



MARLBOROUGH
DISTRICT COUNCIL

Annual Plan 2011-2012

Final





Council's Mission

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

Inside cover: Pollard Park, Blenheim

Front Cover: Cape Campbell, Marlborough

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MDC DIRECTORY

CONTACT DETAILS

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Web: www.marlborough.govt.nz

ADDRESSES

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

67 High Street, Picton

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Assets and Services Depot

Freswick Street, Blenheim

Reserves Depot

Pollard Park, Blenheim

SOLICITOR

P J Radich of Radich Law, Blenheim

BANKERS

Bank of New Zealand, Blenheim

Westpac New Zealand Limited, Blenheim

AUDITOR

Auditor General, Audit New Zealand, Christchurch

GENERAL STATISTICS

Population (Census count 7 March 2006) 46,179

Population (Resident 7 March 2006) 42,558

Inter-Census Population Movement (+) 8.6%

District Area 17,517 square kilometres

as at 30 June 2010

Rateable Land Value \$8,865,370,650

Rateable Capital Value \$15,775,855,750

Number of Rate Assessments 25,442

This Annual Plan was adopted at a meeting of the Marlborough District Council on 30 June 2011.

MAYOR'S INTRODUCTION

The Annual Plan sets out what ratepayers and residents will pay for the services that Council provides across Marlborough. Our decision-making has been driven by the twin aims of affordability and planning for future needs. We hope we have got the balance right.

Every year most of the Council's expenditure goes into protecting our existing assets and improving core infrastructure; this year it is major sewerage works for Blenheim and Picton.

Maintaining our assets – everything from our beautiful parks and reserves, our vital floodworks, to our extensive water, stormwater, sewerage and roading networks - must always be the priority.

But as well as core infrastructure, the Council funds and manages community amenities and facilities – always looking ahead at the future needs of Marlborough.

Holding down the average rate increase to 3.19% is a very good outcome in the current climate. We have worked hard to achieve this result for ratepayers. It has meant trimming work out of the programme and pushing out timeframes for some projects. We have not been able to fund quite as many community projects as we might have in better times.

But there is plenty of positive news in this Annual Plan; for example, much improved value for money from our waste management and roading contracts and confirmation of the Civic Theatre which means we have the chance to beat the inevitable construction price rises that will flow on from the situation in Christchurch.

Unfortunately the Christchurch earthquake has also had a direct impact on us and every other local authority in the country in terms of insurance costs. The good work we have done pruning expenditure has been largely eaten up by the massive hike in our insurance costs for the year ahead and next year I expect those insurances to be more difficult to absorb.

Nevertheless we have been able to make sure we are delivering the measures we believe are important for Marlborough:

- Completing the important public health measure of upgrading Blenheim's water supply.
- Beginning the upgrade of Blenheim's sewerage treatment plant.
- Upgrading water treatment for Awatere residents.
- Completing the new regional aquatic centre at Marlborough Lines Stadium 2000.
- Committing funding to Picton's Endeavour Park recreational complex.
- Completing a new parking building, a major step toward meeting Blenheim's future parking needs.
- Assisting the Omas Aviation Heritage Centre with new financing arrangements that potentially open the way to future growth of this world-ranked museum.
- Committing funding to a new Civic Theatre for Marlborough.
- Committing to the strategic purchase of the Queen Street theatre block
- Beginning the Blenheim CBD upgrade.

The last two points have emerged from the town planning project which the Council has been working on since 2008; the most wide-ranging planning project ever to be done in Marlborough. We have now reached the stage where we are beginning to implement the results of this project, "Growing Marlborough", as and when we can afford to do so.

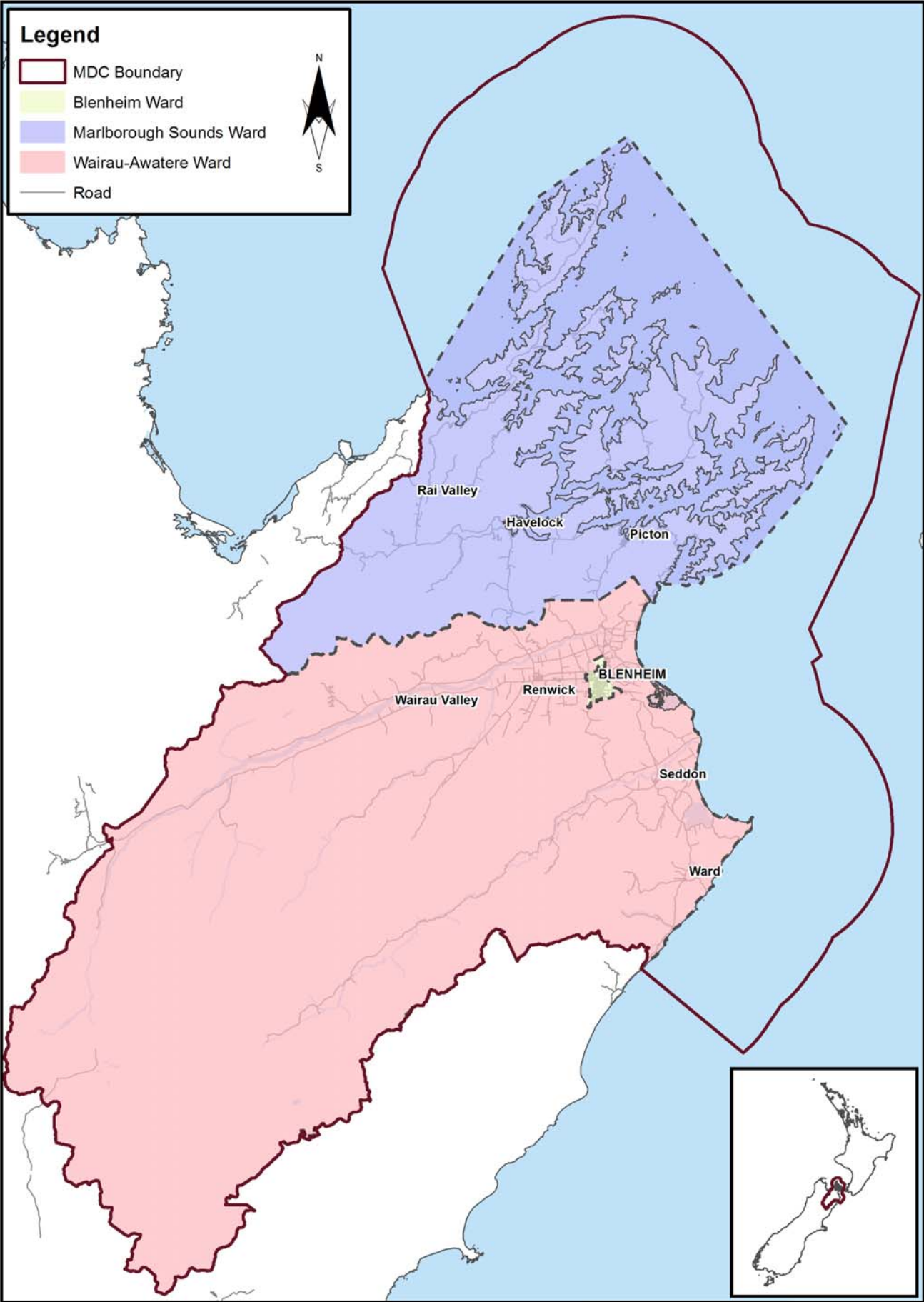
Our success stories do not always make headlines. For example, Council's commitment to the EnviroSchools programme, teaching our young people to value our resources, means Marlborough has signed on to the programme the greatest proportion of schools of any region in New Zealand. The 'Edible Garden' project, originated here, has been adopted by schools across the country. This is a fine example of the Council expending a small sum to achieve big results for the next generation.

Our aim, across everything we do, is to deliver value for money for our ratepayers.



Alistair Sowman
Mayor

WARD BOUNDARIES



ELECTED COUNCIL MEMBERS



Mayor
Alistair Sowman



Jenny Andrews
(Deputy Mayor)
Blenheim Ward



Jamie Arbuckle
Blenheim Ward



Jessica Bagge
Blenheim Ward



David Dew
Blenheim Ward



John Leggett
Blenheim Ward



Terry Sloan
Blenheim Ward



Graeme Taylor
Blenheim Ward



Geoff Evans
Wairau/Awatere
Ward



Peter Jerram
Wairau/Awatere
Ward



Francis Maher
Wairau/Awatere
Ward



Graeme Barsanti
Marlborough
Sounds Ward



Trevor Hook
Marlborough
Sounds Ward



David Oddie
Marlborough
Sounds Ward

COUNCIL COMMITTEES AND MEMBERS

The Marlborough District Council has four standing committees, a joint committee with Kaikoura District Council, two statutory committees and eight sub-committees. The present committees and their membership are as follows:

ASSETS & SERVICES COMMITTEE

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

Clr Graeme Taylor – Chairperson
 Clr Terry Sloan – Deputy
 Clr Jenny Andrews
 Clr Jessica Bagge
 Clr John Leggett
 Mayor – ex officio
 Iwi Representative – Richard Hunter co-opted member

Civil Defence Emergency Management Group (Statutory Committee)

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

Clr Graeme Taylor – Chairperson
 Clr Terry Sloan – Deputy
 Clr Jenny Andrews
 Clr Jessica Bagge
 Clr John Leggett
 Mayor – ex officio
 Iwi Representative – Richard Hunter co-opted member

Regional Transport Committee (Statutory Committee)

This Committee prepares for approval by Council the Regional Land Transport Strategy, or any variations to or any report on the Strategy; the Regional Land Transport Programme, or any variations to the Programme; any regional fuel tax scheme for its region; and provides Council with any advice and assistance in relation to its transport responsibilities. Membership of the Committee (refer section 105 of the Land Transport Management Act 2003) is limited to five persons to represent the unitary authority; and one person to represent the Agency; and one person to represent the objective of economic development; and one person to represent the objective of safety and personal security; and one person to represent the objective of public health; and one person to represent the objective of access and mobility; and one person to represent the objective of environmental sustainability; and one person to represent cultural interests.

Clr Graeme Barsanti – Chairperson
 Clr Jessica Bagge
 Clr John Leggett
 Clr Terry Sloan
 Clr Graeme Taylor

The Agency – representative from NZTA
 Safety and Personal Security – representative from New Zealand Police
 Economic Development – representative from Chamber of Commerce
 Public Health – representative from Nelson Marlborough District Health Board
 Access and Mobility – representative from Access and Mobility Forum
 Environmental Sustainability – representative from Environment Centre
 Cultural Interest - Iwi representative on the Assets and Services Committee

New Zealand Automobile Association and New Zealand Road Transport Association – to be invited and given speaking rights at meetings.

COMMUNITY AND FINANCIAL PLANNING COMMITTEE

This committee is responsible for the Long Term Council Community Plan; Annual Plan; Annual Report; economic development; community and social development; youth, elderly and access issues; arts; culture and heritage; grants

and donations; sister cities; financial performance; general administration; property management; Council subsidiaries; libraries; customer services; and democratic process.

Clr Francis Maher – Chairperson
Clr John Leggett – Deputy
Clr Jenny Andrews
Clr Jessica Bagge
Clr David Dew
Clr Trevor Hook
Clr Terry Sloan
Clr Graeme Taylor
Mayor – ex officio
Iwi Representative – Vennessa Ede co-opted member

Grants Sub-Committee

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

Clr Jenny Andrews – Chairperson
Clr Jessica Bagge
Sports Trust appointee – Karen Hartshorne
Arts Sector appointee – Kate Parker
Community members – Graeme Duncan, Lisa Ivamy, Patricia Clay, Toni Gillan, Lapu Oliver
Two iwi representatives – Vacant

Housing for the Elderly Sub-Committee

The focuses of this Sub-Committee are issues related to the Older Persons in the community and Council's Housing for the Elderly portfolio.

Clr Jenny Andrews – Chairperson
Clr Terry Sloan
Clr Graeme Taylor

Sister City Sub-Committee

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

Clr Graeme Barsanti – Chairperson
Clr David Oddie
Mayor – ex officio
Community representatives – Jennie Hopkins, Chris Bamber, Phylis Bradshaw, Liz Cromarty

Youth Sub-Committee

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

Mayor Alistair Sowman – Chairperson
Clr Jenny Andrews
Clr Jessica Bagge

Youth Funding Sub-Committee

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

Mayor Alistair Sowman – Chairperson
Community & Financial Planning (Clr Francis Maher)
Three youth representatives (one from each College)

ENVIRONMENT COMMITTEE

This Committee is responsible for the Regional Policy Statement and Resource Management Plan development; biosecurity; animal control; liquor licensing; building control; resource consent processing; monitoring of consents; compliance control; dangerous goods; fencing of swimming pools; food and health monitoring; harbour management; and historic places.

Clr Peter Jerram – Chairperson
Clr Trevor Hook – Deputy
Clr Jamie Arbuckle
Clr Graeme Barsanti
Clr David Dew
Clr Geoff Evans
Clr David Oddie
Iwi representative – Tracey Williams co-opted member
Rural representative – Ross Beech co-opted member

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 Peter Jerram – Chairperson
Clr Jamie Arbuckle
Clr Graeme Barsanti
Clr Geoff Evans

Liquor Licensing Sub-Committee

This Sub-Committee carries out Council's powers to hold a hearing, as the Marlborough District Licensing Agency, on an application for a licence for which there has been an objection under the Sale of Liquor Act 1989, and for the setting of policy under the Sale of Liquor Act 1989. This Sub-Committee is also responsible for Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

Clr John Leggett – Chairperson
Clr Graeme Barsanti
Clr Graeme Taylor

Resource Management Plan Review Sub-Committee

This Committee is responsible for the detailed review of Council's Resource Management Plans.

Clr David Dew – Chairperson
Clr Peter Jerram
Clr Francis Maher
Clr Graeme Taylor

HEARING COMMITTEE

This committee makes decisions on applications for resource consents (each consent is heard by a committee made up of a chairperson and two members).

Clr David Dew – Chairperson
Clr Graeme Barsanti – Deputy
Clr Geoff Evans
Clr David Oddie
Clr Jamie Arbuckle

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited and Marlborough Airport Limited

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

Port Marlborough NZ Limited

Manager, Corporate Finance - Martin Fletcher (Director)

Marlborough Regional Forestry

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

Clr Francis Maher (Chairperson)

Mayor Alistair Sowman

Kaikoura District Council representative

Forestry representative – Leo Jelinek co-opted member

COUNCIL MANAGEMENT STRUCTURE AND RESPONSIBILITIES



MAJOR PROJECTS 2011-12 (INCLUDING MAJOR SPENDING AREAS AFFECTING RATES)

Activity	Budgeted cost	Details
New, renewed and upgraded infrastructure		
Stormwater	\$750,000	Council's share of Middle Renwick Road pipeline servicing Westwood and upgrading capacity for Blenheim northwest.
Land transport	\$7,212,000	Major items include: Road resealing, widening, metalling unsealed roads and pavement rehabilitation.
Sewerage	\$7,228,000	Upgrades to pump stations, treatment facility, treatment quality, new discharge and reticulation upgrades for Blenheim. Sewer outfall replacement, new and renewed pipelines for Picton.
Water supply	\$2,384,000	Upgrades to reservoirs and treatment plant in Blenheim, treatment, reticulation and water metering in Picton, and treatment in the Awatere.

- Complete the 'Growing Marlborough' urban growth and development strategies and commence implementation.
- Complete the drafting of the Regional Policy Statement and Resource Management Plans.
- Provide a grant towards cost of the new Civic Theatre of \$3 million in 2011-12 and \$2 million in 2012-2013 (total \$5 million).
- Purchase the block of land in Queen Street, Blenheim that houses the current Civic Theatre site, Noel Leeming and Number 1 Shoe Warehouse for \$6 million from the Civic Theatre Trust (budgeted in 2012-13). This site was identified as strategically important in Blenheim's CBD development strategy. Projected rentals should largely cover the purchase cost with any shortfall being met from reserves.
- Provide a \$2.2 million grant towards the construction costs of Endeavour Park, Picton, funded by a mix of reserve funds and loans to be repaid by a targeted rate.
- Provide a \$1.4 million loan to the Aviation Heritage Centre to repay its third party obligations and ensure the future financial viability of this world class facility.
- Taking the first step towards implementing our Blenheim CBD development strategy with a \$500,000 investment in proposals identified in the strategy. This project will be funded by reserves.



Queen Street Carpark as per the Blenheim CBD Development Strategy



Planned Endeavour Park Sports Centre, Picton Architect's Impression



Planned Civic Theatre, Blenheim Architect's Impression

PART I: PURPOSE OF THIS PLAN

The 2011-12 Annual Plan is prepared in compliance with the Local Government Act 2002. It includes the annual budget and funding impact statement for the 2011-12 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 2009-2019. 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 noteworthy, an explanation is provided.



Council Activities



PART II: COUNCIL ACTIVITIES

Our Business - Activities & Services

Introduction

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

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

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

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

Identifying Services

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

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

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

How Levels of Service have been Selected

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

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

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

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

Community Outcomes and Activities Summary Table

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

Part II: Council Activities

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

Managing Change

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

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

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

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

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

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

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

Changes to Demand

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

Changes to Levels of Service

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

Significant Negative Effects

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

How to Read the Activity Section

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

ACTIVITY GROUP

Activities within this group
Rationale

ACTIVITY: NAME

Operating costs of this activity represents x% of total activity expenditure

Outcome	Related Community Outcome

How this activity relates to Community Outcomes
What is this activity about?

Levels of Service

Performance targets (for the financial year)

Level of service	Indicator	LTCCP Baseline	2011-12

Operating and Capital Costs and Funding Forecast
Activity

	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's

- The name of the Activity Group.
- The activities within the Activity Group.
The rationale for the delivery of the Group of Activities.
- The name of the Activity.
A table detailing:
 - The cost of this activity as a % of total operating expenditure.
 - The outcomes sought to be achieved by this activity.
- How this activity relates to Community Outcomes.
A description of what the Activity is about.
- Levels of service.
A description of the service to be provided.
The indicator used to measure achievement.
The targets for 2011-12.
- The operating and capital costs forecast for the Annual Plan and the means by which they are funded.

ACTIVITY GROUP: DEMOCRATIC PROCESS

Activities in this Group

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

Rationale for the Delivery of this Group of Activities

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

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

ACTIVITY: DEMOCRATIC PROCESS

Operating costs of this activity represent approximately 3.0% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

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

Emerging Issues

The main emerging issue within this Activity is the community's expectation for more information, consultation and recognition of significant events and people, increases the cost in these areas.

Levels of Service: Democratic Process

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations. Undertake citizenship ceremonies and other civic duties.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.5
Provide a service that is timely and responsive to residents	Percentage of agendas and attachments available to the public at least three working days prior to meetings.	100%	100%

Activity Group: Democratic Process

needs.	Percentage of Council meetings advertised in the local media no less than five working days prior to meeting date.	100%	100%
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Levels of Service apply to the period of this plan. Changes to targets, and to levels of service overall, will be reviewed periodically to reflect any changes to the operating environment and/or community expectations.

Operating and Capital Costs and Funding Forecast			
Democratic Process	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs	2,713	2,423	2,542
<i>Funded by</i>			
Rates	2,449	2,158	2,293
General revenues applied	260	243	247
Other revenue	4	22	2
Total revenue	2,713	2,423	2,542
Capital expenditure	-	40	-
<i>Funded by</i>			
Depreciation reserve transfer	-	20	-
Asset disposals	-	20	-
	-	40	-

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
There are no variances which are considered significant.

ACTIVITY GROUP: PEOPLE

Activities in this Group

The activities in this group include:

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

Rationale for the Delivery of this Group of Activities

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

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

ACTIVITY: CULTURE AND HERITAGE	
Operating costs of this activity represent approximately 4.4% of total activity expenditure.	
Outcome	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>	Heritage, Creativity.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

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

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

Over the period of this Plan, some new investments may need to be made in the District's heritage assets. The Council's Arts and Culture Strategy, and its Heritage Strategy, sets out the roles played by Council in detail, and the ways in which it intends 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 (eg; Marlborough Museum, Past Perfect museums database project).
- 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.
- Providing annual heritage operating grants and a pool of grants funds for the arts and heritage sector to apply for each year.

Emerging Issues

The following issues are emerging within this Activity:

- Similar to many other sectors in the District, the Heritage and Arts sectors are under stress because of limited funding sources. The sector also considers that there is a need to; invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of art being practised in Marlborough. There is also a desire in the sector for the expansion of museum facilities and to provide a greater level of trained professionals in the local industry.
- The sector's facilities and services are being governed by volunteers with increasing expectation of skills and expertise required in terms of compliance with legislation, employment practices and financial management that are not readily available.

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

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

Operating and Capital Costs and Funding Forecast			
Culture and Heritage	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Arts	5,181	235	3,205
Heritage	360	404	375
Memorials	89	77	93
Total operating costs	5,630	716	3,673
<i>Funded by</i>			
Rates	565	639	604
General revenues applied	64	77	69
Other revenue	1	-	-
Total revenue	630	716	673
Operating deficit funded from reserves	5,000	-	3,000
	5,630	716	3,673
Capital expenditure			
Heritage	53	-	-
Memorials	8	8	48
Total capital expenditure	61	8	48
Debt repayment	2	-	-
	63	8	48
<i>Funded by</i>			
Depreciation reserve transfer	3	8	8
Other reserve transfers	8	-	-
New loans	52	-	40
	63	8	48

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Operating costs - Arts includes \$3 million of the total grant to the Marlborough Civic Theatre Trust towards the cost of the new Civic Theatre, funded from the Forest Park reserve, the remaining \$2 million grant is budgeted in the 2012-13 year.

ACTIVITY: COMMUNITY HOUSING	
Operating costs of this activity represents approximately 1.4% of total activity expenditure.	
Outcome	Related Community Outcome
Marlborough residents have access to affordable housing options.	Affordable housing, Positive ageing.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

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

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

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

The Housing Portfolio is currently self funding.

Previous loans have been paid in full, giving Council the opportunity to raise further loans to invest in improvements to existing units or building of new units.

Emerging Issues

The following issues are emerging within this Activity:

- Age of units.
- Increasing elderly population with decreasing income.
- Rents below market levels.
- Increasing maintenance costs.
- Increase in demand for current units and demand for Council to build more units.

Levels of Service: Community Housing			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.7	6.7
Provide a community housing service that is sustainable.	Percentage of planned maintenance for the housing for elderly portfolio completed.	80%	90%

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

Operating and Capital Costs and Funding Forecast			
Community Housing	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs	956	1,071	1,161
Operating surplus transferred to reserves	100	-	-
	1,056	1,071	1,161
<i>Funded by</i>			
Other revenue	1,056	1,035	1,037
Total revenue	1,056	1,035	1,037
Operating deficit funded from reserves	-	36	124
	1,056	1,071	1,161
Capital expenditure	130	-	170
<i>Funded by</i>			
Depreciation reserve transfer	130	-	170

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Operating costs are increasing due to the maintenance required as the housing stock ages; management are developing an affordable plan for achieving this.

ACTIVITY: COMMUNITY SAFETY	
Operating costs of this activity represent approximately 0.3% of total activity expenditure.	
Outcome	Related Community Outcome
People in Marlborough enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.	Safety and security, Positive Ageing, Youth.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

The majority of these projects are delivered, via Government funding, directly by Council and include Marlborough District Truancy Service, Neighbourhood Support Marlborough (NSM), Restorative Justice, the Marlborough Youth Transition Service, Crime Prevention Through Environmental Design (CPTED), Motivational Outdoor Therapy for young offenders and U-Can, which is an initiative to inform migrant arrivals in Marlborough how to keep themselves safe in our community.

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

The majority of this area is self funding via Government Grants.

The Security Camera Network in the Blenheim CBD is managed by the Assets and Services Department of Council and is funded by rates.

Emerging Issues

- Possible reduction in Government Funding is the main issue emerging within this Activity. Indicators are that some of the existing functions may not be renewed, but others may be available in their place.
- Ageing Security Camera infrastructure.
- Potential for Picton CBD and Foreshore to have a Security Camera Network.

