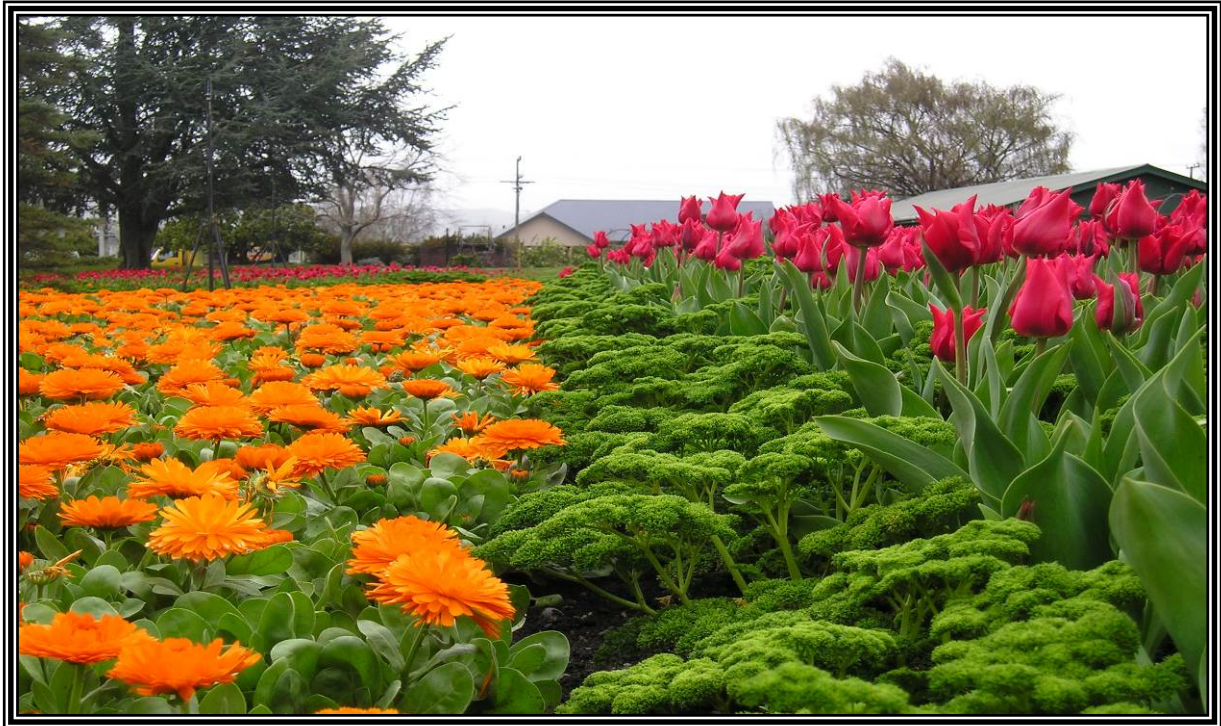




**MARLBOROUGH
DISTRICT COUNCIL**



**2014-15
ANNUAL PLAN**



Council's Mission Statement

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

Photo Front Page - Marlborough Sounds

Above: Pollard Park Gardens, Blenheim

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Part 1: Executive Summary



- ☐ Mayor's Introduction
- ☐ Elected Council Members
- ☐ Purpose of this Plan
- ☐ Major Projects 2014-15
- ☐ Financial Overview
- ☐ How to Make a Submission

Mayor's Introduction

The 2014-15 Annual Plan represents Council's work programme for the third year of our 2012-2022 Long Term Plan.

The information here sets out Council's priorities for the year ahead, confirmed after considering 303 public submissions and the views of all Councillors. The programme allows for some reinvestment into the district's social infrastructure while being mindful of this Council's continuing commitment to prudent financial management and carefully controlled levels of debt. With some signs of economic recovery emerging in the district, I believe the balance is about right.



As has long been the case, Council's primary focus is on core services with about 90% of Council's budget continuing to be spent on roading, river control, stormwater and drainage, solid waste management, sewerage and water supply, reserves, community facilities and fulfilling regulatory obligations.

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

**Alistair Sowman
Mayor**

This year Council will begin upgrading Blenheim's aging stormwater system. It has some big renewal work to do on Blenheim's sewerage system and will continue Picton's major sewerage system upgrade. Picton will also see significant spending on its water supply. Road maintenance continues to be the Council's single biggest budget item.

Council has been in the fortunate position of having healthy reserve funds to draw upon this year so that has enabled some investment to be directed into well-used sports and leisure facilities. Council has also approved some projects that should have long-term returns like the Link Pathway project, an investment in tourism and recreation, and a new commercial events fund to seed new events for the region.

The rates-take across the district will rise by 3.26%, compared with the 2.95% initially forecast in the Draft Plan.

The reason for that 0.31% increase is the approval of public submissions seeking:

- \$100,000 for Destination Marlborough (plus an additional \$100,000 from Reserves).
- \$27,156 for upgrading rural roading at French Pass.
- \$20,000 for the new umbrella organisation, Marlborough Heritage Trust.
- \$10,000 for the Council's Sister City relationships.
- \$7,500 for the Awatere Community Trust which manages Seddon's community facilities.
- \$5,000 for the Marlborough Migrant Centre.
- \$5,000 for the Picton Historical Society.

This year Council requested ratepayers to indicate whether they approved of Councillors' spending proposals or whether there was a wish to see priorities re-ordered. There was no call from the community for a change of direction. Council is in a strong financial position, well managed and fiscally sound. I believe the community understands and appreciates this.

I would like to thank everyone who took time to make a submission – that input has influenced the final decision-making contained in this Plan.

Elected Council Members



Back – left to right:

Clr Terry Sloan (Blenheim Ward) (Deputy Mayor)
Clr Jamie Arbuckle (Blenheim Ward)
Clr Jenny Andrews (Blenheim Ward)
Graeme Barsanti (Marlborough Sounds Ward)
Clr Laressa Shenfield (Blenheim Ward),
Clr David Oddie (Marlborough Sounds Ward)
Clr Brian Dawson (Blenheim Ward)

Front – left to right:

Clr John Leggett (Blenheim Ward)
Clr Geoff Evans (Wairau/Awatere Ward)
Clr Cynthia Brooks (Wairau/Awatere Ward)
Mayor Alistair Sowman
Clr Jessica Bagge (Blenheim Ward)
Clr Trevor Hook (Marlborough Sounds Ward)
Clr Peter Jerram (Wairau/Awatere Ward)

Purpose of this Plan

The 2014-15 Annual Plan is prepared in compliance with the Local Government Act 2002.

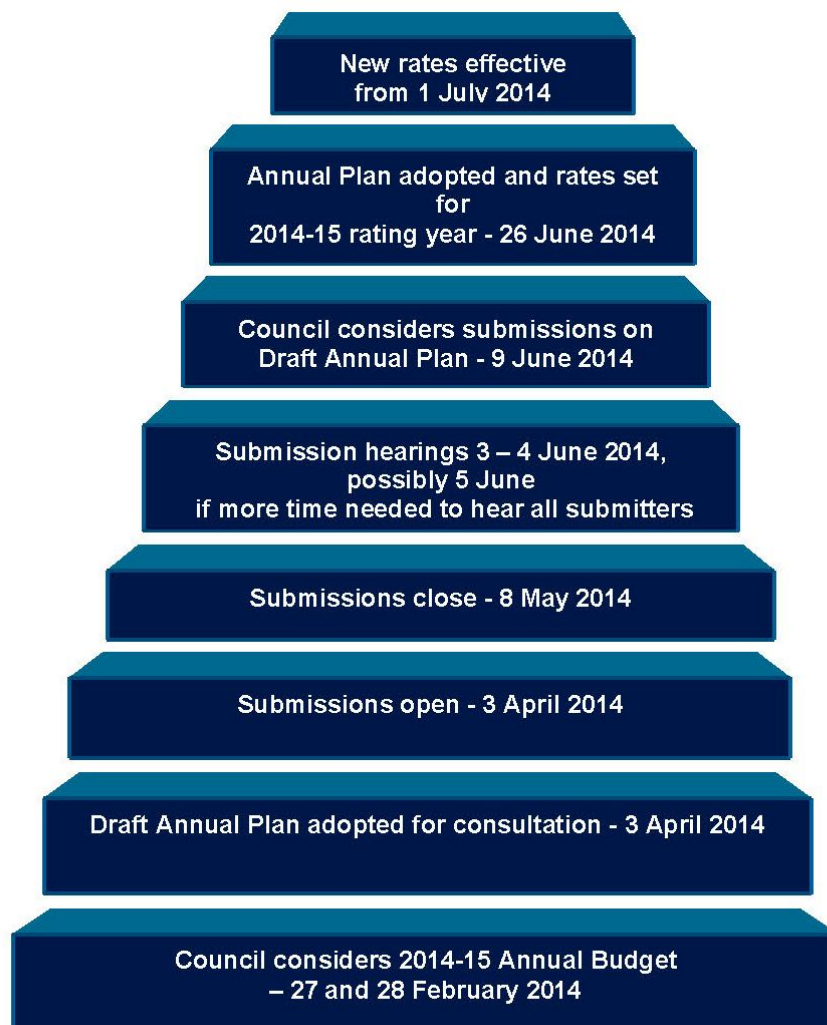
It includes:

- The activities Council intends to undertake in the 2014-15 year, levels of service to be provided and the measurement thereof.
- Council's proposed programme of asset renewal and improvement.
- The budgeted cost of undertaking the activities proposed 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.

Timeline



Where Your Money Will Go - Major Projects 2014-15

Doing up Downtown

Town centres should be buzzy places – lots of life, lots of energy, people and activity. It is Council's role to ensure the design of our towns helps to make that happen. Making sure public amenities are best placed to help make the towns tick.

In Picton, the waterfront is looking fabulous thanks to the work we have done with Port Marlborough. Our next job is to finish the High Street upgrade and make decisions about a new Library.

In Blenheim, a new Library is planned. We have the chance to make this part of a wider revamp of a quiet part of town.

For years, people have been saying that Blenheim is a river town and we should be making more of this asset. Now, we are floating the idea of bringing the Library down to the Wynen-High Street block and creating a public precinct there that connects the town to the river.

It would help fulfil the Council's urban design strategy; bring one of the town's most important buildings down toward the river and create some open public spaces for people to gather and relax. It would also create an attractive vista for travellers approaching our town from the state highway.

Flaxbourne Irrigation

The Southern Valleys' Irrigation Scheme (SVIS) is a great example of how Council has helped develop productive land in a dry part of the region through a scheme paid for by its users. A proposed irrigation scheme for the Flaxbourne area, estimated to cost up to \$27M, is under development. It would provide similar benefits to SVIS and be paid for through a targeted rate by the beneficiaries. Council will provide conditional support should be provided to build and own the scheme at this stage, before any decision is made next year as part of the 2015-25 Long Term Plan consultation process.

Coastal Monitoring

Net Cost - \$337,000

Marlborough has 1814 km of coastline – 17% of the country's coast and important for commercial and recreational reasons. We are improving the way we measure water quality and habitat so that we can properly plan for both economic development and the protection of that environment.

Sewer Inflow/Infiltration

\$150,000

We have problems with the sewer networks with infiltration – leaking – of groundwater and stormwater into the sewer pipes in wet weather and sewage leaking out in dry weather. We will be spending more money managing these overflows until we can complete the big job of replacing pipes.

Regional Economic Development - Smart and Connected **\$290,000**

Council is working with the community and industry to adopt this vision for the region. This is a partnership project for the Council – working with industries and communities and supporting initiatives like the Marlborough Food and Beverage Innovation Cluster. We will be moving faster on this economic development – and directly support the Innovation Cluster (\$75,000). We will also be investigating a new structure for Economic Development Tourism and Events operations.

Commercial Events Fund

\$75,000

A fund used to encourage commercial events in Marlborough to establish or grow is being introduced. Applicants would need to meet a range of criteria including attracting visitors into the region with preference for events outside the peak summer period.

Can It Be Too Expensive To Have Bug-Free Water?

One of the major services provided by Council is drinking water for its main towns and it can be an expensive business with pipes, pumps, reservoirs and treatment all required to deliver high quality water to the tap. Standards for water treatment have increased in recent years in New Zealand and Council has made big investments in Blenheim and Picton to upgrade the water supply there to meet these standards.

However, in our smaller settlements of Renwick, Awatere, Havelock, Riverlands and Wairau Valley there are fewer ratepayers to share the cost of upgraded treatment. Consultation with these communities indicates that the cost of treating water to the required standard in their areas would be too expensive for these populations to bear. For example, in the Awatere it is estimated the scheme cost of \$7.6M would add about \$1,500 (95%) to an annual rates bill. In Renwick, the estimated cost of \$8.6M could mean an extra \$1,300 (65%). Council therefore proposes not to upgrade to meet the standards in these communities. As a result the upgrades will not be going ahead.

