





MARLBOROUGH

FINAL
**Annual
Plan**

2007 - 2008



COUNCIL'S MISSION

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



Pollard Park, Blenheim



*Front/Back Cover Photo: Graeme Matthews
Cyclists taking part in the annual Graperide, Queen Charlotte Drive*

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MDC DIRECTORY



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GENERAL STATISTICS

- **Population** 46,179 (Census 7 March 2006)
- **Inter-Census Population Movement** (+) 8.6%
- **District Area** - 17,517 square kilometres

as at 30 June 2006

Rateable Land Value \$6,308,746,500

Rateable Capital Value \$11,386,660,700

Number of Rate Assessments 23,908

ADDRESSES

District Administration Building

15 - 21 Seymour Street, Blenheim

Picton Service Delivery Centre (includes Library)

67 High Street, Picton

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Animal & Plant Pests Depot and Services

Freswick Street, Blenheim

Reserves Depot

Pollard Park, Blenheim

SOLICITOR

P J Radich of

Radich Dwyer Hardy-Jones Clark, Blenheim

BANKERS

Bank of New Zealand, Blenheim

AUDITOR

Auditor General, Audit New Zealand

Christchurch

Adoption of this Annual Plan was confirmed at a meeting of the Marlborough District Council on 28 June 2007.

FROM THE MAYOR'S DESK



I am pleased to present the Annual Plan for the 2007 – 2008 financial year.

The plan is produced as Marlborough continues to enjoy very positive growth across all sectors. The 2006 census showed our population continues to increase, with new arrivals from other parts of New Zealand and around the world. Their decisions to move to Marlborough show a confidence in the way we are heading, and augur well for the long term future of the district. Attracting and retaining families and working age people is the key to a sustainable future.

The plan contains financial information relating to the activities that Council plans to undertake during the 2007/08 financial year to support this growth, together with information on the expected financial position of Council overall. The plan also includes information on the intended levels of service performance for the different activities.

Importantly, the plan updates the budget projections that were made last year in the Long Term Council Community Plan. Since the LTCCP was published changes to the operating environment have required revisions of some of its projections. These changes are chiefly to do with revised timing of capital works, and do not trigger the Local Government Act's requirements to formally amend the LTCCP.

An example of the changes that have been made include the extensive capital works that were anticipated in order to respond to the revised water treatment standards that central government is proposing. These works have been deferred awaiting outcome of the legislation, particularly as it relates to the level of treatment that is to be required, and the assistance that Government intends to extend to the small communities that will bear the brunt of these changes.

Council made it clear that the treatment of water was dependent on the content of legislation passed by central government and on an analysis of the funding assistance available for implementation. Central government has deferred the legislation until later this calendar year, and the capital programmes associated with treatment have likewise been deferred until post 2008. This is the earliest possible time that treatment could be designed and constructed.

Central government delays have also required the deferral of work on a new sewerage system for the Grovetown community. Central government has yet to advise of what subsidies may be available and the criteria for applications, and the community is not yet able to determine which funding options may be most suitable.

The implementation of harbour control risk measures anticipated in the LTCCP remains dependent on achieving an alternative funding source than rates. Council continues to seek central government recognition that the shipping route through the Marlborough Sounds functions as part of the national highway system, and that it is inequitable for Marlborough ratepayers to bear the costs of safety management. Council is seeking further input from central government on funding options and on whether central government is prepared to look at taking over the responsibility for harbour control in the Marlborough Sounds.

In Picton, the design and costing of alternative sites for the replacement of the town's sewerage outfall is still being carried out. The timing associated with obtaining resource consent and finalising a design has deferred the project until 2008. Part of the rates funding for this project will still be introduced in the 2007 year.

Other minor changes affect rating methods being applied to fund some Council activities. For example, it is now proposed that river control works associated with the lower Wairau over the next three to four years be funded from rivers reserves.

A new funding plan for the Southern Valleys' Irrigation Scheme is also included in the Annual Plan. From 1 July 2008 Southern Valleys water users will have the opportunity to fund the capital cost of the scheme by way of a lump sum, in lieu of the loan repayment rate. Finally, and after consultation with the Wairau Valley community, it is proposed to change the rating method for the Wairau Valley water supply to a water meter rate.

Council is mindful of the need to ensure rates are affordable to residents, at the same time as it is required to respond to increasing expectations of service, and the pressures of continued growth. Readers will see that this year's annual plan continues a tradition of prudent financial management, and carefully considered decision making on what activities Council will undertake.



Alistair Sowman
MAYOR

ELECTED COUNCIL MEMBERS

MAYOR



Alistair Sowman

BLENHEIM WARD



*Jenny Andrews
(Deputy Mayor)*



Jill Bunting



Frank Connor



John Craighead



Liz Davidson



Gerald Hope



Graeme Taylor

WAIRAU/AWATERE WARD



Andrew Barker



Francis Maher



Pat O'Sullivan

PICTON WARD



Cliff Bowers



Nigel Weetman

PELORUS/NORTHERN MARLBOROUGH SOUNDS WARD



Graeme Barsanti

COUNCIL COMMITTEES AND MEMBERS

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



The present committees and their membership are as follows:

ASSETS & SERVICES COMMITTEE

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

Chairperson – Cllr Francis Maher
Deputy Chairperson – Cllr Graeme Taylor
Cllr Graeme Barsanti
Cllr Frank Connor
Cllr Pat O'Sullivan
Cllr Nigel Weetman
Mr Richard Hunter (iwi representative)
Mayor Alistair Sowman (ex officio)

◆ Regional Land Transport Committee

This Committee prepares for approval by Council the Regional Land Transport Strategy prepared under the Land Transport Management Act 2003 and the Land Transport Programme prepared under the Land Transport Act 1998.

Cllr Graeme Barsanti – Chair
Cllr Francis Maher
Cllr Pat O'Sullivan
Land Transport New Zealand representative
Transit New Zealand representative
New Zealand Police representative
Commercial Road User representative
Private Road User representative
Railway operator representative
Taxi representative
NZCCS representative
Cyclist representative
Marlborough Chamber of Commerce representative
District Health Board representative
Environmental Centre representative
Maori representative

COMMUNITY AND FINANCIAL PLANNING COMMITTEE

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

Chairperson – Cllr Andrew Barker
Deputy Chairperson – Cllr Graeme Barsanti
Cllr Jenny Andrews
Cllr Cliff Bowers
Cllr Frank Connor
Cllr Gerald Hope
Cllr Francis Maher
Cllr Pat O'Sullivan
Cllr Graeme Taylor
Mrs Yvonne Burns (iwi representative)
Mayor Alistair Sowman (ex officio)

◆ Elderly, Access and Mobility Sub-Committee

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

Cllr Jenny Andrews - Chair
Cllr Frank Connor
Cllr Graeme Taylor

◆ Grants Sub-Committee

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

Cllr Jenny Andrews - Chair
Cllr Graeme Taylor
Two iwi representatives (M Bond & R Katu)
Creative Marlborough representative (L Smith)
Sports Trust representative (J Jeffs)
Four community representatives (R Carr, G Duncan, J Laing and R Weaver)

◆ Liquor Licensing Sub-Committee (DLA)

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

Clr John Craighead - Chair
Clr Jenny Andrews
Clr Nigel Weetman

◆ Sister City Sub-Committee

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

Clr Graeme Barsanti - Chair
Clr Liz Davidson
Mayor Alistair Sowman
Six community representatives (P M Bradshaw, C S Cairns, R J Hopkins, B M F Lankshear, B R Lankshear, K A Stewart)

ENVIRONMENT COMMITTEE

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

Chairperson – Clr Gerald Hope
Deputy Chairman – Clr John Craighead
Clr Jenny Andrews
Clr Andrew Barker
Clr Cliff Bowers
Clr Jill Bunting
Clr Liz Davidson
Iwi representative
Mr Chris Bowron (rural representative)

◆ Animal Control Sub-Committee

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

Clr Liz Davidson - Chair
Clr Jenny Andrews
Clr John Craighead

HEARINGS COMMITTEES (2)

These committees make decisions on applications for resource consents. Provision is made for two hearings committees.

Chairperson – Clr Liz Davidson
Chairperson – Clr Jill Bunting
(Plus other members as required from the Environment Committee)

SOUTHERN VALLEYS' IRRIGATION SCHEME SUB-COMMITTEE

This Sub-Committee was formed to oversee the operation of the Scheme.

Chairperson – Mr Stuart Smith
Clr Andrew Barker
Clr Francis Maher
Clr Pat O'Sullivan
Mr Chris Simmonds
Mr Ivan Sutherland

CIVIL DEFENCE EMERGENCY GROUP

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

Mayor Alistair Sowman – Chair
Clr Graeme Barsanti
Clr Andrew Barker
Clr Gerald Hope
Clr Francis Maher

MAORI ADVISORY KOMITI

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

Currently, there are six iwi represented on the committee:

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

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited

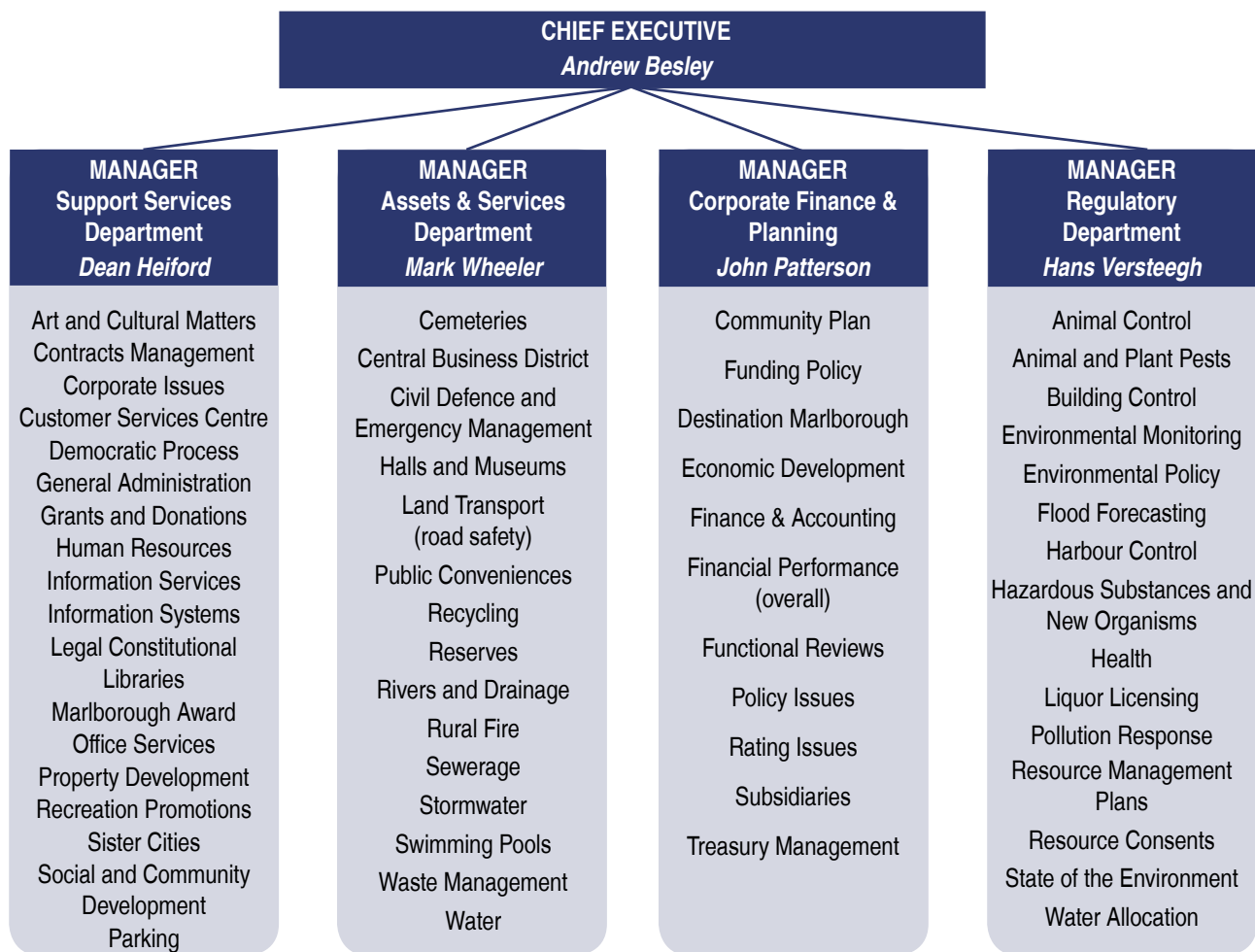
Mayor Alistair Sowman (Director)
Chair of Community & Financial Planning Committee - Clr Andrew Barker (Director)
Chief Executive – Andrew Besley (Director)

Marlborough Regional Forestry

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

Clr Andrew Barker (Chairperson)
Mayor Alistair Sowman

COUNCIL STAFF STRUCTURE



PART I: PURPOSE OF THIS PLAN

This plan is prepared in compliance with the Local Government Act 2002 and represents the Statement of Proposal for the 2007/08 Annual Plan. It includes the proposed annual budget and funding impact statement for the 2007/08 financial year, and identifies any variations from the financial information included in the Long Term Council Community Plan for this period.



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

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

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

Statement on Variances from the Long Term Council Community Plan

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



PART II: COUNCIL ACTIVITIES



Council's activities are presented in seven Activity Groups: Democratic Services; People; Emergency Management; Land and Water Services; Environmental Policy and Planning; Regional Development; and Regulatory Services.

These groups encompass the diverse range of services that make up the day to day work of the Council: sealing roads, issuing library books, processing building consents, and hundreds of other activities. These are the outputs that the organisation produces. These outputs are not ends in themselves: they all in some way make some contribution to the wellbeing of the Marlborough community. Council activities are intended to contribute to various community outcomes over the long term, but in the short to medium term they are primarily directed at achievable, intermediate outcomes. In combination with the outcomes that come through the activities of our community partners, progress will be made towards the Community Outcomes.

Note: In complying with the requirements of the Local Government Act 2002, this plan has included such detail as Council considers reasonable and necessary for its purposes. Extensive additional information is available as indicated in the activity descriptions that follow, or on request.

Reporting against Community outcomes is undertaken every three years.

The table on the next page summarises the levels of service that apply to all Council activities, the specific outcomes that an activity is aimed at, the indicators that Council will track, and the community outcomes that the activity is contributing towards.



