



**MARLBOROUGH
DISTRICT COUNCIL**



2013-14

Annual Plan



Council's Mission

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

*Front cover: Cruise liner Voyager of the Seas,
Shakespeare Bay, Queen Charlotte Sound*

Inside: Coathanger Bridge, Picton

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Part 1: Executive Summary



Part I:
Executive
Summary

- Mayor's Introduction
- Elected Council Members
- Purpose of this Plan
- Major Projects 2013-14
- Financial Overview

Mayor's Introduction

The time has come again for the Council's yearly work programme; it's Annual Plan.

This document picks out some of the main points from the Council programme for the next year; the 2013-14 Annual Plan. It explains the level of service we will be providing, what that will cost and, most importantly, how this will be paid for, by rates, fees, charges and borrowings.

I'm pleased we're holding down rates. The total programme requires a rise in rates revenue of just over 2% across the District – the lowest increase for years.

We're staying on the path set out in our 10 year planning document (*2012-22 Long Term Plan*); maintaining a tight rein on expenditure while times remain difficult. Indicators suggest Marlborough's economic recovery may be underway but we're still taking a prudent approach, restricting spending to core infrastructure – roads, sewerage, water, community facilities and waste management where maintenance, renewals and improvements to these essential services make such a difference to our day to day lives.

We're also planning some very important work in the year ahead:

- Beginning some serious research into water quality in our coastal and urban waterway.
- Completing the upgrades of Blenheim and Picton's sewage treatment facilities and Picton's water treatment.
- Tackling the traffic safety and congestion issues in the main road through Springlands.
- Seeking ways to work more efficiently with Nelson and Tasman Councils to cut costs.
- Finalising our next generation Resource Management Plans.
- Transforming our local economy through a "smart and connected" development strategy.

Thank you for taking the time to read this document.



A handwritten signature in black ink, which appears to read 'Alistair Sowman'.

Alistair Sowman
Mayor

Elected Council Members



Back – left to right:

Clr John Leggett (Blenheim Ward)
Clr David Oddie (Marlborough Sounds Ward)
Clr Terry Sloan (Blenheim Ward)
Clr Jamie Arbuckle (Blenheim Ward)
Graeme Barsanti (Marlborough Sounds Ward)
Clr David Dew (Blenheim Ward),
Clr Francis Maher (Wairau/Awatere Ward)

Front – left to right:

Clr Trevor Hook (Marlborough Sounds Ward)
Clr Peter Jerram (Wairau/Awatere Ward)
Clr Jessica Bagge (Blenheim Ward)
Mayor Alistair Sowman
Clr Jenny Andrews (Blenheim Ward) (Deputy Mayor)
Clr Graeme Taylor (Blenheim Ward)
Clr Geoff Evans (Wairau/Awatere Ward)

Purpose of this Plan

The 2013-14 Annual Plan is prepared in compliance with the Local Government Act 2002.

It includes:

- The activities Council intends to undertake in the 2013-14 year, levels of service to be provided and the measurement thereof.
- Council's programme of asset renewal and improvement.
- The budgeted cost of undertaking the activities and related asset renewals and improvements.
- The means of financing the cost of those activities and assets, including rates, fees, charges and debt.

The Plan 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.

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.



Major Projects 2013-14 (Including Major Spending Areas Affecting Rates)

A year ago, Council adopted its 10-year planning document, the 2012-22 Long Term Plan. That gives us the big picture. The 2013-14 Annual Plan sets out the specific steps we plan to take over the coming 12 months.

We're setting out the key points here.

Key Projects for 2013-14

- Investigation and monitoring of our freshwater and coastal water resources.
- Advancing our Marlborough Smart and Connected economic development project.
- Notification of the second generation Regional Policy Statement and Resource Management Plan.
- Triennial Council elections - 12 October 2013.

Changes to Rural Fire Protection Rating

There have been some changes to rural fire governance and management since the Boxing Day Fires in 2000, including the establishment of the single Marlborough Kaikoura Rural Fire Authority (Authority) on 1 July 2012. We will now apply the rural fire protection rate to all Rating Areas that will be serviced by the Authority, including the Blenheim Vicinity Rating Area. This reflects the Authority's ultimate responsibility for fire suppression, governance and management across the District. The financial effect on individual properties will not be significant.



Expansion of the Blenheim Residential Refuse and Kerbside Recycling Collection Service to the Blenheim Periphery

It's planned to extend the Blenheim residential refuse and kerbside recycling collection service to Burreigh, West Springlands, St Andrews and Dry Hills from 1 July 2013. We want to reduce the amount of material going into the landfill and provide access to recycling for more people in the Marlborough community, in line with Council's Waste Management and Minimisation Plan. The targeted residential refuse and kerbside recycling collection service charge is \$110 per annum for 2013-14.



Revision of Building Control Fees

A significant change to the Building Control fees schedule is being introduced - a 'Flat Fee' system.

We want to ensure:

- The fees are easily understandable and reasonably simple.
- That applicants and the public can know before any project starts how much the consent fees will be.
- The new flat fee attempts to achieve, as near as reasonably possible, full recovery of costs so that building project costs do not fall on other ratepayers.

Under the new fees schedule fees for some groups of consents will rise while others will drop. Overall, our fee schedule will compare very reasonably with other Councils.

Development Contributions Policy

After the submissions received on the 2012-22 Long Term Plan, Council decided to review components of its Development Contributions Policy. The aim is to make infill development more attractive and reduce the demand to further extend key networks. As a result:

1. The same payment terms will apply to all developers. Previously it was only the developers of subdivisions of 10 lots or more who could apply for a postponement of payments.

2. For infill development (ie; subdivisions of less than 1500m² in urban areas) the development contributions will be reduced from \$750 to \$500 for urban land transport and from 6% to 3% for reserves.

The financial impact of this proposal is small.

Council also decided during the Annual Plan deliberation process to continue the current 34% remission between the additional value calculated by the Development Contributions Policy and the Financial Contributions Policy.

Shared Services

Marlborough District, Nelson City and Tasman District Councils have stated that they wish to work closer together on strategic issues which affect the three communities. A new Memorandum of Understanding has been agreed to by the three Councils and project teams established to work on new potential shared services. There are a range of potential activities which we are looking at, for example roading. We are continually looking at ways to work together to deliver services more efficiently and effectively.

Capital Expenditure

A significant portion of Council's budget is spent on core services of roading, sewerage, water services, community facilities, flood protection and waste management. Maintenance, renewal and improvements to this infrastructure is critical to ensure it is fit for purpose and meets the current and future needs of the community. Investment is proposed to take place in 2013-14 in the following areas:

Roads and Footpaths - \$9.56 Million	
	Major capital expenditure items
Renewals	Drainage, resealing, pavement rehabilitation, seal widenings, unsealed metalling \$5.49 million
Other	Footpaths, vehicle crossings, kerb and channelling, renewals and additions \$959,000
Picton CBD	Upper High Street upgrade \$424,000
Blenheim road intersection	Springlands and Bells Road/St Leonards Road \$1.66 million

	
<p><i>State Highway 6 – Boyce Street Intersection Upgrade</i></p>	<p><i>Upper High Street, Picton Upgrade</i></p>

Major Projects 2013-14

Sewerage – Including Treatment and Disposal - \$6.5 Million

Major capital expenditure items	
Blenheim	Completing the Blenheim sewage treatment plant upgrade and wetland development \$2.4 million, Pipeline renewals \$767,000, Pump station works \$380,000
Riverlands Industrial Estate	Industry contribution to Blenheim sewage treatment plant upgrade \$1.1 million
Picton	Pipelines \$416,000, Pump station \$152,000, Treatment \$136,000
Seddon	Treatment \$240,000, pump stations \$200,000



Blenheim Sewage Treatment Plant Upgrade

Water Supply - \$2.157 Million

Major capital expenditure items	
Picton	Pipelines and connections \$690,000, Speeds Road Treatment Plant \$350,000
Blenheim	Pipelines and connections \$327,000
Renwick	Pump station work \$182,000

Community Facilities - \$2.165 Million

Area	Area	Major capital expenditure items
Reserves	Blenheim	Earthquake strengthening of structures at: A&P Park \$180,000, Lansdowne Park \$165,000, Athletic Park \$80,000
	All areas	Replacement playground matting at 16 locations to achieve compliance \$290,000, anticipated allocations from the Land Subdivision Reserve Account \$735,000
Cemeteries	Picton	Historic restoration works \$100,000
Memorials	Blenheim	Earthquake strengthening of Seymour Square clock tower \$100,000
	Picton	Earthquake strengthening of war memorial \$20,000
Halls	Seddon	Earthquake strengthening of Awatere Community Hall \$120,000
Public conveniences	Blenheim	Upgrade Seymour Square toilets, including disability access \$125,000
	Sounds	Linkwater Hall toilets \$100,000



Endeavour Park, Picton

Flood Protection And Control Works - \$0.82 Million	
Major capital expenditure items	
Flood protection	Wairau River flood plain protection work \$530,000, Picton flood protection work \$20,000
Drainage	Wairau River flood plain drainage work - \$270,000

Solid Waste Management - \$0.161 Million	
Major capital expenditure items	
Blenheim	Closed landfill management \$150,000

Financial Overview

Council has prepared the 2013-14 Annual Plan with the objectives of:

- Maintaining existing levels of service.
- Responding to community and Government demands for essential infrastructure improvement.
- Keeping rates increases and debt levels low. Increasing debt is a tool that can be used to minimise rates increases, but potentially creates a problem for future generations.

Council believes it has achieved these objectives in its 2013-14 Annual Plan. The 2013-14 Annual Plan sets an operating expenditure budget of \$85.65M (2012-13 \$83.74M) and a capital expenditure programme of \$28.38M (2012-13 \$43.10M).

As can be seen from the following graphs the vast majority of operating and capital expenditure relates to the traditional core services including roads, sewerage, water, solid waste management, flood protection and community facilities (parks, reserves, pools, cemeteries etc). Council's focus on core activities has enabled it to meet the requirements of the December 2012 amendment to the Local Government Act 2002.

To finance these expenditures:

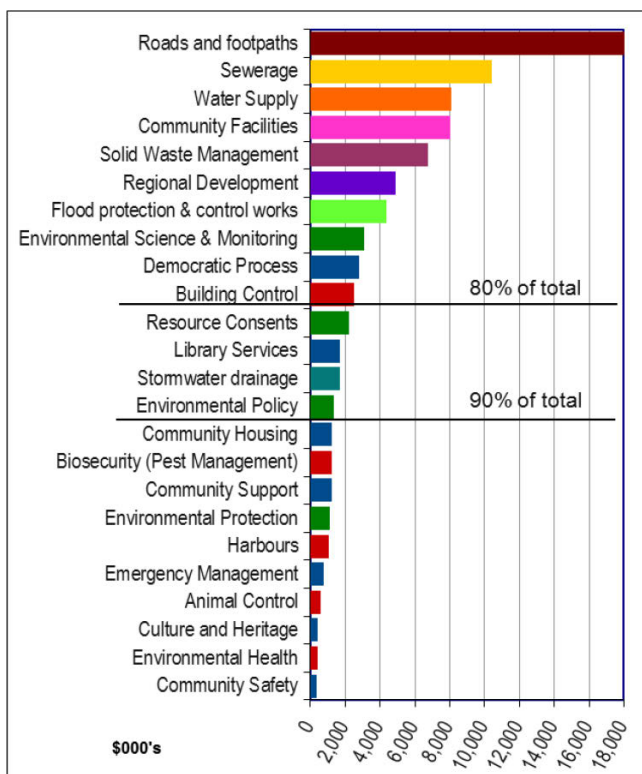
- A 2.16% increase in total rates and charges over what was levied for 2012-13.
- Increasing net external debt by \$0.87M above the level projected at 30 June 2013 to \$40.2M.

The rates increase and level of net debt are both lower than that signalled in the 2012-22 Long Term Plan (LTP). The LTP indicated a rates increase of 4.58% in total rates and charges and a net debt of \$41.2M.

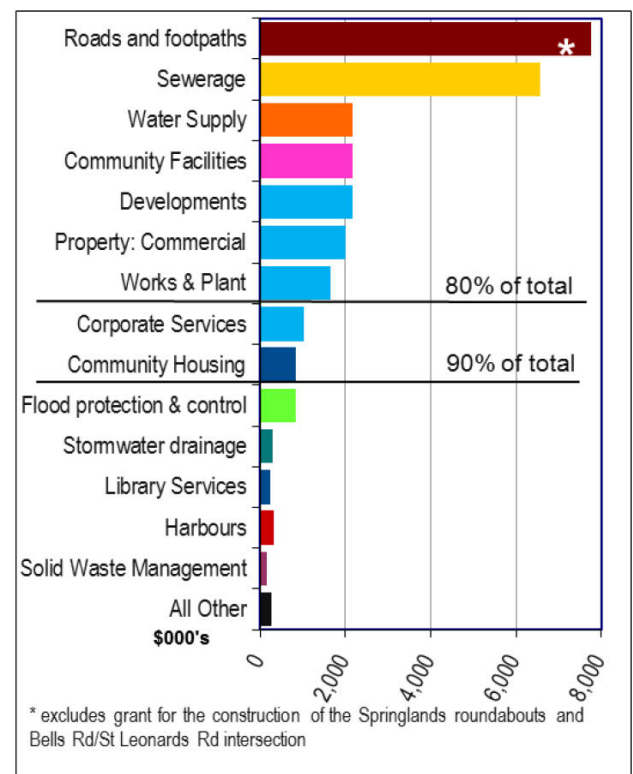
These reductions have been achieved following Council's review of expenditure reduction opportunities and project delivery timeframes for capital projects. Slowing the delivery of these projects will not significantly affect the current levels of service provided to ratepayers.

For more detail on Council's expenditure and the indicative impact on rates please refer to the remainder of this Annual Plan document.

Operating Expenditure 2013-14



Capital Expenditure 2013-14



Consultation

The 2013-14 Draft Annual Plan was adopted for public consultation on 4 April 2013. The period for submissions was open until 9 May 2013 and a total of 122 submissions were received.

The topics covered by the submissions were wide ranging, and included:

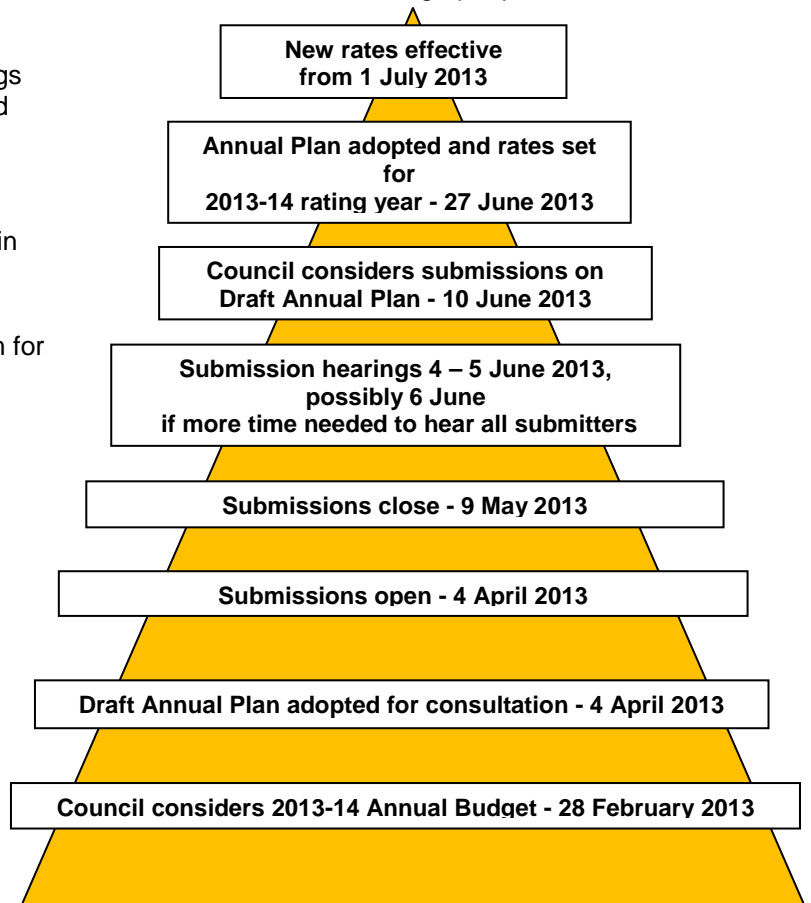
- Funding requests for a variety of new and existing projects across Marlborough.
- Road maintenance and sealing requests and Blenheim intersection upgrades.
- Development contributions and rates.
- Smokefree Environment Policy.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 4 and 5 June 2013. A total of 50 oral submissions were made at the hearings.

Councillors considered all submissions at a meeting held on 10 June 2013. The result of the deliberation was a final indicative rate increase of 2.16%. A number of funding requests or project proposals were referred to Council committees for future consideration, but, overall, few additions were made to the expenditure set out in the Draft Annual Plan.

Following deliberations, the changes made to the Draft Plan (over \$10,000) included:

- An operating grant of \$100,000 for the new Civic Theatre was able to be removed from this year's budget as it is not required until the theatre opens.
- \$30,000 for Renwick School's proposal to upgrade the creek which runs past the school. The Renwick Residents' Association and Council's Rivers section will work with the Marlborough Landscape Group to restore the area.
- \$90,000 for the Marlborough Research Centre to help establish the Food and Beverage Innovation Cluster which plugs into the Council's Smart and Connected Economic Development Strategy.
- \$10,000 one-off grant for the Picton Maritime Festival and a commitment to help the Festival's voluntary staff work in with the region's Festival and Events Strategy.
- Budget provision of \$35,000 per annum for five years for extending seal on the Kenepuru Road.
- Support to help the Blenheim Riverside Railway Society extend its line to the Omaka Aviation Heritage Centre.
- \$15,000 per annum for three years to the group implementing the Marlborough Sounds Integrated Management Plan.
- \$15,000 for the Marlborough Landscape Group to help it to identify and manage notable trees in the district including the installation of heritage plaques.



Part 2: Our Business

Activity Groups and Activities

How to Read the Activity Section

An explanation of how to read the activity group and activity sections is set out below.

Activity Group

<p>Rationale for the delivery of the group of activities</p> <p>This text explains why the activities have been grouped together. Some activity groups are mandatory as they are prescribed by the Local Government Act.</p>	<p>Activity C</p> <p>Rationale fo These activities make to the Ma support to the y participation, sa</p>
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Activities

<p>Table: Activity name</p> <p>This table summarises the percentage of operating costs of total activity expenditure, the outcomes, and the community and Council outcomes that are relevant to this activity.</p> <p>How this activity contributes to related community and Council outcomes</p> <p>This text and the initial table provides some commentary on how the activity helps deliver one or more of the adopted community and Council outcomes.</p> <p>What is this Activity About?</p> <p>This text describes the services that the activity provides.</p>	<table border="1" style="width: 100%;"> <tr style="background-color: #f2f2f2;"><td>Activity: Roads ar</td></tr> <tr style="background-color: #e0e0e0;"><td>Operating costs o</td></tr> <tr style="background-color: #e0e0e0;"><td>Outcomes</td></tr> <tr><td>Marlborough's land system is integrated responsive and sus</td></tr> <tr><td> </td></tr> <tr><td>How this Activit</td></tr> <tr><td>This activity contribu</td></tr> </table>	Activity: Roads ar	Operating costs o	Outcomes	Marlborough's land system is integrated responsive and sus		How this Activit	This activity contribu
Activity: Roads ar								
Operating costs o								
Outcomes								
Marlborough's land system is integrated responsive and sus								
How this Activit								
This activity contribu								

<p>Asset Description (only included in asset related activity statements)</p> <p>The text and tables describe the assets that Council holds to deliver the activity. It provides a picture of the extent of the network as a whole, and the differing levels of assets between different communities.</p>	<table border="1" style="width: 100%;"> <tr style="background-color: #e0e0e0;"><td>Asset Description</td></tr> <tr style="background-color: #e0e0e0;"><td>Assets</td></tr> <tr><td>Stopbanks, training b minor dams in total o volume of earthworks</td></tr> <tr><td>Large rock rip rap for purpose.</td></tr> </table>	Asset Description	Assets	Stopbanks, training b minor dams in total o volume of earthworks	Large rock rip rap for purpose.
Asset Description					
Assets					
Stopbanks, training b minor dams in total o volume of earthworks					
Large rock rip rap for purpose.					

<p>Emerging issues and expected changes</p> <p>This text outlines the issues that will affect the activity up to the next 10 years. This section signals foreseeable changes to the way the activity will be delivered and explains some of the expenditure that Council is making. For example, in sewerage the emerging issues relate to necessary upgrades and predicted expansions to the network.</p>	<p>Emerging Issues</p> <p>The following issues a</p> <ul style="list-style-type: none"> • → The upgrade of Bl environmental dis • → Increased treatme • → Replacement of P • → The upgrade of tr
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Levels of service

This table details the levels of service that the Council is proposing to deliver for each activity and the indicators and targets we will use each year to measure our success. The baseline reflects an average of the three years actual performance prior to 2012, where applicable.

Levels of Service:
Performance Target
Level of Service:
Provide an overall service that meets residents' expectations
Provide a service that is responsive to customer needs

Financial Information in this Section

The information included for each activity group and activity includes a "Funding Impact Statement" (FIS). Three columns of information are shown, being (left to right):

- The budget for the 2013-14 year as set in the 2012-22 Long Term Plan (now being revised)
- The budget for the 2012-13 year as set in the 2012-22 Long Term Plan
- The proposed revised budget for the 2013-14 year.

Funding Impact Statement
General charges, rates per purposes



School Children, Blenheim

Activity Group: People

Activity Group: People

Rationale for the Delivery of the People Group of Activities

These activities encompass a range of services that require Council input because of the positive input they make to the Marlborough community. The activities encompass a range of People focused services from support to the youth and elderly, community services, housing and energy efficiency, democratic participation, safety and learning.

Funding Impact Statement for 2013-14			
PEOPLE	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,016	5,707	5,796
Targeted rates (other than for water supply)	80	56	80
Subsidies and grants for operating purposes	518	508	438
Fees and charges	19	18	19
Other receipts including fines and infringement fees	1,969	1,867	1,957
Total operating funding	8,602	8,156	8,290
Applications of operating funding			
Payments to staff and suppliers	4,899	4,675	5,022
Finance costs	22	5	-
Internal charges and overheads applied	2,050	1,956	1,952
Other operating funding applications	1,145	4,592	1,000
Total applications of operating funding	8,116	11,228	7,974
Surplus (deficit) of operating funding	486	(3,072)	316
Sources of capital funding			
Subsidies and grants for capital expenditure	6	6	3
Increase (decrease) in debt	365	134	10
Gross proceeds from sale of assets	20	-	407
Total sources of capital funding	391	140	420
Applications of capital funding			
Capital expenditure to improve the level of service	148	156	42
Capital expenditure to replace existing assets	850	608	1,127
Increase (decrease) in reserves	(121)	(3,696)	(433)
Total applications of capital funding	877	(2,932)	736
Surplus (deficit) of capital funding	(486)	3,072	(316)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,116	11,228	7,974
plus - Depreciation and amortisation	667	646	623
plus - Loss on sale of fixed assets	216	108	-
Expenditure as per Note 1	8,999	11,982	8,597

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

Explanations for this Group Activity are included in the individual Activity Funding Impact Statements.

Activity: Democratic Process

Activity: Democratic Process		
Operating costs of this activity represent approximately 3% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
The District's communities are able to participate in the decision-making processes that affect them.	Full participation.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcome of full participation and Council Outcome a place where people enjoy living, 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 was recently amended and now describes the purpose of local government as being to enable democratic local decision-making and action by and on behalf of communities; and to meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses.

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.

The next Council elections are to be held in October 2013 (and every three years thereafter). In the two years prior to the 2016 election Council will be reviewing its election method (currently Single Transferable Vote) and also its representation arrangements (ward structure, etc). This review will again be taken in the two years prior to the 2022 election.

Emerging Issues and Expected Changes

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

The Triennial Council election takes place in October 2013, therefore there are also increased costs for this financial year.

Levels of Service: Democratic Process			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, 10 = "service delivered extremely well".	6.5	6.7
Provide a service that is timely and responsive to residents' needs.	Percentage of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%
Properly managed local elections.	Elections and polls will comply with the provisions of the Local Electoral Act 2001 with no petitions for enquiry.	New measure	No petitions for enquiry.
Public contribution to decision making process.	% of Council items of business open to the public.	89%	89%

Funding Impact Statement for 2013-14			
Democratic Process	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,584	2,386	2,475
Other receipts	297	248	290
Total operating funding	2,881	2,634	2,765
Applications of operating funding			
Payments to staff and suppliers	1,636	1,445	1,536
Internal charges and overheads applied	1,230	1,177	1,217
Other operating funding applications	6	6	6
Total applications of operating funding	2,872	2,628	2,759
Surplus (deficit) of operating funding	9	6	6
Sources of capital funding			
Gross proceeds from sale of assets	20	-	20
Total sources of capital funding	20	-	20
Applications of capital funding			
Capital expenditure to replace existing assets	41	-	40
Increase (decrease) in reserves	(12)	6	(14)
Total applications of capital funding	29	6	26
Surplus (deficit) of capital funding	(9)	(6)	(6)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,872	2,628	2,759
plus - Depreciation and amortisation	9	6	6
Expenditure as per Income Statement	2,881	2,634	2,765

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.

Activity: Culture and Heritage

Activity: Culture and Heritage		
Operating costs of this activity represent approximately 1% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Marlborough's heritage resources are acknowledged, valued and enjoyed by present and future generations. Marlborough is an enlivened and creative region in which the arts are widely practised and enjoyed, and where they are recognised as being essential to a healthy and prosperous community.	Heritage, Creativity.	A place where people can enjoy quality leisure opportunities.

How this Activity Contributes to Related Community and Council 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. It contributes to a place where people can enjoy quality leisure opportunities by supporting culture and heritage places and events for locals and visitors to participate in.

What is this Activity About?

This activity involves promoting the Marlborough communities' cultural wellbeing. 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.

The Council's Arts and Culture Strategy, and its Heritage Strategy, sets out the roles played by Council in details, and the ways in which it proposes working with the community to achieve outcomes for culture and heritage.

These include:

- Forming partnerships with organisations and institutions that contribute to cultural wellbeing (e.g. Marlborough Museum Past Perfect museums database project);
- Supporting projects that reflect and strengthen Marlborough cultural identity.
- Managing the cultural and heritage assets and resources in a sustainable manner.

Council also provides annual heritage operating grants and a pool of contestable arts, culture and heritage grant funds.

A total of \$75,000 per year is available for heritage and \$50,000 for arts and culture project assistance that:

- Supports the infrastructure of heritage/arts and culture service providers.
- Promote the sustainable use and enjoyment of Marlborough heritage/arts resources.
- Establishes closer linkages between heritage/arts and regional promotion and development.

A range of operating contracts/grants are provided to key heritage, arts and culture organisations in Marlborough. These include:

- Marlborough Historical Society, including funding for the "Past Perfect" database of Marlborough heritage collections.
- Edwin Fox, Renwick, Havelock and Flaxbourne museums.
- District Brass Band.
- Millennium Art Gallery.
- Picton Historical Society.

Emerging Issues and Expected Changes

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

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

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

Levels of Service: Culture and Heritage			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.0	≥7.0
Manage Council's arts and heritage grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes.	100%	100%
	% of achievement of reporting requirements.	≥95%	≥95%
	% of contract requirements are met.	New measure	100%

Funding Impact Statement for 2013-14			
Culture and Heritage	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	621	527	479
Other receipts	65	57	51
Total operating funding	686	584	530
Applications of operating funding			
Payments to staff and suppliers	4	4	24
Internal charges and overheads applied	38	36	17
Other operating funding applications	639	4,040	484
Total applications of operating funding	681	4,080	525
Surplus (deficit) of operating funding	5	(3,496)	5
Sources of capital funding			
Increase (decrease) in debt	10	-	10
Total sources of capital funding	10	-	10
Applications of capital funding			
Capital expenditure to improve the level of service	10	-	10
Increase (decrease) in reserves	5	(3,496)	5
Total applications of capital funding	15	(3,496)	15
Surplus (deficit) of capital funding	(5)	3,496	(5)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	681	4,080	525
plus - Depreciation and amortisation	5	4	5
Expenditure as per Income Statement	686	4,084	530
Operating expenditure			
Arts	330	3,730	196
Heritage	356	353	334
Capital expenditure:			
Heritage	10	-	10

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.

The LTP for 2012-13 included a payment of \$3.5 million to the Marlborough Civic Theatre Trust towards the cost of the new Civic Theatre, funded from Forest Park Reserve. The total payment, including funding from 2011-12 to this project is \$5 million.

Activity: Community Housing

Activity: Community Housing		
Operating costs of this activity represents approximately 1% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Marlborough residents have access to affordable housing options.	Affordable housing, Positive ageing.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of affordable housing and positive ageing and Council outcome as a place where people enjoy living 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 providing an option for elderly people to access appropriate and affordable housing.

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.

Policy on Social Housing

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

Principles and Criteria

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

- To prioritise clients according to prevailing demand.
Given the current and projected demographic profile of the District, the prevailing demand for assistance with affordable housing is considered to lie with older people. Priority will therefore be given to people over age 65. Prevailing demand will be reassessed periodically.
- To focus assistance on those with low incomes.
The threshold for access to Council housing will be reviewed periodically, and will be based on a combined assessment of household income and assets.
- To provide for needs not met by other providers.
Council considers itself to be the housing option of last resort. Applicants must be able to demonstrate that their housing needs cannot be met from alternative sources.
- To match applicants with housing suited to their needs.
Within a limited portfolio, the type of housing that may be available at any time may not be suited to the specific needs of an applicant. This may require applicants to be waitlisted until suitable housing becomes available. Suitable housing is housing that is appropriate to household size, is proximate to essential services, and is located within a neighbourhood and community context that will foster integration and participation.

Rents

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

Governance

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

Emerging Issues and Expected Changes

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.

Currently the housing is of reasonable quality but due to some units being old and some on unstable land there is a need to undertake redevelopment and upgrading of a number of units. Council agreed to a comprehensive budget in the 2012-22 Long Term Plan (LTP).

Levels of Service: Community Housing			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	7.1	7.3
	Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	New measure	≥ to benchmark
Provide up-to-date record of Occupancy levels	Minimum occupancy in units to be maintained.	New measure	92%
Provide community housing reactive maintenance service in two categories	Urgent Unplanned Maintenance ¹ – Percentage of unplanned maintenance completed within 24 hours of notification.	New measure	92%
	Non-Urgent Unplanned Maintenance ² - Percentage of unplanned non-urgent maintenance completed within 20 working days of notification.	New measure	82%
Provide an annual checklist of planned maintenance / projects as set out in budget and from Committee meetings	Percentage of planned maintenance/projects completed in financial year.	90%	95%

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

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

Funding Impact Statement for 2013-14			
Community Housing	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
Other receipts including property rentals	1,124	1,074	1,112
Total operating funding	1,124	1,074	1,112
Applications of operating funding			
Payments to staff and suppliers	841	863	921
Finance costs	22	5	-
Internal charges and overheads applied	41	40	43
Other operating funding applications	21	11	21
Total applications of operating funding	925	919	985
Surplus (deficit) of operating funding	199	155	127
Sources of capital funding			
Increase (decrease) in debt	354	134	-
Gross proceeds from sale of assets	-	-	395
Total sources of capital funding	354	134	395
Applications of capital funding			
Capital expenditure to improve the level of service	54	75	-
Capital expenditure to replace existing assets	546	354	833
Increase (decrease) in reserves	(47)	(140)	(311)
Total applications of capital funding	553	289	522
Surplus (deficit) of capital funding	(199)	(155)	(127)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	925	919	985
plus - Depreciation and amortisation	239	227	258
plus - Loss on sale of fixed assets	216	108	-
Expenditure as per Income Statement	1,380	1,254	1,243

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- Increased Capital expenditure to replace existing assets:
 - Upgrading existing units and converting bedsit units to one bedroom units.
- Capital expenditure is now funded from:
 - Reserves whereas it was previously budgeted to be funded from debt, and
 - Gross proceeds from the sale of the surplus Seddon property.
- No loss on sale of fixed assets is budgeted.

Activity: Community Safety

Activity: Community Safety		
Operating costs of this activity represent approximately 0% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council 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.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes primarily to the Community Outcome of safety and security and Council outcome a place where people enjoy living 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. Council's role is to facilitate a regional programme of community safety initiatives that is mostly funded by government with a much smaller element of local contribution.

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.