Major Projects

Community Facilities - \$2.131 million

Asset	Area	Major capital expenditure items
Reserves	Various	Picton foreshore lighting \$100,000, Waikawa foreshore landscaping \$35,000, Lansdowne Park softball diamonds \$200,000, Shep's Park development \$150,000, Skate Park developments \$60,000, Taylor Dam carpark formation \$40,000, development works for Bothams Bend Equestrian Park \$140,000, Velodrome resurfacing of Athletic Park \$50,000.
	All areas	Anticipated allocations from the Land Subdivision Reserve Account \$702,000
Cemeteries	Omaka	Sexton's house removal and landscaping \$100,000
	Picton	Historic restoration works \$100,000
Public conveniences	Blenheim	Seymour Square toilet upgrade, including disability access (design and consenting) \$85,000
	Picton	Shelly Beach toilet renewal \$120,000



Roads and Footpaths - \$6.899 million

Asset	Major capital expenditure items
Renewals	Drainage, resealing, pavement rehabilitation, seal widening, unsealed metalling \$5.51 million
Other	Footpaths, vehicle crossings, kerb and channel (renewals and additions) \$1,137,000

Flood Protection And Control Works - \$0.993 million

Asset	Major capital expenditure items
Flood protection	Wairau River flood plain protection work \$510,000, Wither Hills soil conservation work \$133,000, Picton flood protection work \$20,000
Drainage	Wairau River flood plain drainage work \$330,000

Sewerage Including Treatment and Disposal - \$3.355 million

Area	Major capital expenditure items
Blenheim	Pump stations \$900,000, sewage treatment \$400,000, sewer upgrades \$380,000
Picton	Pipelines \$310,000, Pump stations \$340,000, Treatment \$130,000



Stormwater Drainage - \$1.290 million

Area	Major capital expenditure items
Blenheim	Pipeline works as part of Blenheim Stormwater Strategy, in particular Redwood Street catchment \$1 million

Major Projects 2014-15

Water Supply - \$6.711 million	
Area	Major capital expenditure items
Picton	Speeds Road treatment and pumps \$1.65 million, Elevation reservoir \$1.36 million, Pipelines, meters and connections \$630,000
Blenheim	New high Taylor Pass reservoir \$2.45 million, Fire/capacity upgrades \$240,000
Riverlands	Upgrade reservoir \$1.3 million
Renwick	Water treatment \$105,000
Havelock	New pipelines \$68,000
Solid Waste Management - \$1.792 million	
Asset	Major capital expenditure items
Bluegums Landfill, Blenheim	Stage 7 development of landfill \$1.51 million
Environmental Policy	
Asset	Major Projects
Resource Management Plan	2014-15 Notification of second generation Resource Management Framework

Financial Overview

Council has prepared the 2014-15 Annual Plan to:

- Maintain existing levels of service;
- Respond to community and Government demands for essential infrastructure improvement;
- Keep rates increases and debt levels low.

Maintaining current levels of service provided by Council across all its activities requires a rates increase of 1.91%. Compare this to the forecast increases in the Consumer Price Index of 1.8% and the Local Government Cost Index of 2.5%. The draft Plan included a number of new initiatives that will either be funded from Council Reserves, levies or rates. The new initiatives directly funded by rates are:

Coastal Monitoring Strategy implementation	\$337,000
Maintaining sewer network until upgrade completed	\$150,000
Commercial Events Fund	\$75,000
Management of protected trees	\$15,000
Independent appointee to Audit Committee	\$10,000

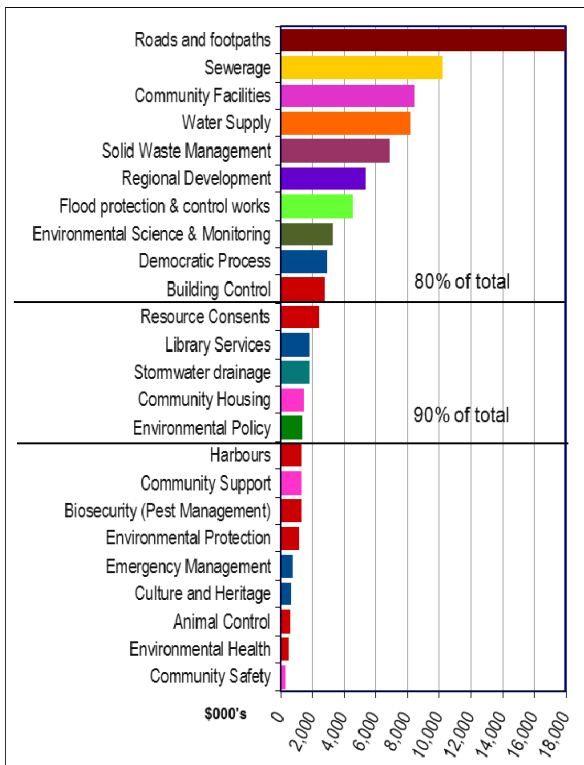
Other non-rates funded increases include \$290,000 for Smart & Connected economic development initiatives funded from Reserves. Council will levy Port Marlborough NZ Ltd the additional costs of fully implementing the Harbour Risk Management Plan.

Following Council’s consideration of ratepayer submissions, Council decided to approve a number of other projects which are detailed under the Consultation section of this Plan. The rating impact of these decisions means that total rates and charges will now increase by 3.26%, up from the 2.95% shown in the Draft 2014-15 Annual Plan

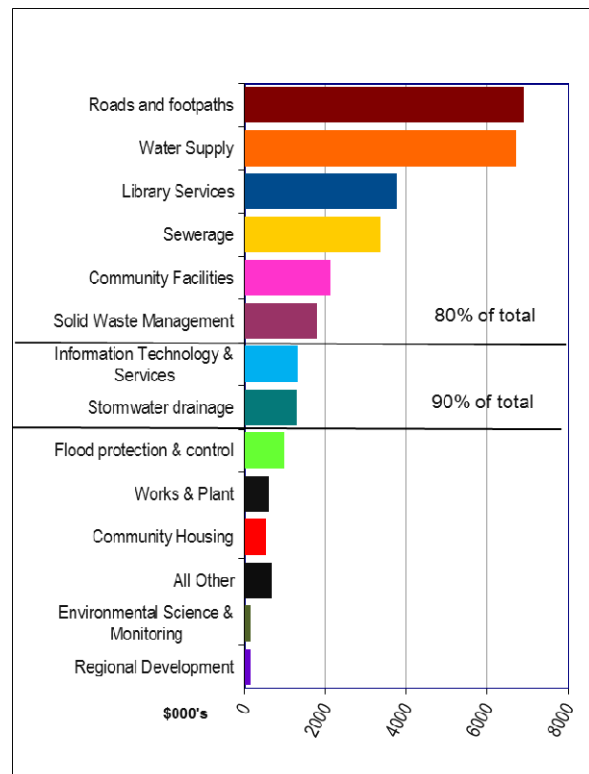
Council’s Spending Priorities

Core services and the regulatory functions which Council is required by law to deliver, account for most of Council’s day-to-day spending while almost all our big capital expenditure goes into core infrastructure – the traditional business of Councils. The Operating and Capital planned expenditure for each activity is shown in the following graphs.

Operating Expenditure 2014-15



Capital Expenditure 2014-15



We're Tracking Below our Budget Forecasts – Keeping a Tight Rein on Debt and Spending

You can see how Council is managing rates increases and debt levels by comparing the figures we're currently looking at for rates and debt and comparing them with those set out in the last year's Annual Plan and the 2012-22 Long Term Plan (LTP) which is updated every three years.

Council is well positioned financially for the future.

	2013-14 Annual Plan	2015 Year in LTP	2014-15 Annual Plan
Total Operating Expenditure	\$88.2M	\$92.0M	\$88.4M
Rates	\$55.7M	\$59.3M	\$57.9M
Rates percentage increase	2.16%	5.02%	3.26%
Net debt	\$38.3M	\$44.0M	\$34.9M

Consultation

The 2014-15 Draft Annual Plan was adopted for public consultation on 3 April 2014. The period for submissions was open until 8 May 2014 and a total of 303 submissions were received, a large increase on the previous year.

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

- Building a new library in Blenheim and developing a new public precinct around it.
- Moving Karaka Point properties from Picton Vicinity into the Picton rating area
- The Link Pathway, between Havelock and Picton.
- Future use of Murphy's Creek as a stormwater outlet.
- Coastal water monitoring.
- Upgrading various sports and recreation facilities.
- Various improvements to assist the elderly and disabled.
- Funding of tourism promotion, events and economic development.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 3, 4 and 5 June 2014. A total of 72 oral submissions were made at the hearings.

Councillors considered all submissions at a meeting held on 9 June 2014. The result of the deliberation was that the rates-take across the district will rise by 3.26%, compared with the 2.95% initially forecast in the Draft Plan.

A number of funding requests or project proposals were referred to Council committees for future consideration and the following additions were made to the expenditure set out in the Draft Annual Plan:

- \$30,000 for the new umbrella organisation, Marlborough Heritage Trust.
- \$36,981 for Marlborough Cricket Association facilities.
- \$200,000 for Destination Marlborough.
- \$27,156 for upgrading the French Pass Road.
- \$140,000 toward the development of an Equestrian Park at Bothams Bend.
- \$7,500 for the Awatere Community Trust which manages Seddon's community facilities.
- \$75,000 per annum for four years to complete the Link Pathway.
- \$50,000 to resurface Athletic Park cycling velodrome.
- \$30,000 operating costs for Renwick's Giesen Sports Centre.
- \$10,000 for the Council's Sister City relationships.
- \$15,000 to extend a walkway-cycleway at Rarangi.
- \$5,000 for the Picton Historical Society for the Heritage and Whaling Museum.
- \$10,000 for the Picton Maritime Festival.
- \$5,000 for the Marlborough Migrant Centre.

These additions are being funded by a mix of rates increases and reserves.

A proposal to adjust the Picton geographic rating area to take in 58 Karaka Point properties was not adopted. Instead, that will be considered during a future review of Marlborough's geographic rating areas.

Part 2: Our Business



Activity Groups and Activities

- ☉ People
- ☉ Community Facilities
- ☉ Roads and Footpaths
- ☉ Flood Protection and Control Works
- ☉ Sewerage Including Treatment and Disposal
- ☉ Stormwater Drainage
- ☉ Water Supply
- ☉ Solid Waste Management
- ☉ Environmental Management
- ☉ Regulatory
- ☉ Regional Development
- ☉ Council Controlled Organisations

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

Rationale for the delivery of the group of activities

This text explains why the activities have been grouped together. Some activity groups are mandatory as they are prescribed by the Local Government Act.

Activity Group
Activity Group
Rationale for Acti
Council is charged wit

Activities

Table: Activity name

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.

How this activity contributes to related community and Council outcomes

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.

What is this Activity About?

This text describes the services that the activity provides.

Activity: Stormwat
Operating costs of
Outcome
Residents and their protected from the r stormwater flooding
How this Activity
This activity contributes Council outcome of a p flood risk and possible
What is this acti
Council provides a st

Asset Description (only included in asset related activity statements)

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.

Asset Descriptio	
The table provides a	
Area	Sub /
	Blen
	Renw
Blenheim	Spring

Major Budgeted Projects (only included in asset related activity statements)

The table outlines the major budgeted projects and areas of expenditure for this activity for 2014-15. 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.

Major Budgeted I	
The table outlines the Although these items relevant community b Expenditure line of th	
Community	
Area	
Reserves	

Emerging Issues and Expected Changes

This text outlines the issues that will affect the activity during the 2014-15 year. This section signals foreseeable changes to the way the activity will be delivered and explains some of the expenditure that Council is making.

Emerging Issues
Whilst the reduction i such scheme will hav expensive as disposa processing it.
Reducing waste is a f composting. This is a

Activity Groups and Activities

Smart and Connected

The table includes how the activity contributes to each of the Smart and Connected Attributes, ie; Governance, People, Economy, Environment, Mobility and Living.

Refer to the Regional Development Activity Group for more information on the Smart and Connected framework.

Smart and Conn	
Column	Sub
Governance	Incl Ena Par Tra Stra Cor

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 Targ
Level of Service
Provide an overall le of service that meet exceeds residents' expectations.
Provide a level of w quality that meets

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 2014-15 year as set in the 2012-22 Long Term Plan (now being revised).
- The budget for the 2013-14 year as set in the 2012-22 Long Term Plan.
- The revised budget for the 2014-15 year.