Levels of Service: Community Safety			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.5
	Percentage of residents that perceive of safety after dark in their neighbourhood and town as measured by survey.	Neighbourhood: 85% Town: 57%	85% 61%

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

Operating and Capital Costs and Funding Forecast

Community Safety	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs			
Safer Communities	227	213	224
Security	71	63	68
Total operating costs	298	276	292
<i>Funded by</i>			
Rates	91	81	95
General revenues applied	11	10	11
Subsidies and grants	194	185	184
Other revenue	2	-	2
Total revenue	298	276	292
Capital expenditure			
Security	53	50	50
Total capital expenditure	53	50	50
<i>Funded by</i>			
Depreciation reserve transfer	53	50	50

*Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
There are no variances which are considered significant.*

ACTIVITY: COMMUNITY SUPPORT

Operating costs of this activity represent approximately 0.8% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

This activity involves strengthening community cohesion, supporting social networks within the community, recognising the value and needs of older people and providing a positive environment for the development of our young people. This activity will also facilitate Central Government objectives of promoting energy efficiency, energy conservation, and the use of renewable energy sources. Council's role will extend to providing homeowner services for such energy promotions within available resources, and recovering the cost of those services together with interest and an appropriate administration charge over a number of years through a targeted rate on those properties that obtain a service. It also includes support for physical recreation and activity.

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

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

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

Similarly Council has a Youth Policy and Youth Initiatives Plan that works towards achieving a better environment and services for this sector with active input from youth. Monthly Council Youth Forums are held to provide a voice for youth and to take effect of the Policy and Plan which provides direction for the allocation of Council's Youth Funding.

The volunteer sector underpins much of the service delivery of community services in Marlborough. Advocating the needs of the sector is an ongoing issue particularly given the changes being experienced in the age and ethnicity of the community. Relationships are being made with key organisations to build the capacity of the sector through provision of training and support. Council also assists through provision of community grants with set criteria to target needs in the community. Relationships with other funding providers are maintained to try and maximise the funds available.

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

Emerging Issues

The following issues are emerging within this Activity:

- Population Change - The changing age structure poses challenges for future infrastructure, delivery of and access to services. The increase in the ethnic and cultural diversity of the community is also an issue for consideration.
- Composition of the community has implications for planning as they effect demand for and delivery of health and education services, along with housing, transport and recreation. They also have implications of the labour market, and demand for a wide range of services. Planning for these changes and advocating on behalf of the community to government agencies will continue to be an important part of Council's role and function.
- The impact of the recession is now being felt by many families in our community and this has had a significant impact on demand for services in the social services area of the volunteer sector. This has put pressure on the sector to be able to respond to the demand and raises issues in terms of funding and volunteers to appropriately deliver services to meet the demand.
- Employment and training opportunities for our young people is also an area of concern. Evidence shows clearly that the longer the transition time for young people from school to training or employment the more likely they are to become long term unemployed. Advocating for this sector at a local and national level is a continuing challenge for Council.

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

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.

Operating and Capital Costs and Funding Forecast			
Community Support	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Grants and Donations	513	499	565
Recreation	83	73	95
Total operating costs	596	572	660
<i>Funded by</i>			
Rates	512	486	473
General revenues applied	54	56	50
Other revenue	-	-	(16)
Total revenue	566	542	507
Operating deficit funded from reserves	30	30	153
	596	572	660

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Operating costs - Grants includes energy efficiency services provided and funded from reserves. These services will be recovered by the new targeted energy efficiency rate over nine years and transferred to reserves.

ACTIVITY: LIBRARY SERVICES	
Operating costs of this activity represents approximately 1.8% of total activity expenditure.	
Outcome	Related Community Outcome
Lifelong learning opportunities and improved knowledge, literacy and information skills for Marlborough's residents.	Full participation; knowledge and learning; creativity; heritage.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

- This activity involves providing the community with a professional library service which encourages a joy of reading and the pursuit of knowledge, through the provision of a wide range of current, timely and historical resources in various formats in a safe and accessible environment. Library services are consistently rated the highest Council provided service in the annual Resident's Satisfaction Survey.
- 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 Library and Council Service Centre). These two facilities are open seven days. Council also supports school based community libraries in Ward, Seddon, Havelock, Rai Valley and Waitaria Bay, along with a community library in Renwick and Linkwater.
- All age groups are catered for - from birth (through the "Bookstart" programme offered to every mother with a new baby born in Marlborough) and BabyTime to senior citizens (some of whom are confined to their own home and make use of the homebound service).
- The libraries' collection consists of over 135,000 items, covering a wide range of general interest and popular titles, both fiction and non-fiction, pre-school and children's titles, large print, local history, bicultural, along with non-book resources. The Collection Development Policy, reviewed in 2010, identifies how the collections will be maintained and developed to meet the needs of a growing and diverse population.
- As well as providing comprehensive book collections for informational and recreational use, access is available to electronic databases and the World Wide Web.
- Free internet and Wi-Fi access is provided to all library visitors through the Aotearoa People's Network Kaharoa with a 25% contribution from Council.
- The Marlborough District Libraries' catalogue is also available on-line, providing 24/7 access to the libraries holdings. Music is available on CD, along with sheet music, videos, DVDs, CD ROMs, talking books in various formats, magazines and jigsaw puzzles.
- A new Library Management System will be implemented in 2011, as part of a New Zealand wide consortium offered to Public Libraries.
- 'Library on Wheels' – this Picton project initiative aims to take the library into the community by visiting schools and preschools in the District. Promoting literature and literacy to local children will be our main focus.
- Downloadable Audio Books will be available to library members in the third quarter of 2011 through another New Zealand wide consortia project offered to Public Libraries by OverDrive Digital Library. OverDrive is a free digital media platform which allows library customers to download audiobooks. Titles include fiction and non-fiction items for adults, young adults and children, with regular additions of new material.

Asset Description

To undertake this Activity, the following assets are held:

- **District Library**

The Marlborough District Library was opened in 1989. Since that time, the library has seen patronage and issues increase.

In 2009/2010, over 516,000 items were issued. Its central location has proven popular as a central meeting place for those visiting the CBD. As the collection has expanded, free space has become a premium.

With the introduction of free public internet and Wi -Fi access provided through the Aotearoa Peoples Network Kaharoa foot traffic increased by 7.5% in 2009-2010 to 411,656 visits annually.

- **Picton Library and Service Centre**

The Picton Library and Service Centre became a combined facility in 1989. It is located in part of a Council owned building built in the 1970's. As a combined facility it provides access to library resources, as well as Council information and services.

In 2009-2010, over 75,000 items were issued. As a combined Council facility there is little space available to encourage class visits, children's holiday activities and groups of adults to meet within the library.

With the introduction of free public internet and Wi-Fi access provided through the Aotearoa Peoples Network Kaharoa foot traffic increased by 17% in 2009-2010 to 119,394 visits annually.

- **Collections**

The libraries' collection consists of over 135,000 items. Its current value is estimated at \$4.3 million.

The comprehensive book collections are complimented by providing access to electronic authoritative databases, national online catalogues and websites, along with the World Wide Web.

Non-book resources include Music CDs, sheet music, videos, DVDs, CD ROMs, talking books in various formats, magazines and jigsaw puzzles. Downloadable audio books will soon be available.

- **IT**

The libraries automated system provides the day to day control of the collection. The on-line catalogue can be accessed 24/7 and allows members to self manage the items they have out on loan and reserve items they wish to lend.

The Aotearoa Peoples Network Kaharoa is a managed network separate from Council provided by the National Library of New Zealand. The new Library Management System will be provided through this existing framework.

Emerging Issues

The major challenges facing Library Services are:

- Lack of space in both libraries for collections and library users, especially class visits.
- Council subsidised Public Internet. The Aotearoa Peoples Network Kaharoa has been provided free through Central Government by the National Library of New Zealand. From July 2011, Council will contribute a maximum of 25% of the total cost of running the network. The maximum cost to Marlborough District Libraries based on the services currently provided will be \$11,635.00.

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

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

Operating and Capital Costs and Funding Forecast			
Library Services	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs	1,458	1,388	1,532
<i>Funded by</i>			
Rates	1,186	1,120	1,254
General revenues applied	125	126	135
Other revenue	147	142	143
Total revenue	1,458	1,388	1,532
Capital expenditure	255	270	251
<i>Funded by</i>			
Depreciation reserve transfer	255	270	251

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
There are no variances which are 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, tsunamis, oil spills, hazardous substances, and landslips, to name a few.

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

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

ACTIVITY: EMERGENCY MANAGEMENT

Operating costs of this activity represent approximately 0.9% of total activity expenditure.

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

How this Activity Contributes to Community Outcomes

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

What is this Activity About?

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

- The hazards and risks to be managed by the Group are prioritised according to risk. Major risks include:
 - Earthquake.
 - Biological pests and new organisms.
 - Animal disease epidemic.
 - Flooding.
 - Wildfire.
 - Drought.
 - Tsunami.
 - Hazardous goods spillage.
 - Transportation accident. (air, maritime, rail/or road)
- Emergency management policies and procedures in place to manage the hazards and risks.
- Arrangements for declaring a state of emergency in the area.
- Arrangements for cooperation and coordination with other Emergency Management Groups.

The goals of the Marlborough Civil Defence Emergency Management Group Plan are:

- A community where the potential effects of all hazards have been minimised.
- People and communities that provide for their own safety and wellbeing (resilience).

Activity Group: Emergency Management

- A CDEM Group that enables the community to respond to and recover from emergency events in a timely and integrated manner.

The objectives of the Plan are:

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

Rural Fire

As the Rural Fire Authority for the Marlborough South area, Council has responsibility for preparation and implementation of the Marlborough District Council Fire Plan. The operational part of the Plan is updated each year prior to the summer fire season.

The Management Rural Fire Plan is reviewed and updated every two years.

Consultation is being undertaken on the formation of an Enlarged Rural Fire District. If stakeholders – Department of Conservation, the forest industry, Kaikoura District Council and Marlborough District Council – can agree Council will continue to provide its current response services to South Marlborough and some additional investment in the Enlarged Rural Fire District but will no longer be the fire authority for the area.

Emerging Issues

The following issues are emerging within this Activity:

- Enlarged Rural Fire District incorporating both Marlborough North/Marlborough South and Kaikoura District Council including all Department of Conservation land within the two Territorial areas.
- The need to review the CDEM Plan.

LEVELS OF SERVICE: EMERGENCY MANAGEMENT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds resident's expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Timeliness of the completion of the annual update to the CDEM Plan, including contact details.	October	October
	Level of compliance with the 10 year exercise programme for testing the CDEM Plan.	100%	100%
	% compliance with testing programme for radios, sector kits and emergency generator	100%	100%
Provide a well planned, maintained and competent Rural fire fighting capability.	Timeliness for completion of the annual review of the Rural Fire-fighting Operational Plan.	October	October
	Timeliness of the Rural Fire Fighting Plan's approval by the Authority.	-	September
	Number of registered Rural Fire force members.	40	46
	% of registered Rural Fire force members who have completed their Fire Fighter Unit Standards.	70%	75%

Activity Group: Emergency Management

	% of Rural Fire Force members who have attended at least 50% training events.	50%	70%
	% of 3 monthly checks on water way equipment and vehicles completed.	70%	75%
	Timeliness for completion of the annual vehicle maintenance.	November	November
	% of changes in Fire Season status advertised.	100%	100%

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

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

Operating and Capital Costs and Funding Forecast

Emergency Management	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs	711	639	729
Operating surplus transferred to reserves	60	40	40
	771	679	769
<i>Funded by</i>			
Rates	650	561	645
General revenues applied	75	69	76
Subsidies and grants	14	19	18
Other revenue	32	30	30
Total revenue	771	679	769
Capital expenditure	36	31	31
<i>Funded by</i>			
Depreciation reserve transfer	16	31	31
Other reserve transfers	20	-	-
	36	31	31

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

There are no variances which are considered significant.

ACTIVITY GROUP: LAND AND WATER SERVICES

The activities in this group include:

1. Community facilities (including parks, reserves, swimming pools and cemeteries).
2. Land transport.
3. Rivers and land drainage.
4. Wastewater.
5. Stormwater.
6. Water supply.
7. Solid waste management.

Rationale for the Delivery of this Group of Activities

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

ACTIVITY: COMMUNITY FACILITIES

Operating costs of this activity represent approximately 10.3% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

Community facilities can be categorised as follows:

Recreation Reserves

Marlborough District Council provides, maintains and protects reserves, gardens, trees, lawns, playgrounds other open spaces and amenity facilities that meet the community needs while enhancing people's appreciation of the environment and encouraging active lifestyles. Recreation reserve provision includes the management of reserve assets including trees, gardens, lawn, structures, outdoor furniture and Council owned buildings. Council provides recreation reserves 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, football, hockey and rugby.

Cemeteries

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

Public Toilets

Marlborough District Council undertakes to plan for, provide and maintain accessible and safe public toilets for use by residents and visitors at appropriate locations throughout the District. Both CBD and toilets located on Reserves are provided for and managed. The current allocation of Public Toilets in the CBD is higher than most other towns of a comparable size. It is planned to provide a "supa loo" staffed facility in the near future.

Aquatic Facilities

A major \$14 million development of the Regional Aquatic Centre is underway with significant improvements to the aquatic facilities. Council also supports the provision of this activity by means of financial grants to the operators of aquatic facilities in Blenheim, Picton and Seddon. These grants enhance the provision and accessibility of these assets for public use. Council support of these activities is consistent with the objectives of the Top of the South Regional Physical Activity Strategy, and the Marlborough District Physical Activity and Recreation Strategy, which promote healthy communities through opportunities for physical activities. The appropriate demand and supply analysis and community satisfaction surveys for the Marlborough Stadium aquatic facilities are carried out by the facility operators and where necessary are discussed with the Council to assist short and long term decision making.

Walking and Cycling Routes

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

Community Halls

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

Asset Description

There are several different types of Assets which are managed by the Reserves section, they can be broken into various categories:

Reserve Category	Number	Land(ha)
Reserves	193	2,070
Sportsgrounds	23	107
Community Building Reserve Land	31	9.47
Cemeteries	13	35.19
Accessways	58	5.46
Other Reserves (eg road reserves/berms)	51	425
Total	302	2,663.82

Major Asset Category	Number
Public conveniences	49
Aquatic Facilities	3
Playgrounds/Youth facilities	41
Sports Facilities	571
Bridges, Boardwalks, Structures	1,931
Carpark/roading	173
Walkways and Cycle Routes	225 routes
Park Fixtures	2,218
Street Trees and Garden Plots	18,866
Mown Turf	1,283.3ha
Total value for Reserves and Amenities Assets as of 30/6/2010	\$52.7 million

Emerging Issues

The following issues are emerging within this Activity:

- Reduced revenue from the Land subdivision Account which funds the reserves capital works programme, Annual Plan submissions, urban design projects, potential projects from the sports facility plan and community grants. This account will need to be managed with far greater constraint than in the past few years.
- Endeavour Park Pavilion project management and funding challenges.
- Renwick Pavilion maintenance agreements.
- Seddon Hall Project Proposal which is currently being assisted by a project manager.
- Meeting communities' expectations for landscaping and maintenance. As new "higher standard" subdivision occur through out the District and raised expectations from the community, Council needs to be firm with maintaining consistent standards regardless of the status of the subdivision. A targeted rate on new developments depending on level of service and extent of ongoing maintenance can be negotiated as the time of consent.
- Adopt the Sports Facility Plan. Medium to long term investment will be necessary to implement and as most sports desire higher maintenance standards (levels of Services) there will be a resulting rates impact. However as many codes also need/want better facilities including administration buildings careful prioritisation will be required other the medium to long term.
- Esplanade Land Acquisition and Management project. Developing GIS data base to identify both current and potential Acquisition in line with the updated RPS and current polices. The outcome of this project to give both the Public (developers) and Staff far greater clarity around identified acquisition which will allow more accurate budgeting.
- Freedom Camping Issues will need a staged policy to invest in basic facilities which need to be considered in line with national initiatives. Council will need to adopt national guidelines and continue with an education campaign. There will need to be an integration of the infringement fee legislation into current policy and monitoring. It needs to be acknowledged that additional resources will be required to manage this issue if Marlborough is to keep the practice sustainable.
- Rugby World Cup. Council won a bid to host a Team for the Rugby World Cup. Marlborough is hosting the Russian team for their training 6 to 13 September then again 16 to 18 September inclusive. They will be utilising Lansdowne Park and Stadium 2000 for their training. Council will need to ensure that these facilities are up to Rugby World Cup Standards. There will also be some Civic functions such as Welcoming and capping ceremonies and other commitments from the agreement. The Rugby World Cup gives the District an opportunity to showcase both business and tourist opportunity to the world. A contractor is working closely with Staff and Destination Marlborough Staff to coordinate the programme.
- Urban design strategy will pose issues for Council as to how to manage both the prioritising of projects across all townships, funding of projects and community expectations.
- Picton proposed indoor swimming pool. While this project is currently viewed as "unaffordable" for the community it will be important for achieving community outcomes to ensure the Queen Charlotte College community Pool is accessible and maintained to a standard that caters to the community, this will require investment in the current facility.
- Law enforcement; there is ever increasing pressures on the Rangers time to deal with law enforcement issues.

Levels of Service: Community Facilities

Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.7
Provide up to date relevant information to residents.	Number of newspaper articles initiated by staff.	8	>12
	% of changes to sport park availability advertised by 11.00 am each day.	90%	98%
	% of public maps and brochures are updated within one month of significant change in facilities.	New measure	90%
	% of public maps and brochures are restocked within 24 hours of request from agencies.	New measure	90%

Activity Group: Land and Water Services

	Number of bimonthly audits undertaken on the relevancy of web pages and brochures.	New measure	6
Provide a selection of cemetery services that meet the commemorative needs of the community.	Number of plots available annually for burials.	214	Up to 300
	% compliance with maintenance contract specifications.	95%	95%
Provide reserves and amenities which are equitably distributed and available to all.	% of residents in urban area living within 10 minutes walk or 500 metre radius from a District or neighbourhood reserve.	98%	98%
	% of CBD and urban public toilet that are disabled accessible as measured by Accessibility Audit.	86%	100%
Maintenance of the District's reserves, gardens and amenities.	% compliance with the maintenance contract specifications.	90%	95%
Provide reserves and amenities which are perceived as "Safe"	% of graffiti at reserves and amenities removed within three days of identification.	50%	95%
	% of new reserves, public conveniences and reported problem areas that receive a Crime Prevention through Environmental Design (CPTED) Audit.	70%	100%
	Number of material (ie; moderate probability of injury) deficiencies identified by Playground Safety audits.	5	<5
	% of significant Playground Safety audit recommendations actioned within one month.	90%	90%
Provide strategic planning for reserves and amenities within the District.	% of reserves with Management Plans as required under the Reserves Act.	0%	60%
	% of any newly acquired reserves that require management plans, have a plan adopted within five years of their establishment.	0%	100%
Deliver an ongoing improvement programme for reserves and amenities.	% of programmed maintenance and renewal works in the Annual Plan achieved.	New measure	90%
	% of improvement works included in the Annual Plan achieved.	New measure	80%

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

Operating and Capital Costs and Funding Forecast			
Community Facilities	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Cemeteries	537	464	468
Halls	228	211	275
Public Conveniences	721	647	682
Reserves	3,684	3,558	6,107
Swimming Pools	629	771	1,102
Total operating costs	5,799	5,651	8,634
<i>Funded by</i>			
Rates	4,729	4,639	5,201
General revenues applied	512	535	575
Subsidies and grants	11	10	10
Other revenue	266	175	191
Total revenue	5,518	5,359	5,977
Operating deficit funded from reserves	281	292	2,657
	5,799	5,651	8,634
Capital expenditure			
Cemeteries	588	103	56
Halls	101	10	10
Public Conveniences	254	155	170
Reserves	1,587	1,427	2,101
Swimming Pools	21	4,020	20
Total capital expenditure	2,551	5,715	2,357
Debt repayment	148	123	150
	2,699	5,838	2,507
<i>Funded by</i>			
Depreciation reserve transfer	496	435	528
Other reserve transfers	1,390	5,170	117
New loans	813	233	1,862
	2,699	5,838	2,507

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

- **Operating Costs:**
 - Reserves - includes a planned grant of \$2.2 million for the Endeavour Park Sports Pavilion, \$0.5 million of which is funded from the Land Subdivision Reserve and the remainder from a loan.
 - Swimming pools - includes the increased operating costs of the upgraded aquatic facilities.
- **Capital Expenditure:**
 - Cemeteries - includes restoration work in Picton Cemeteries originally budgeted for 2011-12 but now spread over five years.
 - Reserves - includes additional expenditure arising from implementation of Council's Sports Facility Plan.

ACTIVITY: LAND TRANSPORT

Operating costs of this activity represent approximately 23.0% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Essential Services and Prosperity Community Outcomes by providing an efficient and safe transport network for the District to facilitate the movement of people and goods. The network also contributes to the Physical Activity and Environmental Sustainability Community Outcomes by enabling walking and cycling and as a conveyance for community services.

What is this Activity About?

Council is responsible for all roads in Marlborough except the state highways, which are the responsibility of the New Zealand Transport Agency. As owner of the local roading network Council provides and maintains roads to standards that achieve an acceptable balance between user levels of service and cost. In addition Council is responsible for all roading related assets - footpaths, berms, street trees and plots, kerb and channelling, street lighting and Carparks. 13 jetties are also owned and maintained by Council. There is a continued emphasis on alternate modes such as walking and cycling. A Blenheim bus service is operational.

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

Marlborough District Council delivers its programmes through the New Zealand Transport Agency's (NZTA) Marlborough Roads office which manages Council's roads on its behalf. This is achieved through a formal contract and a close management relationship with Council.

NZTA is a key partner in Council's land transport management activities and provides financial assistance for maintenance, renewals and capital expenditure on the road network and passenger transport. Marlborough's state highways are also managed by Marlborough Roads. The State Highway network is of significant strategic importance in achieving community outcomes.

Council also works closely with the New Zealand Police on road safety issues and maintains and annually reviews a road safety strategy for the District.

Asset Description

Road Length	1,519 km (874km sealed, 645 unsealed).
Bridges	349
Jetties	13
Urban Footpaths	227km (140km concrete; 73km asphalt; 8km sealed; 6km pavers.
Road and Bridge Asset Value	\$570m
Blenheim Car Parks	347 On-street metered; 764 off-street metered (includes 334 car park building); 135 off-street leased; 389 off street other.
Picton Car Parks	183 off-street metered; 41 off-street leased; 67 off-street other.
Total Value of Land Transport Assets (30 June 2010)	\$585.2 Million

Emerging Issues

The following issues are emerging within this Activity:

- Pressure on budgets for increasing storm damage costs.
- Urban growth effects.
- Increasing forest harvests.