Activity Group		Council Activities		Levels of Service (applicable to all activities)		Council Outcomes		Outcome Indicators		Related Community Outcomes	
Democratic Process	Democratic Process						The District's communities are able to participate in the decision-making processes that affect them.	Quality of Life responses	Full participation		
People	Culture and Heritage		Prudent financial management				Marlborough's heritage resources are acknowledged, valued and enjoyed by present and future generations. Marlborough is an enlivened and creative region in which the arts are widely practised and enjoyed, and where they are recognised as being essential to a healthy and prosperous community.	Quality of Life responses	Creativity; heritage		
	Community Housing						Marlborough superannuitants have access to affordable housing of their choice.	Waitlist	Affordable housing		
	Community Safety						People in Marlborough enjoy personal safety and security, and are free from victimisation, violence and avoidable injury.	Quality of Life responses	Safety and security		
	Community Support						Marlborough's communities are robust and resilient. Young people are supported in their lifestyle choices. More people, more active, more often.	Levels of trust and social connectedness Demographic changes Rates of participation	Full participation Positive youth Physical activity		
	Library Services						Lifelong learning and improved knowledge, literacy and information skills for Marlborough's residents.	Usage rates, literacy rate.	Full participation		
Emergency Management	Emergency Management				Exceeding service expectations		The region is well prepared for emergency events, and any harm or loss from emergency events is minimised.	System performance	Safety and security		
Land and Water Services	Community facilities (incl Parks, Reserves, Swimming Pools and Cemeteries)						Residents and visitors have access to parks and reserves for recreation, relaxation, and physical activity. Marlborough people have a respectful and comforting environment to remember those they have lost.	Quality of Life responses	Essential services; healthy choices; physical activity		
	Land Transport						The movement of people and goods within and through the District is convenient, efficient and safe.	Incident trends and system performance	Essential services, prosperity; physical activity		
	Rivers and Drainage						Residents and their property are protected from the risks of river flooding. Productive land is protected from the effects of stormwater flooding.	Incident trends and system performance	Essential services; environmental sustainability; prosperity		

Activity Group	Council Activities	Levels of Service (applicable to all activities)	Council Outcomes	Outcome Indicators	Related Community Outcomes	
Environmental Policy and Planning	Wastewater (Sewerage)	Sustainable asset management	Public and environmental health risks of urban sewage are minimised.	Incident trends and system performance	Essential services; environmental sustainability; Healthy choices	
	Stormwater		Residents and their property are protected from the risks of stormwater flooding.	Incident trends and system performance	Essential services;	
	Water Supply		Residents have access to a safe and reliable water supply.	Incident trends and system performance	Essential services; Healthy choices	
	Waste Management		Public and environmental health risks of solid and hazardous waste are minimised.	Incident trends and system performance	Essential services; environmental sustainability	
Regional Development	Environmental Policy and Planning		There is safe use and sustainable management of Marlborough's natural and physical resources.	State of the environment	Prosperity; environmental sustainability	
	Regional Development		Improved quality of life for all residents.	Income trends, survey responses	Prosperity	
	Tourism		Marlborough is a preferred place for New Zealanders and people from overseas to visit, enjoy and experience.	Trends in visitor nights and spending	Prosperity	
Regulatory	Events and Conferences		Marlborough is highly regarded nationally and internationally for the quality of its events and conference facilities.	Attendance numbers, trends in visitor nights and spending	Prosperity	
	Research		Marlborough's primary industries have access to world-class research relevant to local industry needs.	National and international competitiveness of Marlborough's primary industries	Prosperity; environmental sustainability	
	Consents and Compliance	Compliance with statutory requirements and industry standards	Defensible consents.	Appeal trends; incident trends	Prosperity; environmental sustainability; healthy choices	
	Animal and Plant Pests (Biosecurity)		Residents and visitors are protected from public health risks of commercial activities.			
			The economic and ecological threats of animal and plant pests in the District are minimised.	Containment and control trends	Prosperity; environmental sustainability	
	Harbour Control		The movement of people and goods on Marlborough's waterways is convenient and safe.	Incident trends and system performance	Essential services, prosperity; physical activity	
	Animal Control		There is effective dog and stock control in the District.	Incident trends	Safety and security	

ACTIVITY GROUP: DEMOCRATIC PROCESS

Activities in this Group

This activity group comprises a single activity; Democratic Process

Rationale for the delivery of this Group of Activities

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

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

ACTIVITY: DEMOCRATIC PROCESS

Operating costs of this activity represent approximately 3% of total activity revenue.

Outcome	Indicator	Related Community Outcome
The District's communities are able to participate in the decision making processes that affect them.	Proportions of Marlborough residents who consider they understand Council's decision making processes, are confident in the decision making of Council, and feel they have the opportunity to influence Council decision making.	Full participation.

What is this activity about?

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

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

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations. Undertake citizenship ceremonies and other civic duties. Foster the development of Maori capacity to contribute to decision-making. Manage 2007 election process in accordance with Local Electoral Act.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.3, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a service that is timely and responsive to residents needs.	Timeliness.	Agendas and attachments are available to the public at least three working days prior to meetings. Council meetings are advertised in local media no less than five working days prior to meeting date.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Democratic Process	2,277	2,430
Total Operating Costs	2,277	2,430
Funded by		
General Revenues applied	211	234
Rates	2,043	2,095
Other Revenue	23	22
Total Revenue	2,277	2,351
Operating Deficit funded from Reserves		79
	2,277	2,430
Capital Expenditure		
Democracy		40
Total Capital Expenditure		40
Funded by		
Asset Disposals		20
Other Reserve Transfers		20
		40
Explanation of Variances		
Variances not considered significant		

ACTIVITY GROUP: PEOPLE

Activities in this Group

The activities in this group include:

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

Rationale for the delivery of this Group of Activities

These activities encompass a range of services that require some degree of public intervention to ensure that social benefits are optimised. Reasons may include issues of inter-generational equity (where the benefits that future generations may enjoy have to be paid for by current generations), difficulties in capturing private benefits, and the presence of positive externalities (where the community at large also benefits from private benefits).

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

ACTIVITY: CULTURE AND HERITAGE

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

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

What is this activity about?

"Cultural wellbeing" is one of the four well beings that local government is charged with promoting through the Local Government Act (the others are economic wellbeing, environmental wellbeing, and social wellbeing). Marlborough District 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.

In keeping with the broad scope of this activity, Council has a variety of roles to play. The Council's Arts and Culture Strategy, and its Heritage Strategy, set out these roles in detail, and the ways in which Council proposes working with the community to achieve positive outcomes for culture and heritage. These include:

- ◆ Forming partnerships with organisations and institutions that contribute to cultural wellbeing.
- ◆ Supporting projects that reflect and strengthen Marlborough cultural identity.
- ◆ Managing the cultural and heritage assets and resources that it is responsible for in a sustainable manner.

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. All museums in receipt of Council funding have participated in training for assessment against the New Zealand Museums Standards scheme by June 30 2007.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Arts	175	176
Heritage	280	311
Memorials	70	72
Total Operating Costs	525	559
Funded by		
General Revenues applied	50	55
Rates	441	469
Total Revenue	491	524
Operating Deficit funded from Reserves	34	35
	525	559
Capital Expenditure		
Memorials	72	70
Total Capital Expenditure	72	70
Funded by		
Depreciation reserve transfer	2	2
Other Reserve Transfers	70	68
	72	70
Explanation of Variances		
Variances not considered significant		

ACTIVITY: COMMUNITY HOUSING

Operating costs of this activity represent approximately 1% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Marlborough residents have access to affordable housing options.	Wait-list for Council housing.	Affordable housing.

What is this activity about?

Housing is a basic human need, and hence a prerequisite to wellbeing. In considering its role under the Local Government Act to promote social, economic, environmental and cultural wellbeing, the Council therefore acknowledges a responsibility to consider ways and means by which it can assist the people of Marlborough to have access to housing suitable to their needs. Council considers the most effective means of discharging this responsibility to be:

- 1 Managing a regulatory environment that ensures that:
 - ◆ there is sustainable access to the resources required for new housing (especially land);
 - ◆ the construction of dwellings is carried out in a safe manner.
- 2 Fostering an economic environment in which people and businesses can prosper, and where people can earn incomes that enable them to have choices about how to live their lives.
- 3 Fostering a social environment in which the community cares for all its members.
- 4 Providing assistance to elderly people who cannot otherwise afford housing services.

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.5, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a community housing service that is sustainable.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Community housing Asset Management Plan.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Community Housing	813	763
Total Operating Costs	813	763
Operating Surplus transferred to Reserves	135	158
	948	921
Funded by		
Other Revenue	948	921
Total Revenue	948	921
Capital Expenditure		
Community Housing	123	120
Total Capital Expenditure	123	120
Debt Repayment	90	90
	213	210
Funded by		
Depreciation reserve transfer	166	166
Other Reserve Transfers	47	44
	213	210

Refer to note 2 for elimination of internal interest

Explanation of Variances

Variances not considered significant

ACTIVITY: COMMUNITY SAFETY

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

Outcome	Indicator	Related Community Outcome
People in Marlborough enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.	Police reporting; Survey responses.	Safety and security.

What is this activity about?

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

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. Overall trend of decline in CBD assault incidents.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Safer Communities	309	165
Security	48	51
Total Operating Costs	357	216
Operating Surplus transferred to Reserves	45	60
	402	276
Funded by		
General Revenues applied	10	12
Rates	78	94
Subsidies and grants	243	164
Other Revenue	71	6
Total Revenue	402	276
Capital Expenditure		
Community Safety		22
Total Capital Expenditure		22
Debt Repayment	40	170
	40	192
Funded by		
Sinking Fund Withdrawal		131
Other Reserve Transfers	40	61
	40	192

Refer to note 2 for elimination of internal interest

Explanation of Variances

The Ministry of Education Pathways Alternative Education programme is now run by Salvation Army.

ACTIVITY: COMMUNITY SUPPORT

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

Outcome	Indicator	Related Community Outcome
Marlborough's communities are robust and resilient.	Levels of trust and social connectedness.	Full participation.
Young people are supported in their lifestyle choices.	Demographic changes.	Positive youth.
More people, more active, more often.	Rates of participation.	Physical activity.

What is this activity about?

This activity is associated with strengthening community cohesion, supporting social networks within the community, and providing a positive environment for the development of our young people. It also includes support for physical recreation and activity.

Community support is largely delivered via third parties: organisations and agencies working with particular groups within the community, or addressing specific issues. Research has shown strong correlations between social cohesion and community wellbeing, including greatly reduced health costs and increased economic productivity.

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. Expand physical activity programme for early-childhood development from 2005 base (Jitterbug programme for pre-schoolers and Parents as First Coach programme).

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Grants & Donations	418	517
Recreation	74	74
Total Operating Costs	492	591
Funded by		
General Revenues applied	46	45
Rates	415	444
Total Revenue	461	489
Operating Deficit funded from Reserves	31	102
	492	591
Explanation of Variances		
Variances not considered significant		

ACTIVITY: LIBRARY SERVICES

Operating costs of this activity represent approximately 2% of total activity revenue.

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

What is this activity about?

The Marlborough District Libraries aspire to provide the community with a professional library service which encourages a joy of reading, the pursuit of knowledge, and enriches lives; all in a safe and accessible environment. The Council provides library services to all Marlborough residents through a network of library facilities. These comprise of a District Library in Blenheim, and a branch library in Picton (a combined Council / Library Service Centre). Council also supports school based community libraries in Ward, Seddon, Havelock, Rai Valley and Waitaria Bay, along with a community library in Linkwater.

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 8.5, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance. Average cost per issue of library resources.	This activity is delivered within the annually allocated budget (see financial forecasts below). < \$2.
Provide a range of current resources that support the tastes, interests and reading levels of users.	Average age of library resources.	< 10 years.
Provide access for users independent of their location.	Uptake of information services available electronically.	Usage to be assessed and benchmarked.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Libraries	1,231	1,231
Total Operating Costs	1,231	1,231
Operating Surplus transferred to Reserves		13
	1,231	1,244
Funded by		
General Revenues applied	105	114
Rates	1,016	1,023
Other Revenue	110	107
Total Revenue	1,231	1,244
Capital Expenditure		
Libraries	318	309
Total Capital Expenditure	318	309
Funded by		
Depreciation reserve transfer	269	261
Other Reserve transfers	49	48
	318	309
Explanation of Variances		
Variances not considered significant		

ACTIVITY GROUP: EMERGENCY MANAGEMENT

Activities in this Group

This Activity group comprises a single activity; Emergency Management

Rationale for the delivery of this Group of Activities

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

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

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

ACTIVITY: EMERGENCY MANAGEMENT

Operating costs of this activity represent approximately 1% of total activity revenue.

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

What is this activity about?

Council is part of the Marlborough Civil Defence Emergency Management Group, (CDEM) and is required to have in place a Civil Defence Emergency Management Group plan. Amongst other requirements, the plan describes:

- ◆ the hazards and risks to be managed by the Group;
- ◆ emergency management policies and procedures in place to manage the hazards and risks;
- ◆ arrangements for declaring a state of emergency in the area;
- ◆ arrangements for co-operation and co-ordination with other Emergency Management Groups.

The Goals of the Marlborough Civil Defence Emergency Management Group plan are:

- 1 A community where the potential effects of all hazards have been minimised.
- 2 People and communities that provide for their own safety and wellbeing (resilience).
- 3 A CDEM Group that enables the community to respond to and recover from emergency events in a timely and integrated manner.

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Ensure that the region is suitably prepared for all likely emergency events.	Performance against targets specified in the Civil Defence Emergency Management Group Plan.	Carry out a hazard study by 30 June 2007. To have an exercise which tests aspects of the plan every two years. Develop and implement a public information management and media plan by June 2007.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Emergency Management	619	623
Operating Surplus transferred to Reserves	40	39
Total Operating Costs	659	662
Funded by		
General Revenues applied	64	68
Rates	550	551
Subsidies & Grants	13	13
Other Revenue	32	30
Total Revenue	659	662
Capital Expenditure		
Emergency Management	29	28
Total Capital Expenditure	29	28
Funded by		
Depreciation reserve transfer	29	28
	29	28
Explanation of Variances		
Variances not considered significant		

ACTIVITY GROUP: LAND AND WATER SERVICES

Activities in this Group

The activities in this group include:

- ◆ Community Facilities (including parks, reserves, swimming pools and cemeteries).
- ◆ Land Transport.
- ◆ Rivers and Land Drainage.
- ◆ Wastewater.
- ◆ Stormwater.
- ◆ Water Supply.
- ◆ Waste Management.

Rationale for the delivery of this Group of Activities

This group encompasses the delivery of a range of important public goods, with primary social benefits around public health and safety, and associated benefits of economic and environmental wellbeing. The activities all involve major capital assets, which require ongoing funding for the costs of maintenance and to meet changing demand. Public provision of these activities is presumed to be one of the most important roles of local government.

This activity group contributes to the community outcomes of essential services; environmental sustainability; prosperity; safety and security; healthy choices; and physical activity.

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

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

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

ACTIVITY: COMMUNITY FACILITIES

Operating costs of this activity represent approximately 6% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Residents and visitors have access to parks and reserves for recreation, relaxation, and physical activity. Marlborough people have a respectful and comforting environment to remember those they have lost.	Residents' surveys.	Essential services; healthy choices; physical activity.

What is this activity about?

Recreation Reserves

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

Sports Grounds

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

Cemeteries

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

Public Toilets

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

Aquatic Facilities

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

Walking and Cycling Routes

MDC currently provide, maintain and manage some 100 km of reserve based walking and cycle tracks throughout the district which enable people to have safe and unimpeded access to the outdoors for the benefit of physical recreation and the enjoyment of the outdoor environment.

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 8.3, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide facilities that are safe for users.	Safety management standards and plans.	100% compliance with NZ safety standards for playgrounds. Maintenance of a comprehensive emergency fire management plan for the Wither Hills Farm Park.
Provide a service that is timely and responsive to community feedback.	Response times.	To respond to urgent problems associated with reserves and amenities within 24 hours.
Provide accessible facilities for sport and recreation.	Availability of services.	Regular sports grounds available for use on all weekend days (excepting closures due to weather).
Provide a sustainable level of service.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Reserves Asset Management Plan.

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

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Cemeteries	350	356
Halls	204	286
Public Conveniences	501	501
Reserves	2,595	2,866
Swimming Pools	500	494
Total Operating Costs	4,150	4,503
Funded by		
General Revenues applied	368	434
Rates	3,437	3,699
Subsidies & Grants	14	10
Other Revenue	189	149
Total Revenue	4,008	4,292
Operating Deficit funded from Reserves	142	211
	4,150	4,503
Capital Expenditure		
Cemeteries	161	251
Halls	33	10
Public Conveniences	138	295
Reserves	1,019	2,150
Swimming Pools	51	50
Total Capital Expenditure	1,402	2,756
Debt Repayment	66	102
	1,468	2,858
Funded by		
Depreciation reserve transfer	304	141
Other Reserve Transfers	875	986
New Loans	289	1,731
	1,468	2,858

Refer to note 2 for elimination of internal interest

Explanation of Variances
Variances not considered significant

ACTIVITY: LAND TRANSPORT

Operating costs of this activity represent approximately 22% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Marlborough's land transport system is integrated, safe, responsive, and sustainable.	Incident trends and system performance.	Essential services, prosperity; physical activity; safety and security.