These projects are delivered, via Government funding, directly by Council and include:

Significant positive outcomes are provided to the Marlborough community at very low direct cost to the Council. The majority of this area is self funding via Government grants.

Safer Communities Marlborough has historically provided services that other community groups are not providing in Marlborough. It does not compete with other community organisations to provide its services. The favoured model is to form partnerships with other organisations.

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

Emerging Issues and Expected Changes

Safer Communities Marlborough has always operated in an environment of potential change with the majority of funding provided by central government for each of the individual projects.

Recent changes with the Truancy and Youth Services contracts along with changes to key staff have resulted in the implementation of a review of the viability of Safer Communities Marlborough.

It is considered that the various services that Safer Communities Marlborough provide are of high value to the community and so options are being explored for transition of services to other providers.

Levels of Service: Community Safety			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	7.3	7.3
Provide quality service that meets and exceeds the expectations of the funding ministries and thus providing quality service to the community.	Ensure contract reports are completed within timeframes.	New measure	100%
	% of compliance with Ministry of Justice contract conditions met. ³	New measure	100%
	Monitor and manage services to agreed timeframes and budgets.	New measure	100%
Provide services relevant to our community.	Number of reports presented to Council annually.	New measure	2
	% of programmes approved by Council.	70%	100%
	Annual review of Community Safety Programmes completed.	31 August	31 August

³ In the LTP 2012-22 contract conditions for MSD and MoE were included in this target. These contracts have now ended.

Activity Group: People

Funding Impact Statement for 2013-14			
Community Safety	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	107	102	90
Subsidies and grants for operating purposes	296	287	228
Other receipts	31	30	44
Total operating funding	434	419	362
Applications of operating funding			
Payments to staff and suppliers	358	349	358
Internal charges and overheads applied	17	16	17
Total applications of operating funding	375	365	375
Surplus (deficit) of operating funding	59	54	(13)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	52	50	-
Increase (decrease) in reserves	7	4	(13)
Total applications of capital funding	59	54	(13)
Surplus (deficit) of capital funding	(59)	(54)	13
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	375	365	375
plus - Depreciation and amortisation	59	54	-
Expenditure as per Income Statement	434	419	375
Operating expenditure			
Safer Communities	355	346	288
Security	79	73	87
Capital expenditure:			
Security	52	50	-

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:
There are no variances which are considered significant.

Activity: Community Support

Activity: Community Support		
Operating costs of this activity represent approximately 1% of total activity expenditure.		
Outcomes	Related Community Outcome	Related Council 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>A community where energy use is efficient.</p> <p>A prosperous community where people participate full in society.</p>	<p>Full participation; Positive youth; Physical activity; Positive ageing; Energy Efficiency, Environmental Sustainability, Health Choices, Prosperity, Fun and Recreation.</p>	<p>A place where people can enjoy quality leisure opportunities.</p> <p>A place where people enjoy living.</p> <p>A prosperous community and economy for all Marlburians.</p>

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of:

- Full participation, positive youth 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 also contributes to the Council outcome a place where people enjoy living by supporting the youth and elderly.
- Prosperity, Fun and Recreation and Full Participation and Council outcomes of a prosperous community and economy for all Marlburians and a place where people can enjoy quality leisure opportunities by providing funding to the Marlborough Festival and Events Trust to organise events for Marlburians to enjoy and to attract visitors to the District.
- Energy efficiency and environmental sustainability for the HeatSmart and Solar Heating schemes to encourage the uptake of energy efficient products in the home. This activity also contributes to the Council outcome of a place where people enjoy living by helping people to make their homes warm whilst using less energy.
- Prosperity, full participation, positive ageing, positive youth and the Council outcome a place where people enjoy living by providing a passenger transport and mobility scheme.

What is this Activity About?

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, provision of funding, advocacy or addressing specific issues directly through service provision. This activity combines a number of distinct ways Council are involved in supporting their community:

- Community development: 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.
- Energy efficiency: Facilitation of Central Government objectives of promoting energy efficiency, energy conservation, and the use of renewable energy resources.
- Passenger transport and mobility scheme: providing transport options for our community, including those with mobility issues to help access key services.
- Providing (via contract) free community festivals and events for Marlburians to enjoy and to attract visitors to the District.

Community Development

Council acknowledges the needs of specific sectors in our community including our older people and youth. Council has worked in partnership with key organisations to establish the Positive Ageing Accord to identify the aspirations of this sector and 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 and active input from youth. This includes making progress towards the Mayoral Task Force goal of “that all young people under the age of 25 should be engaged in appropriate education, training, work or other options which will lead to long term economic independence and wellbeing”. Monthly Youth Council meetings are held to provide a voice for youth and to take effect of the Policy and Plan which provides direction for the allocation of Council’s Youth Funding.

The volunteer sector including non government (NGO) and not for profit (NFP) organisations, underpins much of the service delivery of community services in Marlborough. Advocating the needs of the sector is an ongoing issue particularly given the changes being experienced in the age and ethnicity of the community. Relationships 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:

- The contestable grant provides one-off funding for not-for-profit organisations providing essential services in the Marlborough community supporting community welfare, social services, environment and/or sports and recreation.

- Council contracts the Youth Trust to deliver youth services, including the HQ centre in Blenheim and Volunteer Marlborough to build the capacity of the voluntary sector through training.

Energy Efficiency

Marlborough District Council is participating in the Energy Efficiency and Conservation Authority's (EECA) home insulation and clean heating scheme, by providing financial assistance to help fund that proportion of the costs not covered by an EECA grant – the 'HeatSmart scheme'. In addition Council has initiated a solar heating programme. Council's role will extend to providing home owner 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. This is a voluntary targeted rate and is cost neutral to Council.

Passenger Transport and Mobility Scheme

Passenger transport is a fundamental service that connects people to services and activities for better quality of life. Maintaining an affordable, accessible service within funding constraints that meets community need is an ongoing challenge. Council currently operates an urban bus service in Blenheim and a District wide mobility scheme for the disabled. Expansion of service delivery will be investigated and implemented within available funding where verification of the demand can be established.

Events Management

Provision of community based events makes a contribution to the wellbeing of the community as well as to the cultural identity, physical activity and social cohesion. Events have a role to play in attracting visitors to Marlborough along with showcasing and promoting the area. This activity is delivered by the Marlborough Festival and Events Trust and Go Marlborough under contract for provision of specific events.

Marlborough Festivals and Events Trust and Go Marlborough deliver a range of events including the summer concert series, Blenheim Christmas parade, senior citizens concerts, Christmas festival, Southern Jam youth festival, Children's theatre and New Year celebrations – these events attract up to 5,000 attendees per event. The trust also maintains the calendar of events/events guide.

Emerging Issues and Expected Changes

The changing age structure of the Marlborough community will pose some challenges for future infrastructure and delivery of services. In the coming years our community is going to be "older" – 2006 Census shows 16% of the population was over 65, by 2016 that will have increased to 22% and expected to increase to almost a third of the population by 2031. The other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. It is already apparent that ethnic and cultural diversity will be an increasingly prominent feature of the population.

These changes to the composition of the community have major implications for planning of Council and non-Council services – they affect for example the demand for and delivery of health and education services, along with housing, transport (including passenger transport and mobility) and recreation. They have implications for the labour market, and the demand for a wide range of goods and services. Delivery of community based services is also affected by the changes experienced in the community. Volunteer input is an enormously valuable community resource. Support is needed to build the capacity of the sector to ensure services continue to be provided that reflect the changing needs of the community and reduction of funding from other funding sources and changes in government policy.

For Events Management, 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 decreasing from the business sector.

It is anticipated that a review of Blenheim bus service routes will be required in response to public demand to service the new Outer Limits (Westwood) development.

Total Mobility Scheme membership and usage is increasing in line with our aging population demographic. It will be challenging to manage expenditure without imposing restrictions on purpose and frequency of travel.

Levels of Service - Community Support			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".		
	<ul style="list-style-type: none"> Community Support. Events Management. 	7.2 7.3	7.2 ≥7.3
Manage Council's community grants and third party providers to ensure service quality and value.	% of grants administered, allocated and accounted for within timeframes.	100%	100%
	Achievement of reporting requirements.	≥95%	≥95%
	Contract requirements met.	New measure	100%
Manage third party providers to ensure service quality and value of community events.	Achievement of reporting requirements.	100%	100%
	Participation numbers match targets in contracts.	N/A	≥95%
Implement the Positive Ageing Accord.	Number of Older Persons Forums held annually with minimum 90% attendance.	10	10
	Frequency of Seniors Expo.	Biennial Seniors Expo	N/A
	Biennial survey undertaken to monitor Positive Ageing Information Strategy.	New measure	N/A
Implement Youth Initiatives Plan.	Number of Youth Forums held annually with minimum 90% attendance.	10	10
	% of actions in Youth Initiatives Plan completed each year.	≥95%	≥95%
Build capacity of the Volunteer Sector through provision of training in partnership with key service providers.	Number of training courses provided per annum where attendance numbers meet targets.	3	>3
Provide a well used and affordable bus service in Blenheim that is timely and responsive to community needs.	Increase levels of customer patronage by 3% per annum (total patronage for 2011-12 year was 23,773).	New measure	3%> previous year
	Complete annual passenger survey and reports results to Council by 30 June each year.	New measure	30 June
	Improve infrastructure to support bus service by adding a minimum of one bus shelter per year (as funding allows).	3	1 extra

Activity Group: People

Funding Impact Statement for 2013-14			
Community Support	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	747	748	704
Targeted rates (other than for water supply)	80	56	80
Subsidies and grants for operating purposes	204	203	192
Fees and charges	16	15	16
Other receipts	77	81	74
Total operating funding	1,124	1,103	1,066
Applications of operating funding			
Payments to staff and suppliers	638	626	699
Internal charges and overheads applied	189	174	119
Other operating funding applications	407	429	419
Total applications of operating funding	1,234	1,229	1,237
Surplus (deficit) of operating funding	(110)	(126)	(171)
Sources of capital funding			
Subsidies and grants for capital expenditure	6	6	3
Total sources of capital funding	6	6	3
Applications of capital funding			
Capital expenditure to improve the level of service	12	12	12
Increase (decrease) in reserves	(116)	(132)	(180)
Total applications of capital funding	(104)	(120)	(168)
Surplus (deficit) of capital funding	110	126	171
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding plus - Depreciation and amortisation	1,234	1,229	1,237
Expenditure as per Income Statement	1,235	1,229	1,237
Operating expenditure			
Grants and Donations	455	466	466
Events Management	177	173	173
Energy Efficiency	192	183	196
Recreation	75	73	74
Passenger transport	336	334	329
Capital expenditure:			
Passenger transport	12	12	12

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.

Activity: Library Services

Activity: Library Services		
Operating costs of this activity represents approximately 2% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Lifelong learning opportunities and improved knowledge, literacy and information skills for Marlborough's residents.	Full participation; knowledge and learning; creativity; heritage.	A place where people can enjoy quality leisure opportunities.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to knowledge and learning, creativity, full participation and heritage Community Outcomes and Council outcome a place where people can enjoy quality leisure opportunities 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) which 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) to senior citizens (some of whom are confined to their own home and make use of the homebound service).

The promotion of literature and literacy is the main focus of library services to children across the District, including Picton project 'Library on Wheels', which aims to take the library into the community by visiting schools and preschools in the District.

The libraries' collection consists of over 125,000 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 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 maximum 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 and searching system was implemented in September 2011 as part of a New Zealand wide Public Library consortium called Kotui. In addition, downloadable Audio Books were available to library members in early 2012 through another New Zealand wide Public Libraries consortium project provided 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, Blenheim

The Marlborough District Library was opened in 1989. Since that time, the library has seen patronage and issues increase. The library requires extra space that the current building cannot provide. It is proposed that a new library be built by 2020-21.

In 2011-12 over 463,285 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. The number of people visiting the District Library in 2011-12 was 413,321.

Picton Library and Service Centre

The Picton Library and Service Centre became a combined facility in 1998. 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

Activity Group: People

Council information and services. There is a severe shortage of space at Picton Library and Service Centre and Council is proposing to expand this facility by 2021.

In 2011-2012, over 67,770 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. The number of people visiting Picton Library and Service Centre in 2011-12 was 125,061.

Collections

The libraries' collection consists of over 125,000 items with current value estimated at \$4.2 million.

The comprehensive book collections are complimented by providing access to electronic authoritative databases, national online catalogues and websites, including access to national and international newspapers, 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 are also 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. Members with email addresses receive a reminder email three days prior to their items being due.

The Aotearoa Peoples Network Kaharoa is a managed network separate from Council and provided by the National Library of New Zealand. The new Library Management System, Kotui, is supported through this same framework.

Emerging Issues and Expected Changes

The major challenge facing Library Services is the lack of space in both libraries for collections and library users, especially class visits. Council has recognised the inadequacies of both facilities and is looking at options to update and/or expand them to meet the needs of the users and the community. Council's urban design strategies have reinforced the need for improved facilities in both Blenheim and Picton. Council is budgeting to expand/replace these libraries between 2018-19 and 2020-21, at an indicative cost of \$11 million, partially funded from the Forest Park Reserve and the sale of the old library buildings.

Levels of Service: Library Services			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	8.5	8.5
A range of current resources supporting the tastes, interests and reading levels of users is provided.	Average age of library resources.	10 years or less	<10 years
	Frequency of books being taken out. (turnover rate)	4.5 times per year	4.5 times per year
	Percentage of books requested from the catalogue, not currently available, provided within five days.	95%	>95%
Provide access to information electronically.	Number of website page views.	69,630	≥ Baseline + 7.5%
	Number of e-book and e-audio loaned.	375	10% increase on previous year

Funding Impact Statement for 2013-14			
Library Services	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,318	1,283	1,433
Fees and charges	3	3	4
Other receipts including fines and infringement fees	275	273	280
Total operating funding	1,596	1,559	1,717
Applications of operating funding			
Payments to staff and suppliers	938	913	1,052
Internal charges and overheads applied	350	334	351
Total applications of operating funding	1,288	1,247	1,403
Surplus (deficit) of operating funding	308	312	314
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	21	19	20
Capital expenditure to replace existing assets	234	226	227
Increase (decrease) in reserves	53	67	67
Total applications of capital funding	308	312	314
Surplus (deficit) of capital funding	(308)	(312)	(314)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,288	1,247	1,403
plus - Depreciation and amortisation	308	312	314
Expenditure as per Income Statement	1,596	1,559	1,717

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

Payments to staff and suppliers: includes full year costs for the new library management system and personnel costs for Blenheim and Picton weekend opening.

Activity: Emergency Management

Activity: Emergency Management		
Operating costs of this activity represent approximately 1% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
The region is well prepared for emergency events and any harm or loss from emergency events is minimised.	Safety and security.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This Activity contributes to the Safety and Security Community Outcome and Council outcome a place where people enjoy living through the provision and testing of Emergency Management Plans and a well planned, maintained and competent rural fire fighting capability as part of the Marlborough/Kaikoura Rural Fire District.

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:

- Emergency Management policies and procedures in place to manage the hazards and risks.
- Arrangements for declaring a state of emergency in the area.

Activity Group: People

- Arrangements for cooperation and coordination with all other Civil Defence Emergency Management Groups.
- The hazards and risks to be managed by the Group are prioritised according to risk. The eight most major risks include:
 - Earthquake.
 - Human disease epidemic.
 - Biological pests and new organisms.
 - Flooding.
 - Wildfire/rural fire.
 - Dam failure.
 - Drought.
 - Electricity failure.

Marlborough may need to deal with a number of other hazards not mentioned here. The vision and goals of the Marlborough Civil Defence Emergency Management Group Plan are:

Vision

Improve the resilience of the region to all foreseeable emergency events through active engagement of communities and the effective integration of support agencies.

Goals

- Goal 1. To coordinate efforts to reduce the risk posed by hazards that threaten the life, wellbeing, infrastructure, economic fabric and ecological systems that support the lifestyle of the area.
- Goal 2. To improve an awareness of the remaining risks faced by residents and visitors to the region in order to be better prepared for the risks of known hazards.
- Goal 3. To enhance the efficiency and effectiveness of all agencies and the community in their response to an emergency through integrated and coordinated effort.
- Goal 4. Improve the process of recovery after an event in order to return to normal life as quickly as possible with a minimum of loss and disruption.

Rural Fire

The Council from 2012 surrendered its role as a Rural Fire Authority to Marlborough Kaikoura Rural Fire Authority (MKRFA) which will set policy and ensure fire protection is provided for in the wider Marlborough and Kaikoura District Council areas.

The preparation of Fire Plans, business plans and all high level administration is the responsibility of the Principal Rural Fire Officer and the Marlborough Kaikoura Rural Fire District Board.

Council provides a member of the Board alongside representatives of the Department of Conservation, Federated Farmers, Kaikoura District Council, New Zealand Fire Service and an independent. It continues to provide rural fire readiness and response services within the Marlborough South zone.

Changes to Rural Fire Protection Rating

A number of changes to rural fire governance and management have taken place since the Boxing Day Fires in 2000, most notably the establishment of the MKRFA on 1 July 2012. The major changes are to redistribute the rating incidence from the General Rural geographic rating area to Blenheim Vicinity and Picton Vicinity geographic rating areas. This reflects the MKRFA's ultimate responsibility for fire suppression, governance and management in these three geographic rating areas. The effects on the geographic rating areas and individual properties are not significant. Please see page 149 for more information.

Preparedness for Major Hazards and Events

- The Marlborough Civil Defence Emergency Management Group, of which the Council is a key member, is prepared and capable to respond and recover from a major event such as earthquake and floods. It

should be noted that the Council is only one of the organisations that has emergency management responsibilities (others include: DHB, Police, Fire Service, St Johns).

- Risk reduction is carried out for the Marlborough District Council by the Emergency Management Group (Group). The Group is well prepared and ready to respond to an event. Exercises are carried out regularly and the Group is actively involved in the Ministry of Civil Defence and Emergency Management 10 year training programme. Our current contact list has been reviewed by the Emergency Management Office.
- An engineering lifelines Group has been established to ensure that lifelines in Marlborough are planned to withstand a major event and to ensure that damaged lifelines during an event are repaired as soon as possible.
- Community awareness campaigns are given high priority within the allocated budget provided. The Group has visited many groups and organisations talking about the risk to Marlborough and how to prepare for large emergency events.
- The Emergency Management Office received numerous weather warnings throughout the year 24/7 and staff responded to these appropriately.
- The Group has established a recovery group incorporating Council, Work and Income NZ, Child Youth and Family, Insurance Industry, Chamber of Commerce, Health inspectors to help with planning for the recovery phase of a major emergency event.
- The Groups Civil Defence/Welfare centres are well resourced. The training of volunteers is given high priority.
- A programme is underway to train Council staff to work in an incident control structure and to increase training for welfare and sector groups.
- Buildings below the Earthquake standard have been identified and building owners have been advised.
- A new building evaluation plan has been formulated incorporating the lessons learned from the Christchurch event.
- The Council is well prepared for an emergency, however many of our communities still believe it will not happen here. Our Group supports the national awareness campaign and the Group spends considerable resources each year encouraging residents to prepare for disaster.

Readiness and Response

- A training needs analysis was distributed to all stakeholders including Council staff last financial year. The outcome will be to provide sufficient funding and target the training of individuals most in need and to standards acceptable to the industry.
- Continue running both level 2 and level 4 CIMS courses.
- Continue to train both Council staff and volunteers at all levels.
- Provide public awareness to the residents of Marlborough.
- Continue to introduce the new Emergency Management Incident System (EMIS) and train both volunteers and Council staff on its application.
- The Group will take an active part in the national exercise training programme.
- The Group will also take an active role in the Get Ready Get Through campaign.
- The Readiness and Response Working Group will meet quarterly.

Emerging Issues and Expected Changes

- Possible legislative changes following the Canterbury earthquakes may have an impact upon Civil Defence.
- Group Welfare Response Plan will continue to be developed and included in the Recovery Plan.

Activity Group: People

Levels of Service: Emergency Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	8.0	8.0
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Timeliness of completing the review of the CDEM Group Plan (every 5 years).	Review completed every five years	N/A
	Timeliness for the completion of the update to emergency contact plans.	30 June	30 June
	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%
As the Marlborough South Zone Manager provide support to the enlarged rural Fire District.	% of registered Rural Fire Force members who have completed the Fire Fighter Unit Standards.	75%	75%
	% of three monthly checks on waterway equipment and vehicles completed.	70%	70%
	Pressure tests are carried out on pumps, hose and waterway equipment biennially.	New measure	N/A
	Timeliness for completion of the annual vehicle maintenance.	Before 20 December	Before 20 December

Funding Impact Statement for 2013-14			
Emergency Management	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	638	661	614
Subsidies and grants for operating purposes	19	18	18
Other receipts	100	105	98
Total operating funding	757	784	730
Applications of operating funding			
Payments to staff and suppliers	484	475	432
Internal charges and overheads applied	185	179	188
Other operating funding applications	70	107	71
Total applications of operating funding	739	761	691
Surplus (deficit) of operating funding	18	23	39
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	29	28	28
Increase (decrease) in reserves	(11)	(5)	11
Total applications of capital funding	18	23	39
Surplus (deficit) of capital funding	(18)	(23)	(39)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	739	761	691
plus - Depreciation and amortisation	48	41	39
Expenditure as per Income Statement	787	802	730

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.



Burleigh Park, Blenheim

Activity Group: Community Facilities

Activity Group: Community Facilities

Rationale for the Delivery of the Community Facilities Group of Activities

This activity is a grouping of several types of community facilities that are mostly delivered within the reserves and amenities department.

Activity: Community Facilities		
Operating costs of this activity represent approximately 9% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
<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>	<p>A place where people can enjoy quality leisure opportunities.</p>

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community outcomes of fun and recreation, physical activity and heritage and the Council outcome of a place where people can enjoy quality leisure opportunities through the creation of a place where people enjoy living, by supporting the development of facilities and services that strengthen the community. It encourages quality leisure activities and physical activity by providing attractive parks, reserves, open spaces, and cultural facilities for the community. The activity also contributes towards the commemorative needs of the community through the provision of cemeteries and memorials.

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. To ensure these facilities are highly utilised by both residents and visitors to the Marlborough region Council also provides both electronic and print information on these facilities. 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. The provision of reserves and acquisition of new reserves is based on the Council's target of ensuring that all urban households are in walking distance to an open space for leisure activities. Recreation reserve provision includes the management and maintenance of reserve assets including trees, gardens, lawn, structures, outdoor furniture and Council owned buildings.

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. The management agreement for Lansdowne Park with the Tasman Rugby Union expired in 2012 and is currently being renegotiated. The restructure of the management agreement may place the maintenance of the park under contract.

Endeavour Park in Picton is close to completion and will provide a high quality multi-sport facility for the town.

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. New toilets were recently installed in Queen Street, Blenheim as part of the Liz Davidson Place development.

Aquatic Facilities

A major \$14 million development of the Regional Aquatic Centre has taken place with significant improvements to the aquatic facilities. The Regional Aquatic Centre is operated by Stadium 2000. 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. With increased awareness of earthquake risk Council is assessing its public buildings for seismic evaluation. Depending on the results additional spend may be required to bring up to Building Act 2004 requirement.

Street trees and Berms

Council maintains and manages Street Trees, plots and road berms throughout the District. There is a planting plan to establish 100 new trees per year. This activity also monitors over hanging growth from private property encroaching onto Public footpaths.

Provision and Maintenance

To ensure these facilities remain at a high standard provision and maintenance is an important role for Council. Maintenance involves litter removal, grass cutting (1,284 hectares) and shrubs, garden, trees and hedge pruning. It also includes the cleaning and upgrading of park furniture, playground equipment, walkways/ pathways, carparks, turfs, sports fields and public conveniences. A high standard of maintenance contributes to the safety of these facilities and areas identified as problematic are assessed through a Crime Prevention through Environmental Design (CPTED) audit as well as being regularly maintained.

The provision of reserves and facilities is managed through strategies, plans and policies. Reserve Management Plans assist the operation and development of an area and are created through the Reserves Act 1977. The planning and recording of Council's assets is displayed in the Reserve and Amenities Asset Management Plan. These strategies, plans and policies are updated regularly as areas change and develop and as new assets are acquired. All funding is allocated through the Annual Plan.

Future Direction

Strategies, policies and plans indicate the approach and vision of Council therefore a robust strategic process is essential. Council has displayed this vision and strategic process in the 'Growing Marlborough' strategies - Blenheim Town Centre, Southern and Northern Marlborough Growth Strategies. Marlborough Outdoor Sports Facilities Plan is also a long term strategic document which provides for the increasing demand for recreational asset capacity in Marlborough. By investing in long term plans and processes Council is able to provide infrastructure and services that provide for Blenheim now and in the future and save costs while still meeting resident expectations in the long term. Council acknowledges these long term benefits and is investigating the provision of artificial surfaces for greater capacity for sports use.

A collaborative approach to shared facilities and resources can also produce wide spread benefits with low costs. It also allows Council to maintain positive relationships with DOC, MoE, sports codes and local communities. The provision for sportville modelled facilities, District wide facilities and joint funded facilities and projects are being considered by Council.

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(hectares)
Reserves	260	2,770
Sportsgrounds	21	107
Community Building Reserve Land	32	9
Cemeteries	13	35
Accessways	57	6
Other Reserves (e.g. road reserves and berms)	88	428
Total	471	3,356

Major Asset Category	Number
Public conveniences	51
Aquatic Facilities	2
Playgrounds/Youth facilities	41
Sports Facilities	571
Bridges, Boardwalks, Structures	1,931

Carpark/roading	173
Walkways and Cycle Routes	215 routes
Park Fixtures	2,218
Street Trees and Garden Plots	18,866

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Community Facilities - \$2.165 Million		
Area	Area	Major capital expenditure items
Reserves	Blenheim	Earthquake strengthening of structures at: A&P Park \$180,000, Lansdowne Park \$165,000, Athletic Park \$80,000
	All areas	Replacement playground matting at 16 locations to achieve compliance with standards \$290,000, anticipated allocations from the Land Subdivision Reserve Account \$735,000
Cemeteries	Picton	Historic restoration works \$100,000
Memorials	Blenheim	Earthquake strengthening of Seymour Square clock tower \$100,000
	Picton	Earthquake strengthening of war memorial \$20,000
Halls	Seddon	Earthquake strengthening of Awatere Community Hall \$120,000
Public conveniences	Blenheim	Upgrade Seymour Square toilets, including disability access \$125,000
	Sounds	Linkwater Hall toilets \$100,000

Emerging Issues and Expected Changes

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

- Significantly reduced revenue from the Land subdivision Account (development contributions from subdivisions) which funds the Reserves capital works programme, including those resulting from Annual Plan submissions, and urban design projects, potential projects from the sports facility plan and community grants. This has meant a significant reduction in the capital spending able to be funded in recent years.
- Prioritising, budgeting and implementation of the growing Marlborough Strategy will be challenging.
- Renwick Pavilion and Endeavour Park Pavilion will require operational funding assistance.
- Implementation of the new Freedom Camping Bylaw will require close monitoring of issues on the ground and complaints from the public. Collaboration with DOC will be necessary regarding provision of facilities particularly in rural communities
- 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.
- The increasing pressure for improved sporting facilities and in some cases larger land areas will require actions from the Marlborough Sports Facilities Plan to be initiated. Current Council high priorities are:
 - Consultation with users of Lansdowne Park to develop it as a multi code facility.
 - Development of Lansdowne Park on the north side of the stop bank for softball and further sports fields.

Activity Group: Community Facilities

- Development of Bothams Bend into an Equestrian Park as a joint project with Marlborough Equestrian Park Steering Group.
- Asset Management Systems and data collection will be enhanced enabling a more planned approach to maintenance renewals and future planning.

Levels of Service: Community Facilities			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	7.7	7.7
Access to information: Provide up to date and relevant information to residents and visitors.	Provide leaflets on all key facilities on website and/or print for: Freedom camping, Picton and Wither Hills tracks, Blenheim by foot or by bike, Walking and Biking Strategy (Central Wairau Plains route map).	New measure	100%
Access to facilities: Provide reserves and amenities that are equitably distributed to all.	% of urban areas that lie within 10 minutes walk or 500 m radius from a District or neighbourhood reserve.	98%	100%
	Number of plots available annually for burials.	300	300
	Options for interment and memorialisation.	New measure	5
	Land is allocated to organised sports associations to meet demand for seasonal play.	New measure	100%
Safety and maintenance: Ensure reserves and amenities are maintained in a clean, safe and functional condition.	Any contracted levels of service that are identified as not compliant in the maintenance contract monthly report are rectified within the month.	New measure	100%
	% of new reserves, public conveniences and reported problem areas that receive a Crime Prevention through Environmental Design (CPTED) audit.	100%	100%
Current and future planning: Provide strategic planning and ongoing improvement programmes for reserves and amenities.	% of reserves with management plans.	50%	60%
	% of capital works projects from Land Subdivision Account are completed.	70%	70%

Funding Impact Statement for 2013-14			
Community Facilities	LTP 2013-14	LTP 2012-13	AP 2013-14
	\$000's	\$000's	\$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,464	6,301	6,599
Subsidies and grants for operating purposes	11	10	10
Fees and charges	146	142	142
Other receipts	706	718	736
Total operating funding	7,327	7,171	7,487
Applications of operating funding			
Payments to staff and suppliers	5,734	5,626	5,755
Finance costs	589	585	589
Internal charges and overheads applied	703	687	681
Other operating funding applications	23	22	131
Total applications of operating funding	7,049	6,920	7,156
Surplus (deficit) of operating funding	278	251	331
Sources of capital funding			
Development and financial contributions	1,172	1,102	1,135
Increase (decrease) in debt	52	61	50
Total sources of capital funding	1,224	1,163	1,185
Applications of capital funding			
Capital expenditure to meet additional demand	103	70	100
Capital expenditure to improve the level of service	1,073	1,055	1,721
Capital expenditure to replace existing assets	56	106	344
Increase (decrease) in reserves	270	183	(649)
Total applications of capital funding	1,502	1,414	1,516
Surplus (deficit) of capital funding	(278)	(251)	(331)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	7,049	6,920	7,156
plus - Depreciation and amortisation	834	798	883
Expenditure as per Income Statement	7,883	7,718	8,039
Operating expenditure			
Cemeteries	454	431	450
Memorials	96	90	96
Street berms, trees and plots	449	438	488
Halls	235	266	287
Public Conveniences	756	728	743
Reserves	4,268	4,163	4,331
Swimming Pools	1,625	1,601	1,645
Capital expenditure:			
Cemeteries	152	233	151
Memorials	11	58	131
Street berms, trees and plots	29	28	28
Halls	21	10	120
Public Conveniences	262	150	255
Reserves	756	702	1,450
Swimming Pools	-	50	30

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- **Capital expenditure:**
 - *Reserves – includes earthquake strengthening of A & P Park, Lansdowne Park and Athletic Park structures and replacement playground matting for 16 playgrounds.*
 - *Memorials – includes earthquake strengthening of the Blenheim Seymour Square clock tower and the Picton War Memorial.*
 - *Halls – includes earthquake strengthening of Awatere Community Hall.*
- *Increase(decrease) in reserves - Capital expenditure increases have been primarily funded from Reserves.*



Activity Group: Roads and Footpaths

Activity Group: Roads and Footpaths

Rationale for the Delivery of Roads and Footpaths Group of Activities

It is mandatory that roads and footpaths is an activity group.

Activity: Roads and Footpaths		
Operating costs of this activity represent approximately 23% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Marlborough's land transport system is integrated, safe, responsive and sustainable.	Essential Services, Prosperity; Physical activity; Environmental sustainability.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Essential Services and Prosperity Community Outcomes and Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians 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?

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, kerb and channelling, street lighting and carparks. Some wharves are also owned and maintained. There has recently been an increased emphasis on alternate modes such as walking and cycling.

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

Separate Roles

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

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

NZTA is a key partner in Council's land transport management and the State Highway network is of significant strategic importance in achieving community outcomes.

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

The Road System

Council has 242 km of footpaths, 873 km of sealed road and 646 km of unsealed roads. Council operates 353 bridges. The network is absolutely essential enabling freight and passenger travel overland and across waterways within Marlborough.

Meeting Standards

One of the key tools for management of the network is the Asset Management Plan (Roads) which determines levels of service to be provided for the next ten years. Detail programmes are included in the NZTA's 3-Year Programme for which Council receives financial assistance, at rates between 46% and 56%.