Levels of Service: Land Transport

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.1

Activity Group: Land and Water Services

Provide a safe transport infrastructure.	Number of vehicle crashes per year involving injury where contributing factor is 'Road Conditions'.	3	<4
Provide a quality transport infrastructure.	Average road roughness standards for:		
	1. Urban sealed roads.	97	110 or lower. (changed target reflects the actual maintenance standards for urban sealed roads) Levels of service will be unaffected.
	2. Rural Sealed roads. NB: a newly sealed road has an average roughness value of 50 - 70. A very rough gravel road will have a roughness value higher than 300).	86	95 or lower (changed target reflects the actual maintenance standards for rural sealed roads). Levels of service will be unaffected.
	Smooth Travel Exposure for:		
	1. Urban Sealed roads	79%	80%
	2. Rural Sealed roads NB: this measure takes roughness and adjusts it for traffic volumes.	94%	94%
	District Surface Condition Index. NB: The Surface Condition Index is a weighted derivation from pavement defects eg; number of potholes, amount of flushing etc and the age of the surfacing treatment. Lower values indicate a higher standard.	18	<20
Provide a service that is timely and responsive to community needs.	% of minor faults on footpaths repaired within 20 working days of detection.	100%	100%
	Overall parking occupancy rate for:		
	1. Kerbside	59%	<70%
	2. Off Street	79%	<85%
Provide a sustainable land transport infrastructure.	% of programmed maintenance works in the Land Transport Asset Management Plan achieved.	100%	100%
	% of renewal and improvement works included in the Land Transport Asset Management Plan achieved.	95%	95%

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

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

Operating and Capital Costs and Funding Forecast

Land Transport	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Parking	1,767	1,737	2,253
Roading	16,932	16,137	16,951
Total operating costs	18,699	17,874	19,204
Operating surplus transferred to reserves	3,078	994	99
	21,777	18,868	19,303
<i>Funded by</i>			
Rates	10,078	8,936	9,246
General revenues applied	1,197	1,132	1,123
Subsidies and grants	7,327	5,295	6,044
Other revenue	3,175	3,505	2,890
Total revenue	21,777	18,868	19,303
Capital expenditure			
Parking	96	4,225	675
Roading	9,841	7,727	8,060
Total capital expenditure	9,937	11,952	8,735
Debt repayment	558	470	544
	10,495	12,422	9,279
<i>Funded by</i>			
Depreciation reserve transfer	6,738	7,618	6,726
Other reserve transfers	2,767	1,060	618
Asset disposals	-	551	-
New loans	990	3,193	1,935
	10,495	12,422	9,279

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

- The increase in Parking operating costs includes the building demolition costs of the Wynen Street site.
- Parking capital expenditure has increased by \$600,000 for landscaping, sealing, lighting, metering and ticketing of various Council parking sites, including Wynen Street.
- Overall Roothing capital expenditure has been reduced:
 - by the reduced National Land Transport programme:
 - Road resurfacing \$796,000
 - Road rehabilitation \$280,000
 - Drainage renewals \$209,000
 - by Council:
 - Road rehabilitation \$250,000
 - Wairau Bar jetty \$107,000
 - Bythell Place upgrade \$75,000
 - CBD project scoping \$50,000
 - Footpath renewals \$125,000
 - Seal extensions \$635,000
 - These reductions have been offset by Council agreeing to fund \$500,000 as part of the CBD redevelopment from the Infrastructure Upgrade reserve.
- Capital subsidies and reserve transfers required have reduced accordingly.

ACTIVITY: RIVERS AND LAND DRAINAGE

Operating costs of this activity represents approximately 5.2% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

Wairau Floodplain Floodways

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

Wairau Floodplain Tributaries

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

Soil Conservation

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

Lower Wairau Floodplain Land Drainage

To provide agricultural drainage for 8,000 hectares of the Wairau floodplain land generally to the east of Blenheim and O'Dwyers Road. This involves controlling weed and sediment for some 175 kilometres of deliberately excavated drains or natural watercourses, operating floodgate culverts into the major rivers, and providing pumping stations generally with a capacity of removing 15 mm of rainfall in 24 hours. The riparian margins of selected channels are managed in an aesthetic and ecologically sensitive manner.

Gravel Extraction

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

Blenheim, Riverlands and Renwick Stormwater Outfall Channels

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

Gibsons Creek Rewatering

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

Council River Control Floodway Reserve Land

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

Sounds Watercourses Flood Management

To obtain a river capacity and standard of protection for flood sizes of up to 1 in 50 year return period for the Waitohi, Waikawa and their tributaries flowing through the urban areas of Picton and Waikawa. Where houses are at risk in other areas of the Sounds, to take mitigating action if feasible and economic.

Flood Hazard Advice

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

Flood Response Actions

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

Asset Description

- 180 km of stopbanks, training banks, the Taylor Dam, and other minor dams in total comprising 4.8 million cubic metres volume of earthworks.

Activity Group: Land and Water Services

- 575,000 cubic metres of large rock rip rap for river bank erosion protection purposes.
- 61 hectares of managed tree plantings (willows, poplars etc) for riverbank erosion protection purposes.
- 160 km of excavated minor water courses for agricultural drainage and urban stormwater disposal purposes.
- 2 major river diversions.
- 17 pumping stations for agricultural drainage purposes.
- 12 pumping stations for urban stormwater disposal purposes.
- 290 culverts under stopbanks etc of various sizes and lengths, usually floodgated.
- 20 control gates or weirs.
- 3,000 hectares of floodway land.
- TOTAL ASSET VALUE (30 June 2010) \$128 Million

Emerging Issues

Ongoing upgrades are required to floodways, pumping stations and drainage network to protect our main settlements. Consideration also needs to be given to improving stormwater and drainage in our smaller settlements including Grovetown. There may also be a requirement to review the rating funding system for rivers, stormwater and drainage activities. Other emerging issues include:

- Inclusion into RPS and RMP of flood hazard and drainage issues.
- Review of flood warning and response procedures.
- Optimising use of floodway berm land for recreational, ecological and leasing values.

Levels of Service: Rivers and Land Drainage			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well").	6.8	6.9
Provide a sustainable flood protection service.	% of programmed maintenance and renewal works in the Rivers Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Rivers Asset Management Plan achieved.	New measure	80%
River channels for tributaries of the Wairau Floodplain will be kept as clear of trees and debris as economically practical.	% of significant tributaries inspected annually.	New measure	90%
	% of significant tributaries inspected within two weeks of being impacted upon by a major flood event.	New measure	90%
	% of courses of action agreed post investigation, implemented in the timeframe agreed.	New measure	90%
To monitor, maintain and upgrade floodways to provide a capacity for a flood size up to 1 in 100 year return event for Wairau Plains and 1 in 50 year return event for Blenheim Stormwater Outfalls and Waitohi and Waikawa Rivers.	% of the floodway network inspected within 2 weeks of a flood event.	100%	100%
	% of the floodway network inspected by way of routine inspection annually.	New measure	90%
	% of remedial works post a flood event completed within 6 months of the event.	New measure	95%

Activity Group: Land and Water Services

	% of serious deficiencies identified as part of a routine inspection addressed within 1 month of identification.	New measure	95%
Effective Drains and Pumping stations are maintained.	% of drains and pumping stations inspected at least annually.	100%	100%
	% of serious deficiencies identified as part of a routine inspection addressed within one month of identification.	New measure for 2011-12	90%
	% of routine weed control management carried out within six months of identification	New measure for 2011-12	90%
Appropriate flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent and LIMs processes.	New measure	<5

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.

Operating and Capital Costs and Funding Forecast			
Rivers and Land Drainage	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs			
River Leases	211	196	209
Rivers Outside Wairau Floodplain	322	250	281
Wairau Floodplain Drainage	733	703	790
Wairau Floodplain Rivers	3,342	3,030	3,073
Total operating costs	4,608	4,179	4,353
Operating surplus transferred to reserves	3,381	3,014	2,878
	7,989	7,193	7,231
<i>Funded by</i>			
Rates	4,031	3,448	3,537
General revenues applied	49	33	37
Other revenue	3,909	3,712	3,657
Total revenue	7,989	7,193	7,231
Capital expenditure			
Rivers Outside Wairau Floodplain	2,670	820	20
Wairau Floodplain Drainage	618	450	470
Wairau Floodplain Rivers	714	520	560
Total capital expenditure	4,002	1,790	1,050
Debt repayment	111	32	55
	4,113	1,822	1,105
<i>Funded by</i>			
Depreciation reserve transfer	101	77	85
Other reserve transfers	1,364	545	607
New loans	2,648	1,200	413
	4,113	1,822	1,105

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Capital expenditure - Rivers Outside Wairau Floodplain: the Waitohi Culvert renewal originally planned for 2011 to 2013 has now been deferred to 2013 to 2015; new loans required have been deferred accordingly.

ACTIVITY: WASTEWATER - (SEWERAGE)	
Operating costs of this activity represents approximately 9.6% of total activity expenditure.	
Outcome	Related Community Outcomes
Public and environmental health risks of urban sewage are minimised. Sewerage from industrial zones is able to be processed at the Blenheim Sewage Treatment Plant.	Environmental sustainability; Essential services.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

A scheme for Grovetown and Spring Creek was connected to a new pipeline to convey the effluent from both towns back to the Blenheim Sewage Treatment Plant in February 2010. Investigation is underway for the provision of a sewer network for St. Andrews. Consultation has commenced with the community.

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

Council has recently completed a \$5 million upgrade to the Blenheim industrial treatment system which is being funded by users - predominantly wineries - to enable significant growth in industrial effluent, particularly during vintage, to be processed.

Collection, treatment and disposal of wastewater contributes to:

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

Asset Description

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

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

In addition, there are 5 treatment plants at Blenheim (Hardings Road), Havelock, Picton, Seddon and Spring Creek; 59 sewer pump stations and 150 sewer grinder pumps.

Asset Management Plans contain more detailed information on sewer assets.

TOTAL ASSET VALUE (30 June 2010) - \$118 million

Emerging Issues

The following issues are emerging within this Activity:

- Blenheim sewer treatment – consents and upgrades, (new wetland and outfall to Wairau Lagoon/River).
- Industrial treatment and funding.
- Picton sewer outfall replacement.

Levels of Service: Wastewater- (Sewerage)			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	6.9
Provide a level of service quality that minimises environmental risks.	% of total flow treated prior to discharge through outfall for dispersal to receiving water in accordance with resource consent conditions.	99.5%	100%
Provide a reliable wastewater service with adequate system capacity and performance.	Number of overflows in the entire system resulting from a 1 in 2 year storm.	0	0
	Number of identified blockages occurring per 100 km of sewer main per year (main pipeline blockages only).	34	<34
Provide a service that is timely and responsive to customer needs.	% of unplanned service interruptions or blockages responded to within two hours.	95%	98%
	% of toilet facilities restored to all customers affected by unplanned interruptions within 6 hours of notification or alternative facilities provided.	100%	100%
Provide a sustainable wastewater service.	% of programmed maintenance and renewal works in the Wastewater Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Wastewater Asset Management Plan achieved.	New measure	80%

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

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

Operating and Capital Costs and Funding Forecast			
Wastewater (Sewerage)	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Combined scheme	9,912	7,626	6,559
Riverlands Industrial	-	-	1,333
Picton - loan rate	21	21	21
Grovetown - loan rate	98	98	98
Renwick - loan rate	21	21	20
Total operating costs	10,052	7,766	8,031
Operating surplus transferred to reserves	106	656	685
	10,158	8,422	8,716
<i>Funded by</i>			
Rates	7,111	6,449	6,510
Other revenue	3,047	1,973	2,206
Total revenue	10,158	8,422	8,716
Capital expenditure			
Riverlands Industrial	-	-	1,457
Combined	11,473	2,967	7,814
Total capital expenditure	11,473	2,967	9,271
Debt repayment	1,600	985	849
	13,073	3,952	10,120
<i>Funded by</i>			
Depreciation reserve transfer	2,809	1,615	2,317
Other reserve transfers	2,794	1,337	3,605
New loans	7,470	1,000	4,198
	13,073	3,952	10,120

Note: The LTCCP listed the separate schemes which are now included in the Combined scheme but included Riverlands Industrial as part of the Blenheim scheme. This Plan separates:

- The Riverlands Industrial scheme which is funded by Other Revenue (tradewaste charges).
- The ongoing debt servicing costs for Picton, Renwick and Grovetown which are funded by loan rates.

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

- Other revenue is less due to lower demand on the Riverlands Industrial scheme.
- Capital Expenditure is decreased due to:
 - Picton pump station upgrades(\$4 million) deferred to 2012-13.
 - Picton treatment and pipelines (\$1.7 million) deferred to 2012-13.
 - Blenheim treatment plant (\$2.7 million) deferred to 2012-13.
- Offset by Capital Expenditure increased due to:
 - Picton outfall renewal (\$4.6 million) deferred from 2010-11.
 - Riverlands Industrial upgrade (\$1.5 million) deferred from 2010-11 as part of the total Blenheim upgrade project.
- New loans and debt servicing costs have decreased accordingly and are reflected in reduced operating costs..

ACTIVITY: STORMWATER

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

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

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

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

Stormwater management in Blenheim is a challenge for the town, both currently and when future potential growth is concerned. Many challenges are created by the flat topography and unique and sensitive receiving environments. A stormwater strategy is being developed to provide direction and an integrated approach to managing stormwater. The development of the strategy will support a resource consent application for a comprehensive discharge consent for Blenheim's stormwater network.

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

In Blenheim particularly, there are important linkages to the Rivers and Drainage networks.

Asset Description

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

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

Detailed information on these assets, including information on levels of service performance is provided in the Stormwater Asset Management Plan.

The table below provides a summary of stormwater reticulation lengths by area:

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

The total asset value for stormwater (30 June 2010) is \$55.8 million.

Emerging Issues

The following issues are emerging within this Activity:

- Recent heavy rainfall events have highlighted some inadequacies with the Blenheim and Picton urban stormwater systems.
- Lack of stormwater reticulation systems in rural towns.
- Renewal of stormwater discharge consents.

- Urban growth.

Levels of Service: Stormwater			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.4	6.7
Minimise the environmental risks of stormwater discharge.	Discharges to the aquatic environment that have been reported by the public or other that has caused a deterioration to the receiving water and has been conveyed by the Council stormwater system.	New measure	<25
Provide a reliable stormwater service.	% of properties that meet the following stormwater system capacity targets 1:		
	<ul style="list-style-type: none"> No surface flooding with a five year return period causing nuisance to property, roads and public open space. 	95%	96%
	<ul style="list-style-type: none"> No surface flooding with a 10 year return period causing nuisance to important recreational fields and roads without alternative access. 	95%	96%
	<ul style="list-style-type: none"> No flooding with a 50 year return period that floods residential property, commercial and industrial buildings. 	New measure	92%
	<ul style="list-style-type: none"> No flooding with a 100 year return periods that floods major communal facilities related to supply of electricity and telephone, water and sewage disposal. 	New measure	82%
	<ul style="list-style-type: none"> No more than one blockage per 15 km of stormwater main per year. 	1	1
Provide a service that is timely and responsive to current needs.	% of complaints responded to within: <ul style="list-style-type: none"> One hour if floodwater is a threat to a dwelling. 48 hours for other complaints. 	95%	95%
Provide a stormwater service that is sustainable.	% of programmed maintenance and renewal works in the Stormwater Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Stormwater Asset Management Plan achieved.	New measure	80%

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

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

1 Excepting flooding that results from poor management of the overflow path on private property.

Operating and Capital Costs and Funding Forecast			
Stormwater	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Blenheim	1,322	1,045	1,052
Picton	385	321	323
Other Schemes	221	199	231
Total operating costs	1,928	1,565	1,606
Operating surplus transferred to reserves	181	343	396
	2,109	1,908	2,002
<i>Funded by</i>			
Rates	1,468	1,387	1,431
General revenues applied	176	178	175
Other revenue	465	343	396
Total revenue	2,109	1,908	2,002
Capital expenditure			
Blenheim	1,680	415	1,130
Picton	36	34	34
Other Schemes	34	301	32
Total capital expenditure	1,750	750	1,196
Debt repayment	188	232	226
	1,938	982	1,422
<i>Funded by</i>			
Depreciation reserve transfer	876	349	1,027
Other reserve transfers	82	343	395
New loans	980	290	-
	1,938	982	1,422

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Blenheim Capital expenditure is reduced due to Council deferring \$250,000 of Blenheim Stormwater Strategy expenditure and \$300,000 of other projects and the reduced loans and resulting debt servicing costs have reduced Blenheim operating costs..

ACTIVITY: WATER SUPPLY

Operating costs of this activity represents approximately 11.1% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environmental Sustainability and Essential Services by providing an adequate supply of drinking water.

What is this Activity About?

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

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

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

Council operates a piped irrigation scheme for the Southern Valleys' area of the Wairau Plains and provides a small irrigation supply to the Riverlands area. Providing reticulated irrigation supply enables a wider range of land uses contributing to the economic wellbeing of the community.

Asset Description

The table provides a summary of Council water schemes:

Drinking Water	Source	Reticulation Length (km)	Service connections	Current Treatment	Compliance NZDWS?
Awatere	Birch Stream	153	748	MIOX disinfection planned for bacteriological compliance.	No
Blenheim	Bomford wells Grove wells Middle Renwick wells Andrews Place wells	165	10,999	pH correction UV at Middle Renwick UV at Bomford (underway)	No
Picton	Speeds Road wells Barnes Dam (river)	54	2,444	Filtration, Chlorination pH correction	No
Havelock	Kaituna wells	9	283	Chlorination	No
Renwick	Terrace Road wells	16	801	Chlorination pH correction	No
Riverlands	Malthouse and Hardings wells	9	103	-	Yes - microbiological No - aesthetic
Wairau Valley	Well	3	51	Chlorination	No
Irrigation			Area		
Riverlands	Hardings Road well	3	52 ha	NA	NA
Southern Valleys	Wairau River	57	3,586 ha	NA	NA

Activity Group: Land and Water Services

Other assets are identified in the following table:

Asset	Blenheim	Picton	Renwick	Havelock	Awatere	Riverlands	Wairau Valley	SVIS	Riverlands Irrigation
Borehole	9	3	3	1	0	3	1	0	0
Bore Pumps	9	3	3	1	0	3	1	0	0
Abstraction Gallery	0	0	0	0	1	0	0	2	0
Impounding Dam	0	1	0	0	0	0	0	0	0
Treatment Works	3	2	1	1	0	2	1	0	0
Distribution Pumps	0	1	2	0	0	2	2	6	0
Storage Tanks	17	27	10	5	17	2	0	0	0
Booster Pumps	5	6	0	0	5	0	0	8	0
Valves	1,049	367	81	74	194	38	9	0	0
Hydrants	1,002	249	72	32	48	35	4	0	0
Meters	314	138	34	24	748	103	51	261	9

TOTAL ASSET VALUE (30 June 2010) - \$105 million

Emerging Issues

The following issues are emerging within this Activity:

- Compliance with the NZ Drinking Water Standards will require significant capital expenditure which has affordability issues for smaller communities.
- Growth in demand for water causes supply capacity issues, therefore demand management techniques are being considered. Supply constraints are a particular issue for Picton and Havelock.

Levels of Service: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.8
Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	% compliance with E.coli criteria for Priority one (P1) bacteriological determinand of Drinking Water Standards NZ (DWSNZ). As measured by number of samples required by the DWSNZ.	98%	99%

Activity Group: Land and Water Services

Provide a reliable water supply service.	<p>% compliance with the following water system capacity and peak demand targets:</p> <ul style="list-style-type: none"> • Per property: • 4 m³/day. • For commercial and industrial zones where the section size is greater than 800 m² target is 4 m³/day per 800 m². • For rural schemes an additional 50 l/ha/day for stock. • Provide a minimum water pressure at new subdivisions of 300 kPa. <p>The water reticulation system shall be able to provide the following fire fighting flows from hydrants except in the Awatere Valley and Wairau Valley township:</p> <ul style="list-style-type: none"> • Residential Zone: 25 l/s. • Commercial Zone: 50 l/s. • Industrial Zone: 100 l/s. <p>General fire conditions as per the New Zealand Fire Service Code of Practice (NZPAS 4509:2008).</p>	95%	98%
Provide a service that is timely and responsive to customer needs.	<p>% of service interruptions responded to within:</p> <p>30 minutes for major loss of supply creating a situation causing or likely to cause damage to persons or property.</p> <p>60 minutes for substantial leaks not falling into the first priority.</p>	98%	98%
	% of supplies restored to customers affected by an interruption within 8 hours of notification.	100%	100%
Provide a sustainable water supply.	% of programmed maintenance and renewal works in the Water Supply Asset Management Plan achieved.	New measure	90%
	% of improvement works included in the Water Supply Asset Management Plan achieved.	New measure	80%

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

Operating and Capital Costs and Funding Forecast

Water Supply	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Awatere	870	577	582
Blenheim	5,507	4,246	4,713
Havelock	358	217	233
Picton	2,245	1,539	1,530
Renwick	817	340	367
Riverlands	409	311	320
Southern Valleys	1,594	1,396	1,444
Wairau Valley	58	37	41
Total operating costs	11,858	8,663	9,230
Operating surplus transferred to reserves	627	747	837
	12,485	9,410	10,067
<i>Funded by</i>			
Rates	11,137	8,566	9,465
Other revenue	1,348	844	602
Total revenue	12,485	9,410	10,067
Capital expenditure			
Awatere	1,589	75	337
Blenheim	2,281	9,818	1,554
Havelock	1,372	186	25
Picton	566	968	1,299
Renwick	8,859	146	77
Riverlands	165	110	238
Southern Valleys	-	12	69
Wairau Valley	60	-	21
Total capital expenditure	14,892	11,315	3,620
Debt repayment	2,012	1,268	1,430
	16,904	12,583	5,050
<i>Funded by</i>			
Depreciation reserve transfer	3,346	1,859	2,433
Other reserve transfers	4,816	1,359	1,839
New loans	8,742	9,365	778
	16,904	12,583	5,050

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

- *Capital Expenditure:*
 - Awatere – reduced as growth based reticulation pipe upgrades have been deferred as not yet required (\$1.25 million); offset by the planned MIOX treatment (\$242,000).
 - Blenheim – reduced as pipeline capacity upgrades and reservoir linkages deferred (\$900,000).
 - Havelock – reduced as treatment deferred in line with revised New Zealand Drinking Water Standards.
 - Picton – increased as capital upgrades to pipe reticulation.
 - Renwick – reduced as treatment deferred to 2013-14 in line with revised New Zealand Drinking Water Standards.
- Debt servicing costs, new loans and reserve transfers have reduced accordingly and reflected in operating cost reductions.

ACTIVITY: SOLID WASTE MANAGEMENT

Operating costs of this activity represents approximately 8.9% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

Specific targets and actions are available in the Waste Strategy and Plan for Marlborough 2005 - 2010. This Strategy and Plan is currently being reviewed for implementation in 2012.

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

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

A substantial Resource Recovery Centre has been constructed at this site together with a Re-Use shop for sales of donated goods. The Resource Recovery Centre facility receives, sorts and bales for markets the recyclable materials either collected through kerbside recycling, deposited by the public or collected at the other transfer stations. Kerbside recycling was only recently introduced for Blenheim and Picton from October 2010 and it is intended to be progressively expanded to other areas in the future.

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

Asset Description

The Council’s principal assets supporting this activity are the regional landfill facility, the network of transfer stations and the Resource Recovery Centre/Re-Use shop facility. 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.

Emerging Issues

The following issues are emerging within this Activity:

- Landfill, Transfer station, Resource Recovery Centre and Re-Use shop operations contracts have been retendered and where there are new suppliers there will be a focus on ensuring a smooth transition, services are either maintained or improved and minimising the waste going to the landfill.
- Ongoing viability of recycling markets.
- Putrescible composting.
- Expansion of kerbside refuse collection and kerbside recycling to other areas.

Levels of Service: Solid Waste Management

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents’ expectations.	Resident satisfaction with this service as measured by survey, where 10 = “service delivered extremely well”.	7.5	7.5
Reduce environmental and public health risks of waste.	% of organic wastes in landfill.	20%	10%
	% of plastics in landfill.	10%	5%

Activity Group: Land and Water Services

	Number of transfer stations not having hazardous waste collection facilities transfer stations.	1	1
	% compliance with resource consent conditions for landfill sites.	98%	99%
Provide a sustainable waste management service.	% of programmed maintenance and renewal works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	90%	90%
	% of improvement works included in the Marlborough Waste Strategy and Plans and Asset Management Plan achieved.	90%	95%

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

Operating and Capital Costs and Funding Forecast			
Solid Waste Management	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs			
Landfills	2,799	2,417	2,955
Transfer Stations	502	290	1,316
Refuse Collections	2,339	1,444	1,721
Waste Minimisation	1,319	1,422	1,395
Total operating costs	6,959	5,573	7,387
Operating surplus transferred to reserves	182	270	655
	7,141	5,843	8,042
<i>Funded by</i>			
Rates	3,091	2,455	2,390
General revenues applied	96	131	106
Subsidies and grants	206	170	150
Other revenue	3,748	3,087	5,396
Total revenue	7,141	5,843	8,042
Capital expenditure			
Landfills	175	171	222
Refuse Collections	-	200	-
Total capital expenditure	175	371	222
Debt repayment	381	433	445
	556	804	667
<i>Funded by</i>			
Depreciation reserve transfer	556	436	441
Other reserve transfers	-	18	131
New loans	-	350	95
	556	804	667

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Operating costs:

- Landfills - reduction in interest, depreciation and aftercare provision costs.
- Transfer stations - process change in greenwaste composting operation has reduced costs and revenue by \$120,000.
- Refuse collections – reduction as the extension of kerbside recycling and refuse bag collection to smaller townships has been deferred.