Funding Impact Stat
Solid Waste Manage
Sources of operating
General rates, unifi
Targeted rates (oth
Subsidies and gran
Fees and charges

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 2014-15			
PEOPLE	LTP 2014-15	AP 2013-14	AP 2014-15
	\$000's	\$000's	\$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,327	5,796	6,185
Targeted rates	104	80	120
Subsidies and grants for operating purposes	534	438	323
Fees and charges	19	19	21
Other receipts including fines and infringement fees	1,999	1,957	1,950
Total operating funding	8,983	8,290	8,599
Applications of operating funding			
Payments to staff and suppliers	5,014	5,022	5,154
Finance costs	39	-	1
Internal charges and overheads applied	2,118	1,952	2,097
Other operating funding applications	1,245	1,000	1,154
Total applications of operating funding	8,416	7,974	8,406
Surplus (deficit) of operating funding	567	316	193
Sources of capital funding			
Subsidies and grants for capital expenditure	7	3	-
Increase (decrease) in debt	102	10	-
Gross proceeds from sale of assets	-	407	-
Total sources of capital funding	109	420	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	196	42	3,583
Capital expenditure to replace existing assets	583	1,127	798
Increase (decrease) in reserves	(103)	(433)	(4,188)
Total applications of capital funding	676	736	193
Surplus (deficit) of capital funding	(567)	(316)	(193)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,416	7,974	8,406
plus - Depreciation and amortisation	690	623	641
plus - Loss on sale of fixed assets	200	-	-
Expenditure as per Note 1	9,306	8,597	9,047

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

Explanations for this Group Activity are included in the individual Activity Funding 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 Council elections were held successfully in October 2013 (the next election being in October 2016 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.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Inclusive Enabling Participative Transparent Strategic Connected	Council is the main democratic body for the District. This activity manages the public interaction with Council, and facilitates public interaction with other public and private organisations.	-
People	Engaged and participative	-	This activity promotes the ability for people to be engaged and participative in their community.
Economy	Ability to connect	-	This activity promotes the ability for industry to engage in their community.
Living	Opportunities for participation Social cohesion	-	This activity encourages people to work together to participate in local democracy.

Levels of Service: Democratic Process			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	6.8
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%
Public contribution to decision making process.	% of Council items of business open to the public.	89%	89%

Funding Impact Statement for 2014-15			
Democratic Process	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,688	2,475	2,620
Other receipts	254	290	253
Total operating funding	2,942	2,765	2,873
Applications of operating funding			
Payments to staff and suppliers	1,659	1,536	1,578
Internal charges and overheads applied	1,266	1,217	1,283
Other operating funding applications	5	6	6
Total applications of operating funding	2,930	2,759	2,867
Surplus (deficit) of operating funding	12	6	6
Sources of capital funding			
Gross proceeds from sale of assets	-	20	-
Total sources of capital funding	-	20	-
Applications of capital funding			
Capital expenditure to replace existing assets	-	40	-
Increase (decrease) in reserves	(12)	(14)	6
Total applications of capital funding	(12)	26	6
Surplus (deficit) of capital funding	12	(6)	(6)
Funding balance	24	-	-
Reconciliation			
Total applications of operating funding	2,930	2,759	2,867
plus - Depreciation and amortisation	12	6	6
Expenditure as per Income Statement	2,942	2,765	2,873

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

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
<p>Marlborough's heritage resources are acknowledged, valued and enjoyed by present and future generations.</p> <p>Marlborough is an enlivened and creative region in which the arts are widely practised and enjoyed, and where they are recognised as being essential to a healthy and prosperous community.</p>	Heritage, Creativity.	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 (eg; Marlborough Museum Past Perfect museums database project);
- Supporting projects that reflect and strengthen Marlborough cultural identity.
- Managing the cultural and heritage assets and resources 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.
- Marlborough Heritage Trust.

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.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Inclusive Participative Strategic Connected	The people of Marlborough want to be assured that their community aspirations for arts and heritage services are being supported for professional delivery of services.	Access to funding for services. Understanding the process to access funding. Provision of essential services.
People	Education Lifelong Learning Diversity Flexibility Creativity Tolerance Engaged and participative	The people of Marlborough want to be assured that their community aspirations for arts and heritage services are being supported for professional delivery of services.	Capacity of the arts and heritage sector is supported.
Economy	Flexible Labour Productivity Ability to connect	The heritage and arts sectors provide the opportunity for people to undertake rewarding work that suits their lifestyle.	Employment that reflects the changing demographics of youth, older people and families. Volunteer sector acknowledged as a key component to heritage services.
Living	Cultural facilities and events Opportunities for participation Social Cohesion	The heritage and arts sectors supports the cultural richness of the District.	Enabling arts and heritage services to be accessible to the community at large.

Activity Group: People

Levels of Service: Culture and Heritage			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 2014-15			
Culture and Heritage	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	717	479	578
Other receipts	71	51	59
Total operating funding	788	530	637
Applications of operating funding			
Payments to staff and suppliers	5	24	25
Finance costs	1	-	1
Internal charges and overheads applied	39	17	17
Other operating funding applications	738	484	599
Total applications of operating funding	783	525	642
Surplus (deficit) of operating funding	5	5	(5)
Sources of capital funding			
Increase (decrease) in debt	-	10	-
Total sources of capital funding	-	10	-
Applications of capital funding			
Capital expenditure to improve the level of service	53	10	50
Increase (decrease) in reserves	(48)	5	(55)
Total applications of capital funding	5	15	(5)
Surplus (deficit) of capital funding	(5)	(5)	5
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	783	525	642
plus - Depreciation and amortisation	5	5	5
Expenditure as per Income Statement	788	530	647
Operating expenditure			
Arts	431	196	250
Heritage	357	334	397
Capital expenditure:			
Heritage	53	10	50

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Arts operating expenditure has reduced due to funding for the Civic theatre being completed later than predicted in the Long Term Plan.
- Heritage operating expenditure has increased due to grants to the Marlborough Heritage Trust.

Activity: Community Housing

Activity: Community Housing		
Operating costs of this activity represents approximately 2% 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.

Activity Group: People

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 2014-15 Annual Plan.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent	Providing for future housing requirements. Involvement of community representative on the Housing for the Elderly Sub-Committee.	-
People	Diversity	Ensuring the provision of affordable housing for older adults within Council policy parameters.	-
Mobility	Safe	Community housing provides safe environment for elderly residents to live.	-
Living	Access to quality housing Individual safety Health	Ensuring Council supplied housing meets the needs of future residents.	-

Levels of Service: Community Housing			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	94%
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	94%
	Non-Urgent Unplanned Maintenance ² - Percentage of unplanned non-urgent	New measure	84%

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

	maintenance completed within 20 working days of notification.		
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%

Funding Impact Statement for 2014-15			
Community Housing	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
Other receipts including property rentals	1,185	1,112	1,155
Total operating funding	1,185	1,112	1,155
Applications of operating funding			
Payments to staff and suppliers	862	921	1,113
Finance costs	38	-	-
Internal charges and overheads applied	42	43	46
Other operating funding applications	21	21	18
Total applications of operating funding	963	985	1,177
Surplus (deficit) of operating funding	222	127	(22)
Sources of capital funding			
Increase (decrease) in debt	103	-	-
Gross proceeds from sale of assets	-	395	-
Total sources of capital funding	103	395	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	55	-	-
Capital expenditure to replace existing assets	297	833	533
Increase (decrease) in reserves	(27)	(311)	(555)
Total applications of capital funding	325	522	(22)
Surplus (deficit) of capital funding	(222)	(127)	22
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	963	985	1,177
plus - Depreciation and amortisation	250	258	274
plus - Loss on sale of fixed assets	201	-	-
Expenditure as per Income Statement	1,414	1,243	1,451

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- *Payments to staff and suppliers has increased due to increases in repairs and maintenance and insurance.*
- *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.*

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.

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 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. The present projects run through Council's Safer Communities Marlborough section are:

1. Restorative Justice – this is funded by the Ministry of Justice. Ministry of Justice has completed research that shows that this service reduces reoffending by 20% and provides positive outcomes for victims of crime.
2. Crime Prevention through Environmental Design Street Intensive programmes – this is funded by the Ministry of Justice. These programmes target residential areas with high crime rates. The aim is to assist with the development of community spirit within the targeted residential areas. The measurable outcome of these programmes is lower crime rates and better connections between residents and police, social and health agencies and Council.

Significant positive outcomes are provided to the Marlborough community at very low direct cost to the Council. These projects are 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.

Staff have also been a prime driver of the Safe and Sound at the Top successful application for World Health Organisation safe community accreditation. This has been a process of bringing together many agencies to work together on safety issues in Marlborough. There is a commitment to continue to play an active role with Safe and the Top.

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.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Participative Enabling	World Health Organisation Safe Communities accreditation has brought multiple agencies together to improve safety for all in Marlborough.	CPTED street intensive programmes encourage residents to become involved in improving their environment and to engage with other groups in the community.
Environment	Systems of protection and care	-	Crime Prevention Through Environmental Design Street (CPTED) Intensive projects support the improvements to urban environments where there is a <i>higher risk of crime</i> .
People	Engaged and participative	-	CPTED street intensive programmes encourage residents to become involved in improving their environment and to engage with other groups in the community. Restorative Justice provides the opportunity for victims to have their say in the justice system. World Health Organisation Safe Communities accreditation has brought multiple agencies together to improve safety for all in Marlborough.
Mobility	Safe	Improved CCTV in Blenheim and Picton supports safe mobility of people in these towns.	-
Living	Individual safety Health	The people of Marlborough want to be assured that the community they live in is safe.	-

Levels of Service: Community Safety			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 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 2014-15			
Community Safety	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	112	90	73
Subsidies and grants for operating purposes	305	228	109
Other receipts	32	44	36
Total operating funding	449	362	218
Applications of operating funding			
Payments to staff and suppliers	368	358	222
Internal charges and overheads applied	17	17	19
Total applications of operating funding	385	375	241
Surplus (deficit) of operating funding	64	(13)	(23)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to improve the level of service	53	-	-
Increase (decrease) in reserves	11	(13)	(23)
Total applications of capital funding	64	(13)	(23)
Surplus (deficit) of capital funding	(64)	13	23
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	385	375	241
plus - Depreciation and amortisation	64	-	-
Expenditure as per Income Statement	449	375	241
Operating expenditure			
Safer Communities	364	288	144
Security	85	87	97
Capital expenditure:			
Security	53	-	-

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

Subsidies and grants for operating purposes and payments to staff and suppliers have both decreased due to the reduction in contracts for truancy youth services, neighbourhood support and the Government funding for those contracts.

Activity: Community Support

Activity: Community Support		
Operating costs of this activity represent approximately 2% of total activity expenditure.		
Outcomes	Related Community Outcome	Related Council Outcome
Marlborough's communities are robust and resilient. Young people are supported in their lifestyle choices. More people, more active, more often. Older people are valued and recognised as an integral part of the community. A community where energy use is efficient. A prosperous community where people participate full in society.	Full participation; Positive youth; Physical activity; Positive ageing; Energy Efficiency, Environmental Sustainability, Health Choices, Prosperity, Fun and Recreation.	A place where people can enjoy quality leisure opportunities. 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:

- 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 Home Insulation and Solar Water 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

Council is offering an energy efficiency funding service to ratepayers for:

- An approved home insulation solution (Home Insulation).
- An approved solar water heating solution (Solar Water Heating).

For these services Council will provide funding for the cost of an approved solution which will be recovered over nine years through a targeted homeowner property rate. (The rates recovery amount will also include interest, an administration charge and GST on all costs). 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 showed 16% of the population was over 65, by the 2013 census that had increased to a little over 20% 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. 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.

For Energy Efficiency, applications for the Heat Smart programme closed in September 2013 following the Government’s (EECA) programme ceasing grants to the wider community. Council is now offering a Home Insulation programme on a similar basis but without an EECA grant to the ratepayer. In addition Council has recently initiated a Solar Water Heating programme. These are voluntary targeted rates and are cost neutral to Council. The budget assumes providing similar levels of energy efficiency services, however demand may reduce without the EECA grants.

Smart and Connected

Attributes	Sub-attribute	Major linkages	Secondary linkages
Community Support and Events Management			
Governance	Inclusive Enabling Participative Transparent Strategic Connected	The people of Marlborough want to be assured that their community aspirations and essential services are being supported and appropriately responded to. Council’s Youth Forum and Older Persons Forum encourage participation of these groups in Council and other agencies.	Access to funding for services. Understanding the process to access funding. Provision of essential services.
People	Education Lifelong Learning Diversity Flexibility Creativity Tolerance Engaged and participative	Participation in the Youth Forum and Older Persons Forum supports these peoples’ contribution to the community.	Capacity of the volunteer sector is supported.
Economy	Flexible Labour Productivity Ability to connect	-	Employment that reflects the changing demographics youth, older people and families.
Living	Health Individual Safety Cultural facilities and events Sport and Recreation Opportunities for participation Social Cohesion	The people of Marlborough want to be assured that events are provided that reflect the demographic and ethnic diversity of the community and allow access for all. Events that are fun and provide opportunities to celebrate community	Enabling events that are fun, family friendly, affordable and promote community connection and pride.
Other Transport Services			
Mobility	Local accessibility Sustainable Safe	Passenger transport is a fundamental service that connects people to services and activities for better quality of life.	-
Living	Opportunities for participation	The Total Mobility scheme assists people with impairments to access appropriate transport to enhance their community participation.	

