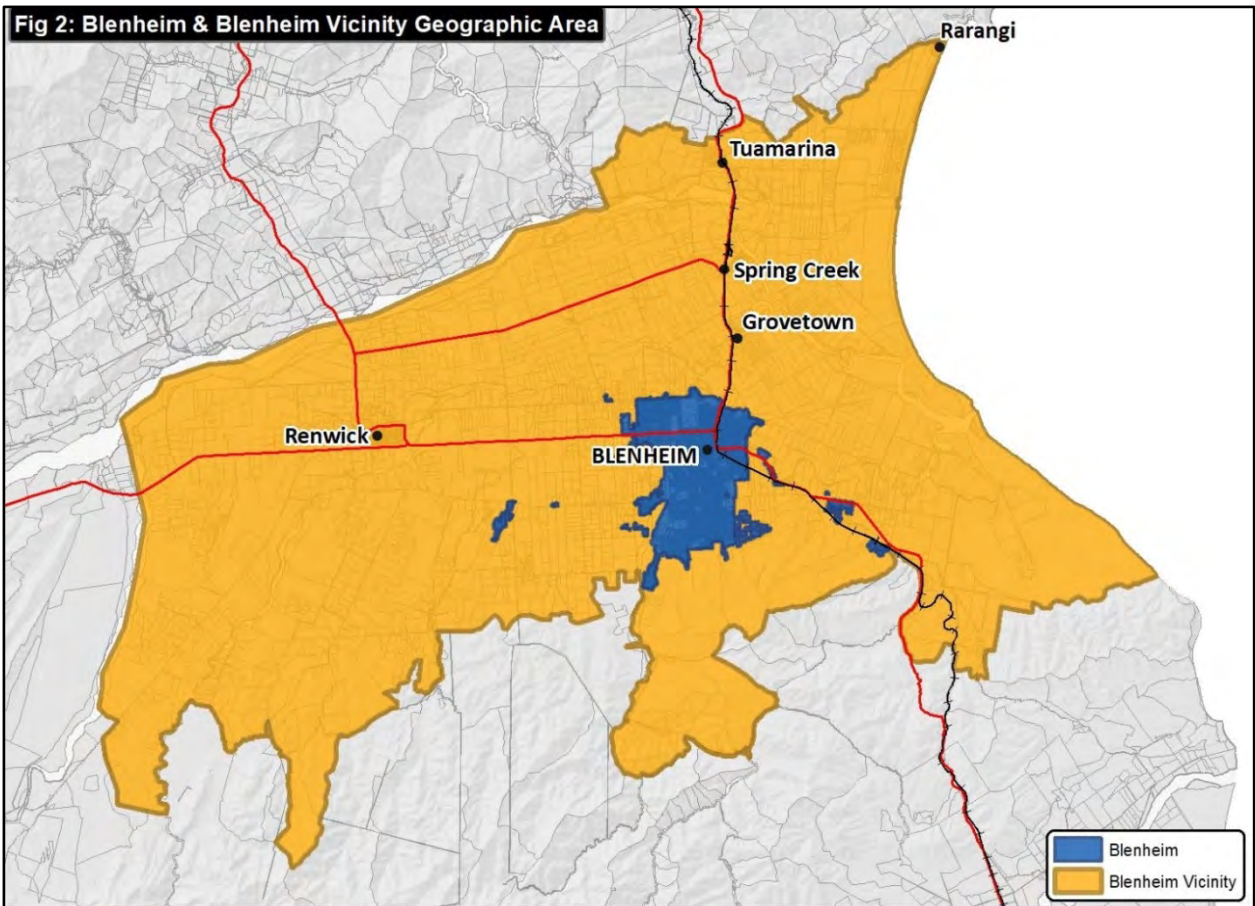


Fig 3: Blenheim Geographic Area

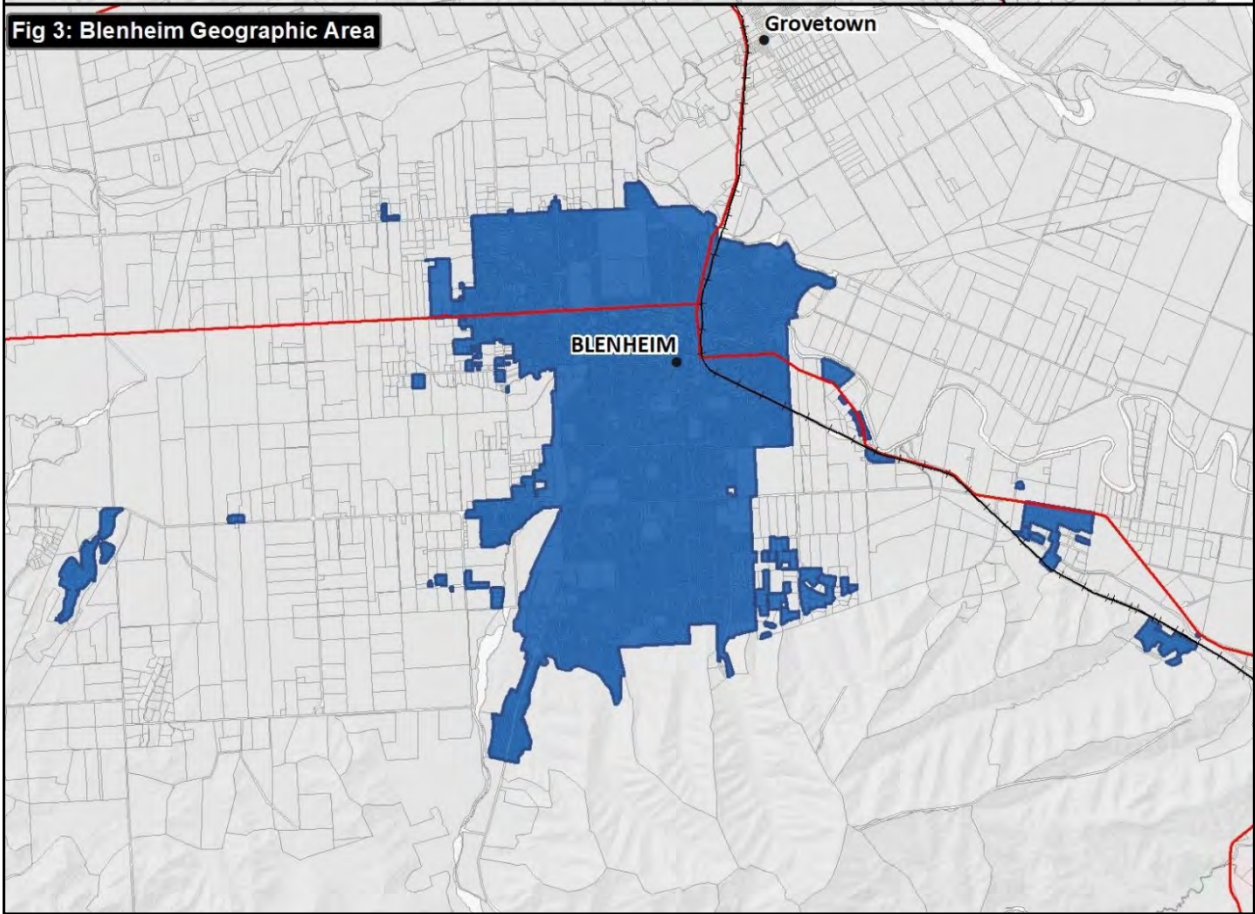


Fig 4: Picton & Picton Vicinity Geographic Area

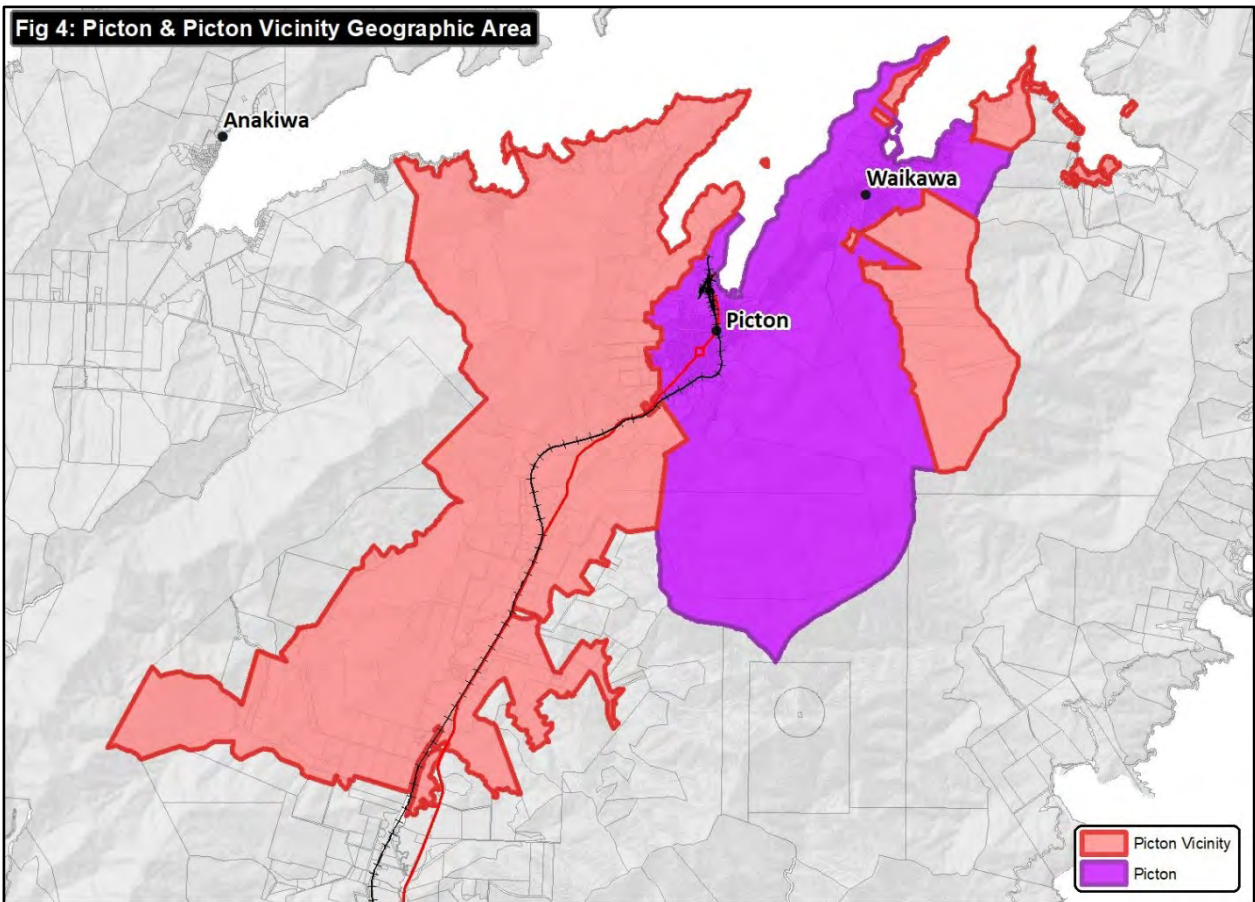
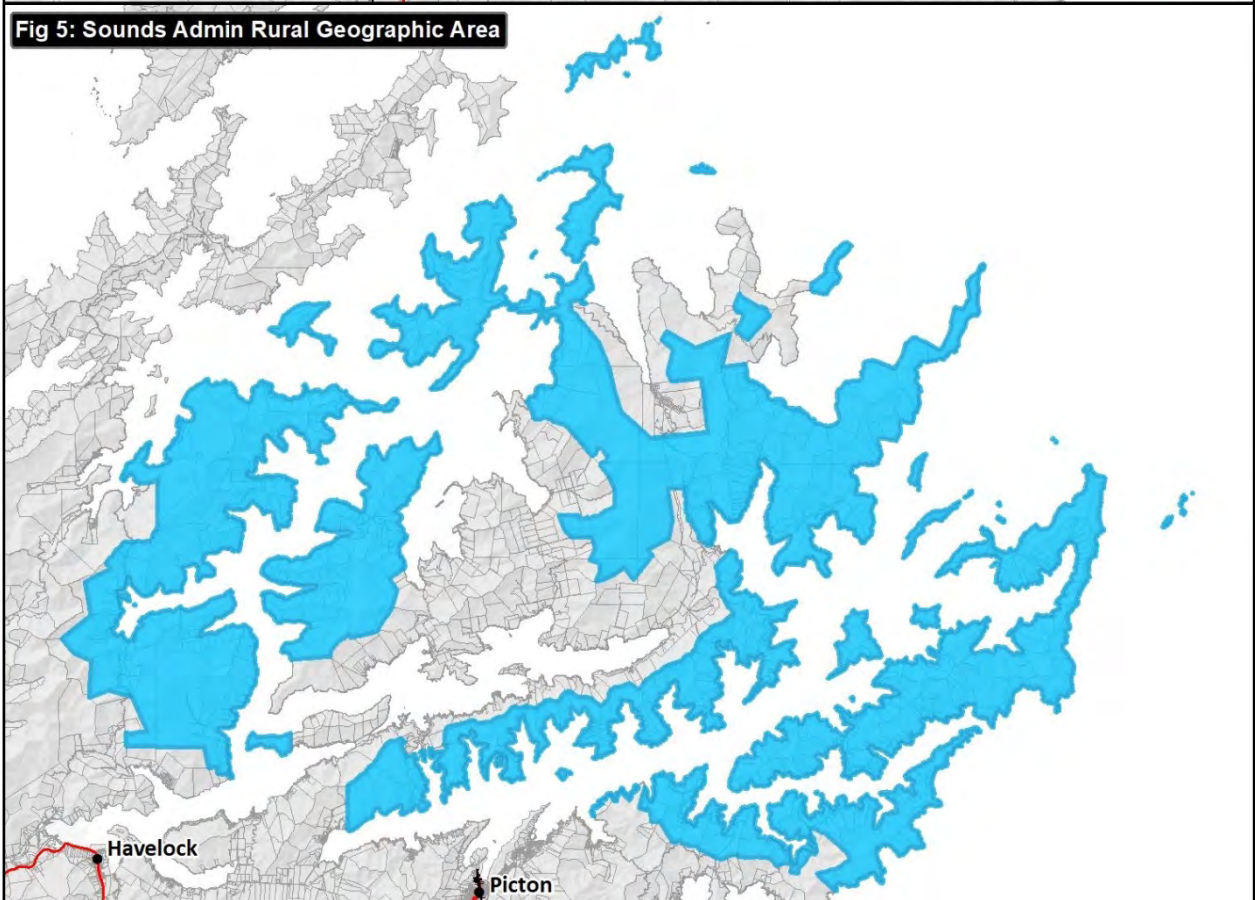


Fig 5: Sounds Admin Rural Geographic Area



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

| Geographic Area | Differential Rating Categories | Levy (GST excl) | Levy (GST incl) | Cents in \$ (GST incl) |
|------------------------|---------------------------------------|------------------------|------------------------|-------------------------------|
| Blenheim | Res/Rural | 6,246,698 | 7,183,703 | 0.360768 |
| | Com/Ind | 3,702,583 | 4,257,971 | 1.118652 |
| | Hsty/Fsty | 3,038 | 3,494 | 0.550239 |
| Blenheim Vicinity | Res/Rural | 7,064,252 | 8,123,890 | 0.282019 |
| | Com/Ind | 318,407 | 366,168 | 0.540269 |
| | Hsty/Fsty | 13,999 | 16,099 | 0.346581 |
| Picton | Res/Rural | 1,673,849 | 1,924,926 | 0.486342 |
| | Com/Ind | 674,978 | 776,224 | 0.950433 |
| | Hsty/Fsty | 1,493 | 1,717 | 0.602364 |
| Picton Vicinity | Res/Rural | 359,925 | 413,914 | 0.253128 |
| | Com/Ind | 23,001 | 26,451 | 0.533676 |
| | Hsty/Fsty | - | - | 0.323265 |
| General Rural | Res/Rural | 6,855,454 | 7,883,772 | 0.289723 |
| | Com/Ind | 149,772 | 172,238 | 0.472189 |
| | Hsty/Fsty | 3,164 | 3,638 | 0.335339 |
| Sounds Admin Rural | Res/Rural | 446,163 | 513,088 | 0.142723 |
| | Com/Ind | 20,396 | 23,455 | 0.277266 |
| | Hsty/Fsty | 360 | 414 | 0.176359 |

Geographic Area General Works and Services Charges

\$17,426,579 GST excl
(\$20,040,565 GST incl)

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

These charges are set differentially for six geographic areas, depending on where the land is situated; on the same basis as for the Geographic Area General Works and Services Rates. There is also a differential charge for Utilities. Overall, these charges will increase by \$375,878 GST excl (2.20%), but there are varying impacts on the geographic areas and their differential charges.