The new waste contracts provide for:

- Council to receive all revenues, increasing other revenue (\$2 million).
- Gross payments to contractors, where previously net of income, included in landfills and transfer stations operating costs (\$1.8 million).
- Cost savings (\$0.2 million).

The LTCCP 2011-12 includes contracts net of income and as a result of the new contracts the 2011-12 Annual Plan includes the full revenue and operating costs.

ACTIVITY GROUP: ENVIRONMENTAL POLICY AND INFORMATION

Activities for this Group

The activities for this group include:

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

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

Rationale for Council Involvement in this Group of Activities

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

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

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

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

ACTIVITY: ENVIRONMENTAL POLICY

Operating costs of this activity represents approximately 6.1% of total activity expenditure.

Outcome	Related Community Outcomes
Sustainable management of Marlborough's natural and physical resources.	Environmental sustainability, prosperity.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

The Council's RMA policy framework:

- **The Marlborough Regional Policy Statement (RPS)**
This is an operative document that provides a community-based vision and direction for managing the natural and physical resources of Marlborough. It identifies five regionally significant issues for Marlborough and how they are to be addressed. These are protection of water ecosystems, protection of land ecosystems, community wellbeing, protection of visual features, and control of hazardous substances and waste.

Activity Group: Environmental Policy and Information

- **The Marlborough Sounds Resource Management Plan (MSRMP)**
This is an operative combined regional plan, regional coastal plan and District plan that provides the framework by which the natural and physical resources of the Marlborough Sounds area are to be managed.
- **The Wairau/Awatere Resource Management Plan (WARMP)**
This is an operative combined regional plan, regional coastal plan and District plan that provides the framework by which the natural and physical resources of the Wairau and Awatere areas of Marlborough are to be managed.

The RPS and the resource management plans identify resource management issues, establish objectives for addressing these issues, provide policies for achieving the objectives and identify regulatory and non-regulatory methods for implementing the policies. The provisions collectively seek to enable resource use, but in a manner that ensures any adverse effects arising from that use are avoided, remedied or sufficiently mitigated.

Marlborough's social and economic wellbeing relies on the use, development and protection of natural and physical resource. The framework described above plays an important role in strategically guiding this use, development and protection. In particular, provisions in this document enable appropriate resource use through the use of permitted activity rules and through the allocation of public resources (such as water, gravel and coastal space).

Asset Description

Although not an asset in the conventional sense, the RPS, MSRMP and WARMP are assets in that the Council (particularly the Regulatory Department) and the community rely upon these planning documents. The planning documents guide development within Marlborough as they determine the status of resource use activities occurring within the environment (i.e., whether an activity requires a resource consent), allocate public resources (such as water and coastal space) and contain policies to guide the determination of resource consent applications.

Given the above, it is important that the currency and accuracy of the RPS, MSRMP and WARMP are maintained at all times. The Environmental Policy Team is in the process of finalising a quality management system to ensure that the correct version of the plans are being used internally and is available externally.

Emerging Issues

The Council has committed to undertaking a major rebuild of the RPS and the resource management plans. In terms of legislative requirements, a review of the RPS became due in August 2005, and is now well underway.

As part of the rebuild, the previous Council decided to take the opportunity presented by Section 80 of the RMA to combine the RPS and resource management plans. This reflects a position that in a unitary authority setting, there is no need for the Council to differentiate between RPS objectives and policies and plan objectives and policies. The new RPS will integrate both sets of provisions into a single document.

A RPS cannot contain rules. For this reason, a resource management plan is still required as part of the new resource management framework. As the review of the RPS proceeds, the two existing resource management plans will be recast into one integrated plan for the District.

The RPS was made operative in 1995 and reflected the Council's functions, community aspirations, knowledge and environmental concerns at the time. Marlborough has experienced considerable growth over the past 15 years, which has resulted in new pressures on the environment, especially on finite natural resources such as water. There have also been amendments to the RMA over that period that affect the nature and content of regional policy statements, regional plans and District plans.

The rebuilding of the resource management framework provides the opportunity to ensure that the framework reflects Council's aspirations for the District, its new functions and to ensure that the framework addresses current and emerging issues. Many of these issues have been highlighted through state of the environment monitoring and through public consultation already undertaken as part of the review of the RPS. The review process provides the opportunity to prepare a resource management framework that enables appropriate resource use, while maintaining or enhancing the quality of the land, water and air resources, indigenous ecosystems and the built environment that sustains our community.

Technical work is required to support the review process and changes in policy direction. This is reflected in the projects table below. Of particular note is the development of strategies for urban growth and water allocation.

This work will be a significant undertaking for Council and the Marlborough community. It is the current priority for the Environmental Policy Team for the 2011/2012 financial year.

As both resource management plans are operative, any person can request a private plan change to the MSRMP or WARMP at any time. Such requests must be processed in accordance with statutory provisions. This has the potential to divert resource away from the review of the Council's resource management framework. Such requests are not necessarily predictable, so it is difficult to plan for the resource that they require. In most circumstances, the Manager will

Activity Group: Environmental Policy and Information

seek to engage external assistance to process private plan change requests. The costs of processing private plan changes are cost recoverable.

LEVELS OF SERVICE: ENVIRONMENTAL POLICY			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
A reviewed resource management policy framework. A resource management framework that reflects current and emerging issues.	Timeliness of review and adoption of key strategy documents.	New measure	A draft Marlborough Regional Policy Statement and Resource Management Plan is completed by December 2011.
The sustainable management of natural and physical resources.	Physical, chemical and biological soil parameters.	New measure(s).	Baseline targets established for predominant soils.
	Physical, chemical and biological freshwater quality parameters.	New measure(s).	Baseline targets established for all catchments.
	Freshwater and coastal water bathing sites gradings.	New measure.	Grades for recreational bathing water sites established.
	Average Groundwater Nitrate levels.	New measure.	Positive long- term (5yr+) trend in ground water quality as measured against baseline
	Average winter concentration of PM10 at:	New measure(s).	
	• Redwoodtown		<37 µg/m ³
	• Middle Renwick Road		<27 µg/m ³
The ecological condition of Significant Natural Area (SNA) sites.	New measure(s).	Baseline targets established for representative SNA sites.	

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.

Operating and Capital Costs and Funding Forecast – see page 66.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

Monitoring and investigations of natural and physical resources is carried out to:

Activity Group: Environmental Policy and Information

- Obtain information about the condition and changing nature of the environment. (RMA section 35, State of the Environment Monitoring).
- Raise awareness of environmental issues and promote sustainable outcomes.
- Assist in identifying areas where there is a need to improve the quality of the environment and enable Council to support a range of methods that can be applied to address specific issues.
- Allow Council to assess and review the ongoing effectiveness of policies, regulations, and methods contained in RMA policy and statutory planning documents.

Science based investigations are dynamic and will change to reflect new environment pressures and issues. Importance has been placed on the collection of baseline monitoring data and associated long term monitoring programmes which are fundamental to help determine any change in environmental condition. A particular emphasis has been focused on the development of sustainable programmes associated with water resources. This reflects the value of water to the community and its vulnerability to over use and contamination.

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

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

Other roles include education and advocacy with the resource users and the wider community and the provision of technical advice for resource consent applications.

Emerging Issues

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

In addition the following issues are emerging within this activity:

- The ongoing development and review of national environment standards and regulations by government will have an ongoing impact on resources. eg: NES Air quality, Forestry NES, coastal policy statement, NPS biodiversity etc.
- Fresh Water Quality; Monitoring programmes have resulted in the identification of diffuse pollution and in some areas urban runoff which threatens water quality in some rivers in the District. Reviews and catchment management plans may be necessary in order to mitigate the effects.
- Water Quantity; There are resource implications for the implementation of national regulations to measure the consumptive use of water.
- Coastal Monitoring; Monitoring of the overall coastal environment in terms of measuring condition and effects is not that well understood and any programme may require additional resources.
- Land Resources; Further intensification of land use in some areas of the District is expected. In addition potential environmental impacts imposed by natural hazard events and land use activities will require further investigations, monitoring and resources depending upon community expectations.
- Air Quality; Periodic monitoring of other pollutants will have resource implications (spray draft and fumigants) depending upon community expectations and risks.
- Biodiversity; The development of monitoring programme will have resource implications if we are required to measure the overall condition of biodiversity values.
- Environmental monitoring network: An increasing resource demand for new capital installations and the replacement of real time environmental and flood response devices.

LEVELS OF SERVICE: ENVIRONMENTAL SCIENCE AND MONITORING

Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Effective Environmental Monitoring Network is operated.	Percentage availability of the Environmental Monitoring network.	New measure	99%

Activity Group: Environmental Policy and Information

Monitor, undertake investigations, gather and analyse information, and report on the state of Marlborough's natural resources including: <ul style="list-style-type: none"> • Soil quality. • Contaminated sites. • Water quality. • Water quantity. • Air quality. 	Timeliness of completion data integrity audit.	New measure	30 June
	Number of technical monitoring report cards completed.	New measure	5
	Timeliness completion of resource investigations and reporting to the Environment Committee.	New measure	30 June
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Percentage of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%
Restoration and protection of indigenous biodiversity on private land.	Long-term (5yr +) trends in number of protected (Significant Natural Areas) biodiversity sites.	41 (2008)	60

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.

Operating and Capital Costs and Funding Forecast – see page 66.

ACTIVITY: BIOSECURITY (PEST MANAGEMENT)	
Outcome	Related Community Outcome
The economic and ecological impacts of pests in the District are minimised.	Prosperity, environmental sustainability.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

The Biosecurity Act 1993 empowers Council to have a significant role in carrying out pest management activities. Given the range of pests currently present in Marlborough, and the potentially damaging consequences to our economy and the environment. Council and the community are actively involved in managing pests. The Council's main method of managing pests has been through the development and implementation of a Regional Pest Management Strategy.

The Council is also a funding partner to the Animal Health Board for the purpose of the National Pest Management Strategy for Bovine tuberculosis (Tb).

Regional Pest Management Strategy

Council Regional Pest Management Strategy classifies 37 plant and animal species as pests in the region. The pests are divided into three main management groups:

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

For the majority of pests land occupiers have a significant responsibility in implementing the strategy. Council's main role is to promote compliance with the Strategy, firstly by taken an educational role, promoting awareness and advising land occupiers of their obligations. A major part of the Council's pest management activity is therefore directed towards;

- Providing advice to land occupiers on the identification and control of pests.

Activity Group: Environmental Policy and Information

- Facilitating pest control programmes and partnerships.
- Monitoring to ensure compliance with pest control programmes.
- Pest animal and plant population trend monitoring.
- Service delivery role in controlling some pests and promoting programmes such as the biological control.

National Bovine Tuberculosis Pest Management Strategy

The National Pest Management Strategy for Bovine tuberculosis (Tb) is managed by the Animal Health Board on behalf of industry and stakeholders with the objective to maintain global access to key markets for our beef and deer products. The major cause of Tb in cattle and deer herds in New Zealand is contact with wildlife vectors (like possums and ferrets). Therefore vector control and disease control regimes are essential.

The Council provides a contribution to the Animal Health Board for the purpose of the vector control programme within the District. Nominally this funding is 10% of the local vector control costs.

Emerging Issues

The following issues are emerging within this activity:

- **Regional Pest Management Strategy Review:** A statutory review of the RPMS is required by July 2012.
- **Biosecurity Act Review:** A review of the Biosecurity Act is likely to clarify regional and national pest management responsibilities, bind the crown to RPMS obligations, and proposes that Council undertake a regional leadership role. The Ministry will also have the power to develop national policy directions and regulations, which in practice will mean further alignment of our planning documents and a consistent approach to pest management nationally.
- **Rabbit Pest Management:** While rabbit haemorrhagic disease continues to reduce rabbit populations there are continuing signs that the effectiveness of the disease is declining. It is expected that conventional control methods essentially poisoning programmes will be required. Council intends to closely monitor the situation and work closely with the community. A future review of land occupier obligations and an assessment of barriers to control may be necessary if landowners fail to meet their responsibilities.
- **Chilean Needlegrass:** The ongoing prolific spread of the pest plant caused by ineffective control regimes continues to be of community concern. Council is actively seeking the introduction of new control tools, however pathway management methods will need to be explored to best mitigate the spread of the organism.
- **Contorta Pine:** The spread of contorta pine remains a significant threat to the tussock and grass land environment of Marlborough. A review of existing pine spread, risks and management options will be required by Council and stakeholders.

LEVELS OF SERVICE: BIOSECURITY (PEST MANAGEMENT)			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.4
Prepare and publish a Regional Pest Management Strategy Operational Plan annual report.	Timeliness completion of annual report to Environment Committee.	New Measure	30 October
Control the spread and impacts of animal and plant pests.	% of active Total Control pest sites controlled annually before they set seed (includes all species).	New Measure	100%
	Number of hours spent looking for plant pest spread outside of known sites.	500 hours	500 hours

Activity Group: Environmental Policy and Information

	Number of properties where the maximum allowable rabbit population levels as measured by RPMS Modified Mclean Scale indices are exceeded for:		
	• Upper Awatere/Clarence level 4.	6	<10
	• Remainder of District level 3.	4	<15
	Number of Total Control pests as measured by plant numbers destroyed. (excluding boneseed, spartina and eelgrass)	6,000	4,500
	% of properties issued with a containment pest control programme that have undertaken control actions, without enforcement, as verified by inspection and audit regimes.	80-90%	85%
	Level of land occupier compliance with Regional Pest Management Strategy rules as measured by the number of directions issued.	30	<50
Provide community and industry awareness of pest management responsibility through communication, education and advocacy.	% of planned educational programmes (including public campaigns, fact sheets, web site) are completed annually.	New measure	90%

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.

Operating and Capital Costs and Funding Forecast

Environmental Policy and Information	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Environmental Policy	1,568	1,644	1,374
Environmental Science and Monitoring	2,454	2,354	2,462
Biosecurity (Pest Management)	1,348	1,215	1,253
Total operating costs	5,370	5,213	5,089
<i>Funded by</i>			
Rates	4,699	4,500	4,450
General revenues applied	555	566	538
Subsidies and grants	11	10	-
Other revenue	1	37	25
Total revenue	5,266	5,113	5,013
Operating deficit funded from reserves	104	100	76
	5,370	5,213	5,089
Capital expenditure			
Environmental Science and Monitoring	52	49	109
Total capital expenditure	52	49	109
<i>Funded by</i>			
Depreciation reserve transfer	52	49	85
Other reserve transfers	-	-	24
	52	49	109

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
Environmental Policy operating costs have reduced due to Council's recent restructuring.

ACTIVITY GROUP: REGULATORY

Activities for this Group

The activities for this group include:

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

Rationale for the Delivery of this Group of Activities

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

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

ACTIVITY: RESOURCE CONSENTS

Operating costs of this activity represents approximately 3.2% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

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

Specifically this Activity processes five different types of resource consents:

- Land Use Consents.
- Water Permits.
- Discharge Permits.
- Subdivision Consents.

- Coastal Permits.

The Activity provides information to potential applicants, interest groups and the general public on all resource management matters.

The Activity maintains and manages a consents data base that is responsive to the needs and requirements of central government, applicants, submitters and the general public.

The Activity also manages objections and appeals to the Environment Court on resource consent decisions and conditions.

Activity Levels

The activity level of the group varies from year to year. There has been a general decline in numbers since the peak times. Within each year there are also daily, weekly and monthly fluctuations in the number and types of application received.

	2007	2008	2009	2010
Number of Consents	2,190	1,662	1,294	1,049

Emerging Issues

The following issues are emerging within this Activity:

- The need to adequately respond to legislative changes and changes to Government and Regional Policy Statements.
- The need to meet statutory time frames for the processing of consents to avoid financial penalties. (The Resource Management Act – Discount on Administrative Charges Regulations 2010)
- The need to respond adequately to fluctuations in the number and type of applications received.

LEVELS OF SERVICE: RESOURCE CONSENTS

Performance Targets (for the financial year)

Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	6.0
Provide a consent processing service that is timely and responsive to customer needs.	% of resource consent applications processed within statutory timeframes.	54.8%	95%
Provide a consent processing service that is fair, consistent and cost effective.	% of complaints regarding fees charged for processing resource consent applications compared to total number of consents.	0.5%	<0.5%
	% of resource conditions upheld following appeal.	75%	>75%
Educate applicants on the RMA and the resource consent application and approval process.	% of incomplete applications rejected.	21.5%	16%

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.

Operating and Capital Costs and Funding Forecast			
Resource Consents	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs	3,324	3,197	2,666
Operating surplus transferred to reserves	-	-	2
	3,324	3,197	2,668
<i>Funded by</i>			
Rates	1,151	1,081	984
General revenues applied	135	136	119
Other revenue	2,038	1,980	1,565
Total revenue	3,324	3,197	2,668
Capital expenditure	5	4	3
<i>Funded by</i>			
Depreciation reserve transfer	2	1	1
Other reserve transfers	3	3	2
	5	4	3

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Other Revenue includes user charges which have reduced significantly due to the reduction in demand resulting from the economic downturn; Council's recent restructuring has reduced operating costs to better align with the new level of demand and income.

ACTIVITY: BUILDING CONTROL

Operating costs of this activity represents approximately 2.8% of total activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

This activity involves meeting Council's obligations under the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories. The categories are **Territorial Authority** responsibilities and **Building Consent Authority** responsibilities.

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

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

- Keep building related records.
- Swimming pool fencing control.
- Providing technical support and regulatory functions in the event of civil emergency or disaster.
- Provision of public information and guidance documents.
- Education role for the Building Industry and public at large.
- Undertakes building evaluation in the event of emergencies.

Building Consent Authority responsibilities carried out by this section include:

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

The Marlborough District Council is required by regulation to have an accredited Building Consent Authority.

Other functions under separate legislation including:

- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act.
- Checking assembly of Amusement Devices.

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

Activity Levels

The activity level of the Group varies from year to year. The following table lists the numbers of Building Consents handled during the past few years.

	2007-2008	2008-2009	2009-2010	2010-2011 Ytd (End of Jan)
Total Building Consents	2,167	1,810	1,761	787
Total New Dwellings	410	260	254	116
Value of all Building work	\$205,300,000	\$184,166,000	\$171,100,000	\$66,000,000

Emerging Issues

The following issues are emerging within this Activity:

- Changes to the Building Act are in the process of being considered. These include simplification of Building consent applications to reflect the level of risk and to re apportion the liability to the people who do the work.
- The Building Industry is about to go into widespread licensing of practitioners. As part of this increasing the technical knowledge and capability of everyone in the industry, including Council staff, is underway.
- Carbon footprints, energy efficiency and use of sustainable materials will become a larger part of the industry.
- Notification of leaky buildings is made from time to time but these will diminish over time. At present the Weathertight Homes Resolution Service currently has six dwellings notified from the Marlborough District.

LEVELS OF SERVICE: BUILDING CONTROL			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	% of respondents to customer surveys that rate the level of service as satisfactory or higher.	New measure	80%
Provide a consent processing service that is timely and responsive to customer needs.	% of applications processed within 15 working days of receipt.	New measure	80%
Provide a service that minimises risks to public safety.	% of swimming pools inspected annually.	15%	>15%
	% of building warrants of fitness audited annually.	20%	20%
	All inspections requested by applicants are attended to ensure that Code Compliance is achieved.	100%	100%

Operating and Capital Costs and Funding Forecast			
Building Control	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Operating costs	2,346	2,520	2,317
Operating surplus transferred to reserves	-	-	1
	2,346	2,520	2,318
<i>Funded by</i>			
Rates	574	351	365
General revenues applied	69	45	45
Other revenue	1,703	2,124	1,908
Total revenue	2,346	2,520	2,318
Capital expenditure	-	-	1
<i>Funded by</i>			
Depreciation reserve transfer	-	-	1

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
There are no variances which are considered significant.

Activity Group: Compliance

Compliance is made up of three Sub Activities:

- Environmental Health.
- Environmental Protection.
- Land Memoranda.

ACTIVITY: ENVIRONMENTAL HEALTH

Operating costs of this activity represents approximately 0.5% of all the activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

The focus for Environmental Health (EH) is on aspects of community activities that may result in human health problems.

Environmental Health activities include:

- Providing an effective licensing, inspection and enforcement regime of premises selling food to ensure public health is maintained.
- Assisting the District Licensing Agency with liquor licence applications, liquor renewal applications and enforcement of the provisions of the Sale of Liquor Act.
- Investigating statutory nuisances and enforcing bylaws.
- Investigating complaints of excessive and unreasonable noise.
- Assessing/granting Class Four Gaming Machine consent applications.

Activity Levels

Food Premises (high risk)	185	Market Inspections	6
Food Premises (low risk)	100	Annual Event Inspections	6
Food Stalls	317	Complaints (unreasonable noise)	77
Food Control Plans	1	Complaints (excessive noise)	1,383
Camping Grounds	20	Nuisances	34
Hairdressers	46	Sale of Liquor (On License)	59
Offensive Trades	11	Sale of Liquor (Off Licenses)	56
Funeral Directors	2	Sale of Liquor (Club Licenses)	16
Bylaws (hawkers)	1	Sale of Liquor (managers certificates)	412
Bylaws (mobile shops)	22	Sale of Liquor (special licenses)	107

Emerging Issues

The following issues are emerging within this activity:

The issues and changes facing Environmental Health are legislative changes and an increase in the use of frost fans, particularly on the Wairau Plain as well as in the Wairau and Awatere Valleys.

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

Operating and Capital Costs and Funding Forecast – see page 76.

ACTIVITY: ENVIRONMENTAL PROTECTION	
Operating costs of this activity represents approximately 1.1% of all the activity expenditure.	
Outcome	Related Community Outcomes
Ensuring statutory compliance with the Resource Management Act 1991, Resource Management Plans, resource consents, bylaws and Local Government Act.	Environmental sustainability, Health choices.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environmental sustainability by ensuring that Resource Management Act, Resource Management Plans and resource consents are complied with. Also contributions are made to the Community Outcome Health choice by monitoring land uses, subdivisions, discharges water takes and coastal activities.

What is this Activity About?

This activity is about the sustainable use of resources by the community.

The community is characterised as:

- Consent Holders, carrying out activities controlled by the District Plan.
- Complainants.
- The public, carrying out activities permitted by the District Plan.

This involves monitoring of resource consents, monitoring rules in the resource management plans, investigating complaints and undertaking enforcement, when non-regulatory methods do not achieve compliance. There are five resource consent or permit types: land, subdivision, water, discharge, coastal.

Potential actions include:

- Compliance checks.
- Avoidance, remedy or mitigation of adverse effects.
- Punitive action or a Court decision.

Legal mechanisms for achieving compliance include:

- Infringement notices.
- Abatement notices.
- Interim enforcement orders.
- Enforcement orders.
- Prosecution.

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

Activity Levels

During 2010, Council received 1,870 complaints.

Complaints	Received 2003	Received 2010
Coastal	6	15
Discharge to air	101	129
Discharge to land	30	47
Discharge to fresh & marine water	34	35
Land & waterbody disturbance	8	59
Land use	51	90
Noise	779	1,474
Water take	7	21
Other	11	0
Total	1,027	1,870

Emerging Issues

The following issues are emerging within this activity:

Water

Water is a valuable commodity in Marlborough, both environmentally and economically. Low rainfall in previous years, coupled with increasing water takes is putting pressure on Marlborough's aquifers and waterways. In some areas there is intense competition for water and there is increasing pressure on Council to ensure that any water permit is being utilised strictly in accordance with their resource consents.

Water meters allow Council to assess the volume of water taken, however due to lack of staff resources regular audits of these meters have not been undertaken. The NES will require changes to be made to the way the whole function is undertaken.

Forestry

With extensive areas of forestry already planted in Marlborough and a possible increase in plantings that may arise through the introduction of the Government's Emissions Trading Scheme, there is ongoing monitoring of harvesting operations particularly. Monitoring is undertaken year round to ensure there is compliance with consents and plan rules. Monitoring is prioritised where land disturbance consents have been granted for forestry activities in more environmentally sensitive areas. Investigation of complaint of a land disturbance event is another way monitoring is undertaken.

Complaints

Council receives over 1,000 complaints on an annual basis in regard to alleged breaches of the Resource Management Act 1991 or resource consent conditions, all of which require investigation. The follow up involved in resolving a complaint can vary from a relatively simplistic desk top exercise to a complex investigation and Court action. As any complaint could escalate, a high level of data recording is essential.