Activity Group: People

Energy Efficiency			
Environment	Sustainable resource management	To encourage the uptake of energy efficient products in the home.	
Living	Health	Helping people to make their homes warm or heat their water whilst using less energy.	

Levels of Service - Community Support			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	Senior Expo Held
	Biennial survey undertaken to monitor Positive Ageing Information Strategy.	New measure	Survey completed
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 2012-13 year was 25,149).	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

Funding Impact Statement for 2014-15			
Community Support	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	761	704	776
Targeted rates	104	80	120
Subsidies and grants for operating purposes	210	192	196
Fees and charges	17	16	15
Other receipts	75	74	78
Total operating funding	1,167	1,066	1,185
Applications of operating funding			
Payments to staff and suppliers	650	699	715
Internal charges and overheads applied	201	119	129
Other operating funding applications	410	419	460
Total applications of operating funding	1,261	1,237	1,304
Surplus (deficit) of operating funding	(94)	(171)	(119)
Sources of capital funding			
Subsidies and grants for capital expenditure	6	3	-
Total sources of capital funding	6	3	-
Applications of capital funding			
Capital expenditure to improve the level of service	13	12	12
Increase (decrease) in reserves	(101)	(180)	(131)
Total applications of capital funding	(88)	(168)	(119)
Surplus (deficit) of capital funding	94	171	119
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,261	1,237	1,304
plus - Depreciation and amortisation	-	-	2
Expenditure as per Income Statement	1,261	1,237	1,306
Operating expenditure			
Grants and Donations	458	466	511
Events Management	181	173	174
Energy Efficiency	200	196	206
Recreation	77	74	74
Passenger transport	345	329	341
Capital expenditure:			
Passenger transport	13	12	12

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

Increased Events Management operating expenditure is due to the establishment of a commercial events fund.

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 lifelong 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. Programmes include the Summer and Winter Reading Programmes, along with Picton's 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 129,000 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, 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 and e-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 2019.

In 2012-13 433,272 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 2012-13 was 386,478 (413,321 in 2011-12).

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 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 2012-13, 63,102 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 2012-13 was 111,265 (125,061 in 2011-12).

Collections

The libraries' collection consists of over 129,000 items with current value estimated at \$4.1 million, 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.

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, DVDs, talking books in various formats, magazines and jigsaw puzzles. Downloadable audio books and e-Books are also available.

IT

A new library management and searching system (catalogue) 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 audio books and e-Books. Titles include fiction and non-fiction items for adults, young adults and children, with regular additions of new material.

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, partially funded from the Forest Park Reserve and the sale of the old library buildings.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Inclusive Enabling Participative Transparent	-	Libraries and Library staff assist members of the community to participate in Central and Local Government issues via free internet access to consultation documents/papers, displays and brochures.
	Strategic	-	Marlborough District Libraries are part of the Kotui Library Management System Consortia and the District Libraries Manager is a member of the Association of Public Library Managers. Both of these activities provide access and allow input to national organisations and initiatives.
Environment	Sustainable resource management	-	Lending of books and other materials to the public is an efficient use of resources.
People	Education Life long learning Diversity Creativity	Expertise, resources, (including access to national resources via the Interloan service), developing digital information literacy (eg; AnyQuestions/ManyAnswers), Library facilities and programmes are available to everyone, of which the majority are free of charge.	-
	Engaged and participate	-	47% of the population are members of the library.
Economy	International Connections Ability to connect	-	Provide internet services for the overseas workforce to keep in touch with family at home.
Mobility	Local Accessibility	Free access to District and Branch libraries seven days per week (102 hours).	School/Community libraries provided throughout the district.
	Safe	Neutral/non-threatening facilities.	-
Living	Individual Health	-	Displays used to promote topical issues eg; Get Ready Get Through campaign.
	Opportunities for participation Social cohesion	Access to the internet, resources, programmes (eg; BookChat) and tutorials (eg; e-Book training)	-

Levels of Service: Library Services			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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.	≥ previous year	≥ previous year
	Number of e-book and e-audio loaned.	375	10% increase on previous year

Funding Impact Statement for 2014-15			
Library Services	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,365	1,433	1,499
Fees and charges	3	4	6
Other receipts including fines and infringement fees	278	280	272
Total operating funding	1,646	1,717	1,777
Applications of operating funding			
Payments to staff and suppliers	971	1,052	1,065
Internal charges and overheads applied	361	351	393
Total applications of operating funding	1,332	1,403	1,458
Surplus (deficit) of operating funding	314	314	319
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	22	20	3,521
Capital expenditure to replace existing assets	253	227	238
Increase (decrease) in reserves	39	67	(3,440)
Total applications of capital funding	314	314	319
Surplus (deficit) of capital funding	(314)	(314)	(319)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,332	1,403	1,458
plus - Depreciation and amortisation	314	314	317
Expenditure as per Income Statement	1,646	1,717	1,775

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

Payments to staff and suppliers includes continuing operating costs for the 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.

Council is also a key stake holder within the Marlborough Kaikoura Rural Fire Authority (MKRFA) enlarged rural fire district with representation on the MKRFA Board and responsibility for providing operational support for readiness and response for Councils rural fire administration zone.

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.
- 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.

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.

Activity Group: People

- 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

Possibility of legislative changes following the Canterbury earthquakes may have impacts upon Civil Defence.

The Seddon earthquakes proved to be challenging to CDEM in providing vital information into impacted communities. Conventional media sources such as radio proved to be problematic. As with a lot of our more remote areas radio coverage is not good. New products are being developed by private companies that on the face of it will go a long way towards rectifying this issue by using satellite technologies alongside and in conjunction with conventional media. With all new emerging technology comes a cost to the end user being our communities along with the ongoing cost with providing the service which will fall on local CDEM. This will be an issue that will need to be address as technology comes on line.

Marlborough's ever increasing ethnic diversity and fluid transient population proves to be a difficult sector to provide adequate understanding around being prepared for any disaster. Many immigrants are coming from cultures that don't have a CDEM organisational structure.

Marlborough CDEM in conjunction with Police has taken on the administration role of Marlborough Neighbourhood Support (MNS). Over time the intention is to have MNS entwined into the very fabric of our communities' resilience with neighbour supporting neighbour not just in time of emergencies.

Smart and Connected

Column	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent Strategic	Ensuring consultation to community supports their expected outcomes though LTP planning process. Ensure where appropriate information provided at a national level is incorporated into local planning	Efficient use of funding and resources. CDEM inputs into consultation processes where appropriate allowing input at a national level.
Environment	Systems of protection and care	Risk analysis was undertaken during the Group CDEM planning process. Identified hazards have a likelihood/consequence matrix rating the hazard producing a risk assessment between very low to extreme.	Marlborough Resource Management Plan. Regional Policy Statement.
People	Education	People of Marlborough want to be assured that their community is able to respond and recover from emergency events.	Engaging with community groups encouraging general preparedness required to build community resilience.
Economy	Productivity	Business continuity planning is essential for all businesses for their own economic survival and that of their employees.	Engage with business groups to encourage Business continuity planning.

Living	Access to services Psychosocial Health Social Cohesion Individual safety Individual responsibilities	The people of Marlborough want to be assured that in times of adversity systems are in place for a coordinated and timely response.	Continued coordination of Welfare Recovery Group and Readiness and Response Group. Through public education, community will be encouraged to build their own community resilience through being prepared at home and work, supported by CDEM.
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Levels of Service: Emergency Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 five 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	Tests completed
	Timeliness for completion of the annual vehicle maintenance.	Before 20 December	Before 20 December

Activity Group: People

Funding Impact Statement for 2014-15			
Emergency Management	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	684	614	639
Subsidies and grants for operating purposes	19	18	18
Other receipts	103	98	97
Total operating funding	806	730	754
Applications of operating funding			
Payments to staff and suppliers	499	432	436
Internal charges and overheads applied	192	188	210
Other operating funding applications	71	71	71
Total applications of operating funding	762	691	717
Surplus (deficit) of operating funding	44	39	37
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	34	28	28
Increase (decrease) in reserves	10	11	9
Total applications of capital funding	44	39	37
Surplus (deficit) of capital funding	(44)	(39)	(37)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	762	691	717
plus - Depreciation and amortisation	44	39	37
Expenditure as per Income Statement	806	730	754

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

There are no variances which are considered significant.

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. Sheps Park is now completely open to the public therefore additional maintenance is required to cater for the additional areas to be mown and planted areas to be maintained.

After the Port Marlborough redevelopment of Memorial park to link with the marina extension this new area has been incorporated into the Picton Parks maintenance contract.

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

Activity Group: Community Facilities

has been renegotiated. The restructure of the management agreement has placed the maintenance of the park under contract. Lansdowne North is currently being developed into additional sports fields. This has required additional funding for the ongoing maintenance.

Port Marlborough Pavilion at Endeavour Park in Picton was opened in July 2013 and is operating as an effective multisport facility for the Picton community.

The development of the equestrian park at Bothams Bend, a recommendation from the Marlborough Outdoor sports facility plan, is under construction and being managed by the Marlborough Equestrian Society.

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. A replacement toilet has been ordered for Seddon, State Highway 1 after the facility was damaged by the earthquake.

Waikawa foreshore received a replacement toilet and changing facility in 2013.

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's 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.

The Seddon Earthquake rendered the Seddon Pool out of action for 2013-14 Summer. Work is underway to repair.

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. Council has also provided funding for the Link Pathway project between Picton and Havelock.

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 spending may be required to bring up to Building Act 2004 requirement.

Several community halls have been affected by either the earthquake itself or the government regulations for seismic strengthening. Evaluations continue before a full assessment of budget requirements can be confirmed.

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.

Increasing areas with street trees has created a need for a budget extension for the street and berms maintenance contract.

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 sportsville 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	2,773
Sportsgrounds	21	107
Community Building Reserve Land	32	9
Cemeteries	13	35
Accessways	46	6
Other Reserves (e.g. road reserves and berms)	92	428
Total	471	3,356

Major Asset Category	Number
Public conveniences	64
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 Structures	2,248
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 2014-15. 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 - \$2.131 million		
Asset	Area	Major capital expenditure items
Reserves	Various	Picton foreshore lighting \$100,000, Waikawa foreshore landscaping \$35,000, Lansdowne Park softball diamonds \$200,000, Shep's Park development \$150,000, Skate Park developments \$60,000, Taylor Dam carpark formation \$40,000, development works for Bothams Bend Equestrian Park \$140,000, Velodrome resurfacing of Athletic Park \$50,000.
	All areas	Anticipated allocations from the Land Subdivision Reserve Account \$702,000
Cemeteries	Omaka	Sexton's house removal and landscaping \$100,000
	Picton	Historic restoration works \$100,000
Public conveniences	Blenheim	Seymour Square toilet upgrade, including disability access (design and consenting) \$85,000
	Picton	Shelly Beach toilet renewal \$120,000

Emerging Issues and Expected Changes

- Assessment and evaluation of community facilities that require seismic strengthening will be required. Funding will be required for a decision on the facility; either improvement or replacement in consultation with user groups - Lansdowne Park Grand Stand, Athletic Park Grandstand, A&P Park Grand Stand, Blenheim Gymnasium, Seddon Hall, Stadium 2000, Seddon Swimming pool facility and Seddon Memorial.
- Significantly reduced revenue from the Land Subdivision Account (financial contributions from subdivisions) which funds the Reserves capital works programme, including those resulting from Annual Plan submissions, potential projects from the sports facility plan and urban design projects and community grants. This will mean a significant reduction in the capital spending able to be funded in future years.
- Government's proposed changes to the collection of development contributions will result in changes to the policy and may represent a lower level of contributions being collected.
- Prioritising, budgeting and implementation of the Growing Marlborough Strategy will be challenging. Council is now considering more detailed plans for lower High Street redevelopment.
- Port Marlborough Pavilion at Endeavour Park and Renwick Pavilion will require ongoing operational grants to ensure their sustainability in the community.
- The Freedom Camping Bylaw review may result in changes to administration of the activity. Public education is an important aspect to control the negative effects associated with the freedom camping. As the activity and its profile are increasing nationally, Marlborough will need to put more resources into its management
- 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 development of Lansdowne Park north for a dedicated softball park will require close monitoring. Further capital is required to relocate softball from A&P Park to their new home with associated sport infrastructure.
- Bothams Bend Equestrian park development, while a success story to date of community/Council collaboration, will require close supervision of the project as it develops into a national standard multi Equestrian sport park. Significant future funding will be required to achieve the ultimate design.
- Lansdowne Park redevelopment in to a multisport facility will be a complex process. Early planning in consultation with existing and potential users will be required and a staged approach to the development. Funding of developments will be reliant on the Land Subdivision Account which may delay progress

thereby putting pressure on Clubs that are expanding at a greater rate than Council can provide facilities for. Other Councils in the country are providing increasing higher levels of sport field provision. Marlborough is at the risk of falling behind the national provision of sport fields. Asset Management Systems and data collection will be enhanced enabling a more planned approach to maintenance renewals and future planning although resourcing the transition will be challenging.