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

| Geographic Area | Levy (GST excl) | Levy (GST incl) | Unit Charge (GST incl) |
|---------------------------|-----------------|-----------------|------------------------|
| Blenheim | 9,121,904 | 10,490,188 | 808 |
| Blenheim Vicinity | 2,701,200 | 3,106,380 | 744 |
| Picton | 2,096,415 | 2,410,878 | 846 |
| Picton Vicinity | 307,510 | 353,636 | 738 |
| General Rural | 2,613,164 | 3,005,138 | 541 |
| Sounds Admin Rural | 554,175 | 637,302 | 439 |
| Infrastructural Utilities | 32,211 | 37,043 | 686 |

Debt Servicing Rates and Charges

\$1,104,241 GST excl
(\$1,269,878 GST incl)

Grovetown Sewerage Loan Rate **\$92,371 GST excl** **(\$106,227 GST incl)**

The Grovetown Sewerage Loan Rate is calculated on the land value of every rating unit in the Grovetown Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs. The loan rate will continue until 30 June 2039.

No change will occur.

On a rating unit with a land value of \$225,000 the sewerage loan rate will remain the same at \$1,015.81. The cents in the dollar rate is 0.451472 cents GST incl.

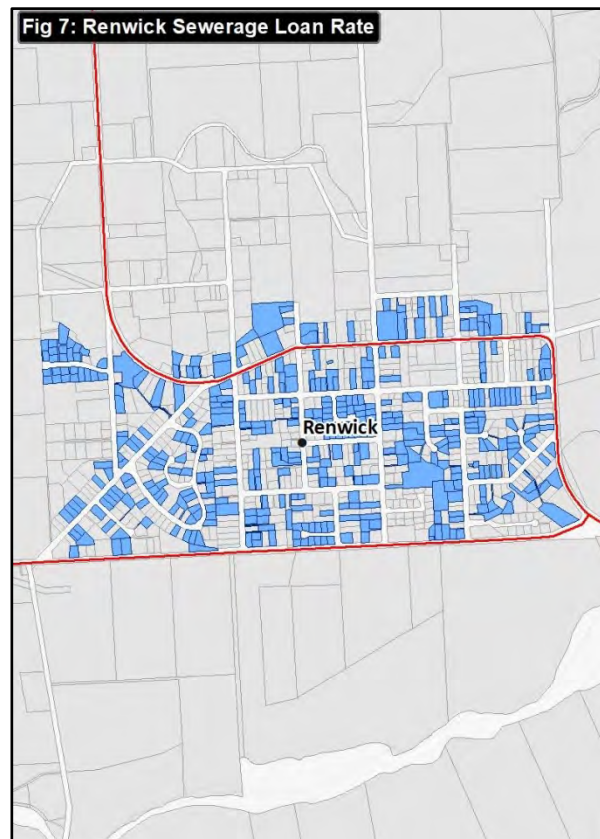


Renwick Sewerage Loan Rate **\$30,126 GST excl** **(\$34,645 GST incl)**

The Renwick Sewerage Loan Rate is calculated on the land value of every rating unit in the Renwick Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs. The loan rate will continue until 30 June 2026.

An increase of \$17 GST excl will occur.

On a rating unit with a land value of \$170,000, the loan rate will decrease from \$80.39 to \$79.83 and the new cents in the dollar rate is 0.046960 GST incl.



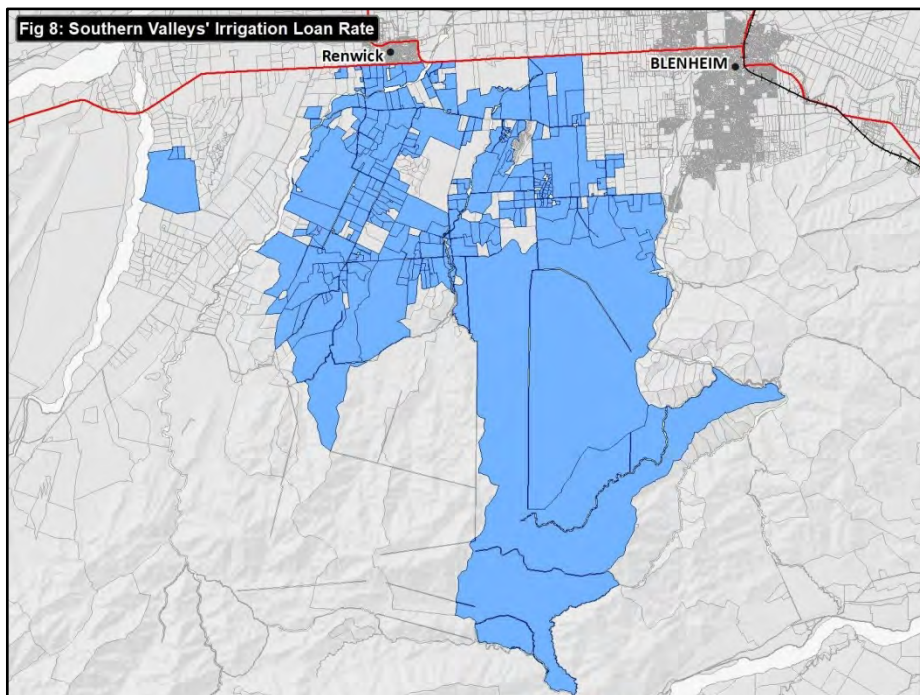
Southern Valleys' Irrigation Loan Rate

**\$980,692 GST excl
(\$1,127,796 GST incl)**

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on capital expenditure. The loan rate will continue until 30 June 2027.

An increase of \$1,967 GST excl will occur.

The new targeted loan rate is \$303.25 GST incl.

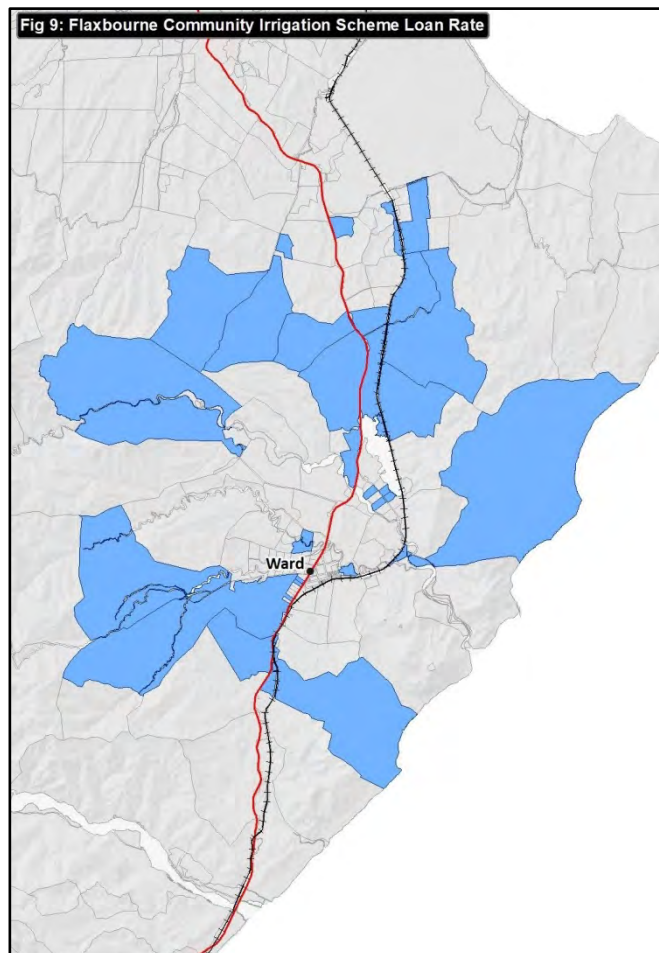


Flaxbourne Community Irrigation Scheme Loan Rate

**\$1,052 GST excl
(\$1,210 GST incl)**

This rate is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m³ per hectare on land identified within the Flaxbourne Special Rating Area. The quantum of the loan rate will alter as the scheme proposal is progressed and will be used to either fund investigation costs incurred should the scheme not proceed or the total cost of the scheme should construction contracts be awarded.

The targeted loan rate remains at \$1 GST inclusive.



Roading Rates and Charges

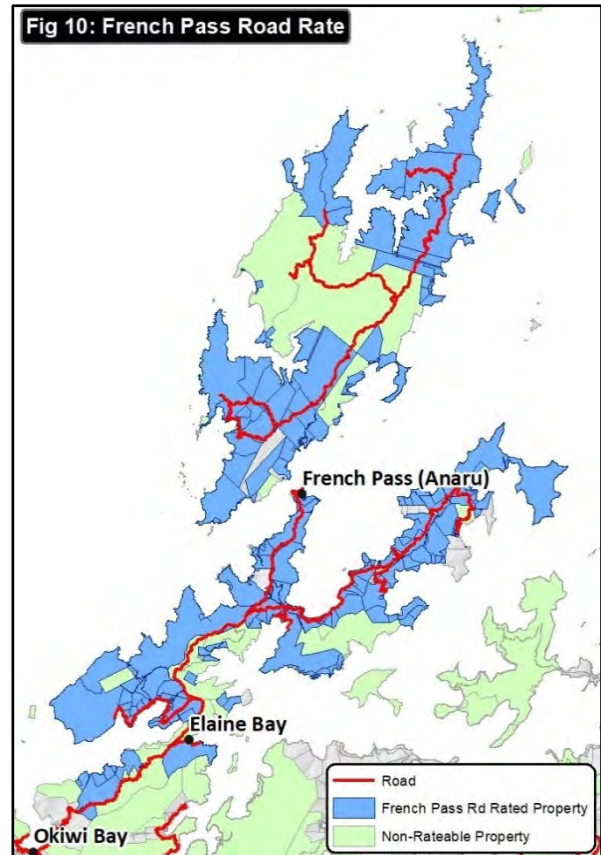
**\$63,363 GST excl
(\$72,867 GST incl)**

French Pass Road Charge

**\$27,865 GST excl
(\$32,045 GST incl)**

This charge is calculated on every rating unit in the French Pass Rating Area, to be applied towards the cost of seal extension in the targeted area. The charge will continue until the sealing costs are fully repaid.

No increase in the charge levy has occurred and the charge remains at \$99 GST incl on each rating unit.

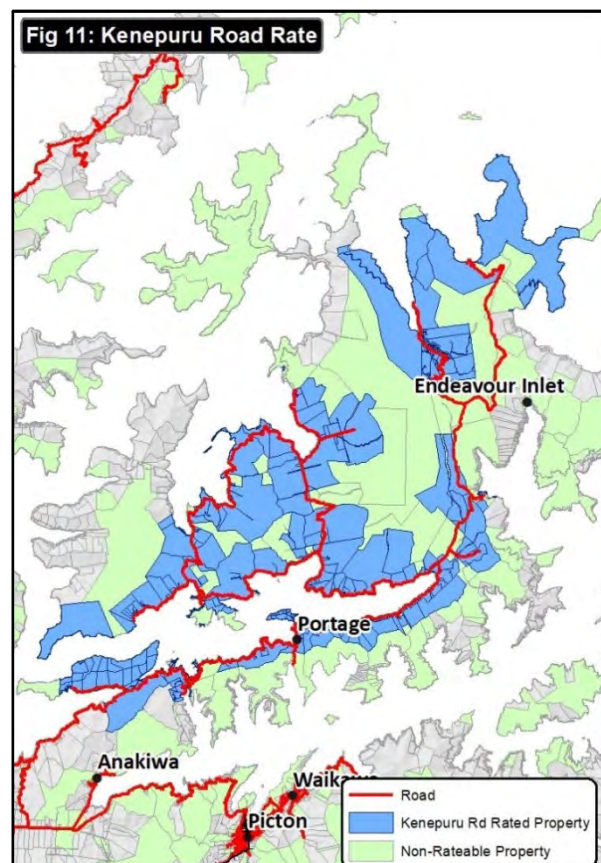


Kenepuru Road Rate

**\$35,498 GST excl
(\$40,822 GST incl)**

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding to be applied towards roading improvements in the targeted area. The charge will continue until the roading improvements costs are fully repaid.

No increase in the rate levy has occurred and the rate in the dollar based on capital value remains at 0.013873 cents GST incl.