What is this Activity about?

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

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

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.2, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a safe transport infrastructure.	Injury numbers.	Less than 8 motor vehicle crashes per year involving injury where contributing factor is 'Road Conditions'.
Provide a quality transport infrastructure.	Road surface.	Average road roughness standards for sealed roads of <110 for urban roads and < 95 for rural roads (a newly sealed road has an average roughness value of 50 – 70. A very rough gravel road will have a roughness value higher than 300).
Provide a service that is timely and responsive to community needs.	Response times. Service availability.	Repair minor faults on footpaths within 20 working days of detection. Maintain overall parking occupancy rates at not more than 85%.
Provide a sustainable land transport infrastructure.	Standard of asset management.	Undertake a maintenance and renewal programme consistent with the terms of the Regional Land Transport Strategy and Land Transport Asset Management Plan.

Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations. Targets for cyclist and pedestrian safety will be developed in conjunction with the Cycling and Walking Strategy.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Parking	1,008	1,130
Roading	13,116	12,739
Total Operating Costs	14,124	13,869
Operating Surplus transferred to Reserves	1,509	2,479
	15,633	16,348
Funded by		
General Revenues applied	904	997
Rates	7,484	7,812
Subsidies & Grants	5,155	4,605
Other Revenue	2,090	2,934
Total Revenue	15,633	16,348

continued over ...

continued ...	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Capital Expenditure		
Parking	5	5
Roading	6,826	7,571
Total Capital Expenditure	6,831	7,576
Debt Repayment	353	348
	7,184	7,924
Funded by		
Depreciation reserve transfer	5,786	5,095
Other Reserve transfers	1,398	2,596
New Loans		233
	7,184	7,924

Refer to note 2 for elimination of internal interest

Explanation of Variances

The Increase in Roothing Capital expenditure and Other Revenue is the result of budgeted works being performed in Kaiuma Bay. These improvements are to be paid by the subdivider and effected properties in the subdivision.

ACTIVITY: RIVERS AND LAND DRAINAGE

Operating costs of this activity represent approximately 5% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Residents and their property are protected from the risks of river flooding.	Incident trends and system performance.	Essential services; environmental sustainability; prosperity; safety and security.
Productive land is protected from the effects of stormwater flooding.		

What is this activity about?

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

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

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

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.8, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a rivers and land drainage service that is timely and responsive.	Response times.	To respond to 95 % of complaints within: <ul style="list-style-type: none"> ◆ 1 hour if flood water is a threat to a dwelling. ◆ 48 hours for other complaints.
Provide a reliable rivers and land drainage service.	System capacity.	A 100 year return period flood capacity provided for the Wairau floodplain floodways and main rivers. Drainage of land in the Rural Drainage Area provides for a maximum ponding period of three days in a 10 year rainfall event.
Provide a sustainable rivers and land drainage service.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Rivers and Drainage Asset Management Plan.

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

Extensive additional information on levels of service is available in the draft Rivers and Drainage Asset Management Plan.

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Rivers Leases	207	182
Rivers outside the Wairau Floodplain	127	141
Wairau Floodplain Drainage	615	585
Wairau Floodplain rivers	2,097	2,311
Total Operating Costs	3,046	3,219
Operating Surplus transferred to Reserves	1,806	2,231
	4,852	5,450
Funded by		
General Revenues applied	15	15
Rates	3,003	2,941
Other Revenue	1,834	2,494
Total Revenue	4,852	5,450
Capital Expenditure		
Rivers outside the Wairau Floodplain	21	20
Wairau Floodplain Drainage	177	180
Wairau Floodplain rivers	509	870
Total Capital Expenditure	707	1,070
Funded by		
Depreciation reserve transfer	107	75
Other Reserve Transfers	600	995
	707	1,070
Explanation of Variances		
Increases in the capital expenditure relate to sedimentation works in the Lower Wairau.		

ACTIVITY: WASTEWATER (SEWERAGE)

Operating costs of this activity represent approximately 7% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Public and environmental health risks of urban sewage are minimised.	Incident trends and system performance.	Essential services; environmental sustainability; healthy choices.

What is this activity about?

Council operates five wastewater schemes - in Blenheim, Picton, Havelock, Seddon and Spring Creek. A new sewer system for Renwick has been completed and many residents have connected into the new reticulation as construction advances. Renwick Sewerage is reticulated into the Blenheim system. Treatment in all schemes with the exception of Picton is by oxidation ponds. In Picton the treatment system is an extended aeration activated sludge plant.

Collection, treatment and disposal of wastewater contributes to:

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 8.1, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a level of service quality that minimises environmental risks.	Resource Management Act compliance.	Total flow is treated prior to discharge through outfall for dispersal to receiving water in accordance with the discharge consent.
Provide a reliable wastewater service.	System capacity and performance.	Wet weather flow in the entire system is within capacity design to assure 0 overflows from a 1 in 2 year storm. That no more than 35 identified blockages occur for 100 km of sewer main per year (main pipeline blockages only).
Provide a service that is timely and responsive to customer needs.	Response times.	To respond to 95 % of unplanned service interruptions or blockages within 2 hours. To restore toilet facilities to all customers affected by unplanned interruptions within 6 hours of notification.
Provide a sustainable wastewater service.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Wastewater Asset Management Plan.

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

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Blenheim	3,934	3,895
Grovetown		4
Havelock	109	106
Other	198	2
Picton	891	916
Renwick	89	73
Seddon	61	58
Spring Creek	81	68
Total Operating Costs	5,363	5,122
Operating Surplus transferred to Reserves	904	1,147
	6,267	6,269
Funded by		
Rates	5,114	4,868
Other Revenue	1,153	1,401
Total Revenue	6,267	6,269
Capital Expenditure		
Blenheim	2,461	1,957
Grovetown		186
Havelock	3	159
Other	4,176	20
Picton	2,560	2,162
Seddon	127	6
Spring Creek	220	231
Total Capital Expenditure	9,547	4,721
Debt Repayment	922	684
	10,469	5,405
Funded by		
Depreciation reserve transfer	1,149	1,103
Other Reserve Transfers	1,178	1,379
New Loans	8,142	2,923
	10,469	5,405

Refer to note 2 for elimination of internal interest

Explanation of Variances

The variances in Operating and Capital Costs relate primarily to Picton and Grovetown works that are to be carried out in 2008/09.

ACTIVITY: STORMWATER

Operating costs of this activity represent approximately 2% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Residents and their property are protected from the risks of stormwater flooding.	Incident trends and system performance.	Essential services.

What is this activity about?

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

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

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.5, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Minimise the environmental risks of stormwater discharge.	Resource Management Act compliance	Stormwater discharges will meet the relevant policy objectives outlined in the Proposed Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.
Provide a reliable stormwater service.	System capacity and performance.	Stormwater system capacity provides 98% compliance ² with following targets: <ul style="list-style-type: none"> ◆ No surface flooding with a 5 year return period causing nuisance to property, roads and public open space. ◆ No surface flooding with a 10 years return period causing nuisance to important recreational fields and roads without alternative access. ◆ No flooding with a 50 year return period floods residential property, commercial and industrial buildings. ◆ No flooding with a 100 year return period floods major communal facilities related to supply of electricity and telephone, water and sewage disposal. ◆ No more than 1 blockage per 15 km of stormwater main per year.
Provide a service that is timely and responsive to customer needs.	Response times.	To respond to 95% of complaints within: <ul style="list-style-type: none"> ◆ 1 hour if flood water is a threat to a dwelling. ◆ 48 hours for other complaints.
Provide a stormwater service that is sustainable.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Stormwater Asset Management Plan.

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

² excepting flooding that results from poor management of the overflow path on private property.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Blenheim	710	768
Picton	189	258
Other	134	146
Total Operating Costs	1,033	1,172
Operating Surplus transferred to Reserves	444	408
	1,477	1,580
Funded by		
General Revenues applied	118	140
Rates	982	1,074
Other Revenue	377	366
Total Revenue	1,477	1,580
Capital Expenditure		
Blenheim	362	939
Picton	57	55
Other	191	170
Total Capital Expenditure	610	1,164
Debt Repayment	148	145
	758	1,309
Funded by		
Depreciation reserve transfer	168	568
Other Reserve transfers	420	381
New Loans	170	360
	758	1,309
<i>Refer to note 2 for elimination of internal interest</i>		
Explanation of Variances		
The increase in capital expenditure is required for Redwood Street pipeline renewals.		

ACTIVITY: WATER SUPPLY

Operating costs of this activity represent approximately 10% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Residents have access to a safe and reliable water supply.	Incident trends and system performance.	Essential services; healthy choices.

What is this activity about?

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

A piped irrigation scheme for the Southern Valleys area of the Wairau Plain was completed in 2005.

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

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

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.8, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	Drinking Water Standards.	99% compliance with E.coli criteria for Priority one (P1) bacteriological determinand of New Zealand Drinking Water Standards (2005). NB: further targets for water quality will be reviewed at such time as the status of the DWSNZ2005 is confirmed.
Provide a reliable water supply service.	System capacity and performance.	Meet all peak demands of at least: <ul style="list-style-type: none"> ◆ Per property: 4m³/day. <ul style="list-style-type: none"> ◆ For commercial and industrial zones where the section size is greater than 800m² target is 4m³/day per 800m². ◆ For rural schemes an additional 50 l/ha/day for stock. Provide a minimum water pressure at new subdivisions of 300kPa. The water reticulation system shall be able to provide the following flow: <ul style="list-style-type: none"> ◆ Residential Zone: 25 l/s ◆ Commercial Zone: 50 l/s ◆ Industrial Zone: 100 l/s General fire conditions as per the New Zealand Fire Service Code of Practice (NZPAS 4509:2003)
Provide a service that is timely and responsive to customer needs.	Response times.	Respond to 95% of service interruptions within: 30 minutes for major loss of supply creating a situation causing or likely to cause damage to persons or property. 60 minutes for substantial leaks not falling into priority one. Restore supplies to all customers affected by an interruption within 8 hours of notification.
Provide a sustainable water supply.	Standard of asset management.	Undertake a maintenance and renewal programme service consistent with the terms of the Water Supply Asset Management Plan.

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

Targets for water quality will be developed in response to any amendments made to the Health Act 1956.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Awatere	488	427
Blenheim	2,744	2,673
Havelock	148	148
Picton	1,349	1,214
Renwick	348	203
Riverlands	363	287
Southern Valleys	1,821	1,660
Wairau Valley	43	31
Total Operating Costs	7,304	6,643
Operating Surplus transferred to Reserves	2,087	1,330
	9,391	7,973
Funded by		
Rates	7,638	7,105
Subsidies & Grants	1,054	
Other Revenue	699	868
Total Revenue	9,391	7,973

continued over ...

continued ...	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Capital Expenditure		
Awatere	2,554	600
Blenheim	1,363	6,571
Havelock	260	323
Picton	4,257	874
Renwick	2,935	174
Riverlands	2,329	120
Wairau Valley	306	35
Total Capital Expenditure	14,004	8,697
Debt Repayment	1,305	14,477
	15,309	23,174
Funded by		
Depreciation reserve transfer	1,716	1,328
Other Reserve transfers	1,840	1,661
Sinking Fund Withdrawals		571
New loans	11,753	19,614
	15,309	23,174

Refer to note 2 for elimination of internal interest

Explanation of Variances

Awatere, Picton, Renwick, Riverlands and Wairau Valley - the cost variances are the result of deferring the Capital Expenditure relating to treatment to 2008/09. There is also a corresponding reduction in Rates, Subsidy and Loan funding.

Blenheim - Increased capital expenditure relates to the resiting of the new reservoir and associated additional pipeline costs. Approximately \$2.8 million of the variance is the reprogramming of the works from 2006/07 to 2007/08.

The Southern Valleys Loan is being refinanced during 2007/08.

ACTIVITY: WASTE MANAGEMENT

Operating costs of this activity represent approximately 6% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Public and environmental health risks of solid and hazardous waste are minimised.	Incident trends and system performance.	Essential services; environmental sustainability.

What is this activity about?

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

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

Kerbside refuse collection is provided in Picton and Blenheim and waste transfer stations are operated at seven locations throughout Marlborough. Four coin-operated skip bins service communities in parts of the Marlborough Sounds. Hazardous waste collection facilities are provided at all transfer station sites, and a green waste composting facility is provided at the Blenheim transfer station.

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

The Council's principal assets supporting this activity are the landfill facility and the network of transfer stations. The landfill has a forecast life of 40 years, based on projected fill rates. This estimate may alter according to changes in the district's waste output. Modelling of future income streams and expenditures shows that the operations will generate a surplus of the life of the asset.

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.5, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Reduce environmental and public health risks of waste.	Landfill composition. Resource Management Act compliance.	Decreasing proportion of organic wastes in landfill (from 2003 base). Decreasing proportion of plastics in landfill (from 2003 base). Provide hazardous waste collection facilities at all transfer stations. 100% compliance with resource consent conditions for landfill sites.
Provide a sustainable waste management service.	Standard of asset management.	Manage waste management assets consistent with the terms of the Marlborough Waste Strategy and Plan.

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

Extensive additional information on levels of service is available in the Waste Strategy and Plan.

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Urban Refuse Collections	911	905
Landfills	1,624	1,876
Transfer Stations	343	380
Waste Minimisation	819	830
Total Operating Costs	3,697	3,991
Operating Surplus transferred to Reserves		20
	3,697	4,011
Funded by		
General Revenues applied	100	108
Rates	1,801	1,802
Other Revenue	1,745	2,101
Total Revenue	3,646	4,011
Operating Deficit funded from Reserves	51	
	3,697	4,011
Capital Expenditure		
Landfills	67	750
Total Capital Expenditure	67	750
Debt Repayment	282	281
	349	1,031
Funded by		
Other Reserve transfers	349	283
New loans		748
	349	1,031

Refer to note 2 for elimination of internal interest

Explanation of Variances
The increase in landfill capital expenditure and associated loan funding relates to the reprogramming of the Blenheim Landfill gas management system and the aftercare costs on closed landfills.

ACTIVITY GROUP: ENVIRONMENTAL POLICY AND INFORMATION

Activities in this Group

This Activity group comprises environmental policy and environmental science activities.

Rationale for the delivery of this Group of Activities

The Environment function of Council is carried out in terms of the requirements of the Resource Management Act 1991 (RMA).

This activity group contributes to the community outcomes of prosperity and environmental sustainability.

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

ACTIVITY: ENVIRONMENT POLICY AND PLANNING

Operating costs of this activity represent approximately 5% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Sustainable management of Marlborough's natural and physical resources.	State of the environment.	Prosperity; environmental sustainability.

What is this activity about?

This function requires monitoring and reporting on the state of Marlborough's environment - its land, air, water and coastal resources; and preparation, and review, at not less than 10 year intervals, of policy for managing the natural and physical resources of Marlborough. Ensuring the ongoing involvement of the community in defining issues, developing policy, and implementing best practice methods to manage issues is an important part of the function.

Levels of Service

Level of Service	Indicator	Target
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide environmental policy and planning services that support the sustainable management of Marlborough's natural resources.	Legislative compliance.	Planning and reporting performance consistent with applicable statutory standards and processes.
Gather information and report on the state of Marlborough's natural resources.	Monitoring regimes.	Routine monitoring undertaken in accordance with applicable formalised strategies. Results of monitoring and investigations reported through the Environment Committee.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Environmental Policy	1,698	1,792
Environmental Review	1,538	1,481
Total Operating Costs	3,236	3,273
Funded by		
General Revenues applied	340	359
Rates	2,869	2,842
Total Revenue	3,209	3,201
Operating Deficit funded from Reserves	27	72
	3,236	3,273

continued over ...

continued ...	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Capital Expenditure		
Environmental Review	51	49
Total Capital Expenditure	51	49
Funded by		
Depreciation reserve transfer	27	49
Other Reserve transfers	24	
	51	49
Explanation of Variances		
Variances not considered significant.		