- As part of the Marlborough Outdoor Sports Facility Plan a review of the long term use of Athletic Park will be required. Funding for the repair of the velodrome has been provided.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Cemeteries			
Environment	Attractive	Cemeteries are provided for many reasons including cultural, religious, coping with grief.	They also need to be environmentally managed.
	Control over pollution		
Living	Health	People have a respectful and comforting environment to remember those they have lost.	
Memorials			
Environment	Attractive	Society values past history. Contributes towards the commemorative needs of the community.	-
Living	Cultural facilities and events		
Street Trees and Plots			
Environment	Attractive	Trees are valued aesthetically and for their air quality benefits.	-
	Control over pollution, forms and effect		
Living	Health		
Halls			
People	Engaged and participative	Meeting places for community groups.	-
Public Conveniences			
Environment	Control over pollution	Public toilets help prevent environmental pollution and benefit public health and comfort.	-
Living	Health		
Mobility	Individual Safety	They assist and encourage people to get out and about.	
	Local accessibility		
Reserves and Swimming Pools			
Environment	Attractive	Reserves, recreation facilities, sports grounds and open spaces all provide opportunities for recreation, relaxation and physical activity.	-
	Sustainable resource management		
Living	Health Cultural facilities and events Sports and Recreation Opportunities for participation	There are also responsibilities to sustain natural and physical resources and manage the environment.	

Activity Group: Community Facilities

Levels of Service: Community Facilities			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	6
	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%	65%
	% of capital works projects from Land Subdivision Account are completed.	70%	70%

Activity Group: Community Facilities

Funding Impact Statement for 2014-15			
Community Facilities	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,686	6,599	6,879
Targeted rates	-	-	-
Subsidies and grants for operating purposes	11	10	40
Fees and charges	151	142	143
Other receipts	699	736	718
Total operating funding	7,547	7,487	7,780
Applications of operating funding			
Payments to staff and suppliers	5,866	5,755	6,000
Finance costs	597	589	598
Internal charges and overheads applied	720	681	672
Other operating funding applications	22	131	191
Total applications of operating funding	7,205	7,156	7,461
Surplus (deficit) of operating funding	342	331	319
Sources of capital funding			
Development and financial contributions	1,245	1,135	1,102
Increase (decrease) in debt	147	50	125
Total sources of capital funding	1,392	1,185	1,227
Applications of capital funding			
Capital expenditure to meet additional demand	37	100	568
Capital expenditure to improve the level of service	1,338	1,721	1,238
Capital expenditure to replace existing assets	59	344	325
Increase (decrease) in reserves	300	(649)	(585)
Total applications of capital funding	1,734	1,516	1,546
Surplus (deficit) of capital funding	(342)	(331)	(319)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	7,205	7,156	7,461
plus - Depreciation and amortisation	873	883	970
Expenditure as per Income Statement	8,078	8,039	8,431
Operating expenditure			
Cemeteries	480	450	482
Memorials	97	96	95
Street berms, trees and plots	461	488	526
Halls	242	287	252
Public Conveniences	788	743	779
Reserves	4,363	4,331	4,606
Swimming Pools	1,648	1,645	1,691
Capital expenditure:			
Cemeteries	292	151	345
Memorials	26	131	25
Street berms, trees and plots	36	28	34
Halls	21	120	20
Public Conveniences	244	255	230
Reserves	815	1,450	1,477
Swimming Pools	-	30	-

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Other receipts have reduced due to a reduction in development and financial contributions revenue from subdivisions, because of a slowdown in new residential development activity.
- Other operating funding applications have increased due to grants to the Link Pathway Trust, Marlborough Cricket Association and the Renwick Sports Centre Inc which are funded from the Forestry and Asset Sales Reserve.
- Capital expenditure:

Activity Group: Roads and Footpaths

- *Reserves – increase includes new skatepark features, Taylor Dam carpark formation, Picton Foreshore lighting, Sheps Park development, Velodrome resurfacing at Athletic Park, the relocation of softball to Lansdowne Park and development works for Bothams Bend Equestrian Park.*
- *Cemeteries – increase due to Fairhall cemetery columbaria, touch screen grave locator and development of natural burials area.*
- *Increase(decrease) in reserves - Capital expenditure increases have been primarily funded from Reserves.*
- *The increase in payments to staff and suppliers is primarily for increased contract costs for reserves (Lansdowne and Sheps Park) and for street trees, berms and plots.*
- *Decrease in development and financial contributions, is due to a slow down in new residential development activity.*

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 21% 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, 891 km of sealed road and 640.6 km of unsealed roads. Council operates 363 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 three year programme for which Council receives financial assistance, at rates between 46% and 56%.

Activity Group: Roads and Footpaths

Council in its Asset Management Plan identifies standards and guidelines for all activities undertaken to manage the road infrastructure. Council 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

Marlborough Roads constantly reviews road crashes in the Marlborough District and annually prioritises the budgets available to improve safety where the road infrastructure is considered to be causing the most serious accidents. Reports are presented to the quarterly Road Safety Action Plan meetings which focuses on developing strategies to address arising safety issues between the Police, ACC and road safety coordinators in the region. Safety reports are also presented quarterly to the Regional Land Transport Committee which review the latest regional local road and state highway safety performance.

Nationally there has been a considerable reduction in road fatalities in recent years and this is reflected in the Marlborough statistics which shows a trending down of serious casualties on local roads from 10 in 2005 to 2 in 2013.

A significant focus is in place to ensure safety is maintained through good quality pavements that are 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 the capability to measure roughness to assist with determining the need for intervention treatments eg; grading.

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

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. 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	1531.6km (891 km sealed, 640.6 km unsealed)
Bridges	363
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 2013 is \$609.7 million.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2014-15. 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 - \$6.899 million	
Asset	Major capital expenditure items
Renewals	Drainage, resealing, pavement rehabilitation, seal widening, unsealed metalling \$5.51 million
Other	Footpaths, vehicle crossings, kerb and channel (renewals and additions) \$1,137,000

Emerging Issues and Expected Changes

- Increasing Forest Harvests**
 Significant forests were planted in the late 1970's and early 1980's. These will be an increasing harvest as they fully mature and market demand improves. Council is reviewing harvest plans and potential roading effects such as dust, noise, damage and safety.
- Pressure on Budgets for Increasing Storm Damage Costs**
 Climate change is expected to increase the frequency of heavy rainfall events with consequent road damage. Changes to NZTA's financial assistance rate for funding repairs could also impact on Council's budgets.
- Urban Growth Effects**
 Proposed new zone developments need to follow roading layout and "accepted services" plans to ensure good community outcomes and equitable cost sharing.
- HPMV**
 Council has \$765,000 budgeted for Northbank Road upgrading to ensure that Council optimises freight efficiency.
- Capital Bridge Programme**
 Godsiffs (\$150,000) and Hopewell (\$150,000) bridges require renewal.

Hodder Bridge investigations have required a 70% Class I restriction to be imposed. Marlborough Roads will continue to develop a long term economic proposal but in the meantime a ford is available for heavy vehicles.

Activity Group: Roads and Footpaths

Smart and Connected

Attributes	Sub-attribute	Major linkages	Secondary linkages
Roads			
Economy	Increasing GDP Productivity	Roads and the structures, components and services which support them are essential transport links. Their benefits are both economic and social.	A prosperous community and economy.
Mobility	Local accessibility National accessibility Safe Sustainable		
Living	Individual safety Opportunities for participation		
Cycle facilities and Footpaths			
Environment	Control over pollution Sustainable resource management	Healthy and sustainable alternative transport modes. Access and mobility for non drivers.	-
Mobility	Local accessibility Safe Sustainable		
Living	Health Individual safety Sports and recreation Opportunities for participation		
Paved cobbled areas, street furniture			
Environment	Attractive	Community gathering areas should be attractive and enable people to mingle, enjoy the environment and participate in commercial or other town activities.	-
People	Engaged and participative Opportunities for participation Social cohesion		
Living	Opportunities for participation Social cohesion		
Street lighting			
Mobility	Local accessibility Safe	Street lights enable safer use of roads, footpaths, public facilities and encourage night time usage.	-
Living	Individual safety		
Wharves			
People	Engaged and participative	Wharves and jetties provide important transport links to isolated areas with consequent social and economic benefits.	They also provide recreational boating opportunities.
Economy	Ability to connect		
Mobility	Local and national accessibility Sustainable		

Activity Group: Roads and Footpaths

Living	Access to education and employment Opportunities for participation Sport and recreation Social cohesion		
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Levels of Service: Roads and footpaths			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	6.4
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	<115 <105
	Smooth Travel Exposure ⁴ Urban Sealed roads Rural Sealed roads NB: this measure takes roughness and adjusts it for traffic volumes.	95% 95%	93% 93%
	Condition Index ⁵	5	≤7
To provide footpaths that meet the needs of an ageing community.	Reduce length of 4 (poor) and 5 (very poor) rated footpath.	New measure	11 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 2014-15			
Roads and footpaths	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	9,676	8,721	8,958
Targeted rates	63	63	63
Subsidies and grants for operating purposes	3,098	3,157	3,236
Fees and charges	5	5	5
Other receipts	1,286	1,492	1,217
Total operating funding	14,128	13,438	13,479
Applications of operating funding			
Payments to staff and suppliers	8,315	7,611	7,830
Finance costs	511	398	439
Internal charges and overheads applied	1,191	1,060	1,119
Other operating funding applications	-	1,992	-
Total applications of operating funding	10,017	11,061	9,388
Surplus (deficit) of operating funding	4,111	2,377	4,091
Sources of capital funding			
Subsidies and grants for capital expenditure	2,454	2,602	2,172
Development and financial contributions	187	168	176
Increase (decrease) in debt	735	753	697
Total sources of capital funding	3,376	3,523	3,045
Applications of capital funding			
Capital expenditure to meet additional demand	630	526	447
Capital expenditure to improve the level of service	326	586	514
Capital expenditure to replace existing assets	5,783	6,019	5,316
Increase (decrease) in reserves	748	(1,231)	859
Total applications of capital funding	7,487	5,900	7,136
Surplus (deficit) of capital funding	(4,111)	(2,377)	(4,091)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	10,017	11,061	9,388
plus - Depreciation and amortisation	8,134	8,207	8,588
Expenditure as per Income Statement	18,151	19,268	17,976
Capital expenditure (including vested assets):	7,404	7,755	6,901

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Payments to staff and suppliers has reduced because the roading network costs are less than the LTP which was adjusted for inflation.
- The decrease in Capital expenditure to replace existing assets is due to bridge renewals not being approved by NZTA in their 2012-15 National Land Transport Programme. Note: bridge renewals are now being funded from the minor safety works maintenance expenditure.
- The decrease in Capital expenditure to meet additional demand is offset by the increase in Capital expenditure to meet additional levels of service. This is a change in expenditure type for wharves and cycle facilities from growth to levels of service.

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. Agricultural drainage of the lower Wairau Plains is provided. Environmental disadvantages of river control and drainage works are mitigated against.	Essential services, Environmental sustainability, Prosperity.	A place where people enjoy living.

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 one 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 one 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 one 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

Activity Group: Flood Protection and Control Works

natural watercourses, maintaining floodgated culverts into the major rivers, and providing pumping stations generally with a capacity of removing 15 mm of rainfall in 24 hours. The riparian margins of selected channels are managed in an aesthetic and ecologically sensitive manner.

Gravel Extraction

To manage gravel extraction from river channels throughout Marlborough 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 into 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.	585,000 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 2013 is \$170.3 million.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2014-15. 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 - \$0.993 million	
Asset	Major capital expenditure items
Flood protection	Wairau River flood plain protection work \$510,000, Wither Hills soil conservation work \$133,000, Picton flood protection work \$20,000
Drainage	Wairau River flood plain drainage work \$330,000

Emerging Issues and Expected Changes

The only immediate issue that materially affects this 2014-15 budget update is some proposed additional funding for Wither Hills soil conservation to help maintain stable ground cover and prevent sediment from depositing into watercourses. A separate budget paper has been prepared for consideration.