Council in its Asset Management Plan identifies standards and guidelines for all activities undertaken to manage the road infrastructure. MDC has adopted a best practice approach common to Road Controlling Authorities throughout New Zealand and in doing so ensures compliance with NZTA requirements. The standards and guidelines identified are predominantly those developed or adopted by the NZTA and are consistently applied across the Marlborough District's road network.

Road Safety

Council each year receives a Road Safety Report from NZTA which analyses all crashes in the Marlborough District and makes comparison with peer authorities throughout NZ. The report includes both State Highways and local roads. Crashes are showing a reducing trend from 2007 to 2010 in both rural and urban areas; however the ratio of fatal and serious crashes has increased.

Marlborough Roads monitors the number of crashes it is able to influence, within the budget available. A significant focus is in place to ensure safety is maintained through good quality pavements that are required to be free of large potholes, edge breaks and other defects that may compromise safety. Management of icy road conditions has been a winter focus with no crashes resulting in injury recorded in the last year.

Council also undertakes a road safety programme which provides educational advice to current and future road users.

Road Quality

Council maintains the quality of its roads by monitoring trends in pavement condition, the age of surfacings, and undertakes structural inspections and repairs. Marlborough Roads schedules a renewals programme to optimise total costs by ensuring maintenance costs do not become excessive. The proposed standards and forward programme of work are reviewed by the funding agency (NZTA) requirements through annual programme reviews and compared with peer Councils (selected from agencies with similar rural/urban mix of roads/number of bridges etc.)

The renewals are determined from approved (by NZTA) pavement modelling systems verified by physical inspection by experienced engineers. The pavement modelling system DTIMS (Deighton Total Infrastructure Modelling System) confirms that the planned quantities are those required to maintain the asset. A regime of planned inspections determines standards are being maintained, programmed and delivered.

Marlborough Roads also monitor unsealed roads. They are challenging to manage being changeable and influenced by weather and traffic environment. Marlborough Roads now have a capability to measure roughness to assist with determining the need for intervention treatments, e.g.: grading.

Marlborough's roads compare favourably with peer agencies and NZTA requirements.

Activity Group: Roads and Footpaths

NZTA has advised that over the first three years of the LTP it will not be able to provide approximately \$1.27 million of funding assistance identified as needed in the Asset Management Plan. Council has assumed that this reduction will be reversed for the remaining seven years of the LTP, but no additional funding will be provided to address deferred maintenance.

It is likely that this reduction in funding will result in reduced levels of service over time and this has been recognised in the reduced performance targets contained in the levels of service table on page 47. The Asset Management Plan will also require updating and Council will be reviewing all programmes to attempt to minimise the impact of those funding cuts.

Footpaths and Street Parking

A formal monitoring system is now established to assess footpath condition in urban areas. Council provides parking on urban streets where it is practicable and safe to do so. Within areas kerbside parking is either metered or time restricted to ensure a good turn-over of usage to encourage a vibrant retail environment. Off street parking and parking buildings are managed by Marlborough Roads (via a sub-contractor). This is part of the Regional Development activity elsewhere in the Plan.

Asset Description

The table below provides an overview of Council's roading assets:

Asset	Length / Quantity
Road Length	1,519 km (873 km sealed, 646 km unsealed)
Bridges	353
Jetties	13
Urban Footpaths	242km (146 km concrete; 75 km asphalt; 9 km sealed; other 12 km)

The total asset value for the Roads and Footpaths activity as at 30 June 2012 is \$604.8 million.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Application of Capital Funding section of the Funding Impact Statement at the end of this activity.

Roads and Footpaths - \$9.56 Million	
	Major capital expenditure items
Renewals	Drainage, resealing, pavement rehabilitation, seal widenings, unsealed metalling \$5.49 million
Other	Footpaths, vehicle crossings, kerb and channelling, renewals and additions \$959,000
Picton CBD	Upper High Street upgrade \$424,000
Blenheim road intersection	Springlands and Bells Road/St Leonards Road \$1.66 million (Grant)

Emerging Issues and Expected Changes

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

- Possible funding for state highway upgrades not able to be funded by NZTA.
- Urban growth demands and the funding of increased expectations for townscape upgrades.
- Management of road networks with no provision for escalations (flat-line budgets).

Levels of Service: Roads and footpaths			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	6.5	6.5
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: Urban Sealed roads 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.	<110 <100	<110 <100
	Smooth Travel Exposure ⁴ Urban Sealed roads Rural Sealed roads NB: this measure takes roughness and adjusts it for traffic volumes.	95% 95%	94% 94%
	Condition Index ⁵	5	≤6.5
To provide footpaths that meet the needs of an ageing community.	Reduce length of 4 (poor) and 5 (very poor) rated footpath.	New measure	13 km
Provide a sustainable land transport infrastructure.	% of programmed maintenance works in the Asset Management Plan achieved.	100%	100%
	% of renewal and improvement works included in the Asset Management Plan achieved.	95%	95%

⁴ Smooth Travel Exposure is the percentage of vehicle kilometres travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the roading network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users. The Marlborough values compare favourably with peer agencies.

⁵ Condition Index is an addition of weighted percentages of defects like alligator cracking, scabbing, potholes, pothole patches and flushing. It does not include age of the surfacing treatment. Lower values indicate a higher standard, where the maximum score is 100 and a lower score such as five is a very good outcome. Because of short term pressures with funding reducing an allowance was made for some increase in the Condition Index reflecting less renewal and more maintenance.

Activity Group: Roads and Footpaths

Funding Impact Statement for 2013-14			
Roads and footpaths	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,070	8,450	8,721
Targeted rates (other than for water supply)	63	63	63
Subsidies and grants for operating purposes	3,019	3,065	3,157
Fees and charges	5	5	5
Other receipts	1,265	1,709	1,492
Total operating funding	13,422	13,292	13,438
Applications of operating funding			
Payments to staff and suppliers	7,887	7,603	7,611
Finance costs	459	418	398
Internal charges and overheads applied	1,118	1,071	1,060
Other operating funding applications	-	-	1,992
Total applications of operating funding	9,464	9,092	11,061
Surplus (deficit) of operating funding	3,958	4,200	2,377
Sources of capital funding			
Subsidies and grants for capital expenditure	2,445	2,699	2,602
Development and financial contributions	173	165	168
Increase (decrease) in debt	720	443	753
Total sources of capital funding	3,338	3,307	3,523
Applications of capital funding			
Capital expenditure to meet additional demand	605	525	526
Capital expenditure to improve the level of service	258	250	586
Capital expenditure to replace existing assets	5,720	6,136	6,019
Increase (decrease) in reserves	713	596	(1,231)
Total applications of capital funding	7,296	7,507	5,900
Surplus (deficit) of capital funding	(3,958)	(4,200)	(2,377)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	9,464	9,092	11,061
plus - Depreciation and amortisation	7,725	7,368	8,207
Expenditure as per Income Statement	17,189	16,460	19,268
Capital expenditure (including vested assets):	7,228	7,534	7,755

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Other operating funding applications:*
 - *Includes Springlands and Bells Road/St Leonards Road intersections roading work which has been primarily funded from Reserves and Grants (other receipts).*
- *Capital expenditure:*
 - *Includes Picton Upper High Street upgrade which is primarily funded from Reserves.*



Activity Group: Flood Protection and Control Works

Activity Group: Flood Protection and Control Works

Rationale for the Delivery of Flood Protection and Control Works Group of Activities

It is mandatory that flood protection and control works is an activity group.

Activity: Flood Protection and Control Works

Operating costs of this activity represents approximately 5% of total activity expenditure.

Outcome	Related Community Outcomes	Related Council Outcome
Residents and their property are safeguarded from the risks of river and stream flooding.	Essential services, Environmental sustainability, Prosperity.	A place where people enjoy living.
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 and Council Outcomes

This activity contributes primarily to the Essential Services and Prosperity Community Outcomes and Council outcomes of a place where people enjoy living 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 focussed on the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks and development of drainage improvements or from more recent assessment of flood risks as land uses have changed and development occurred.

The areas of activity can be summarised as follows:

Lower Wairau Flood Protection

To maintain and upgrade the main Wairau floodplain floodways below the Waihopai confluence to provide a capacity for flood sizes up to a 1 in 100 year return period. These floodways include the Wairau (below Waihopai), the Wairau Diversion, and tributaries including the Opawa, Taylor, Omaka, Riverlands Co-op Floodway and others.

Wairau Floodplain Tributaries

To keep key Wairau River tributary (including the Wairau above the Waihopai confluence) channels clear of trees and debris as economically practical, to maintain flood capacity and minimise the risk of changes to channel alignment.

Sounds Watercourses Flood Management

To develop and maintain a river capacity and standard of protection for flood sizes of up to 1 in 50 years return period for the Waitohi, Waikawa and their tributaries flowing through the urban areas of Picton and Waikawa. Similarly to consider waterway improvements in other built up Sounds areas including Havelock to protect houses.

Blenheim, Riverlands and Renwick Stormwater Outfalls

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

Lower Wairau Floodplain Drainage

To provide agricultural drainage for the Wairau Floodplain land generally to the east of Blenheim and O'Dwyers Road. This involves controlling weed and sediment for some 175 kilometres of excavated drains or natural watercourses, maintaining floodgated culverts into the major rivers, and providing pumping stations generally with a capacity of removing 15mm 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 to ensure that the extraction of this valuable economic resource is managed in a sustainable manner consistent with good river management. This requires limiting gravel extraction to specific amounts and locations.

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 to ensure a continuous flow in the Gibsons Creek/Opawa system for environmental objectives including groundwater recharge.

Soil Conservation

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

Council River Control Floodway Reserve Land

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

Flood Hazard and River Management Advice

To provide flood hazard advice to other sections of Council for LIMS and PIMS documents, for resource consents, building consents and Resource Management Plans. The section also provides direct advice to landowners on flooding and erosion risks, and mitigation options, throughout the District.

Flood Response

To monitor key river systems during a flood event, provide advice and undertake emergency repairs as appropriate. Advice of potential flood danger is directed at the public and public agencies such as police, civil defence etc.

Asset Description

Asset	Length / Quantity
Stopbanks, training banks, the Taylor Dam, and other minor dams in total comprising 4.8 million cubic metres volume of earthworks.	180 km
Large rock rip rap for river bank erosion protection purpose.	575,000 m ³
Managed tree plantings (willows, poplars etc) for riverbank erosion protection purposes.	61 hectares
Excavated minor water courses for agricultural drainage and urban stormwater disposal purposes.	160 km
Major river diversions.	2
Pumping stations for agricultural drainage purposes.	17
Pumping stations for urban stormwater disposal purposes.	12
Culverts under stopbanks etc of various sizes and lengths, usually floodgated.	290
Control gates or weirs.	20
Floodway land.	3,000 hectares

The total asset value for the Flood Protection and Control Works activity as at 30 June 2012 is \$138.8 million.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Flood Protection And Control Works - \$0.82 Million	
Major capital expenditure items	
Flood protection	Wairau River flood plain protection work \$530,000, Picton flood protection work \$20,000
Drainage	Wairau River flood plain drainage work - \$270,000

Emerging Issues and Expected Changes

There are some emerging issues that will need discussion and decision which will likely affect the 2015-25 LTP. These include possible extension to the Pukaka Quarry, the Condors Bend training bank upgrade, channel alignment issues on the lower Wairau and Blenheim stormwater upgrades.

Levels of Service: Flood Protection and Control Works			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	6.5	7.0
Monitor, maintain and upgrade flood-ways to	% of floodway network inspected annually for condition and maintenance requirements.	90%	90%

Activity Group: Flood Protection and Control Works

provide a capacity for a flood size of up to 1 in 100 year return period event for the lower Wairau Plain, and 1 in 50 year return period event for Blenheim stormwater outfalls, and Waitohi and Waikawa Rivers, Picton.	% of programmed maintenance and renewal works identified in the Rivers AMP practically ⁶ completed.	100%	100%
	% of capital improvement works in the Annual Plan achieved.	80%	80%
	Timeliness of providing a report to the Assets and Services Committee on the damage to the Floodway network and potential problem areas following significant flood events (generally exceeding a 1:2 year return).	New measure	<2 months post event
Effective drainage provided to the lower Wairau plains.	% of drain network inspected at least annually for condition and maintenance requirements.	100%	100%
	Timeliness in completing a Review of the Drainage Network to determine appropriate maintenance standards and network upgrades in conjunction with landowners.	New measure	N/A
	% of drains weed sprayed each year	New measure	>90%
	% of drains mechanically cleared each year	New measure	>8%
River channels for tributaries of the Wairau floodplain (including the upper Wairau River) kept clear of trees and debris as economically practical.	% of tributaries inspected at least every two years to assess for blockages and willow growth as measured on a two year rolling basis.	New measure	100%
	Landowner concerns investigated and responded to within 48 hours.	95%	95%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	<5	<5

⁶ NZS 3910:2003 defines practical completion as when the contract works or any separable portion are complete except for minor omissions and minor defects.

Funding Impact Statement for 2013-14			
Flood protection and control works	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	279	271	256
Targeted rates (other than for water supply)	3,394	3,246	3,313
Fees and charges	526	510	510
Internal charges and overheads recovered	150	145	150
Other receipts including rental revenue	2,322	2,331	2,440
Total operating funding	6,671	6,503	6,669
Applications of operating funding			
Payments to staff and suppliers	3,671	3,571	3,584
Finance costs	62	57	60
Internal charges and overheads applied	747	724	710
Other operating funding applications	25	25	24
Total applications of operating funding	4,505	4,377	4,378
Surplus (deficit) of operating funding	2,166	2,126	2,291
Sources of capital funding			
Increase (decrease) in debt	88	50	17
Total sources of capital funding	88	50	17
Applications of capital funding			
Capital expenditure to meet additional demand	206	200	200
Capital expenditure to improve the level of service	745	840	620
Increase (decrease) in reserves	1,303	1,136	1,488
Total applications of capital funding	2,254	2,176	2,308
Surplus (deficit) of capital funding	(2,166)	(2,126)	(2,291)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,505	4,377	4,378
plus - Depreciation and amortisation	156	152	149
less - Internal charges and overheads recovered	150	145	150
Expenditure as per Income Statement	4,511	4,384	4,377
Operating expenditure			
River Leases	223	217	215
Rivers Outside Wairau Floodplain	268	263	245
Wairau Floodplain Drainage	799	771	778
Wairau Floodplain Rivers	3,221	3,133	3,138
Capital expenditure:			
Rivers Outside Wairau Floodplain	21	20	20
Wairau Floodplain Drainage	435	540	270
Wairau Floodplain Rivers	495	480	530

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Capital expenditure to improve the level of service:*
 - *Includes deferral of lower Wairau Plain drainage network extension.*
- *Increase in reserves:*
 - *Includes the transfer to the Infrastructure Upgrade Reserve of lease revenue.*



Activity Group: Sewerage Including Treatment and Disposal

Sewage Treatment Ponds, Blenheim

Activity Group: Sewerage Including Treatment and Disposal

Rationale for the Delivery of Sewerage Including Treatment and Disposal Group of Activities

It is mandatory that Sewerage Including Treatment and Disposal is an activity group.

Activity: Sewerage Including Treatment and Disposal

Operating costs of this activity represents approximately 12% of total activity expenditure.

Outcome	Related Community Outcomes	Related Council Outcome
Public and environmental health risks of urban sewage are minimised. Sewage from industrial zones is able to be processed at the Blenheim Sewage Treatment Plant.	Environmental sustainability; Essential services.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council 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. It also contributes to the Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians by treating domestic and industrial liquid waste.

What is this activity about?

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

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

What We Do and Where We Do It

Council operates four wastewater schemes - in Blenheim, Picton, Havelock and Seddon. The reticulation networks at Blenheim, Renwick, Grovetown, Spring Creek, Riverlands, Cloudy Bay and Woodbourne drain to

the sewage treatment facility at Hardings Road, Blenheim. The plant has evolved over many years. The original aeration ponds have been augmented with the treatment ponds that formerly served the PPCS meat processing plant. There have been major upgrades to the plant in recent years to meet the rapidly growing demands of the wine industry. Work has commenced on the construction of a major new wetland tertiary treatment and outfall that will deliver improved effluent quality and facilitate irrigation to land. The current Opawa River discharge will then no longer be required.

Picton and Waikawa are served by a modern extended aeration treatment plant, completed in 1999. The plant performs very well and produces an effluent of consistent high quality. The old outfall pipeline that used to be conspicuous along the shore of Kaipupu Point has now been replaced by a new and improved under water pipe, and the old pipeline has been removed. Traditional oxidation ponds are used to treat effluent at Havelock and Seddon.

The cost of providing wastewater infrastructure is high and becomes increasingly expensive as larger and more complex equipment is installed to meet the higher standards of discharge quality and reliability demanded by modern society. It is common policy for the costs of the scheme to be borne only by the beneficiaries. Subsequently the installation and maintenance of wastewater infrastructure becomes tenable only for reasonably large and concentrated population centres.

Around 85% of Marlborough's population is on the reticulated wastewater system. Rural locations rely on individual on-site treatment /disposal systems or small community based reticulation and treatment. The initial cost of on-site treatment is often more affordable for small and dispersed settlements but require suitable ground conditions for percolation of supernatant liquors and an on-going monitoring and maintenance commitment. Permeable soils, a low residual water table and a reasonably flat topography are good attributes for an efficient on-site treatment system. There are many areas of Marlborough where on-site sewage disposal are operated in difficult conditions. For example, further growth in many areas of the Marlborough Sounds is inhibited by the lack of sewage disposal options. Failing treatment systems cause insanitary conditions and pollution of local water courses and groundwater with a subsequent deterioration to the ecological, recreational and living environment. In these circumstances, a community wide treatment scheme may become more attractive to residents of small communities.

Reticulation has recently been installed in Grovetown, St Andrews, and the David/Severne Street areas of Blenheim. Installation costs were reduced by using a modern grinder pump system but connection costs were still considered high by some residents.

Asset Description

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

Area	Sub Area	Pipeline Length (kilometres)	Number of Connections
Blenheim	Blenheim	199.6	12,106
	Renwick	13.9	Included in Blenheim
	Spring Creek	4	Included in Blenheim
	Riverlands	3.7	Included in Blenheim
	Grovetown	16.5	Included in Blenheim
Picton		49.5	2,497
Havelock		10.2	287
Seddon		7.3	224
Total		304.7	15,114

There are four treatment plants at Blenheim (Hardings Road), Havelock, Picton, Seddon; (Spring Creek decommissioned); 59 sewer pump stations and 150 sewer grinder pumps. The asset base has grown considerably over the last 10 years to meet the growth in wastewater (domestic and industrial) and the higher standards imposed by an increasingly environmentally conscious population.

The total asset value for the Sewerage activity as at 30 June 2012 is \$121.8 million. Detailed information on these assets is provided in the Wastewater Asset Management Plans.

Why We Provide The Service We Do

The levels of service for the wastewater service have been determined by the features of the activity most valued by our customers.

Environmental Risks – the marine and riverine environments are important commercial, recreational and cultural environments. Fisheries, aquaculture, tourism, water sports and leisure activities depend on good quality water. Iwi have a deep cultural relationship with the natural environment. Effluent quality from the treatment plants is strictly controlled by resource consent. Sampling routines have been imposed to check the quality of the outfall discharge of each of the plants and on the shellfish ecology in the vicinity.

Treatment plants can become overloaded by highly concentrated wastewater. Vigilance is required to monitor trade wastes discharging into the catchments particularly of the smaller treatment plants.

Excessive wastewater volumes can lead to inadequate treatment at the plants and overflows from the reticulation. Most surcharging in the system is derived from rainwater entering the reticulation through inflow and infiltration during storms. There is a continuous programme to identify and remedy sources of leakage into the system. There is a formal process for Assets and Services Department to advise Council's Regulatory Department, public health and major stakeholders if an overflow occurs, so that a recovery plan can be agreed and monitored.

Reliability and capacity - Blockages and pump breakdowns can cause occasional problems. They need rapid detection and response to prevent wastewater build-up and overflow into the environment. Repeated breakdowns in the system may be of considerable inconvenience to customers who are unable to drain wastewater from their property and may also be an indication to Council of a deteriorating asset or inadequate operational maintenance.

Timely and responsive service – A constant and reliable wastewater service is often taken for granted, however all systems are likely to breakdown or fail from time to time. The Council cannot guarantee a 24/7 wastewater drainage but do endeavour to remedy faults as quickly as possible.

Many blockages occur on laterals (the smaller pipes connecting the property to the mains in the road). Customer Service staff are trained to question customers reporting blockages to try to establish whether the problem is on the customers pipe within the property or is the responsibility of the Council. Sewers maybe partially blocked causing them to drain slowly and restricting the service. More severely blocked sewers will quickly back-up and be at risk of overflowing. Service requests are prioritised based on the severity and the number of customers affected.

Council aims to restore toilet facilities to customers within six hours of the notification of a breakdown, either by repairing the fault or by providing temporary toilet facilities where significant repairs are required.

Sustainable Service - Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is cost effective to replace failing assets rather than to continue to repair them. Routine maintenance is important for wastewater systems to ensure assets are clean and functioning correctly and plant is serviced to prevent premature failure.

Major Budgeted Projects

The following table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Activity Group: Sewerage Including Treatment and Disposal

Sewerage Including Treatment and Disposal - \$6.5 Million	
	Major capital expenditure items
Blenheim	Completing the Blenheim sewage treatment plant upgrade and wetland development \$2.4 million, Pipeline renewals \$767,000, Pump station works \$380,000
Riverlands Industrial Estate	Industry contribution to Blenheim sewage treatment plant upgrade \$1.1 million
Picton	Pipelines \$416,000, Pump station \$152,000, Treatment \$136,000
Seddon	Treatment \$240,000, pump stations \$200,000

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Increased treatment capacity to meet continuing growth in trade waste.
- The upgrade of trunk sewers in Blenheim and Picton will need to be investigated to test its ability to cope with increased flows and population growth as contained in the Urban Growth Strategy.
- Consideration for upgrading Havelock's oxidation pond system to allow for industrial growth.
- The management and control of rainfall derived inflow and ground water infiltration into the wastewater reticulation.
- Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life, particularly in Picton.

Levels of Service: Sewerage Including Treatment and Disposal			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	7.9	8.0
Provide a level of service quality that minimises environmental risks.	Publish sewage treatment plant annual performance report in accordance with the resource consent.	New measure	All
	Number of dry weather overflows from all Council reticulation systems.	New measure	≤6
Provide a reliable wastewater service with adequate system capacity and performance.	Total number of wet weather overflows.	New measure	≤16
	Number of blockages occurring per 100 km of sewer main per year (excluding property connection pipes).	15	≤15
Provide a service that is timely and responsive to customer needs.	% of unplanned service interruptions or blockages responded to within two hours.	82%	90%
	% of toilet facilities restored to all customers affected by unplanned interruptions within six hours of notification.	86%	90%
Provide a sustainable wastewater service.	% renewal works in the Wastewater Asset Management Plan completed.	New measure	70%
	% of improvement works included in the Wastewater Asset Management Plan completed.	New measure	70%

Activity Group: Sewerage Including Treatment and Disposal

Funding Impact Statement for 2013-14			
Sewerage	LTP 2013-14	LTP 2012-13	AP 2013-14
	\$000's	\$000's	\$000's
Sources of operating funding			
Targeted rates (other than for water supply)	7,741	7,001	7,629
Fees and charges	95	92	57
Other receipts	1,481	1,377	1,394
Total operating funding	9,317	8,470	9,080
Applications of operating funding			
Payments to staff and suppliers	3,674	3,350	3,362
Finance costs	2,823	2,141	3,038
Internal charges and overheads applied	1,124	1,100	1,126
Total applications of operating funding	7,621	6,591	7,526
Surplus (deficit) of operating funding	1,696	1,879	1,554
Sources of capital funding			
Development and financial contributions	361	350	135
Increase (decrease) in debt	1,747	17,660	3,152
Total sources of capital funding	2,108	18,010	3,287
Applications of capital funding			
Capital expenditure to meet additional demand	1,233	5,192	1,557
Capital expenditure to improve the level of service	3,530	12,876	4,260
Capital expenditure to replace existing assets	564	2,604	689
Increase (decrease) in reserves	(1,523)	(783)	(1,665)
Total applications of capital funding	3,804	19,889	4,841
Surplus (deficit) of capital funding	(1,696)	(1,879)	(1,554)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	7,621	6,591	7,526
plus - Depreciation and amortisation	2,909	2,576	2,871
Expenditure as per Income Statement	10,530	9,167	10,397
Operating expenditure			
Combined scheme	8,473	7,431	8,403
Riverlands Industrial	1,884	1,557	1,819
St Andrews (new)	19	19	21
Loan units (no-lump sum)	154	1,736	1,994
Capital expenditure (including vested assets):			
Combined scheme	4,391	16,663	5,437
Riverlands Industrial	1,164	4,230	1,119

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- Capital expenditure Combined scheme:
 - Includes Blenheim and Picton pipeline renewals and pump station works primarily funded by debt.



Activity Group: Stormwater Drainage

Activity Group: Stormwater Drainage

Rationale for the Delivery of Stormwater Drainage Group of Activities

It is mandatory that Stormwater Drainage is an activity group.

Activity: Stormwater Drainage		
Operating costs of this activity represents approximately 2% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Residents and their property are protected from the risks of stormwater flooding.	Essential services, Environmental sustainability.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of environmental sustainability and essential services and the Council outcome of a place where people enjoy living 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 run-off from urban catchments. Collection and disposal of stormwater contributes to:

- Safety of the community by minimising the incidence of flooding.
- Minimising damage to properties from flooding.
- Reduced erosion.
- Facilitating commercial and residential development.
- The aquatic environment through the management of quality of urban stormwater run-off.

What We Do and Where We Do It

The cost of providing stormwater infrastructure is high and becomes increasingly expensive as larger capacity is provided to meet higher standards of drainage and flood protection. It is policy for only the beneficiaries of a scheme to bear the associated costs. Therefore the construction and maintenance of stormwater infrastructure only becomes tenable for reasonably large and concentrated population centres. Rural locations frequently rely on natural channels and local experience to avoid flooding of dwellings and

Activity Group: Stormwater Drainage

out-buildings. In some areas, flood protection works are undertaken by Council's Rivers and Land Drainage department that provides a wider protection to rural land and properties.

The urban stormwater systems can be categorised into two parts: The natural components comprise waterways and ponding areas whilst the constructed system consists of stormwater mains, manholes, inlet sumps, pump stations, retention areas, secondary flow paths and soak holes. Picton and Blenheim account for over 90% of the stormwater reticulation (see table below.)

The flat terrain on which much of Blenheim is sited means that the stormwater reticulation is laid at very flat grades. The reticulation drains to either the natural water courses or man-made drains that were constructed primarily for agricultural drainage purposes. Accommodating growth into the existing infrastructure whilst maintaining standards is proving challenging. Picton/Waikawa lie at the base of a number of steep catchments that quickly accumulate and concentrate stormwater into natural watercourses that run through the urban area.

Asset Description

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

Area	Reticulation length (Kilometres)
Blenheim	108.4
Picton/Waikawa	22.2
Renwick	3.2
Okiwi Bay	0.3
Riverlands	4.4
Spring Creek	3.4
Rai Valley	0.3
Havelock	0.7
Total	142.9

The total asset value for the Stormwater Drainage activity at 30 June 2012 is \$63 million. Detailed information on these assets, including information on levels of service performance is provided in the Stormwater Asset Management Plan.

Urban populations are required to site their building platforms at an elevation that provides them with a level of flood protection whilst the stormwater infrastructure is designed and sized to drain the water to natural or man-made water courses. Buried pipes and open channels are expensive to build and maintain and it is often expedient to use a combination of reticulation and road surfaces as secondary flow paths to channel away high rain flows.

The stormwater system is managed in close cooperation with Rivers and Drainage networks. Planning of future stormwater infrastructure must ensure the downstream water course has sufficient capacity for the proposed development.

Why We Provide The Service We Do

The levels of service have been determined on the features of the activity that are most valued by our customers:

Environmental Risks - Rainwater falling on urban areas pick-up and carry all-sorts of materials and also dissolve harmful substances into solution. The stormwater is then discharged into natural watercourses. Council owned stormwater systems must take reasonable care to prevent the conveying of pollutants into the natural environment. Pro-active measures to prevent the deliberate and reckless tipping of contaminants into the stormwater system is undertaken by education and regulation. High risk activities are required to install interceptors into their drains and cover impermeable areas from rain. If a pollution event occurs Council will respond to mitigate the effects and investigate the cause.

The quality of stormwater outfalls are regulated through resource consents. There is a legacy of many old and outdated consents throughout Marlborough. A major project to consolidate, rationalise and update the

legal framework is currently underway through the Blenheim Stormwater Strategy and is likely to be extended to other areas once it has been successfully implemented.

Reliable stormwater system - The efficacy of stormwater drainage can be difficult to assess as it is only required to perform at optimum capacity during relatively rare storm events. Mathematical models are used to model storms and their outcomes.

The design of the stormwater infrastructure is based on the study of historical rainfall events and the resultant flood levels to help predict the frequency that similar events will occur in the future – the average return interval (ARI). Pipes, channels, pump stations, etc are then sized to provide a level of flood protection to the community based on a chosen ARI. However, each storm event has a unique set of characteristics – the intensity and duration of the rain storm, the area over which the storm occurs, the rainfall patterns preceding the storm and changes to permeability as a result of urban infill, etc. The historical record is relatively short and it can therefore be difficult to categorise a storm by its annual return interval or accurately predict the impact it will have.

The outcome of rainfall events is also complicated by changing land use patterns and run-off characteristics from the land, weather patterns and the changing expectations and living standards of the public.

Provide a timely response - During severe storm events when flooding is predicted the Council will mobilise an incident management centre to coordinate the response to emergency calls. All calls are assessed and prioritised. 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. In the worst storms there may be little Council can do to manage the flood water as the infrastructure and natural waterways are overloaded. In these circumstances the response is to do whatever is possible to save life and reduce the damage to property.

Providing and maintaining an accurate log of responses during an emergency event can be challenging and the Council continue to refine their recording systems.

Sustainable stormwater - Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost effective to continue to repair failing assets and to replace them instead. The decision making process is influenced by the need for additional capacity, higher quality and rising standards.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14 which are all planned for Blenheim as part of its Stormwater Strategy. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Stormwater Drainage - \$0.285 Million		
	Major capital expenditure items	Value (Millions)
Blenheim	Vested assets from subdivisions \$150,000, New connections \$46,000, Pipelines \$20,000	\$0.216

Emerging Issues and Expected Changes

Stormwater management in Blenheim is a challenge for the town, both currently and in the future. Many challenges are created by the flat topography and unique and sensitive receiving environments. Council has approved a stormwater strategy which provides clear direction and an integrated approach in managing Blenheim's stormwater into the future. The 2012-22 LTP sets out a 10 year plan of activity and provides a comprehensive framework to manage both the quality and quantity of stormwater. It also provides for an overhaul of the resource consent structure for Blenheim's stormwater. The strategy requires clear responsibility, improved integration, rigorous monitoring and a more modern approach to regulation. Ongoing investment in the stormwater strategy is expected to return a much improved infrastructure operating in harmony with Blenheim's sensitive receiving environments. Stormwater management is a significant factor in

Activity Group: Stormwater Drainage

the identification and planning of new urban development pockets as part of the Urban Development Strategy.

The impact of climate change is also a factor that is becoming increasingly important in future planning. The current indications are that extreme weather events will become more frequent and more intense. Existing design standards and infrastructure will be severely tested by changing weather patterns.

The following issues are emerging within this Activity:

- Improvement of urban stormwater systems and associated river drainage in Blenheim and Picton.
- Lack of stormwater reticulation systems in rural towns.
- Review of stormwater discharge consents.
- Urban growth.
- Climate change.
- Increasing public expectations on the performance of stormwater networks to remove flood water more quickly on or close to properties.