ACTIVITY GROUP: REGIONAL DEVELOPMENT

Activities in this Group

The activities in this group include:

- ◆ Regional Development
- ◆ Tourism Marketing
- ◆ Events and Conferences
- ◆ Research

Rationale for the delivery of this Group of Activities

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

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

Costs and Funding (Operating costs of this activity represent approximately 6% of total activity revenue.)

Operating and Capital Costs and Funding Forecasts for this activity group have been aggregated as follows.

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Events Management	166	167
Tourism Marketing	437	424
Other Development Projects	950	950
Regional Development	155	190
Research Centre	124	136
Total Operating Costs	1,832	1,867
Funded by		
General Revenues applied	76	84
Rates	756	783
Total Revenue	832	867
Operating Deficit funded from Reserves	1,000	1,000
	1,832	1,867
Explanation of Variances		
Variances not considered significant		

ACTIVITY: REGIONAL DEVELOPMENT

Operating costs of this activity represent approximately 6% of total activity revenue.

Outcome	Indicator	Related Community Outcome
Improved quality of life for all residents.	Income trends, survey responses.	Prosperity.

What is this activity about?

This activity is delivered by means of funding provided to the Marlborough Regional Development Trust. The Marlborough Regional Development Trust (MRDT) was created in 1999 as the Marlborough Economic Development Trust. It assumed its name in 2003 to signal its broad focus on community issues. The MRDT is a community based charitable Trust that aims, in simple terms to “Enhance the individual and collective health and wealth of Marlburians”. The MRDT is part funded by the Marlborough District Council, and derives the rest of its funds from a broad variety of sources, including central government.

Information on the Marlborough Regional Development Trust is available at www.mrdt.co.nz

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. Unemployment rates equal to or less than national trends. Inter-census change in average household income equal or better than national trend.

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

ACTIVITY: TOURISM MARKETING

Outcome	Indicator	Related Community Outcome
Marlborough is a preferred place for New Zealanders and people from overseas to visit, enjoy and experience.	Trends in visitor nights and spending.	Prosperity.

What is this activity about?

This activity is delivered by means of funding provided to Destination Marlborough. Destination Marlborough is a Council controlled organisation, established for the purposes of promoting and marketing Marlborough as a visitor destination to national and international tourists.

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

Destination Marlborough is a charitable trust owned and base funded by Marlborough District Council. The board of trustees consists of two Council-appointed members with each Board member being appointed for a three-year term. Four further members are appointed by an Appointments Committee on a two year term. Trustees are chosen from Marlborough's wider business community and bring to the organisation skills such as international marketing, company management, public relations and mainstream tourism knowledge. The Board employs a Chief Executive to operate Destination Marlborough. The CEO and

staff develop an annual business plan to direct destination marketing and destination management activity; public relations, marketing and promotion projects, human resource management, financial management and visitor information services. With a marketing and administration office based at 25 Alfred Street, Blenheim, Destination Marlborough also operates the Picton and Blenheim i-SITE Visitor Centres which are part of New Zealand's national i-SITE Visitor Information Network.

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. % change in visitor nights equal or better than national trends.

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

ACTIVITY: EVENTS AND CONFERENCES		
Outcome	Indicator	Related Community Outcome
Marlborough is highly regarded nationally and internationally for the quality of its events and conference facilities.	Attendance numbers, trends in visitor nights and spending.	Prosperity, full participation.

What is this activity about?

This activity is delivered by means of funding provided to the Marlborough Festival and Events Trust.

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. Participation numbers at Blenheim New Year celebration equal or better than 2005 benchmark (est 5,000).

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

ACTIVITY: RESEARCH

Outcome	Indicator	Related Community Outcome
Marlborough's primary industries have access to world-class research and advisory services that add value to their productivity and competitiveness.	National and international competitiveness of Marlborough's primary industries.	Prosperity, environmental sustainability.

What is this activity about?

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

Levels of Service

Level of Service	Indicator	Target
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark.
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Manage third party providers to ensure service quality and value.	Annual reports on performance against service agreements.	Delivered on time. Meet reporting requirements. Published Research equal or better than 2005 benchmark (13 refereed papers).

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

ACTIVITY GROUP: REGULATORY

Activities in this Group

The activities in this group include:

- ◆ Consents and Compliance
- ◆ Animal and Plant Pests (Biosecurity)
- ◆ Harbour Control
- ◆ Animal Control

Rationale for the delivery of this Group of Activities

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

This activity group contributes to the community outcomes of Prosperity; Environmental sustainability; healthy choices; Essential services; and Safety and security.

ACTIVITY: CONSENTS AND COMPLIANCE

Operating costs of this activity represent approximately 9% of total activity revenue.

Outcome	Indicator	Related Community Outcome
<p>Consents issued by Council are defensible against appeal or dispute.</p> <p>Residents and visitors are protected from public health risks of commercial activities.</p>	<p>Appeal trends; Incident trends.</p>	<p>Prosperity; environmental sustainability; healthy choices.</p>

What is this activity about?

This activity encompasses several services:

Resource Consents and Compliance

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

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

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

Building Consents

The Building Act 2004 charges Council with the responsibility for receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code.

Project Information Memoranda and Land Information Memoranda

The Building Act 2004 Act introduced new procedures and requirements for processing applications for a Project Information Memoranda (PIMs). A PIM provides information about land and about the requirements of other Acts that might be relevant to proposed building work. Council is the only authority that can issue a PIM.

Council also has the responsibility under section 44A of the Local Government Official Information Act 1987 to issue a Land Information Memoranda in relation to any matters affecting land in the district. The matters which shall be included in that memorandum are, but not limited to, potential erosion, falling debris, subsidence, slippage, inundation, likely presence of hazardous contaminants, public stormwater and sewerage drains, rates owing, any consent, certification, notice, order and requisition, affecting the land or any building on the land previously issued by Council.

Environmental Health

Council has the responsibility to protect and promote public health by undertaking the licensing and inspection of premises and enforcement of standards to ensure compliance with the Health Act 1956 and regulations made thereunder, Sale of Liquor Act 1989 and the Local Government Act 2002.

The Environmental Health Section also has responsibilities under the Resource Management Act 1991, Hazardous Substances and New Organisms Act 1996 and Council bylaws for the abatement of nuisances, control of pollution to air and land, attending emergencies involving hazardous substances and environmental noise monitoring

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 6.9, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).

continued over ...

Levels of Service continued

Level of Service	Indicator	Target
Provide a consent processing service that is timely and responsive to customer needs.	Processing times.	<ul style="list-style-type: none"> ◆ Processing of all Building Consents within 20 working days. ◆ Processing of all Land Information Memoranda not to exceed 10 working days. ◆ Processing of 75% Project Information Memoranda are not to exceed 20 working days. ◆ Continuous improvement in proportion of resource consent applications processed within statutory timeframes.
Provide a service that minimises risks to public safety.	Inspection regimes.	<ul style="list-style-type: none"> ◆ Inspect a minimum of 15% of swimming pools annually. ◆ Carry out at least one inspection annually of all registered food premises. ◆ Carry out at least one inspection annually of all premises registered as hairdressers, camping grounds, offensive trades, funeral directors, and mobile shops to ensure compliance with health standards. ◆ Respond to environmental health complaints of a critical nature within 1 working day.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Building Control	1,507	1,633
Compliance section	606	616
Health & Liquor	349	341
Hearings	385	391
Legal section	354	353
PIM and LIM section	638	701
Public Consents Information	192	199
Resource Consents	1,694	1,734
Total Operating Costs	5,725	5,968
Operating Surplus transferred to Reserves	2	3
	5,727	5,971
Funded by		
General Revenues applied	248	262
Rates	2,076	2,062
Other Revenue	3,403	3,647
Total Revenue	5,727	5,971
Capital Expenditure		
Building Control	1	1
Health & Liquor	2	1
Resource Consents	5	5
Total Capital Expenditure	8	7
Funded by		
Depreciation reserve transfer	5	7
Other Reserve transfers	3	
	8	7
Explanation of Variances		
Increases in the demand for services in this area has been met by increased operating income from third parties.		

ACTIVITY: ANIMAL AND PLANT PESTS (BIOSECURITY)

Operating costs of this activity represent approximately 6% of total activity revenue.

Outcome	Indicator	Related Community Outcome
The economic and ecological threats of animal and plant pests in the District are minimised.	Containment and control trends.	Prosperity; environmental sustainability.

What is this activity about?

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

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

- ◆ **Total Control Pests** – pests to be eradicated throughout the region. The onus for control is shared between the land occupier and Council.
- ◆ **Containment Pests** – pests that require control to prevent that spread and to reduce overall pest density levels over time. The control of these pests is a legal obligation for the land occupier.
- ◆ **Surveillance Pests** – pests which have significance but where the only control is the banning of sale, propagation and distribution. Council provides advice and education as well as carrying out monitoring of that impact and distribution.
- ◆ **Ecological Threats** – pests that are regarded as being widely distributed and have been acknowledged as a threat to ecological values. Possible future pest control may be directed at sites with significant ecological values.

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

The Council also has a responsibility to provide vector management services to the Animal Health Board, under a National Pest Management Strategy to reduce the impact of Bovine Tuberculosis. This involves managing and controlling the feral vectors, such as possums and ferrets that carry this disease.

Council, Central Government, and other stakeholders provide funding for this national programme, along with the Varroa Bee Mite strategy.

Further information on Council's pest management activities is available by viewing Council's website or by directly contacting Council for a copy of the Regional Pest Management Strategy and associated Operational Plans and fact sheets.

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 6.9, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Control the spread of animal and plant pests.	Distribution trends. Inspection regimes. Compliance.	<ul style="list-style-type: none"> ◆ Positive long-term (5yr +) trends in containment control plant pests. ◆ Positive long-term (5yr +) trends of decline in total control pests. ◆ Inspect at least 75% of properties with containment pests that are issued with a control programme to ensure compliance. ◆ 100% compliance where containment control pests exist and control is required under the Regional Pest Management Strategy.
Control the spread of bovine tuberculosis.	Distribution trends.	<ul style="list-style-type: none"> ◆ No feral animal related infected herds outside existing risk areas. ◆ Hold or decline in the number of feral animal infected herds in the existing risk areas.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Biosecurity: Regional Pest Control	621	769
Bovine TB: General Operations	3,202	2,744
Total Operating Costs	3,823	3,513
Funded by		
General Revenues applied	108	129
Rates	880	990
Subsidies & Grants	4	4
Other Revenue	2,831	2,371
Total Revenue	3,823	3,494
Operating Deficit funded from Reserves		19
	3,823	3,513
Explanation of Variances		
The reduction in funding from Central Government has resulted in a reduced programme for 2007/08.		

ACTIVITY: HARBOUR CONTROL

Operating costs of this activity represent approximately 3% of total activity revenue.

Outcome	Indicator	Related Community Outcome
The movement of people and goods on Marlborough's waterways is convenient and safe.	Incident trends and system performance.	Essential services, prosperity; physical activity.

What is this activity about?

Harbour control is undertaken primarily to ensure safety in Marlborough's waterways. The Marlborough Sounds contain 4,136 square kilometres (total water area) and approximately 1,500 kilometres of coastline that is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries. The Council is tasked with the responsibility of addressing matters of navigation and safety within this area, as required in the Local Government Act 2002 and the Maritime Transport Act 1994.

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

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.7, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
Provide a harbour control service that minimizes the risks of damage, injury, or loss of life.	Compliance.	Implement random audits of marine farm areas to assess the level of compliance with lighting requirements. Reports of non-compliance responded to and investigated, where appropriate, within 5 working days. Leading lights at Tory Channel to be inspected quarterly; remaining navigation aids to be inspected bi-annually.
	Public awareness.	Annually review and publish a "Safe Sounds" Boating Brochure.
Provide a service that minimises environmental risks from oil spills.	Response times.	Evaluate reports of oil spills within one hour of notification.
	Preparedness.	Conduct marine oil spill response exercises in accordance with Maritime New Zealand's agreed programme.

continued ...

Levels of Service continued

Level of Service	Indicator	Target
Provide a sustainable harbour control service.	Risk management standards.	<p>Continue the implementation of identified risk control measures as per the Risk Assessment/Safety Management System:</p> <ul style="list-style-type: none"> ◆ Prepare Safety Management policies ◆ Prepare Safety Management Plan <p>Initiate review of Navigation Safety Bylaws in time for the 2007 statutorily set timeline.</p>

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Harbour Control	1,676	1,617
Total Operating Costs	1,676	1,617
Operating Surplus transferred to Reserves	1	185
	1,677	1,802
Funded by		
General Revenues applied	49	54
Rates	401	413
Other Revenue	1,227	1,335
Total Revenue	1,677	1,802
Capital Expenditure		
Harbour Control	26	537
Total Capital Expenditure	26	537
Funded by		
Depreciation reserve transfer	19	101
Other Reserve transfers	7	436
	26	537
Explanation of Variances		
Variances are associated with Harbour Control safety.		

ACTIVITY: ANIMAL CONTROL

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

Outcome	Indicator	Related Community Outcome
There is effective dog and stock control in the District.	Incident trends.	Safety and security.

What is this activity about?

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

Animal control is provided under contract.

Levels of Service		
Level of Service	Indicator	Target
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction.	Resident satisfaction with this service equal or better than 2005 benchmark (mean satisfaction score 7.4, where 10 = "service delivered extremely well").
Manage Council funds allocated to this activity prudently and effectively.	Financial performance.	This activity is delivered within the annually allocated budget (see financial forecasts below).
All dog control costs are recovered through registration fees and fines.	Provide a level of animal control that is timely and responsive to community needs.	Response times. Attend to dog attacks and rushes which have just occurred within 1 hour. Attend to possible threats to public safety within 5 hours. Attend to complaints of general nuisance within 48 hours.

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

	LTCCP 2007 - 08 000's	Annual Plan 2007 - 08 000's
Operating Costs		
Dog Control	390	514
Other animal control	65	70
Total Operating Costs	455	584
Funded by		
General Revenues applied	7	8
Rates	58	62
Other Revenue	384	390
Total Revenue	449	460
Operating Deficit funded from Reserves	6	124
	455	584
Explanation of Variances		
Additional operating cost increases in Dog Control as a result of contract renewal.		

COUNCIL CONTROLLED ORGANISATION

MDC Holdings Limited

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

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

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

Performance Targets

- ◆ Prepare and forward financial statements to Council in accordance with legislative requirements.
- ◆ Report annually to Council on the performance of the subsidiary trading enterprises.
- ◆ Report annually to Council on the level and rate of its borrowings.
- ◆ The long-term target ratio of shareholders' funds to total assets is 7.6%. This ratio will be reviewed annually.

ASSUMPTIONS, DISCLOSURES AND COMPLIANCE

Assumptions

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

Population

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

Inflation

The costs and revenues reflected in this plan take account of expected inflation impacts for the coming twelve months. The LTCCP comparative numbers did not take account of inflation.

Interest Rates/Term of Loans

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

Revenue

Revenue from user charges has been determined using average level of demand for services. Fluctuations are likely to occur on an annual basis but it is expected that the average targets will be achieved. Income from subsidiary operations has been supplied by subsidiary entities and represents the conservative forecast options provided.

Change in Levels of Service

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

Asset Management Plans

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

Change in Activities

Council will continually review its activities to ensure they remain appropriate for Council to undertake. In addition Council will continually review how the services it is responsible for can be most effectively delivered.

Legislative Framework

Local government is bound by legislation. Significant changes have resulted from the recent introduction of the Local Government Act 2002 and the Local Government (Rating) Act 2002. This plan has been prepared on the basis of the provisions in the legislation.

Future changes in legislation or central government policy could significantly impact on local government and the communities it serves.

Consumption and Demand

Consumption patterns and demand for services have been reviewed and forecasts adjusted to reflect growth and changes in demand.