Wairau Valley Rivers Works Rate

\$4,098,339 GST excl
(\$4,713,090 GST incl)

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

The funding requirements from each area are as follows:

| | |
|---------------------------|--------|
| Blenheim Vicinity (Rural) | 47.57% |
| Blenheim Urban | 47.84% |
| Other Urban | 4.59% |

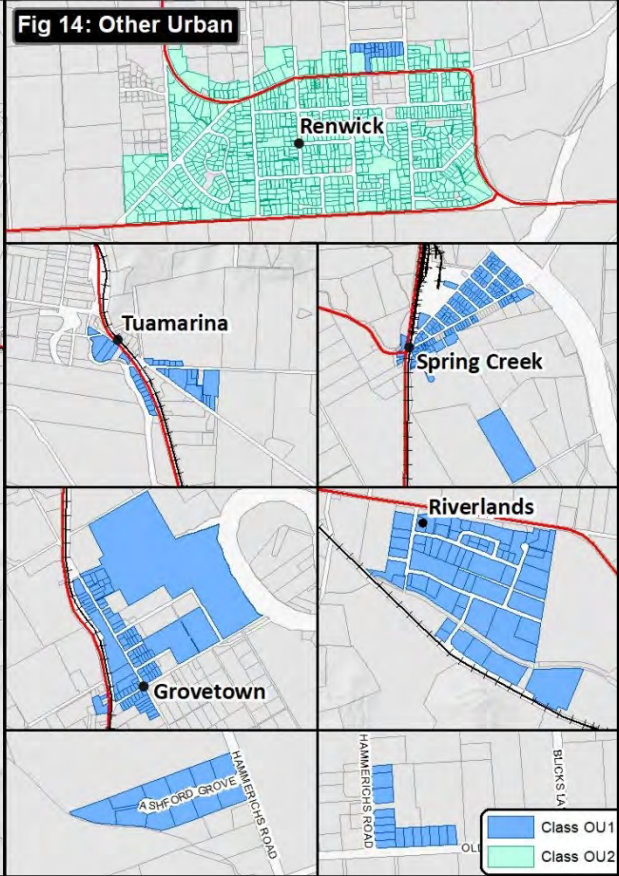
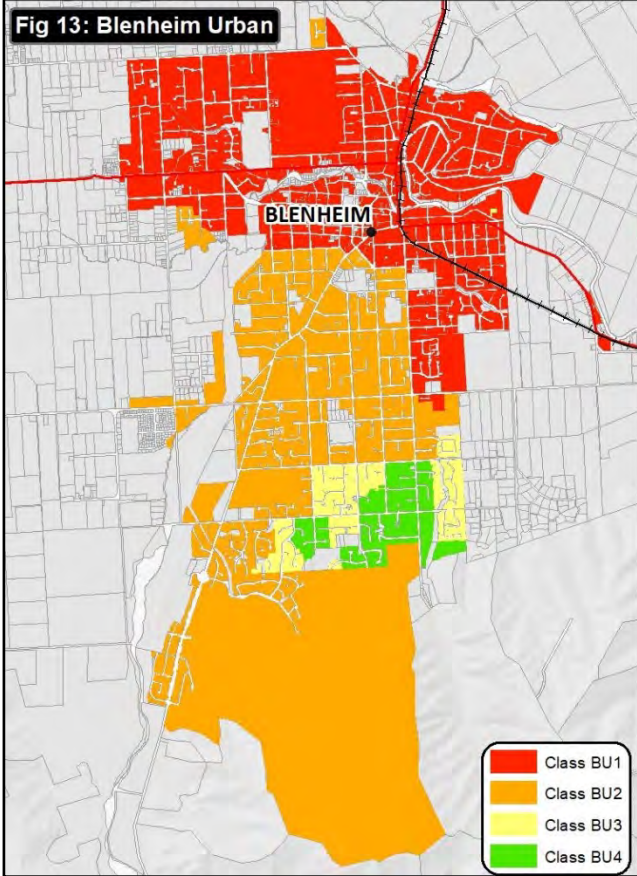
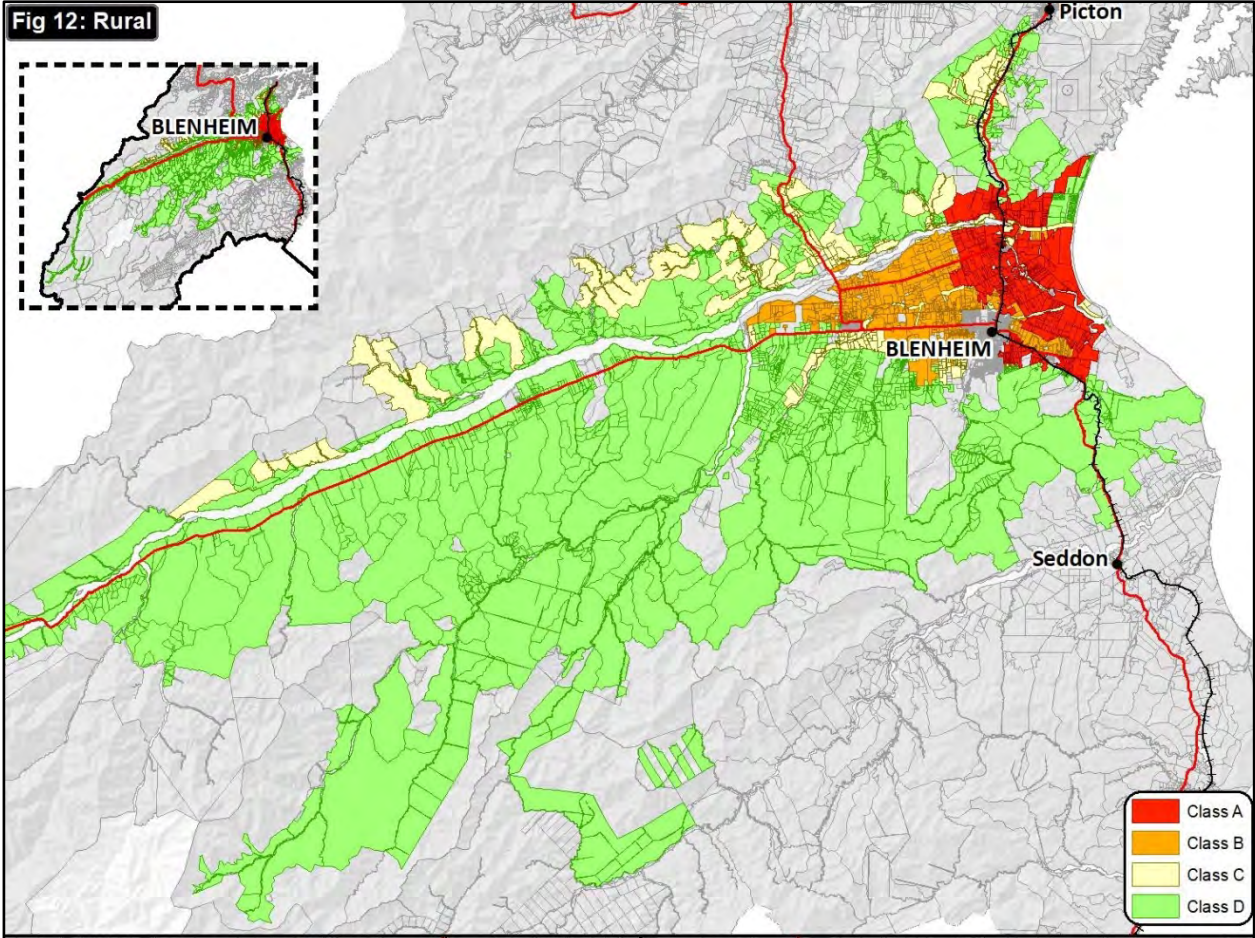
A \$70,886 GST excl (1.76%) increase in the overall rates levy has occurred.

See figures 12-14.

The following is a schedule of the cents in the dollar to be set and assessed on the capital values in each group.

| Rating Areas | Levy (GST excl) | Levy (GST incl) | Cents in the \$ (GST incl) |
|--|--------------------|--------------------|-------------------------------|
| Rural A Rating Units | 667,988 | 768,186 | 0.064098 |
| Rural B Rating Units | 948,456 | 1,090,724 | 0.048073 |
| Rural C Rating Units | 173,436 | 199,452 | 0.031408 |
| Rural D Rating Units | 159,699 | 183,654 | 0.005128 |
| Blenheim Urban 1 Rating Units | 1,112,364 | 1,279,219 | 0.047084 |
| Blenheim Urban 2 Rating Units | 698,433 | 803,198 | 0.041853 |
| Blenheim Urban 3 Rating Units | 96,290 | 110,733 | 0.036098 |
| Blenheim Urban 4 Rating Units | 53,559 | 61,593 | 0.020404 |
| Other Urban 1 Rating Units in Wairau Catchment | 96,321 | 110,769 | 0.045327 |
| Other Urban 2 Rating Units in Wairau Catchment | 91,793 | 105,562 | 0.030434 |

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges

\$8,342,254 GST excl
(\$9,593,592 GST incl)

An overall increase of \$419,941 (GST excl) will occur (5.30%).

Definitions:

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

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

“Combined sewerage rates and charges” do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

Combined Sewerage Scheme Capital Works Rate

\$2,033,623 GST excl
(\$2,338,666 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Sewerage Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined sewerage scheme.

There is a \$340,277 GST excl (20.09%) increase in this rate.

On a Blenheim rating unit in the Blenheim Group area with a land value of \$200,000 the rate will increase from \$116.35 to \$138.72 - a rate in the dollar of 0.069362 cents GST incl.

On a Havelock rating unit with a land value of \$178,000 the rate will increase from \$129.44 to \$154.33 - a rate in the dollar of 0.086702 cents GST incl.

On a Picton rating unit with a land value of \$200,000 the rate will increase from \$143.11 to \$170.63- a rate in the dollar of 0.085315 cents GST incl.

On a Seddon rating unit with a land value of \$99,000 the rate will increase from \$101.94 to \$121.54 - a rate in the dollar of 0.122770 cents GST incl.

Combined Sewerage Scheme Charge

\$6,308,631 GST excl
(\$7,254,926 GST incl)

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

There is a \$79,664 GST excl (1.28 %) increase in this charge.

The charge will increase from \$416 to \$418 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$208 to \$209 GST incl on every separately used or inhabited part of every serviceable rating unit.

Fig 15: Blenheim Group

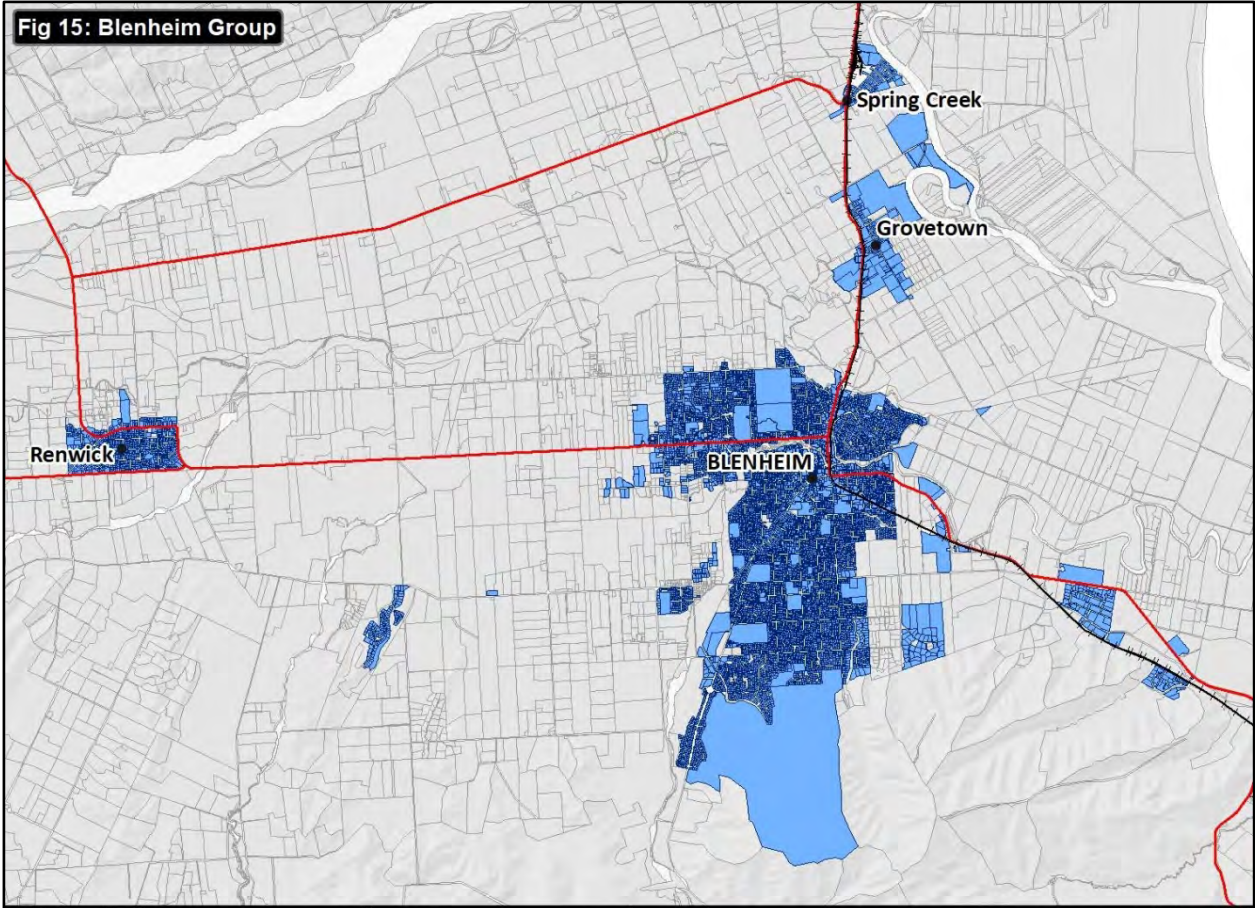


Fig 16: Picton

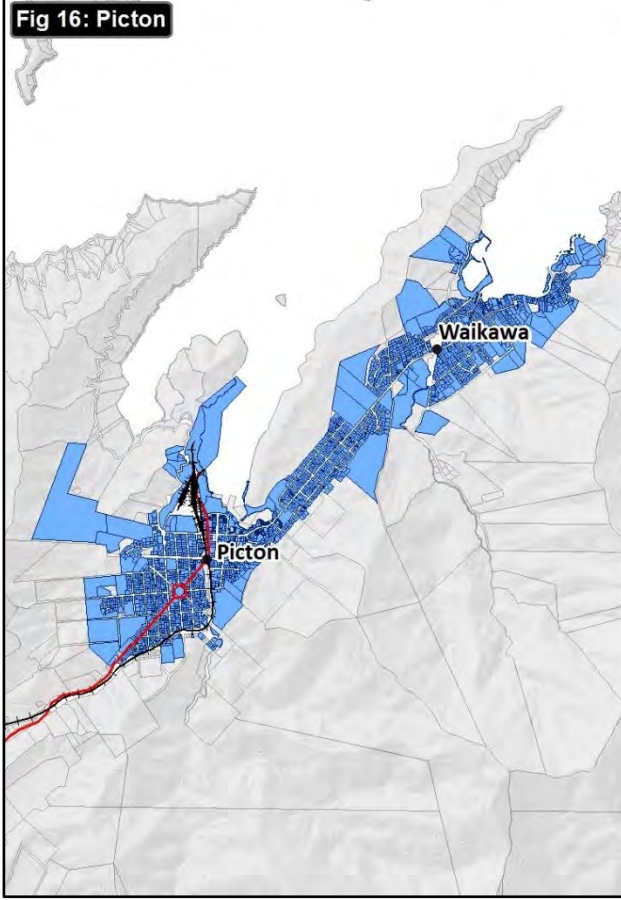


Fig 17: Havelock

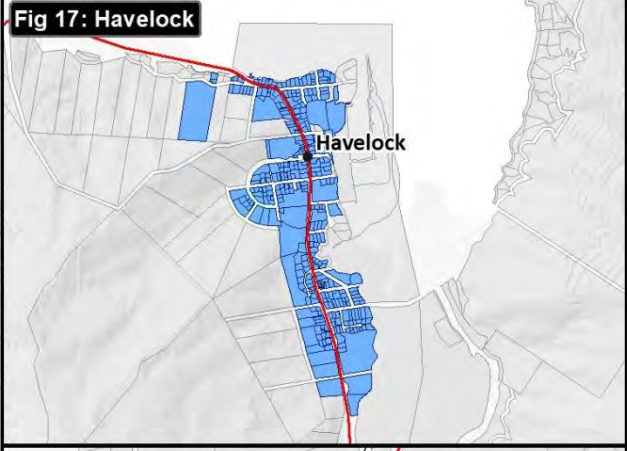


Fig 18: Seddon



Water Supply Rates and Charges

\$9,245,953 GST excl
(\$10,632,845 GST incl)

An overall increase of \$494,427 (GST excl) will occur (5.65%).