Levels of Service: Stormwater Drainage			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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
Minimise the environmental risks of stormwater discharge.	Reported stormwater discharges to the aquatic environment, that cause a deterioration to the receiving water (as in the draft stormwater strategy).	≤6	≤6
Provide a reliable stormwater service.	Number of dwellings, commercial and industrial buildings flooded as a result of a storm event with a five year average return interval.	New measure	≤20
	Number of residential properties (dwellings including outbuildings and garages) flooded as the result of a storm event with a two year, or less, average return interval.	New measure	≤10
Provide a service that is timely and responsive to current needs.	% of complaints of flood water threatening a dwelling responded to in less than one hour.	New measure	99%
	% of all storm related complaints received during an event responded to within four hours.	New measure	85%
Provide a stormwater service that is sustainable.	% of annual renewal works completed.	New measure	75%
	% of capital improvement works completed.	New measure	70%

Funding Impact Statement for 2013-14			
Stormwater drainage	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,591	1,539	1,509
Fees and charges	86	83	46
Other receipts	178	180	174
Total operating funding	1,855	1,802	1,729
Applications of operating funding			
Payments to staff and suppliers	307	297	278
Finance costs	119	135	26
Internal charges and overheads applied	148	144	155
Total applications of operating funding	574	576	459
Surplus (deficit) of operating funding	1,281	1,226	1,270
Sources of capital funding			
Development and financial contributions	71	62	30
Increase (decrease) in debt	(218)	(228)	(21)
Total sources of capital funding	(147)	(166)	9
Applications of capital funding			
Capital expenditure to meet additional demand	87	83	46
Capital expenditure to improve the level of service	21	32	20
Capital expenditure to replace existing assets	72	71	69
Increase (decrease) in reserves	954	874	1,144
Total applications of capital funding	1,134	1,060	1,279
Surplus (deficit) of capital funding	(1,281)	(1,226)	(1,270)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	574	576	459
plus - Depreciation and amortisation	1,195	1,143	1,215
Expenditure as per Income Statement	1,769	1,719	1,674
Operating expenditure			
Blenheim Stormwater	1,169	1,133	1,134
Other Stormwater Schemes	600	586	540
Capital expenditure (including vested assets):			
Blenheim Stormwater	394	380	235
Other Stormwater Schemes	54	66	50

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Finance costs:*
 - *Reduction due to early repayment of debt from reserves.*
- *Capital expenditure Blenheim Stormwater:*
 - *Includes reduced new connections and vested assets.*



Wairau Plains, Blenheim

Activity Group: Water Supply

Activity Group: Water Supply

Rationale for the Delivery of Water Supply Group of Activities

It is mandatory that Water Supply is an activity group.

Activity: Water Supply		
Operating costs of this activity represents approximately 9% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Residents have access to a safe and reliable water supply.	Environmental Sustainability and Essential services.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of environmental sustainability and essential services and the Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians by providing an adequate supply of drinking water for domestic and industrial properties.

What is this Activity About?

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.

What We Do and Where We Do It

Council operates seven drinking water supply schemes - in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere. Council also operates a piped irrigation scheme for the Southern Valleys' area (see Regional Development activity) 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.

Around 82% of the population of Marlborough are supplied from Council reticulated supplies. Underground water reticulation systems are expensive to install and maintain and are only cost effective at a certain level

of population density. The Awatere water supply scheme for example was initiated as rural water scheme predominantly to provide water for stock. It has a similar length of reticulation as Blenheim but only 7% of the population. Funding depreciation and upgrades (particularly to meet drinking water standards) is an ongoing issue for schemes of this sort.

Many of the smaller Marlborough settlements have individual private boreholes, springs, surface water abstraction, rainwater harvesting or are part of a small community run scheme.

Drinking Water	Source	Reticulation Length (kilometres)	Service connections	Current Treatment	Current Compliance with NZDWS ⁷
Awatere	Birch Stream	153	748	MIOX disinfection completed July 2012. Twelve months operational data being gathered to show compliance with bacteriological section of Drinking Water Standards. Bacteriological compliance expected in 2013-14.	No (compliance required by 2014 but delayed ⁷)
Blenheim	Grove Road, Bomford Street, Auckland Street, and Middle Renwick Road wells	165	10,999	pH correction, UV disinfection at Middle Renwick Road and Central Water Treatment Plant. Andrew Street currently mothballed.	Yes
Picton	Speeds Road wells Barnes Dam (river)	54	2,444	Filtration, chlorination and pH correction.	No (compliance required by 2014)
Havelock	Kaituna wells	9	283	Chlorination.	No (compliance required by 2014 but delayed ⁷)
Renwick	Terrace Road wells	16	801	Chlorination and pH correction.	No (compliance required by 2014 but delayed ⁷)
Riverlands	Malthouse and Hardings wells	9	103	-	Yes: microbiological No: aesthetic
Wairau Valley	Well	3	51	Chlorination.	No (compliance required by 2015 but delayed ⁷)

⁷ Continuing problems with small communities meeting the costs of compliance with the New Zealand Drinking Water Standards has led to the Council petitioning the Ministry of Health on the communities behalf. Dates for achieving compliance will be delayed whilst a solution is sought.

Activity Group: Water Supply

Irrigation	Source	Reticulation length (kilometres)	Area (hectares)
Riverlands	Hardings Road well	3	52

Asset Description

The asset base has grown considerably over the last 10 years partly to meet the growth in demand (domestic and industrial) and more recently to meet the drinking water standards imposed by Health (Drinking Water) Amendment Act 2007. Total asset value on 30 June 2012 was assessed as \$121.2 million and is depreciating at a rate of more than \$2.6 million/year, a sum collected through the rating system.

Our pipe and service connection assets are identified in the preceding tables and our other assets are identified in the following tables:

Number of assets per location	Blenheim	Picton	Renwick	Havelock	Awatere	Riverlands	Wairau Valley	Riverlands Irrigation
Asset description								
Borehole	9	3	3	1	0	3	1	0
Bore Pumps	9	3	3	1	0	3	1	0
Abstraction Gallery	0	0	0	0	1	0	0	0
Impounding Dam	0	1	0	0	0	0	0	0
Treatment Works	3	2	1	1	0	2	1	0
Distribution Pumps	6	1	2	0	0	2	2	0
Storage Tanks	18	30	10	5	17	2	0	0
Booster Pumps	5	6	0	0	5	0	0	0
Valves	1,049	367	81	74	194	38	9	0
Hydrants	1,002	249	72	32	48	35	4	0
Meters	314	138	34	24	748	103	51	9

Why We Provide The Service We Do?

The Levels of service have been determined on the features of a water supply scheme that are most valued by our customers.

Water quality – Since the introduction of the Health (Amendment) Act 2007 water suppliers have been forced to plan to meet the New Zealand Drinking Water Standards (NZDWS). Compliance is phased over a number of years depending on the population each scheme serves. The NZDWS are very detailed and complex covering physical, chemical, bacteriological and protozoa parameters. The standards insist on a thorough sampling regime from the source water, treatment plant and the distribution network. Council take well over 2000 water samples every year to monitor the water quality.

Possibly the greatest threat to public health is the bacteriological infection of the drinking water supply. The detection of the bacteria E.coli is a reliable and readily detected indicator of bacteriological contamination. E.coli is a bacteria found in the gut of all warm blooded animals. Scrupulous sampling techniques are required to ensure representative samples are collected from the treatment plants and customers' supplies. Early detection of E.coli immediately provokes a confirmatory sampling programme of the area of supply to verify the initial result and extent of the contamination. If confirmed an emergency disinfection and flushing programme is initiated to clear the supply and an advisory 'Boil Water Notice' is issued to all affected customers. The procedures are maintained until three consecutive days of negative samples indicate the problem has been resolved. Awatere water is abstracted from an upland river catchment. A MIOX water disinfection plant has recently been commissioned to improve the bacteriological quality of the Awatere supply.

Flow and pressure - Customers value an unlimited supply of water at a desirable pressure for showers, domestic irrigation and multiple household outlets. The Fire fighting Code of Practice also recommends certain flows and pressures from hydrants to facilitate fire fighting. The pressure of the delivered water decreases as demand increases. Pumps and pipes are therefore sized to deliver the minimum levels on peak demand day. Due to either recent rapid growth or a legacy of undersized pipework there are small areas in Blenheim, Picton, Renwick and Havelock that do not achieve the minimum standard during the peak days of summer. Pipe upgrades will be required to alleviate these occasional problems. Achievement of the minimum pressures can be monitored through advanced mathematical models of the distribution network. Awatere and Wairau Valley networks were not designed to meet the fire fighting code and are not included in this metric.

In the steep hills around Picton high pressure can also be problematic. In order to achieve the minimum pressure at the top of the hills the properties at the bottom of the valley will receive high pressure water. This can cause problems with domestic plumbing, increased leakage and wear and tear on fittings. Pressure zone management is one of the options considered for water demand management.

Continuity and reliability – A constant and reliable water supply is often taken for granted, however all systems are likely to breakdown or fail from time to time. The Council cannot guarantee a 24/7 water supply but do endeavour to remedy faults as quickly as possible. All requests for service are prioritised based on the severity and impact.

Customers occasionally suffer from leaks inside their property and rely on the Council to turn-off the water. The Council do not routinely maintain valves and cannot guarantee their serviceability. Customers should have a control valve fitted at the point of entry into the property for such emergencies however Council makes best endeavours when such calls are received.

Sustainable asset management – Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion to avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost effective to repair failing assets and to replace them instead. The decision making process is influenced by the need for additional capacity, higher quality or greater security.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Water Supply - \$2.157 Million	
	Major capital expenditure items
Picton	Pipelines and connections \$690,000, Speeds Road Treatment Plant \$350,000
Blenheim	Pipelines and connections \$327,000
Renwick	Pump station work \$182,000

Emerging Issues and Expected Changes

The following issues are emerging within this Activity:

- Compliance with the NZ Drinking Water Standards continues to require significant capital expenditure which has affordability issues for smaller communities – eg; Awatere, Renwick, Wairau Valley, Havelock and Rarangi. It is proposed that compliance with these standards is delayed beyond the current statutory timeframe for these communities enabling further consultation.
- Growth in demand for water causes supply capacity issues, in particular for Picton, Renwick and Havelock. Therefore demand management techniques are being considered including universal metering, pressure zone management and leakage control.
- Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life. In particular for older networks as in the Awatere.

Activity Group: Water Supply

Traditionally many people in New Zealand have regarded water as an unlimited resource and for many it is a commodity that is purchased at such a low cost it is virtually free. The water supply for residents in all areas except Awatere and Wairau Valley is unmeasured and generally unrestricted. It is supplied at a pressure to meet every reasonable domestic need. It also provides a primary source of water in urban areas for fire fighting.

Daily water consumption in Blenheim is around 600 litres per person as an average throughout the year but on peak days during the summer is more than double the average. The demand in the other settlements is similar to Blenheim. The summer peak is almost entirely due to irrigation of domestic gardens and other leisure uses (this compares with the city of Melbourne for example that has been actively encouraging water conservation and achieved a daily average domestic consumption 2010/11 of 140 litres/person.). Many of the costs associated with water supply are 'fixed' and incurred irrespective of the volumes pumped. A small proportion of operational costs such as power and chemicals are related to the volume of water pumped into the supply. Bigger savings are likely to be achieved however by delaying major capital upgrades as the result of increased demand. A particularly relevant example of this is the current position of the Picton water supply. Peak day demand in Picton is likely to outstrip the capacity of the existing water sources in the near future. Investigations into additional nearby sources of water have so far been unsuccessful and the next nearest reliable source appears to be the Wairau Aquifer near Spring Creek. The cost of developing the source and laying a new pipeline from the Wairau Plain to Picton will be very high and is likely to be prohibitively expensive. The introduction of demand management techniques such as universal metering, pressure management zones and leakage control provide a realistic alternative.

New Zealand Drinking Water Standards: Cost of Compliance and Timing

Areas	Projected total increase in cost	Current cost m ³	% projected annual water cost increase*	Current statutory compliance date	Proposed full compliance date
Awatere:					
- Seddon	\$5.56/m ³	\$1.31	424%	2014	2017
- Rural	\$0.80/m ³	\$1.31	61%	2016	2018
- Combined	\$1.51/m ³	\$1.31	115%		
Wairau Valley	\$5.67/m ³	\$1.08	525%	2016	2018

*Projected total increase in cost / current cost.

Place	Total increase in cost	Current cost benchmark property	% increase benchmark property*	Current statutory compliance date	Proposed full compliance date
Havelock	\$703	\$567	124%	2014	2017
Renwick	\$1,125	\$388	290%	2014	2017

Notes:

1. Costs indicated are GST exclusive. They are based on most recent designs but exclude any Council overhead allocations.
2. Per annum costs are average per property. Actuals will vary depending on water consumption if a metered scheme or land value if you pay for your water by rates.
3. Current per annum cost is the rate on a benchmark property.
4. Council subsidy has been applied to Awatere, Wairau Valley and Renwick schemes (generally 50% of upgrade costs).
5. Seddon achieved bacterial compliance in 2012.

*Total increase in cost / current cost benchmark property.

Levels of Service: Water Supply			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	7.3	7.4
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 determinant of New Zealand Drinking Water Standards.	99%	≥99.0 incl Awatere
Provide a reliable water supply service.	% of properties that receive a minimum water pressure of 300kPa at the property boundary (except in the Awatere Valley and Wairau Valley township).	98%	98%
	% of system where fire flows are equal to greater 25 litres/sec.	New measure	Blenheim 87% Picton 70% Havelock 80% Renwick 30%
	% of system where fire flows are less than 12.5 litres/sec.	New measure	Blenheim 1% Picton 5% Havelock 8% Renwick 3%
Provide a service that is timely and responsive to customer needs.	% of service interruptions responded to within: <ul style="list-style-type: none"> 30 minutes for major loss of supply creating a situation causing or likely to cause damage to persons or property. 60 minutes for substantial leaks causing interruption to multiple properties. 	95%	95%
	% of interrupted supplies restored to customers within eight hours of notification.	98%	98%
Provide a sustainable water supply.	% of renewal works in the Water Supply Asset Management Plan completed.	New measure	70%
	% of improvement works included in the Water Supply Asset Management Plan completed.	New measure	70%

Activity Group: Water Supply

Funding Impact Statement for 2013-14			
Water Supply	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
Targeted rates (other than for water supply)	6,876	6,820	6,929
Fees, charges and targeted rates for water supply	1,710	1,692	1,737
Total operating funding	8,586	8,512	8,666
Applications of operating funding			
Payments to staff and suppliers	3,064	2,894	2,906
Finance costs	1,612	1,611	1,449
Internal charges and overheads applied	1,106	1,083	1,019
Total applications of operating funding	5,782	5,588	5,374
Surplus (deficit) of operating funding	2,804	2,924	3,292
Sources of capital funding			
Development and financial contributions	289	280	135
Increase (decrease) in debt	597	(642)	(1,100)
Total sources of capital funding	886	(362)	(965)
Applications of capital funding			
Capital expenditure to meet additional demand	1,362	196	410
Capital expenditure to improve the level of service	1,893	865	1,161
Capital expenditure to replace existing assets	763	352	388
Increase (decrease) in reserves	(328)	1,149	368
Total applications of capital funding	3,690	2,562	2,327
Surplus (deficit) of capital funding	(2,804)	(2,924)	(3,292)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,782	5,588	5,374
plus - Depreciation and amortisation	2,688	2,574	2,721
Expenditure as per Income Statement	8,470	8,162	8,095
Operating expenditure			
Awatere Water	701	670	706
Blenheim Water	4,937	4,818	4,631
Havelock Water	256	252	238
Picton Water	1,778	1,674	1,738
Renwick Water	393	370	436
Riverlands Water	362	337	306
Wairau Valley Water	43	41	42
Capital expenditure (including vested assets):			
Awatere Water	470	336	124
Blenheim Water	1,177	571	558
Havelock Water	228	30	6
Picton Water	2,285	164	1,177
Renwick Water	52	19	214
Riverlands Water	7	489	66
Wairau Valley Water	-	-	9

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Blenheim Water operating expenditure:*
 - Includes reduced treatment, pump station, power and interest costs.
- *Capital expenditure:*
 - Includes reduced Blenheim reservoirs, pipelines and connections and Havelock and Picton pipelines primarily funded by debt.
 - Renwick Water includes new generator and noise suppression.



Resource Recovery Centre, Blenheim

Activity Group: Solid Waste Management

Activity Group: Solid Waste Management

Rationale for the Delivery of Solid Waste Management Group of Activities

Solid Waste Management comprises of the full range of activities to manage solid waste, and is of sufficient size to be an activity group.

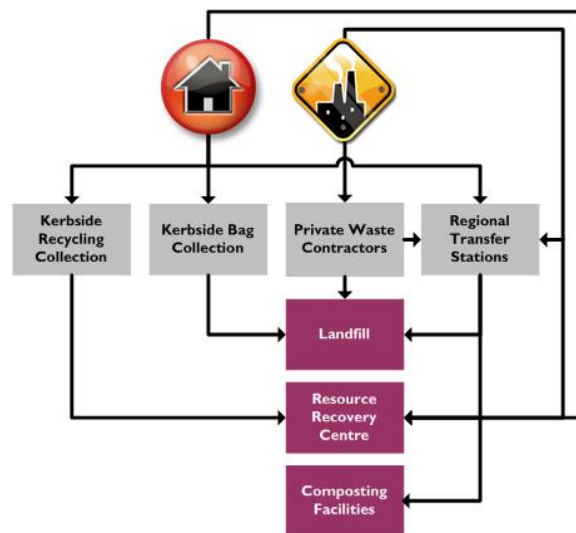
Activity: Solid Waste Management		
Operating costs of this activity represent approximately 8% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Public and environmental health risks of solid and hazardous waste are minimised.	Essential services, environmental sustainability.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of essential services and environmental sustainability and Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians by providing safe disposal facilities by means of a sanitary, environmentally sustainable landfill and recycling facilities.

What is this Activity About?

The Council is bound by legislation to ensure that our solid waste is managed in a safe and sanitary manner reducing any potential environmental impact and protecting the public health. For the Marlborough District the Council is the main provider of waste management infrastructure, providing a network of seven transfer stations, central landfill and resource recovery centre, all operated under contract to the council:



These facilities are designed and operated to ensure the minimum impact on people's amenity and the environment. By promoting the reduction, reuse and recycling of diverted materials we will reduce our reliance on Landfill for disposal and also have the ability to influence the direction that our waste management and minimisation plan heads.

Council collects, through a contract, refuse and recyclables from the kerbside in Blenheim and Picton.

The Waste Situation

The transfer stations and the resource recovery centre provide the opportunity for source segregation of recyclables by the public with the exception of the facility in Ward.

The Bluegums landfill site is an engineered containment facility for the depositing of waste residues. It has an estimated lifespan of 56 years based on current waste inputs. It is likely that the lifespan will be further extended if the projects outlined below proceed.

A composting facility is operating on leased council land adjacent to the Blenheim transfer station and currently takes green waste deliveries from the public and private contractors.

Hazardous waste materials, such as oils, paints, and solvents can be dropped at each of the transfer stations. These materials are then collected and returned to a storage facility adjacent to the Blenheim transfer station pending onward movement for disposal or recycling.

The region has a number of clean fill sites for the disposal of materials such as brick, concrete, rubble and non-contaminated soils. In addition the region has a number of scrap yards for the receipt of ferrous and non-ferrous metals as well as scrap vehicles. These sites are operated by private contractors.

Waste Management and Minimisation Plan (WMMP)

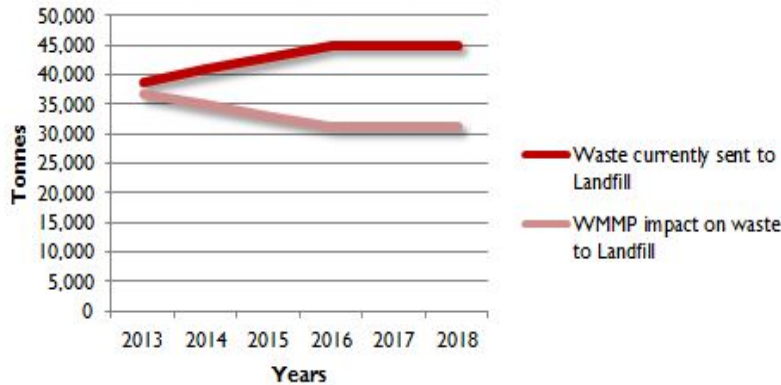
The Council is the territorial authority for the Marlborough District and as such is required to develop and adopt a WMMP. This document sets out the strategy for managing and minimising the District's waste for the period 2012 to 2018.

Expansion of the Blenheim Residential Refuse and Kerbside Recycling Collection Service to the Blenheim Periphery

An expansion of the Blenheim residential refuse and kerbside recycling collection service to the Blenheim periphery (Burleigh, West Springlands, St Andrews and Dry Hills) will start on 1 July 2013. The purpose of the expansion is to increase material diversion and provide access to recycling for an higher percentage of the Marlborough community, in accordance with Council's Waste Management and Minimisation Plan. The targeted residential refuse and kerbside recycling collection service charge is \$110 per annum for 2013-14. This expansion followed a separate consultation exercise in March/April 2013.

The WMMP includes the proposal for the expansion of the kerbside recycling collection routes to other areas of the region by 2018 (Renwick, Havelock, Grovetown, Spring Creek, Tuamarina and Rarangi). The WMMP sets out plans to reduce the amount of putrescible (food) waste being generated by households by the use of

home composting or digester systems. The cost of this service could be covered by a targeted rate. Also included are plans for a skip sorting facility. This facility has the potential to reduce the tonnage going to the landfill by 10,000 tonnes per annum. The cost of this project is estimated at \$3.24 million. Whether Council will proceed with this project is dependent upon the receipt of a Government subsidy and consideration of a final business case. The following graph outlines the projected growth in waste tonnage should no additional minimisation methods occur, and the impact if it is implemented:



The reduction in biodegradable and other recyclable materials into the Landfill site will continue to be the focus of waste management activities over the life of the next WMMP.

The Waste Levy

The Waste Minimisation Act 2008 introduced a waste levy to all disposal sites. The current rate is \$10 per tonne of waste sent to the Landfill. This charge is paid for by the depositor of the waste who could be a private contractor, business or the council on behalf of the ratepayer.

The levy is split into three areas:

- Approximately 50% is returned to Council based on population for waste minimisation activities.
- Costs for administering the levy are taken out by Central Government.
- The remainder is put into a contestable fund to which the Council can apply.

The Council have made one successful application for funding to date, receiving \$120k over three years to set up a business resource efficiency programme to assist industry in minimising their waste streams going forward. The monitoring of this project is set out in the initial funding application which was approved by the Ministry for the Environment. In essence a monthly review meeting will track the outcomes during the period 2012 to 2015 with a summary report on progress issued each January.

Emissions Trading Scheme (ETS)

The Landfill generates and emits gas as a by product of the decomposition of the waste. This emission will be liable for charges under the ETS scheme from 2013 onwards. The site is now registered with the New Zealand Emissions Unit and mandatory reporting commenced in 2012.

The Landfill has a flare and associated collection system which burns the gas on site. The efficiency of this system along with the percentage of biodegradable material within the incoming waste will allow the site to define its Unique Emissions Factor (UEF). This UEF will allow the site to reduce its liability for ETS charges.

Any reduction or diversion scheme that can reduce the biodegradable waste inputs to the Landfill will have a positive impact on reducing the ETS charges liability.

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.

Activity Group: Solid Waste Management

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this activity section.

Solid Waste Management - \$0.161 Million	
Major capital expenditure items	
Blenheim	Closed landfill management \$150,000

Emerging Issues and Expected Changes

Whilst the reduction in waste to landfill is the desirable outcome going forward it should be noted that any such scheme will have a financial impact on the ratepayer. Recycling is not free and can often be as expensive as disposal, dependant on the volume of material and the infrastructure associated with processing it.

Reducing waste is a far more effective method of breaking reliance on landfills eg; through home composting. This is a challenging area for the region and will require the cooperation of the public and business community alike. The WMMP sets out proposals to expand the kerbside collection service to Renwick, Havelock, Grovetown, Spring Creek, Tuamarina and Rarangi by 2018. This proposal is not budgeted for in the Long Term Plan. In the first instance areas on the Blenheim periphery are now included in the collection service. The kerbside collection cost is \$110 GST inclusive.

The requirement for Emissions Trading Scheme payments required an increase to landfill charges of \$5.75 (incl GST) per tonne. This charge is dependent on the global market for carbon credits. Further waste diversion is being considered through the establishment of a commercial and industrial waste sorting facility based in Blenheim. This proposal is not budgeted for in the Long Term Plan.

Levels of Service: Solid Waste Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.6	7.6
Reduce the amount of waste sent to the landfill.	% growth in diverted material throughput at the Resource Recovery Centre (RRC).	3,000 tonnes per annum	10% growth from 2011-12
	% growth in sales at the Reuse Shop.	\$100,000 per annum	10% growth from prior year
	% growth in materials diversion from the Regional Transfer Stations.	2,000m ³ per annum	10% growth from 2011-12
	% reduction in Kerbside Refuse Collection tonnage going to Landfill.	3,500 tonnes per annum	7.5% reduction from 2011-12
	% increase in Kerbside Recyclable Collection volume going to RRC.	18,000m ³ per annum	15% increase from 2011-12
	Amount of organic material composted.	12,000m ³ per annum	>14,000m ³ per annum
Effective operation of waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	24 per annum	<18 per annum
	% of Kerbside Refuse and Recycling Collection Service complaints/missed lifts.	13,200 households	<5%
	Number of resident's complaints in regards to Hazardous Waste Collection and Storage.	24 per annum	<18 per annum
	Reduce amount of material stored at compost site.	10,000m ³	<8,500m ³
	Number of resident's complaints in regards to Composting Operation.	24 per annum	<18 per annum

Funding Impact Statement for 2013-14			
Solid Waste Management	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,318	1,244	1,168
Targeted rates (other than for water supply)	1,223	1,191	1,340
Subsidies and grants for operating purposes	155	150	125
Fees and charges	4,424	3,989	4,332
Other receipts	131	130	119
Total operating funding	7,251	6,704	7,084
Applications of operating funding			
Payments to staff and suppliers	4,602	4,491	4,966
Finance costs	489	492	456
Internal charges and overheads applied	444	429	445
Other operating funding applications	967	669	565
Total applications of operating funding	6,502	6,081	6,432
Surplus (deficit) of operating funding	749	623	652
Sources of capital funding			
Increase (decrease) in debt	222	(324)	(384)
Subsidies and grants for capital expenditure	2,529	160	-
Total sources of capital funding	2,751	(164)	(384)
Applications of capital funding			
Capital expenditure to improve the level of service	3,287	3,708	161
Increase (decrease) in reserves	213	(3,249)	107
Total applications of capital funding	3,500	459	268
Surplus (deficit) of capital funding	(749)	(623)	(652)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	6,502	6,081	6,432
plus - Depreciation and amortisation	1,127	348	329
Expenditure as per Income Statement	7,629	6,429	6,761
Operating expenditure			
Landfills	3,725	2,647	2,877
Refuse Collections	1,363	1,326	1,500
Transfer Stations	1,470	1,445	1,353
Waste Minimisation	1,071	1,010	1,030
Capital expenditure:			
Landfills	154	3,508	150
Waste minimisation projects	3,132	200	-
Total Refuse Collections	-	-	11

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- **Capital expenditure:**
 - *Removal of the establishment of a Blenheim based commercial and industrial waste sorting facility which was to be primarily funded from Government subsidy and debt.*
- **Landfills operating expenditure:**
 - *Reduced amortisation costs for regional landfill stage six as the life of this stage has been extended to 2015-16 due to both the current economic downturn and waste being diverted from the landfill because of recycling.*



Activity Group: Environmental Management

Activity Group: Environmental Management

Rationale for Grouping these Activities

Marlborough's social and economic wellbeing relies on the use, development and protection of natural and physical resources. The Environmental Management activity group is responsible for enabling appropriate use of land, water, air, indigenous ecosystems and the built environment, while protecting the environment within which resource use occurs. This service is delivered through the implementation of the Resource Management Act (RMA) requirements.

Each activity delivers separate services under the RMA, but each of these services plays an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor-Review cycle and is represented by the following diagram:



The role of the Environmental Policy activity is to develop, maintain and review a resource management framework consisting of a regional policy statement, a regional coastal plan, regional plans and a District plan. The planning documents play an important role in strategically guiding the use, development and protection of natural and physical resources by enabling appropriate resource use (through the use of permitted activity rules and through the allocation of public resources) and by identifying the circumstances under which resource consent is required.

The resource management framework is implemented by the Resource Consent activity through the processing of resource consent and certificate of compliance applications and through the provision of planning information. The processing of resource consent applications utilises the guidance provided by the planning documents to ensure that any adverse effects of resource use are appropriately managed. Non regulatory methods specified in the planning documents are also being implemented by various parts of the Council. This is the “Do” part of the cycle.

The Council monitors the effect of implementing regulatory and non-regulatory methods by monitoring compliance with the conditions of permitted activity rules and resource consents, and by monitoring the state of the Marlborough environment. This monitoring is undertaken by the Environmental Protection and the Environmental Science and Monitoring activities respectively. The results of the monitoring allow conclusions to be drawn about the efficiency and effectiveness of the resource management framework. This is the “Review” part of the cycle.

If the objectives established in the planning documents are not being achieved, then this signals the need to adjust or change the planning provisions through further planning, completing the Plan-Do-Monitor-Review cycle.

It is important to note that as a unitary authority, the Council has the functions of both a regional Council and a territorial authority. This influences the way in which the Environmental Management activity group delivers its services. It means that the full suite of planning documents required under the RMA must be prepared and that all resource consents required under the planning documents are processed by one consent authority. This allows the Group to integrate the management of land use (for which territorial authorities are generally responsible for) with the management of other natural resources (for which regional councils are responsible for), leading to reduced costs to resource users and improved environmental outcomes.

Review Processes

It is important to note that the Council is currently reviewing its operative resource management framework. A draft regional policy statement and resource management plan will be completed in 2013. These documents will commence to have effect from notification, which will influence the way in which activities in the Environmental Management Group deliver their services. In some cases, there may be substantial changes to the services or the way in which they are delivered. The nature of these changes cannot be confirmed until the new planning documents are made operative.

Measuring Success

Monitoring the state of the Marlborough environment is a statutory requirement under the RMA. The data the Council collects is reported on an annual basis.

The data is also used to monitor the effectiveness and efficiency of the policies and methods included in the resource management framework. Again, this monitoring is a statutory requirement under the RMA. The planning documents set environmental results anticipated as a result of the implementation of the policies and methods.

The State of the Environment Report data is used to assess whether the specified results have been achieved and, as a result, whether the provisions are effective or efficient in resolving or managing the environmental issue they are addressing. The results of this monitoring must be reported at intervals of not more than five years.

Increasingly, monitoring is having to be undertaken to meet national requirements as part of the Government’s national State of the Environment reporting system.

A comprehensive set of anticipated environmental results has been developed for inclusion in the new regional policy statement. A measurable indicator has been specified for each result. Given this process, which is a statutory requirement, it is not necessary to set environmental performance indicators in either the Long Term Plan or Annual Plan.

Activity Group: Environmental Management

Funding Impact Statement for 2013-14			
ENVIRONMENTAL MANAGEMENT	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,487	5,416	5,464
Fees and charges	1,513	1,316	1,291
Internal charges and overheads recovered	88	88	88
Other receipts including fines	608	627	620
Total operating funding	7,696	7,447	7,463
Applications of operating funding			
Payments to staff and suppliers	5,716	5,553	5,852
Internal charges and overheads applied	1,999	1,917	1,940
Other operating funding applications	-	-	15
Total applications of operating funding	7,715	7,470	7,807
Surplus (deficit) of operating funding	(19)	(23)	(344)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	3	3	3
Capital expenditure to replace existing assets	71	99	69
Increase (decrease) in reserves	(93)	(125)	(416)
Total applications of capital funding	(19)	(23)	(344)
Surplus (deficit) of capital funding	19	23	344
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	7,715	7,470	7,807
plus - Depreciation and amortisation	81	78	81
less - Internal charges and overheads recovered	88	88	88
Expenditure as per Note 1	7,708	7,460	7,800

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

Explanations for this Group Activity are included in the individual Activity Funding Impact Statements.

Activity: Environmental Policy

Activity: Environmental Policy		
Operating costs of this activity represents approximately 2% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Sustainable management of Marlborough's natural and physical resources.	Environmental sustainability, prosperity.	A place where people enjoy living. A place where people can enjoy quality leisure opportunities. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes primarily to the community outcome of environmental sustainability and Council outcomes of a place where people enjoy living and a place where people can enjoy quality leisure opportunities 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 and Council outcome of a prosperous community and economy for all Marlburians and by enabling 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 Resource Management Act (RMA) in response to resource management issues for Marlborough. These provisions are aimed at the sustainable use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment. Many of the provisions are **mandatory**: The Council is required to prepare a Regional Policy Statement, a Regional Coastal Plan and a District Plan under the RMA. It may also develop other regional plans, as necessary.

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

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 regionally significant issues for Marlborough and how they are to be addressed.

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 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 are available externally.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2013-14. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented.