LEVELS OF SERVICE: ENVIRONMENTAL PROTECTION			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	5.8	6.0
Monitor resource consents to ensure the consent holder is in compliance.	Annual dairy effluent and stream crossing survey undertaken between September and March each year.	New measure for 2011-12	100%
	Annual winery waste survey undertaken during vintage each year (usually March to April).	New measure for 2011-12	100%
	Annual survey of sewage discharges to the Marlborough Sounds land or coastal waters undertaken each year	New measure for 2011-12	100%
	% of resource consent non-compliance has follow up action taken.	100%.	100%
Proactively monitor and investigate alleged breaches of the Resource Management Act 1991, Resource Management Plans and Consents.	% of complaints responded to within seven working days.	New measure	95%
	% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.	New measure	95%
Effective enforcement action undertaken on breaches under the Resource Management Act 1991.	% of abatement and infringement notices upheld on appeal.	100%	95%

Operating and Capital Costs and Funding Forecast – see page 76.

ACTIVITY: LAND MEMORANDA	
Operating costs of this activity represents approximately 0.2% of all the activity expenditure.	
Outcome	Related Community Outcomes
Information provided on request and to the extent required by the relevant statutes and/or regulations.	Essential services.

How this Activity Contributes to Related Community Outcomes

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

What this Activity is About

The Land Information Memorandum involves the timely, accurate and complete supply of information Council either holds, or has been statutorily advised of, by means of a LIM. Council is required to hold Land Information Memoranda pursuant to Section 44A of the Local Government Information and Meetings Act 1987.

LEVELS OF SERVICE: LAND MEMORANDA			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provision of Land Information Memoranda	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9
	Percentage of Land Information Memoranda requests processed within statutory timeframes.	100%	100%
	Number of liability claims made because of incomplete or inaccurate information supplied.	1	<3

Operating and Capital Costs and Funding Forecast			
Compliance	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs			
Environmental Health	425	359	411
Environmental Protection	754	721	947
Land Memoranda	590	124	170
Total operating costs	1,769	1,204	1,528
<i>Funded by</i>			
Rates	906	761	1,004
General revenues applied	106	96	120
Other revenue	757	347	404
Total revenue	1,769	1,204	1,528
Capital expenditure			
Environmental Health	4	-	4
Environmental Protection	-	4	-
Total capital expenditure	4	4	4
<i>Funded by</i>			
Depreciation reserve transfer	-	4	4
Other reserve transfers	4	-	-
	4	4	4

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

- Environmental Protection – Operating Costs - increase due to increased focus in this area.
- Land Memoranda - Operating Costs and Other Revenue - at the time of the LTCCP this included PIMs; with the removal of the need for a PIM with a building consent application and further reduced demand resulting from the economic downturn Council's recent restructuring has reduced operating costs to better align with the new level of demand and income.

ACTIVITY: ANIMAL CONTROL	
Operating costs of this activity represents approximately 0.7% of all the activity expenditure.	
Outcome	Related Community Outcomes
Ensuring Council fulfils the obligations that are imposed on it or the public by the provisions of the Dog Control Act 1996, and Bylaws.	Safety and security.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

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

Animal Control activity includes:

- Managing the contract with Maataa Waka Ki Te Tau Ihu Trust (MW).
- Developing and implementing a Dog Control Policy (required by the DCA) and bylaws, and reviewing it from time to time.
- Setting registration and other fees annually and to determine the status of dogs for registration purposes eg: working dog, non-working dog.
- Providing an annual report to the community and the Secretary of Local Government on the policies and practices of the Council in relation to animal control.
- Classifying owners and dogs as disqualified, probationary, dangerous and menacing.
- Making submissions and recommendations to the Animal Control Subcommittee of the Environment Committee on objections to classifications.
- Making decisions on prosecutions and objections to infringements.
- Publicising dog control matters including the obligations of owners, registration and fees.

Emerging Issues

There are a number of issues facing Animal Control. These include:

- Fees and charges. (Dog owner's belief that registration fees are too high)
- The number of unregistered dogs.
- The public's perception of the powers of Animal Control Officers (the Dog Control Act is descriptive regarding the processes that must be followed when dealing with complaints about dog behaviour).
- The inappropriate behaviour of some dog owners.

An amendment to the Dog Control Act is before Parliament. Amongst other amendments, it will amend the provisions relating to Council's obligations in relation to its Dog Control Policy. Once that amendment has been enacted, the Council may have to further review and, if appropriate, amend its Dog Control Policy and related Bylaws.

LEVELS OF SERVICE: ANIMAL CONTROL

Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of service that meets or exceeds resident's expectations.	Resident's satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.5	7.5
To provide an effective dog control service including registration is in accordance with the Dog Control Act 1996.	% of compliance with the conditions of animal control contract 2008/54.	New measure	100%
	% of complaints regarding dog attacks, rushes and lost and found investigated within 24 hours of receipt.	New measure	100%
To provide an effective education programme on dog safety and responsible dog ownership.	Number of presentations undertaken to primary age groups of children.	30	30
To provide an effective service for dealing with wandering livestock on public land and roads.	% of complaints regarding wandering livestock investigated within 24 hours.	New measure	100%

Operating and Capital Costs and Funding Forecast			
Animal Control	LTCCP	Annual Plan	
	2011-12	2010-11	2011-12
	\$000's	\$000's	\$000's
Operating costs			
Dog Control	630	593	565
Other Animal Control	75	54	54
Total operating costs	705	647	619
Operating surplus transferred to reserves	16	-	-
	721	647	619
<i>Funded by</i>			
Rates	53	41	41
General revenues applied	6	5	5
Other revenue	662	578	573
Total revenue	721	624	619
Operating deficit funded from reserves	-	23	-
	721	647	619

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
There are no variances which are considered significant.

ACTIVITY: HARBOURS	
Operating costs of this activity represents approximately 1.2% of all the activity expenditure.	
Outcome	Related Community Outcome
Proactively manage the safe and sustained use of the maritime areas of Marlborough so that it can continue to provide physical, spiritual, economic and environmental benefits to its current and future stakeholders.	Environmental sustainability, Safety and security, Fun and recreation.

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

This activity involves ensuring safety in Marlborough’s extensive marine waterways. The Marlborough Sounds comprises approximately 1,500 kilometres of coastline (which is 18% of New Zealand’s entire coastline) and 4,136 square kilometres of water area. The Sounds is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries.

The purpose of the Harbours Department is to ensure that the Council’s statutory functions, duties and powers as a Harbour Authority are discharged in an accountable way and, where appropriate, educate the users of the Sounds waterways so that non-compliance with statutes and bylaws and, potentially, enforcement action through legal processes are minimised.

The Group also performs pollution response functions and duties as set out in the Maritime Transport Act 1994 and associated maritime rules.

More generally, the purpose of the Harbours Department is:

- To provide a 24/7 service with after-hours cover being provided on a rostered system.
- To provide the infrastructure and systems that allows all users to travel safely within the region. This includes the provision of all regional Aids to Navigation, maritime information and Vessel Traffic Services.
- To monitor and manage compliance using statutes, bylaws and regulations that directly affects the Marlborough Sounds.
- To manage emergencies and risks that threaten people, the environment, property or economic benefits from the coastal regions of Marlborough.
- To protect Marlborough’s coastal environment for this and future generations from pollution through the ability to respond to and deal with oil spills or other environmental risks.
- To educate maritime users in particular, and the whole community in general, on the safe and sustained use of Marlborough’s marine environment.
- To provide support to Council on decision and policy provisions related to the region’s marine environment.
- To assist Central Government agencies and other Council departments in meeting their responsibilities within Marlborough’s marine area.
- To promote the public image of the Council in the management of its marine responsibilities.

Activity Level

To provide a brief statistical overview of some of the typical Harbours Department matters:

Recreational Vessels

Currently there are 1,158 berths in the Port Marlborough marinas of which 1,053 are occupied. In addition, there are in excess of 3,000 moorings in the Sounds and it is estimated that around 1,500 are occupied on a continuous basis. Further, during the summer season, it is estimated that up to 10,000 recreational craft make use of the Sounds.

Commercial Vessels

During the 2010 year:

- There were 120 movements of passenger and log ships within the Sounds, the majority of these calling at Picton. A movement is defined as a transit inwards or outwards.
- 6,945 ferry movements. Based on these statistics alone, it is seen that the area is a busy harbour, only Wellington is busier.
- A total of 66 days of harbour patrols were undertaken.
- A total of 201 events were recorded in the Harbours Incident database.

Oil Spill Response

Specialist oil spill response equipment is on permanent loan to the District from the national stock-pile held by Maritime NZ. As part of the loan agreement, the Harbours Department staff are responsible for the ongoing maintenance required to maintain the equipment in an immediate state of readiness.

Emerging Issues

Over the course of the last decade, commercial vessel movements have increased significantly, particularly in the log and passenger vessel calls being recorded. Additionally, the increase in recreational craft has seen the potential for conflict between the various water users increase.

With the increase in timber exports, more vessels are expected to call at Picton and the overlap between vessel arrivals requires a more pro-active vessel movement management regime to be established. How this will be delivered will be formulated in line with international practices.

Issues emerging within the Activity are:

- ongoing development and review of the Safety Management System required by Maritime New Zealand.
- impact of oil exploration within New Zealand in relation to Admiralty Bay and the additional pressures this places on the Harbour Department's resources.
- potential for log exports from Port Underwood has been raised on a number of occasions and will require careful consideration prior to this taking place.
- the need to review the levels of service.

LEVELS OF SERVICE: HARBOURS

Performance Targets (for the financial year)

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

Activity Group: Regulatory

affects Marlborough's coastal region and its users.	% of accident and incident investigation, as appropriate, commenced within five working days.	100%	100%
Navigation aids, swimming and water-ski lanes maintained effectively.	% of time aids to navigation are working.	100%	100%
	% of pre summer season inspections of swimming and water-ski lanes undertaken.	100%	100%
	Number of further inspections of swimming and water-ski lanes undertaken during the summer season.	>2 of each	>2 of each

Operating and Capital Costs and Funding Forecast

Harbour Control	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Operating costs	1,737	853	970
Operating surplus transferred to reserves	229	-	203
	1,966	853	1,173
<i>Funded by</i>			
Rates	307	593	663
General revenues applied	37	76	82
Other revenue	1,622	184	428
Total revenue	1,966	853	1,173
Capital expenditure	369	64	375
<i>Funded by</i>			
Depreciation reserve transfer	170	64	171
Other reserve transfers	199	-	204
	369	64	375

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:
 Reduced operating costs and other revenue relate to the timing of bylaw changes.

ACTIVITY GROUP: REGIONAL DEVELOPMENT

The activities in this group include:

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

Rationale for the Delivery of this Group of Activities

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

How this Activity Contributes to Related Community Outcomes

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

ACTIVITY: REGIONAL DEVELOPMENT

Operating costs of this activity represents approximately 0.2% of all the activity expenditure.

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

How this Activity Contributes to Related Community Outcomes

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

What is this Activity About?

This activity is aimed at developing the regional economy to achieve long term economic growth to the benefit of the Marlborough community. It is about identifying where the direction of growth needs to be, how we will get there and what needs to be done. It is important to recognise that regional development is not just supporting businesses, but also about ensuring our community and workforce have the health, skills and knowledge to play their part in the development of Marlborough's economy.

The Council plays a key role in the local economy through its core services of roading and water infrastructure and regulatory activity, and through its investment in community infrastructure such as libraries and leisure facilities. The Council will continue to develop and implement the outcomes of the Blenheim Town Centre Study and North and South Marlborough Growth Studies. The activity is delivered by a range of public sector partners, including the Council, in support of the private sector and also involves making investments in the right area.

In addition, in the past two years the Council has undertaken a strategic role by supporting and funding initiatives in our key sectors to help them grow – such as helping our smaller wineries to access new markets, helping our businesses benefit from the Rugby World Cup 2011, attracting new contracts in the aviation sector, and supporting our aquaculture companies to develop new products. In particular sectors such as Tourism and Education there is often a requirement for the local Council to provide the overarching coordination and marketing roles. The government has reduced its funding that supported Council investment in direct local interventions, and accordingly the strategic role that the Council plays in the regional economy is under review at present.

Emerging Issues

The following issues are emerging within this Activity:

- National research by ANZ Bank indicates that Marlborough is one of the hardest hit regions in the current economic downturn occurring within New Zealand and other developed nations.
- Smaller businesses, especially in viticulture and winemaking, and in tourism, are at risk of downsizing and closure due to the recession.

- The government has reduced its funding that supported Council investment in direct local interventions however there are funding grants that emerge from time to time. (eg: Sanford, Sealords and Wakatu have just gained \$29m from the 'Primary Industry Fund')
- The role of the Council in supporting economic growth is under review.

LEVELS OF SERVICE: REGIONAL DEVELOPMENT			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.1	6.2
Co-ordinate effective economic development delivery.	Marlborough's GDP growth rate ranking amongst Local Authorities. (BERL)	In 2007 Marlborough's GDP growth rate was 42 out of 72 Local Authorities.	<36
	Unemployment rates compare to the national rate.	Unemployment rate as at March 2008 was 3.7% (NZ 4.1%)	Unemployment rate is equal to or less than the national rate.

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.

Cost of Operating and Capital Costs and Funding Forecast – see page 86.

ACTIVITY: MARKETING AND TOURISM	
Operating costs of this activity represents 0.9% of all the activity expenditure.	
Outcome	Related Community Outcome
Marlborough is a preferred place for New Zealanders and people from overseas to visit, enjoy and experience.	Prosperity. Enterprise and endeavour.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Prosperity and Enterprise and endeavours by providing funding to Destination Marlborough to enable it to promote the District and the many activities within it to potential visitors.

What is this Activity About?

This activity is about marketing and promoting Marlborough as a desirable visitor destination to both international and domestic travellers. The objective is to not only increase visitor numbers, but also increase the time they spend in the District and the amount spent.

Currently approximately 1.5 million travellers (75% domestic, 25% international) visit the District per year spending in excess of \$200 million while they are here. International visitor numbers are projected to grow over 20% in the next six years while domestic visitors are projected to fall by just under 2%. A particular focus is made on stimulating travel in the shoulder seasons and winters.

Emerging Issues

The following issues are emerging in relation to this activity:

- The current global economic situation has had an impact on the number of visitors to New Zealand as travel is frequently seen as discretionary expenditure.
- International airline capacity, low cost airlines and new routes will create a change in the international market mix to Marlborough.

- There are shifts in the market mix with higher growth in Asian market arrivals than the traditional markets of UK, Europe, USA and Canada.
- Changing traveller booking patterns with much shorter lead times.
- Tourism New Zealand's new target market strategy for international promotion is more closely aligned with the Marlborough visitor experience and provides good future promotional opportunities to feature more within the context of the international marketing effort.

The impact of these issues will be addressed in the Long Term Visitor Strategy for Marlborough that is currently under development.

Levels of Service: Marketing and Tourism			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.8	6.9
Manage third party providers to ensure service quality and value.	Achievement of Reporting requirements.	Reporting requirements met.	Reporting requirements met.
Effective promotion of Marlborough as a destination.	% change in visitor nights in Marlborough compared to national trends.	Guest nights for the year ended March 2008 increased by 12.2% (NZ 6.9%)	% change in visitor nights equal or better than national trends

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.

Cost of Operating and Capital Costs and Funding Forecast – see page 86.

ACTIVITY: EVENTS MANAGEMENT	
Operating costs of this activity represents approximately 0.2% of all the activity expenditure.	
Outcome	Related Community Outcome
Marlborough is highly regarded nationally and internationally for the quality of its events and conference facilities.	Prosperity, Full participation.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Prosperity and Full Participation Community Outcomes by providing funding to the Marlborough Festival and Events Trust to organise events for Marlburians to enjoy and to attract visitors to the District.

What is this Activity About?

This activity contributes to the Prosperity and Full Participation Community Outcomes by providing to contract free community festivals and events for Marlburians to enjoy and to attract visitors to the District.

This activity is delivered by the Marlborough Festival and Events Trust and Go Marlborough under contract for provision of specific events.

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.

Emerging Issues

The main challenge is to keep events relevant and interesting in times of changing population demographics. This includes challenges for the providers to achieve funding from other sources to maximise the events at a time when there is significant pressure on these sources from the community sector. Sponsorship is also less available from the business sector.

Levels of Service: Events Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.3	7.4
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements	Reporting requirements met.	Reporting requirements met.
	Participation numbers at Blenheim Christmas Parade and the New Years Eve celebrations.	<5,000	>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.

Cost of Operating and Capital Costs and Funding Forecast – see page 86.

ACTIVITY: RESEARCH CENTRE	
Operating costs of this activity represents approximately 0.1% of all the activity expenditure.	
Outcome	Related Community Outcome
Marlborough's primary industries have access to world class research and advisory services that add value to their productivity and competitiveness.	Prosperity, Environmental Sustainability and Enterprise and endeavour.

How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Prosperity, Environmental sustainability and Enterprise and endeavours by providing financial assistance to Marlborough Research Centre Trust to continue research on improving the productivity, quality and environmental sustainability, particularly of Marlborough vineyards.

What is this Activity About?

The Marlborough Wine Research Centre is owned and managed by the Marlborough Research Centre Trust. The Trust was set up in 1984 to ensure the Marlborough region makes the best use of its natural resources, by assisting innovative research and technical development in agricultural, pastoral, horticultural and viticultural matters.

Asset Description

The Trust's principal assets are:

- Grovetown Park land and buildings.
- Adjacent 10 hectare Rowley Vineyard, Rowley Crescent, Grovetown.
- Marlborough Wine Research Centre, Budge Street, Blenheim.

The book value of the Trust's fixed assets as at 30 June 2010 was \$3.663 M.

Emerging Issues

The following issues are emerging within this Activity:

- The issues faced by the Trust are dominated by the state of the wine industry and the period of uncertainty it is facing.
- Pressure on office and laboratory space. However, the Trust is currently exploring non-build options and has delayed construction for three years now because of the uncertainty that exists.

- The challenges being faced by researchers in obtaining funding for additional projects.

Levels of Service: Research Centre			
Performance Targets (for the financial year)			
Level of Service	Indicator	LTCCP Baseline	2011-12
Provide an overall level of customer satisfaction that meets or exceeds residents' expectations of this activity.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	7.0
Manage third party providers to ensure service quality and value.	Achievement of reporting requirements.	Reporting requirements met.	Reporting requirements met.
	Number of published research papers.	23	>20

Operating and Capital Costs and Funding Forecast			
Regional Development	LTCCP	Annual Plan	
	2011-12 \$000's	2010-11 \$000's	2011-12 \$000's
Operating costs			
Events and Conferences	177	163	163
Marketing and Tourism	966	694	780
Regional Development	164	224	207
Research Centre	136	136	70
Total operating costs	1,443	1,217	1,220
<i>Funded by</i>			
Rates	915	1,030	1,034
General revenues applied	91	110	105
Other revenue	1	-	18
Total revenue	1,007	1,140	1,157
Operating deficit funded from reserves	436	77	63
	1,443	1,217	1,220
Capital expenditure			
Marketing and Tourism	-	1,680	-
Total capital expenditure	-	1,680	-
Debt repayment	37	23	45
	37	1,703	45
<i>Funded by</i>			
Other reserve transfers	(387)	23	45
New loans	424	1,680	-
	37	1,703	45

Explanation of Variances between LTCCP for 2011-12 and Annual Plan for 2011-12:

Operating costs – Research Centre includes a 1 year grant reduction of \$65,800.

The New Zealand Aviation Museum Trust (trading as the Omaka Heritage Centre) will receive a \$1.4 million loan rather than a grant proposed in the draft Annual Plan.

Operating costs – Marketing and Tourism have decreased by the removal of grant funding for the new i-SITE which is now budgeted as loan funded capital.

Operating costs – Regional Development increase is the \$50,000 grant to fund the further development of the Flaxbourne Irrigation Scheme.

Council Controlled Organisation



Pioneer David Hord established Marlborough's first winery at Aarfield in the hills to the south during the 1870's. He made highly regarded wine for many years.
These first vines bore fine fruit and today Marlborough is New Zealand's greatest wine region.

Art 2008
Inspired by John Fisher
Commissioned by Marlborough District Council

COUNCIL CONTROLLED ORGANISATION

MDC Holdings Limited

MDC Holdings is owned 100% by 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.
- Providing the means for bringing the main trading enterprises of the Marlborough District Council together into one structure.
- Obtaining commercial borrowing facilities at the most attractive rates attainable.

These are the primary objectives 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.

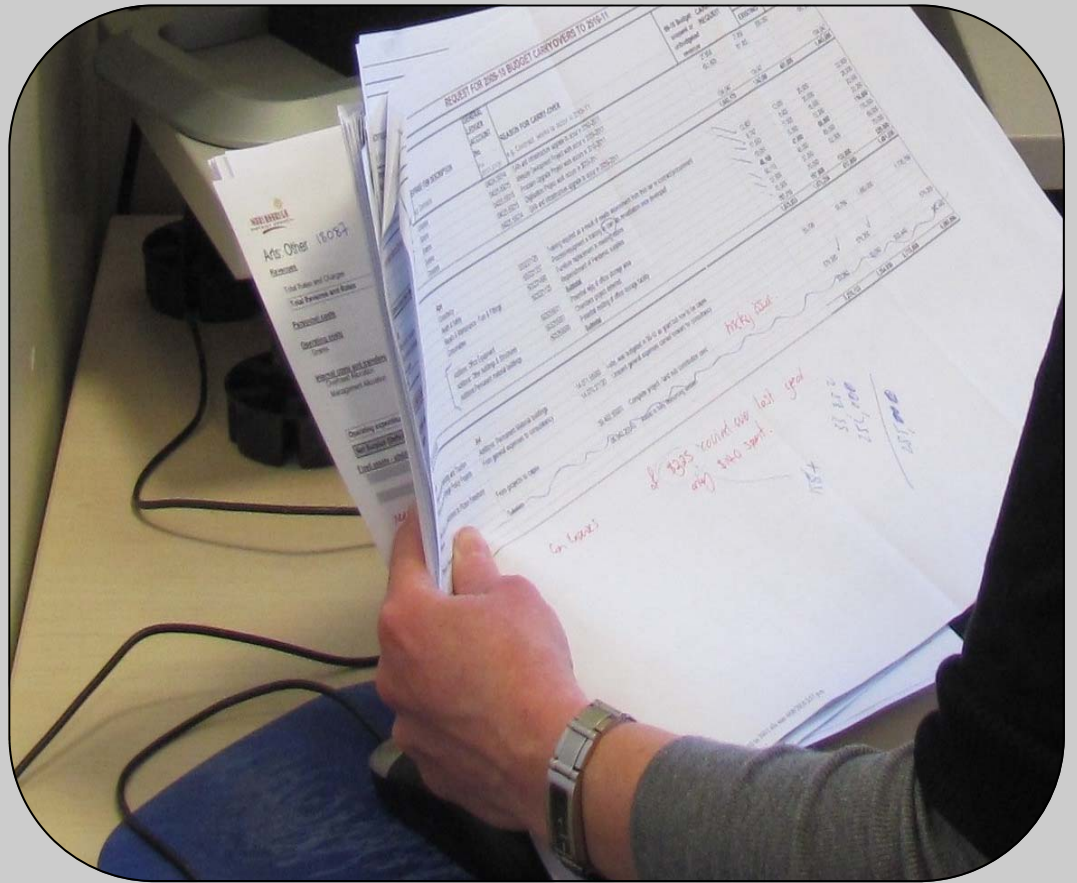
Performance Targets

Prepare and forward financial statements to Council in accordance with legislative requirements.