Definitions:

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

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

Combined Water Scheme Rates and Charges

\$6,756,262 GST excl
(\$7,769,701 GST incl)

An overall increase of \$430,913 (GST excl) will occur (6.81%).

Combined Water Scheme Capital Works Rate

\$1,813,111 GST excl
(\$2,085,077 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Water Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined water scheme. This includes the Koromiko rating units subject to the special pipeline agreement.

An increase of \$71,528 (GST excl) will occur (4.11%).

On a Blenheim rating unit with a land value of \$200,000 the rate will increase from \$123.13 to \$127.22 - a rate in the dollar of 0.063610 cents GST incl.

On a Havelock rating unit with a land value of \$178,000 the rate will increase from \$123.83 to \$127.94 - a rate in the dollar of 0.071879 cents GST incl.

On a Picton rating unit with a land value of \$200,000 the rate will increase from \$158.84 to \$164.11 - a rate in the dollar of 0.082056 cents GST incl.

The new rate in the dollar for Koromiko rating units subject to the special pipeline agreement will be 0.065645 cents in the dollar GST incl.

On a Renwick rating unit with a land value of \$175,000 the rate will increase from \$115.28 to \$119.11 - a rate in the dollar of 0.068062 cents GST incl.

Fig 19: Seddon Water Supply

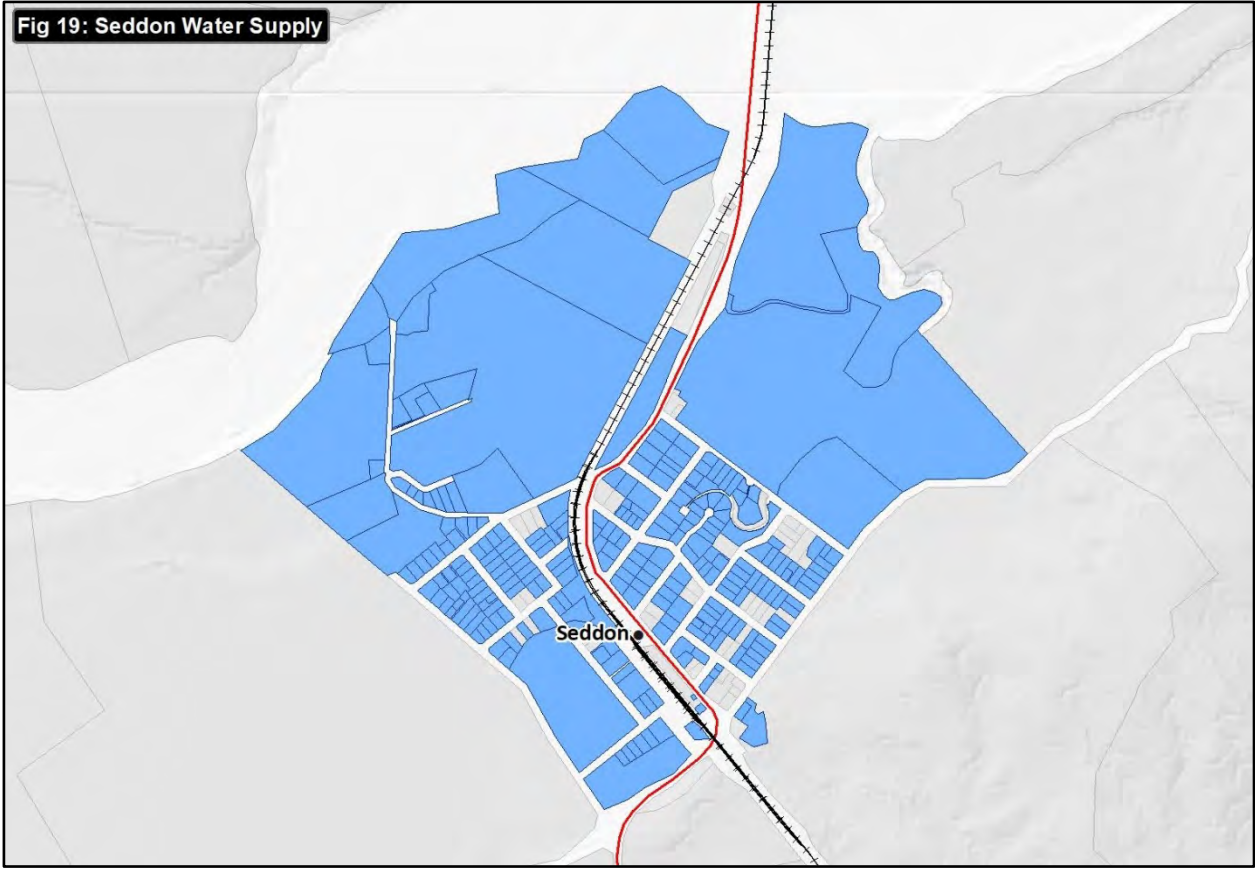


Fig 20: Blenheim Water Supply

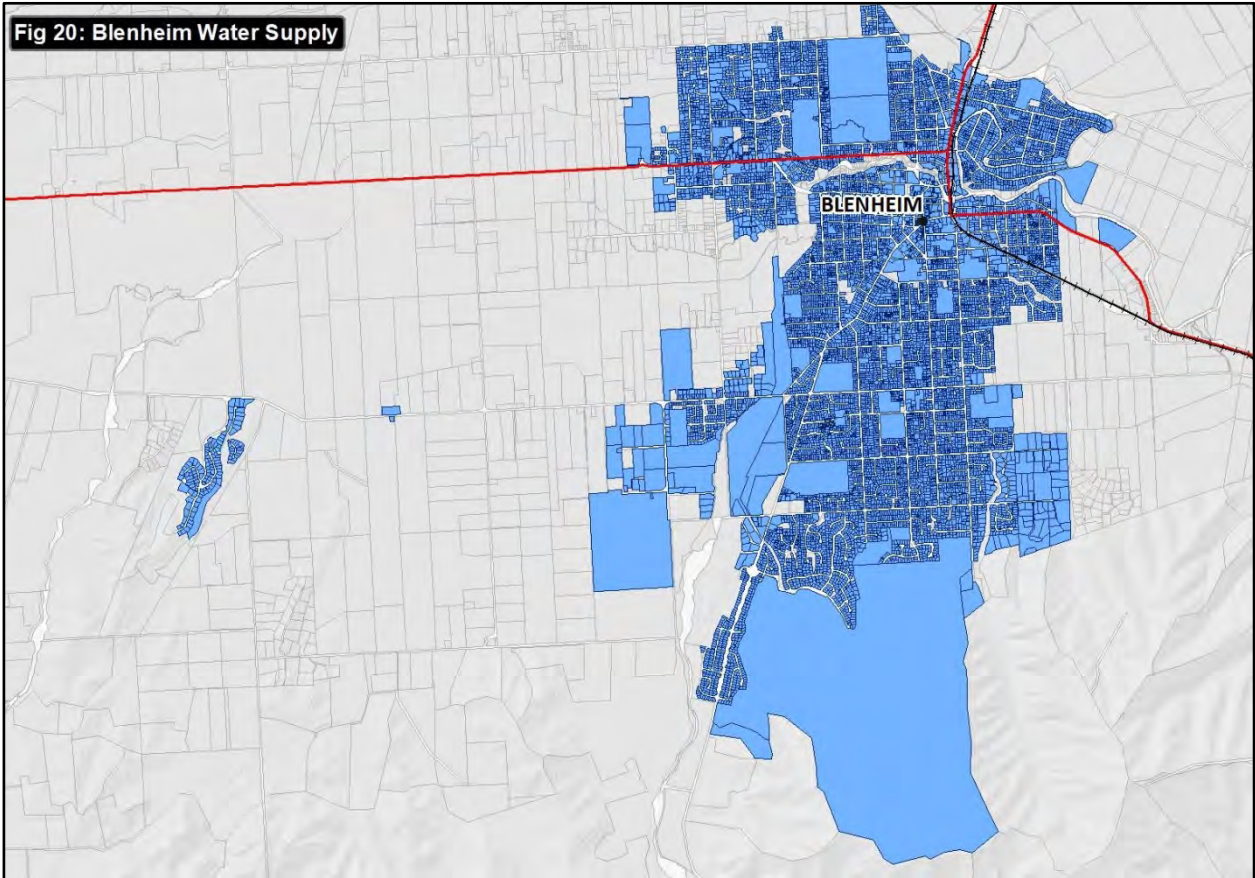


Fig 21: Picton Water Supply

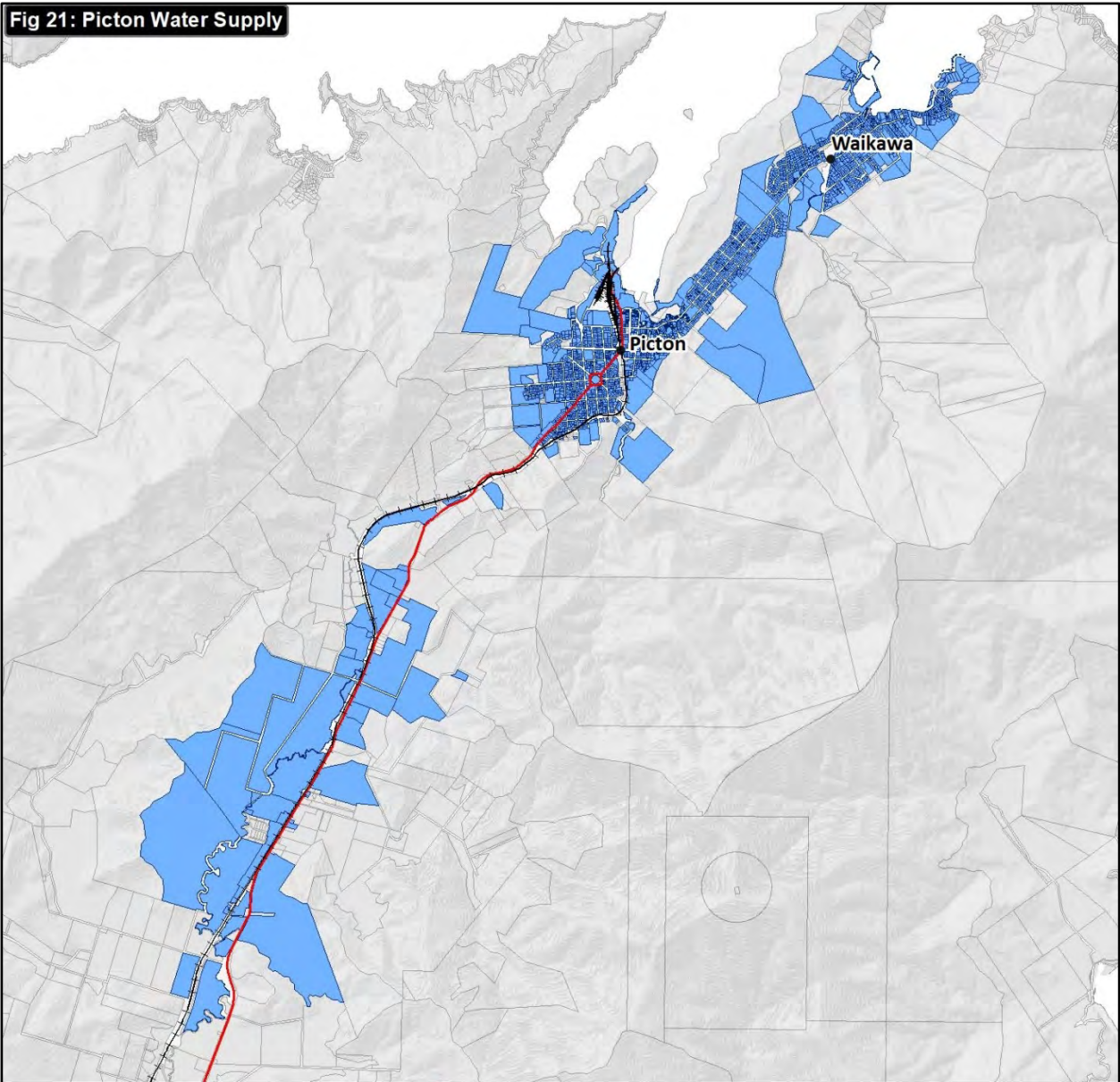


Fig 22: Havelock Water Supply

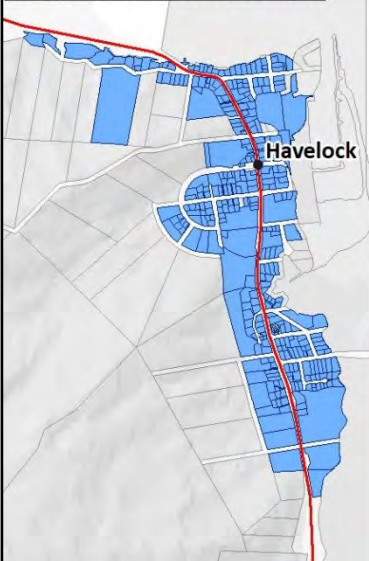


Fig 23: Renwick Water Supply

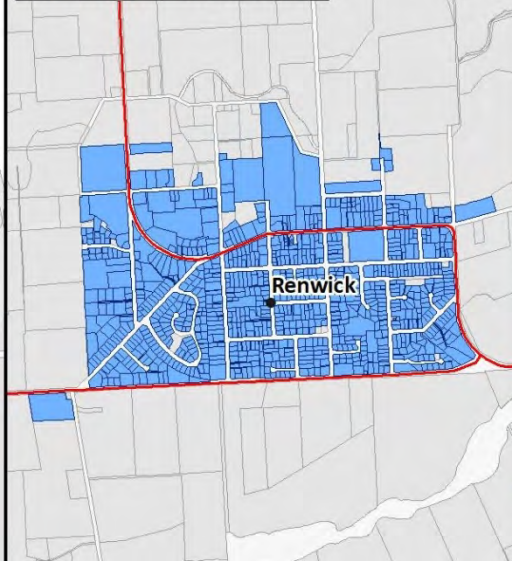
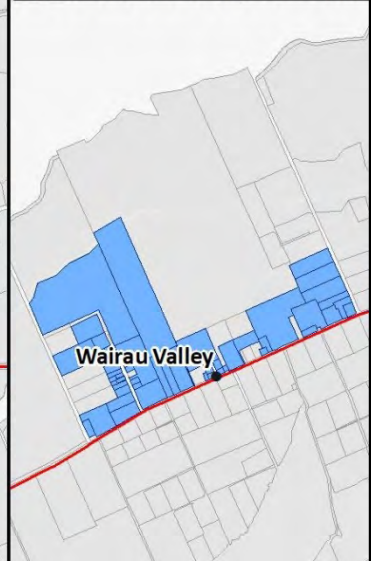


Fig 24: Wairau Valley Water Supply



Combined Water Scheme Charges

\$4,839,182 GST excl
(\$5,565,060 GST incl)

These charges fund the balance of expenditure other than Capital and Debt Servicing costs, including operating costs of the combined water scheme including treatment, reticulation, depreciation and other costs associated with the combined water scheme improvements.