Progress is being made on some emerging issues identified last year which will likely affect the next 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.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Environment	Systems for protection and care Sustainable resource management	Flood control and drainage management provide major environmental, economic and social benefits.	Council owned floodway land can have secondary uses of public access and recreation, ecological/amenity plantings or for economic gain through forestry or pastoral leasing as appropriate.
People	Quality jobs Increasing incomes Increasing capital wealth	Residents and their property are safeguarded from the risks of river and stream flooding and erosion.	
Economy	Increasing GDP per FTE Productivity	Agricultural drainage of the lower Wairau plains is provided, improving the productivity of drainage impaired soils.	
Mobility	Accessibility Sustainable Safe	Soil conservation is managed in the Wither Hills Farm Park to prevent sediment from depositing into the watercourses at the base of the hills.	
Living	Health Individual Safety Access to housing Sport & Recreation	Gravel extraction from river channels is managed in a sustainable manner and provides a valuable economic resource. Environmental sustainability is managed.	

Levels of Service: Flood Protection and Control Works			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	6%
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.

Activity Group: Flood Protection and Control Works

Funding Impact Statement for 2014-15			
Flood protection and control works	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	286	256	259
Targeted rates	3,508	3,313	3,461
Fees and charges	543	510	510
Internal charges and overheads recovered	154	150	160
Other receipts including rental revenue	2,144	2,440	2,573
Total operating funding	6,635	6,669	6,963
Applications of operating funding			
Payments to staff and suppliers	3,767	3,584	3,728
Finance costs	68	60	62
Internal charges and overheads applied	766	710	746
Other operating funding applications	26	24	32
Total applications of operating funding	4,627	4,378	4,568
Surplus (deficit) of operating funding	2,008	2,291	2,395
Sources of capital funding			
Increase (decrease) in debt	118	17	37
Total sources of capital funding	118	17	37
Applications of capital funding			
Capital expenditure to meet additional demand	212	200	200
Capital expenditure to improve the level of service	780	620	793
Increase (decrease) in reserves	1,134	1,488	1,439
Total applications of capital funding	2,126	2,308	2,432
Surplus (deficit) of capital funding	(2,008)	(2,291)	(2,395)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,627	4,378	4,568
plus - Depreciation and amortisation	166	149	149
less - Internal charges and overheads recovered	154	150	160
Expenditure as per Income Statement	4,639	4,377	4,557
Operating expenditure			
River Leases	229	215	216
Rivers Outside Wairau Floodplain	272	245	245
Wairau Floodplain Drainage	835	778	790
Wairau Floodplain Rivers	3,303	3,138	3,306
Capital expenditure:			
Rivers Outside Wairau Floodplain	21	20	20
Wairau Floodplain Drainage	461	270	330
Wairau Floodplain Rivers	510	530	643

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- *Other receipts including rental revenue have increased due to additional river lease rental income which has increased the funding into reserves.*
- *Capital expenditure:*
 - *Wairau Floodplain Rivers has increased due to the Wither Hills soil conservation work.*
 - *Wairau Floodplain Drainage has reduced due to deferred expenditure on drainage channels improvements.*

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 2013 is \$129.3 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

Activity Group: Sewerage Including Treatment and Disposal

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 2014-15. 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.

Sewerage Including Treatment and Disposal - \$3.355 million	
Area	Major capital expenditure items
Blenheim	Pump stations \$900,000, sewage treatment \$400,000, sewer upgrades \$380,000
Picton	Pipelines \$310,000, Pump stations \$340,000, Treatment \$130,000

Emerging Issues and Expected Changes

- The upgrade of Blenheim Sewage Treatment Plant has been completed. The discharge to the Opawa River has been discontinued. The use of the new wetland, operation of the upgraded outfall to Wairau River mouth adjacent to the Wairau Bar and irrigating treated effluent to land has commenced.
- Increasing treatment capacity to meet continuing growth in trade waste.
- The upgrade of trunk sewers in Blenheim & Picton will need to be investigated to test its ability to cope with increased flows and population growth.
- 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. In particular in Picton.
- Failure of on-site wastewater treatment systems in unsewered townships and rural residential areas.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Environment	Attractive Control over pollution Systems for protection and care Sustainable resource management	Collection treatment and disposal of wastewater to provide sanitary living conditions, protect public health and minimise damaging discharges to the environment is an essential service.	Environmental sustainability.
Economy	Increasing GDP per FTE Ability to transform	Good effluent management enables industry.	Industrial and residential development. A prosperous community and economy for all Marlburians.
Living	Health Access to quality housing	Sewage management and treatment is a highly significant benefit to health and also enables more intensive housing.	

Levels of Service: Sewerage Including Treatment and Disposal			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	≤5
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 2014-15			
Sewerage	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
Targeted rates	8,473	7,629	7,753
Fees and charges	98	57	62
Other receipts	1,565	1,394	1,856
Total operating funding	10,136	9,080	9,671
Applications of operating funding			
Payments to staff and suppliers	3,985	3,362	3,553
Finance costs	3,201	3,038	2,661
Internal charges and overheads applied	1,169	1,126	1,129
Total applications of operating funding	8,355	7,526	7,343
Surplus (deficit) of operating funding	1,781	1,554	2,328
Sources of capital funding			
Development and financial contributions	373	135	140
Increase (decrease) in debt	8,890	3,152	(400)
Total sources of capital funding	9,262	3,287	(260)
Applications of capital funding			
Capital expenditure to meet additional demand	5,248	1,557	1,035
Capital expenditure to improve the level of service	3,140	4,260	1,700
Capital expenditure to replace existing assets	4,504	689	560
Increase (decrease) in reserves	(1,849)	(1,665)	(1,227)
Total applications of capital funding	11,043	4,841	2,068
Surplus (deficit) of capital funding	(1,781)	(1,554)	(2,328)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,355	7,526	7,343
plus - Depreciation and amortisation	3,205	2,871	2,880
Expenditure as per Income Statement	11,560	10,397	10,223
Operating expenditure			
Combined scheme	9,347	8,403	8,155
Riverlands Industrial	2,045	1,819	1,898
Tuamarina (new)	-	-	-
St Andrews (new)	19	21	21
Loan units (no-lump sum)	149	1,994	149
Capital expenditure (including vested assets):			
Combined scheme	12,971	5,437	3,227
Riverlands Industrial	134	1,119	128
Tuamarina (new)	-	-	-
St Andrews (new)	22	-	-

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Other receipts have increased with increased recovery for the Blenheim sewer plant upgrade at Hardings Road.
- Payments to staff and suppliers is lower than the LTP due to reduced treatment costs.
- Capital expenditure for the combined scheme has reduced due to Blenheim pump station upgrades and Picton trunk sewer main and pump station upgrades being deferred to 2015-16.
- Debt has reduced is due to the reduction in Capital expenditure.
- Finance costs have reduced due to the decrease in debt.

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 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

Activity Group: Stormwater Drainage

Area	Reticulation length (Kilometres)
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 2013 is \$65.9 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 2014-15 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 - \$1.290 million	
Area	Major capital expenditure items
Blenheim	Pipeline works as part of Blenheim Stormwater Strategy, in particular Redwood Street catchment \$1 million

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. This strategy sets out a 10 year plan of activity and provides a comprehensive framework to manage both the quality and quantity of stormwater. It also provides for an overhaul of the resource consent structure for Blenheim's stormwater. 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 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.
- Increasing public expectations for the quality of waterways into which urban stormwater is discharged.

Activity Group: Stormwater Drainage

Smart and Connected

Column	Sub-attribute	Major linkages	Secondary linkages
Environment	Systems for protection and care Sustainable resource management	Stormwater control and drainage management provide major environmental, economic and social benefits.	Council owned floodway land can have secondary uses of public access and recreation or, ecological and amenity plantings.
People	Quality jobs Increasing incomes Increasing capital wealth	Residents and their property are safeguarded from the risks of stormwater flooding. Facilitates commercial and residential development.	
Economy	Increasing GDP per FTE Productivity	Environmental sustainability is managed through quality of urban stormwater run-off.	

Levels of Service: Stormwater Drainage

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	80%
	% of capital improvement works completed.	New measure	70%

Funding Impact Statement for 2014-15			
Stormwater drainage	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,649	1,509	1,526
Fees and charges	88	46	51
Other receipts	177	174	167
Total operating funding	1,914	1,729	1,744
Applications of operating funding			
Payments to staff and suppliers	319	278	379
Finance costs	104	26	24
Internal charges and overheads applied	154	155	164
Total applications of operating funding	577	459	567
Surplus (deficit) of operating funding	1,337	1,270	1,177
Sources of capital funding			
Development and financial contributions	77	30	40
Increase (decrease) in debt	(206)	(21)	(20)
Total sources of capital funding	(129)	9	20
Applications of capital funding			
Capital expenditure to meet additional demand	90	46	51
Capital expenditure to improve the level of service	1,103	20	1,020
Capital expenditure to replace existing assets	75	69	69
Increase (decrease) in reserves	(60)	1,144	57
Total applications of capital funding	1,208	1,279	1,197
Surplus (deficit) of capital funding	(1,337)	(1,270)	(1,177)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	577	459	567
plus - Depreciation and amortisation	1,249	1,215	1,206
Expenditure as per Income Statement	1,826	1,674	1,773
Operating expenditure			
Blenheim Stormwater	1,210	1,134	1,252
Other Stormwater Schemes	616	540	521
Capital expenditure (including vested assets):			
Blenheim Stormwater	1,489	235	1,240
Other Stormwater Schemes	56	50	50

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Finance costs have reduced due to deferral of the Redwood Street stormwater catchment upgrade works.
- Capital expenditure in Blenheim stormwater has reduced due to connection fees, and invested assets resulting from reduced subdivision activity.

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 NZDWS7
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	No (compliance required by 2014 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.

Drinking Water	Source	Reticulation Length (kilometres)	Service connections	Current Treatment	Current Compliance with NZDWS7
				Standards. Bacteriological compliance expected in 2013-14.	
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)

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 2013 was assessed as \$104.3 million and is depreciating at a rate of more than \$2.9 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:

Activity Group: Water Supply

Asset description \ Number of assets per location	Blenheim	Picton	Renwick	Havelock	Awatere	Riverlands	Wairau Valley	Riverlands Irrigation
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 Firefighting Code of Practice also recommends certain flows and pressures from hydrants to facilitate firefighting. 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 Firefighting 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 toilets 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 2014-15. 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 - \$6.711 million	
Area	Major capital expenditure items
Picton	Speeds Road treatment and pumps \$1.65 million, Elevation reservoir \$1.36 million, Pipelines, meters and connections \$630,000
Blenheim	New high Taylor Pass reservoir \$2.45 million, Fire/capacity upgrades \$240,000
Riverlands	Upgrade reservoir \$1.3 million
Renwick	Water treatment \$105,000
Havelock	New pipelines \$68,000

Emerging Issues and Expected Changes

- 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, and Havelock. It is proposed that water supplies in these communities are not upgraded to meet Drinking Water Standards.
- 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.
- Water drawn from the Havelock supply wells exhibited a prolonged period of elevated chloride in 2013 and there is a concern that this could reoccur. The water is safe to drink but if the concentration of chloride increases in future, it may be able to be tasted and also cause corrosion of plumbing.

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 firefighting.

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

Activity Group: Water Supply

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.

Firefighting capacity in some industrial/commercial areas is lower than sought by NZ Fire Service. The cost of upgrades may be unaffordable requiring setting of levels of service lower than NZFS guidelines.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Environment	Sustainable resource management Control over pollution Systems for protection and care	Planned, efficient water reticulation helps ensure a scarce resource can be sustainably managed. Water is essential for much of Marlborough's economy.	The health of the community. Community safety through the firefighting capability of the water supply system.
Economy	Increasing GDP per FTE Ability to transform Productivity	Water supply is a key factor in housing location.	Industrial and residential development.
Living	Health Access to quality housing	Drinking water can present very serious health risks if not of good quality.	

Levels of Service: Water Supply

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 88% 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. 	95%	95%

	<ul style="list-style-type: none"> 60 minutes for substantial leaks causing interruption to multiple properties. 		
	% 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 2014-15			
Water Supply	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
Targeted rates (other than for water supply)	7,128	6,929	7,536
Fees, charges and targeted rates for water supply	1,767	1,737	1,309
Total operating funding	8,895	8,666	8,845
Applications of operating funding			
Payments to staff and suppliers	3,245	2,906	3,031
Finance costs	1,747	1,449	1,547
Internal charges and overheads applied	1,151	1,019	998
Total applications of operating funding	6,143	5,374	5,576
Surplus (deficit) of operating funding	2,752	3,292	3,269
Sources of capital funding			
Development and financial contributions	352	135	155
Increase (decrease) in debt	3,191	(1,100)	3,125
Total sources of capital funding	3,543	(965)	3,280
Applications of capital funding			
Capital expenditure to meet additional demand	1,000	410	1,022
Capital expenditure to improve the level of service	5,796	1,161	5,212
Capital expenditure to replace existing assets	1,422	388	281
Increase (decrease) in reserves	(1,923)	368	34
Total applications of capital funding	6,295	2,327	6,549
Surplus (deficit) of capital funding	(2,752)	(3,292)	(3,269)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	6,143	5,374	5,576
plus - Depreciation and amortisation	2,859	2,721	2,640
Expenditure as per Income Statement	9,002	8,095	8,216
Operating expenditure			
Awatere Water	732	706	631
Blenheim Water	5,020	4,631	4,522
Havelock Water	275	238	256
Picton Water	2,140	1,738	1,962
Renwick Water	420	436	464
Riverlands Water	370	306	342
Wairau Valley Water	44	42	37
Rarangi Water	-	-	-
Capital expenditure (including vested assets):			
Awatere Water	459	124	109
Blenheim Water	1,835	558	949
Havelock Water	27	6	78
Picton Water	5,373	1,177	3,986
Renwick Water	702	214	186
Riverlands Water	29	66	1,399
Wairau Valley Water	-	9	3

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Renwick Water operating expenditure increase is due to increased reticulation maintenance costs.
- Blenheim Water operating expenditure is reduced due to reduced interest costs.
- Capital expenditure for Riverlands Water has increased due to reservoir strengthening works which was deferred from 2012-13.
- Capital expenditure for other areas has reduced:
 - Awatere Water pipelines and pump stations.
 - Blenheim Water pipelines and reservoirs.
 - Picton Water pipelines and pump stations.
 - Renwick Water reservoir deferred to 2016-17.