Asset	Major Projects
Resource Management Plan	2013-14 Notification of second generation Resource Management Framework

Emerging Issues and Expected Changes

The Council has committed to a rebuild of its resource management framework. This work will be a significant undertaking for Council and the Marlborough community. As part of this review process, the Council has decided to take the opportunity provided by Section 80 of the RMA to combine the objectives, policies and methods of the two operative resource management plans with the RPS to provide a single strategic direction for the integrated management of Marlborough's natural and physical resources.

The rules contained in the two existing resource management plans will be recast into one integrated plan for the District. This combined plan will provide the regulatory framework to be applied to the subdivision, use and development of land, air, coastal resources and water resources. This framework will utilise fewer rule categories than is currently the case and will provide clear triggers for the need for resource consent. This simplified and streamlined structure will be easier to use and will provide greater certainty to resource users and the wider community.

A draft combined Regional Policy Statement (RPS) and Resource Management Plan (RMP) is to be completed in 2013. On notification of the RPS and RMP, the main task for the Environmental Policy Team will be processing and supporting the hearing of submissions on the notified provisions. Decisions on submissions will be made by an appointed hearings panel.

In order to achieve the objectives set in the RPS it is important that the regulatory and non-regulatory methods included in the RPS are implemented. It is anticipated that the Environmental Policy Team will play a key role in this regard by preparing and managing implementation plans for the methods once the RPS and RMP provisions become operative. The plans will prioritise the application of the methods according to need, clearly identify the key tasks and their timeframes, ensure adequate resources are allocated to the tasks and co-ordinate the Council staff involved in implementation.

Government initiatives (such as legislative change or the introduction of national policy statements or national environmental standards) can influence the nature, scope and timing of the environmental policy work programme. Plan change requests, which cannot be anticipated, have a similar effect. There are currently two plan change requests that are subject to appeals and a further two plan change requests are being processed.

Levels of Service: Environmental Policy			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
A second generation resource management framework for Marlborough	A combined regional policy statement and resource management plan is publicly notified.	New measure	Draft statements completed*
	Decisions on submissions publicly notified.	New measure	N/A for 2013-14**
Implementation of the direction of the new resource management framework	% of plans for implementing non-regulatory methods from the regional policy statement completed.	New measure	Planned to start in 2014-15.
Review of the second generation resource management framework	Efficiency and effectiveness report completed.	New measure	Planned to be completed by October 2018.

*Target in LTP was for these statements to be completed by December 2012.

**Target in LTP was for submissions to be publicly notified by October 2013.

Funding Impact Statement for 2013-14			
Environmental Policy	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,247	1,282	1,221
Other receipts	137	147	137
Total operating funding	1,384	1,429	1,358
Applications of operating funding			
Payments to staff and suppliers	1,040	1,096	1,028
Internal charges and overheads applied	344	333	315
Other operating funding applications	-	-	15
Total applications of operating funding	1,384	1,429	1,358
Surplus (deficit) of operating funding	-	-	-
Reconciliation			
Total applications of operating funding	1,384	1,429	1,358
Expenditure as per Income Statement	1,384	1,429	1,358

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:
There are no variances which are considered significant.

Activity: Environmental Science and Monitoring

Activity: Environmental Science and Monitoring		
Operating costs of this activity represents approximately 4% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Knowledge, information and services to enable the management of Marlborough's natural and physical resources in a sustainable way.	Environmental sustainability, prosperity.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes primarily to the community outcome of environmental sustainability and Council outcome of a place where people enjoy living by undertaking resource monitoring, investigations, and providing 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 and Council outcome of a prosperous community and economy for all Marlburians by ensuring resources are available to support economic growth.

What is this Activity About?

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

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

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

This activity is also responsible for implementing a range of non regulatory resource management methods to effectively promote the sustainable management of our natural and physical resources. This also includes

Activity Group: Environmental Management

education and advocacy of resource users and the wider community, and provides support for flood and other environmental emergency responses.

Emphasis has been placed on the monitoring and development of sustainable programmes associated with fresh water resources and this is expected to continue into the future. This reflects the value of water to the community and its overall vulnerability to over use and contamination. While there are other important programmes associated with measuring air quality, land resource monitoring and the protection of biodiversity, it is expected over the next ten years that more investment may also be necessary in monitoring of the coastal marine environment and freshwater eco systems.

Asset Description

Council operates 85 automated real time monitoring stations that measure a number of environmental parameters to support a range of resource monitoring programmes and emergency responses such as flooding.

Environmental parameters	Number of parameters monitored
Rainfall	27
Surface Water level	31
River Flow	21
Groundwater Level	33
Groundwater Temperature	11
Groundwater Conductivity	7
Air Quality (PM10)	2
River Water Quality	3
Total	135

Major Budgeted Projects

Environmental Management - \$1,041,000		
Description	Comment	Value
Fresh Water Resource		
Ground water quantity and quality monitoring investigations	SOE Monitoring including research into aquifer recharge investigations	\$62,000
Significant wetland surveys	Identification of a schedule of regionally significant wetlands	\$20,000
Recreational bathing water and SOE water quality monitoring	Collection of samples and lab costs	\$83,000
Taylor River Fresh Water Quality Investigations	Study and report on Taylor River Catchment and Stormwater Monitoring Network	\$120,000
Biodiversity		
Significance Nature Area assistance programme	Programme for private land, protection, advice, surveys, and seed eco sourcing, tui to town	\$120,000
Land Resource		
Marlborough Landscape Group	Group facilitation and planting programmes (Greenscape contracts)	\$100,000
Soil Monitoring and investigations	Soil sampling, characterisation of soil types, erosion, land use monitoring	\$50,000
Contaminated land investigations (HAIL sites)	Investigations as issues arise	\$50,000
Diffuse pollution farm plans.	Programme to encourage best land use practice through environmental farm planning, fencing streams and riparian	\$27,000

	planting in the Pelorus catchment.	
Coastal Resource		
Biological monitoring of benthic communities	Biological monitoring of impacts on the benthic communities from inter-island ferry operations	\$28,000
Hydrographic Models for Pelorus Sound	Investigations to set baseline and development of Coastal Water Quality models.	\$114,000
Data collection and habitat surveys in Marlborough Sounds	Collecting baseline information on Coastal water quality and estuarine habitat.	\$210,000
Air Resource		
Air Quality Monitoring	Pm10 monitoring	\$22,000

Emerging Issues and Expected Changes

The Regional Policy Statement and Resource Management Plans, which are currently under review, will provide the strategic direction for future levels of service for resource monitoring, science investigations and non regulatory methods to mitigate various environmental effects. It is also anticipated that central government may propose new national environmental standards and regulations under the RMA which will further impact on services.

Diffuse pollution remains as the biggest threat to fresh water quality in the District. Monitoring programmes will need to evolve to meet changes in the environment and expectations of local and central government legislation. In terms of strategies to help improve degraded water bodies a non regulatory approach to encourage best land use practice in conjunction with a compliance regime is expected to be promoted.

The overall condition of our coastal environment from effects from land use, sewage disposal, vessel waste, siltation and marine farming is not that well understood. While some progress is being made towards investigations into what to monitor, and how to structure a monitoring programme additional resourcing will be necessary over future years. A monitoring programme will provide the community with a baseline of environmental conditions and provide better technical information to measure environmental change and enable potential growth to occur on a more balanced and strategic basis.

Levels of Service: Environmental Science and Monitoring			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Monitoring, investigations, gather and analyse information, and report on the state of Marlborough's natural resources including: Fresh Water, Land, Air and Coastal.	Timeliness of completion data integrity audits.	30 June	30 June
	Number of technical monitoring report cards completed.	5	6
	Completion of comprehensive state of the environment report every six years.	Published 2008-09	N/A
	Timeliness completion of resource investigations and reporting to Council.	30 June	30 June
Effective environmental monitoring network is operated.	Percentage availability of the Environmental monitoring network.	99%	99%
Promotion of resource management programmes to help maintain or improve the condition of the environment.	Long term trend in the number of protected terrestrial or wetland indigenous biodiversity sites on private land.	70	73
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Marlborough Environment Awards are held biennially.	2010-11	N/A
	Percentage of planned educational or communication programmes are completed annually.	90%	90%

Activity Group: Environmental Management

Funding Impact Statement for 2013-14			
Environmental Science and Monitoring	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,517	2,339	2,379
Fees and charges	5	5	5
Internal charges and overheads recovered	65	65	64
Other receipts	276	268	267
Total operating funding	2,863	2,677	2,715
Applications of operating funding			
Payments to staff and suppliers	2,339	2,179	2,521
Internal charges and overheads applied	547	525	546
Total applications of operating funding	2,886	2,704	3,067
Surplus (deficit) of operating funding	(23)	(27)	(352)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	71	99	69
Increase (decrease) in reserves	(94)	(126)	(421)
Total applications of capital funding	(23)	(27)	(352)
Surplus (deficit) of capital funding	23	27	352
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,886	2,704	3,067
plus - Depreciation and amortisation	78	74	77
less - Internal charges and overheads recovered	65	65	64
Expenditure as per Income Statement	2,899	2,713	3,080

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- Increase(decrease) in reserves:
 - Includes a Characterisation Study of the Taylor Catchment, the establishment of a Stormwater Monitoring Network for Blenheim and implementation of a Coastal Monitoring Strategy funded from reserves.

Activity: Resource Consents

Activity: Resource Consents		
Operating costs of this activity represents approximately 3% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
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.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

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. This activity contributes to the Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians by supporting development for community and economic benefit.

What is this Activity About?

This Activity involves discharging Council's statutory obligations under the Resource Management Act (RMA). RMA 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 RMA 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.

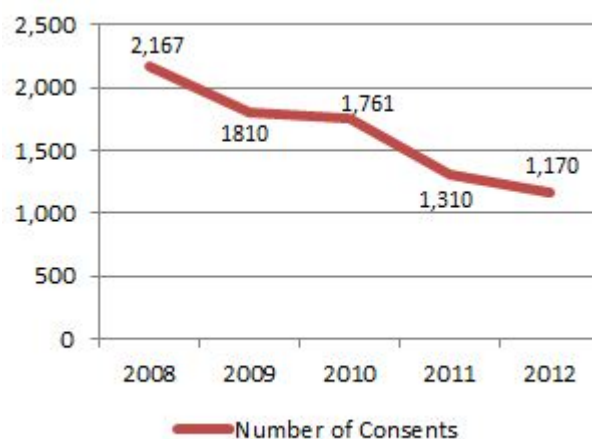
Specifically this activity processes five different types of resource consents:

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

The Resource Consent 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. The graph below shows there has been a general decline in numbers since the peak times.⁸ Within each year there are also daily, weekly and monthly fluctuations in the number and types of application.



⁸ For a calendar year from January to December.

Activity Group: Environmental Management

Emerging Issues and Expected Changes

The challenges for this activity are centred on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents and providing a fair, cost effective and consistent service to the community.

Council as a large unitary is faced with processing a constantly fluctuating work flow including a number of applications of a complicated nature, particularly those involving the allocation of water and coastal space.

Council constantly reviews its processes and procedures to ensure adherence to current best practices.

Levels of Service: Resource Consents			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.0
Provide a consent service that is fair, consistent, cost effective, timely and responsive to customers' needs.	% of resource consent applications processed within statutory timeframes.	90%	90%
	% of objections under section 357(b) compared to total number of applications processed ⁹ .	<0.5%	<0.5%
Provide consistent, appropriate and timely information to applicants and the public on the RMA, resource consent and approval process.	% of incomplete applications rejected under the requirements of RMA - section 88.	<20%	<16%

Funding Impact Statement for 2013-14			
Resource Consents	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	785	891	908
Fees and charges	1,445	1,250	1,225
Internal charges and overheads recovered	23	23	22
Other receipts	86	102	102
Total operating funding	2,339	2,266	2,257
Applications of operating funding			
Payments to staff and suppliers	1,605	1,565	1,542
Internal charges and overheads applied	731	700	709
Total applications of operating funding	2,336	2,265	2,251
Surplus (deficit) of operating funding	3	1	6
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	3	3	3
Increase (decrease) in reserves	-	(2)	3
Total applications of capital funding	3	1	6
Surplus (deficit) of capital funding	(3)	(1)	(6)
Funding balance	-	-	-

⁹ RMA, section 357(b) - Right of objection in relation to imposition of additional charges or recovery costs.

<u>Reconciliation</u>			
Total applications of operating funding	2,336	2,265	2,251
plus - Depreciation and amortisation	1	1	-
less - Internal charges and overheads recovered	23	23	22
Expenditure as per Income Statement	2,314	2,243	2,229

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Fees and charges – the reduction is because the economy is not expected to improve as early as previously expected.*

Activity: Environmental Protection

Activity: Environmental Protection

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

Outcome	Related Community Outcomes	Related Council Outcome
Ensuring statutory compliance with the Resource Management Act 1991, Resource Management Plans, resource consents, bylaws and Local Government Act.	Environmental sustainability, Health choices.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of Environmental sustainability by ensuring that Resource Management Act (RMA), Resource Management Plans and resource consents are complied with. Also contributions are made to the Community Outcome Health choices by monitoring land uses, subdivisions, discharges, water takes and coastal activities. The activity contributes to the Council outcome of a place where people enjoy living by ensuring that the community enjoyment of the environment is protected.

What is this Activity About?

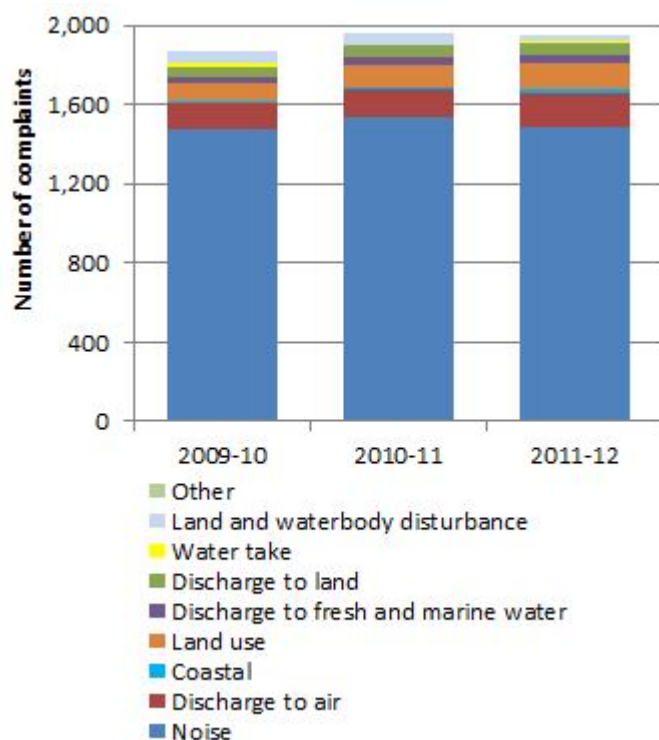
The council monitors the effect of implementing its Resource Management Plans by monitoring compliance with the conditions of permitted activity rules and Resource Consent conditions.

The main activities of the Environmental Protection section are:

- **Monitoring** – Proactively monitor activities that have either a greater environmental impact warranting special consideration, generate community concern or are related to trends highlighted through the State of the Environment Report.
- **Complaint Response** - Investigate alleged breaches of the RMA, Resource Management Plans and consents. Council receives over 1,500 complaints on an annual basis in regard to alleged breaches of the RMA 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.
- **Emergency Response** – Respond to emergencies that have the potential to affect the environment (eg: spillages, discharges).
- **Education:** Good education leads to the community understanding and taking ownership of an issue and its resolution. It is an effective way of bringing about a long-term change in environmental behaviour and also allows Council and the community to foster good relationships and deal with issues in a proactive as opposed to a regulatory manner.

Activity Levels

During 2011-12, Council received 2,031 complaints (2010-11: 1,960). Noise complaints are the most common complaint received:



Emerging Issues and Expected Changes

- Discharge of waste water and grape marc from wineries.
- Monitoring of aquaculture resource consents following the increased area provisionally allocated to this activity.
- Monitoring of Land Disturbance consents associated with the Forestry Industry.
- The continuing increase in complaints.

Levels of Service: Environmental Protection			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	6.5	6.5
Monitor activities that have either a greater environmental impact warranting special consideration, or are activities that generate community concern or are related to trends highlighted through the State of the Environment Report.	Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consents.	New measure	By 30 June
	Report on waste from wineries for compliance with resource consent conditions, (waste water and grape marc)	New measure	By 31 July
	Report on resource consents for the discharge of sewage from commercial operators to Marlborough Sounds' land or coastal waters.	New measure	By 31 July
Monitor and investigate alleged breaches of the RMA, Resource Management Plans and Consents.	% of complaints assessed and acknowledged within one working day.	New measure	80%
	% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.	99%	100%

Activity Group: Environmental Management

Funding Impact Statement for 2013-14			
Environmental Protection	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	937	904	956
Fees and charges	63	61	61
Other receipts including fines	111	111	115
Total operating funding	1,111	1,076	1,132
Applications of operating funding			
Payments to staff and suppliers	732	713	761
Internal charges and overheads applied	377	361	369
Total applications of operating funding	1,109	1,074	1,130
Surplus (deficit) of operating funding	2	2	2
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	2	2	2
Total applications of capital funding	2	2	2
Surplus (deficit) of capital funding	(2)	(2)	(2)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,109	1,074	1,130
plus - Depreciation and amortisation	2	2	2
Expenditure as per Income Statement	1,111	1,076	1,132

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.



Activity Group: Regulatory

Activity Group: Regulatory

Rationale for Activities in this Group

Council is charged with carrying out a number of statutory functions, on behalf of Central Government. These responsibilities are denoted down to Local Government by statute. This grouping contains activities driven by various statutes which have nothing in common and no real interrelationships.

The responsibility for managing this group of activities has been given to the Regulatory Group to manage.

The following Funding Impact Statement (FIS) is for the activity group, throughout this section a separate FIS is included for each activity and these should be referred to for more detailed information.

Funding Impact Statement for 2013-14

REGULATORY	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,496	2,403	2,417
Fees and charges	2,778	2,665	2,806
Other receipts	633	622	594
Total operating funding	5,907	5,690	5,817
Applications of operating funding			
Payments to staff and suppliers	4,207	4,062	4,145
Internal charges and overheads applied	1,479	1,415	1,455
Other operating funding applications	32	31	33
Total applications of operating funding	5,718	5,508	5,633
Surplus (deficit) of operating funding	189	182	184
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	69	-	-
Capital expenditure to improve the level of service	2	62	136
Capital expenditure to replace existing assets	67	75	176
Increase (decrease) in reserves	51	45	(128)
Total applications of capital funding	189	182	184

Surplus (deficit) of capital funding	(189)	(182)	(184)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,718	5,508	5,633
plus - Depreciation and amortisation	128	111	146
Expenditure as per Note 1	5,846	5,619	5,779

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

Explanations for this Group Activity are included in the individual Activity Funding Impact Statements.

Activity: Biosecurity (Pest Management)

Activity: Biosecurity (Pest Management)		
Operating costs of this activity represent approximately 1% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
The economic and ecological impacts of pests in the District are minimised.	Prosperity, environmental sustainability.	A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to Community Outcomes of environmental sustainability and prosperity and the Council outcome of a prosperous community and economy for all Marlburians by reducing the impacts of animal and plant pests on the primary sector and our natural environment.

What is this Activity About?

The Biosecurity Act 1993 enables Council to have a significant regional role in carrying out pest management activities. In Marlborough there is a long history of pests which impact on our economy and the environment. Furthermore the potential of new pest threats are continuous and require an active regime in order to understand and manage any impacts.

The framework for managing pests has been through the development and implementation of a Regional Pest Management Strategy (RPMS). The RPMS includes pests that have a regional focus, rather than being of national significance. The RPMS defines and declares 37 plant and animal pests and contains a variety of methods, both regulatory and non regulatory, on how the listed pests are to be managed. Broadly the listed pests are classified into three main groups;

Total Control Pests – pests of limited distribution which potentially would have a high impact if left unmanaged. The objective is to eradicate these species 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 are more widespread in nature which have a high impact on the environment and 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, however council intervention may be justified for certain pests.

Surveillance Pests - pests which have significance and require further information gathering. The only management intervention is the banning of sale, propagation and distribution.

Council undertakes a coordinated approach to manage the risks and impact of pest threats to the terrestrial, freshwater and marine environments.

The major part of Council's pest management activity is directed towards providing advice to land occupiers and the public on identifying and controlling pests and monitoring to ensure land owner compliance with pest control programmes. The activity is predominantly focused in the Wairau/Awatere catchment to protect the productive state of Marlborough's primary industries.

The Council also provides funding to the Animal Health Board for the purpose of the vector control programme, pursuant to the National Pest Management Strategy for Bovine Tb.

Emerging Issues and Expected Changes

Over the next few years our focus is centred on the need to adequately respond to:

- The statutory requirement to review the Regional Pest Management Plan to ensure that the Plan remains in compliance with the Biosecurity Amendment Act and subsequent national policy directions.
- The need to review existing pest programmes, emerging pest issues and policies to ensure the levels of intervention remain current and remain fit with community expectations.
- The ongoing risk of Chilean needle grass spread continues. Effective control, intervention and management of pathway risks is under review and may require additional resources and an adaptive management approach in the future.
- The need to review policies to manage biodiversity pest threats on sites that are identified as Significant Nature Areas (SNA). In particular an impact assessment is required for SNA in south Marlborough where the Animal Health Board possum control programme is planned to be withdrawn.

Levels of Service: Biosecurity (Pest Management)			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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
Monitoring and controlling the spread and impacts of animal and plant pests.	Percentage of sites (Containment Pests) inspected or audited to confirm that control programmes have been undertaken to standard.	80%	85%
	Percentage of known active Total Control Pest sites controlled annually.	New measure	95%
	The number of hours spent searching (surveillance) for pests outside known areas.	New measure	>500hrs
Prepare, publish, and implement the RPMS operational plan.	Timeliness completion of annual plan to the Environment Committee.	30 October	30 October

Funding Impact Statement for 2013-14			
Biosecurity (Pest Management)	LTP 2013-14	LTP 2012-13	AP 2013-14
	\$000's	\$000's	\$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,126	1,067	1,068
Other receipts	147	145	142
Total operating funding	1,273	1,212	1,210
Applications of operating funding			
Payments to staff and suppliers	1,001	950	946
Internal charges and overheads applied	271	260	263
Total applications of operating funding	1,272	1,210	1,209
Surplus (deficit) of operating funding	1	2	1
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	1	2	1
Total applications of capital funding	1	2	1
Surplus (deficit) of capital funding	(1)	(2)	(1)

Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,272	1,210	1,209
plus - Depreciation and amortisation	1	2	1
Expenditure as per Income Statement	1,273	1,212	1,210

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:
 There are no variances which are considered significant.

Activity: Building Control

Activity: Building Control		
Operating costs of this activity represents approximately 3% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Residents and visitors live and work in buildings that are healthy and safe.	Affordable housing and Energy efficiency.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes 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. The activity also contributes to the Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians by supporting development of residential and industrial property.

What is this Activity About?

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

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

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

This Activity also involves other functions under separate legislation including:

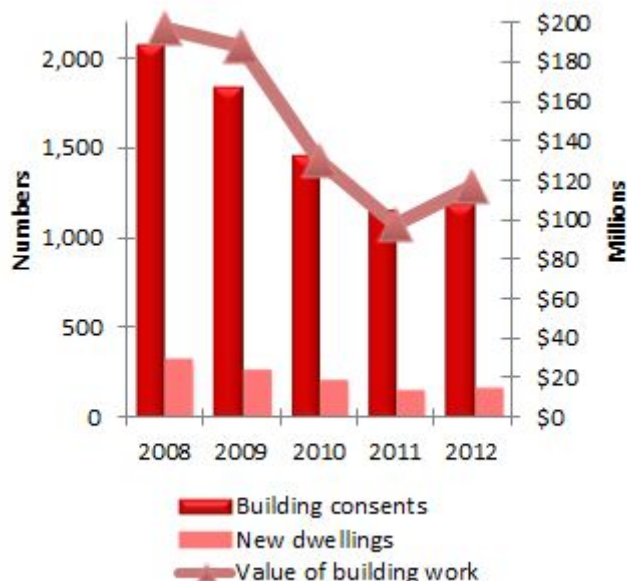
- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act 2002.
- The Council is required to have an accredited Building Consent Authority.

Land Information Memoranda

The issuing of a 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 memorandum to the applicant. Council is required to hold Land Information Memoranda (LIM) pursuant to section 44A of the Local Government Information and Meetings Act 1987. Council is also required to process all LIM requests within statutory timeframes.

Activity Levels

The activity level of the Group varies from year to year but has noticeably fallen since the economic downturn. However, administration of each building consent is more time consuming since changes to the Building Act. The following table lists the numbers of Building Consents handled during the past few years¹⁰:



Emerging Issues and Expected Changes

1. Building Control Fees

A significant change to the Building Control fees schedule will be implemented by introducing a 'Flat Fee' system. The principles behind the structure are:

- The fees are easily understandable and reasonably simple.
- That applicants and the public can know before any project starts how much the consent fees will be.
- The new flat fee attempts to achieve, as near as reasonably possible, full recovery of costs so that building project costs do not fall on other ratepayers.

Under the new fees schedule fees for some groups of consents will rise while others will drop. Overall, our fee schedule will compare very reasonably with other Councils.

A separate consultation exercise was undertaken on the level and structure of building control fees during March and April 2013.

2. Building Consent Authority Regulation 18 requirements:

Reg 18 - Requiring technical qualifications

- (1) This regulation applies to a building consent authority's employees and contractors who perform the authority's building control functions by doing a technical job.
- (2) The building consent authority must have a system for ensuring that every employee and contractor—
 - (a) has an appropriate New Zealand qualification; or
 - (b) is working towards having an appropriate New Zealand qualification within a reasonable time; or
 - (c) has an appropriate foreign qualification recognised in New Zealand.

This regulation requires all Building Consent Officers (BCO's) in the group to achieve these qualifications. BCO's must be registered for this requirement by November 2013.

¹⁰ For a calendar year from January to December.

Levels of Service: Building Control			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.0	6.0
Provide a service that is responsive to customer needs and minimise risks to public safety.	% of Building Consents applications granted within 20 working days of receipt of the application.	100%	100%
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	New measure	100%
	% of swimming pools inspected annually.	15%	>15%
	% of Building Warrants of Fitness audited annually.	20%	20%
Provision of Land Information Memoranda	Number of liability claims made because of incomplete or inaccurate information supplied.	1	<3

Funding Impact Statement for 2013-14			
Building Control	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	373	384	369
Fees and charges	2,078	1,986	2,086
Other receipts	113	114	70
Total operating funding	2,564	2,484	2,525
Applications of operating funding			
Payments to staff and suppliers	1,644	1,604	1,612
Internal charges and overheads applied	893	854	871
Other operating funding applications	26	25	24
Total applications of operating funding	2,563	2,483	2,507
Surplus (deficit) of operating funding	1	1	18
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	1	1	-
Increase (decrease) in reserves	-	-	18
Total applications of capital funding	1	1	18
Surplus (deficit) of capital funding	(1)	(1)	(18)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,563	2,483	2,507
plus - Depreciation and amortisation	1	1	1
Expenditure as per Income Statement	2,564	2,484	2,508
Operating expenditure			
Building Control	2,386	2,311	2,339
LIMs	178	173	169
Capital expenditure:			
Building Control	1	1	-

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:
 There are no variances which are considered significant.

Activity: Environmental Health

Activity: Environmental Health		
Operating costs of this activity represent approximately 1% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
To ensure residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	Health choices.	A place where people enjoy living. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of Health choices and Council outcomes of a place where people enjoy living and a prosperous community and economy for all Marlburians 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?

This activity provides services to protect the public health through registration and inspection of premises that prepare or sell food and the investigation of food complaints, as required by the Health Act 1956 and Food Act 1981. The activity also promotes public health and food safety by undertaking education activities and providing written information material to the public.

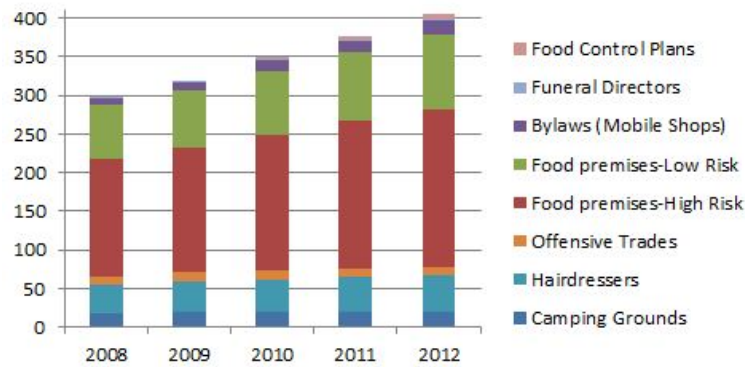
Further, our Environmental Health Officers administer the Sale of Liquor Act 1989, which requires the issuing of liquor licences and monitoring compliance with licence conditions. Staff also investigate nuisance complaints such as noise, smoke, odours, pest control and hazardous substances. In summary the main focus of this activity are:

- The licensing, inspection and enforcement of standards with regard to all premises (particularly food, hairdressers, camping grounds and offensive trades) to ensure compliance with the relevant legislative requirements.
- The licensing and inspection of premises that sell or supply liquor, to ensure compliance with the relevant legislative requirements and licence conditions.
- The licensing and inspection of markets, food stalls and other annual events.
- To investigate statutory nuisances and respond to noise complaints within seven working days.
- The assessment/granting of Class Four Gaming Consent applications.
- The response to complaints of critical nature (food poisoning) within one working day and of non-critical nature within seven working days.
- And in general, ensure that the health of the public of Marlborough is not put at risk from environmental influences by investigating conditions¹¹ that may directly or indirectly have the potential to threaten public health. All complaints regarding these threatening conditions are responded within seven working days.

Activity Levels

Activity levels have steadily increased in recent years especially inspections of food premises.

¹¹ With particular emphasis on statutory nuisances, bylaw, air quality and noise complaints.



Emerging Issues and Expected Changes

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

The issues and changes facing Environmental Health are:

- The enactment of the Sale and Supply of Alcohol Act 2012 may place an additional administrative burden on Council.
- Expected changes to the Food Act that may place an additional administrative burden on Councils who will be enforcing the Act.
- Continuing use of frost fans.
- Continuing increase in complaints to Council, especially in terms of noise.

Levels of Service: Environmental Health			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%
	Number of annual random inspection of markets and events with 10 or more food stalls.	≥12 of each	≥12 of each
	% of complaints of critical nature (food poisoning) responded within one working day.	100%	100%
	% of complaints of a non-critical nature assessed and acknowledged within seven working days.	100%	100%
Administer the voluntary implementation of Food Control Plans.	Undertake annual audit of all existing food businesses with registered exemptions to ensure compliance with the Food Control Plans.	New measure	100%
	Undertake an initial audit of newly registered Food Control Plans within three months of registration and then annually thereafter.	New measure	100%
Carryout the functions of Licensing Inspector controlling the sale and supply of liquor to the public with the aim of contributing to the reduction of liquor abuse.	% of "On Licences" ¹² inspected once a year.	New measure	90%
	Review Council's Liquor Licensing Policy.	New measure	N/A target for 2015-16.

¹² An "on-licence" allows the sale or supply of liquor to any person present on the premises, for consumption on the premises.

Activity Group: Regulatory

Provide a service for investigation of noise complaints.	% of compliance with specifications in the Excessive Noise Control contract, which includes the contractor's obligations regarding response times.	New measure	80%
	Assess and acknowledge complaints concerning unreasonable noise within one working day.	New measure	80%

Funding Impact Statement for 2013-14

Environmental Health	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	187	181	183
Fees and charges	5	5	10
Other receipts	233	226	242
Total operating funding	425	412	435
Applications of operating funding			
Payments to staff and suppliers	276	269	284
Internal charges and overheads applied	144	138	143
Total applications of operating funding	420	407	427
Surplus (deficit) of operating funding	5	5	8
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	2	2	2
Capital expenditure to replace existing assets	2	2	2
Increase (decrease) in reserves	1	1	4
Total applications of capital funding	5	5	8
Surplus (deficit) of capital funding	(5)	(5)	(8)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	420	407	427
plus - Depreciation and amortisation	5	5	4
Expenditure as per Income Statement	425	412	431

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.

Activity: Animal Control

Activity: Animal Control		
Operating costs of this activity represents approximately 1% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
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.	A place where people enjoy living.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcome of safety and security and Council outcome of a place where people enjoy living.

What is this Activity About?