Reserves

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

Disclosures

Depreciation

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

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

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

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

Contingencies and Commitments

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

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

Compliance

Entity Statement

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

The 2007/2008 Draft Annual Plan has been published pursuant to Section 93 and 279 of the Local Government Act 2002.

Legal Requirements

Legislation

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

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

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

Bylaws

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

PART III: FINANCIAL INFORMATION



Statement of Financial Performance - \$000's

	Notes	LTCCP 2007-08	ANNUAL PLAN 2007-08
EXPENDITURE			
Democratic Process		2,277	2,430
Arts and Heritage		525	559
Community Housing	(2)	701	651
Community Safety	(2)	345	205
Community Support		492	591
Libraries		1,231	1,231
Emergency Management		619	623
Community Facilities	(2)	4,059	4,411
Land Transport	(2)	13,579	13,324
Rivers and Land Drainage		3,046	3,219
Sewerage	(2)	4,500	4,094
Stormwater	(2)	822	922
Water	(2)	5,631	4,941
Solid and Hazardous Waste Management	(2)	3,234	3,518
Environment		3,236	3,273
Regional Development		1,832	1,867
Consents and Compliance		5,725	5,968
Animal and Plant Pests		3,823	3,513
Harbour Control		1,676	1,617
Animal Control		455	584
Marlborough Regional Forestry		776	607
		58,584	58,148
General Expenses	(2)	844	891
Total Expenditure		59,428	59,039
REVENUE			
Geographic General Rates and Charges		24,356	25,233
Other Targeted Rates and Charges		16,677	15,888
Subsidies and Grants		6,239	4,797
Interest		1,233	817
Dividends		471	471
Other Income		19,751	21,001
Marlborough Regional Forestry		3,925	2,418
Total Revenue		72,652	70,625
Surplus / (Deficit) before Tax		13,224	11,586
Taxation			
Surplus / (Deficit) after Tax		13,224	11,586

Statement of Movements in Equity - \$000's

	Notes	LTCCP 2007-08	ANNUAL PLAN 2007-08
Equity at beginning of year		782,000	800,408
Net Surplus / (Deficit) after Tax		13,224	11,586
Revaluations		0	0
Total Recognised Revenue and Expenses		13,224	11,586
Closing Equity		795,224	811,994

Statement of Financial Position - \$000's

	Notes	LTCCP 2007-08	ANNUAL PLAN 2007-08
Ratepayers' Equity			
Accumulated Funds		466,166	472,345
Ordinary Reserves		19,176	19,778
Depreciation Reserve		2,744	2,669
Sinking Fund Reserves		16,574	14,050
Bequests		98	0
Revaluation Reserve		290,466	303,152
RATEPAYERS' EQUITY		795,224	811,994
Represented by:-			
Current Assets			
Bank - Current Account		12,550	10,698
Receivables and Prepayments		5,411	5,226
Stocks		623	373
		18,584	16,297
Current Liabilities			
Payables and Accruals		9,485	10,333
Deposits, Trusts and Agencies		1,165	1,268
		10,650	11,601
Working Capital		7,934	4,696
Non Current Assets			
Investments		26,996	22,854
Fixed Assets		809,499	811,503
		836,495	834,357
Public Debt			
External Loans		49,205	27,059
Total Non Current Liabilities		49,205	27,059
NET ASSETS		795,224	811,994

Statement of Cashflows - \$000's

	Notes	LTCCP 2007-08	ANNUAL PLAN 2007-08
OPERATING ACTIVITIES			
Cash provided from:-			
Rates		41,033	41,121
User Charges and Other Revenues		30,386	28,989
Interest		1,233	816
		72,652	70,926
Cash disbursed for:-			
Payments to suppliers and employees		44,730	45,063
Interest paid		2,885	1,681
Taxes paid			1,589
		47,615	48,333
NET CASH FLOWS FROM OPERATING ACTIVITIES		25,037	22,593
INVESTING ACTIVITIES			
Cash provided from:-			
Asset Disposals		1,355	2,738
Sinking Fund Withdrawals		141	703
		1,496	3,441
Cash applied to:-			
Purchase of fixed assets	(3)	35,755	29,140
Sinking Fund payments		3,854	2,875
Investments made		548	577
		40,157	32,592
NET CASH FLOWS FROM INVESTING ACTIVITIES		(38,661)	(29,151)
FINANCING ACTIVITIES			
Cash provided from:-			
Term Loans	(7)	20,354	25,609
		20,354	25,609
Cash applied to:-			
Loan repayments		282	14,144
		282	14,144
NET CASH FLOWS FROM FINANCING ACTIVITIES		20,072	11,465
NET INCREASE / (DECREASE) IN CASH		6,448	4,907
ADD OPENING CASH BALANCE		6,102	5,791
CLOSING CASH BALANCE		12,550	10,698
Represented By Cash and Deposits		12,550	10,698

Note: The increase in Cash applied to Loan repayments relates to the refinancing of the Southern Valley Water Supply Scheme Loans.

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity and Statutory Base

The financial forecasts reflect the operations of Marlborough District Council.

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 2002.

The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statements of the Council.

Statement of Compliance and basis of preparation

The forecast information has been prepared and complies with section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants.

The Marlborough District Council is a Public Benefit Entity whose primary objective is to provide goods and services for community or social benefit and when any equity has been provided with a view to supporting that primary objective rather than for financial return. All available reporting exemptions allowed under the framework for Public Benefit Entities have been adopted.

Basis of Financial Statement Preparation and Measurement Base

The financial statements have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies adopted are set out below.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision affects only that period or the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below will be applied consistently to all periods presented in the financial estimates and in preparing an opening IFRS balance sheet at 1 July 2005 for the purpose of transition to IFRS.

Specific Accounting Policies

The following particular accounting policies have a material effect on the measurement of results and Balance Sheet.

Investments in Subsidiaries

Investments in subsidiaries are recorded in the parent entity's financial statements at cost less any subsequent accumulated impairment losses.

Interests in Joint Committee

There is a contractual arrangement whereby the Council and Kaikoura District Council undertake an economic activity that is subject to joint control.

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

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

Income and Expenditure Recognition

Revenue

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

Rates are recognised as revenue when struck.

Water billing is recognised on an accrual basis.

Transfund roading subsidies are recognised as revenue upon entitlement which is when conditions pertaining to eligible expenditure have been fulfilled.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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

Vested assets are recognised when the significant risks and rewards of ownership have been transferred to the Council and when the obligation to accept the transfer of assets to Council has been determined.

Revenue from financial contributions are recognised when it is acknowledged that the liability of payment exists to the council.

Leases

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

Assets held under finance leases are recognised as assets at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Allocated Overheads

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

Foreign Currencies

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

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

Borrowing costs

All borrowing costs are recognised in net profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year.

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

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

Statement of Accounting Policies

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

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

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

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

Property, Plant and Equipment

Land Improvements and Buildings

Leased land at Conders Bend and the Forum site was valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2003. The values are based on 'fair value with reference to highest and best use' as at 30 June 2003. All other land was valued by QV Valuations (Registered Valuers) as at 30 June 2004. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2004.

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

Improvements and buildings were valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2004. The basis of valuation was fair value.

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

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Library Books and Parking Meters

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

Infrastructural Assets

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

Roads, bridges, wharves, jetty facilities, street lighting, water, sewer, stormwater and river control and drainage assets were valued at depreciated replacement cost as at 1 July 2005. The valuation was performed by Council engineering staff directly associated with managing these assets. Independent reviews of these valuations were carried out by Opus International Consultants (roads, bridges, wharves and street lighting) and Alexander Hayward Limited (water, sewer, stormwater, river control and drainage and land under roads). In the case of land under roads, an average of adjacent 'undeveloped land value' has been applied.

Carparks were valued at depreciated replacement cost at 1 July 2005 by Marlborough Roads Limited. The valuation was peer reviewed by Opus International Consultants.

Reserves, public conveniences and war memorials land were valued by QV Valuations (Registered Valuers). The value is based on 'fair value' as at 30 June 2004.

Reserves, public conveniences and war memorial buildings and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on fair value as at 30 June 2004.

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

Depreciation

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

Depreciation on revalued assets is charged to income. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

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

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

ASSET	LIFE	RATE
Roads, Streets and Bridges		
◆ Land under roads	Not depreciated	
◆ Pavement formation	Not depreciated	
◆ Pavement layers	80 - 100 years	1 - 1.25%
◆ Pavement surface	13 years	7.692%
◆ Culverts	20 - 50 years	2 - 5%
◆ Kerb and channel	80 years	1.25%
◆ Concrete stormwater channels	80 years	1.25%
◆ Earth water channels	Not depreciated	
◆ Footpaths	30 - 80 years	1.25 - 3.33%
◆ Bridges	40 - 100 years	1 - 2.5%
◆ Footbridges	50 - 100 years	1 - 2%
◆ Retaining walls	30 years	3.33%
◆ Street berms	Not depreciated	
◆ Traffic signs	20 years	5%
◆ Street lighting	20 years	5%
◆ Traffic islands	50 years	2%
◆ Street trees	40 years	2.5%
◆ Street furniture	25 years	4%
◆ Paved and cobbled areas	30 years	3.33%
◆ Council wharves	40 years	2.5%
◆ Port Marlborough wharves and marinas	10 - 50 years	2 - 10%
Carparks		
◆ Parking meters	10 years	10%
◆ Land	Not depreciated	
◆ Formation	Not depreciated	
◆ Basecourse	80 years	1.25%
◆ Surfacing	20 years	5%
◆ Markings	3 years	33.33%
Buildings (excluding properties intended for sale)	100 years	1%
Council Computers (excluding Finance 1)	4 years	25%
Council Finance 1 computer equipment	5 years	20%
Plant, equipment (excluding Council infrastructural assets)	5 - 13.33 years	7.69 - 20%
Mowers/chainsaws	1 - 2 years	50 - 100%
Sewerage		
◆ Pipes	80 - 100 years	1 - 1.25%
◆ Pump stations	20 - 100 years	1 - 5%
◆ Oxidation ponds		
Liner	Not depreciated	
Waveband	75 years	1.33%
◆ Treatment plant	20 - 100 years	1 - 5%
Stormwater		
◆ Pipes	80 - 100 years	1 - 1.25%
◆ Pump stations	20 - 100 years	1 - 5%
Water		
◆ Pipes	50 - 100 years	1 - 1.67%
◆ Reservoirs	80 years	1.25%
◆ Surface connections	100 years	1%
◆ Pumps	10 years	10%
◆ Pump stations	20 - 60 years	1.67 - 5%
◆ Treatment plant	20 - 100 years	1 - 5%
◆ Dams	150 years	.667%
Rivers and Drainage		
◆ Pump stations	35 - 100 years	1 - 2.86%
◆ Stopbanks/earthworks	Not depreciated	
◆ Rock and gabion protection	Not depreciated	
◆ Trees and tree retards	Not depreciated	
◆ Culverts and gates	Not depreciated	
◆ Channels	Not depreciated	
◆ Dam	100 years	1%
Library books	13.33 years	7.69%

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

Investment property

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

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

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

Investment property is stated at its fair value at the balance sheet date.

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

Biological Assets

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

The fair value of standing timber older than 10 years, being the age at which it becomes marketable, is based on the market price of the estimated recoverable wood volumes, net of harvesting costs. The fair value of younger standing timber is based on the present value of the net cash flows expected to be generated by the plantation at maturity. The present values are calculated using a pre-tax discount rate that reflects current market assessments of the time, value of money and the risks specific to the asset.

Non-current Assets Held for Sale

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

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

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

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

Impairment

The carrying amounts of Councils assets other than inventories are reviewed each balance date to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists and for indefinite life intangibles, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the greater of market value less costs to sell and value in use.

The Council, and other PBEs in the Group, measure the value in use of assets whose future economic benefits are not directly related to their ability to generate net cash inflows held, at depreciated replacement cost.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised in the Income Statement.

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

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

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

Provisions

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

Provisions for restructuring costs are recognised when a detailed formal plan for the restructuring that has been communicated to affected parties.

Inventories

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

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

Financial instruments

The Council undertakes financial instrument arrangements as part of their normal operations.

Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

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

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

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

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

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are stated at their nominal value.

Equity instruments

Equity instruments issued by the MDC's subsidiaries are recorded at the proceeds received, net of direct issue costs.

Derivative Financial Instruments

Derivative financial instruments (primarily interest rate hedges and foreign currency forward contracts) are used to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at cost, if any, and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows relating to firm commitments and forecasted transactions are recognised directly in equity. If the hedged firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

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

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Statement of Accounting Policies

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Employee Entitlements

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

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

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

Statement of Cashflows

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

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

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

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

Equity

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

Retained Earnings

Ordinary Reserves

Revaluation Reserves

Reserves

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 000's

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

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

The actual results achieved for the year ended 30 June 2008 are likely to vary from the information presented, and the variations may be material.

2. Elimination of Internal Interest

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

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

	LTCCP 2007-08	ANNUAL PLAN 2007-08
Community Housing	112	112
Community Safety	12	11
Community Facilities	91	92
Land Transport	545	545
Sewerage	863	1028
Stormwater	211	250
Water	1,673	1,702
Waste	463	473
General	8	9
	3,978	4,222

3. Capital Expenditure Summary (GST Exclusive)

		LTCCP 2007-08	ANNUAL PLAN 2007-08
DEMOCRACY			
	Funded by Rates		
Democracy: Representation	Administration fleet		40
TOTAL DEMOCRACY			40
PEOPLE			
Arts and Heritage	Funded by Rates		
Memorials: Cleghorn Rotunda	Improvements	12	12
Memorials: Picton	Improvements	3	3
Memorials: Town Centre Clock	Improvements	36	35
Memorials: War Memorial Fountain	Improvements	21	20
		72	70
Community Housing			
	Funded by User Charges		
Community Housing	Improvements	123	120
		123	120
Community Safety			
	Funded by User Charges		
Community Safety	Security Cameras		22
			22
Libraries			
	Funded by Rates and User Charges		
Libraries	Books and Equipment	318	309
		318	309
TOTAL PEOPLE		513	521
EMERGENCY MANAGEMENT			
Emergency Management	Equipment	29	28
LAND AND WATER			
COMMUNITY FACILITIES			
	Cemeteries		
	Funded by User Charges and Rates		
Cemeteries: Fairhall	Development	31	30
Cemeteries: Omaka	Development	32	126
Cemeteries: Picton	Development	77	75
Cemeteries: Tuamarina	Development	21	20
		161	251

		LTCCP 2007-08	ANNUAL PLAN 2007-08
Halls	Funded by Rates		
Halls: Okaramio (gp 3)	Improvements	12	
Halls: Other (gp 3)	Improvements	11	10
Halls: Waitaria Bay (gp 2)	Improvements	10	
		33	10
Public conveniences	Funded by Rates		
Public Conveniences: Blenheim	Improvements	10	10
Public Conveniences: Canvastown	Improvements	5	5
Public Conveniences: Picton	Improvements	87	195
Public Conveniences: Renwick	Improvements		50
Public Conveniences: Sounds	Improvements	36	35
		138	295
Reserves	Funded by Land Subdivision Account		
Reserves	Improvements	1,019	2,150
Swimming Pools	Funded by Rates		
Swimming Pools: Blenheim	Improvements	51	50
		51	50
Total Community Services		1,402	2,756
LAND TRANSPORT			
Parking	Funded by User Charges		
Parking	Equipment	5	5
		5	5
Roading	Funded by Rates and Development Levies		
Roading Related Works	Renewals: Vehicle crossings	10	15
Roading Related Works	Streetlighting	37	36
Roading Related Works	Kerb & Channel	56	65
Roading Related Works	Signs	21	32
Roading Related Works	Vehicle crossings	15	10
Roading Related Works	Renewals: Kerb and Channel	67	55
Roading Related Works	Renewals: Footpaths (concrete)	80	78
Roading Related Works	Renewals: Footpaths (sealed)	215	210
Roading Related Works	Renewals: Street Furniture	31	30
Roading Related Works: Wairau/Awatere	Sealed pavement	42	51
Roads: Archers Roads SRA (non-sub)	Sealed pavement	95	91
Roads: General Roading	Renewals: Sealed pavement	642	
Roads: General Roading	Renewals: Sealed road resurfacing	1,560	1,639
Roads: General Roading	Renewals: Pavement rehabilitation	616	686
Roads: General Roading	Renewals: Traffic Services		393
Roads: General Roading	Renewals: Unsealed road metalling	440	440
Roads: General Roading	Renewals: Structures		136
Roads: General Roading	Renewals: Environment		33
Roads: General Roading	Renewals: Major rehabilitation	308	330
Roads: General Roading	Cycle Facilities		40
Roads: General Roading	Renewals: Associated Improvements	1,231	686
Roads: General Roading	Vested Assets	643	624
Roads: General Roading	Renewals: Drainage	309	164
Roads: General Roading	Renewals: Bridges	205	200
Roads: Kaiumu Bay Road	Sealed pavement		1,040
Roads: Rainbow Road	Renewals		6
Roads: Subdivisional Works	Sealed pavement	154	150
Street Plots and Trees		28	28
Wharves		21	303
		6,826	7,571
Total Land Transport		6,831	7,576
RIVERS AND LAND DRAINAGE			
	Funded by Rates		
Rivers outside the Wairau Valley			
Rivers outside WV: Picton/Waikawa	Rock and Gabion protection	21	20
		21	20