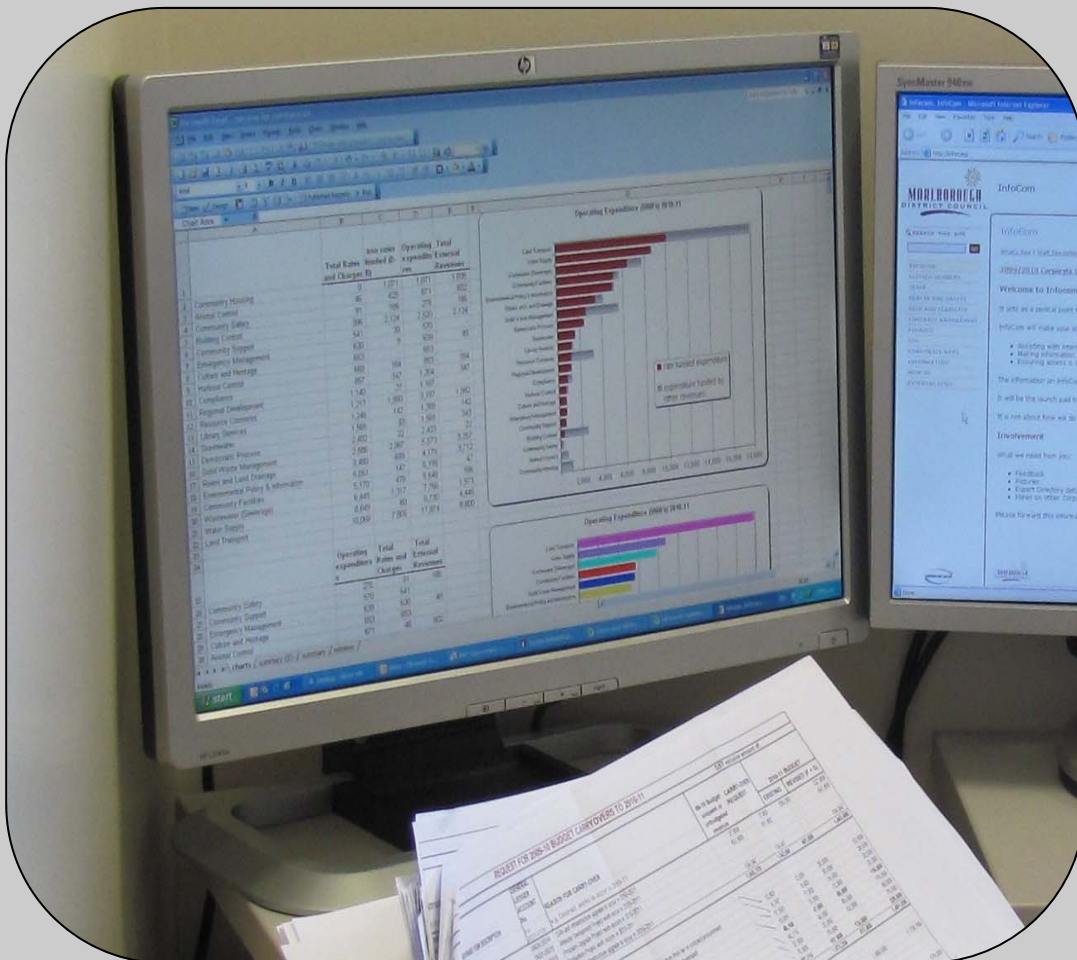
Report annually to Council on the performance of the subsidiary trading enterprises.

Report annually to Council on the level and rate of its borrowings.

The long-term target ratio of shareholders' funds to total assets is >5%. This ratio will be reviewed annually.



Part III Financial Information



PART III - FINANCIAL INFORMATION

Income Statement

For the year ending 30 June:	note	LTCCP		Annual Plan
		2012	2011	2012
		\$'000's	\$'000's	\$'000's
Income				
Rates		55,702	49,297	51,695
Subsidies and grants		7,763	5,689	6,406
Dividends		538	604	696
Other revenue	6	31,362	32,039	31,104
Total revenue		95,365	87,629	89,901
Expenditure by function				
Democratic Process		2,713	2,423	2,542
Culture and Heritage		5,630	716	3,673
Community Housing		956	1,071	1,161
Community Safety		298	276	292
Community Support		596	572	660
Library Services		1,458	1,388	1,532
Emergency Management		711	639	729
Community Facilities		5,799	5,651	8,634
Land Transport		18,699	17,874	19,204
Rivers and Land Drainage		4,608	4,179	4,353
Wastewater (Sewerage)		10,052	7,766	8,031
Stormwater		1,928	1,565	1,606
Water Supply		11,858	8,663	9,230
Solid Waste Management		6,959	5,573	7,387
Environmental Policy and Information		5,370	5,213	5,089
Resource Consents		3,324	3,197	2,666
Building Control		2,346	2,520	2,317
Compliance		1,769	1,204	1,528
Animal Control		705	647	619
Harbour Control		1,737	853	970
Regional Development		1,443	1,217	1,220
Total expenditure by function		88,959	73,207	83,443
Less internal interest	2	6,525	3,704	3,278
External expenditure by function		82,434	69,503	80,165
Other expenditure	5	2,302	1,630	2,679
Marlborough Regional Forestry		4,139	5,395	4,173
Total expenditure		88,875	76,528	87,017
Surplus before tax		6,490	11,101	2,884
Income tax expense		-	-	-
Surplus after tax		6,490	11,101	2,884

Statement of Comprehensive Income

For the year ending 30 June:	note	LTCCP	Annual Plan	
		2012 \$000's	2011 \$000's	2012 \$000's
Surplus for the year		6,490	11,101	2,884
Other comprehensive income				
Gains on infrastructural asset revaluation		27,188	21,229	21,309
Gains on land and buildings revaluation		6,145	7,023	8,437
Total other comprehensive income for the year, net of tax		33,333	28,252	29,746
Total comprehensive income for the year		39,823	39,353	32,630

Statement of Changes in Equity

For the year ending 30 June:	note	LTCCP	Annual Plan	
		2012 \$000's	2011 \$000's	2012 \$000's
Restricted reserves				
Accumulated funds at start of year		569,519	571,409	584,976
Net surplus for the year		6,490	11,101	2,884
Accumulated funds at end of year		576,009	582,510	587,860
Asset revaluation reserves				
Asset revaluation reserves at start of year		631,920	628,411	637,296
Revaluation adjustment		33,333	28,252	29,746
Revaluation reserves at end of year		665,253	656,663	667,042
Equity at end of year		1,241,262	1,239,173	1,254,902

Statement of Financial Position

As at 30 June:	note	LTCCP	Annual Plan	
		2012 \$000's	2011 \$000's	2012 \$000's
Ratepayers' equity				
Accumulated funds		550,287	551,891	562,081
Ordinary and Council created reserves		20,349	31,532	28,333
Restricted reserves		5,373	(913)	(2,554)
Revaluation reserves		665,253	656,663	667,042
Total ratepayers equity		1,241,262	1,239,173	1,254,902
Current assets				
Cash and cash equivalents		1,196	5,961	5,762
Trade and other receivables		7,132	9,044	6,912
Other financial assets		6,096	-	4,551
Inventories		248	253	262
Non-current assets held for sale		387	387	-
Total current assets		15,059	15,645	17,487
Current liabilities				
Trade and other payables		12,436	11,875	12,824
Employee benefit liabilities		1,145	1,157	1,251
Total current liabilities		13,581	13,032	14,075
Working capital		1,478	2,613	3,412
Non-current assets				
Other financial assets		6,075	18,242	13,868
Intangible assets		561	549	549
Biological assets		9,620	11,051	8,673
Property, plant and equipment		1,305,467	1,247,504	1,271,935
Total non-current assets		1,321,723	1,277,346	1,295,025
Non-current liabilities				
Landfill aftercare provision		917	575	590
Employee benefits		1,064	823	796
Borrowings	7	79,958	39,388	42,149
Total non-current liabilities		81,939	40,786	43,535
Net assets		1,241,262	1,239,173	1,254,902

Ordinary and Council created reserves and Restricted reserves for the 2012 LTCCP have been varied from that disclosed in that document. This is as a result of the reclassification of development contributions to restricted reserves.

Statement of Cash Flows

For the year ending 30 June:	LTCCP	Annual Plan	
	2012 \$000's	2011 \$000's	2012 \$000's
Cash flows from operating activities			
Targeted geo general rates and charges	30,938	29,505	30,752
Other targeted rates and charges	24,343	19,357	20,943
User charges and other revenues	37,992	34,478	34,336
Payments to suppliers and employees	(65,910)	(56,993)	(67,646)
Interest paid	(4,911)	(2,539)	(2,706)
Net cash flows from operating activities	22,452	23,808	15,679
Cash flows from investing activities			
Sale of assets	40	7,259	1,026
Dividends	538	604	696
Movements in investments	(1,189)	999	(1,720)
Purchase of fixed assets	(46,343)	(38,790)	(27,197)
Net cash flows from investing activities	(46,954)	(29,928)	(27,195)
Cash flows from financing activities			
Movement in borrowings (external)	24,035	6,239	6,227
Net increase/(decrease) in cash	(467)	119	(5,289)
Cash and cash equivalents:			
at the beginning of the year	1,663	5,842	11,051
at the end of the year	1,196	5,961	5,762

Statement of Accounting Policies

1. Reporting entity

Marlborough District Council (MDC) is a unitary authority, located in New Zealand and is governed by the Local Government Act 2002.

The primary objective of MDC is to provide goods and services for community or social benefit, rather than making a financial return. Accordingly MDC has designated itself a public benefit entity (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).

These prospective financial statements of MDC are for the year ending 30 June 2012.

MDC is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.

These prospective financial statements therefore reflect the activities and position of MDC plus the Council's 88.5% share in the joint committee Marlborough Regional Forestry, which is also domiciled in New Zealand.

These prospective financial statements were authorised for issue by Council on 30 June 2011.

2. Basis of Preparation

(a) *Statement of Compliance*

The prospective financial statements of MDC have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice. They comply with NZIFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities, in particular these financial statements comply with FRS42.

(b) *Measurement Base*

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

(c) *Functional and Presentational Currency*

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's). The functional currency of MDC is New Zealand dollars.

(d) *Changes in Accounting Policies*

The accounting policies set out below have been applied consistently to the prospective financial statements in MDC's previous LTCCP (2009-19); to the financial statements for the year ended 30 June 2010; and to these prospective financial statements.

There are no standards, amendments and interpretations issued but not yet effective that have not been early adopted and which are relevant to MDC.

(e) *Critical Accounting Estimates and Assumptions*

In preparing these prospective financial statements MDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumption are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

3. Significant Accounting Policies

(a) *Interests in Joint Committees*

There is a contractual arrangement whereby MDC and Kaikoura District Council (KDC) undertake an activity that is subject to joint control.

The Council's share of jointly controlled assets and any liabilities incurred jointly with KDC are recognised in MDC's financial statements on a proportionate basis and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of Council's share of the output of jointly controlled assets, and

its share of the joint committee expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Council and their amount can be measured reliably.

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

(b) Revenue

Rates are set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set.

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

Rates revenue is recognised by MDC as being income on the due date of each instalment.

Water Billing is recognised on an accrual basis.

Government Grants

NZTA roading subsidies (received in respect of maintaining the roading infrastructure) and other government grants/subsidies are recognised as revenue upon entitlement ie; when conditions pertaining to eligible expenditure have been fulfilled. This revenue is reflected in the financial statements as subsidy income. Other Government assistance received includes contributions towards the upkeep of Returned Servicemen Association cemetery plots, community housing and environmental control.

Provision of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date.

Vested Assets

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

Sales of Goods

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

Interest and Dividends

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Financial/Development Contributions

Financial/Development contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise Financial/Development contributions are recognised as liabilities until such time the Council provides, or is able to provide, the service. Development contributions are classified as part of "Other revenue".

(c) Borrowing Costs

MDC has elected to defer the adoption of NZ IAS 23 Borrowing Cost (revised 2007) in accordance with its transitional provisions that are applicable to Public Benefit Entities. All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using effective interest method.

(d) Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

(e) Income Tax

Income tax expense comprises both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit of the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted as at balance date.

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

Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset when MDC has a legal enforceable right to set off the recognised amounts and intends to settle on a net basis.

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realised.

Deferred tax is charged or credited in the Income Statement, except when it relates to transactions recognised in other comprehensive income or items charged or credited directly to equity, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Marlborough District Council intends to settle its current tax assets and liabilities on a net basis.

(f) Leases

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

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. All operating lease contracts contain review clauses in the event that the Council exercises its option to renew. The lessee does not have an option to purchase the property at expiry of the lease period.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(h) Trade and other Receivables

Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Income Statement where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

(i) Derivative Financial Instruments and Hedge Accounting

MDC enters into interest rate swaps to manage interest rate risk and, from time to time, foreign currency forward contracts to manage foreign currency rate fluctuation risk. MDC does not use derivative financial instruments for speculative purposes.

Derivative financial instruments fall into the "fair value through surplus or deficit" category.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value. Derivative instruments entered into by MDC do not qualify for hedge accounting. Changes in the fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised in the surplus or deficit.

(j) Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which MDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and MDC has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit.
- loans and receivables.
- held-to-maturity investments.
- fair value through other comprehensive income.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and those designated at fair value through surplus or deficit at initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where there is a positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included

in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. MDC includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

(k) Impairment of Financial Assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments

Impairment is established when there is objective evidence that MDC will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive income

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

(l) Inventories

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

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

Provision has been made for obsolescence for inventories held for maintenance purposes, where applicable.

(m) Non-current Assets Held for Sale

Non-current assets (or disposal groups) classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The valuation of net realisable value was carried out by Alexander Hayward Limited and APL Property Blenheim 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 Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

(n) Property, Plant and Equipment

MDC has the following classes of property, plant and equipment:

- Land and buildings.
- Improvements on land.
- Library books and parking meters.
- Infrastructural assets.
- Other.

Revaluation

Land and buildings and infrastructural assets are revalued with sufficient regularity that the carrying amount does not differ materially from that which would be determined using fair values at balance date, generally every year.

Revaluation increments and decrements are credited or debited to the asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve this balance is expensed in the Income Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

Additions between valuations are recorded at cost, except for vested assets. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended use. Certain infrastructure assets and land have been vested in the Council as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation which is their deemed cost. Vested infrastructure assets are initially valued based on the actual quantities of infrastructure components vested and the current "in the ground" cost of providing identical services and this is their deemed cost.

Land and Buildings

Council land was valued by QV Valuations (Registered Valuers) as at 1 July 2009. The basis of valuation is fair value with reference to highest and best use, as at 1 July 2009.

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

Buildings were valued by Alexander Hayward Limited (Registered Valuers) as at 1 July 2009. The basis of valuation was fair value.

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

In the case of Marlborough Regional Forestry, land and improvements were valued by Alexander Hayward Limited (Registered Valuers) as at 30 June 2010.

Council's forest (soil erosion prevention) was valued at 30 June 2010 by Merrill & Ring New Zealand Limited.

Improvements on Land

These are generally in the nature of playground equipment and other similar recreational structures on Council land. These assets are stated at cost less any accumulated depreciation and impairment losses.

Landfill

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

Library Books and Parking Meters

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

Infrastructural Assets

Roads, bridges, wharves, street lighting, street berms and street furniture assets were valued at depreciated replacement cost as at 30 June 2010 by John Vessey and Jaimie Cable of Opus International Consultants Limited.

River control and drainage assets were valued at depreciated replacement cost as at 30 June 2008. The river control and drainage valuation was performed by the Council's Rivers and Drainage Engineer, Brin Williman. Lex Hayward of Alexander Hayward Limited conducted an independent peer review of the valuation.

Carparks were valued at depreciated replacement cost at 30 June 2010 by Opus International Consultants Ltd.

Water, Sewer and Stormwater assets were valued at optimised depreciated replacement cost (ODRC) as at 30 June 2010. The valuation was performed by Council engineering staff directly associated with managing these assets. An independent review of the valuation was conducted by Alexander Hayward Limited.

Reserves, public conveniences and war memorials land were valued by QV Valuations (Registered Valuers). The value is based on 'fair value' as at 1 July 2009.

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 1 July 2009.

Land under roads was valued on a fair value basis as at 30 June 2009 by Lex Hayward of Alexander Hayward Limited.

Other Fixed Assets

These are stated at cost or independent valuations (as at 19 March 1990), plus the cost of additions, less accumulated depreciation. This valuation is deemed to be the cost of the asset and there is no intention to revalue these assets. The valuations were undertaken by Harrison Grierson Consultants Limited, Registered Valuers, and were based on each item being valued as an essential part of the whole activity. Valuations were established at current market rates for reinstating the unit, and thereafter adjusting downward having regard to the age and condition of the items.

Depreciation

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

Depreciation on revalued assets is charged to the Income Statement.

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

Asset	Life	Rate
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%
- Unsealed roads	10 years	10%
- 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 and 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	4 - 5 years	20 - 25%
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	
- Dams	100 years	1%
Library books	13.33 years	7.69%

Disposals

On the subsequent sale or retirement of a revalued asset, the attributable revaluation profit remaining, net of any related deferred taxes, in the revaluation reserve is transferred directly to retained earnings.

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

(o) Intangible Assets - Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overhead costs.

The computer software has a finite life of four to five years. Amortisation is included in the Income Statement.

(p) Impairment of Property, Plant and Equipment and Intangible Assets

At each balance sheet date MDC reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists and for indefinite life intangibles, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset MDC estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value in use.

For assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

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

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

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

(q) Forestry Assets

Forestry assets are owned and managed by Marlborough Regional Forestry. They are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the Income Statement. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market.

The fair value of all trees is based on estate based Net Present Value (NPV) method, using the present value of future cash flows discounted at a pre-tax market determined rate.

Council own and manage some trees for soil conservation purposes. These are revalued as per MDC's policy on property, plant and equipment.

(r) Investment Property

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

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

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

Investment property is measured initially at its cost, including transaction costs. Investment property is then restated to fair value at balance date, based on an independent valuation.

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.

(s) Trade and Other Payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

(t) Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, these loans and borrowings are subsequently measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the loan or borrowing. Amortised cost is calculated taking into account any issue costs, and any discount or premium on drawdown.

Bank loans are classified as current liabilities (either advances or current portion of term debt) unless MDC has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(u) Employee Entitlements

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

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

Liabilities for accumulating short-term compensated absences (eg; annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date. Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

(v) Superannuation Schemes
Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Defined benefit schemes

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

(w) Provisions

Provisions are recognised when MDC has a present obligation as a result of a past event, a reliable estimate can be made for the amount of the obligation and it is probable that MDC will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

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

A financial guarantee contract is a contract that requires MDC to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that MDC will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation.

However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

(x) Equity

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

- Accumulated funds.
- Ordinary revenues.
- Property revaluation reserves.
- Restricted reserves.

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

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

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

Property revaluation reserves relate to the revaluation of property, plant and equipment to fair value.

(y) Goods and Services Tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

(z) Cost Allocation

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

(aa) Foreign Currencies

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

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

Assumptions, Disclosures and Compliance

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

Legislative Framework

Local Government may be significantly affected by changes in legislation. It is assumed that existing legislation will apply for the term of this plan.

Population

It is extremely difficult to accurately determine the level of growth in Marlborough over the next 10 years. Using census data provided since 1981 by Statistics New Zealand the population growth has been forecast for the population centres within the District. From these growth forecasts the resulting demands on District services, particularly infrastructure, have been modelled and included in Asset Management Plans. On average growth is expected to be approximately 1.4% per annum.

Revenue

Revenue from user charges 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.

Forestry income and expenditure has been forecast using age profile of forest with harvesting undertaken at 30 years of age. Log prices (in \$NZ) have been estimated using the average of the past three years. It has been assumed that these prices will be maintained over the period of the Plan.

Inflation

The costs, revenues and asset values reflected in this plan take account of expected inflation impacts for the coming 12 months.

Revaluations

Council's infrastructural assets and land and buildings have been revalued in the 2011-12 year based on inflation impacts as above.

Economic Life

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the Statement of Accounting Policies. The useful lives are consistent with Council's experience with respect to its ongoing replacement programme.

Range of Services

That Council will continue to perform its existing range of activities. In addition, Council will continually review how the services it is responsible for can be most effectively delivered and whether service levels can be improved.

Financial Assistance

The financial assistance (subsidies) currently received by Council will continue at the current levels of assistance.

Use of Infrastructure Upgrade Reserve

The Infrastructure Upgrade Reserve has been used to support and address affordability issues for essential water and sewerage projects in Picton and Renwick.

Investments

This plan has been prepared on the basis that MDC will hold a pool of investments to maintain a reserve in the event of a natural disaster.

Interest Rates/Term of Loans

All loans, unless specifically approved by Council, have been raised for a period of 20 years with an interest rate of 7.00%. Interest on investments and bank deposits are calculated at 7.00%. These rates will be monitored annually.

Climate Change

That climate change will have minimal impact over the period of this Plan.

Natural Disasters

Council has included in the financial figures what it considers to be reasonable provisions to meet the impacts of natural disasters. Council reviews the adequacy of these provisions annually.

Emissions Trading Scheme

The estimated impact of the Emissions Trading Scheme has not been included in this Plan.

However, Council as a result of its significant forestry holdings is likely to be a net beneficiary from the scheme for an extended period, but because of the uncertainty surrounding the scheme and resulting costs and benefits, a conservative approach of exclusion has been adopted.

Notes to the Financial Statements

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

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

The actual results achieved for the year ended 30 June 2012 are likely to vary from the information presented, and the variations may be material.

2. Interest

2.1 Elimination of Internal Interest

To enable each activity to bear its true cost, where funds are "borrowed" by one activity of Council from another interest is charged on that borrowing at the same rate applicable to external borrowing. This interest is recorded as an expense in the Significant Activity Accounts.

This internal interest has been eliminated from the Income Statement as follows:

2.2 Interest expense	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Total internal interest expense	11,436	6,243	5,984
<i>less internal interest eliminated (as per Income Statement)</i>	6,525	3,704	3,278
External interest expense	4,911	2,539	2,706

3. Capital Expenditure

These figures do not include Marlborough Regional Forestry capital expenditure.