The activity involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs. It is also responsible for providing services in relation to wandering livestock on public land and roads. The Dog Control Act (DCA) is the primary legislative tool used in this activity, carrying out the majority of its functions together with related regulations; Impounding Act 1955 and Council Bylaws. Council oversees the effective delivery of this service, which is delivered on a day-to-day basis under contract by Maataa Waka Ki Te Tua Ihu Trust (MW).

The contract contains detailed performance measures on registrations, complaints, operation of the dog pound, education, enforcement, impounding, livestock, training and qualification.

Emerging Issues and Expected Changes

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

- The cost of maintaining the levels of service.
- In the current economic climate some owners are not prioritising the registration of their dogs over other expenditure.
- Number of dogs that have not been microchipped.
- Increasing numbers of callouts for wandering stock.
- There is an element of public good associated with the function of Animal Control – Council to determine what proportion of the activity should be rate funded.

Levels of Service: Animal Control			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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
To provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	% of compliance with the service specifications in the Animal Control contract with MW. The key service specifications relate to Education, Unaccounted for Dogs and Complaints.	100%	100%
	Report on how MW has met their obligations under the contract.	New measure	By 30 September
	Compliance with DCA requirements by: <ul style="list-style-type: none"> • Reviewing policies and bylaws; and • Preparing and publicising a report annually. 	N/A N/A	N/A 30 September

Funding Impact Statement for 2013-14

Animal Control	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	40	39	39
Fees and charges	562	544	560
Other receipts	14	14	14
Total operating funding	616	597	613

Activity Group: Regulatory

Applications of operating funding			
Payments to staff and suppliers	531	505	529
Internal charges and overheads applied	54	51	63
Other operating funding applications	6	6	4
Total applications of operating funding	591	562	596
Surplus (deficit) of operating funding	25	35	17
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	25	35	17
Total applications of capital funding	25	35	17
Surplus (deficit) of capital funding	(25)	(35)	(17)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	591	562	596
plus - Depreciation and amortisation	6	5	5
Expenditure as per Income Statement	597	567	601
Operating expenditure			
Dog Control	544	516	550
Other Animal Control	53	52	52

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

There are no variances which are considered significant.

Activity: Harbours

Activity: Harbours		
Operating costs of this activity represents approximately 1% of all the activity expenditure		
Outcome	Related Community Outcome	Related Council 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.	A place where people enjoy living. A place where people can enjoy quality leisure opportunities. A prosperous community and economy for all Marlburians.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Safety and Security (on the waterways) Community Outcome by providing aids to navigation as well as on-water patrols to monitor compliance with bylaws. Fun and recreation Community Outcome is contributed to by the establishment and regular patrols of water-ski lanes and swimming areas when established. The Environmental sustainability Community Outcomes is contributed to by providing approved response plans to manage marine oil spills. This activity contributes to the Council outcomes of a place where people enjoy living and a place where people can enjoy quality leisure opportunities by helping to deliver safe recreation in the Sounds and a prosperous community and economy for all Marlburians by supporting economic use of the Sounds.

What is this Activity About?

This activity involves ensuring safety in Marlborough's extensive marine waterways. The Marlborough Sounds comprises approximately 1,500 kms of coastline (which is 18% of New Zealand's entire coastline) and 4,136 km² of water area. The Sounds is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries.

The purpose of the Harbours Activity 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 Activity 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 Activity is to:

- Provide a 24/7 service, with a rostered system for after-hour call-outs.
- 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 Monitoring Services.
- Monitor and manage compliance using statutes, bylaws and regulations that directly affects the Marlborough Sounds.
- Manage emergencies and risks that threaten people, the environment, property or economic benefits from the coastal regions of Marlborough.
- Protect Marlborough's coastal environment for this and future generations from pollution through the ability to respond and deal with oil spills or other environmental risks.
- Educate maritime users in particular, and the whole community in general, on the safe and sustained use of Marlborough's marine environment.
- Provide support to Council on decision and policy provisions related to the region's marine environment.
- Assist Central Government agencies and other Council Activities in meeting their responsibilities within Marlborough's marine area.
- Promote the public image of the Council in the management of its marine responsibilities.

Activity Level

The Marlborough Sounds are busy waterways, particularly during the summer months. To provide a brief statistical overview of some of the typical Harbours Activity matters. A variety of craft use the Sounds:

Recreational Vessels

Recreational use is important in the Sounds, both in terms of access to property and for leisure uses. Currently there are 1,158 berths in the Port Marlborough marinas of which over 90% are occupied. In addition, there are in excess of 3,000 moorings in the Sounds and it is estimated that 50% are occupied on a continuous basis. Further, during the summer season, it is estimated that up to 10,000 additional recreational crafts make use of the Sounds.

Commercial Vessels

The Marlborough Sounds is important for commercial use. There were almost 7,000 ferry movements, which according to the New Zealand Standards demonstrates that the area is the second busiest harbour after Wellington. In addition there are over 120 movements of passenger and log ships within the Sounds, the majority of these calling at Picton.

An important aspect of Council as Harbour Authority is to patrol these busy water to ensure safety and to provide education. Patrols are regularly undertaken with a particular emphasis on the summer months. Records are kept of patrols as well as reported incidents.

Oil Spill Response

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

Emerging Issues and Expected Changes

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.

Activity Group: Regulatory

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.

The contract for the Aids to Navigation Maintenance was due for renewal in 2013. The quotations received on tender was significantly higher than the previous contract. As a result an evaluation was undertaken on whether or not to bring this activity in house. The results of this evaluation indicated that the activity could be undertaken in house for a cost similar to the previous contract value, however to undertake this activity an additional boat is required at an estimated cost of \$66,500.

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 Activity'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 as water use changes.
- Ongoing review of the Harbour Risk Assessment with a complete review every three years.
- Keeping the adequacy of the Aids to Navigation (AtoN) network under review to ensure that changes in waterway use are incorporated in establishment of additional AtoNs.

Levels of Service: Harbours			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7
Provide a safe environment for all users through effective public education	Safe Sounds Boating brochure reviewed, printed and ready for distribution annually.	Labour weekend	100% by Labour weekend
	Number of weekends in period commencing at Labour Weekend through to end of Easter of the following year where patrols undertaken.	≥15	≥20
	Number of weekday patrols undertaken from mid-December through to end of January of the following year.	New measure	≥30
	% of navigation warnings issued within two hours of a reported event that may impact on navigation safety.	100%	100%
Ensure that Port and Harbour Safety Code requirements are met.	Full review of the Harbour Safety Plan.	Triennially	No action required
	% of funded mitigation measures completed.	80%	80%
Ensure navigation safety and bylaw requirements in the Marlborough Sounds area are adhered to.	Number of random light inspections of marine farms undertaken.	>200	>200
	Information regarding accidents and incidents is received and, where relevant, passed onto MNZ within five days.	100%	100%
Ensure that navigation aids, swimming and water-ski lanes are maintained effectively.	% of time aids to navigation are working in compliance with the International Association of Lighthouse Authorities (IALA) standards.	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.	>4 (2 of each)	>4 (2 of each)

Funding Impact Statement for 2013-14			
Harbours	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	769	732	758
Fees and charges	134	130	150
Other receipts	126	124	126
Total operating funding	1,029	986	1,034
Applications of operating funding			
Payments to staff and suppliers	755	734	774
Internal charges and overheads applied	117	112	115
Other operating funding applications	-	-	5
Total applications of operating funding	872	846	894
Surplus (deficit) of operating funding	157	140	140
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	69	-	-
Capital expenditure to improve the level of service	-	60	134
Capital expenditure to replace existing assets	64	72	174
Increase (decrease) in reserves	24	8	(168)
Total applications of capital funding	157	140	140
Surplus (deficit) of capital funding	(157)	(140)	(140)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	872	846	894
plus - Depreciation and amortisation	115	98	134
Expenditure as per Income Statement	987	944	1,028

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- *Capital expenditure:*
 - *Increased navigational aids and instrumentation.*
 - *Purchase of an additional boat to undertake Aids to Navigation Maintenance – estimated costs \$66,500.*



Activity Group: Regional Development

Activity Group: Regional Development

Rationale for the Delivery of the Regional Development Activity Group

Council 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 an attractive tourist destination. As a provider of infrastructure (such as roading, water, parking and irrigation), as a regulator of many business activities, Council is both a facilitator and encourager of development in the region.

Activity: Regional Development		
Operating costs of this activity represents approximately 6% of total activity expenditure.		
Outcome	Related Community Outcome	Related Council Outcome
Improved quality of life for all residents. A prosperous community.	Prosperity, Enterprise and Endeavour, Full Participation.	A prosperous community and economy for Marlburians. A place where people can enjoy quality leisure opportunities.

How this Activity Contributes to Related Community and Council Outcomes

This activity contributes to the Community Outcomes of prosperity, enterprise and endeavour and full participation by working collaboratively with key industries to identify and take advantage of commercial development opportunities within the District to the Council outcomes of a prosperous community and economy for Marlburians and a place where people can enjoy quality leisure opportunities by supporting the sustainable growth of the regional economy.

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 and to benefit from the wealth created.

Some services are provided by Council specifically for the benefit of the regional economy:

- Economic development.

- Marketing and tourism.
- Marlborough Research Centre.
- Parking.
- Irrigation.

Economic Development

Council has recently embarked on developing a regional vision and strategic framework. The 'Smart and Connected' vision seeks to foster the economic development of the region, by balancing achieving economic growth with protecting Marlborough's special environment, providing quality jobs and services for the community, and maintaining consistency with the culture of the region. This vision will require all of the community to input to ensure it is achieved, and Council's role is to encourage participation whilst focusing its own activities around the Smart and Connected framework.



Council made a start on the implementing of the framework in 2012-13 and is proposing to accelerate internal and external implementation in 2013-14. Progress to date includes:

- Smart Business Marlborough service was inaugurated to provide a single point of contact for business development proposals within Council.
- Connecting Marlborough businesses to opportunities associated with the \$40 billion rebuild of Christchurch.
- Working with Marlborough Research Centre to connect innovative Marlborough business to scientific and market support, and in developing a Food and Beverage Strategy for Marlborough that aims to develop high value nutraceutical and pharmaceutical products from the food products that are produced in this region.

The Council also 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.

Marketing and Tourism

Council's role is to market and promote 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.

The Regional Tourism Organisation, Destination Marlborough, delivers this activity with funding from Council and other organisations.

Activity Group: Regional Development

In addition, Council as part of its consideration of submissions, decided to allocate \$60,000 towards the establishment of an Event Co-ordinator role to develop and manage a Regional Event Strategy for Marlborough. The role will improve alignment of event opportunities and communication between event organisers, facilities, businesses, the community and marketing channels to improve the attractiveness and value of visiting Marlborough. A particular focus will be on the shoulder seasons, when visitor numbers tend to drop off. This role should provide significant benefit to the Marlborough business community.

Marlborough Research Centre (MRC)

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

MRC 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. MRC are a key partner in the implementation of the Smart and Connected vision.

MRC, Riddet Institute and Massey University are working jointly to implement a Food and Beverage Strategy for Marlborough. Council has provided \$90,000 to support this activity.

Parking

A large number of our businesses are located in or close to our main town centres of Blenheim and Picton. The ability for customers, staff and visitors to access these businesses is supported by the provision of convenient and affordable car parks, as well as support for other modes such as public transport, biking and walking. Council provides, operates and maintains over 2,000 on and off-street parks in Blenheim and Picton. This service is contracted to Marlborough Roads, which currently sub-contracts parking enforcement to ADT Armourguard and the Cash Collection contract, which is held by Gary Ching Ltd.

This provision of car parking in Blenheim and Picton town centres is guided by parking strategies for each town. Blenheim and Picton's parking strategies are due to be adopted in 2014. Measurement of parking occupancy levels in Blenheim is carried out by contract, and will possibly extend to Picton following the adoption of the Picton parking strategy during 2014. The table below provides a summary of Blenheim and Picton kerbside and off-street parking numbers:

Parking	Length / Quantity
Blenheim Car Parks	357 kerbside metered; 918 off-street metered (includes 348 car park building); 130 off-street leased; 640 off-street time restricted.
Picton Car Parks	201 off-street metered; 65 off-street time restricted.

Irrigation

Sourcing water for irrigation is of critical importance to our primary industries, particularly in areas of shortage such as south Marlborough. Council has significant expertise and experience in providing water infrastructure in Marlborough, and has developed an irrigation scheme for the Southern Valleys (SVIS) for horticultural, farming and rural residential properties over an area of approximately 4,500 ha to the south of Renwick. The scheme is operated during the drier months of the year providing there is sufficient water available in the Wairau River.

A pre-feasibility study is underway for a community irrigation scheme for the Flaxbourne area around Ward. Council supports in principle other community irrigation schemes if environmental effects can be managed and mitigated. The table below provides a summary of the SVIS assets:

Southern Valleys' Irrigation Scheme (SVIS)	Length/Quantity
Reticulation length	57 km
Service connections	4,500 hectares
Abstraction Gallery	2
Distribution Pumps	6
Booster Pumps	8
Meters	261

Emerging Issues and Expected Changes

- The role of the Council in supporting economic growth is under review via the Smart and Connected vision and framework. Funding has been allocated to focus on the development and implementation of this vision framework.
- The government has refocused its funding of local economic interventions from a regional allocation to a national bidding model. Marlborough is therefore focusing on what can be achieved with local partnerships and by being part of bids by other organisations bidding nationally.
- The decision by government whether to invest in port facilities at Clifford Bay, near Ward, could have a significant impact for that area and for Picton where major port facilities are currently located.
- Balancing economic growth with our special natural environment. Access to good quality water for irrigation and production is a particular issue for our land-based economy.
- A Regional Events Strategy is being developed in partnership with Grow Marlborough to maximise the value of events to the region.
- 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.
- Parking strategies for Picton and Blenheim will guide future decisions about provision, pricing and other parking related issues.

Levels of Service: Regional Development			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2013-14
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".	Reg devt – 6.4 Tourism – 7.3 Research Ctr – 7.0 Parking – 6.3 Irrigation – 6.9	Reg devt – 6.4 Tourism – 7.5 Research Ctr – 7.0 Parking – 7.0 Irrigation – 7.0
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	Complete a strategy for Council's role in regional development.	New measure	N/A
	Develop a work programme from Regional Development Strategy.	New measure	N/A
	% of funded work programme targets achieved.	New measure	80%
Manage Marlborough Research Centre contract to ensure service quality and value.	Number of published research papers.	70	≥50
Effective promotion of Marlborough as a visitor destination.	% change in visitor nights in Marlborough compared to national trends.	% change in visitor nights equal or better than national trends	% change in visitor nights equal or better than national trends
	% of achievement of Destination Marlborough business plan key performance measures.	New measure	80%

Activity Group: Regional Development

Provision of convenient and affordable car parks to support CBD businesses.	Regularly review the parking strategies for Blenheim and Picton. (five yearly)	New measure	Blenheim – December 2013
	Occupancy rates of off-street car parks in Blenheim.	kerbside 65% off street 76% (Queen St and Clubs only) Parking building – New measure	kerbside <70% off street <85% Parking building 70%
Support for land based industries through the supply of irrigation water.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	New measure	≤ 1 event per annum

Funding Impact Statement for 2013-14			
Regional Development	LTP 2013-14 \$000's	LTP 2012-13 \$000's	AP 2013-14 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,032	970	1,067
Targeted rates (other than for water supply)	1,241	1,235	1,235
Fees, charges and targeted rates for water supply	2,200	2,097	2,030
Other receipts	204	199	197
Total operating funding	4,677	4,501	4,529
Applications of operating funding			
Payments to staff and suppliers	1,939	1,882	2,049
Finance costs	1,419	1,468	1,457
Internal charges and overheads applied	300	291	290
Other operating funding applications	503	448	468
Total applications of operating funding	4,161	4,089	4,264
Surplus (deficit) of operating funding	516	412	265
Sources of capital funding			
Increase (decrease) in debt	(758)	(681)	(776)
Total sources of capital funding	(758)	(681)	(776)
Applications of capital funding			
Capital expenditure to meet additional demand	88	105	85
Capital expenditure to improve the level of service	-	67	-
Capital expenditure to replace existing assets	19	18	18
Increase (decrease) in reserves	(349)	(459)	(614)
Total applications of capital funding	(242)	(269)	(511)
Surplus (deficit) of capital funding	(516)	(412)	(265)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,161	4,089	4,264
plus - Depreciation and amortisation	544	552	599
Expenditure as per Income Statement	4,705	4,641	4,863
Operating expenditure			
Economic Development	110	107	251
Marketing and Tourism	910	856	873
Research Centre	136	136	226
Irrigation	1,411	1,406	1,407
Parking	2,138	2,137	2,106
Capital expenditure:			
Irrigation	-	67	-
Parking	106	123	103

Explanation of Variances between LTP for 2013-14 and Annual Plan for 2013-14:

- Fees, charges and targeted rates for water supply:
 - Reduction is primarily reduced parking collections as revenue has not improved as expected earlier.
- Operating expenditure - Economic Development:
 - Increased funding to reflect the reassignment of resources from Environmental Policy to focus on the development of the Smart and Connected vision and full year of the Regional Events Strategy.
- Operating Expenditure Marlborough Research Centre
 - Increased funding of \$90,000 to contribute towards the implementation of the Marlborough Food and Beverage Strategy.



Council Controlled Organisations

Council Controlled Organisations

Activities, Policies and Objectives Relating to CCO's:

Marlborough District Council has the following CCO's:

- MDC Holdings Limited.
- Marlborough Housing for the Elderly Trust.

MDC Holdings Limited

MDC Holdings Limited is 100% owned by Marlborough District Council. Council established MDC Holdings Limited for the purposes of:

- Separating commercial trading activities from the other functions it carries out;
- Bringing Council's main trading activities into one structure; and
- Obtaining commercial borrowing facilities at the most attractive rate attainable.

Port Marlborough New Zealand Limited and Marlborough Airport Limited are subsidiaries of MDC Holdings Limited. Port Marlborough New Zealand Limited operates as a separate entity undertaking in a commercial manner all the activities typically associated with a port and also has the following wholly owned subsidiaries:

- PMNZ Marina Holdings Limited.
- Marlborough Sounds Maritime Pilots Limited.
- Waikawa Marina Trustee Limited.

Marlborough Airport Limited is responsible for the maintenance of the runways and taxiways used by civil aircraft by means of an operating lease from the New Zealand Defence Force. It is also responsible for the provision of a terminal facility and associated minor freight handling.

Consistent with an entity operating in a commercial manner, there is only one significant target which is to generate a long-term tax paid return on opening shareholder funds of greater than 10%. This target is reviewed at the beginning of each year when MDC Holdings Limited's Statement of Corporate Intent is considered.

Marlborough Housing for the Elderly Trust

Marlborough Housing for the Elderly Trust is a charitable trust that assists in the provision of adequate housing for the elderly people of Marlborough.

Council has exempted Marlborough Housing for the Elderly Trust from the reporting requirements of CCOs in terms of the Local Government Act 2002 because of its size.



Part 3: Financial Information

- Income Statement
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Accounting Policies
- Assumptions, Disclosures and Compliance
- Notes to Financial Statements

Part 3: Financial Information

Income Statement

Marlborough District Council				
Income Statement				
for the year ending 30 June:				
	note:	2014 (from LTP) \$000's	2013 (from LTP) \$000's	2014 \$000's
Income:				
Rates revenue	2	56,443	53,972	55,710
Finance income	3	872	877	878
Development and financial contributions		2,067	1,959	1,603
Other revenue	4	35,830	32,223	33,444
Gains	4	1,032	722	1,628
Total income	1	96,244	89,753	93,263
Expenditure by function:				
Roads and footpaths		17,190	16,462	19,268
Sewerage		10,530	9,167	10,397
Water Supply		8,470	8,162	8,095
Community Facilities		7,883	7,718	8,039
Solid Waste Management		7,629	6,429	6,761
Regional Development		4,705	4,641	4,863
Flood protection and control works		4,511	4,384	4,377
Environmental Science and Monitoring		2,899	2,713	3,080
Democratic Process		2,881	2,634	2,765
Building Control		2,564	2,484	2,508
Resource Consents		2,314	2,243	2,229
Library Services		1,596	1,559	1,717
Stormwater drainage		1,769	1,719	1,674
Environmental Policy		1,384	1,429	1,358
Community Housing		1,380	1,254	1,243
Biosecurity (Pest Management)		1,273	1,212	1,210
Community Support		1,235	1,229	1,237
Environmental Protection		1,111	1,076	1,132
Harbours		987	944	1,028
Emergency Management		787	802	730
Culture and Heritage		686	4,084	530
Animal Control		597	567	601
Environmental Health		425	412	431
Community Safety		434	419	375
		85,240	83,743	85,648
less internal interest eliminated	3	5,300	5,118	5,303
Total expenditure by function		79,940	78,625	80,345
Non-activity expenditure				
Other expenditure	5	3,126	2,729	2,487
Marlborough Regional Forestry	5	5,229	5,012	5,333
Total non-activity expenditure		8,355	7,741	7,820
Total expenditure	5	88,295	86,366	88,165
Surplus		7,949	3,387	5,098

Statement of Comprehensive Income

for the year ending 30 June:

	note:	2014 (from LTP) \$000's	2013 (from LTP) \$000's	2014 \$000's
Surplus for the year		7,949	3,387	5,098
Other comprehensive income:				
Gain on property revaluations	8	38,060	41,693	113,806
Total other comprehensive income		38,060	41,693	113,806
Total comprehensive income		46,009	45,080	118,904

Statement of Changes in Equity

for the year ending 30 June:

	note:	2014 (from LTP) \$000's	2013 (from LTP) \$000's	2014 \$000's
Balance at 1 July		1,308,515	1,263,435	1,313,897
Total comprehensive income for the year		46,009	45,080	118,904
Balance at 30 June		1,354,524	1,308,515	1,432,801

Note that the closing equity as per the 2012-13 Long Term Plan differs from the opening equity for the 2013-14 Annual Plan due to the different timings and opening positions used in preparing this information.

Statement of Financial Position

	as at 30 June:	2014 (from LTP) \$000's	2013 (from LTP) \$000's	2014 \$000's
Assets:				
Current assets:				
Cash and cash equivalents		10,169	9,787	1,617
Debtors and other receivables	6	8,718	8,456	7,887
Other financial assets	7	3,330	3,330	3,582
Inventory (including non-current assets held for sale)		342	332	1,208
Total current assets		22,559	21,905	14,294
Non-current assets:				
Other financial assets	7	13,941	13,543	15,232
Intangible assets		557	538	588
Biological assets		8,614	9,015	11,264
Property, plant and equipment	8	1,382,688	1,335,280	1,458,807
Total non-current assets		1,405,800	1,358,376	1,485,891
Total assets		1,428,359	1,380,281	1,500,185
Liabilities:				
Current liabilities:				
Creditors and other payables	9	17,415	16,699	12,385
Employee entitlements		1,520	1,475	1,459
Total current liabilities		18,935	18,174	13,844
Non-current liabilities:				
Borrowings	10	52,260	50,994	50,605
Provisions		1,836	1,817	2,268
Employee entitlements		804	781	667
Total non-current liabilities		54,900	53,592	53,540
Total liabilities		73,835	71,766	67,384
Net assets		1,354,524	1,308,515	1,432,801
Equity:				
Accumulated funds	11	559,864	555,948	561,368
Other reserves	11	794,660	752,567	871,433
Total equity		1,354,524	1,308,515	1,432,801

Statement of Cash Flows

for year ending 30 June:	note:	2014 (from LTP) \$000's	2013 (from LTP) \$000's	2014 \$000's
Cash flows from operating activities:				
Receipts from rates revenue		56,443	53,972	55,710
Interest received		872	877	878
Dividends received		700	695	827
User charges and other revenues		35,622	32,485	32,177
Payments to suppliers and employees		(65,928)	(66,216)	(66,336)
Interest paid		(2,510)	(1,755)	(2,389)
Net cash flows from operating activities		25,199	20,058	20,867
Cash flows from investing activities:				
Sale of assets		2,836	2,004	5,313
Movements in investments		(398)	5,601	(5,094)
Purchase of fixed assets		(28,521)	(42,045)	(26,351)
Net cash flows from investing activities		(26,083)	(34,440)	(26,132)
Cash flows from financing activities:				
Movement in borrowings (external)		1,266	19,488	866
Net increase/(decrease) in cash		382	5,106	(4,399)
Cash and cash equivalents:				
at the beginning of the year		9,787	4,681	6,016
at the end of the year		10,169	9,787	1,617

Note that the closing cash as per the 2012-13 Long Term Plan differs from the opening cash for the 2013-14 Annual Plan due to the different timings and opening positions used in preparing this information.

Statement of Accounting Policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2013 and ending on 30 June 2014.

These prospective financial statements were authorised for issue by Council on 4 April 2013.

These prospective financial statements are prepared to meet the requirements of the Local Government Act 2002 and the information provided may not be appropriate for other purposes.

1. Reporting Entity

Marlborough District Council is a unitary authority located in New Zealand that is governed by the Local Government Act 2002.

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

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

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

2. Basis of Preparation

(i) 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.

(ii) Measurement Base

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

(iii) 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.

(iv) Changes in Accounting Policies

The accounting policies set out below have been applied consistently to the prospective financial statements in MDC's 2012-22 Long Term Plan; to the financial statements for the year ended 30 June 2012; and to these prospective financial statements.

- The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the Council is unable to assess the

implications of the new Accounting Standards Framework at this time.

- Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

(v) **Critical Accounting Estimates and Assumptions and Critical Judgments in Applying Accounting Policies**

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.

The actual results achieved are likely to vary from the information presented and the variations may be material.

3. Significant Accounting Policies

(i) **Investments in subsidiaries**

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

(ii) **Interests in Joint Committees**

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

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

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

(iii) **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 Council as being income on the due date of each instalment. Water Billing is recognised on an accrual basis.

Government Grants

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

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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 MDC 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.

(viii) 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.

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.

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. The Group 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.

(ix) 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; and
- 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. The Council and group 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.

(x) **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.

(xi) **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.

(xii) 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 Abel Properties Limited.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase 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.

(xiii) 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.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and any impairment losses.

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 infrastructural 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 infrastructural assets are initially valued based on the actual quantities of

infrastructural components vested and the current “in the ground” cost of providing identical services and this is their deemed cost.

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 and pavement	Not	
- Pavement layers	80 - 100 years	1 - 1.25%
- Pavement surface	13 years	7.69%
- 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	
- 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	
- Traffic signs	20 years	5%
- Street lighting	20 years	5%
- Traffic islands	50 years	2%
- Street trees	40 years	2.50%
- Street furniture	25 years	4%
- Paved and cobbled areas	30 years	3.33%
- Council wharves	40 years	2.50%
- Port Marlborough wharves and marinas	10 - 50 years	2 - 10%
Carparks		
- Parking meters	10 years	10%
- Land and formation	Not	
- 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 and equipment (excl. Council infrastructural assets)	5 - 13.33 years	7.69 - 20%
Mowers/chainsaws	1 - 2 years	50 -
Sewerage		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%

Asset	Life	Rate
Oxidation ponds:		
- Liner	Not	
- 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	0.67%
Rivers and Drainage		
- Pump stations	35 - 100 years	1 - 2.86%
- Stopbanks/earthworks	Not	
- Rock and gabion protection	Not	
- Trees and tree retards	Not	
- Culverts and gates	Not	
- Channels	Not	
- Dam	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 accumulated funds.

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.

(xiv) **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 MDC 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.

(xv) **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.

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.

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

(xvi) 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 the surplus or deficit for the period in which they arise.

(xvii) Trade and Other Payables

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

(xviii) 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.

(xix) Employee Entitlements

Provision is made in respect of the MDC'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.

(xx) 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.

(xxi) 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 the Council or group 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.

(xxii) Equity

Equity is the community's interest in MDC 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 MDC intends to make of its accumulated profits. 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 alter 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.

(xxiii) 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.

(xxiv) 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.

(xxv) 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 the surplus or deficit for the period.

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

(xxvi) Annual Plan Figures

The comparative 2012-13 and 2012-14 figures are those approved by the Council in its 2012-2022 Long Term Plan. They have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

(xxvii) Emissions Trading Scheme (ETS)

Marlborough Regional Forestry (MRF) is a participant in the ETS with regard to both its significant holdings of "pre 1990" forests and currently minor holding of "post 1989" forests.

Pre 1990 emission units (NZU's) received are recognised at cost (\$nil) and subsequently measured at cost subject to impairment. It is not anticipated that MRF will have any future liabilities or obligations with regard to its pre 1990 forests.

Post 1989 NZU's received are recognised at cost (\$nil) and subsequently measured at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required. If operations proceed as planned there will always be post 1989 units on hand equal to any liability.

Any future cash flows associated with units receivable/payable will be taken into consideration in determining the valuation of the forest estate.

Council's regional landfill has entered the ETS and will incur liabilities from 1 January 2013. NZU's purchased to meet these liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

Funding Impact Statement Accounting Policies

The format of the FIS (down to the "Funding balance" line) is laid down by government regulations which require that non-cash items are excluded from the FIS. This means that the information on the FIS differs from the information in Council's financial statements which are prepared in accordance with generally accepted accounting principles (GAAP).

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

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in "Sources of capital funding" - *whereas* under GAAP they are included in either "Development and financial contributions" or "Other revenue" in the Income Statement.
- Any gain from sale of assets is not included, instead the sale proceeds are included in "Sources of capital funding" - *whereas* under GAAP any such gain is included in "Gains" in the Income Statement.

- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – *whereas* in Council's Income Statement they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council is excluded and is also excluded from capital expenditure - *whereas* under GAAP this amount is included in "Other revenue" in the Income Statement and added to the value of fixed assets in the Statement of Financial Position. However, for some activities a more detailed breakdown of capital expenditure is provided at the bottom of the FIS and this includes the value of vested assets.
- Some of this total may be designated by Council to fund capital expenditure.

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

- Depreciation and amortisation expense is excluded as it does not involve a cash payment- *whereas* under GAAP it is included in Expenditure in the Income Statement. The value of this expense is shown in the reconciliation section.
- In Council's Income Statement internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The "Finance costs" shown are the amount paid by the activity to Council's Investment unit and so are also an internal cost.
- Any loss on sale of assets is not included as it does not involve a cash payment - *whereas* under GAAP it is included in Expenditure in the Income Statement.

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

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

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

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

The Surplus (deficit) of operating funding and capital funding represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differs from a surplus which would be calculated under GAAP.

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

Below each FIS a reconciliation is given of the “Total applications of operating funding” in the FIS and the operating expenditure disclosed for that activity in the Income Statement.

For some activities a further breakdown is given of the operating and capital expenditure, eg: to individual scheme. This operating expenditure breakdown uses information from the Income Statement and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

Assumptions, Disclosures and Compliance

Assumptions

With any financial forecasting, a number of assumptions must be made. The following assumptions have been made in the preparation of this document. Also presented for each assumption is the “level of uncertainty”, “Risk” and “Financial Impact” for each.

Legislative

Assumption

Local Government may be significantly affected by changes in legislation. It is assumed that legislative and Government Policy changes will not significantly impact upon Council’s current responsibilities and activities.

Level of Uncertainty

Medium to high.

Risk

Environmental reporting legislation and Local Government Act reporting requirements may require Council to establish reporting systems and collect data it does not already have.

Financial Impact

Increases in Government requirements will result in increased costs which must be funded either by increased rates or fees and charges. While unlikely, based on recent history should Government reduce legislative requirements or compliance obligations, reductions of rates or fees and charges will result in future.

Inflation

Assumption

The costs, revenues and asset values reflected in this plan are based on current costs.

Level of Uncertainty

Medium to high.

NB: The forecast increases for Capital Expenditure are generally higher than operating cost increases and it is the Capital Expenditure that will be impacted upon the most by how the market responds to the Canterbury rebuild.

Risk

There is a risk that the local inflation rates may be higher or lower than the national averages.

Financial Impact

Should local inflation exceed the national average, this could result in either an increase in costs and debt servicing or deferral of capital projects which may impact upon the level of service that can be provided.

Interest Rate on Council Borrowings

Assumption

Council has assumed a long term interest rate on loans of 7%.

Level of Uncertainty

Low.

Risk

As a result of the current Global Financial Crisis, Council has adopted a conservative position compared to current market rates to mitigate the risk associated with interest rate movements. Council has adopted this approach as interest rates can increase significantly within short timeframes, as has happened in the past.

Council will attempt to mitigate the impact of interest rate rises with a prudent hedging programme that operates in accordance with its Treasury Policy. However, because of Council's current low debt level, its ability to hedge significant amounts of its forecast debt is limited.

Financial Impact

Increases in interest rates above 7% will result in higher debt servicing costs.