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.

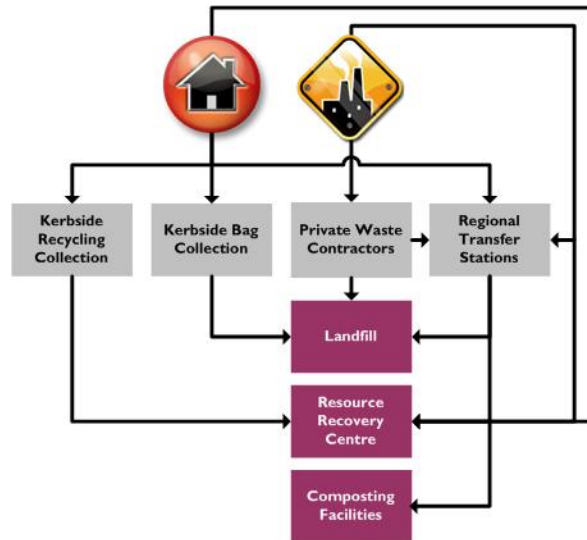
Activity: Solid Waste Management		
Operating costs of this activity represent approximately 8% of total activity expenditure.		
Outcome	Related Community Outcomes	Related Council Outcome
Public and environmental health risks of solid and hazardous waste are minimised.	Essential services, environmental 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?

Marlborough District 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. Council is the main provider of waste management infrastructure for the region, providing a network of seven transfer stations, central landfill and resource recovery centre, all operated under contract to Council:



These facilities are designed and operated to ensure the minimum impact on people’s amenity and the environment. By promoting the reduction, reuse and recycling of 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 region currently produces up to 51,000 tonnes of waste per annum. Of this 13,000 tonnes (26%) is recycled and 38,000 tonne (74%) is sent to the Regional (Bluegums) Landfill. A breakdown of the annual diverted tonnage in the region follows:

Resource Recovery Centre:	4,500 tonnes (35%)
Composting Operation:	6,120 tonnes (47%)
Recycling by others:	2,380 tonnes (18%)

Activity Group: Solid Waste Management

The transfer stations and the resource recovery centre provide the opportunity for source segregation of recyclables by the public.

The Bluegums landfill site is an engineered containment facility for the depositing of waste residues. It has an estimated lifespan of 55 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. The operation of this facility will be subject to a competitive tender process during 2014, with a new contract for the acceptance of greenwaste commencing on 1 January 2016.

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.

A new waste management and minimisation services contract will begin on 1 July 2014. This will cover the operation of the resource centre, transfer stations, reuse centre, ewaste facility, salvage yard and kerbside collections. The contract is for a seven year term with the option of two x two year extensions subject to Council approval.

As part of this contract improvements will be made to the Ward transfer station to allow for larger containers for the collection of waste and recycling. In addition the Reuse Centre in Blenheim will be expanded to accommodate the relocation of the salvage yard and ewaste facility.

The WMMP is due for its first review in 2015.

The 2014 Waste Levy Review

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 Council on behalf of the ratepayer. The collection of this charge is administered by the Ministry for the Environment.

The Ministry is carrying out a review of the effectiveness of the Waste Disposal Levy on behalf of the Minister for the Environment. Reviews are required every three years under the Waste Minimisation Act (section 39), and this review must be completed by 1 July 2014. The Minister will make all decisions about the scope, timeframes and any actions to arise from the review, with support from the Ministry for the Environment and the Waste Advisory Board.

The 2014 review will build on the results of the first review, carried out in 2011. A key focus of the review will be whether the levy is being applied fairly and correctly, and what needs to be done to ensure a level playing field for those paying the levy.

The review will also look at the impact the levy money is having. At the current rate, about \$25 million is generated every year. Half of this money is distributed to territorial authorities for waste minimisation initiatives. The rest (minus administration costs) is allocated to waste minimisation projects through the Waste Minimisation Fund. Before the Minister can consider a change to the rate of the levy, there is a need to understand the effectiveness of the funding that has been granted to date and the impact the levy is having on waste disposal behaviour.

Emissions Trading Scheme (ETS)

The landfill generates and emits gas as a by-product of the decomposition of the waste. Under the Climate Change Regulations (2002) the emissions are now subject to a surrender obligation where carbon credits are traded against the tonnage of emissions. 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 has been assessed and used to allow the site to define its Unique Emissions Factor (UEF). This UEF has allowed the site to reduce its liability for carbon credits from a default of 49,400 tonnes to a surrender value of 13,740 tonnes. This value is further reduced to an actual surrender value of 6,870 tonnes based on the current two for one option which is due to expire in December 2015.

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.

Major Budgeted Projects

The table outlines the major budgeted projects and areas of expenditure for this activity for 2014-15. 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 - \$1.792 million	
Asset	Major capital expenditure items
Bluegums Landfill, Blenheim	Stage 7 development of landfill \$1.51 million

Emerging Issues and Expected Changes

Reducing our reliance on landfill as a means of managing our waste will be the immediate challenge for the region over the next few years. Whilst our current infrastructure provides a sustainable solution for domestic recycling we do not have an alternative to landfill for commercial and industrial waste. Were the government to increase the waste disposal levy or the carbon price to increase these costs would fall direct to the community. Council is therefore continuing to explore the option of establishing a commercial and industrial sorting facility (CIF) that would allow us to divert up to 10,000 tonnes of material away from the landfill and provide some cost certainty for the future. These diverted materials would include brick, soil rubble, plastics, glass, cardboard, wood, metal, GIB, and clothing. The CIF would be paid for through a user pays gate fee and if approved would form part of the 2015-16 Annual Plan. The CIF is not budgeted for in the Long Term Plan

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Environment	Control over pollution Systems for protection and care Sustainable resource management	Efficient effective landfills enable environmentally safe disposal of waste. Waste education programmes play an important role in engaging the community to reduce waste outputs. Effective and accessible reuse and recycling facilities encourages and improves waste diversion.	Reduced public and environmental health risks.
People	Education Engaged and participative		
Living	Health		

Activity Group: Solid Waste Management

Levels of Service: Solid Waste Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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	12.5% 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	12.5% growth from 2011-12
	% reduction in Kerbside Refuse Collection tonnage going to Landfill.	3,500 tonnes per annum	10% reduction from 2011-12
	% increase in Kerbside Recyclable Collection volume going to RRC.	18,000m ³ per annum	17.5% increase from 2011-12
	Amount of organic material composted.	12,000m ³ per annum	>15,000m ³
Effective operation of waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	24 per annum	<16
	% 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	<16
	Reduce amount of material stored at compost site.	10,000m ³	<8,000m ³
	Number of resident's complaints in regards to Composting Operation.	24 per annum	<16

Activity Group: Solid Waste Management

Funding Impact Statement for 2014-15			
Solid Waste Management	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,360	1,168	1,130
Targeted rates	1,254	1,340	1,427
Subsidies and grants for operating purposes	160	125	125
Fees and charges	4,565	4,332	4,344
Other receipts	130	119	110
Total operating funding	7,469	7,084	7,136
Applications of operating funding			
Payments to staff and suppliers	4,720	4,966	5,101
Finance costs	478	456	418
Internal charges and overheads applied	454	445	541
Other operating funding applications	969	565	505
Total applications of operating funding	6,621	6,432	6,565
Surplus (deficit) of operating funding	848	652	571
Sources of capital funding			
Increase (decrease) in debt	(531)	(384)	(382)
Subsidies and grants for capital expenditure	-	-	-
Total sources of capital funding	(531)	(384)	(382)
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	161
Capital expenditure to improve the level of service	21	161	1,630
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	296	107	(1,602)
Total applications of capital funding	317	268	189
Surplus (deficit) of capital funding	(848)	(652)	(571)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	6,621	6,432	6,565
plus - Depreciation and amortisation	1,154	329	335
Expenditure as per Income Statement	7,775	6,761	6,900
Operating expenditure			
Landfills	3,745	2,877	2,888
Refuse Collections	1,397	1,500	1,633
Transfer Stations	1,502	1,353	1,385
Waste Minimisation	1,130	1,030	994
Capital expenditure:			
Landfills	21	150	1,669
Waste minimisation projects	-	-	122
Total Refuse Collections	-	11	-

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Landfills capital expenditure has increased as landfill stage seven construction is now scheduled for 2014-15. It was previously budgeted in 2012-13.
- Landfills operating expenditure has decreased due to reduced amortisation costs for 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.
- Refuse collections operating expenditure has increased due to increased contract prices for the service and an increase in the cost of the bags.

Activity Group: Environmental Management

Rational for the Delivery of the Environmental Management Group of 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 2014. 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 2014-15			
ENVIRONMENTAL MANAGEMENT	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	5,754	5,464	5,967
Fees and charges	1,583	1,291	1,401
Internal charges and overheads recovered	88	88	88
Other receipts including fines	608	620	715
Total operating funding	8,033	7,463	8,171
Applications of operating funding			
Payments to staff and suppliers	5,993	5,852	6,207
Internal charges and overheads applied	2,056	1,940	1,961
Other operating funding applications	-	15	15
Total applications of operating funding	8,049	7,807	8,183
Surplus (deficit) of operating funding	(16)	(344)	(12)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	3	3	3
Capital expenditure to replace existing assets	52	69	150
Increase (decrease) in reserves	(71)	(416)	(165)
Total applications of capital funding	(16)	(344)	(12)
Surplus (deficit) of capital funding	16	344	12
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	8,049	7,807	8,183
plus - Depreciation and amortisation	86	81	93
less - Internal charges and overheads recovered	88	88	88
Expenditure as per Note 1	8,047	7,800	8,188

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

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 and coastal space).

Asset Description

Although not an asset in the conventional sense, the RPS, MSRMP and WARMP are assets in that 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 (ie; 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 2014-15. Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented.

Environmental Policy	
Asset	Major Projects
Resource Management Plan	2014-15 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 2014. The planning documents will then be publicly notified for submissions and further submissions in accordance with the First Schedule of the RMA. The main task for the Environmental Policy Group from that point will be processing submissions on the notified provisions and supporting the hearing of those submissions (through the provision of Section 42A reports and attendance at hearings amongst other things). Decisions on submissions will be made by an appointed hearings panel made up of accredited commissioners.

There are many variables that affect the nature, scope and timing of this environmental policy work programme. In the short term, this will depend on the timing of the notification of the RPS/RMP and the nature and number of submissions received on the proposed RPS/RMP. The greater the number and complexity of submissions, the more resource required to process the submissions. The content of submissions will also influence whether further external assistance is required.

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. In particular, the Council is required to give effect to the provisions of national policy statements. There are currently four national policy statements and in most cases these will be given effect to through the current review of the resource management framework.

In the case of the National Policy Statement Freshwater Management 2011, the Council has adopted a staged implementation programme to establish freshwater limits through to 2024. This programme sets out the various actions that will be taken by the Council to establish those limits, including technical investigations, community consultation and planning. The budget implications of this work will be highlighted through future annual planning processes. Note that there are changes to the NPS currently proposed by central government and these changes could have additional implications for the staged implementation programme.

Leading up to and following notification of the reviewed RPS/RMP, the operative resource management framework still has legal status and therefore requires maintenance. Two plan changes are scheduled for notification in 2014 in order to maintain the currency of zone information.

Plan change requests by members of the public, which cannot be anticipated, have a similar effect on the environmental policy work programme as central government initiatives. There are currently two plan change requests that are subject to appeals. Any additional plan change request has to be processed in accordance with statutory processes and timeframes. The costs of plan change requests are borne by the person who has made the request (unless the Council adopts the plan change as its own).