These charges are set on a differential basis.

An increase of \$389,469 (GST excl) will occur (8.75%).

Blenheim Water Charges

\$3,073,313 GST excl
(\$3,534,310 GST incl)

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

The charges will be \$290 on every part of a serviced rating unit and \$145 on every part of a serviceable rating unit GST incl.

Havelock Water Charges

\$130,353 GST excl
(\$149,906 GST incl)

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

The charges will be \$494 on every part of a serviced rating unit and \$247 on every part of a serviceable rating unit GST incl.

Picton Water Charges

\$1,120,347 GST excl
(\$1,288,399 GST incl)

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Picton Water Supply Area and half that amount on each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$494 on every part of a serviced rating unit and \$247 on every part of a serviceable rating unit GST incl.

Renwick Water Charges

\$396,212 GST excl
(\$455,644 GST incl)

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Renwick Water Supply Area; and half that amount for every non-metered separately used or inhabited part of every serviceable rating unit in the same area.

The charges will be \$494 on every part of a serviced rating unit and \$247 on every part of a serviceable rating unit GST incl

Seddon Water Charge

\$110,727 GST excl
(\$127,336 GST incl)

The charge will be \$437 GST incl on every separately used or inhabited part of a rating unit within the Seddon Water Supply Area, (excluding all commercial consumers), and any new lots created by subdivision of such rating units whether connected or not.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Water Charge

\$8,230 GST excl
(\$9,465 GST incl)

The charge will be \$240 GST incl for each water meter, excluding all commercial water meters, connected to a rating unit within the Wairau Valley Water Supply Area.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Residential Metered Water Charges

\$103,969 GST excl
(\$119,564 GST incl)

These charges exclude water supplied to commercial metered rating units.

A decrease of \$30,085 (GST excl) will occur (22.44%).

Blenheim Metered Water Charge

\$30,506 GST excl
(\$35,081 GST incl)

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

Metered water charges are as follows:

The minimum quarterly charge will be \$72.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 65.91 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$1.10 GST incl per cubic metre.

Havelock Metered Water Charge

\$0 GST excl
(\$0 GST incl)

There is no charge as no water will be supplied in 2019-20 to residential metered rating units.

Picton Metered Water Charge

\$25,313 GST excl
(\$29,111 GST incl)

Ordinary Charge

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

The minimum quarterly charge will be \$123.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 41.26 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.9930 GST incl per cubic metre.

Koromiko Charge

A Picton Metered Water Koromiko Charge for metered rated units is assessed on the basis of the quantity of water supplied to Koromiko Special Pipeline Agreement consumers.

Water for Koromiko Special Pipeline Agreement consumers will be \$2.3944 GST incl per cubic metre.

Renwick Metered Water Charge

\$12,670 GST excl
(\$14,571 GST incl)

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

Metered water charges are as follows:

The minimum quarterly charge will be \$123.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 44.11 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.80 GST incl per cubic metre.

Seddon Metered Water Charge

\$27,302 GST excl
(\$31,397 GST incl)

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

The metered charge will be \$1.57 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Seddon water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Metered Water Charge

\$8,178 GST excl
(\$9,404 GST incl)

This charge is assessed on the basis of the quantity of water supplied to each residential water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 350 cubic metres per annum.

The metered charge will be \$2.09 GST incl per cubic metre for all usage in excess of 350 cubic metres for all consumers on the Wairau Valley water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Other Water Supply

Commercial Metered Water Charges

\$837,144 GST excl
(\$962,716 GST incl)

These water charges fund the net cost of operations.

A decrease of \$4,634 (GST excl) will occur (0.55%).

Blenheim Commercial Metered Water Charge **\$322,927 GST excl** **(\$371,367 GST incl)**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections (including the Burleigh Extension), subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$37.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$0.75 GST incl per cubic metre.

Havelock Commercial Metered Water Charge **\$123,896 GST excl** **(\$142,480 GST incl)**

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

Metered water charges are as follows:

The minimum quarterly charge will be \$101 GST incl and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.02 GST incl per cubic metre.

Picton Commercial Metered Water Charge **\$326,087 GST excl** **(\$375,000 GST incl)**

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections (excluding connections

where water is onsold), subject to a minimum quarterly charge.

The minimum quarterly charge will be \$117 GST incl and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.34 GST incl per cubic metre.

Onsold Charge

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

Metered water charges for consumers onselling are as follows:

The minimum quarterly charge will be \$117 GST incl and it will provide for the volume of water supplied between 0 m³ and 45 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.60 GST incl per cubic metre.

Renwick Commercial Metered Water Charge **\$40,876 GST excl** **(\$47,007 GST incl)**

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

Metered water charges are as follows:

The minimum quarterly charge will be \$75.50 GST incl and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$1.51 GST incl per cubic metre.

Seddon Commercial Metered Water Charge
\$21,880 GST excl
(\$25,162 GST incl)

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections subject to a minimum four monthly charge.

Meter water charges are as follows:

The minimum four monthly charge will be \$191 GST incl and it will provide for the volume of water supplied between 0 m³ and 66.67 m³.

The metered charge for the volume of water supplied in excess of the minimum four monthly charge volume will be \$2.86 GST incl per cubic metre, for all commercial consumers on the Seddon water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Wairau Valley Commercial Metered Water Charge

\$1,478 GST excl
(\$1,700 GST incl)

This charge for metered rating units is assessed on the basis of the quantity of water supplied to each commercial water meter connected to a rating unit within the Wairau Valley water supply Area, subject to a minimum quarterly charge.

Metered water charges are as follows:

The minimum quarterly charge will be \$146 GST incl and it will provide for the volume of water supplied between 0 m³ and 50 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will be \$2.92 GST incl per cubic metre for all commercial consumers on the Wairau Valley water supply.

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

Rural Awatere Water Supply

\$741,756 GST excl
(\$853,019 GST incl)

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

An increase of \$84,602 GST excl will occur (12.87%).

Rural Awatere Water Charge
\$226,614 GST excl
(\$260,606 GST incl)

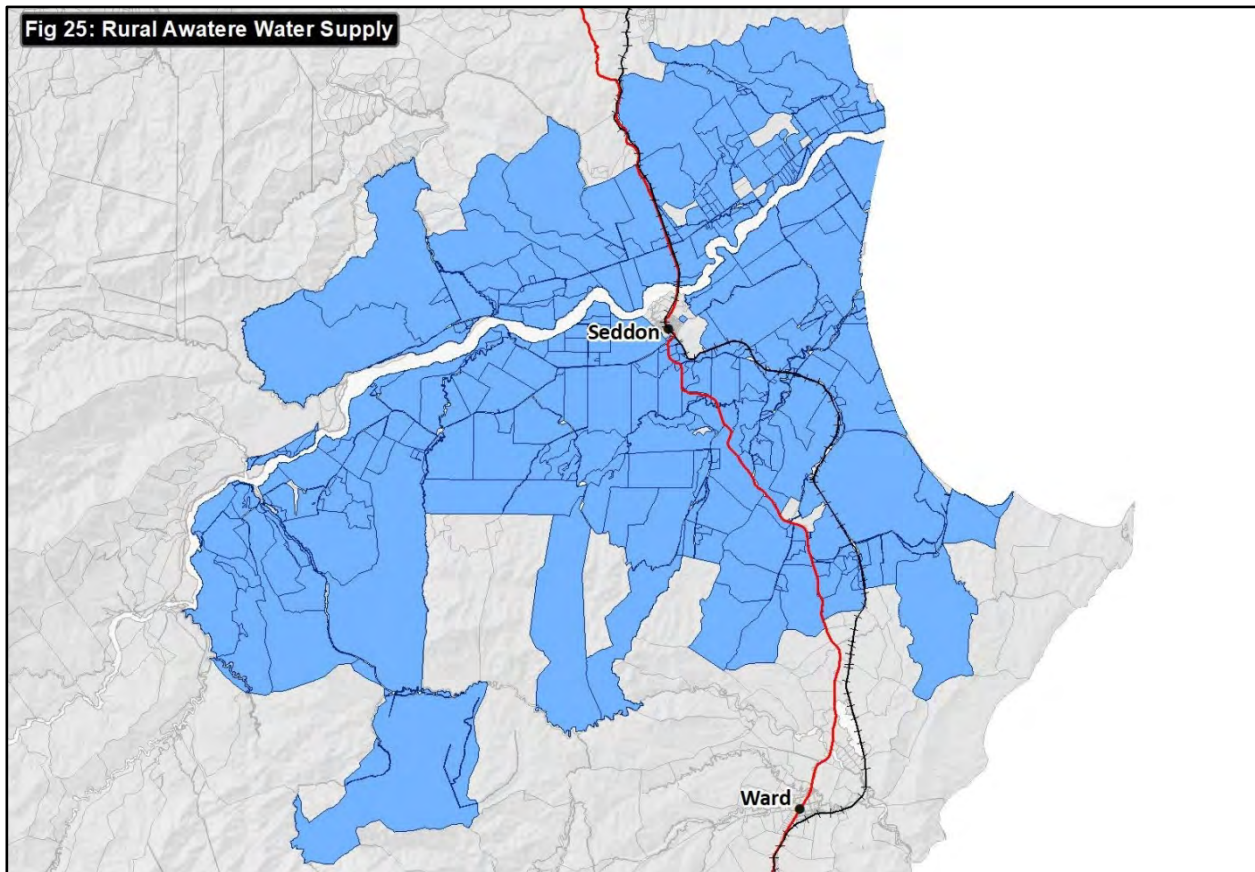
The uniform charge will increase from \$520 to \$625 GST incl on every separately used or inhabited part of a rating unit within the Rural Awatere Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

Rural Awatere Metered Water Charge
\$515,142 GST excl
(\$592,413 GST incl)

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

The metered charge will be \$1.85 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Rural Awatere water supply.

Fig 25: Rural Awatere Water Supply



Riverlands Water Supply

**\$301,200 GST excl
(\$346,380 GST incl)**

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

No change will occur (0.00%).

The minimum quarterly charge will remain unchanged at \$41 GST incl and it will provide for the volume of water supplied between 0 m³ and 56.94 m³.

The metered charge for the volume of water supplied in excess of the minimum quarterly charge volume will remain at \$0.72 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

**\$609,591 GST excl
(\$701,029 GST incl)**

Operating costs have decreased by \$16,454 GST excl (2.63%).

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered connections. This rate funds the net operating costs of the Southern Valleys' Irrigation Scheme.

The metered charge will increase from \$0.24 to \$0.25 GST incl per cubic metre.

Refuse and Recycling Charges

\$1,484,196 GST excl
(\$1,706,825 GST incl)

Refuse and recycling charges have decreased overall by \$1,164 GST excl (0.08%).

Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection Charge

\$1,411,537 GST excl
(\$1,623,268 GST incl)

This charge relates to both a refuse and kerbside recycling collection service for residential properties in Blenheim and Picton.

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

The kerbside recycling collection charge remains at \$46 per separately used or inhabited part of a rating unit and the refuse collection charge remains at \$69 per separately used or inhabited part of a rating unit - total charge remains at \$115 GST incl.

Blenheim/Picton (Residential) Refuse Collection Charge

\$5,915 GST excl
(\$6,801 GST incl)

This charge relates to a refuse collection service only for residential properties in Blenheim and Picton.

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

The collection charge remains at \$69 GST incl per separately used or inhabited part of a rating unit.

Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge

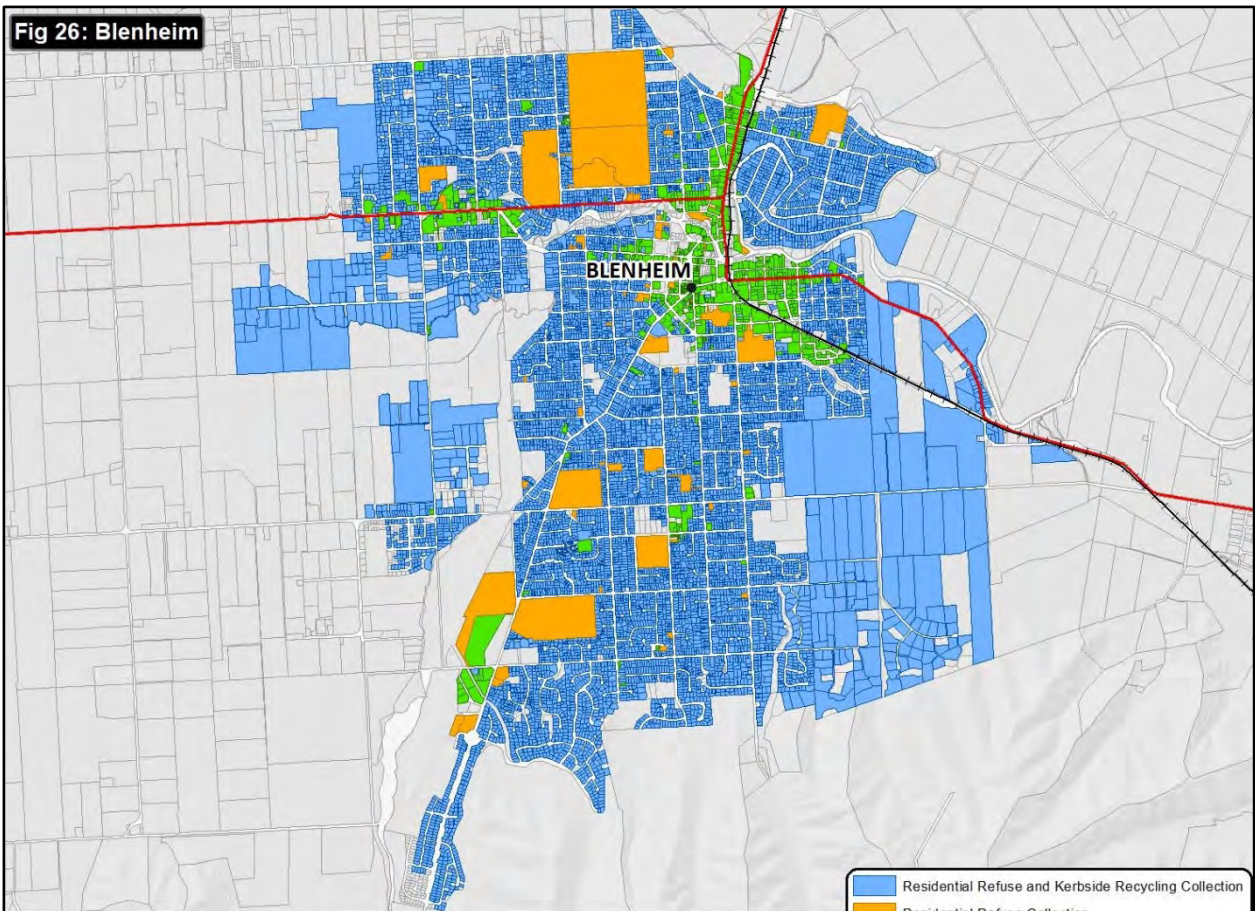
\$66,744 GST excl
(\$76,756 GST incl)

This charge relates to a refuse collection service for Blenheim and Picton "Commercial or Industrial" properties.