Population Growth

Assumption

Council has assumed population growth will occur at slightly above the Department of Statistics medium population growth projection.

Level of Uncertainty

Low.

Risks

Population growth occurs at rates above or below the level forecast with corresponding impacts on the revenue received from development contributions.

Financial Impact

If population growth occurs at a slower rate than forecast, then the level of development contributions received will be lower than expected.

Economic Life

Assumption

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

Level of Uncertainty

Low.

Risk

Assets wear out and need to be replaced earlier than anticipated.

Financial Impact

Depreciation and borrowing costs would increase if replacement Capital Expenditure was required earlier than anticipated. However, these impacts could be mitigated in part by reprioritising the Capital Expenditure programme. There may also be an increase in maintenance costs to keep the asset operational until it is decided to proceed with replacement.

Subsidy Rates

Assumption

Currently Council has retained the subsidy rate of 46% for road maintenance and 56% for construction works from the New Zealand Transport Agency (NZTA). It is assumed that this subsidy rate will be maintained.

Level of Uncertainty

Low.

Risk

NZTA will either reduce the subsidy rate and/or toughen the criteria for the inclusion of works in the qualifying programme.

Financial Impact

If the subsidy rate is reduced, either a reduction in the level of service or an increase in debt would be required. Council is already receiving very good pricing for road maintenance compared to other Local Authorities, through its collaboration with NZTA in the form of Marlborough Roads.

Natural Disasters

Assumption

Should a major natural disaster occur the District could be faced with significant repair and reconstruction costs. Council has estimated the maximum probable loss (MPL)/cost as a result of a major earthquake, flood or tsunami at approximately \$50 million. It is assumed that this forecast is materially correct. It is also assumed that:

- The forecast contributions from the Local Authority Protection Programme (LAPP), insurance, Government and the NZTA will be received.
- Through a combination of Council's reserves, investment realisation, credit facilities and rescheduling capital and other works, Council can meet the remaining costs associated with a major disaster.

The LAPP fund is a mutual pool set up to assist Councils cover their share of damage to below ground and river protection assets resulting from a significant natural event. At the time the fund was formed commercial insurance alternatives for these assets was not available. There was also a clear requirement from Central Government that any assistance given to rebuild infrastructure following a disaster will only be made available if Council has made adequate financial provisions to cover its own repair obligations.

Above ground assets are insured through commercial insurance. These costs are in addition to LAPP contributions and have more than doubled during the 2011-12 year, following a number of years where rates have been decreasing at around 20% per annum. The recent increases are a direct result of national and international disasters and has led Council to consider self financing an agreed level of risk in exchange for premium savings. This process involves balancing savings against risk, together with an acknowledgement that not all current assets would be replaced immediately, or at all, following a significant disaster. Accrued savings would be retained in reserve to assist in meeting future damage repairs. The insurance industry is forecasting that high level premium costs are likely to remain for the next three to five years at minimum.

Level of Uncertainty

Low.

Risks

The actual costs of recovery from a major natural disaster are higher than the forecast MPL of just under \$50 million.

Financial Impact

Should Council's current estimate of MPL and existing arrangements prove inadequate, either an increase in debt and corresponding future increase in rates or a slowing in the rebuild would need to occur.

Taxation Framework

Assumption

Council has assumed that existing taxation framework for the Marlborough District Council group will continue.

Level of Uncertainty

Low.

Risk

That the Inland Revenue Department (IRD) takes a view that Council's Holding Company structure is inconsistent with taxation legislation resulting in an increase in associated tax costs.

Financial Impact

Council has mitigated the potential for this to happen by obtaining independent legal advice and a “Binding Ruling” from the IRD on the establishment of MDC Holdings Ltd. Council has not deviated from the principles determined at establishment, so the risk and financial impacts should be low.

Asset Ownership and Valuation

In the preparation of the Annual Plan it has been assumed that Council will retain:

- Ownership of MDC Holdings Limited and its subsidiaries:
- Its ownership share (88.5%) in Marlborough Regional Forestry, with Kaikoura District Council owning the remaining 11.5%.
- Ownership of all substantial assets currently owned.

It has also been assumed that Council will revalue its major assets annually.

Level of Uncertainty

Low.

Risk

The asset values shown in the Annual Plan have been adjusted based on the BERL indices. The risk is that the results of actual revaluations may be higher or lower than those disclosed in the Annual Plan.

Financial Impact

If asset revaluations are higher than forecast, this will increase the resulting depreciation cost and debt as Council moves to provide for asset replacement.

Emissions Trading Scheme (ETS)

Any direct impacts of the ETS through potential price increases are assumed to be covered by Council's inflation assumptions and thus factored into the forecasts.

Specific ETS costs relating to waste and landfill have been incorporated into those estimates, together with the increased revenue that will be received.

Pre 1990 forestry has been registered. Any costs associated with ETS will be minimal given Council's rotation and replanting policy.

Level of Uncertainty

Low.

Risk

The impact and scope of the ETS may be more than assumed.

Financial Impact

The Council will face increased compliance and operating costs, which if significant enough, may require higher fees and charges or increased rating requirements to fund them in the future. However, Council had already taken steps to reduce the landfill liability and fix the price of the Emission Trading Units that will be required to be surrendered for the first 18 months of the Scheme's operation.

Resource Consents

Council has assumed that it will continue to hold and comply with appropriate resource consents to enable it to continue its activities, especially in relation to sewerage and stormwater.

Level of Uncertainty

Low.

Risk

Appropriate consents are either not renewed or require improvements in level of service before being granted.

Financial Impact

The main financial impact could occur if levels of service require improvement before a resource consent renewal is granted. The resulting increase in costs will require an increase in borrowing which in turn will impact on rates in the future.

Notes to Financial Statements

1. Summary cost of services

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Income:				
People		8,609	8,163	8,294
Community Facilities		8,498	8,273	8,623
Roads and footpaths		16,684	16,780	16,832
Flood protection and control works		6,522	6,358	6,519
Sewerage		9,906	9,041	9,265
Stormwater drainage		2,195	2,124	1,909
Water Supply		9,076	8,987	8,996
Solid Waste Management		9,780	6,864	7,084
Environmental Management		7,608	7,359	7,375
Regulatory		5,907	5,690	5,817
Regional Development		4,677	4,501	4,529
Total activity income		89,462	84,140	85,243
Plus other income (including forestry)		14,778	12,666	15,893
Less internal income		(7,996)	(7,053)	(7,873)
Total income		96,244	89,753	93,263
Expenditure:				
People		8,999	11,982	8,597
Community Facilities		7,883	7,718	8,039
Roads and footpaths		17,189	16,460	19,266
Flood protection and control works		4,511	4,384	4,377
Sewerage		10,530	9,167	10,397
Stormwater drainage		1,769	1,719	1,674
Water Supply		8,470	8,162	8,095
Solid Waste Management		7,629	6,429	6,761
Environmental Management		7,708	7,460	7,800
Regulatory		5,846	5,619	5,779
Regional Development		4,705	4,641	4,863
Total activity expenditure		85,239	83,741	85,648
Plus other expenditure (including forestry)		11,052	9,678	10,390
Less internal expenditure		(7,996)	(7,053)	(7,873)
Total operating expenditure		88,295	86,366	88,165

2. Rates revenue

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
People		6,096	5,764	5,877
Community Facilities		6,464	6,301	6,599
Roads and footpaths		9,132	8,512	8,784
Flood protection and control works		3,673	3,517	3,569
Sewerage		7,741	7,001	7,629
Stormwater drainage		1,591	1,539	1,509
Water Supply		8,455	8,385	8,558
Solid Waste Management		2,541	2,435	2,508
Environmental Management		5,487	5,416	5,464
Regulatory		2,496	2,403	2,417
Regional Development		2,766	2,698	2,795

Financial Information

Total activity rates	56,442	53,971	55,709
Non-activity rates	1	1	1
Total gross rates revenue	56,443	53,972	55,710
Rates remissions	497	482	510
Rates revenue net of remissions	55,946	53,490	55,200

3. Finance income and finance costs

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Finance income - interest income				
Term deposits		760	772	766
Community loans		112	105	112
Total finance income		872	877	878
Finance costs - interest expense				
Total internal interest expense		7,996	7,053	7,873
Bank charges on borrowings		186	180	180
less internal interest eliminated		(5,300)	(5,118)	(5,303)
Total finance costs		2,882	2,115	2,750
Net finance costs		2,010	1,238	1,872

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 rate applicable to external borrowing. This interest is recorded as an expense in the activity and group of activity funding impact statements. This internal interest has been eliminated from the income statement as above.

4. Other revenue including gains

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
NZTA Roding Subsidy		5,609	5,910	5,894
Fees and Charges		6,581	5,988	6,192
Marlborough Regional Forestry		5,716	5,351	6,595
Regulatory revenues		4,291	3,981	4,097
Rental revenues		4,335	3,842	4,099
Contributions		1,651	2,079	1,533
Trade Waste - Operating Charges		1,202	1,112	960
Infringements and fines		643	663	635
Dividends received		700	695	827
Subsidies & Grants		3,074	688	442
Petroleum Tax		403	390	367
Penalties - Rates		310	300	375
Trade Waste - Capital Charges		278	265	409
Licence revenue		213	206	221
Rental income from investment properties		156	156	156
Other income		668	597	642
Gain on Sale of Fixed Assets		1,032	722	1,628
Total Other revenue and Gains		36,862	32,945	35,072

5. Expenditure

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Other non-activity expenditure				
Non-activity expenditure in the Income Statement is made up of Marlborough Regional Forestry and:				
Insurance		1,076	1,043	390
Property costs		1,081	789	1,056
Rate remissions		497	482	510
Digitisation project		408	462	401
Other		64	(47)	130
Total other expenditure		3,126	2,729	2,487
Expenditure disclosures		-		

Total expenditure in the Income Statement includes the following amounts which are required to be disclosed separately:

Depreciation and amortisation expense		19,686	17,737	19,342
Personnel costs		17,314	16,903	17,307
Finance costs as note 3		2,882	2,115	2,750
Grants		1,369	4,776	3,311
Insurance premiums		2,190	2,114	1,449
Councillors remuneration		738	720	660
Payments under operating leases		376	364	311
Fees to principal auditor:				
audit fees for financial statement audit		120	117	120
Property plant and equipment loss on disposal		216	108	-
Other operating expenses		38,175	36,400	37,582
Marlborough Regional Forestry		5,229	5,012	5,333
Total expenditure		88,295	86,366	88,165

6. Debtors

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Rates receivables		778	755	1,189
Goods and services tax (net)		981	958	679
Prepayments		630	612	452
Other		6,375	6,175	5,589
Gross debtors and other receivables		8,764	8,500	7,909
Less provision for impairment		(46)	(44)	(22)
Total debtors and other receivables		8,718	8,456	7,887

7. Other financial assets

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Current portion:				
Term deposits and bonds with maturities of 4-12 months		3,330	3,330	3,582
Total current portion		3,330	3,330	3,582
Non-current portion:				
Term deposits and bonds with maturities 12 months plus		7,260	7,260	7,440
Community loans		606	208	1,717
Loan to joint venture MRF				0
Unlisted shares in subsidiaries		6,000	6,000	6,000
Shares: NZ Local Govt. Insurance Corp		74	74	74

Financial Information

Shares other	1	1	1
Total non-current portion	13,941	13,543	15,232
Total other financial assets	17,271	16,873	18,814

Council is required to disclose its investments in council-controlled organisations:

Marlborough Regional Forestry (eliminated in these accounts)

Venture share	5,348	5,348	5,348
Loan	10	460	-

Marlborough District Council Holdings Limited

Shares	6,000	6,000	6,000
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Marlborough Housing for the Elderly Trust

None			
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8. Property, plant and equipment

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Opening value		1,335,280	1,270,086	1,338,474
Capital additions by activity				
Democratic Process		41	-	40
Culture and Heritage		10	-	10
Community Housing.		599	429	833
Community Safety		52	50	-
Community Support		12	12	12
Library Services		254	245	247
Emergency Management		29	28	28
People		997	764	1,170
Community Facilities		1,232	1,231	2,165
Roads and footpaths		7,228	7,534	7,755
Flood protection and control works		951	1,040	820
Sewerage		5,555	20,893	6,556
Stormwater drainage		448	446	285
Water Supply		4,219	1,609	2,154
Solid Waste Management		3,287	3,708	161
Environmental Science and Monitoring		71	99	69
Resource Consents		3	3	3
Environmental Management		74	102	72
Building Control		1	1	-
Environmental Health		4	4	4
Harbours		133	132	308
Regulatory		138	137	312
Regional Development		106	190	103
Forest Park Development		1,312	-	2,154
Information Services		719	1,040	770
Commercial Property		2,000	4,000	2,000
Plant Operations		682	182	137
Office Services		294	220	245
Asset Services Management		1,564	-	1,520
Total capital expenditure		30,806	43,096	28,379
Disposals		(1,772)	(1,858)	(2,510)
Depreciation		(19,686)	(17,737)	(19,342)
Revaluation		38,060	41,693	113,806
Closing value		1,382,688	1,335,280	1,458,807

9. Creditors and other payables

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Trade payables		6,310	6,133	6,451
Accrued expenses		7,208	7,004	2,202
Income in advance		1,020	990	1,007
Deposits		1,530	1,235	1,437
Agency account		96	93	90
Trust funds		251	244	236
Amounts due to related parties		1,000	1,000	962
Total creditors and other payables		17,415	16,699	12,385

10. Borrowings

	for the year ending 30 June:	2014(LTP)	2013(LTP)	2014
		\$000's	\$000's	\$000's
Culture and Heritage		10	-	10
Community Housing		488	134	-
Library Services		-	-	-
People		498	134	10
Community Facilities		8,363	8,310	8,363
Roads and footpaths		6,819	6,099	5,976
Flood protection and control works		919	831	866
Sewerage		40,811	39,064	44,244
Stormwater drainage		1,541	1,759	344
Water Supply		23,018	22,421	19,869
Solid Waste Management		6,962	6,740	6,192
Regional Development		19,672	20,430	20,207
Works Depot		1,546	-	1,502
Rental Housing		17	28	-
Commercial Property		5,829	3,953	5,829
Total Loans		115,995	109,769	113,402
Less internal loans		63,744	59,182	62,797
Borrowings (external loans)		52,251	50,587	50,605

Total budgeted borrowing/loan requirements are outlined above, the amount which MDC expects to be able to fund internally is identified, the remainder has been budgeted as external loans.

11. Reserves

for the year ending 30 June:

2014(LTP)
\$000's

2013(LTP)
\$000's

2014
\$000's

11.1 Reserve funds - Council wide

Emergency Events reserves

Purpose: Council's Emergency events reserve, which is part of Council's risk management strategy, exists to: - protect Council's infrastructural assets; - make a provision for restoration of Council's roading network in the event of extraordinary flood damage; - provide for the restoration of Council's Wairau floodplain river protection

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

Opening balance	6,030	5,622	5,214
Transfer to reserve	686	658	560
Transfer from reserve	(258)	(250)	(250)
Capex transfer from reserve	-	-	(645)
Closing balance	6,459	6,030	4,879

Capex transfers are for upgrading of buildings and other structures with seismic issues

Forest Park reserve

Purpose: This reserve was set up to receive surpluses from the Solar Heights and Forest Hills Land Development Accounts, and for the proceeds to fund projects as determined by Council. Traditionally this reserve funded Community Infrastructure, (as opposed to Core Infrastructure such as Water and Sewerage etc which are funded from other reserves).

Activities to which it relates: Various.

Opening balance	2,971	4,703	2,218
Transfer to reserve	1,194	1,768	1,434
Transfer from reserve	-	(3,500)	(90)
Capex transfer from reserve	-	-	(415)
Closing balance	4,165	2,971	3,147

Forestry and Asset Sales reserve

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

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

Opening balance	404	4	1,535
Transfer to reserve	639	620	1,416
Transfer from reserve	(220)	(220)	(445)
Capex transfer from reserve	-	-	(2,152)
Closing balance	823	404	355

Infrastructure Upgrade reserve

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

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

Opening balance	4,714	3,911	5,007
Transfer to reserve	2,263	2,186	2,512
Transfer from reserve	(60)	(80)	(60)
Capex transfer from reserve	(1,696)	(1,303)	(1,741)
Closing balance	5,221	4,714	5,718

Land Subdivision reserve

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

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

Opening balance	(2,307)	(2,639)	(2,412)
Transfer to reserve	1,172	1,102	1,135
Capex transfer from reserve	(785)	(770)	(765)
Closing balance	(1,920)	(2,307)	(2,042)

Reserves	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Port Marlborough NZ Ltd Special Dividend reserve			
Purpose: Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.			
Activities to which it relates: Various.			
Opening balance	4,313	4,313	4,313
Transfer to reserve	302	302	302
Transfer from reserve	(302)	(302)	(302)
Closing balance	4,313	4,313	4,313
Wairau Rivers reserve			
Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.			
Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.			
Opening balance	2,300	2,724	2,794
Transfer to reserve	467	528	539
Transfer from reserve	(296)	(294)	(100)
Capex transfer from reserve	(525)	(658)	(666)
Closing balance	1,947	2,300	2,567
11.2 Accumulated funds			
Purpose: technical accounting reserve to accumulate Council surplus's, amounts transferred to/from other reserves are deducted-from/added-to this balance.			
Activities to which it relates: All.			
Opening balance	555,948	552,242	558,652
Surplus (Deficit) from Operations	7,949	3,387	5,098
Transfer from (to) General Reserves	(1,451)	106	(2,115)
Transfer from (to) Corporate Reserves	(2,582)	214	(268)
Closing balance	559,864	555,948	561,367
11.3 Reserve funds - Activity specific			
These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:			
General reserve: to accumulate targeted rates or other revenue for use in subsequent years.			
Depreciation reserve: to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.			
Landfill aftercare reserve: to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.			
Development contribution reserve: to accumulate development and financial contributions to fund qualifying capital expenditure.			
Total of low balance reserves not separately disclosed			
Opening balance	288	294	529
Transfer to reserve	192	222	265
Transfer from reserve	(122)	(111)	(119)
Capex transfer from reserve	(129)	(117)	(74)
Closing balance	228	288	601
Community Housing General and Depreciation reserves			
Opening balance	(35)	103	(326)
Transfer to reserve	239	227	258
Transfer from reserve	(50)	(72)	(154)
Capex transfer from reserve	(237)	(294)	(438)
Closing balance	(84)	(35)	(660)
Energy Efficiency General reserve			
Opening balance	(454)	(322)	(851)
Transfer to reserve	39	23	36
Transfer from reserve	(156)	(156)	(156)
Closing balance	(572)	(454)	(971)

Financial Information

Reserves	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Library Services Depreciation and general reserves			
Opening balance	338	271	296
Transfer to reserve	308	312	316
Capex transfer from reserve	(254)	(245)	(247)
Closing balance	392	338	366
Emergency Management General and Depreciation reserves			
Opening balance	184	188	210
Transfer to reserve	48	42	39
Transfer from reserve	(31)	(18)	-
Capex transfer from reserve	(29)	(28)	(28)
Closing balance	173	184	222
Swimming Pools General and Depreciation reserves			
Opening balance	565	344	247
Transfer to reserve	306	274	365
Transfer from reserve	(57)	(53)	(53)
Closing balance	815	565	559
Roading General and Depreciation reserves			
Opening balance	3,587	2,877	3,050
Transfer to reserve	3,911	3,818	4,226
Capex transfer from reserve	(3,104)	(3,108)	(3,473)
Closing balance	4,394	3,587	3,802
Roading Development Contributions reserve (Northwest Periphery)			
Opening balance	(817)	(967)	(930)
Transfer to reserve	165	160	160
Transfer from reserve	(10)	(10)	(10)
Closing balance	(662)	(817)	(780)
Wairau Floodplain Rivers and Drainage Depreciation reserves			
Opening balance	143	81	133
Transfer to reserve	124	122	147
Transfer from reserve	(1)	0	(30)
Capex transfer from reserve	(73)	(59)	(70)
Closing balance	193	143	181
Combined Sewerage General and Depreciation reserves			
Opening balance	6	(132)	6
Transfer to reserve	2,618	2,395	2,605
Transfer from reserve	(1,005)	(837)	(1,067)
Capex transfer from reserve	(1,600)	(1,420)	(1,540)
Closing balance	19	6	4
Riverlands Industrial Wastewater: General and Depreciation reserves			
Opening balance	(585)	(275)	(958)
Transfer from reserve	(581)	(310)	(647)
Closing balance	(1,166)	(585)	(1,605)
<p><i>Council is about to consult on a new fee regime for this scheme and an additional participant is expected to join. When these two issues are clarified this deficit is expected to reduce significantly.</i></p>			
St Andrews Sewerage (new scheme): General reserve			
Opening balance	(62)	(62)	-
Closing balance	(62)	(62)	-

Reserves	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Blenheim Stormwater: Depreciation reserve			
Opening balance	1,576	979	965
Transfer to reserve	839	801	858
Transfer from reserve	(144)	(153)	(20)
Capex transfer from reserve	(53)	(50)	-
Closing balance	2,218	1,576	1,803
Blenheim Stormwater: Development contribution reserve			
Opening balance	62	-	-
Transfer to reserve	72	62	-
Closing balance	134	62	-
Other Stormwater: Depreciation reserve			
Opening balance	770	556	413
Transfer to reserve	357	342	352
Transfer from reserve	(75)	(75)	(19)
Capex transfer from reserve	(41)	(53)	(39)
Closing balance	1,012	770	707
Awatere Water: Depreciation and general reserves			
Opening balance	340	326	624
Transfer to reserve	335	315	359
Transfer from reserve	(17)	(16)	(17)
Capex transfer from reserve	(418)	(286)	(106)
Closing balance	240	340	861
Blenheim Water: General and Depreciation reserves			
Opening balance	845	232	(190)
Transfer to reserve	1,557	1,499	1,807
Transfer from reserve	(844)	(790)	(818)
Capex transfer from reserve	(687)	(95)	(233)
Closing balance	872	845	566
Havelock Water: General and Depreciation reserves			
Opening balance	16	(9)	128
Transfer to reserve	51	67	91
Transfer from reserve	(34)	(38)	(32)
Capex transfer from reserve	-	(4)	(3)
Closing balance	33	16	184
Picton Water: General and Depreciation reserves			
Opening balance	535	(96)	453
Transfer to reserve	684	859	568
Transfer from reserve	(109)	(99)	(91)
Capex transfer from reserve	(680)	(129)	(782)
Closing balance	430	535	148
Renwick Water: General and Depreciation reserves			
Opening balance	735	657	739
Transfer to reserve	133	97	49
Transfer from reserve	(6)	(10)	-
Capex transfer from reserve	(42)	(9)	(189)
Closing balance	820	735	599
Renwick Water: Development contribution reserve			
Opening balance	20	-	-
Transfer to reserve	21	20	-
Closing balance	41	20	-

Financial Information

Reserves	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Riverlands Water: General and Depreciation reserves			
Opening balance	(114)	(208)	(1)
Transfer to reserve	164	182	203
Transfer from reserve	(48)	(39)	(37)
Capex transfer from reserve	(7)	(48)	(66)
Closing balance	(5)	(114)	99
Wairau Valley Water: General reserve			
Opening balance	(13)	(20)	(25)
Transfer to reserve	17	17	10
Transfer from reserve	(11)	(11)	-
Closing balance	(7)	(13)	(15)
Landfill aftercare reserve			
Opening balance	756	721	816
Transfer to reserve	19	35	75
Closing balance	775	756	891
Landfills: General and Depreciation reserves			
Opening balance	(2,738)	90	(345)
Transfer to reserve	663	309	508
Transfer from reserve	(410)	(200)	(395)
Capex transfer from reserve	-	(2,938)	-
Closing balance	(2,485)	(2,738)	(232)
Refuse Collections: General and Depreciation reserves			
Opening balance	507	458	322
Transfer to reserve	51	49	14
Capex transfer from reserve	-	-	(11)
Closing balance	558	507	325
Environmental Science and Monitoring: General and Depreciation reserve			
Opening balance	46	72	1
Transfer to reserve	79	73	78
Capex transfer from reserve	(71)	(99)	(69)
Closing balance	54	46	10
Animal Control: General and Depreciation reserves			
Opening balance	61	25	114
Transfer to reserve	25	35	17
Closing balance	85	61	131
Harbours: General and Depreciation reserves			
Opening balance	27	19	(106)
Transfer to reserve	157	140	73
Capex transfer from reserve	(133)	(132)	(236)
Closing balance	51	27	(268)
Irrigation (SVIS): Depreciation reserve			
Opening balance	727	743	637
Transfer to reserve	323	309	324
Transfer from reserve	(290)	(258)	39
Capex transfer from reserve	-	(67)	(324)
Closing balance	760	727	676

Reserves	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Parking - Blenheim: General reserve			
Opening balance	(863)	(570)	(893)
Transfer from reserve	(264)	(293)	(372)
Closing balance	(1,127)	(863)	(1,265)
Parking - Picton: General reserve			
Opening balance	90	84	100
Transfer to reserve	6	6	7
Closing balance	97	90	108
Plant general and depreciation reserves			
Opening balance	1,009	714	1,095
Transfer to reserve	477	467	431
Transfer from reserve	-	(3)	(14)
Capex transfer from reserve	(646)	(169)	(124)
Closing balance	840	1,009	1,388
Commercial property and development depreciation reserves			
Opening balance	927	874	979
Transfer to reserve	145	110	159
Transfer from reserve	(134)	(57)	(71)
Closing balance	938	927	1,067
Information services General and Depreciation reserves			
Opening balance	(96)	470	164
Transfer to reserve	1,070	936	988
Transfer from reserve	(408)	(462)	(401)
Capex transfer from reserve	(719)	(1,040)	(770)
Closing balance	(153)	(96)	(19)
Office and customer services depreciation reserves			
Opening balance	650	605	1,123
Transfer to reserve	279	265	290
Capex transfer from reserve	(293)	(219)	(244)
Closing balance	636	650	1,169
Plus Revaluation reserves closing balance	763,169	725,109	841,845
Total Equity closing balance	1,354,524	1,308,515	1,432,801

Note that the closing balance as per the 2012-13 Long Term Plan differs from the opening balance for the 2013-14 Annual Plan due to the different timings and opening positions used in preparing this information.



Part 4: Funding Impact Statement and Rates

- Revenue and Financing Policy
- Funding Impact Statement
- Rates Movements 2013-14
- Impacts on Benchmark Properties

Part 4: Funding Impact Statement and Rates

Revenue and Financing Policy

Fire Protection

The Marlborough Kaikoura Rural Fire Authority (Authority) became operational on 1 July 2012. Council provides in kind services and fire protection funding to the new enlarged Authority.

Council's rural fire protection costs were previously funded from general-type rates by the General Rural, Picton Vicinity and Sounds Admin Rural (formerly Administrative Rural) geographic rating areas.

Following a review of historical charges Council has amended the allocation of Council's rural fire protection costs to include the Blenheim Vicinity geographic rating area. This amendment is because Marlborough South rural fire administration and fire forces which are predominantly funded by Council, do respond to Blenheim Vicinity fires. While the NZ Fire Service provides a first response, the Authority carries ultimate responsibility outside the urban boundary. After the first hour NZ Fire Service suppression costs are charged to the Authority.

The impact of this amendment is primarily a redistribution of rating incidence, primarily from General Rural to Blenheim Vicinity.

Council's 2013-14 budgeted fire protection costs is \$357,525 GST inclusive. The estimated rating impact of the changes by geographic area is:

	<i>\$ per annum</i>
Blenheim Vicinity	\$99,796
Picton Vicinity	\$1,634
General Rural	(\$101,501)
Sounds Admin Rural	\$71
Net movement	Nil

The estimated rates impact on some example properties in different geographic areas is:

	Land Value \$	\$ per annum
Blenheim Vicinity		
• Dillons Point Road	\$1,500,000	\$81
• Gouland Road	\$122,000	\$7
Picton Vicinity		
• Speeds Road	\$2,075,000	\$25
• Ngakuta Bay	\$180,000	\$2
General Rural		
• Opouri Valley	\$2,330,000	(\$103)
Sounds Admin Rural	\$320,000	0

Funding Impact Statement

The Funding Impact Statement provides the following information:

- A Funding Impact Statement for 2013-14.
- 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%.

Funding Impact Statement (excluding GST) for 2013-14

Marlborough District Council	2014(LTP) \$000's	2013(LTP) \$000's	2014 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	34,061	32,600	33,371
Targeted rates (other than a targeted rate for water supply)	20,624	19,614	20,592
Subsidies and grants for operating purposes	3,702	3,734	3,731
Fees, charges, and targeted rates for water supply	13,530	12,639	13,006
Interest and dividends from investments	1,572	1,572	1,705
Other receipts including fuel tax, fines and infringement fees	14,366	13,471	15,631
Total operating funding	87,855	83,630	88,036
Applications of operating funding			
Payments to staff and suppliers	57,310	55,335	56,249
Finance costs	2,510	1,755	2,389
Other operating funding applications	8,572	11,431	10,185
Total applications of operating funding	68,392	68,521	68,823
Surplus of operating funding	19,463	15,109	19,213
Sources of capital funding			
Subsidies and grants for capital expenditure	4,980	2,864	2,605
Development and financial contributions	2,067	1,959	1,603
Increase in debt	1,266	19,488	866
Gross proceeds from sale of assets	1,619	1,142	2,469
Total sources of capital funding	9,932	25,453	7,543
Applications of capital funding			
Capital expenditure to meet additional demand	8,628	10,371	8,598
Capital expenditure to improve the level of service	10,960	19,989	8,709
Capital expenditure to replace existing assets	9,877	11,436	10,051
Increase (decrease) in reserves	5,043	(16)	(2,383)
Increase (decrease) of investments	(5,113)	(1,218)	1,781
Total applications of capital funding	29,395	40,562	26,756
(Deficit) of capital funding	(19,463)	(15,109)	(19,213)
Funding balance	-	-	-
Reconciliation			
Total operating funding	87,855	83,630	88,036
plus - Subsidies and grants for capital expenditure	4,980	2,864	2,605
plus - Development and financial contributions	2,067	1,959	1,603
plus - Contributions Vested Assets	1,342	1,300	1,019
Total income as per Income Statement	96,244	89,753	93,263
Total applications of operating funding	68,392	68,521	68,823
plus - Depreciation and amortisation	19,686	17,737	19,342

plus - Loss on sale of fixed assets	217	108	-
Expenditure as per Income Statement	88,295	86,366	88,165
Surplus of operating funding	19,463	15,109	19,213
less - Depreciation and amortisation	19,686	17,737	19,342
less - Loss on sale of fixed assets	217	108	-
plus - Subsidies and grants for capital expenditure	4,980	2,864	2,605
plus - Development and financial contributions	2,067	1,959	1,603
plus - Contributions Vested Assets	1,342	1,300	1,019
Surplus as per Income Statement	7,949	3,387	5,098

Terminology

Unless otherwise specified:

- The terms land values, capital values or rating units refer to rateable land values, rateable capital values or rateable rating units as the case may be.
- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General Type Targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General Type Targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are set differentially for the six geographic areas as a fixed amount on every separately used or inhabited part of a rating unit).
- Separate Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit, eg: Water, Sewerage. (Separate targeted rates are based on the land value of each property other than Wairau Valley River Works rates and the Kenepuru Road rate, which are levied on capital value, the Southern Valleys' Irrigation Loan rate which is based on irrigable hectares; or the Energy Efficiency rates which are based on the service amount).
- LTP refers to Council's Long Term Plan which was adopted on 28 June 2012.
- 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 and kerbside recycling 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.

Funding Impact Statement

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

Residential or Rural

All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation.

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

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

Commercial or Industrial

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

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

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

Homestay or Farmstay

Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes capable of providing accommodation for six or more, 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

\$32,996,314 GST excl
(\$37,945,761 GST incl)

Although general-type rates and charges have increased overall by 1.33% (\$433,197 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 and revaluation movements in the differential areas.