		LTCCP 2007-08	ANNUAL PLAN 2007-08
Drainage			
Drainage Pump Stations: Blenheim	Pump stations	31	30
Drainage Pump Stations: Rural	Pump stations	31	30
Drains: Blenheim Minor Rivers	Drainage channels	52	50
Drains: Rural Zone A	Drainage channels	63	70
		177	180
Rivers in the Wairau Valley			
Lower Opawa	Stopbanks	208	
Lower Wairau	Stopbanks		550
Rivers land purchases	Land	103	100
Taylor below Burleigh	Stopbanks	10	10
Wairau Diversion	Stopbanks	42	70
Wairau gravel extraction	Rock and Gabion protection	83	80
Wairau Tuamarina	Stopbanks	63	60
		509	870
Total Rivers and Land Drainage		707	1,070
SEWERAGE			
Funded by Rates			
Sewerage: Blenheim	Telemetry field equipment	3	3
Sewerage: Blenheim	Engineering	76	64
Sewerage: Blenheim	Pump stations	396	380
Sewerage: Blenheim	Renewals: Pipelines	21	20
Sewerage: Blenheim	Pipelines	406	390
Sewerage: Blenheim	Vested Assets	228	220
Sewerage: Blenheim	Treatment plant	1,305	820
Sewerage: Blenheim	Connections	26	60
		2,461	1,957
Sewerage: Grovetown	Pipelines	0	186
		0	186
Sewerage: Havelock	Connections	2	2
Sewerage: Havelock	Oxidation ponds		151
Sewerage: Havelock	Telemetry field equipment	1	1
Sewerage: Havelock	Engineering		5
		3	159
Sewerage: Other	Engineering	4,176	20
		4,176	20
Sewerage: Picton	Treatment plant	167	
Sewerage: Picton	Renewals: Pipelines	1,304	1,300
Sewerage: Picton	Pump stations	646	
Sewerage: Picton	Pipelines	319	768
Sewerage: Picton	Connections	10	10
Sewerage: Picton	Telemetry field equipment	2	2
Sewerage: Picton	Engineering	112	82
		2,560	2,162
Sewerage: Seddon	Connections	2	2
Sewerage: Seddon	Engineering		4
Sewerage: Seddon	Treatment plant	125	
		127	6
Sewerage: Spring Creek	Telemetry field equipment	1	1
Sewerage: Spring Creek	Oxidation ponds	218	222
Sewerage: Spring Creek	Engineering		7
Sewerage: Spring Creek	Connections	1	1
		220	231
Total Sewerage		9,547	4,721
STORMWATER			
Funded by Rates			
Stormwater: Blenheim	Pipelines		89
Stormwater: Blenheim	Renewals: Pipelines	52	550
Stormwater: Blenheim	Vested Assets	268	260
Stormwater: Blenheim	Connections	42	40
		362	939
Stormwater: Picton	Renewals: Pipelines	31	30
Stormwater: Picton	Connections	5	5
Stormwater: Picton	Pipelines	21	20
		57	55
Other Stormwater	Connections	5	5
Other Stormwater	Pipelines	176	155
Other Stormwater	Renewals: Pipelines	10	10
		191	170
Total Stormwater		610	1,164

		LTCCP 2007-08	ANNUAL PLAN 2007-08
WATER	Funded by Rates		
Water: Awatere	Land		250
Water: Awatere	Engineering	9	93
Water: Awatere	Treatment plant	1,672	
Water: Awatere	Renewals: Pump stations	1	1
Water: Awatere	Connections	6	6
Water: Awatere	Pipelines	615	
Water: Awatere	Renewals: Pipelines	251	250
		2,554	600
Water: Blenheim	Renewals: Connections	125	120
Water: Blenheim	Reservoirs		3,744
Water: Blenheim	Renewals: Pump stations	15	14
Water: Blenheim	Engineering	185	221
Water: Blenheim	Connections	52	50
Water: Blenheim	Pump stations		240
Water: Blenheim	Treatment plant		140
Water: Blenheim	Vested Assets	201	195
Water: Blenheim	Pipelines	733	1,797
Water: Blenheim	Renewals: Pipelines	52	50
		1,363	6,571
Water: Havelock	Engineering		11
Water: Havelock	Connections	2	2
Water: Havelock	Treatment plant		25
Water: Havelock	Renewals: Pipelines	2	2
Water: Havelock	Pump stations		38
Water: Havelock	Pipelines	256	245
		260	323
Water: Picton	Treatment plant	2,365	42
Water: Picton	Reservoirs	172	35
Water: Picton	Engineering	194	138
Water: Picton	Pump stations	740	
Water: Picton	Renewals: Connections	27	26
Water: Picton	Renewals: Pipelines	36	35
Water: Picton	Pipelines	710	586
Water: Picton	Connections	13	12
		4,257	874
Water: Renwick	Treatment plant		35
Water: Renwick	Engineering	193	97
Water: Renwick	Renewals: Pipelines	5	5
Water: Renwick	Pipelines	1,200	33
Water: Renwick	Connections	4	4
Water: Renwick	Pump stations	1,533	
		2,935	174
Water: Riverlands	Pipelines	1	1
Water: Riverlands	Engineering	80	4
Water: Riverlands	Treatment plant	1,511	80
Water: Riverlands	Reservoirs	737	35
		2,329	120
Water: Wairau Valley	Treatment plant	295	25
Water: Wairau Valley	Engineering	11	10
		306	35
Total Water		14,004	8,697
WASTE MANAGEMENT	Funded by User Charges and Rates		
Waste Landfill: Blenheim	Other buildings & Structures	52	160
Waste Landfill: Regional	Engineering		20
Waste Landfill: Regional	Landfills	15	570
Total Waste Management		67	750
Total Land and Water		33,168	26,734
ENVIRONMENT	Funded by Rates		
Environment Review	Telemetry field equipment	3	3
Environment Review	Instrumentation	48	46
Total Environmental		51	49

		LTCCP 2007-08	ANNUAL PLAN 2007-08
REGULATORY	Funded by User Charges & Rates		
Consents: Building Control	Sundry plant	1	1
Consents: Health & Liquor	Instrumentation	2	1
Consents: Resource Consents	Computers	1	1
Consents: Resource Consents	Instrumentation	4	4
Total Consents		8	7
Total Harbour		26	537
Total Regulatory		34	544
OTHER ACTIVITIES			
Plant	Funded by Internal User Charges	304	259
Investment Activities			
Property: Rental Housing	Other buildings & Structures	21	20
Land Development: Blenheim	Land	1,123	350
		1,144	370
Overhead and Management Activities			
Information Services	Computer	411	497
Office Services	Office equipment	99	96
DM: Biosecurity Management	Sundry plant	2	2
		512	595
TOTAL OTHER ACTIVITIES		1,960	1,224
TOTAL CAPITAL EXPENDITURE		35,755	29,140

4. Overhead Accounts

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

5. Expenditure Disclosures

	LTCCP 2007-08	ANNUAL PLAN 2007-08
Depreciation	11,674	10,893
Interest	2,885	1,682
Rate Remissions	270	270

6. Reconciliation of Other Income

	LTCCP 2007-08	ANNUAL PLAN 2007-08
Democratic Process	23	22
Community Housing	948	921
Community Safety	71	6
Libraries	110	107
Emergency Management	32	30
Community Facilities	189	149
Land Transport	2,090	2,934
Rivers and Land Drainage	1,834	2,494
Sewerage	1,153	1,401
Stormwater	377	366
Water	699	868
Solid and Hazardous Waste Management	1,745	2,101
Consents and Compliance	3,403	3,647
Animal and Plant Pests	2,831	2,371
Harbour Control	1,227	1,335
Animal Control	384	390
Subtotal	17,116	19,142
Less Sinking Fund Interest included above	(650)	(574)
Add Other Activities of Council	4,447	3,596
	20,913	22,164
Less eliminations on consolidation with Marlborough Regional Forestry	(1,162)	(1,163)
Other Income as per Statement Of Financial Performance	19,751	21,001

7. Loans

New loan raising requirements budgeted for 2007/08 are outlined below. These loans have been budgeted as 'external' borrowing. Should sufficient funds be available at the time of borrowing, the loan will be internally financed. Any internal financing will reduce both the Cash and Deposits and the Term Liabilities as detailed in the Statement of Financial Position. Variances relate to reprogramming of capital expenditure and is explained in the Activity Statements.

	LTCCP 2007-08	ANNUAL PLAN 2007-08
Total Cemeteries	156	251
Total Public Conveniences	133	280
Reserves		1,200
Roading - wharves		233
Total Stormwater	170	360
Waste Management		748
Sewerage: Blenheim	1,447	820
Sewerage: Picton	2,219	1,756
Sewerage: Havelock		140
Sewerage: Seddon	80	
Sewerage: Spring Creek	220	207
Sewerage: Other	4,176	
Water: Blenheim	554	5,386
Water: Havelock	255	300
Water: Picton	3,956	597
Water: Renwick	2,742	
Water: Awatere	1,640	544
Water: Riverlands	2,300	36
Water: Southern Valleys		12,717
Water: Wairau Valley	306	34
	20,354	25,609

RATE MOVEMENTS 2007 – 2008

Total Rates and Charges for 2007-08 are estimated at \$41,139,541 (GST exclusive). This represents an increase of \$1,976,155 (4.16%) on last year's levy and incorporates an increase of \$900,089 (3.70%) in general-type rates and charges. The rating effect will be different for individual properties because of movements in general-type rates not impacting uniformly on all geographic rating areas; and movements in targeted separate rates (such as Blenheim Sewerage, Picton Water, etc) affecting only properties in those areas.

Significant contributors to the overall increase are as follows:

Democratic Process	\$68,000	Increase principally due to 2007 election costs and general advertising costs.
Heritage	\$30,000	Contribution to Marlborough Museum heritage exhibition.
Community Safety	\$22,513	Additional security cameras.
Community Grants	(\$156,500)	Reduction on previous year's one-off grants.
Libraries	\$27,000	Principally due to increased costs for Sunday opening hours.
Public Conveniences	\$25,000	Increased operating costs.
Parks and Reserves	\$311,240	Increased costs and maintenance of new reserves; and debt servicing charges for new Renwick Sports Centre.
Roading	\$219,512	Increased operating and maintenance costs.
Kaiuma Bay Road Upgrade	\$52,000	New targeted charge on all land in new subdivision for a five year period, to fund 25% of road upgrade costs.
French Pass Seal Extension	(\$8,844)	Cessation of targeted charge on Okiwi Bay ratepayers which was in place for a two year period.
Taylor Pass Road Seal Extension	(\$3,510)	Cessation of former targeted seal extension rate.
Blenheim/Renwick Sewerage	\$300,817	Debt servicing costs associated with new loans for pipelines, pump stations and treatment plant, and increased power charges. The cost of servicing the Renwick township is being met by new connections within Renwick. (Trade waste charges are also being increased to fund the cost of treating industrial waste).
Renwick Sewerage Loan Rate	(\$6,864)	Rate reduction to reflect anticipated savings in scheme construction costs.
Picton Sewerage	\$128,163	Increased debt servicing costs for commencement of outfall and associated pipeline works.
Spring Creek Sewerage	\$10,052	Increased debt servicing and operating costs.
Stormwater	\$121,867	Increased operations and maintenance costs for Blenheim and Picton stormwater; and cessation of Okiwi Bay separate charge.
Awatere Water	\$20,391	Increased operating and maintenance costs. Cubic metre rate increases from 64 cents to 69 cents per cubic metre.
Blenheim Water	\$373,672	Increased debt servicing, power, treatment and reticulation costs.
Havelock Water	\$18,117	Debt servicing costs for pipeline renewals and increased reticulation and operating costs.
Picton Water	\$193,017	Debt servicing costs for new reservoir and pipelines, and increased operating and maintenance costs.
Riverlands Water	\$39,020	Increased treatment and other operating costs.
Southern Valleys' Irrigation	\$65,798	Increased operations and maintenance costs are estimated to be met by consumption increases.
Southern Valleys' Targeted Loan Rate	(\$91,140)	Reduction in targeted loan rate to take account of the Scheme's final costings.
Regional Development	(\$23,000)	Rate reduction due to one-off funding in 2006-2007.
Environmental	\$148,944	Protection of significant indigenous vegetation, and habitats of indigenous fauna; and contribution to Soundfish Inc for fishery and environment management.
Regional Pest Management	\$99,000	Increased control and monitoring as identified in the Pest Management Strategy.
Harbour Control	\$29,000	Risk mitigation measures subject to securing an alternate source of funding for increased safety control measures.

Indicative Impact on Benchmark Properties

Council uses 31 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 Blenheim Sewerage, Blenheim Water etc) affect only properties in those rating areas.

INDICATIVE RATING IMPACT ON BENCHMARK PROPERTIES						
	Land Value	Capital Value	ACTUAL 2006-07	FINAL PLAN 2007-08	Plan \$ Mvt 2007-08	Plan % Mvt 2007-08
Blenheim Residential	146,000	295,000	1,688	1,792	104	6.18%
Blenheim Residential	128,000	265,000	1,640	1,740	100	6.10%
Blenheim Residential	162,000	395,000	1,797	1,905	108	5.99%
Blenheim Vacant Section	136,000	136,000	1,401	1,478	76	5.45%
Blenheim Commercial	76,000	310,000	2,227	2,323	97	4.34%
Blenheim Commercial	264,000	360,000	5,420	5,577	157	2.89%
Picton Residential Note 1	106,000	320,000	1,678	1,821	144	8.56%
Picton Residential Note 2	175,000	300,000	1,950	2,155	205	10.52%
Picton Vacant Section Note 1	110,000	110,000	1,332	1,464	130	9.77%
Picton Commercial Note 1	320,000	365,000	4,858	5,185	327	6.72%
Picton Motels (19 units) Note 2	375,000	980,000	7,148	7,640	492	6.88%
Blenheim Vicinity	1,125,000	2,090,000	3,918	4,024	106	2.71%
Blenheim Vicinity	610,000	850,000	2,270	2,344	75	3.29%
Blenheim Vicinity	13,500,000	15,160,000	37,545	38,455	910	2.42%
Blenheim Vicinity	3,040,000	5,646,000	9,926	10,150	224	2.26%
Blenheim Vicinity	2,560,000	4,560,000	8,691	8,923	232	2.67%
Renwick Residential Note 3	87,000	280,000	1,315	1,382	66	5.06%
Renwick Residential Note 4	87,000	185,000	1,430	1,476	47	3.27%
Spring Creek Residential	90,000	245,000	1,142	1,253	111	9.69%
Rarangi Residential	300,000	440,000	1,083	1,139	56	5.14%
Picton Vicinity	1,160,000	1,290,000	2,104	2,158	54	2.56%
Ngakuta Bay - bach	180,000	395,000	594	614	20	3.40%
General Rural - French Pass	2,800,000	3,500,000	7,073	7,302	228	3.23%
General Rural - Manaroa	3,200,000	4,000,000	8,167	8,423	256	3.14%
General Rural - Opouri Valley	1,230,000	1,620,000	3,028	3,130	102	3.38%
General Rural - on Awatere Water	2,220,000	2,700,000	7,257	7,586	329	4.54%
Havelock Residential	160,000	295,000	1,482	1,570	88	5.93%
Seddon Residential	53,000	205,000	943	976	33	3.55%
Admin Rural - farm	7,395,000	7,988,000	7,094	7,291	197	2.78%
Admin Rural - bach	250,000	410,000	483	501	18	3.70%
Admin Rural - bach	310,000	485,000	535	554	19	3.60%

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

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

*3 This property has opted to make lump sum payments.