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

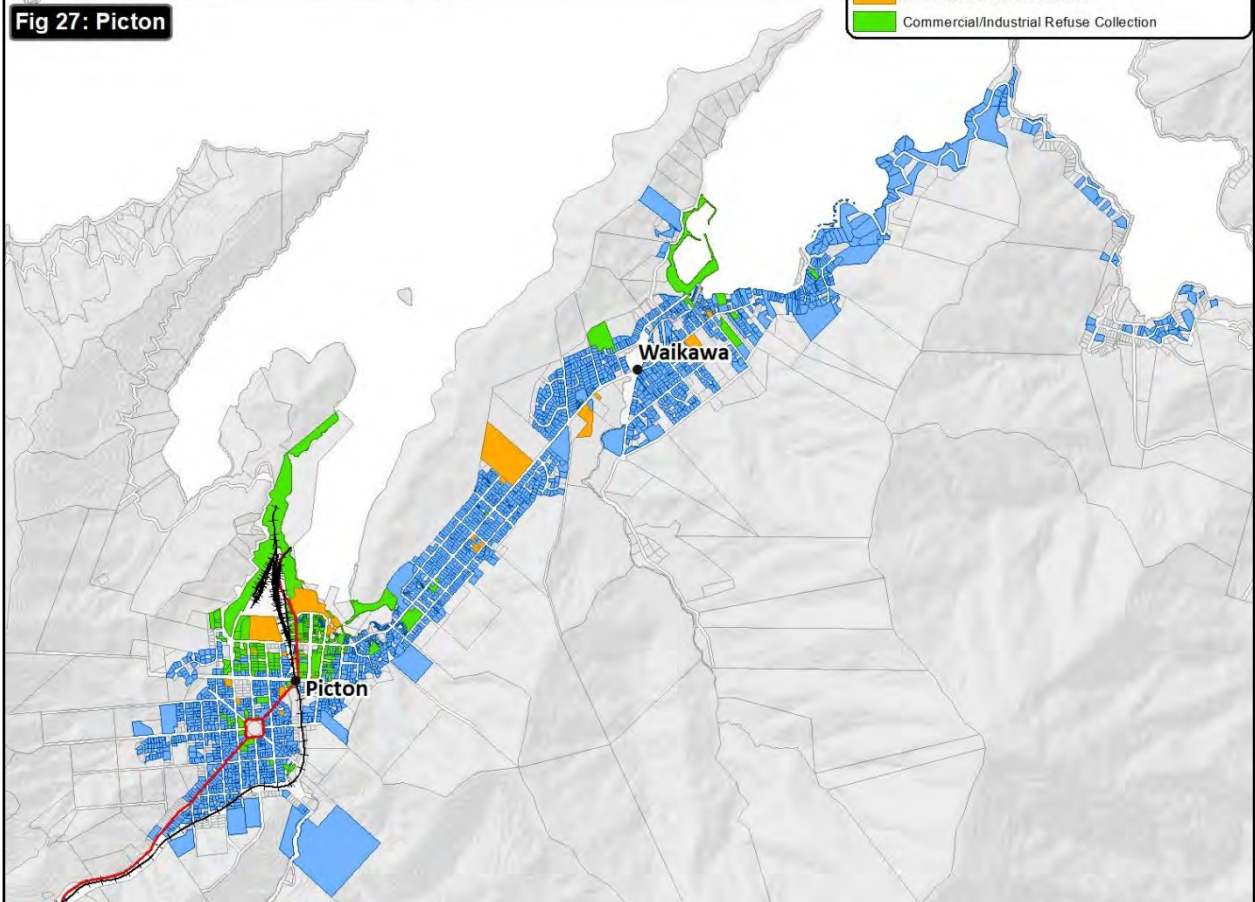
The collection charge remains at \$69 GST incl per separately used or inhabited part of a rating unit.

Fig 26: Blenheim



- Residential Refuse and Kerbside Recycling Collection
- Residential Refuse Collection
- Commercial/Industrial Refuse Collection

Fig 27: Picton



Energy Efficiency Rates

\$403,000 GST excl
(\$463,450 GST incl)

These targeted rates are calculated on the extent of energy efficiency services provided to rating units and are calculated as a percentage of the service amount (*inclusive of associated costs*), until the service amount is recovered. Energy Efficiency is included under the Community Support Activity.

The energy efficiency rate, for nine years, covers both interest and principal and is calculated as a percentage of the service provided as follows:

| | % GST incl | First Rating Year | Final Rating Year |
|--------------------------|------------|-------------------|-------------------|
| Energy Efficiency Rate 1 | 16.893826 | 2011-12 | 2019-20 |
| Energy Efficiency Rate 2 | 16.779455 | 2012-13 | 2020-21 |
| Energy Efficiency Rate 3 | 16.668382 | 2013-14 | 2021-22 |
| Energy Efficiency Rate 4 | 16.560542 | 2014-15 | 2022-23 |
| Energy Efficiency Rate 5 | 16.455869 | 2015-16 | 2023-24 |
| Energy Efficiency Rate 6 | 16.354299 | 2016-17 | 2024-25 |
| Energy Efficiency Rate 7 | 16.319747 | 2017-18 | 2025-26 |
| Energy Efficiency Rate 8 | 16.286016 | 2018-19 | 2026-27 |
| Energy Efficiency Rate 9 | 16.286016 | 2019-20 | 2027-28 |

Residential Pool Inspections Charge

\$95,129 GST excl
(\$109,398 GST incl)

A targeted Residential Pool Inspections rate is calculated on the basis of a fixed amount which has increased from \$84.00 to \$88.20 GST incl on every separately used or inhabited part of any rating unit with a residential pool. The rate will be used to fund the costs associated with carrying out residential pool inspections in Marlborough under the Building (Pools) Amendment Act 2016.

An increase of \$4,117 (GST excl) will occur (4.52%).

Tourism Charges

\$208,000 GST excl
(\$239,200 GST incl)

A targeted tourism rate is calculated on the basis of a fixed amount on every separately used or inhabited part of a rating unit set differentially for the following land uses to enable Destination Marlborough to market Marlborough. A CPI adjustment of 1.8% has been applied to the previous charges. Marketing and Tourism is included under the Regional Development Activity.

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation - \$218 GST incl.

Properties used for commercial rental accommodation where less than 30 people can be accommodated - \$218 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$334 GST incl.

Properties used for tourism activities (excluding the two groups above) - \$243 GST incl.

Where a tourism operator operates in two or more of the groups above from the same rating unit, only the highest applicable group charge will be assessed.

Landscape Charges

\$3,118 GST excl
(\$3,587 GST incl)

A targeted landscape charge on new subdivisions (and existing subdivisions following consultation) is assessed where higher landscaping standards result in additional maintenance costs and is calculated as a fixed amount on every separately used or inhabited part of a rating unit set differentially on the following basis:

| | |
|---|----------------|
| Properties with Urban level 1 landscaping standards | \$41 GST incl |
| Properties with Urban level 2 landscaping standards | \$52 GST incl |
| Properties with Rural level 1 landscaping standards | \$57 GST incl |
| Properties with Rural level 2 landscaping standards | \$174 GST incl |

Street berms, trees and plots are included under the Community Facilities Activity.

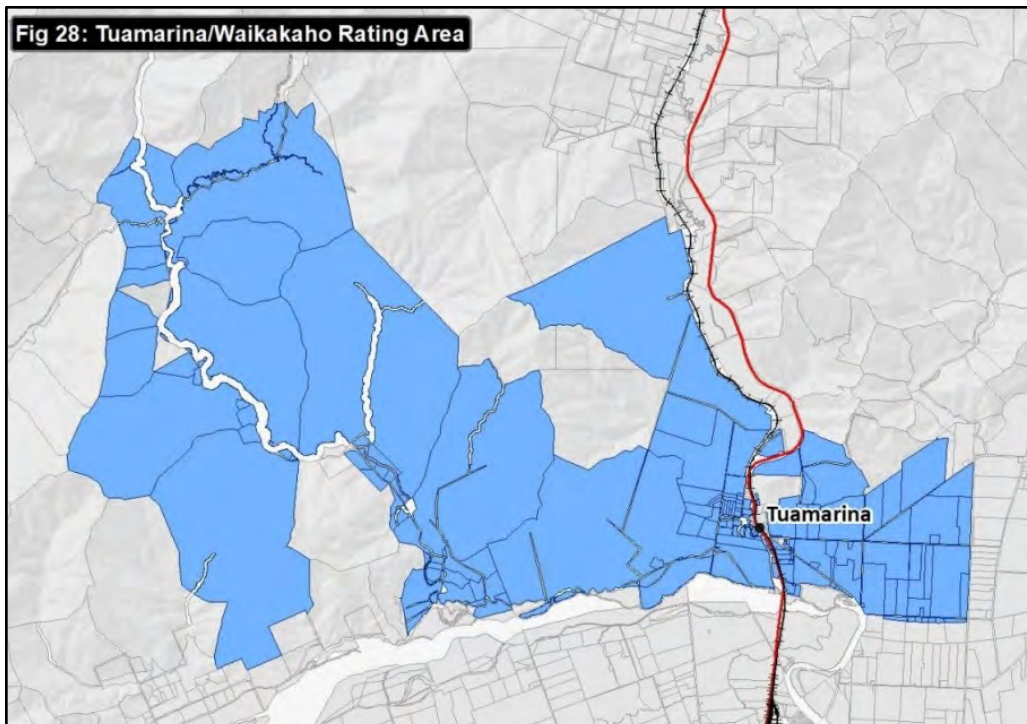
Agency Rates and Charges

\$2,471 GST excl
(\$2,842 GST incl)

Tuamarina/Waikakaho Hall Charge

\$2,471 GST excl
(\$2,842 GST incl)

This charge is calculated as a fixed amount of \$18.45 GST incl on every rating unit in the Tuamarina/Waikakaho Special Rating Area, such charge to be applied to the Tuamarina/Waikakaho Hall. Community halls are included in the Community Facilities Activity.



Residential Rates Postponement Scheme

To cover costs for this scheme, the following fees and charges are set for the 2019-20 rating year. All fees and charges will be added as either a one-off or annual charge as the case may be, to the approved applicant's rate account.

| Initial Charges – One off | Charging Unit | Fees and Charges (GST Inclusive) |
|--|---------------|----------------------------------|
| Application fee | One-off | \$50.00 |
| Contribution to the decision facilitation process | One-off | \$300.00 |
| Annual Interest Charges | | |
| Interest calculated at Council's borrowing rate on all amounts outstanding | | |
| Annual Charges | | |
| Administration fee | Annual | \$50.00 |
| Reserve fund levy | Annual | 0.25% |

Property insurance: a ratepayer must submit a current certificate annually.

Instalments

The above rates and charges are for the period 1 July 2019 to 30 June 2020 and will become due and payable by four instalments as follows:

| Instalment | Last Date for Payment Before Penalty is Added |
|------------------|---|
| Instalment One | 10 September 2019 |
| Instalment Two | 10 December 2019 |
| Instalment Three | 10 March 2020 |
| Instalment Four | 10 June 2020 |

Each instalment is one quarter of the annual rates for the current year.

Charges for Metered Water

| Water Supply Area | Readings Taken in Period | Last Date for Payment before Penalty is Added |
|--|------------------------------------|---|
| Awatere and Seddon | 1 July 2019 – 31 October 2019 | 20 November 2019 |
| | 1 November 2019 – 29 February 2020 | 20 March 2020 |
| | 1 March 2020 - 30 June 2020 | 20 July 2020 |
| Blenheim, Havelock, Picton, Renwick, Riverlands, Southern Valleys' and Wairau Valley | 1 July 2019 – 30 September 2019 | 20 October 2019 |
| | 1 October 2019 – 31 December 2019 | 20 January 2020 |
| | 1 January 2020 - 31 March 2020 | 20 April 2020 |
| | 1 April 2020 – 30 June 2020 | 20 July 2020 |

Penalty Provisions (Additional Charges on Unpaid Rates)

A penalty, equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the “Last Date for Payment”, shall on the next day be added to that amount of unpaid rates.

Pursuant to sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges from previous years that remain unpaid on 30 June 2020.

Payments are applied to the oldest debt first. All payments are allocated to the oldest debt first so if the instalment is not paid in full by the date shown a 10% penalty is added to any amount of the instalment still outstanding. All penalty charges are exempt from GST.

Penalty Provisions (Unpaid Metered Water)

A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid at the close of day on the “Last Date for Payment”, shall on the next day be added to that amount which remains unpaid.

General Revenue Sources

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

These include:

Dividends and Interest from Investments (\$10,515,596)

The \$10,515,596 total amount is comprised of Internal Loans Interest (\$7,069,596) Interest on General Funds (\$7,000), Interest on Investments (\$540,000) and Dividends (\$2,899,000).

- Funded to specified Reserves for particular purposes or events (eg: Emergency Events Reserve).
- Used to subsidise general type rates and charges by way of general revenue allocation.
- Used to fund interest and funding costs on external borrowings.

Petroleum Tax (\$367,000)

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

Contributions Received from Development and Subdivision (\$3,351,593)

Are applied towards the cost of infrastructure related to the development and community facilities.

Forestry Income (\$2,500,000)

Currently used to fund the Forestry and Land Development reserve which is used to fund any projects approved by Council.

Geographic Areas

The geographic areas can generally be described as follows:

Blenheim Area (BM) (Fig 3)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential or Industrial in the Wairau/Awatere Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas; and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

Growth pockets and other growth areas rezoned Residential or Urban Residential 2 Greenfields following notification of the new Marlborough Resource Management Plan will be excluded from the Blenheim Area until granting of subdivision title.