Geographic Area General Works and Services Rates

\$20,851,153 GST excl
(\$23,978,826 GST incl)

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

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

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

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

These rates (*which are 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 \$303,317 (1.48%) 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:

Geographic Area	Differential Rating Categories	Levy (GST excl)	Levy (GST incl)	Cents in \$ (GST incl)
Blenheim	Res/Rural	5,202,996	5,983,445	0.401843
	Com/Ind	3,008,040	3,459,246	1.151163
	Hsty/Fsty	-	-	0.589173
Blenheim Vicinity	Res/Rural	4,691,643	5,395,390	0.299814
	Com/Ind	188,964	217,309	0.453483
	Hsty/Fsty	1,103	1,268	0.338231
Picton	Res/Rural	1,355,960	1,559,355	0.471815
	Res/Rural Karaka Point	111,236	127,921	0.386233
	Com/Ind	643,955	740,548	0.998044
Picton Vicinity	Hsty/Fsty	1,996	2,295	0.603372
	Res/Rural	162,544	186,926	0.140019
	Com/Ind	14,639	16,835	0.332572
General Rural	Hsty/Fsty	-	-	0.188157
	Res/Rural	4,916,984	5,654,531	0.249377
	Com/Ind	115,142	132,413	0.362777
Sounds Admin Rural (formerly Admin Rural)	Hsty/Fsty	1,171	1,347	0.277727
	Res/Rural	416,965	479,510	0.112350
	Com/Ind	17,815	20,487	0.202840
	Hsty/Fsty	-	-	0.134973

Geographic Area General Works and Services Charges

**\$12,145,161 GST excl
(\$13,966,935 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 \$129,880 (1.08%) GST excl, but there are varying impacts on the geographic areas and their differential charges.

Funding Impact Statement

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

Geographic Area	Levy (GST excl)	Levy (GST incl)	Unit Charge (GST incl)
Blenheim	6,280,963	7,223,106	598
Blenheim Vicinity	1,904,705	2,190,411	537
Picton	1,525,997	1,754,897	614
Picton Vicinity	170,492	196,066	530
General Rural	1,844,207	2,120,838	401
Sounds Admin Rural (formerly Admin Rural)	406,239	467,175	335
Utilities	12,558	14,442	503

Debt Servicing Rates and Charges

**\$1,237,215 GST excl
(\$1,422,797 GST incl)**

Grovetown Sewerage Loan Rate

**\$94,455 GST excl
(\$108,623 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 2% CPI related increase 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 \$160,000 the sewerage loan rate will increase from \$978.29 to \$997.86 GST excl. The new cents in the dollar rate is 0.623663 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.

No increase has occurred.

On a rating unit with a land value of \$105,000, the Picton Sewerage Treatment Loan rate remains at \$52.04 GST incl.

The loan rate remains at 0.049561 cents in the dollar GST incl.

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.

No increase has occurred.

On a rating unit with a land value of \$128,000, the loan rate remains at \$86.68 and the rate in the dollar remains at 0.067718 cents GST incl.

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 in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on capital expenditure. The loan rate will continue until 30 June 2027.

No increase has occurred.

The targeted loan rate remains at \$324.75 GST incl.

Wairau Valley Water Loan Charge

\$401 GST excl
(\$461 GST incl)

The Wairau Valley Water Loan 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.

A decrease has occurred due to the final repayment this year.

The charge will decrease from \$230.52 to \$115.26 GST incl.

Roading Rates and Charges

\$62,654 GST excl
(\$72,052 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.

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

Kenepuru Road Rate

\$35,498 GST excl
(\$40,823 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.

No increase in the rate levy has occurred and the rate in the dollar based on capital value remains at 0.012618 cents GST incl.

Wairau Valley River Works Rates

\$3,312,927 GST excl
(\$3,809,866 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 1.12% increase (\$36,620 GST excl) in the overall rates levy has occurred.

Funding Impact Statement

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).

Rating Areas	Levy (GST excl)	Levy (GST incl)	Cents in the \$ (GST incl)	Levy Amount*
Rural A Rating Units	444,055	510,663	0.083237	(8.32)
Rural B Rating Units	831,323	956,021	0.077411	(7.74)
Rural C Rating Units	140,710	161,817	0.049943	(4.99)
Rural D Rating Units	159,872	183,853	0.009156	(0.92)
Blenheim Urban 1 Rating	1,016,284	1,168,727	0.059176	(5.92)
Blenheim Urban 2 Rating	468,263	538,502	0.041423	(4.14)
Blenheim Urban 3 Rating	56,423	64,886	0.028273	(2.83)
Blenheim Urban 4 Rating	43,933	50,523	0.022355	(2.24)
Other Urban 1 Rating Units in Wairau Catchment	78,822	90,645	0.052244	(5.22)
Other Urban 2 Rating Units in Wairau Catchment	73,242	84,229	0.033585	(3.36)

* Levy amount for each \$10,000 of Capital Value.

Combined Sewerage Scheme Rates and Charges

\$7,441,969 GST excl
(\$8,558,264 GST incl)

An overall increase of \$517,088 (GST excl) will occur (7.47%).

Combined Sewerage Scheme Capital Works Rate

\$2,503,024 GST excl
(\$2,878,477 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 new sewage outfall into Picton harbour and the commencement of the wetland development that is a continuation of the \$17.4 million Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment.

There is a 30.31% (\$582,247 GST excl) increase in this rate.

On a Blenheim rating unit in the Blenheim Group area with a land value of \$160,000 the rate will increase from \$139.40 to \$183.43 - a rate in the dollar of 0.114643 cents GST incl.

On a Havelock rating unit with a land value of \$170,000 the rate will increase from \$132.04 to \$173.66 - a rate in the dollar of 0.102150 cents GST incl.

On a Picton rating unit with a land value of \$160,000 the rate will increase from \$164.47 to \$216.45 - a rate in the dollar of 0.135284 cents GST incl.

On a Seddon rating unit with a land value of \$86,000 the rate will increase from \$126.00 to \$165.42 - a rate in the dollar of 0.192345 cents GST incl.

Combined Sewerage Scheme Charge

\$4,938,945 GST excl
(\$5,679,787 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 1.3% (\$65,158 GST excl) decrease in this charge.

The charge will decrease from \$352 to \$351 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$176 to \$175.50 GST incl on every separately used or inhabited part of every serviceable rating unit.

Water Supply Rates and Charges

\$9,050,903 GST excl
(\$10,408,538 GST incl)

Awatere Water Supply

\$705,606 GST excl
(\$811,447 GST incl)

An increase of \$23,684 (GST excl) is required to meet increased costs, including the cost of MIOX treatment (3.47%).

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

Awatere Water Charge

\$236,258 GST excl
(\$271,697 GST incl)

The uniform charge remains at \$427 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.

Awatere Metered Water Charge

\$469,348 GST excl
(\$539,750 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 \$1.76 to \$1.88 GST incl for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.

Blenheim Water Supply

\$4,899,643 GST excl
(\$5,634,589 GST incl)

No increase has occurred.

Blenheim Water Capital Works Rate

\$2,044,010 GST excl
(\$2,350,612 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.

No increase has occurred.

The rate levy for a property with a land value of \$160,000 remains at \$212.03 and the rate in the dollar remains at 0.132517 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

Metered and Uniform Charges

\$2,855,633 GST excl
(\$3,283,977 GST incl)

No increase has occurred.

- **Blenheim Metered Water Charge**

\$364,087 GST excl
(\$418,700 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 quarterly charge remains at \$62.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 79.43 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume remains at \$0.79 GST incl per cubic metre.

Funding Impact Statement

- **Blenheim Water Charges** **\$2,484,890 GST excl**
(\$2,857,623 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 remain at \$251 on every part of a serviced rating unit and \$125.50 on every part of a serviceable rating unit GST incl.

- **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 quarterly charge remains at \$62.75 GST incl and it will provide for the volume of water supplied between 0 m³ and 79.43 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume remains at \$0.79 GST incl per cubic metre.

- **Havelock Water Supply** **\$276,414 GST excl**
(\$317,876 GST incl)

An overall rates decrease of \$983 (GST excl) will occur (0.35%).

- **Havelock Water Capital Works Rate** **\$95,398 GST excl**
(\$109,708 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.

A decrease of \$983 (GST excl) will occur (1.03%).

For a rating unit with a land value of \$170,000 the rate will decrease from \$285.52 to \$285.43. The new rate in the dollar will be 0.167901 cents GST incl.

The following charges fund the balance of expenditure other than Capital and Debt Servicing costs.

- **Metered and Uniform Charges** **\$181,016 GST excl**
(\$208,168 GST incl)

No increase has occurred.

- **Havelock Metered Water Charge** **\$65,757 GST excl**
(\$75,621 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 quarterly charge remains at \$110 GST incl and it will provide for the volume of water supplied between 0 m³ and 55.28 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume remains at \$1.99 GST incl per cubic metre.

- **Havelock Water Charges** **\$115,259 GST excl**
(\$132,547 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 remain at \$440 on every part of a serviced rating unit and \$220 on every part of a serviceable rating unit GST incl.

Picton Water Supply

\$1,857,582 GST excl
(\$2,136,219 GST incl)

An overall increase of \$21,516 (GST excl) will occur (1.17%).

Picton Water Capital Works Rates

\$477,617 GST excl
(\$549,259 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 \$76,194 (GST excl) will occur (13.76%).

For a rating unit with a land value of \$160,000 the rate will decrease from \$251.10 to \$218.42. The new rate in the dollar for rating units subject to the special pipeline agreement will be 0.109208 cents in the dollar and the new rate for all other rating units will be 0.136510 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

\$1,379,965 GST excl
(\$1,586,960 GST incl)

An increase of \$97,711 (GST excl) will occur (7.62%) to meet increased operating costs.

- **Picton Metered Water Charges**

\$290,520 GST excl
(\$334,098 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 quarterly charge will increase from \$114.25 to \$124.00 GST incl and it will now provide for the volume of water supplied between 0 m³ and 66.67 m³ instead of the volume of water supplied between 0 m³ and 70.22 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.6271 to \$1.8598 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 \$1.3018 to \$1.4879 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 quarterly charge will increase from \$114.25 to \$124.00 GST incl and it will now provide for the volume of water supplied between 0 m³ and 60.10 m³ instead of the volume of water supplied between 0 m³ and 63.29 m³.

Funding Impact Statement

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.8051 to \$2.0632 GST incl per cubic metre.

- **Picton Water Charge** **\$1,089,445 GST excl**
(\$1,252,862 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 \$457 to \$496 on every part of a serviced rating unit and increase from \$228.50 to \$248.00 on every part of a serviceable rating unit GST incl.

- Renwick Water Supply** **\$350,738 GST excl**
(\$403,349 GST incl)

An overall increase of \$7,204 (GST excl) will occur (2.1%).

- Renwick Water Capital Works Rate** **\$7,677 GST excl**
(\$8,829 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. A decrease of \$74,769 (GST excl) will occur (90.69%) reflecting the reduction in these costs this year.

For a rating unit with a land value of \$133,000 the rate levy will decrease from \$95.94 to \$9.01. The new rate in the dollar is 0.006776 cents GST incl.

- Metered and Uniform Charges** **\$343,061 GST excl**
(\$394,520 GST incl)

An increase of \$81,973 (GST excl) will occur to meet increased operating costs (31.4%).

- **Renwick Metered Water Charges** **\$37,370 GST excl**
(\$42,975 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 quarterly charge will increase from \$75.25 to \$99.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 66.33 m³ instead of the volume of water supplied between 0 m³ and 66.01 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.14 to \$1.50 GST incl per cubic metre.

- **Renwick Water Charge** **\$305,691 GST excl**
(\$351,545 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 \$301 to \$398 on every part of a serviced rating unit and from \$150.50 to \$199.00 on every part of a serviceable rating unit GST incl.

- Riverlands Water Supply** **\$426,524 GST excl**
(\$490,503 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.

No increase has occurred, however the metered water charges will increase due to reduced water usage resulting in reduced revenue as follows:

The minimum quarterly charge will remain unchanged at \$41 GST incl and it will now provide for the volume of water supplied between 0 m³ and 39.81 m³ instead of the volume of water supplied between 0 m³ and 41.41 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$0.99 to \$1.03 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

\$493,537 GST excl
(\$567,568 GST incl)

Operations and maintenance costs have increased by \$705 GST excl (0.14%).

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 \$0.25530 to \$0.25566 GST incl per cubic metre.

Wairau Valley Water Supply

\$40,859 GST excl
(\$46,988 GST incl)

An increase of \$2,774 (GST excl) is required to meet increased costs and fund previous deficits created due to consumption being less than budgeted in previous years (7.28%).

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

Wairau Valley Water Charge

\$15,264 GST excl
(\$17,554 GST incl)

The uniform charge will increase from \$292 to \$313 GST incl for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

Wairau Valley Metered Water Charge

\$25,595 GST excl
(\$29,434 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 350 cubic metres per annum.

The metered charge will increase from \$2.64 to \$2.84 GST incl for all usage in excess of 350 cubic metres for all consumers on the Wairau Valley water supply.

Refuse and Recycling Charges

\$1,340,442 GST excl
(\$1,541,508 GST incl)

Refuse and recycling charges have increased overall by 9.75% (\$119,067 GST excl) and includes the expansion of the residential refuse and kerbside recycling collection service to Burleigh, West Springlands, St Andrews and Dry Hills and increased landfill costs due to Emissions Trading Scheme payments required by Central Government effective 1 January 2013.

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

\$1,256,866 GST excl
(\$1,445,396 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 remains at \$46 per service and the refuse collection charge will increase from \$56 to \$64 per service - total charge increasing from \$102 to \$110 GST incl.

Blenheim/Picton (Residential) Refuse Collection Charge

\$7,693 GST excl
(\$8,847 GST incl)

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

Funding Impact Statement

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 \$56 to \$64 GST incl per service.

Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge **\$75,883 GST excl** **(\$87,265 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 \$56 to \$64 GST incl per service.

Energy Efficiency Rates **\$75,441 GST excl** **(\$86,757 GST incl)**

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

The energy efficiency rate 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
Energy Efficiency Rate 2	17.330531	2012-13	2020-21
Energy Efficiency Rate 3	17.330531	2013-14	2021-22

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. Funding of the Picton Forum is included under the Community Support Activity.

The charge will remain at \$1.24.

Tourism Charges **\$185,491 GST excl** **(\$213,315 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. Marketing and Tourism is included under the Regional Development Activity.

Properties used for residential baches or other dwelling units that are advertised for short term rental accommodation and properties used for commercial rental accommodation where less than 30 people can be accommodated - \$195 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$301 GST incl.

Properties used for tourism activities (excluding the two groups above) - \$219 GST incl.

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 -	\$36 GST incl
Properties with Urban level 2 landscaping standards -	\$46 GST incl
Properties with Rural level 1 landscaping standards -	\$51 GST incl
Properties with Rural level 2 landscaping standards -	\$156 GST incl

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

Agency Rates and Charges

\$1,494 GST excl
(\$1,718 GST incl)

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. Community halls are included in the Community Facilities Activity.

No increase has occurred.

Residential Rates Postponement Scheme

To cover costs for this scheme, the following fees and charges are set for the 2013-14 rating year. All fees and charges will be added as either a one-off or annual charge as the case may be, to the approved applicant's rate account.

Initial Charges – One off	Charging Unit	Fees and Charges (GST Inclusive)
Application fee	One-off	\$50.00
Contribution to the decision facilitation	One-off	\$300.00
Annual Interest Charges		
Interest calculated at Council's borrowing rate on all amounts outstanding		
Annual Charges – One-off		
Annual fee	Annual	\$50.00
Management fee	Annual	1.00%
Reserve fund fee	Annual	0.25%

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

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 (\$9,577,979)

The \$9,577,979 total amount is comprised of Internal Loans Interest (\$7,872,779), Interest on General Funds (\$66,000), Interest on External Loans to The New Zealand Aviation Museum Trust – Omaka Heritage Centre (\$112,200), Interest on Investments (\$700,000) and Dividends (\$827,000).

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

Petroleum Tax (\$367,000)

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

Asset Sale Proceeds (not budgeted)

In general, 25% of all asset proceeds are used to build up the emergency events reserve in case of a major emergency eg: earthquake.

The remaining 75% of all asset sales proceeds are used to fund the forestry and asset sales reserve.

Contributions Received from Development and Subdivision (\$1,295,163)

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

Forestry Income (\$1,416,000)

Currently used to fund the forestry and asset sales reserve which is used 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 or Industrial in the Wairau/Awatere Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

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

Growth pockets and other growth areas rezoned Residential following notification of the new Marlborough Resource Management Plan will be excluded from the Blenheim Area until consent for subdivision is granted.

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; around to include the Taylors Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

Picton Area (PN)

All of that area encompassed by the former Picton Borough Council; plus the area from the former Picton Borough boundary at the eastern point of Waikawa Bay to Karaka Point to and including 351 Port Underwood Road; together with the area of those properties serviced by the Picton Water or Sewerage Schemes (excluding those properties listed in the schedule below).

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP 3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa 2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

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

Picton Vicinity Area (PV)

All of that area from the western point of Ngakuta Bay to the former Picton Borough boundary; plus all of that area south east from 351 Port Underwood Road 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, Picton Vicinity or Sounds Admin Rural areas.

Sounds Admin Rural (SR) (formerly 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 2013 to 30 June 2014 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	10 September 2013
Instalment Two	10 December 2013
Instalment Three	10 March 2014
Instalment Four	10 June 2014

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.

Funding Impact Statement

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 2014. 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.

Rate Movements 2013-14

Total Rates and Charges for 2013-14 are estimated at \$55,709,850 (GST exclusive). This represents an increase of \$1,179,422 (2.16%) on last year's levy.

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) affect only those properties able to receive these services.

Significant contributors to the overall rates increase are as follows:

General Rates and Charges		
Roads and Footpaths	\$228,321	Increased general roading depreciation costs.
Libraries	\$145,878	Reinstating last year's one off reductions and the personnel costs for Blenheim and Picton weekend opening. Full year costs for the new library management system.
Regional Development	\$93,469	Increased funding to reflect the reassignment of resources from Environmental Policy to focus on the development of the Smart and Connected vision and full year of the Regional Events Strategy.
Swimming Pools	\$76,218	Increased depreciation and other costs for the upgraded Aquatic facilities.
Democracy	\$62,688	Increased operating costs due to Council elections to be held on 12 October 2013.
Environmental	(\$56,946)	Reduced expenditure on Significant Natural Area and State of the Environment Monitoring Programmes for one year. This reduction is offset by a \$15,000 grant to the Marlborough Sounds Integration Management Plan Implementation Group.
Community Development	(\$78,200)	Reduced rating requirement through the application of previously allocated, but unspent, grants money to fund this year's budget. The budget allocated to contestable Community grants for 2013-14 remains unchanged.
Solid Waste Management	(\$101,956)	Increased fee revenue partially offset by increased Emissions Trading Scheme levies and contract costs.
Targeted Rates and Charges		
Combined Sewerage Targeted Rates and Charges	\$517,088	Increased depreciation and interest costs for the replacement of the Picton sewer outfall and the upgrade of Blenheim sewage treatment plant to meet stringent resource consent conditions for environmental discharges.
Refuse and Recycling Targeted Charges	\$119,067	Increased landfill costs due to new Emissions Trading Scheme payments required by Central Government effective 1 January 2013.

Indicative Impact on Benchmark Properties

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

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

Benchmark Properties	Land Value	Capital Value	12/13	13/14	13/14	13/14
			Actual Rate Levy	Final Plan Rate Levy	Total \$ Rate Mvt.	Total % Rate Mvt.
Blenheim Residential	160,000	305,000	2,349	2,417	68	2.89%
Blenheim Residential	147,000	280,000	2,317	2,380	63	2.73%
Blenheim Residential	175,000	400,000	2,462	2,535	73	2.96%
Blenheim Residential	195,000	490,000	2,787	2,866	79	2.82%
Blenheim Vacant Section	150,000	150,000	1,878	1,935	57	3.03%
Blenheim Commercial	103,000	420,000	2,878	2,953	75	2.61%
Blenheim Commercial	365,000	990,000	9,055	9,292	236	2.61%
Picton Residential * 1	105,000	340,000	2,337	2,405	68	2.90%
Picton Residential * 2	160,000	320,000	2,686	2,762	76	2.81%
Picton Vacant Section * 1	104,000	104,000	1,823	1,864	41	2.23%
Picton Commercial * 1	285,000	430,000	5,264	5,506	242	4.59%
Picton Motels (19 units) * 2	385,000	1,050,000	9,056	9,698	642	7.09%
Blenheim Vicinity	850,000	1,625,000	4,780	4,880	100	2.10%
Blenheim Vicinity	550,000	1,125,000	3,058	3,122	65	2.12%
Blenheim Vicinity	3,575,000	6,050,000	15,578	15,939	361	2.32%
Blenheim Vicinity	1,400,000	2,500,000	7,184	7,341	157	2.19%
Blenheim Vicinity	1,950,000	3,150,000	9,145	9,350	205	2.24%
Renwick Residential * 3	133,000	315,000	1,888	1,952	64	3.37%
Renwick Residential * 4	128,000	245,000	1,929	1,994	65	3.37%
Spring Creek Residential	122,000	290,000	1,495	1,545	50	3.34%
Grovetown Residential * 5	160,000	330,000	2,638	2,721	83	3.15%
Grovetown Residential * 5	126,000	200,000	2,234	2,301	66	2.98%
Rarangi Residential	220,000	225,000	1,193	1,217	25	2.06%
Picton Vicinity	2,075,000	2,225,000	3,973	4,019	46	1.15%
Ngakuta Bay - bach	180,000	395,000	775	783	9	1.12%
General Rural - French Pass	2,850,000	3,640,000	8,477	8,422	(55)	-0.65%
General Rural - Manaroa	4,300,000	5,200,000	12,470	12,376	(94)	-0.75%
General Rural - Opouri Valley	2,330,000	2,840,000	6,265	6,211	(53)	-0.85%
General Rural - on Awatere Water	1,350,000	1,750,000	4,899	4,907	7	0.15%
Havelock Residential	170,000	295,000	2,036	2,075	39	1.94%
Seddon Residential	86,000	230,000	1,520	1,559	39	2.57%
Wairau Valley Township Residential	134,000	340,000	2,076	2,148	71	3.43%
Sounds Admin Rural - farm	7,665,000	8,457,000	9,414	9,477	63	0.67%
Sounds Admin Rural - bach	195,000	355,000	555	555	1	0.10%
Sounds Admin Rural - bach	320,000	500,000	694	696	2	0.22%

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

*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.

Trampers Hut, Marlborough



Appendices

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

Appendices

Council Committees and Members

(AS AT 30 JUNE 2012)

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 & FINANCIAL PLANNING COMMITTEE

This committee is responsible for the Long Term 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. Individual Committee members have been allocated a particular involvement with individual functions of the Committee's work.

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

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 Graeme Taylor
Clr Terry Sloan

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

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
Three youth representatives (one from each College)
Chair, Community & Financial Planning
(Clr Francis Maher)

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

Clr Peter Jerram
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 Taylor

Clr Graeme Barsanti

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 Francis Maher

Clr Peter Jerram
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 Geoff Evans
Clr Jamie Arbuckle

Clr Graeme Barsanti – Deputy
Clr David Oddie

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited and Marlborough Airport Limited.

Mayor Alistair Sowman (Director)

Chief Executive - Andrew Besley
(Director)

Chair of Community & Financial Planning Committee - Clr Francis Maher (Director)

Port Marlborough NZ Limited

Manager, Corporate Finance - Martin Fletcher (Director)

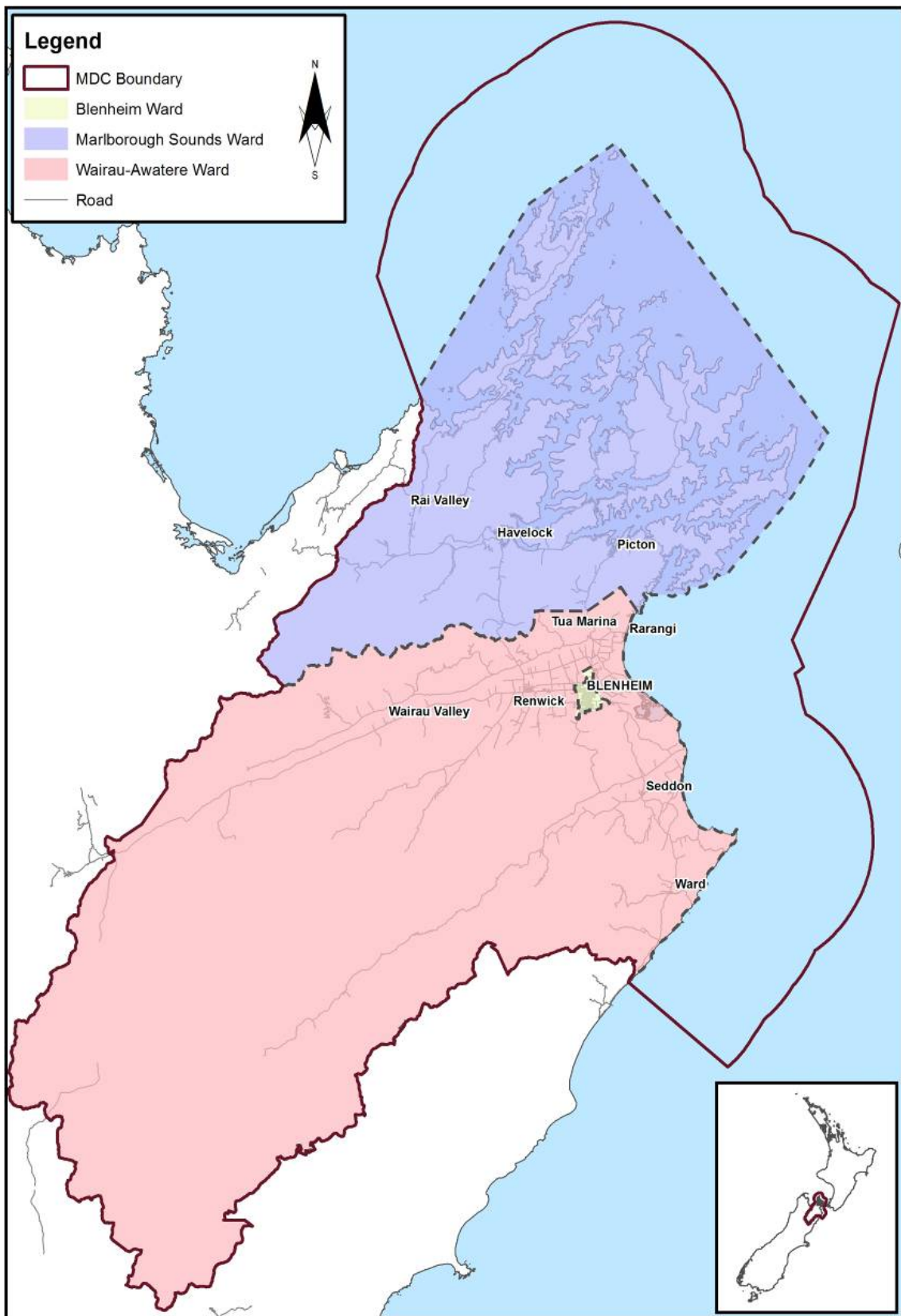
Marlborough Regional Forestry

Council owns 88.5% of the forestry estate and KDC owns the remaining 11.5%. 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.

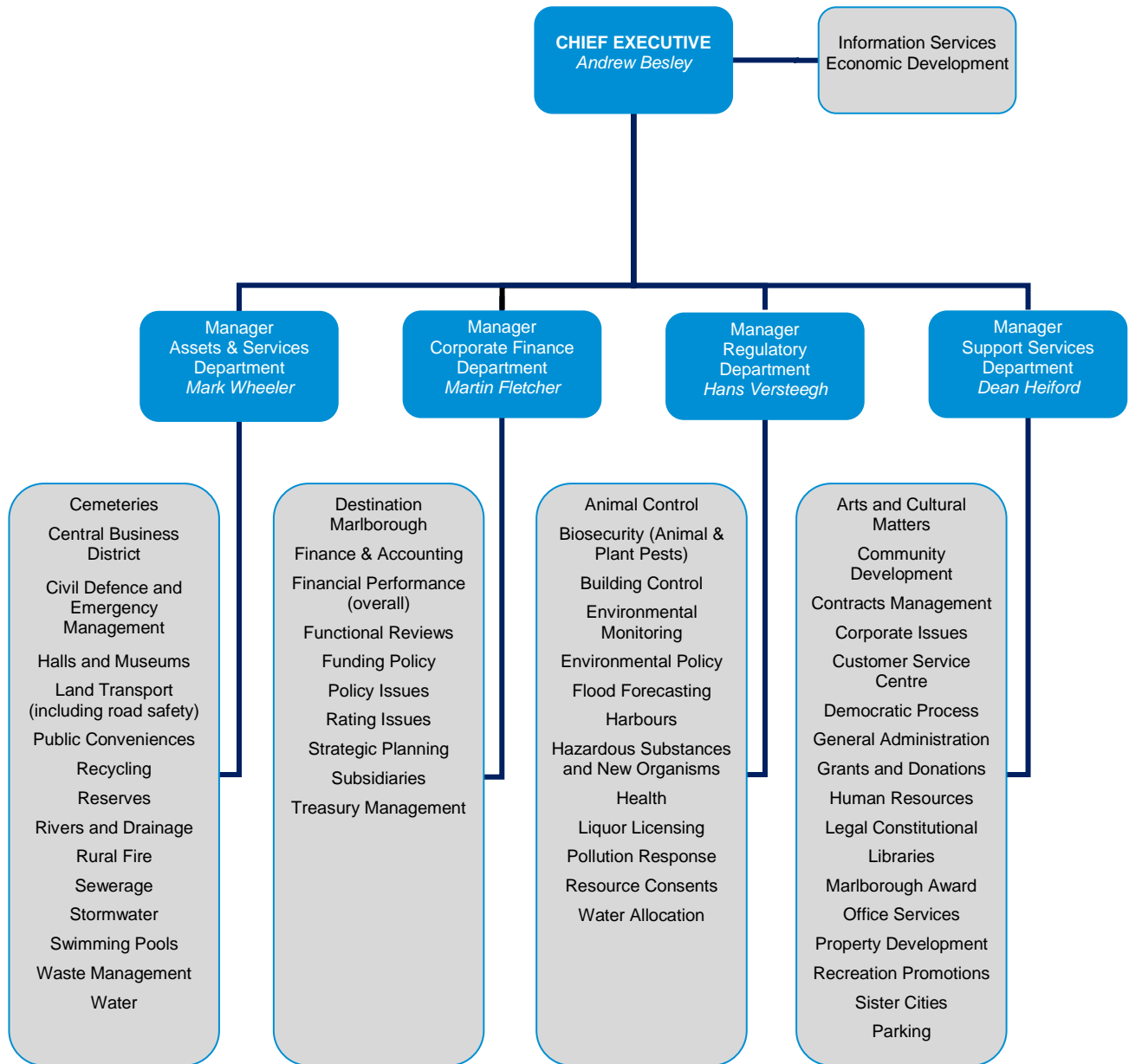
Clr Francis Maher (Chairperson)
Kaikoura District Council representative

Mayor Alistair Sowman
Forestry representative – Leo Jelinek co-opted member

Ward Boundaries



Council Staff Structure



MDC Directory

Contact Details

PO Box 443, Blenheim 7240

Telephone: (03) 520 7400

Facsimile: (03) 520 7496

Email: mdc@marlborough.govt.nz

Web: www.marlborough.govt.nz

Addresses

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

67 High Street, Picton

Harbour Control

Mariner's Mall, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Works and Operations Depot

Wither Road, Blenheim

Reserves Depot

Pollard Park, Blenheim

Solicitor

P J Radich of Radich Law, Blenheim

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Auditor General, Audit New Zealand, Christchurch

General Statistics

Population (Census count 7 March 2006) 46,179

Population (Resident 7 March 2006) 42,558

Population (2012 estimate) 45,700

Inter-Census Population Movement (+) 8.6%

District Area 17,517 square kilometres

as at 30 June 2012

Rateable Land Value \$7,003,386,050

Rateable Capital Value \$13,433,270,600

Number of Rate Assessments 25,859

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	Means the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region, in the present and for the future.
CV	Capital Value.
Departmental Management Development	Allocation of Departmental Manager costs to activities. 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 Plan of a territorial authority; and

- (b) Calculated in accordance with the methodology; and
- (c) Comprising-
 - (i) Money; or
 - (ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - (iii) Both.

Development Contribution Policy	Means the policy on development contributions included in the Long Term Plan of the territorial authority under S102(2)(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 Sounds Admin 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: <ul 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 <p>Any other premises from which containment is discharged in connection with any other industrial or trade process.</p> <ul style="list-style-type: none"> (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.
LTP	Means 2012-2022 Long Term Plan.
LTP 2013-14	These are the \$ values budgeted for 2013-14 in the LTP.
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 and Capex transfer from Reserves	Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund projects/expenditure that meet the purpose of the reserve. Capex transfers from reserves assist to fund capital expenditure.
Unit of Demand	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.