	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Summary			
Water	14,892	11,315	3,620
Sewerage	11,473	2,967	9,270
Roads (including wharves and subdivisional works)	9,841	7,727	8,061
Community Facilities	2,551	5,715	2,357
Rivers and Drainage	4,002	1,790	1,050
Stormwater	1,750	750	1,196
Information and Office Services	1,203	549	633
Parking	96	4,225	675
Landfills and Waste Management	174	371	222
Library Services	255	270	251
Plant Operations	770	109	253
Harbour Control	369	64	375
Regional Development	0	1,680	0
Democracy, Culture, Heritage and Community	244	98	268
Environmental, Consents and Compliance	61	57	117
Emergency Management	36	31	31
Land Development	0	2,500	1,273
Total MDC	47,717	40,218	29,652

Capital Expenditure continued		LTCCP	Annual Plan	
		2012	2011	2012
		\$000's	\$000's	\$000's
Democratic Process (Funded by rates and charges)				
Total Democratic Process		0	40	0
People (Funded by rates and charges)				
Culture and Heritage				
Heritage	Museums	53	0	0
Other Memorials	Improvements	8	8	8
War Memorial Fountain	Improvements	0	0	40
Total Culture and Heritage		61	8	48
Community Housing	Improvements	130	0	170
Community Safety - Security	Security cameras	53	50	50
Libraries	Books & equipment	255	270	251
Total People		499	328	519
Emergency Management (Funded by rates and charges)				
Civil Defence	Plant & equipment	16	12	12
Fire Protection	Plant & equipment	20	19	19
Total Emergency Management		36	31	31
Land and Water				
Community Facilities				
Cemeteries (Funded by rates and user charges)				
Awatere	Development	0	2	0
Fairhall	Development	26	55	25
Havelock	Development	5	5	5
Omaka	Development	6	6	6
Picton	Development	529	25	0
Tuamarina	Development	21	10	20
Total Cemeteries		588	103	56
Halls (Funded by rates and charges)				
Other	Improvements	101	10	10
Public Conveniences (Funded by rates and charges)				
Blenheim	Improvements	106	45	100
Flaxbourne	Improvements	32	0	0
Picton	Improvements	11	110	10
Renwick	Improvements	106	0	0
Sounds	Improvements	0	0	25
Other	Improvements	0	0	35
Total Public Conveniences		254	155	170
Reserves (Funded by land subdivision income)				
Reserves	Additions, improvements & replacements	1,587	1,427	2,101
Swimming Pools (Funded by rates and charges)				
Picton	Investigate new facility	21	20	20
Blenheim	Improvements	0	4,000	0
Total Swimming Pools		21	4,020	20
Total Community Facilities		2,551	5,715	2,357
Land Transport				
Parking (Funded by user charges)				
Blenheim	Land, buildings & plant	96	4,225	675
Roading (Funded by rates, subsidies and user charges)				
General Roding	Vested assets	659	624	624
	Cycle facilities	106	0	0
	Sealed pavement	635	0	0
	Associated improvements	704	675	700

Capital Expenditure continued		LTCCP	Annual Plan	
		2012	2011	2012
		\$000's	\$000's	\$000's
	Bridges	466	0	436
	Drainage	556	316	347
	Environment	0	38	40
	Major rehabilitation	530	250	0
	Pavement rehabilitation	969	872	906
	Sealed road resurfacing	2,616	1,653	1,821
	Structures component replacement	243	161	167
	Traffic services	230	289	330
	Unsealed road metalling	620	583	631
French Pass Road	Sealed pavement	127	0	120
Kaiuma Bay	Unsealed pavement	0	818	0
Kenepuru Road	Sealed pavement & traffic services	0	121	0
Rainbow Road	Traffic services	1	0	1
CBD Works: Blenheim	Paved/cobbled areas	53	0	500
Street Plots		16	15	15
Street Trees		14	13	13
Roading Related Works	Additions: cycle facilities	0	100	100
	Additions: footpaths (concrete)	94	86	89
	Additions: kerb & channel	95	90	90
	Additions: sealed pavement	217	205	205
	Additions: signs	32	26	31
	Additions: street furniture	5	5	5
	Additions: streetlighting	42	40	40
	Additions: vehicle crossings	13	12	12
	Renewals: footpaths (sealed)	445	315	320
	Renewals: kerb & channel	0	92	92
	Renewals: street furniture	32	30	30
	Renewals: vehicle crossings	49	41	46
Wharves	Additions: wharves	113	107	200
Subdivisional Works	Additions: sealed pavement	159	150	150
Total Land Transport		9,937	11,952	8,736
Rivers and Land Drainage	(Funded by rates and charges)			
Rivers outside Wairau Valley:				
Waitohi	Additions: culverts, gates & concrete walls	2,648	800	0
Picton/Waikawa	Additions: rock & gabion protection	21	20	20
Drainage:				
Blenheim	Additions: pump stations	275	130	200
	Additions: drainage channels	107	100	100
Rural	Additions: pump stations	235	220	30
	Additions: drainage channels	0	0	140
Rivers Wairau Valley:				
Lower Wairau	Additions: stopbanks	75	0	100
	Additions: rock & gabion protection	0	70	0
Wairau Diversion	Additions: stopbanks	11	10	20
Wairau Tuamarina	Additions: stopbanks, tress & retards	161	150	100
Wairau gravel extraction	Additions: rock & gabion protection	86	80	30
Lower Opawa	Additions: stopbanks	32	30	30
Riverlands and Witherhills Stream	Additions: other buildings & structures	21	0	0
	Additions: stopbanks	0	20	20
Taylor below Burleigh	Additions: stopbanks	21	20	20
Taylor above Burleigh	Additions: stopbanks	21	20	20
Rivers land purchases	Additions: land	265	100	200
Wither Hills soil conservation	Additions: drainage channels	21	20	20
Total Rivers and Land Drainage		4,002	1,790	1,050

Capital Expenditure continued		LTCCP	Annual Plan	
		2012	2011	2012
		\$000's	\$000's	\$000's
Wastewater (Sewerage)	(Funded by rates, charges, development levies and user charges)			
Combined schemes	Additions: vested assets	233	221	221
	Additions: telemetry field equipment	4	3	4
	Additions: connections	130	92	92
	Additions: oxidation ponds	171	150	88
	Additions: pipelines	1,384	1,233	170
	Renewals: pipelines	74	350	4,850
	Additions: pump stations	4,417	195	380
	Renewals: pump stations	0	15	0
	Additions: treatment plant	4,740	340	1,330
	Additions: engineering	318	368	741
	Total Combined Scheme	11,473	2,967	7,876
Riverlands Industrial	Additions: treatment plant	0	0	1,350
	Additions: engineering	0	0	4
	Total Riverlands Industrial	0	0	1,354
St Andrews	Additions: pipelines	0	0	40
	Total St Andrews	0	0	40
Total Wastewater (Sewerage)		11,473	2,967	9,270
Stormwater	(Funded by rates and development levies)			
Blenheim	Additions: vested assets	275	260	260
	Additions: connections	75	70	70
	Additions: pipelines	1,278	35	750
	Renewals: pipelines	53	50	50
Picton	Additions: connections	5	5	5
	Additions: pipelines	21	20	20
	Renewals: pipelines	10	9	9
Renwick	Additions: connections	5	5	5
	Additions: pipelines	0	280	0
	Renewals: pipelines	11	10	10
Spring Creek	Additions: connections	2	2	2
	Additions: pipelines	10	0	9
Havelock	Additions: connections	1	1	1
	Additions: pipelines	3	3	3
	Renewals: pipelines	2	0	2
Total Stormwater		1,750	750	1,196
Water Supply	(Funded by rates, charges, development levies and user charges)			
Blenheim	Additions: vested assets	206	195	195
	Additions: connections	106	100	80
	Renewals: connections	135	127	127
	Additions: pipelines	996	252	63
	Renewals: pipelines	53	50	50
	Additions: pump stations	21	534	20
	Renewals: pump stations	0	14	0
	Additions: Reservoirs	159	2,100	315
	Additions: treatment plant	511	5,943	623
	Additions: engineering	93	503	81
	Total Blenheim	2,280	9,818	1,554
Havelock	Additions: connections	7	7	7
	Renewals: pipelines	2	2	2
	Additions: Reservoirs	0	100	0
	Additions: treatment plant	1,324	70	15
	Additions: engineering	38	7	1
	Total Havelock	1,372	186	25

Capital Expenditure continued		LTCCP	Annual Plan	
		2012	2011	2012
		\$000's	\$000's	\$000's
Picton	Additions: connections	13	12	15
	Renewals: connections	29	28	28
	Additions: pipelines	244	133	739
	Renewals: pipelines	37	35	35
	Additions: pump stations	122	70	65
	Additions: Reservoirs	53	155	50
	Additions: treatment plant	53	499	300
	Additions: engineering	16	36	67
	Total Picton	566	968	1,299
Renwick	Additions: connections	16	15	15
	Additions: pipelines	3	69	53
	Renewals: pipelines	5	5	5
	Renewals: pump stations	0	7	0
	Additions: reservoirs	1,324	0	0
	Additions: treatment plant	7,150	45	0
	Additions: engineering	361	5	4
	Total Renwick	8,859	146	77
Awatere	Additions: connections	11	10	10
	Additions: pipelines	1,324	0	67
	Renewals: pipelines	71	64	0
	Additions: pump stations	138	0	1
	Renewals: pump stations	1	1	0
	Additions: treatment plant	0	0	242
	Additions: engineering	44	0	17
	Total Awatere	1,589	75	337
Riverlands	Additions: pipelines	1	1	1
	Additions: pump stations	0	0	20
	Renewals: pump stations	0	0	0
	Additions: reservoirs	74	80	170
	Additions: treatment plant	85	25	35
	Additions: engineering	5	4	12
Total Riverlands	165	110	238	
Wairau Valley	Renewals: pump stations	0	0	20
	Additions: treatment plant	58	0	0
	Additions: engineering	2	0	1
Total Wairau Valley	60	0	21	
Southern Valleys	Additions: pump stations	0	12	65
	Additions: engineering	0	0	4
	Total Southern Valleys	0	12	69
Total Water Supply	14,892	11,315	3,620	
Solid Waste Management	(Funded by rates and user charges)			
Landfills	Ongoing landfill stages	174	171	127
	Compliance at closed landfills	0	0	95
Urban refuse collection	Kerbside recycling crates	0	200	0
Total Solid Waste Management	174	371	222	
Total Land and Water	44,779	34,860	26,451	
Environmental Policy and Information (Funded by rates and charges)				
Total Environmental	Plant, equipment & accommodation	52	49	109
Total Environmental Policy and Information		52	49	109
Regulatory				
Total Consents and Compliance		10	8	8
Harbours	Boats, navigation aids, instruments & plant	369	64	375
Total Regulatory		378	72	383

Capital Expenditure continued	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Regional Development (Funded by rates and charges and user charges)			
Marketing and Tourism	0	1,680	0
Total Regional Development	0	1,680	0
Total Significant Activities	45,744	37,060	27,493
Other Activities			
Land Development (Funded from subdivision proceeds)			
Blenheim Development costs	0	2,500	1,273
Plant Operations (Funded by internal charges)			
Plant Operations Plant & equipment	770	109	253
Office Administration (Funded by internal charges)			
Information Services Computer equipment	969	417	573
Office Administration Office equipment & fittings	233	132	60
Regulatory Management Equipment	2	0	0
Total Other Activities	1,973	3,158	2,159
Total MDC	47,717	40,218	29,652

4. Overhead Accounts

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

5. Expenditure Disclosures

5.1 Other expenditure	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Insurance	235	305	1,079
Rate remissions	421	435	425
Rates	114	119	146
Depreciation	145	136	137
Bank Charges	-	81	90
Land development expenditure	19	81	76
Property management	62	62	62
Other	1,306	411	664
Total other expenditure	2,302	1,630	2,679

5.2 Expenditure disclosures	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
The following amounts are included in the Income Statement within expenditure by function and other expenditure. They are disclosed here as total Council amounts.			
Depreciation	17,895	16,525	16,667
Personnel costs	16,580	16,697	16,217
Grants and donations	7,327	1,698	6,759
Lease - admin vehicles	414	310	356
Audit fees	207	110	200
Rent	146	112	138
Lease - other	15	16	16
Forestry asset revaluation loss	(236)	-	-

6. Other Revenue

	LTCCP		Annual Plan	
	2012	2011	2012	
	\$000's	\$000's	\$000's	
Fees and charges	7,922	6,796	9,215	
Marlborough Regional Forestry	4,623	6,612	5,685	
Rental income	5,078	4,779	4,654	
Regulatory fees and charges	6,403	4,946	4,560	
Contributions - vested assets	1,373	1,300	1,300	
Gain on sale (fixed assets and property developments)	-	1,500	1,000	
Development contributions	-	-	756	
Infringements	461	555	572	
Petroleum tax	423	400	400	
Interest	-	1,064	491	
Contributions on subdivision	2,165	150	147	
Development impact levies	32	30	-	
Other	2,882	3,907	2,324	
Total other revenue	31,362	32,039	31,104	

7. Borrowings

Total budgeted borrowings/loan requirements are outlined below, the amount which Marlborough District Council expects to be able to fund internally is identified, the remainder has been budgeted as external loans.

	LTCCP		Annual Plan	
	2012	2011	2012	
	\$000's	\$000's	\$000's	
Heritage	12	-	12	
Memorials	40	-	40	
Cemeteries	1,193	513	528	
Public Conveniences	1,706	1,027	969	
Reserves	1,199	966	2,579	
Swimming Pools	767	417	378	
Roads and Streets	1,452	62	55	
CBD Works	3,705	2,106	1,937	
Roading Related Works	1,740	987	1,972	
Wharves	330	104	553	
Parking	10,959	8,220	7,694	
Rivers outside the Wairau Floodplain	3,672	1,368	1,337	
Wairau Floodplain Drainage	-	501	998	
Sewerage: Combined schemes	53,256	25,373	23,980	
Total Stormwater	5,348	2,276	2,048	
Water: Awatere	690	233	230	
Water: Blenheim	29,886	21,609	20,239	
Water: Havelock	2,575	599	497	
Water: Picton	8,094	3,566	2,037	
Water: Renwick	5,925	49	34	
Water: Riverlands	1,150	550	623	
Water: Southern Valleys	11,318	9,832	9,465	
Water: Wairau Valley	72	14	28	
Landfills	9,027	5,512	5,118	
Transfer Stations	334	112	95	
Refuse Collections	207	198	176	
Waste Minimisation	1,966	1,943	1,883	
Infrastructure Upgrade Reserve	19,395	6,735	8,591	
Regional Development: Marketing and Tourism	1,223	1,776	1,725	
MRF	-	460	407	
Total Loans	177,241	97,108	96,228	
Less internal loans	(91,501)	(57,720)	(54,079)	
Less sinking funds on external loans	(5,782)	-	-	
Borrowings (external loans)	79,958	39,388	42,149	

Rate Movements 2011-12

Total Rates and Charges for 2011-12 are estimated at \$51,695,098 GST exclusive (\$59,449,363 GST inclusive). This represents an increase of \$1,597,835 GST exclusive (3.19%) on last year's levy. With the full impact of the 15% GST rate this year (last year an average GST rate of 14.375%) this translates to an increase of \$2,150,618 GST inclusive (3.75%).

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 Sewerage and Water etc) affecting only properties in those areas.

SIGNIFICANT CONTRIBUTORS TO THE OVERALL INCREASE ARE AS FOLLOWS:

Blenheim Water	\$523,363	Funding debt servicing costs for increasing Blenheim water capacity and new water treatment plant and operating costs including insurance costs.
Roading	\$336,691	Increased operating costs including Environmental (including ice, vegetation and litter control), minor improvements (safety), sealed and unsealed pavements, and traffic services maintenance partially off-set by reduced depreciation.
Community Facilities - Swimming Pools	\$233,982	Increased operating costs for upgraded aquatic facilities.
Community Facilities - Reserves	\$191,770	Increased operating costs including insurance, maintenance and irrigation.
Consents and Compliance	\$143,557	Reflects the decrease in economic activity and increased environmental protection costs.
Libraries	\$126,919	Increased operating costs, including longer opening hours.
Democracy	\$106,256	Increased operating costs due to Long Term Plan costs and audit fees that were not incurred last year.
Blenheim/Picton Refuse and Recycling Collection	\$84,226	Includes increased kerbside recycling collection costs for the full year (nine months last year) and some increased refuse operating costs.
Combined Sewerage Scheme Rates and Charges	(\$105,161)	Increased operating costs, insurance, depreciation, treatment and reticulation costs offset by a transfer from reserves.
Parking	(\$149,385)	Includes deferral of carpark resurfacing and remarking and replacement of parking hand held equipment.
Environmental	(\$152,834)	Reduced operating costs.
Solid Waste	(\$217,277)	Reduced operating costs following recent contract tendering.

Additional information on the summarised rate movements is included in the Rate Movements Section and Funding Impact Statement of the Annual Plan.

Indicative Impact on Benchmark Properties

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

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

	LAND VALUE	CAPITAL VALUE	ACTUAL 2010-11	PLAN \$ MVT 2011-12	PLAN \$ GST INCR 2011-12	FINAL PLAN TOTAL 2011-12	TOTAL % RATE MVT 2011-12
Blenheim Residential	190,000	345,000	2,155	99	12	2,266	5.16%
Blenheim Residential	170,000	315,000	2,101	95	12	2,208	5.13%
Blenheim Residential	205,000	450,000	2,254	100	13	2,367	5.03%
Blenheim Vacant Section	180,000	180,000	1,756	61	10	1,827	4.08%
Blenheim Commercial	108,000	475,000	2,668	22	15	2,705	1.39%
Blenheim Commercial	385,000	1,016,000	8,280	46	45	8,371	1.10%
Picton Residential * 1	130,000	370,000	2,164	110	12	2,286	5.65%
Picton Residential * 2	190,000	350,000	2,486	107	14	2,607	4.87%
Picton Vacant Section * 1	121,000	121,000	1,654	70	9	1,733	4.78%
Picton Commercial * 1	315,000	440,000	4,928	(9)	27	4,946	0.36%
Picton Motels (19 units) * 2	450,000	1,225,000	8,629	108	48	8,785	1.81%
Blenheim Vicinity	1,575,000	2,800,000	5,145	173	29	5,347	3.93%
Blenheim Vicinity	850,000	1,630,000	2,963	92	17	3,072	3.66%
Blenheim Vicinity	6,600,000	10,800,000	17,652	568	100	18,320	3.78%
Blenheim Vicinity	4,300,000	5,900,000	11,033	378	62	11,473	3.99%
Blenheim Vicinity	3,600,000	5,600,000	10,156	341	57	10,554	3.92%
Renwick Residential * 3	155,000	350,000	1,645	56	9	1,710	3.98%
Renwick Residential * 4	150,000	270,000	1,698	48	10	1,756	3.46%
Spring Creek Residential	135,000	320,000	1,285	33	7	1,325	3.16%
Grovetown Residential * 5	175,000	365,000	2,348	46	13	2,407	2.52%
Grovetown Residential * 5	140,000	220,000	1,991	48	11	2,050	2.99%
Rarangi Residential	305,000	310,000	1,067	47	6	1,120	4.95%
Picton Vicinity	2,600,000	2,750,000	3,798	150	22	3,970	4.53%
Ngakuta Bay - bach	180,000	395,000	639	36	4	679	6.24%
General Rural - French Pass	3,800,000	4,600,000	8,553	353	49	8,955	4.70%
General Rural - Manaroa	4,300,000	5,200,000	9,811	394	56	10,261	4.58%
General Rural - Opouri Valley	2,750,000	3,250,000	5,680	248	32	5,960	4.92%
General Rural - on Awatere Water	1,350,000	1,750,000	3,906	164	22	4,092	4.75%
Havelock Residential	225,000	360,000	1,917	14	11	1,942	1.31%
Seddon Residential	95,000	290,000	1,342	20	7	1,369	2.03%
Admin Rural - farm	9,958,000	10,750,000	8,927	195	50	9,172	2.74%
Admin Rural - bach	250,000	410,000	516	(1)	3	518	0.46%
Admin Rural - bach	415,000	600,000	651	2	4	657	0.98%

GST has been calculated on the basis of 15% for the year (last year average rate of 14.375%)

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

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

*3 This property opted to make Sewer Lump Sum payments.

*4 This property opted to make Sewer loan repayments over a 20 year term, in lieu of Lump Sum payments.

*5 These properties pay the Sewerage Loan Rate because they did not make a Lump Sum payment.

Funding Impact Statement

The Funding Impact Statement provides the following information:

- A Summary Source and Application of Funds Statement for 2011-12.
- 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.
- **The GST inclusive (incl) amounts shown in this Statement have been calculated using GST at 15% (last year average rate of 14.375%).**

Summary Source and Application of Funds Statement (GST excl)

For the year ending 30 June:	LTCCP	Annual Plan	
	2012	2011	2012
	\$000's	\$000's	\$000's
Sources of funds			
Targeted geo general rates and charges	30,938	29,505	30,752
Other targeted rates and charges	24,343	19,357	20,943
User charges and other operating revenue	25,606	23,394	23,757
Subsidies and grants	7,763	5,689	6,406
Dividends received	538	604	696
Marlborough Regional Forestry	4,623	5,395	4,173
Decrease in cash	-	-	5,289
Proceeds from borrowings (external)	26,735	6,239	6,227
Proceeds from sale of investments	-	999	-
Asset disposals	40	7,259	1,026
Total sources of funds	120,586	98,441	99,269
Applications of funds			
Operating expenditure	70,821	59,532	70,352
Net movement to reserves	722	-	-
Capital expenditure	46,343	38,790	27,197
Increase in cash	-	119	-
Acquisition of investments	-	-	1,720
Loan repayments	2,700	-	-
Total applications of funds	120,586	98,441	99,269

Terminology

Unless otherwise specified:

- Net movement to reserves represents surplus funds transferred for application in future years. Net movement from reserves represents application of available funds.
- The terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be.
- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are not based on property values).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, eg: Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau River rates and the Kenepuru Road rate, which are levied on capital value, the Southern Valleys' Irrigation rate which is based on irrigable hectares; or the Energy Efficiency rate which is based on the service amount).

- LTCCP refers to Council's Long Term Community Plan which was adopted on 25 June 2009.
- 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 for those predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.
 - For those predominantly residential 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, except for those predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.
 - Where a number of different businesses are located on one rating unit, each separate business will be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
 - Where rating units contain separate residential habitable dwellings that are capable of independent habitation (*i.e. they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc*), uniform charges will be assessed on each dwelling.
 - If a rating unit contains a dwelling and a flat (*as shown as a "nature of improvements" on the Council valuation roll*) and the flat contains a kitchen; uniform charges will be assessed on the dwelling and flat.
- GST inclusive (incl) amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers. The GST rate used in these calculations is 15%.
- GST exclusive (excl) amounts are used to indicate Rate Revenue Movements affecting the Council.

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

Residential or Rural

All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation. "Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category. Forestry is included in this category for the purposes of the General Works and Services Rate.

Commercial or Industrial

All land used for a commercial or industrial purpose. "Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision. "Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods. For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as "utilities".

Homestay or Farmstay

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

Utilities

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

Multiple Land Uses

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

Targeted General Type Rates and Charges

***\$30,752,484 GST excl
(\$35,365,357 GST incl)***

Although general-type rates and charges have increased overall by 3.05% (\$911,036 GST excl), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas.

Geographic Area General Works and Services Rates

**\$19,943,119 GST excl
(\$22,934,587 GST incl)**

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

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

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

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

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

Overall, these rates will increase by \$547,290 (2.82%) GST excl; however there are varying impacts on the geographic areas and their differential rates.

General Works and Services rate amounts (GST incl) set in each geographic area are as follows:

		Levy (GST excl)	Levy (GST incl)	Cents in \$ (GST incl)
Blenheim	Res/Rural	4,926,105	5,665,021	0.329937
Blenheim	Com/Ind	2,872,450	3,303,318	1.021118
Blenheim	Hsty/Fsty	-	-	0.502732
Blenheim Vicinity	Res/Rural	4,371,160	5,026,834	0.188879
Blenheim Vicinity	Com/Ind	156,245	179,682	0.300990
Blenheim Vicinity	Hsty/Fsty	986	1,134	0.216907
Picton	Res/Rural	1,344,754	1,546,467	0.402050
Picton	Com/Ind	592,032	680,837	0.808595
Picton	Hsty/Fsty	1,939	2,230	0.503686
Picton Vicinity	Res/Rural	188,898	217,233	0.114734
Picton Vicinity	Com/Ind	13,865	15,945	0.245159
Picton Vicinity	Hsty/Fsty	-	-	0.147340
General Rural	Res/Rural	4,945,135	5,686,903	0.203328
General Rural	Com/Ind	114,699	131,904	0.286723
General Rural	Hsty/Fsty	1,030	1,185	0.224177
Admin Rural	Res/Rural	396,826	456,350	0.084084
Admin Rural	Com/Ind	16,995	19,544	0.148269
Admin Rural	Hsty/Fsty	-	-	0.100130

Geographic Area General Works and Services Charges

**\$10,809,365 GST excl
(\$12,430,770 GST incl)**

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

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

Overall, these charges will increase by \$363,746 (3.48%) GST excl, 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 (GST excl)	Levy (GST incl)	Unit Charge (GST incl)
• Blenheim	5,560,056	6,394,066	537
• Blenheim Vicinity	1,688,975	1,942,321	491
• Picton	1,330,309	1,529,855	557
• Picton Vicinity	176,463	202,932	471
• General Rural	1,674,656	1,925,854	368
• Admin Rural	368,661	423,960	307
• Utilities	10,245	11,782	456

Debt Servicing Rates and Charges

**\$1,244,555 GST excl
(\$1,431,238 GST incl)**

Grovetown Sewerage Loan Rate

**\$100,710 GST excl
(\$115,817 GST incl)**

The Grovetown Sewerage Loan Rate is calculated on the land value of every rating unit in the Grovetown Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on an interest only basis for the first year and progressively moving to a table mortgage basis over the ensuing nine years by increasing the rate payable by CPI each year. The loan rate will continue until 30 June 2039.

A CPI increase of \$1,974 (2.00% GST excl) has been applied to move towards the amount required to service the future table mortgage requirements.

On a rating unit with a land value of \$175,000, the sewerage loan rate will increase from \$929.58 to \$953.33. The new cents in the dollar rate is 0.544761 cents GST incl.

Picton Sewerage Treatment Loan Rate

**\$60,692 GST excl
(\$69,796 GST incl)**

The Picton Sewerage Treatment Loan Rate is calculated on the land value of every rating unit in the Picton Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs. The loan rate will continue until 30 June 2018.