Blenheim Vicinity Area (BV) (Fig 2)

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

From just north of the Rarangi Settlement following around the foothills in a south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; around to include the Taylors Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

Picton Area (PN) (Fig 4)

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

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt

Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP 3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa 2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

Also included in the Picton area are a number of properties where it was an express condition of subdivisional resource consent.

Picton Vicinity Area (PV) (Fig 4)

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

General Rural Area (GR) (Fig 1)

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

Sounds Admin Rural (AR) (Fig 5)

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

Rates Movements 2019-20

Total Rates and Charges for 2019-20 are estimated at \$70,034,175 (GST exclusive). This represents an increase of \$2,447,468 (3.62%) on last year's levy.

The rating effect will be different for individual properties because of the varying effects of the recent district-wide revaluation; movements in general-type rates not impacting uniformly on all geographic rating areas; and movements in targeted separate rates (such as Sewerage and Water etc) affecting only those properties able to receive these services

| Significant contributors to the overall rates increase are as follows: | | |
|---|-------------|---|
| General Rates and Charges | | |
| Environmental Management | \$349,647 | More resources are required to implement the proposed Marlborough Environment Plan, as well as the range of National Environmental Policy Standards and Regulations. |
| Roads and Footpaths | \$658,391 | Increased depreciation and maintenance. This includes an increase in the cleaning of Picton and Blenheim CBD pavements and more road and cycleway sweeping. |
| Community Facilities | \$482,712 | Increased operating costs are budgeted for: <ul style="list-style-type: none"> • Reserves maintenance contracts; • Lansdowne Park; • Other Reserves; • Awatere Hall. |
| Biosecurity (Pest Management) | \$210,350 | Increased funding for the implementation of the Regional Pest Management Plan and the Biosecurity Strategy. |
| Democracy | \$199,896 | Increased operating costs due to Council elections to be held 12 October 2019 and increased overhead allocation. |
| Regional Development | \$127,269 | The increase is mainly due to: <ul style="list-style-type: none"> • Follow Me Marlborough Events transferred from Community Support; • A new 0.5 FTE for Smart and Connected Community/Economic Development and resulting additional overhead allocation. |
| Libraries | \$112,891 | Increased depreciation and operating costs resulting from the opening of the new purpose built library and service centre in Picton. |
| Solid Waste Management | (\$174,492) | Reduction in rates funding for: <ul style="list-style-type: none"> • Greenwaste: increased dump fees; • Hazardous Waste: budgeted one off Government contribution towards setting up the new hazardous waste centre. |
| Targeted Rates and Charges | | |
| Combined Sewerage | \$450,623 | Depreciation and interest have increased due to recent capital investment. |
| Combined Water | \$423,178 | Depreciation and interest have increased due to recent capital investment. Mains maintenance and overheads have also increased. |

Indicative Impact on Benchmark Properties

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

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

| Benchmark Properties | Land Value | Capital Value | 18-19 Actual Rate Levy | 19-20 Final Plan Rate Levy | 19-20 Total \$ Rate Mvt | 19-20 Total % Rate Mvt |
|---------------------------------------|-------------|---------------|------------------------|----------------------------|-------------------------|------------------------|
| 01-Blenheim Residential | \$200,000 | \$400,000 | \$2,607 | \$2,700 | 93 | 3.58% |
| 02-Blenheim Residential | \$185,000 | \$390,000 | \$2,618 | \$2,708 | 90 | 3.42% |
| 03-Blenheim Residential | \$225,000 | \$500,000 | \$2,744 | \$2,844 | 100 | 3.66% |
| 04-Blenheim Residential | \$225,000 | \$620,000 | \$2,932 | \$3,034 | 102 | 3.47% |
| 05-Blenheim Residential | \$195,000 | \$530,000 | \$2,723 | \$2,816 | 93 | 3.41% |
| 06-Blenheim Vacant Section | \$190,000 | \$190,000 | \$974 | \$1,028 | 54 | 5.49% |
| 07-Blenheim Commercial | \$134,000 | \$540,000 | \$3,424 | \$3,516 | 92 | 2.70% |
| 08-Blenheim Commercial | \$425,000 | \$1,130,000 | \$7,194 | \$7,389 | 195 | 2.71% |
| 09-Picton Residential | \$135,000 | \$440,000 | \$2,665 | \$2,756 | 91 | 3.39% |
| 10-Picton Residential | \$200,000 | \$415,000 | \$3,068 | \$3,180 | 112 | 3.66% |
| 11-Picton Vacant Section | \$129,000 | \$129,000 | \$2,075 | \$2,145 | 70 | 3.39% |
| 12-Picton Commercial | \$290,000 | \$420,000 | \$4,776 | \$4,818 | 42 | 0.86% |
| 13-Picton Motels (19 units) | \$485,000 | \$1,450,000 | \$7,027 | \$7,088 | 61 | 0.87% |
| 14-Blenheim Vicinity | \$1,540,000 | \$3,100,000 | \$7,294 | \$7,539 | 245 | 3.36% |
| 15-Blenheim Vicinity | \$1,000,000 | \$2,130,000 | \$4,887 | \$5,044 | 157 | 3.22% |
| 16-Blenheim Vicinity | \$7,530,000 | \$16,000,000 | \$28,518 | \$29,672 | 1,154 | 4.05% |
| 17-Blenheim Vicinity | \$2,050,000 | \$2,840,000 | \$8,565 | \$8,888 | 323 | 3.78% |
| 18-Blenheim Vicinity | \$7,440,000 | \$12,250,000 | \$28,189 | \$29,329 | 1,140 | 4.04% |
| 19-Renwick Residential * 1 | \$175,000 | \$410,000 | \$2,425 | \$2,515 | 90 | 3.70% |
| 20-Renwick Residential * 2 | \$170,000 | \$325,000 | \$2,460 | \$2,548 | 88 | 3.56% |
| 21-Spring Creek Residential | \$170,000 | \$385,000 | \$1,883 | \$1,934 | 51 | 2.72% |
| 22-Grovetown Residential * 3 | \$225,000 | \$470,000 | \$3,115 | \$3,181 | 66 | 2.12% |
| 23-Grovetown Residential * 3 | \$180,000 | \$280,000 | \$2,681 | \$2,734 | 53 | 1.99% |
| 24-Rarangi Residential | \$290,000 | \$1,020,000 | \$1,568 | \$1,614 | 46 | 2.94% |
| 25-Picton Vicinity | \$1,570,000 | \$1,905,000 | \$4,949 | \$5,160 | 211 | 4.26% |
| 26-Ngakuta Bay - bach | \$155,000 | \$480,000 | \$1,101 | \$1,130 | 29 | 2.67% |
| 27-General Rural - French Pass | \$1,820,000 | \$2,000,000 | \$5,590 | \$5,913 | 323 | 5.79% |
| 28-General Rural - Manaroa | \$4,070,000 | \$5,070,000 | \$13,126 | \$13,795 | 669 | 5.10% |
| 29-General Rural - Opouri Valley | \$2,930,000 | \$3,670,000 | \$8,510 | \$9,030 | 520 | 6.11% |
| 30-General Rural - on Awatere Water | \$1,750,000 | \$2,270,000 | \$5,820 | \$6,236 | 416 | 7.15% |
| 31-Havelock Residential | \$178,000 | \$435,000 | \$2,153 | \$2,251 | 98 | 4.53% |
| 32-Seddon Residential | \$99,000 | \$270,000 | \$3,150 | \$3,268 | 118 | 3.72% |
| 33-Wairau Valley Township Residential | \$150,000 | \$520,000 | \$2,295 | \$2,324 | 29 | 1.29% |
| 34-Sounds Admin Rural - farm | \$4,900,000 | \$5,720,000 | \$7,738 | \$8,089 | 351 | 4.55% |
| 35-Sounds Admin Rural - bach | \$165,000 | \$360,000 | \$664 | \$674 | 10 | 1.58% |
| 36-Sounds Admin Rural - bach | \$270,000 | \$510,000 | \$806 | \$824 | 18 | 2.23% |

GST has been calculated on the basis of 15% for the year.

*1 This property opted to make sewer lump sum payments.

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

*3 These properties pay the sewerage loan rate because they did not make a lump sum payment.

Appendices



- Council Committees and Members
- Ward Boundaries
- Council Staff Structure
- MDC Directory
- Glossary of Terms

Council Committees and Members

For this term of Council, the following Committee structure (and membership) was put into place on 26 October 2016. It has three standing committees, a joint committee with Kaikoura District Council, three statutory committees and eight sub-committees. Pursuant to Section 41 (a) (5) of the Local Government Act 2002 the Mayor is a member of each Committee of Council.

Assets & Services Committee

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

Clr Terry Sloan – Chairperson
Clr Geoff Evans - Deputy
Clr Jenny Andrews
Clr Brian Dawson
Clr Michael Fitzpatrick
Clr Mark Peters
Mayor John Leggett
Iwi representative - Richard Hunter

Civil Defence Emergency Management Group (Statutory Committee)

The delegation to act as this Group (formed in accordance with the Civil Defence and Emergency Management Act 2002) is given to the Assets and Services Committee. The Assets and Services Committee (acting as the Group) is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by section 17(1)(i) of the Civil Defence and Emergency Management Act 2002.

Clr Terry Sloan – Chairperson
Clr Geoff Evans - Deputy
Clr Jenny Andrews
Clr Brian Dawson
Clr Michael Fitzpatrick
Clr Mark Peters
Mayor John Leggett
Iwi representative - Richard Hunter

Parking Sub-Committee

The focus of this Sub-Committee is Council's parking portfolio.

Clr Brian Dawson – Chairperson
Clr Michael Fitzpatrick
Mayor John Leggett

Regional Transport Committee (Statutory Committee)

This Committee prepares for approval by Council the Regional Land Transport Plan [the Plan], or any variations to the Plan and provides Council with any advice and assistance in relation to its transport responsibilities. The Committee must adopt a policy that determines significance in respect of variations made to the Plan (under s18D of the Land Transport Management Act 2003 [the Act]) and the activities that are included in the Plan (under s16 of the Act).

Membership of the Committee (refer s105 of the Act) is limited to four persons representing Council; and one person representing the New Zealand Transport Agency.

Clr Terry Sloan – Chairperson
Clr Geoff Evans - Deputy
Clr Brian Dawson
Clr Michael Fitzpatrick
New Zealand Transport Agency representative - Jim Harland

Conduct Review Committee

This Committee is established per the Code of Conduct. The Committee manages compliance with the Code of Conduct and with any statutory obligations.

Mayor John Leggett – Chairperson
Clr Jenny Andrews
Clr Cynthia Brooks
Clr Terry Sloan
Independent member – to be advised

District Licensing Committee (Statutory Committee)

This Committee considers and determines applications, pursuant to the Sale and Supply of Alcohol Act 2012 [the Act], for: licences and manager's certificates; renewals of licences and

manager's certificates; temporary authorities to carry on the sale and supply of alcohol in accordance with s136 of the Act; the variation, suspension, or cancellation of special licences; the variation of licences (other than special licences) unless the application is brought under s280 of the Act; with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and conduct inquiries and to make reports as may be required of it by the licensing authority under s175 of the Act. This Committee is also responsible for hearing and deciding on applications to Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

Mayor John Leggett – Chairperson

Two members appointed by the Chairperson from the following:

Graeme Barsanti
Hamish Beard
Liz Hawthorne
Graeme Horsley
Margaret McHugh
Peter Sommerville

Environment Committee

This Committee is responsible for environmental science and monitoring; monitoring of consents; enforcement and prosecution policies; biosecurity; animal control; building control; resource consent processing; dangerous goods; fencing of swimming pools; food and health monitoring; and harbour management.

Clr David Oddie – Chairperson
Clr Gerald Hope – Deputy
Clr Jamie Arbuckle
Clr Cynthia Brooks
Clr Trevor Hook
Clr Nadine Taylor
Mayor John Leggett
Iwi representative – to be advised
Rural Representative – Ross Beech

Animal Control Sub-Committee

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

Clr Jamie Arbuckle – Chairperson
Clr Nadine Taylor

Resource Hearing Sub-Committee

This Committee makes decisions on applications for resource consents (each consent is heard by a

Committee made up of a Chairperson and two members).

Clr Cynthia Brooks – Chairperson
Clr Jamie Arbuckle
Clr David Oddie
Clr Nadine Taylor

Marlborough Regional Forestry

Marlborough Regional Forestry is a joint committee of Marlborough District Council and the Kaikoura District Council. Council owns 88.62% of the forestry estate and Kaikoura District Council owns the remaining 11.38%. The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

Clr Gerald Hope – Chairperson
Mayor John Leggett
Kaikoura District Council representative
Forestry representative – Leo Jelinek

Planning Finance & Community Committee

This Committee is responsible for the Marlborough Environment Plan; implementation of Growing Marlborough and 'Smart and Connected' Economic Development Strategies; CBD and Small Township Revitalisation programmes; Destination Marlborough; Picton Forum; Sounds Advisory Group; Long Term Plan; Annual Plan; Annual Report; audit issues; Council Subsidiaries; risk management; community and social issues; youth, elderly and access issues; culture and heritage; social policies (ie; gaming and psychoactive substances policies); grants and donations; sister cities; libraries; customer services; democratic process; general administration; health and safety; and property management.

Clr Trevor Hook – Chairperson
Clr Mark Peters – Deputy
Clr Jenny Andrews
Clr Jamie Arbuckle
Clr Cynthia Brooks
Clr Brian Dawson
Clr Michael Fitzpatrick
Clr Gerald Hope
Clr David Oddie
Clr Nadine Taylor
Mayor John Leggett
Iwi representative – to be advised

Audit and Risk Sub-Committee

The focus of this Sub-Committee is to oversee the audit of Council's Annual Report and Annual/Long Term Plan and consider and report as necessary on the findings of any audit management report.

Ian Marshall CA (Independent External Member) - Chairperson
Clr Trevor Hook
Clr David Oddie
Clr Mark Peters
Mayor John Leggett

Grants Sub-Committee

This Sub-Committee carries out Council's partnership with Creative New Zealand and SPARC (Sport and Recreation New Zealand) to ensure local arts funding and rural travel funding are available to the Marlborough area. The Sub-Committee has delegated authority for the allocation of funds under both schemes. In addition the Sub-Committee has delegated authority for consideration of Marlborough District Council Community Grants and Council's Arts and Heritage Grants, with recommendations being made to Council for consideration.

Clr Jenny Andrews (Chairperson)
Clr Nadine Taylor
Sports Trust appointee – Karen Hartshorne
Arts Sector appointee – Kate Parker
Community representatives –
Patricia Clay
Graeme Duncan
Graeme Haymes
Cheryl Thompson
Two iwi representatives - to be confirmed

Housing for Seniors Sub-Committee

The focus of this Sub-Committee is Council's Housing for Seniors portfolio.