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

FUNDING IMPACT STATEMENT

The Funding Impact Statement provides the following information:

- ◆ A Summary Cost of Funds Statement for 2007-08.
- ◆ Detailed explanations of the types of rates that are to be set, their purpose, and the basis on which they are calculated.
- ◆ A narrative description of the geographic areas that are used for Targeted General-type Rates and Charges.
- ◆ General Information in respect of rates instalment dates and penalties for late payment.

Summary Source and Application of Funds Statement (000's) - GST excl.

	LTCCP 2007-08	ANNUAL PLAN 2007-08	
Targeted Geo General Rates and Charges	24,356	25,233	
Other Targeted Rates and Charges	16,677	15,888	
Subsidies and Grants	6,239	4,797	Note 1
Interest	1,233	817	Note 2
Dividends	471	471	
Marlborough Regional Forestry	3,925	2,418	Note 3
User Charges and Other Operating Revenue	19,751	21,001	
New Loans	20,354	25,609	Note 4
Asset Disposals	1,355	2,738	
Net Movement in Reserves etc	4,817	5,522	
	99,178	104,494	
Operating Expenditure	59,428	59,039	
Capital Expenditure	35,755	29,140	Note 5
Loan Repayment Costs	3,995	16,315	Note 6
	99,178	104,494	

Notes re significant variances

- 1 Variance principally arises from deferral of water treatment works pending enactment of Government legislation.
- 2 Variance principally caused by elimination of internal interest and consolidation adjustments.
- 3 Variance principally relates to increased harvesting costs and reduced revenue flows.
- 4 Variance principally relates to reduced loan raising requirements due to water treatment deferrals.
- 5 Variance principally relates to water treatment works deferrals.
- 6 Variance relates to reduced loan raising.

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 not based on property values).
- ◆ Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, eg Water, Sewerage.
- ◆ LTCCP refers to Council's Long Term Community Plan which was adopted on 29 June 2006.
- ◆ Council has the following policies to determine what constitutes a "separately used or inhabited part of a rating unit".
 - ◆ That in situations where a rating unit contains both a commercial or industrial type use, and a residential or rural type use, they will be treated as two separate uses and be assessed two sets of charges, except where the owner of the commercial/industrial operation resides on the same rating unit.
 - ◆ For those rating units where the owner of the rating unit resides and operates a business or businesses from the same rating unit, they will be assessed only one uniform targeted charge for geographic area general-type works. Where services such as water, sewerage and refuse collection are supplied, separate charges will be assessed on the separately used or inhabited portions.

Funding Impact Statement

- ◆ Where a number of different businesses are located on one rating unit, then each separate business would be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
- ◆ Where rating units contain separate residential habitable dwellings that are capable of independent habitation (ie they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc), uniform charges will be assessed on each dwelling.
- ◆ If a rating unit contains a dwelling and a flat (as shown as a “nature of improvements” on the Council valuation roll) and the flat contains a kitchen; uniform charges will be assessed on the dwelling and flat.

Targeted General Type Rates and Charges (\$28,408,516 GST inclusive)

Although general-type rates and charges have increased overall by 3.70% (\$900,095 GST exclusive), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas, and valuation movements in the differential areas.

Geographic Area General Works and Services Rates (\$18,402,559 GST inclusive)

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

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

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

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

Overall, these rates will increase by \$458,286 (2.88%) GST exclusive, but there are varying impacts on the geographic areas and their differential rates.

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

			Levy	Cents in \$
◆	Blenheim	Res/Rural	4,442,212	0.362630
◆	Blenheim	Com/Ind	2,770,522	1.406356
◆	Blenheim	Hsty/Fsty	-	0.623562
◆	Blenheim Vicinity	Res/Rural	4,101,293	0.215322
◆	Blenheim Vicinity	Com/Ind	122,788	0.311654
◆	Blenheim Vicinity	Hsty/Fsty	599	0.239403
◆	Picton	Res/Rural	1,206,522	0.387428
◆	Picton	Com/Ind	642,140	1.019270
◆	Picton	Hsty/Fsty	2,252	0.545389
◆	Picton Vicinity	Res/Rural	199,404	0.127823
◆	Picton Vicinity	Com/Ind	6,300	0.262500
◆	Picton Vicinity	Hsty/Fsty	-	0.161492
◆	General Rural	Res/Rural	4,422,237	0.228001
◆	General Rural	Com/Ind	90,971	0.300234
◆	General Rural	Hsty/Fsty	982	0.246059
◆	Admin Rural	Res/Rural	382,601	0.088771
◆	Admin Rural	Com/Ind	11,736	0.146700
◆	Admin Rural	Hsty/Fsty	-	0.103253

Geographic Area Works and Services Charges (\$10,005,957 GST inclusive)

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

These charges are set differentially for six geographic areas, depending on where the land is situated; on the same basis as for the Geographic Area General Works and Services Rates. There is also a differential charge for utilities.

Overall, these charges will increase by \$441,809 (5.23%) GST exclusive, but there are varying impacts on the geographic areas and their differential charges.

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

	Levy	Unit Charge
◆ Blenheim	5,166,763	464
◆ Blenheim Vicinity	1,531,337	425
◆ Picton	1,215,890	458
◆ Picton Vicinity	155,426	384
◆ General Rural	1,546,783	326
◆ Admin Rural	379,618	279
◆ Utilities	10,140	390

Debt Servicing Rates and Charges (\$1,857,759 GST Inclusive)

Picton Sewage Treatment Loan Rate (\$73,385 GST inclusive)

The Picton Sewage Treatment Loan Rate is calculated on the land value of all rating units in the Picton Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.

The loan rate of 0.056721 cents in the \$ funds debt servicing costs.

No increase has occurred.

Renwick Sewerage Loan Rate (\$46,512 GST inclusive)

The Renwick Sewerage Loan Rate is calculated on the land value of all rating units in the Renwick Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.

A decrease of \$6,864 (14.24%) GST exclusive is proposed to reflect anticipated savings in scheme construction costs.

On a rating unit with a land value of \$87,000, the loan rate will decrease from \$151.19 to \$130.98 with a rate in the dollar of 0.150549 cents.

Miscellaneous Loan Rates/Charges (\$2,277 GST inclusive)

These rates and charges are applied to debt servicing costs on sewerage and water loans in separate rating areas where lump sum payments were not made.

◆ Havelock Sewerage Loan Rate	\$927	0.057665 cents in the \$
(Calculated on the basis of the land value of all rating units in the Havelock Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		
◆ Spring Creek Sewerage Loan Rate	\$448	0.175446 cents in the \$
(Calculated on the basis of the land value of all rating units in the Spring Creek Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		
◆ Wairau Valley Water Loan Charge	\$902	\$225.50 uniform charge
(This charge is calculated as a fixed amount on every rating unit in the Wairau Valley Water Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		

No increases have occurred.

Southern Valleys' Irrigation Loan Rate (\$1,735,585 GST inclusive)

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure.

Up until 2006/07 a targeted loan rate of \$440.11 per hectare (GST inclusive) has been set (having been determined on the basis of the initial scheme estimates). Final costings have now been made to take account of retentions, outstanding loan balances and the accumulated reserve balance and a reduction in the loan rate can be made.

A decrease in the overall loan rate of \$91,140 (GST exclusive) will be made to reflect the outcome of the scheme's final costings and the targeted loan rate per hectare will reduce from \$440.11 to \$415.56.

Funding Impact Statement

[As a result of an amendment to the Local Government (Rating) Act 2002, Council is able to offer ratepayers in the Southern Valleys' Irrigation Scheme's Rating Area an opportunity to make a lump sum contribution in lieu of the existing loan rate. To this end, Council at its meeting held on 22 February 2007 resolved to include a Capital Payment Funding Plan in its 2007-08 Annual Plan so that it could offer ratepayers a one-off opportunity to make a lump sum contribution as from 2008-09 in lieu of the existing loan rate.

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

If a lump sum contribution is made there will be no liability for any targeted loan rates as from 2008-09 unless new capital works result in further loans being raised in the future.

If a lump sum contribution is not made the targeted loan rate to meet debt servicing costs on the existing loans will continue until 2022-23.]

Roading Rates and Charges (\$154,450 GST inclusive)

Archers Road Charge (\$24,120 GST inclusive)

This charge is calculated on each rating unit in the separate Archers Road Rating Area, to be applied towards seal extension works on Archers Road.

Funding for this seal extension will continue until 30 June 2008, with sealing works being completed in 2007/08.

No increase has occurred - current charge \$268.

Dillons Point Road Charge (\$7,840 GST inclusive)

This charge is calculated on each rating unit in the separate Dillons Point Road Rating Area and funds part of the expenditure incurred in sealing a 770 metre section at the eastern end of Dillons Point Road.

No increase has occurred – current charge \$784. It will continue until 30 June 2008.

French Pass Road Charge (\$27,160 GST inclusive)

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

The charge remains at \$97 on each rating unit and will continue until 30 June 2015.

Kaiuma Bay Road Rate (\$58,500 GST inclusive)

This rate is a new rate and is calculated on the land value of all land contained within the Kaiuma Bay subdivision being Section 1 SO 7223. The rate is being levied to fund 25% of the road upgrade costs in the Kaiuma Bay Road rating area and will continue until 30 June 2012.

The rate in the dollar for this new rate is 34.411765 cents.

Kenepuru Road Rate (\$36,570 GST inclusive)

This rate is calculated on the capital value of every rating unit in the former Kenepuru Riding and is applied towards "roading improvements" in the targeted area.

No increase in the rate has occurred (0.011881 cents in the dollar based on capital value).

Okiwa Bay Jetty Charge (\$260 GST inclusive)

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

No increase has occurred.

Wairau Valley River Works Rates (\$3,182,211 GST inclusive)

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

The funding requirements from each area are as follows:

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

No increase in the overall rates levy has occurred.

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

◆ Rural A Rating Units	0.071281	(7.13)
◆ Rural B Rating Units	0.056312	(5.63)
◆ Rural C Rating Units	0.040630	(4.06)
◆ Rural D Rating Units	0.008554	(0.86)
◆ Blenheim Urban 1 Rating Units	0.064028	(6.40)
◆ Blenheim Urban 2 Rating Units	0.042685	(4.27)
◆ Blenheim Urban 3 Rating Units	0.028457	(2.85)
◆ Blenheim Urban 4 Rating Units	0.021342	(2.13)
◆ Other Urban 1 Rating Units in Wairau Catchment	0.063672	(6.37)
◆ Other Urban 2 Rating Units in Wairau Catchment	0.038203	(3.82)

Sewerage Rates And Charges (\$5,354,848 GST inclusive)

Blenheim/Riverlands Sewerage (Total \$4,120,840 GST inclusive)

An overall increase of \$300,817 (GST exclusive) will occur (8.95%).

Blenheim Sewerage Capital Works Rate (\$2,013,360 GST inclusive)

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

There is an 0.57% (\$10,177 GST exclusive) increase in this rate to meet debt servicing costs on new loans. The works are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment. A key component in the upgrade is the separation of trade waste, which will provide greater residential capacity.

On a rating unit whose land value is \$146,000 the rate will increase from \$199.66 to \$201.94. The new rate in the dollar is 0.138318 cents.

Blenheim Sewerage Charges (\$2,107,480 GST inclusive)

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

The charges fund the balance of expenditure and will increase from \$158 to \$182 on each separately used or inhabited part of every serviced rating unit and from \$79 to \$91 on each separately used or inhabited part of every serviceable rating unit. The 18.36% (\$290,640 GST exclusive) increase relates to increased power and other costs associated with the Sewer Scheme improvements. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be levied an additional trade waste charge.

Havelock Sewerage (Total \$121,606 GST inclusive)

No increase will occur.

Havelock Sewerage Capital Works Rate (\$32,866 GST inclusive)

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

On a rating unit whose land value is \$160,000 the rate will be \$95.64 with a rate in the dollar of 0.059778 cents.

Havelock Sewerage Charges (\$88,740 GST inclusive)

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

They fund the balance of expenditure and will be \$306 for each separately used or inhabited part of every serviced rating unit and \$153 for each separately used or inhabited part of every serviceable rating unit.

Picton Sewerage (Total \$959,124 GST inclusive)

An overall increase of \$128,163 (GST exclusive) will occur (17.69%).

Picton Sewerage Capital Works Rate (\$154,749 GST inclusive)

This rate is assessed on the basis of the land value of all rating units in the Picton Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs. An increase of \$118,881 (GST exclusive) is required to fund debt servicing costs for commencement of the outfall and associated pipeline works.

On a rating unit whose land value is \$175,000 the rate levy will increase from \$9.92 to \$73.09 with a rate in the dollar of 0.041766 cents.

Picton Sewerage Charges (\$804,375 GST inclusive)

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

These charges fund the balance of expenditure and will increase from \$317 to \$322 per serviced rating unit and from \$158.50 to \$161.00 per serviceable rating unit to meet increased operating costs. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than an average domestic rating unit, will be levied an additional trade waste charge.

Seddon Sewerage (Total \$74,037 GST inclusive)

No increase will occur .

Seddon Sewerage Capital Works Rate (\$15,284 GST inclusive)

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

On a rating unit whose land value is \$53,000 the rate levy will be \$58.86 with a rate in the dollar of 0.111065 cents.

Seddon Sewerage Charges (\$58,753 GST inclusive)

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

They fund the balance of expenditure and will remain at \$256 for each separately used or inhabited part of every serviced rating unit and \$128 for each serviceable part of a rating unit.

Spring Creek Sewerage (Total \$79,241 GST inclusive)

An overall increase of \$10,052 (GST exclusive) will occur (16.65%).

Spring Creek Capital Works Rate (\$20,753 GST inclusive)

This rate is assessed on the basis of the land value of all rating units in the Spring Creek Sewerage Rating Area and funds Capital Expenditure and Debt Servicing costs. An increase of \$3,572 (GST exclusive) is required to fund additional loan repayments in respect of oxidation pond improvements.

On a rating unit whose land value is \$90,000 the rate will increase from \$90.20 to \$114.16 with a rate in the dollar of 0.126844 cents.

Spring Creek Sewerage Charges (\$58,488 GST inclusive)

These charges are calculated as a fixed amount for each separately used or inhabited part of every serviced rating unit connected to the Spring Creek Sewerage Scheme; and half that amount for each separately used or inhabited part of every serviceable rating unit. An increase of \$6,480 (GST exclusive) is required to fund increased operating costs.

They fund the balance of expenditure and will increase from \$318 to \$364 per serviced part of a rating unit and from \$159 to \$182 per serviceable part of a rating unit.