The new loan rate is 0.041108 cents in the dollar GST incl.

A decrease of \$99 (0.16%) GST excl in the rate levy will occur as a result of subdivisional growth.

On a rating unit with a land value of \$130,000, the Picton Sewerage Treatment Loan rate will increase from \$53.15 to \$53.44 GST incl due to the GST rate of 15% applying for the full year.

Renwick Sewerage Loan Rate

**\$32,118 GST excl
(\$36,936 GST incl)**

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

A decrease of \$3,045 (8.66%) GST excl will occur as a result of subdivisional growth.

On a rating unit with a land value of \$150,000, the loan rate will decrease from \$94.74 to \$87.01 with a new rate in the dollar of 0.058005 cents GST incl.

Miscellaneous Loan Rates/Charges

**\$1,486 GST excl
(\$1,708 GST incl)**

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 \$478 0.021091 cents in the \$ GST incl
(Calculated on the basis of the land value of every rating unit in the Havelock Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen). The loan rate will continue until 30 June 2013.
- Spring Creek Sewerage Loan Rate \$308 0.080499 cents in the \$ GST incl
(Calculated on the basis of the land value of every rating unit in the Spring Creek Sewerage Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen). The loan rate will continue until 30 June 2013.
- Wairau Valley Water Loan Charge \$922 \$230.52 uniform charge GST incl
(This charge is calculated as a fixed amount on every rating unit in the Wairau Valley Water Separate Rating Area in respect of which no contribution to the lump sum scheme was chosen). The loan rate will continue until 30 June 2014.

Increases have occurred due to the GST rate of 15% applying for the full year.

Southern Valleys' Irrigation Loan Rate

\$1,049,549 GST excl
(\$1,206,981 GST incl)

This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure. The loan rate will continue until 30 June 2027.

The targeted loan rate will increase from \$322.98 to \$324.75 GST incl due to the GST rate of 15% applying for the full year.

Roading Rates and Charges

\$122,271 GST excl
(\$140,612 GST incl)

French Pass Road Charge

\$27,156 GST excl
(\$31,229 GST incl)

This charge is calculated on every rating unit in the French Pass Rating Area, to be applied towards the cost of sealing between Matapehe Hill and French Pass and the charge will continue until 30 June 2015.

The charge will increase from \$98.60 to \$99.00 GST incl on each rating unit due to the GST rate of 15% applying for the full year.

Hebberds Road Charge

\$5,642 GST excl
(\$6,488 GST incl)

This charge is calculated on every rating unit with legal frontage to, or being serviced by the unsealed portion at the end of Hebberds Road, to be applied towards the cost of sealing to the end of Hebberds Road. The rate will fund 50% of the cost of sealing to the end of Hebberds Road and the charge will continue until 30 June 2012.

The charge will decrease from \$1,334.90 to \$926.00 GST incl on each rating unit as a result of rating unit growth.

Kaiuma Bay Road Rate

\$53,975 GST excl
(\$62,072 GST incl)

This rate is calculated on the land value of every rating unit in the Kaiuma Bay Rating Area. The rate will fund 25% of the road upgrade costs in the Kaiuma Bay Road rating area and will continue until 30 June 2012.

The rate levy will increase due to the GST rate of 15% applying for the full year and the rate in the dollar for this rate will increase from 0.352766 cents to 0.354694 cents GST incl.

Kenepuru Road Rate

\$35,498 GST excl
(\$40,823 GST incl)

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

The rate levy will increase due to the GST rate of 15% applying for the full year and the rate in the dollar based on capital value will increase from 0.011410 cents to 0.011472 cents GST incl.

Wairau Valley River Works Rates

\$3,238,077 GST excl
(\$3,723,789 GST incl)

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

The funding requirements from each area are as follows:

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

A 0.93% decrease (\$30,410 GST excl) in the overall rates levy has occurred to fund reduced operating costs.

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

	Levy (GST excl)	Levy (GST incl)	Cents in the \$ (GST incl)	
• Rural A Rating Units	438,432	504,197	0.059824	(5.98)
• Rural B Rating Units	807,331	928,430	0.049654	(4.97)
• Rural C Rating Units	137,010	157,562	0.035296	(3.53)
• Rural D Rating Units	157,578	181,215	0.007179	(0.72)
• Blenheim Urban 1 Rating Units	988,245	1,136,481	0.054268	(5.43)
• Blenheim Urban 2 Rating Units	459,833	528,808	0.037385	(3.74)
• Blenheim Urban 3 Rating Units	57,379	65,986	0.025928	(2.60)
• Blenheim Urban 4 Rating Units	43,640	50,186	0.019898	(1.99)
• Other Urban 1 Rating Units in Wairau Catchment	77,598	89,238	0.050992	(5.10)
• Other Urban 2 Rating Units in Wairau Catchment	71,031	81,686	0.030594	(3.06)

Combined Sewerage Scheme Rates and Charges

***\$6,315,954 GST excl
(\$7,263,347 GST incl)***

An overall decrease of \$105,161 (GST excl) will occur (1.64%).

Combined Sewerage Scheme Capital Works Rate

***\$1,918,536 GST excl
(\$2,206,316 GST incl)***

This rate is assessed on the land value of every rating unit in the Combined Sewerage Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined sewerage scheme. New loans fund the commencement of the new sewage outfall into Picton harbour and wetland development that is a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment.

There is a 23.01% (\$573,240 GST excl) decrease in this rate due to a reserve transfer this year.

On a Blenheim rating unit in the Blenheim Group area whose land value is \$190,000 the rate will decrease from \$185.05 to \$143.76 and the new rate in the dollar will be 0.075662 cents GST incl.

On a Havelock rating unit whose land value is \$225,000 the rate will decrease from \$195.34 to \$151.22 and the new rate in the dollar will be 0.067208 cents GST incl.

On a Picton rating unit whose land value is \$190,000 the rate will decrease from \$218.29 to \$169.67 and the new rate in the dollar will be 0.089301 cents GST incl.

On a Seddon rating unit whose land value is \$95,000 the rate will decrease from \$155.03 to \$120.94 and the new rate in the dollar will be 0.127305 cents GST incl.

Combined Sewerage Scheme Charge

***\$4,397,418 GST excl
(\$5,057,031 GST incl)***

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

There is a 11.91% (\$468,079 GST excl) increase in this charge for increased electricity, insurance and other operating costs.

The charge will increase from \$279 to \$314 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$139.50 to \$157 GST incl on every separately used or inhabited part of every serviceable rating unit.

Water Supply Rates and Charges

\$8,414,199 GST excl
(\$9,676,329 GST incl)

Awatere Water Supply

\$581,802 GST excl
(\$669,072 GST incl)

An increase of \$9,601 (GST excl) is required to meet increased costs, including the cost of MIOX treatment (1.68%).

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

1. Awatere Water Charge

\$194,805 GST excl
(\$224,026 GST incl)

The uniform charge will increase from \$365 to \$373 GST incl on every separately used or inhabited part of a rating unit within the Awatere Water Supply Area and any new lots created by subdivision of such rating units whether connected or not.

2. Awatere Metered Water Charge

\$386,997 GST excl
(\$445,046 GST incl)

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

The metered charge will increase from \$1.43 to \$1.53 GST incl for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.

Blenheim Water Supply

\$4,588,378 GST excl
(\$5,276,635 GST incl)

An overall increase of \$523,363 (GST excl) will occur (12.87%).

Blenheim Water Capital Works Rate

\$2,252,799 GST excl
(\$2,590,719 GST incl)

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

A 17.22% increase of \$330,934 (GST excl) is required to fund Debt Servicing costs for increasing Blenheim water capacity and for providing full water treatment.

The rate levy for a property whose land value is \$190,000 will increase from \$205.28 to \$243.78 and the new rate in the dollar will be 0.128304 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges

\$2,335,579 GST excl
(\$2,685,916 GST incl)

An increase of \$192,429 (GST excl) will occur (8.98%).

1. Blenheim Metered Water Charge

\$308,783 GST excl
(\$355,100 GST incl)

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

Metered water charges are as follows:

The minimum charge will increase from \$47.75 to \$52.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.36 m³ instead of the volume of water supplied between 0 m³ and 78.28 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.61 to \$0.67 GST incl per cubic metre.

2. Blenheim Water Charges

\$2,020,140 GST excl
(\$2,323,162 GST incl)

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

The charges will increase from \$190 to \$210 on every part of a serviced rating unit and increase from \$95 to \$105 on every part of a serviceable rating unit GST incl.

3. Burleigh Extension Metered Water Charge

**\$6,656 GST excl
(\$7,654 GST incl)**

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

Metered water charges are as follows:

The minimum charge will increase from \$47.75 to \$52.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.36 m³ instead of the volume of water supplied between 0 m³ and 78.28 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.61 to \$0.67 GST incl per cubic metre.

Havelock Water Supply

**\$246,579 GST excl
(\$283,566 GST incl)**

An overall rates decrease of \$6,242 (GST excl) will occur (2.6%).

Havelock Water Capital Works Rate

**\$94,443 GST excl
(\$108,609 GST incl)**

This targeted rate is calculated on the land value of every rating unit in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. No increase has occurred.

For a rating unit whose land value is \$225,000 the rate will increase from \$289.43 to \$290.62. The new rate in the dollar will be 0.129164 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges

**\$152,136 GST excl
(\$174,957 GST incl)**

An increase of \$7,328 GST excl (5.06%) will occur.

1. Havelock Metered Water Charge

**\$58,157 GST excl
(\$66,881 GST incl)**

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

Metered water charges are as follows:

The minimum charge will remain at \$90.25 GST incl and it will now provide for the volume of water supplied between 0 m³ and 51.28 m³ instead of the volume of water supplied between 0 m³ and 51.57 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.75 to \$1.76 GST incl per cubic metre.

2. Havelock Water Charges

**\$93,979 GST excl
(\$108,076 GST incl)**

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

These charges fund the balance of expenditure not met from meter charges and will increase from \$359 to \$361 on every part of a serviced rating unit and increase from \$179.50 to \$180.50 on every part of a serviceable rating unit GST incl.

Picton Water Supply

**\$1,727,738 GST excl
(\$1,986,899 GST incl)**

An overall increase of \$77,714 (GST excl) will occur (4.71%).

Picton Water Capital Works Rates

**\$548,128 GST excl
(\$630,347 GST incl)**

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

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

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

A decrease in the Capital Works Rate of \$7,516 (GST excl) will occur (1.35%). For a rating unit whose land value is \$190,000 the rate will increase from \$250.77 to \$250.95. The new rate in the dollar for rating units subject to the special pipeline agreement will be 0.105664 cents in the dollar and the new rate for all other rating units will be 0.132080 cents in the dollar GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges **\$1,179,610 GST excl**
(\$1,356,552 GST incl)

An increase of \$85,230 (GST excl) will occur (7.79%) due to increased costs for reticulation and water treatment costs.

1. Picton Metered Water Charges **\$250,139 GST excl**
(\$287,660 GST incl)

Ordinary Charge

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

The minimum charge will increase from \$100 to \$107 GST incl and it will now provide for the volume of water supplied between 0 m³ and 70.54 m³ instead of the volume of water supplied between 0 m³ and 71.35 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.4016 to \$1.5169 GST incl per cubic metre.

Koromiko Charge

A Picton Metered Water Koromiko Charge is assessed on the basis of the volume of water supplied to metered rating units.

Water for Koromiko Special Agreement consumers will increase from \$1.1213 to \$1.2136 GST incl per cubic metre.

Onsold Charge

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

Metered water charges for consumers onselling are as follows:

The minimum charge will increase from \$100 to \$107 GST incl and it will now provide for the volume of water supplied between 0 m³ and 63.58 m³ instead of the volume of water supplied between 0 m³ and 64.31 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.5549 to \$1.6828 GST incl per cubic metre.

2. Picton Water Charge **\$929,471 GST excl**
(\$1,068,892 GST incl)

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

These charges fund the balance of expenditure not met from meter charges and will increase from \$398 to \$428 on every part of a serviced rating unit and increase from \$199 to \$214 on every part of a serviceable rating unit GST incl.

Renwick Water Supply **\$327,889 GST excl**
(\$377,072 GST incl)

An overall increase of \$20,259 (GST excl) will occur (6.59%).

Renwick Water Capital Works Rate **\$79,987 GST excl**
(\$91,985 GST incl)

This rate is calculated on the land value of every rating unit in the Renwick Water Supply Area and funds Capital Expenditure and Debt Servicing costs. No increase will occur.

For a rating unit whose land value is \$155,000 the rate levy will decrease from \$96.33 to \$95.10. The new rate in the dollar is 0.061352 cents GST incl.

Metered and Uniform Charges

**\$247,902 GST excl
(\$285,087 GST incl)**

An increase of \$22,562 (GST excl) will occur to meet increased operating costs (10.01%).

1. Renwick Metered Water Charges

**\$27,404 GST excl
(\$31,515 GST incl)**

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

Metered water charges are as follows:

The minimum charge will increase from \$66.50 to \$73.25 GST incl and it will now provide for the volume of water supplied between 0 m³ and 66.59 m³ instead of the volume of water supplied between 0 m³ and 67.17 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.99 to \$1.10 GST incl per cubic metre.

2. Renwick Water Charge

**\$220,498 GST excl
(\$253,572 GST incl)**

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

These charges fund the balance of expenditure and will increase from \$265 to \$293 on every part of a serviced rating unit and from \$132.50 to \$146.50 on every part of a serviceable rating unit GST incl.

Riverlands Water Supply

**\$415,360 GST excl
(\$477,664 GST incl)**

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

Increased operations costs of \$27,048 GST excl (6.97%) and consumption volume being less than budgeted will increase the metered water charges as follows:

The minimum charge will remain unchanged at \$41 GST incl and it will now provide for the volume of water supplied between 0 m³ and 42.71 m³ instead of the volume of water supplied between 0 m³ and 46.07 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.89 to \$0.96 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

**\$492,109 GST excl
(\$565,925 GST incl)**

Operations and maintenance costs, including insurance, have increased by \$57,596 GST excl (13.26%).

A metered charge is assessed on the basis of the volume of water supplied to metered connections. This charge funds the net operating costs of the Southern Valleys' Irrigation Scheme.

The metered charge will increase from \$0.22508 to \$0.25492 GST incl per cubic metre.

Wairau Valley Water Supply

**\$34,344 GST excl
(\$39,496 GST incl)**

An increase of \$959 (GST excl) is required to meet increased costs (2.87%).

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

1. Wairau Valley Water Charge

**\$12,830 GST excl
(\$14,755 GST incl)**

The uniform charge will increase from \$254 to \$263 GST incl for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

2. Wairau Valley Metered Water Charge

**\$21,514 GST excl
(\$24,741 GST incl)**

This charge is assessed on the basis of the volume of water supplied to each water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 450 cubic metres per annum.

The metered charge will increase from \$1.21 to \$1.24 GST incl for all usage in excess of 450 cubic metres for all consumers on the Wairau Valley water supply.

Refuse and Recycling Charges

\$1,404,078 GST excl
(\$1,614,690 GST incl)

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

\$1,322,191 GST excl
(\$1,520,520 GST incl)

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

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

The kerbside recycling collection charge will increase from \$49.30 to \$59 per service (for a full years service period) and the refuse collection charge will increase from \$62 to \$63 per service - total charge increasing from \$111.30 to \$122 GST incl.

Blenheim/Picton (Residential) Refuse Collection Charge

\$7,833 GST excl
(\$9,007 GST incl)

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

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

The collection charge will increase from \$62 to \$63 GST incl per service.

Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge

\$74,054 GST excl
(\$85,163 GST incl)

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

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

The collection charge will increase from \$62 to \$63 GST incl per service.

Landscape Charges

\$Nil GST Excl
(\$Nil GST Incl)

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

Properties with Urban level 1 landscaping standards -	\$35 GST incl
Properties with Urban level 2 landscaping standards -	\$45 GST incl
Properties with Rural level 1 landscaping standards -	\$49 GST incl
Properties with Rural level 2 landscaping standards -	\$100 GST incl

Energy Efficiency Rates

\$23,871 GST excl
(\$27,451 GST incl)

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

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

	% GST incl	First Rating Year	Final Rating Year
Energy Efficiency Rate 1	17.330531	2011-12	2019-20

Tourism Charges

**\$164,981 GST excl
(\$189,728 GST incl)**

A targeted tourism rate is calculated on the basis of a fixed amount on every separately used or inhabited part of a rating unit set differentially for the following land uses to enable Destination Marlborough to market Marlborough. A CPI adjustment of 2% has been applied to the previous charges.

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - \$185 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$286 GST incl.

Properties used for tourism activities (excluding the two groups above) - \$209 GST incl.

Picton Forum Charge

**\$5,000 GST excl
(\$5,750 GST incl)**

A targeted Picton Forum rate is calculated on the basis of a fixed amount of \$1.24 GST incl on every separately used or inhabited part of any rating unit in the former Picton Electoral Ward. The rate will be used to fund a grant to the Picton Forum.

The charge will decrease from \$3 to \$1.24.

Agency Rates and Charges

**\$9,628 GST excl
(\$11,072 GST incl)**

Rarangi Works and Service Charge

**\$8,134 GST excl
(\$9,354 GST incl)**

This \$30.70 GST incl charge is calculated as a fixed amount on every rating unit in the separate Rarangi Rating area, such charge to be applied to funding community costs, in particular the Volunteer Fire Brigade.

The charge will increase from \$30.50 to \$30.70 due to the GST rate of 15% applying for the full year.

Tuamarina/Waikakaho Hall Charge

**\$1,494 GST excl
(\$1,718 GST incl)**

This charge is calculated as a fixed amount of \$12.30 GST incl on every rating unit in the Tuamarina/Waikakaho Special Rating Area, such charge to be applied to the Tuamarina/Waikakaho Hall.

The charge will increase from \$12.20 to \$12.30 due to the GST rate of 15% applying for the full year.

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 (\$8,465,738)

The \$8,465,738 total amount is comprised of Internal Loans Interest (\$6,532,871), Interest on General Funds (\$63,159), Interest on External Loans to The New Zealand Aviation Museum Trust – Omaka Heritage Centre (\$98,000), Interest on Investments (\$1,075,708) and Dividends (\$696,000).

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

Petroleum Tax (\$400,000)

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

Asset Sale Proceeds (not budgeted)

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

Contributions Received from Development and Subdivision (\$1,210,000)

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

Forestry Income (\$708,000)

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

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

General Information

All estimated rates and charges are shown inclusive of goods and services tax unless otherwise stated.

For the purposes of the foregoing:

- “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 (eg: 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 Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Grovetown and Spring Creek Sewerage Rating Areas. Also included in the Blenheim area are a number of properties where it was an express condition of subdivisional resource consent.

Blenheim Vicinity Area (BV)

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

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

Picton Area (PN)

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

Schedule

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

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

Picton Vicinity Area (PV)

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

General Rural Area (GR)

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

Administrative Rural Area (AR)

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

The above rates and charges are for the period 1 July 2011 to 30 June 2012 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	12 September 2011
Instalment Two	12 December 2011
Instalment Three	12 March 2012
Instalment Four	12 June 2012

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 2012. 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.

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.
Activity	Means a good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.
Allotment	Has the meaning given to it in S218(2) of the Resource Management Act 1991.
Allotment Area	Is the total land area of an allotment.
Applicant	Is the person/persons that apply for resource consent, building consent or service connection.
Asset Management Plan	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.
Asset Sales	Refers to the sale of MDC assets eg: cars, property.
Borrowings	Refers to the raising of loans for capital items, such as the sewerage scheme.
Capital Expenditure	Means the cost of capital works for network infrastructure, reserves and community infrastructure.
Catchment	Means the area served by a particular infrastructure investment.
Charge	These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.
Commercial	Means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.
Community Facilities	Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.
Community Infrastructure	Means: <ul style="list-style-type: none"> (a) Land, or development assets on land, owned or controlled by the territorial authority to provide public amenities, and (b) Includes land that the territorial authority will acquire for that purpose.
Community Outcomes	In relation to a District or region: <ul style="list-style-type: none"> (a) Means the outcomes for that District or region that are identified as priorities for the time being through a process under S91; and (b) Includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community.
CV	Capital Value.
Departmental Management	Allocation of Departmental Manager costs to activities.
Development	Means: <ul style="list-style-type: none"> (a) Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) Does not include the pipes or lines of a network utility operator.
Development Contribution	Means a contribution: <ul style="list-style-type: none"> (a) Provided for in a development contribution policy included in the long-term Council community plan of a territorial authority; and (b) Calculated in accordance with the methodology; and <ul style="list-style-type: none"> Comprising- <ul style="list-style-type: none"> (i) Money; or (ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) Both.
Development Contribution Policy	Means the policy on development contributions included in the long term Council community plan of the territorial authority under S102(4)(d).
District	Means the District of a territorial authority.

District Plan	Means the District Plan of Marlborough District Council
District Wide	Applies to every property in the District.
Financial Contribution	Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.
General Revenues Applied	Share of revenues generated by Council as a whole as compared to a specific activity eg: interest and dividends.
Geographic Areas	The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Administrative Rural.
Goods and Services Tax (GST)	Means goods and services tax under the Goods and Services Tax Act 1985.
Greenfield Areas	Are defined as those areas where building capacity exists on the perimeter of the city.
Gross Floor Area (GFA)	Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding: <ul style="list-style-type: none"> • Carparking. • Loading docks. • Vehicle access and manoeuvring areas/ramps. • Plant and equipment enclosures on the roof. • Service station canopies. • Pedestrian circulation space in an enclosed retail shopping centre. • Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.
Household Equivalent Unit (HEU)	Means an average residential dwelling occupied by a household of average size.
Impervious Surface Area	For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which: <ul style="list-style-type: none"> • Falls within the definition of coverage. • Is covered by decks. • Is occupied by swimming pools. • Is used for parking, manoeuvring or loading of motor vehicles. • Is paved with a continuous surface with a run-off coefficient of greater than 0.45.
Income Statement	This can also be referred to as the Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
Industrial	Means: <ol style="list-style-type: none"> (a) Any premises used for any industrial or trade purposes; or (b) Any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials: or Any other premises from which containment is discharged in connection with any other industrial or trade process. (c) Any activity where people use materials and physical effort to: <ul style="list-style-type: none"> • Extract or convert natural resources. • Produce goods or energy from natural or converted resources. • Repair goods. • Store goods. (ensuing from an industrial process)
Infrastructural Assets	These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
LGA	Means the Local Government Act 2002.
Local Authority	Means a regional Council or territorial authority.
LTCCP	Means 2009-2019 Long Term Council Community Plan.
LTCCP 2011-12	These are the \$ values budgeted for 2011-12 in the LTCCP.

LV	Land Value.
Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
Network Utility Operator	Has the meaning given to it by section 166 of the RMA
Non-Residential Development	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
Operational Assets	These are tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.
Other Revenue	Revenue specifically generated by the activity.
Overhead Allocation	The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.
Prepayments	Amounts paid to creditors by the MDC in the current year that relate to future years.
Property Value	For rating purposes this refers to either the "land" or "capital" value of a property.
Public Debt	This is the amount of borrowed funds that the MDC owes to external parties.
Public Equity	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.
Rate / Rates	The Local Government (Rating) Act 2002 refers to Rates as all rates including Uniform Annual General Charges and targeted rates calculated as a fixed amount per rating unit. Unless otherwise specified, a reference to a rate in this Plan is to cents in the dollar of property value or area.
Residential Development	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.
RMA	Means the Resource Management Act 1991.
Section Management	Allocation of Section Manager costs when they are responsible for more than one activity.
Service Catchment	Means the same as catchment.
Service Connection	Means a physical connection to a service provided by, or on behalf of, a territorial authority.
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 Position	This shows the financial state of affairs at the end of each period. It can also be referred to as the Balance Sheet.
Subdivision	Has the same meaning as Section 218 of the Resource Management Act 1991.
Subsidies	Amounts received from other agencies for the provision of services eg: NZTA roading subsidies.
Third Party Funds	Means funding or subsidy, either in full or in part, from a third party eg: subsidies for the roading network.
Transfer to/from Reserves	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund capital expenditure.
Unit of Demand	Means the measure of demand for community facilities.
User Charges	The charges levied for use of MDC services eg: building consent fees, health inspections.
Working Capital	This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.