Clr Cynthia Brooks – Chairperson
Clr Jenny Andrews
Clr Gerald Hope
Clr Mark Peters
Grey Power Marlborough representative –
Mr Philip Hunnisett

Sister City Sub-Committee

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

Clr Gerald Hope – Chairperson
Clr Trevor Hook
Clr Nadine Taylor
Community representatives –
Cathie Bell
Jennie Hopkins
Margaret Porteous
Lily Stewart
Alistair Sowman
Margaret Western

Youth Sub-Committee

The focus of this Sub-Committee is issues related to youth in the community.

Mayor John Leggett – Chairperson
Clr Jenny Andrews

Appointment of Councillors and Staff to Subsidiaries

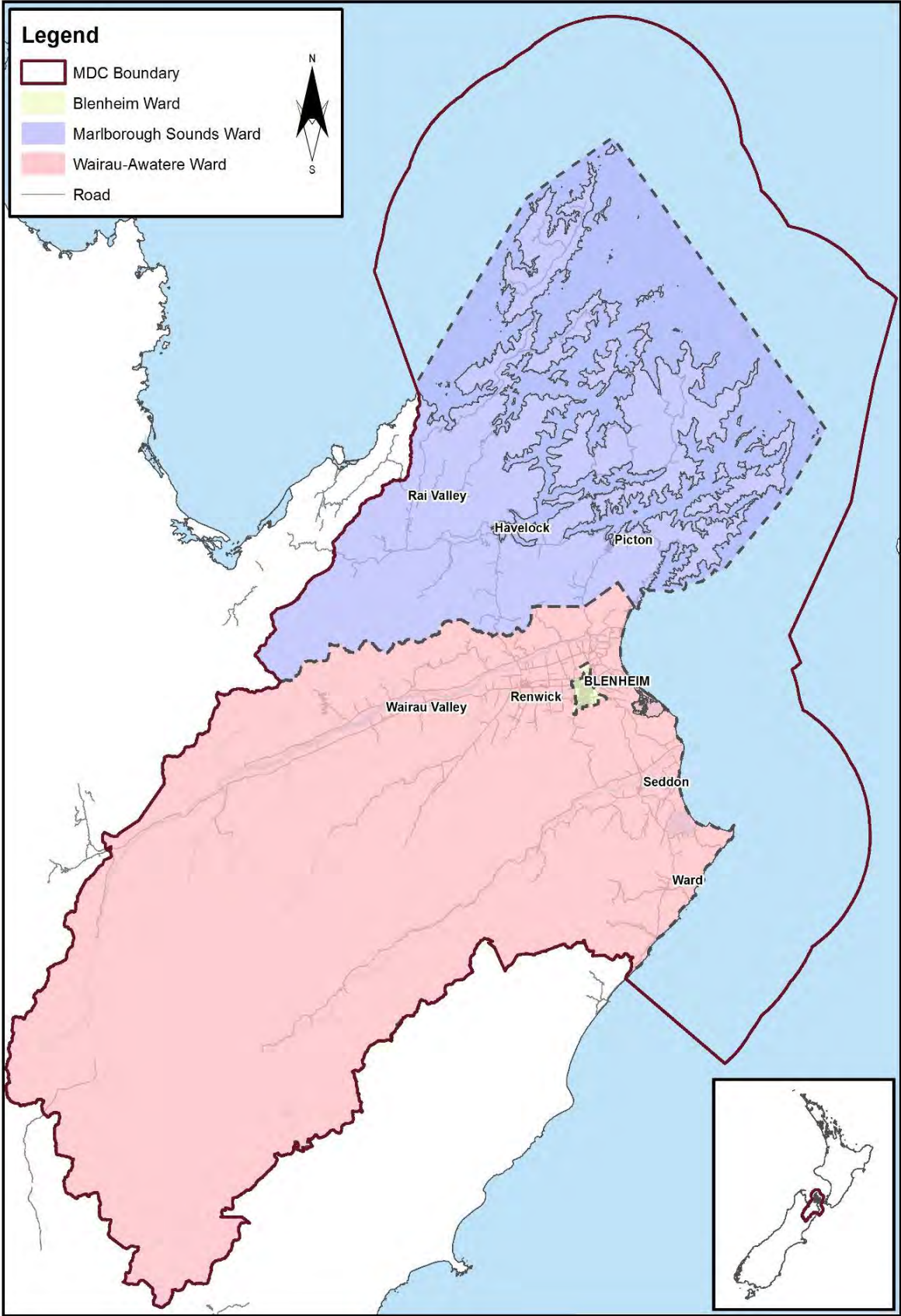
MDC Holdings Limited and Marlborough Airport Limited

Mayor John Leggett – Director
Chief Executive – Mark Wheeler – Director
Chair of Planning Finance and Community Committee – Clr Trevor Hook – Director,
Clr Mark Peters – Director

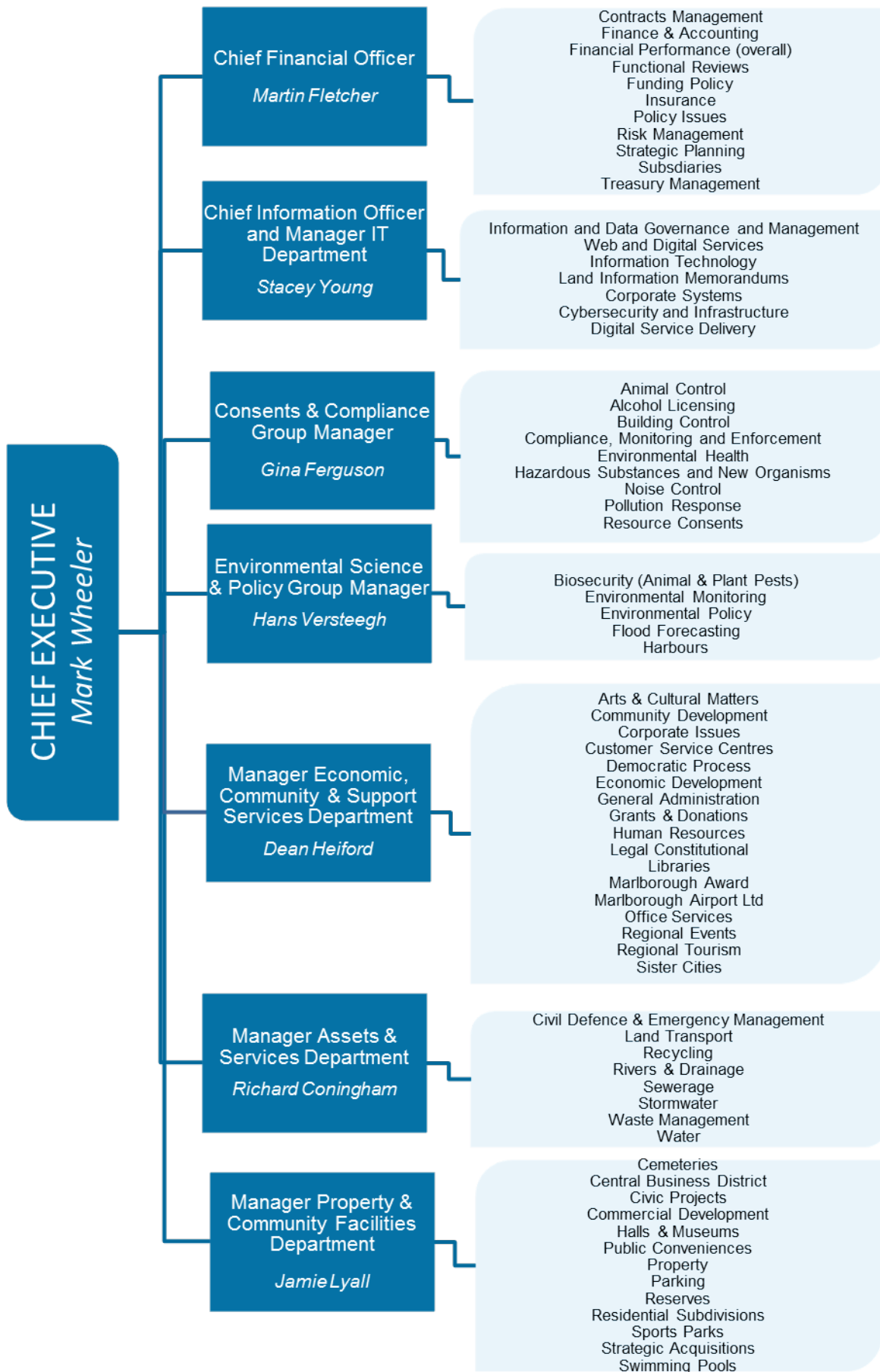
Port Marlborough NZ Limited

Chief Financial Officer – Martin Fletcher – Director

Ward Boundaries



Council Staff Structure



MDC Directory

Contact Details

PO Box 443, Blenheim 7240

Telephone: (03) 520 7400

Facsimile: (03) 520 7496

Email: mdc@marlborough.govt.nz

Web: www.marlborough.govt.nz

Addresses

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

2 Dublin Street, Picton 7220

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Works and Operations Depot

Wither Road, Blenheim

Reserves Depot

Pollard Park, Blenheim

Solicitor

P J Radich of Radich Law, Blenheim

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Andy Burns, Audit New Zealand, Christchurch on behalf of the Auditor General

General Statistics

Population
(Statistics NZ Estimate 30 June 2018) 46,600

Population
(Census count March 2013) 46,302

Population
(Usually Resident March 2013) 43,416

Inter-Census Population Movement (+) 2.0%

District Area 17,517 square kilometres

as at 30 June 2018

Rateable Land Value \$9,153,611,300

Rateable Capital Value \$19,403,406,000

Number of Rate Assessments 26,433

as at 30 June 2017

Rateable Land Value \$7,539,824,550

Rateable Capital Value \$15,538,464,800

Number of Rate Assessments 26,154

Forecast Number of Total Rateable Properties

Forecast growth in the number of rateable properties has been based on the projection of 150 units per annum in the Development Contributions Policy.

Glossary of Terms

Accruals

Expenses incurred during the current year for which invoices have not yet been processed.

Activity

A good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.

Allotment

Has the meaning given to it in S218(2) of the Resource Management Act 1991.

Allotment Area

Is the total land area of an allotment.

AP 2019-20

The revised budget for the 2019-20 year.

Applicant

Is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan

Council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Asset Sales

Refers to the sale of MDC assets eg: cars, property.

Borrowings

The amount of external loans.

Capital Expenditure

The cost of capital works for network infrastructure, reserves and community infrastructure and other assets.

Catchment

The area served by a particular infrastructure investment.

Charge

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

Commercial

Any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

Community Facilities

Reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.

Community Infrastructure

The following assets when owned, operated or controlled by a territorial authority:

- (a) Community centres or halls for the use of a local community or neighbourhood and the land on which they are or will be situated.
- (b) Play equipment that is located on a neighbourhood reserve.
- (c) Toilets for use by the public.

Community Outcomes

The outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.

CV

Capital value.

Departmental Management

Allocation of Departmental Manager costs to activities.

Development

- (a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) Does not include the pipes or lines of a network utility operator.
- (c) Toilets for use by public.

Development Contribution

A contribution:

- (a) provided for in a development contributions policy included in the LTP of a territorial authority; and
- (b) calculated in accordance with the methodology; and comprising-
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve (other than in relation to a

subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or

(iii) both.

Development Contributions Policy

The policy on development contributions adopted under section 102(1).

District

The district of a territorial authority.

District Plan

The District Plan of Marlborough District Council.

District-Wide

Applies to every property in the district.

Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Financial Contributions

Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.

Financial Strategy

Council's Financial Strategy included in the LTP

General Revenues Applied

Share of revenues generated by Council as a whole as compared to a specific activity eg: interest and dividends.

Geographic Areas

The district is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.

Goods and Services Tax (GST)

Goods and services tax under the Goods and Services Tax Act 1985.

Greenfields Area

Are defined as those areas where building capacity exists on the perimeter of the city.

Gross Floor Area (GFA)

For the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- carparking;
- loading docks;

- vehicle access and manoeuvring areas/ramps;
- plant and equipment enclosures on the roof;
- service station canopies;
- pedestrian circulation space in an enclosed retail shopping centre;
- any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU)

An average residential dwelling occupied by a household of average size.

Impervious Surface Area

For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which:

- falls within the definition of coverage;
- is covered by decks;
- is occupied by swimming pools;
- is used for parking, manoeuvring or loading of motor vehicles;
- is paved with a continuous surface with a run-off coefficient of greater than 0.45.

Increase (Decrease) in Reserves

Increase in reserves are generally surpluses on operations. Decrease from reserves assist to fund capital expenditure.

Industrial

Means:

- (a) any premises used for any industrial or trade purposes; or
- (b) any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials; or
- (c) any other premises from which containment is discharged in connection with any other industrial or trade process; or
- (d) any activity where people use materials and physical effort to:
 - extract or convert natural resources;
 - produce goods or energy from natural or converted resources;
 - repair goods;
 - store goods. (ensuing from an industrial process).

Infrastructural Assets

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.

Infrastructure Strategy

Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.

LGA

The Local Government Act 2002.

LIDAR

A remote sensing method to measure the land surface area.

Loans/Debt

The raising of internal loans for capital items, such as a sewerage or water scheme.

Local Authority

A regional council or territorial authority.

LTP

2018-2028 Long Term Plan.

LV

Land value.

Network Infrastructure

The provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network Utility Operator

Has the meaning given to it by section 166 of the RMA.

Non-Residential Development

Any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.

Operational Assets

Tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.

Other Revenue

Revenue specifically generated by the activity.

Overhead Allocation

The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.

Prepayments

Amounts paid to creditors by the MDC in the current year that relate to future years.

Property Value

For rating purposes this refers to either the "land" or "capital" value of a property.

Public Debt

The amount of borrowed funds that the MDC owes to external parties.

Public Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Rate/Rates

The Local Government (Rating) Act 2002 defines Rate –

- (a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and
- (b) includes a penalty added to a rate in accordance with section 58; but
- (c) does not include a lump sum contribution.

Residential Development

Any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

Resource Management Plan

The Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.

RMA

The Resource Management Act 1991.

Section Management

Allocation of Section Manager costs when they are responsible for more than one activity.

Service Catchment

The same as catchment.

Service Connection

A physical connection to a service provided by, or on behalf of, a territorial authority.

Statement of Cashflows

Describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

Statement of Comprehensive Revenue and Expense

Can also be referred to as the Income Statement, Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Position

Shows the assets, liability and equity at the end of each period. It can also be referred to as the Balance Sheet.

Subdivision

Has the same meaning as section 218 of the Resource Management Act 1991.

Subsidies

Amounts received from other agencies for the provision of services eg: NZTA roading subsidies.

Third Party Funds

Funding or subsidy, either in full or in part, from a third party eg: subsidies for the roading network.

Transfer to/from Reserves and Capex transfer from Reserves

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves

assist to fund projects/expenditure that meet the purpose of the reserve. Capex transfers from reserves assist to fund capital expenditure.

Unit of Demand

The measure of demand for community facilities.

User Charges

The charges levied for use of MDC services eg: building consent fees, health inspections.

Working Capital

This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.



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