Water Supply Rates and Charges (\$6,256,187 GST inclusive)

Awatere Water Supply (\$357,530 GST inclusive)

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

Awatere Water Charge (\$17,150 GST inclusive)

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

Awatere Water Metered Charge (\$340,380 GST inclusive)

The \$20,391 (GST exclusive) increase in the rate requirement is attributable to increased operating and maintenance costs. The metered charge will increase from \$0.64 to \$0.69 per cubic metre on the basis of a consumption estimate of 496,000 m³.

Blenheim Water Supply (Total \$3,146,916 GST inclusive)

An overall increase of \$373,672 (GST exclusive) will occur (15.42%).

Blenheim Water Capital Works Rate (\$943,108 GST inclusive)

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

An increase of \$101,789 (GST exclusive) has occurred as a result of additional loan repayments to fund the construction of a new water reservoir, and pump station renewals. The rate levy for a property whose land value is \$146,000 will increase from \$85.24 to \$97.93. The new rate in the dollar will be 0.067077 cents

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

Metered and Uniform Charges (\$2,203,808 GST inclusive)

An overall increase of \$271,883 (GST exclusive) is required to fund additional power, treatment and reticulation costs.

Blenheim Metered Water Charge (\$283,040 GST inclusive)

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

Due to increased operating costs the charge will increase from \$0.50 to \$0.58 per cubic metre, with a minimum quarterly charge of \$46.

Blenheim Water Charges (\$1,913,808 GST inclusive)

These rates are calculated as a fixed amount for each non-metered separately used or inhabited part of every serviced rating unit in the Blenheim Water Supply Area (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 increase from \$156 to \$184 per part of a serviced rating unit and from \$78 to \$92 per part of a serviceable rating unit.

Burleigh Extension Metered Water Charge (\$6,960 GST inclusive)

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

The charge will increase from \$0.50 to \$0.58 per cubic metre with a minimum quarterly charge of \$46.

Havelock Water Supply (Total \$192,717 GST inclusive)

An overall rates increase of \$18,117 (GST exclusive) will occur (11.83%).

Havelock Water Capital Works Rate (\$68,943 GST inclusive)

This targeted rate is calculated on the land value of all rating units in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. An increase of \$12,038 (GST exclusive) is required to fund increased loan charges for pipeline renewals.

For a rating unit whose land value is \$160,000 the rate will increase from \$158.08 to \$196.72. The new rate in the dollar will be 0.122952 cents.

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

Metered and Uniform Charges (\$123,774 GST inclusive)

An increase of \$6,079 (GST exclusive) is required to fund increased reticulation and operating costs.

Havelock Metered Water Charge (\$50,400 GST inclusive)

Metered water will increase from \$1.38 to \$1.44 per cubic metre with a minimum quarterly charge of \$70.25.

Havelock Water Charges (\$73,374 GST inclusive)

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

These charges fund the balance of expenditure not met from meter charges and will increase from \$259 to \$281 per part of a serviced rating unit and from \$129.50 to \$140.50 per part of a serviceable rating unit.

Picton Water Supply (Total \$1,425,393 GST inclusive)

An overall increase of \$193,017 (GST exclusive) will occur (17.97%).

Picton Water Capital Works Rates (\$510,377 GST inclusive)

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

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

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

An increase of \$125,188 (38.11%) will be required to fund loan repayments on Reservoirs and pipelines. For a rating unit whose land value is \$175,000 the rate will increase from \$172.87 to \$246.59. The new rate in the dollar for rating units subject to the special pipeline agreement is 0.112728 cents in the dollar and the new rate for other rating units is 0.140910 cents in the dollar.

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

Metered and Uniform Charges (\$915,016 GST inclusive)

An increase of \$67,829 (GST exclusive) will occur (9.1%), to meet increased costs for reticulation and water treatment costs.

Picton Metered Water Charges (\$197,352 GST inclusive)

- Ordinary Charge

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

Water for ordinary metered consumers will increase from \$0.9491 to \$1.0407 per cubic metre with a minimum quarterly charge of \$76.75.

- Koromiko Charge

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

Water for Koromiko Special Agreement Consumers will increase from \$0.7593 to \$0.8325 per cubic metre.

- Onsold Charge

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

Water for consumers on-selling will increase from \$1.0529 to \$1.1545 per cubic metre with a minimum quarterly charge of \$76.75.

Picton Water Charge (\$717,664 GST inclusive)

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

These charges fund the balance of expenditure not met from meter charges and will increase from \$278 to \$307 per part of a serviced rating unit and from \$139 to \$153.50 per part of a serviceable rating unit.

Renwick Water Supply (Total \$303,909 GST inclusive)

No increase will occur.

Renwick Water Capital Works Rate (\$85,121 GST inclusive)

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

For a rating unit whose land value is \$87,000 the rate levy will be \$94.04. The rate in the dollar is 0.108091 cents.

Metered and Uniform Charges (\$218,788 GST inclusive)

No increases will occur.

Renwick Metered Water Charges (\$24,639 GST inclusive)

Metered water will remain at \$0.86 per cubic metre with a minimum quarterly charge of \$66.50

Renwick Water Charge (\$194,149 GST inclusive)

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

These charges fund the balance of expenditure and will be \$266 per part of a serviced rating unit and \$133.00 per part of a serviceable rating unit.

Riverlands Water Supply (\$334,575 GST inclusive)

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

There is an increase in the funding requirement of \$39,020 GST exclusive (15.1%) as a result of increased treatment and other operating costs which will result in the metered charge increasing from \$0.37 to \$0.45 per cubic metre. The minimum quarterly charge remains at \$40.

Southern Valleys' Irrigation Scheme (Total \$469,092 GST inclusive)

A metered charge funds operating costs of the Southern Valleys' Irrigation Scheme.

Increased operations and maintenance costs of \$65,798 are estimated to be met from consumption increases. The charge will remain at \$0.14625 per cubic metre.

Wairau Valley Water Supply (\$26,055 GST inclusive)

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

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

At a meeting of Wairau Valley Residents on 15 August 2006 Council staff outlined various water supply issues for the Wairau Valley Scheme (including a need to reduce water consumption to within the design criteria). There was general agreement from the meeting that water by meter charges would be more equitable than the existing uniform charge basis and they would also have the effect of reducing wasteful consumption. An amendment from a uniform charge basis to a metered water charge is therefore being promoted as from 2007-08.

Based on an estimated annual consumption of 53,390m³, a metered water charge of \$0.49 per cubic metre has been determined for 2007-08.

Blenheim/Picton Refuse Collection Charge (\$936,150 GST inclusive)

This charge relates to the refuse collection service provided in Blenheim and Picton.

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

The collection charge will remain at \$70 per service.

Tourism Charges (\$121,309 GST inclusive)

A targeted tourism rate is assessed on the basis of a fixed amount per separately used or inhabited part of a rating unit set differentially for the following land uses:

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - \$168.75.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$258.75.

Properties used for tourism activities (excluding the two groups above) - \$191.25.

Agency Rates and Charges (\$10,554 GST inclusive)

Rarangi Works and Service Charge (\$9,030 GST inclusive)

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

No increase has occurred.

Tuamarina/Waikakaho Hall Charge (\$1,524 GST inclusive)

This charge is calculated as a fixed amount of \$12 on each rating unit in the Tuamarina/Waikakaho Special Rating Area, such charge to be applied to the Tuamarina/Waikakaho Hall.

No increase has occurred.

General Revenue Sources

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

These include –

Dividends and Interest from Investments (\$5,643,000)

- ◆ Funded to specified Reserves for particular purposes or events (e.g. Disaster Recovery Reserve).
- ◆ Used to subsidise general type rates and charges by way of general revenue allocation.
- ◆ Sinking Fund interest is applied against the sinking fund to which it relates and used for debt repayment.

Petroleum Tax (\$400,000)

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

Asset Sale Proceeds (not budgeted)

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

Contributions Received from Development and Subdivision (\$1,882,425)

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

Forestry Income (\$1,150,500)

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

The Following is for Information Only and Does Not Form Part of The Funding Impact Statement

General Information

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

Blenheim Area (BM)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential, Service or Industrial (i.e. includes Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties with an area of one hectare or less that are connected to (or are able to be connected to) either the Blenheim Water or Sewerage Schemes, but excluding properties in the Renwick Sewerage Rating Area. Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

Blenheim Vicinity Area (BV)

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

From just north of the Rarangi Settlement following around the foothills in a south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; to the coast on the south of the Vernon Lagoons.

Picton Area (PN)

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

Schedule

Lot 1 DP 6129 Lots 1-2 DP 3716 Lots 2 & 5 DP 3183 Lots 1-2 DP 9175 Pt Lot 1 DP 7160 Lot 1 DP 9268 Lot 1 DP 10871 Pt Secs 63-65 Picton Subn Blk III Cloudy Bay SD Secs 18, 129 Pt Sec 159 Picton Subn Blk XV Linkwater SD Pt DP 467 Waitohi Valley Blk XI Linkwater Lots 1-2 DP 1353 All DP 1148 Pt Secs 37 & 103 Waitohi Reg Dist Blk XV Linkwater Lot 1 DP 5595 Lot 2 DP 5660 Secs 38, 39, 105, 106 & Pts 36-37 & 104 Waitohi Dist Blks XI XII XV Linkwater SD Lot 1 DP 6397 Lots 1-14, 18 DP 1086 Blk VIII Linkwater SD, Lots 1 & 2 DP 3080 Blk VIII Linkwater SD, Lot 16 DP 1086 Blk VIII Linkwater SD, Lots 1 & 2 DP 10989, Lots 1-4 DP 303945 Part Waikawa Section 2C2, Lots 1 – 5 DP 11736, Waikawa 3B Block XII Linkwater SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD, Lot 2 DP 7961 Pt Secs 10 & 11 Waitohi Sub Reg, Pt Lot 1 DP 6881, Lot 3 DP 8884.

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

Picton Vicinity Area (PV)

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

General Rural Area (GR)

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

Administrative Rural Area (AR)

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

- ◆ The above rates and charges are for the period 1 July 2007 to 30 June 2008 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	13 September 2007
Instalment Two	13 December 2007
Instalment Three	13 March 2008
Instalment Four	13 June 2008

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

PENALTY PROVISIONS (Additional Charges on Unpaid Rates)

- ◆ A penalty, equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the "Last Date for Payment", shall on the next day be added to that amount of unpaid rates.
- ◆ Pursuant to Sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges that remain unpaid on 30 June 2008. Payments are applied to the oldest debt first.

PENALTY PROVISIONS (Unpaid Metered Water)

- ◆ A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid two months after the initial invoice date, shall be added to that amount which remains unpaid.

CAPITAL PROJECT FUNDING PLAN FOR SOUTHERN VALLEYS' IRRIGATION SCHEME

This Capital Payment Funding Plan was prepared in accordance with the provisions of the Local Government (Rating) Act 2002 and provided for the following matters:

- ◆ The purpose of the Funding Plan is to offer ratepayers a lump sum contribution option in lieu of the existing targeted loan rate.
- ◆ The Funding Plan will commence on 1 July 2007.
- ◆ The cost of the funding plan is \$12,717,000. (*This is the amount of the existing Southern Valleys' Irrigation Scheme Loans less Accumulated Sinking Funds - i.e. the net loan indebtedness.*)
- ◆ Up until 2006/07, a targeted loan rate of \$440.11 per hectare (*GST inclusive*) has been assessed on all irrigable land in the Southern Valley's Irrigation Rating Area. This rate was determined on the basis of the initial scheme estimates and has been revised to \$415.56 from 2007/08 to take account of the final scheme costs and loan raising requirements.
- ◆ **If the lump sum option is chosen, the amount to be funded will be \$3,425.92 (*GST inclusive*) per rateable hectare. If the lump sum option is not chosen, the targeted loan rate to be funded will be \$415.56 (*GST inclusive*) per rateable hectare until 2022-23.**
- ◆ Targeted loan rates will only apply to those rating units within the Southern Valleys' Irrigation Rating Area where no lump sum contribution election has been made.
- ◆ The number of rating units liable for the targeted loan rate will depend on how many rating units are subject to lump sum contributions. This number will only be known after the close of the lump sum contribution offer on 18 April 2008.
- ◆ Liability for targeted loan rates will continue to be calculated on rateable hectares within the irrigation scheme rating area.
- ◆ No circumstances have been identified under which the categories of rating unit to be liable for the targeted loan rate or the calculation basis of the targeted loan rate will change.
- ◆ Lump sum contributions will be calculated by dividing the net loan indebtedness by the scheme's total rateable area, and then applying the derived amount (plus GST) to the rateable area of each property for which the lump sum contribution option has been chosen.
$$\text{e.g. } \frac{\text{Net Loan Indebtedness}}{\text{Rateable Area of Scheme}} + \text{GST} = \text{Lump Sum Rate per hectare}$$
- ◆ The lump sum contribution will be a one-off payment. Instalments will not be accepted.
- ◆ **Invitations to make a lump sum contribution will be delivered to each eligible ratepayer on Tuesday 4 March 2008. Ratepayers will have until Friday 18 April 2008 to elect to make a lump sum contribution.**
- ◆ **The due date for lump sum contribution payments is Thursday 12 June 2008.**
- ◆ The targeted rate that a rating unit would be liable for until 2022/23 if a lump sum contribution is not made will be \$415.56 (*GST inclusive*) per rateable hectare.
- ◆ Irrespective of whether the lump sum contribution or targeted loan rate option is chosen, rating units will continue to be liable for the metered water charges that are set by Council each year.
- ◆ As the Capital Project Funding Plan is only concerned with repayment/partial repayment of existing Southern Valleys' Irrigation Scheme loans, the amount per rateable hectare for lump sum contribution payments is not subject to change. Any properties that are subdivided after Friday 18 April 2008, (*for which a lump sum contribution election had been made*), will have the lump sum amount apportioned according to the rateable areas of the subdivided lots that are in the scheme's rating area.
- ◆ The funding plan expires on Thursday 12 June 2008.

GLOSSARY OF TERMS

Accruals	These are similar to accounts payable in that they are expenses incurred during the current year for which payment has not been made and invoices have not yet been recovered.
Allocated Overheads	Overhead accounts are used to allocate revenues and expenses that relate to various managerial operations (such as general management, general administration, reception and office management and information systems management) and are currently allocated on an annual basis.
Asset Sales	Refers to the sale of MDC assets e.g. cars, property.
Borrowings	Refers to the raising of loans for capital items, such as the sewerage scheme.
Charge	These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.
CV	Capital Value.
Infrastructural Assets	These are the fixed assets that are not generally regarded as tradeable and which provide a continuing service to the community – such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
District Wide	Applies to every property in the District.
Geographic Areas	The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Administrative Rural.
LV	Land Value.
Operational Assets	These are tangible assets that are generally regarded as tradeable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.
Other Revenue	Revenue received for the activity that is not related to the use of services e.g., interest.
Prepayments	Amounts paid to creditors by the MDC in the current year that relate to future years.
Property Value	For rating purposes this refers to either the “land” or “capital” value of a property.
Public Debt	This is the amount of borrowed funds that the MDC owes to external parties. The net public debt is the public debt minus the sinking funds held, and the mortgage advances for which the MDC has borrowed funds i.e. rural housing loans.
Public Equity	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.
Rate / Rates	<p>The Local Government (Rating) Act 2002 refers to Rates as all rates including Uniform Annual General Charges and targeted rates calculated as a fixed amount per rating unit.</p> <p>Unless otherwise specified, a reference to a rate in this Plan is to cents in the dollar of property value or area.</p>
Sinking Funds	These are investment accounts funded by annual instalments to repay the principal components of loans.
Statement of Cash Flows	This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
Statement of Financial Performance	This can also be referred to as the Profit and Loss Statement, the Income Statement or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
Statement of Financial Position	This shows the financial state of affairs at a particular point in time. It can also be referred to as the Balance Sheet.
Subsidies	Amounts received from other agencies for the provision of services e.g. Transfund roading subsidies.
User Charges	The charges levied for use of MDC services e.g. building consent fees, health inspections.
Transfer to/from Reserves	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
Working Capital	This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.