The additional workload generated by plan changes are managed through the use of external planning assistance. This minimises the disruption to the review of the resource management framework.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Inclusive Enabling Participative Transparent	The current review of the operative resource management framework, and the collaborative approach of involving the	-

Activity Group: Environmental Management

	Strategic	community in the process, will ensure that the planning policy and provisions remain current and reflect the aspirations of the Marlborough community.	
Environment	Attractive Control over pollution levels, forms and effects Systems for protection and care Sustainable resource management	By strategically guiding appropriate use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment resources, the resource management framework enables environmentally sustainable economic development. It is important to note that many of the environmental policy and planning provisions are mandatory.	The results of state of the environment monitoring also indicate where current policy and planning provisions are not maintaining or enhancing the state of the Marlborough environment, allowing adjustments in management to be made through the review. This monitoring also identifies new and emerging issues to be addressed.
People	Engaged and participative	-	The current review of the operative resource management framework, and the collaborative approach of involving the community in the process, will ensure that the planning policy and provisions remain current and reflect the aspirations of the Marlborough community.
Economy	Innovation Entrepreneurship Productivity	By strategically guiding appropriate use, development and protection of Marlborough's natural and physical resources, including land, water, air, indigenous ecosystems and the built environment resources, the resource management framework enables environmentally sustainable economic development.	-
Mobility	Local accessibility Sustainable Safe	The resource management framework protects transportation infrastructure from the adverse effects of other activities and enables the efficient and effective operation of the infrastructure.	-
Living	Access to quality housing	The resource management framework makes provision for housing, employment and recreation in the district.	The provision of recreational space and guidelines for the form of residential development encourages social cohesion.
	Access to quality employment		
	Cultural facilities and events		
	Sports and recreation		
	Social cohesion		

Activity Group: Environmental Management

Levels of Service: Environmental Policy

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2014-15
A second generation resource management framework for Marlborough	A combined regional policy statement and resource management plan is publicly notified.	New measure	N/A ⁸
	Decisions on submissions publicly notified.	New measure	N/A ⁹
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	50%
Review of the second generation resource management framework	Efficiency and effectiveness report completed.	New measure	N/A

Funding Impact Statement for 2014-15

Environmental Policy	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,284	1,221	1,220
Other receipts	134	137	130
Total operating funding	1,418	1,358	1,350
Applications of operating funding			
Payments to staff and suppliers	1,065	1,028	1,133
Internal charges and overheads applied	353	315	202
Other operating funding applications	-	15	15
Total applications of operating funding	1,418	1,358	1,350
Surplus (deficit) of operating funding	-	-	-
Reconciliation			
Total applications of operating funding	1,418	1,358	1,350
Expenditure as per Income Statement	1,418	1,358	1,350

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

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

⁸ Target in LTP was for these statements to be completed by December 2012.

⁹ Target in LTP was for submissions to be publicly notified by October 2013.

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 and 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 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. There are other important programmes associated with measuring air quality, land resource monitoring and the protection of biodiversity. It is also expected over the next few years that more investment will be necessary in monitoring of the coastal marine environment.

Asset Description

Council operates 85 automated real time monitoring stations that measure a number of environmental parameters to support a range of resource management programmes and emergency response 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		
Description	Comment	Value
Fresh Water		
Ground water resource monitoring and investigations	SOE monitoring and research into Aquifers	\$87,500
Recreational bathing and SOE water quality monitoring programs	Collection of samples and laboratory costs	\$80,000
Water quality Investigations	Effects an source tracking	\$29,000

Activity Group: Environmental Management

Biodiversity		
Significance Nature Area assistance programme	Assistance for private land protection, monitoring, advice, surveys, and seed eco sourcing, Tui to town.	\$110,000
Land		
Marlborough Landscape Group	Group facilitation and landscape planting projects	\$100,000
Soil Monitoring and land investigations	Soil sampling, characterisation of soil types, nitrate loss, and monitoring	\$68,000
Contaminated land investigations (HAIL sites)	Investigations	\$20,000
Environmental farm plans.	Programme to encourage best land use practice through environmental farm planning.	\$27,000
Coastal		
Coastal water quality	Collection of samples and laboratory costs	\$135,000
Port Gore modelling	Hydrodynamic model development and sampling	\$146,000
Investigations and hydrodynamic modelling	Modelling of resource scenarios and research	\$43,000
Intertidal and habitat monitoring	Estuary and marine ecological site monitoring programs	\$80,000
Air		
Air quality monitoring	Pm10 monitoring	\$22,000
State of the Environment Reporting	Synthesised SOE monitoring report	\$50,000

Emerging Issues and Expected Changes

The resource management planning framework in Marlborough is currently under review. This review is expected to result in the development of a series of baseline resource indicators or anticipated environmental results (AER). The review of AER will be instrumental in setting the future direction and resourcing of the monitoring programmes. A range of national environmental indicators are also anticipated to be developed by central government which may have an impact on what is monitored and consequently on resources.

Diffuse pollution remains as the biggest threat to fresh water quality in the District, while the extraction of water for irrigation and consumptive use requires careful management to balance both economic and environmental outcomes. Monitoring and resource management programmes continue to evolve to meet changes in the environment, community expectations and government legislative requirements.

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. Investment in monitoring and investigations will provide the community with a baseline of environmental conditions and provide better technical information to measure change and enable any potential for economic growth to occur in a more sustainable way.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent Enabling Participative Strategic Decision making	-	Understanding environmental issues and the condition of our natural resources to enable strategic and transparent decision making.
Environment	Attractive Control over Pollution levels, forms and effects Systems for protection and care	The services are a statutory function that provide for monitoring of the state and condition of our natural resources, investigation of environmental issues, help to	-

Activity Group: Environmental Management

	Sustainable resource management	create solutions and implementation of programmes to protect our resources (fresh water, land, air).	
People	Education Engaged and Participative	The services help the community and resource users better understand our natural resources through participative processes, and the provision of environmental information.	-
Economy	Productivity Innovation	The services provide for monitoring and research of natural resources to help with the allocation and informed use of resources to enable productivity within set environmental bottom lines.	-
Living	Health	-	The community require assurance that our natural resources and special places are protected and in a condition suitable to maintain our lifestyle and general wellbeing eg; recreating and gathering food from our rivers.

Levels of Service: Environmental Science and Monitoring

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2014-15
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	5
	Completion of comprehensive state of the environment report every six years.	Published 2008-09	Published
	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	76
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	Awards held
	Percentage of planned educational or communication programmes are completed annually.	90%	90%

Activity Group: Environmental Management

Funding Impact Statement for 2014-15			
Environmental Science and Monitoring	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,719	2,379	2,742
Subsidies and grants for operating purposes	-	5	73
Fees and charges	5	64	78
Internal charges and overheads recovered	65	267	65
Other receipts	284	2,715	293
Total operating funding	3,073		3,251
Applications of operating funding		2,521	
Payments to staff and suppliers	2,532	546	2,655
Internal charges and overheads applied	562	3,067	606
Total applications of operating funding	3,094	(352)	3,261
Surplus (deficit) of operating funding	(21)		(10)
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	69	-
Capital expenditure to replace existing assets	52	(421)	150
Increase (decrease) in reserves	(73)	(352)	(160)
Total applications of capital funding	(21)	352	(10)
Surplus (deficit) of capital funding	21	-	10
Funding balance	-	-	-
Reconciliation		3,067	
Total applications of operating funding	3,094	77	3,261
plus - Depreciation and amortisation	83	64	90
less - Internal charges and overheads recovered	65	3,080	65
Expenditure as per Income Statement	3,112	2,899	3,286

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Operating funding payments to staff and suppliers has increased as a result of the budgeted implementation of the Coastal Monitoring Strategy, some which is funded from subsidies and grants.
- The capital expenditure increase is the result of a review to meet the replacement of existing assets, including sensors and technical equipment.

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

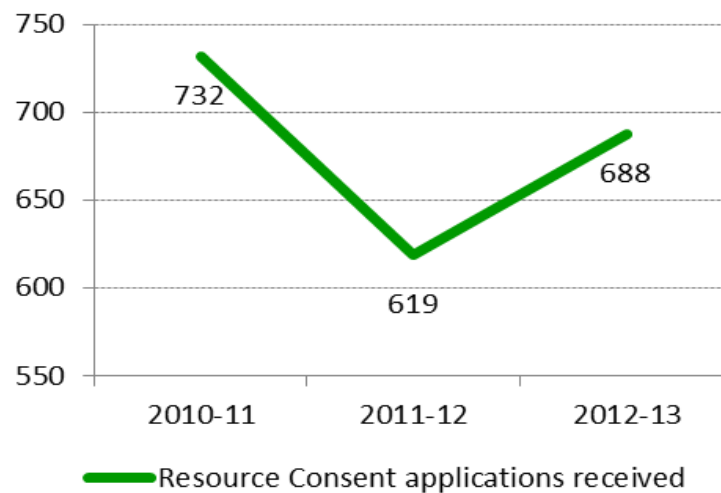
Specifically this activity processes five different types of resource consents:

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

The 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 an increase in numbers since last year. Within each year there are also daily, weekly and monthly fluctuations in the number and types of application.



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.

Activity Group: Environmental Management

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Enabling Transparent	To ensure that Council meets its statutory obligations under the Resource Management Act 1991 (RMA).	Understanding of the requirements and process of the RMA to assist development.
Environment	Sustainable resource management	Promoting the sustainable management of natural and physical resources in Marlborough through an effective resource consenting regime.	-
People	Engaged and participative	To provide a high quality resource consent service that fosters good relationships with applicants, submitters, government agencies, iwi and other interested parties.	Providing information to potential applicants, interest groups and the general public on all resource management matters.
Economy	Education	To educate applicants, submitters and other interested parties on the Resource Management Act and the resource consent and approval process.	Understanding of the requirements and process of the Resource Management Act to assist development.
Living	Access to quality housing	To manage the physical and built environment through the administration of the resource consenting process in a manner that contributes towards the community outcomes of environmental sustainability and prosperity.	Processing and determining applications for resource consent in a manner that ensures the promotion of sustainable management of natural and physical resources.
	Access to quality employment		
	Social cohesion		
	Health		
	Opportunities for participation		
	Sports and Recreation		
	Cultural facilities and events		

Levels of Service: Resource Consents

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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%	95%
	% of objections under section 357(b) compared to total number of applications processed ¹⁰ .	<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%	<15%

¹⁰ RMA, section 357(b) - Right of objection in relation to imposition of additional charges or recovery costs.

Activity Group: Environmental Management

Funding Impact Statement for 2014-15			
Resource Consents	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	784	908	999
Fees and charges	1,512	1,225	1,288
Internal charges and overheads recovered	24	22	22
Other receipts	81	102	107
Total operating funding	2,401	2,257	2,416
Applications of operating funding			
Payments to staff and suppliers	1,646	1,542	1,661
Internal charges and overheads applied	751	709	759
Total applications of operating funding	2,397	2,251	2,420
Surplus (deficit) of operating funding	4	6	(4)
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	1	3	(7)
Total applications of capital funding	4	6	(4)
Surplus (deficit) of capital funding	(4)	(6)	4
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,397	2,251	2,420
plus - Depreciation and amortisation	3	-	-
less - Internal charges and overheads recovered	24	22	22
Expenditure as per Income Statement	2,376	2,229	2,398

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- *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?

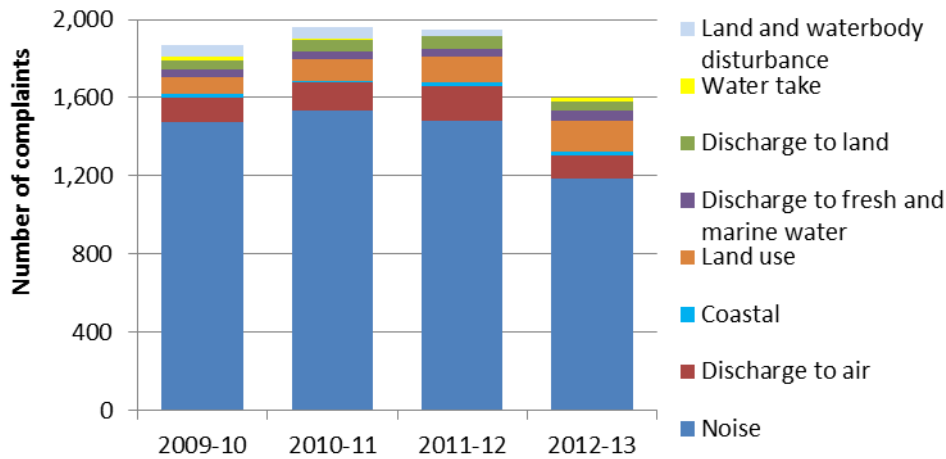
Council monitors the effect of implementing its Resource Management Plans by monitoring compliance with the conditions of permitted activity rules and resource consent conditions.

The main activities of the Environmental Protection section are:

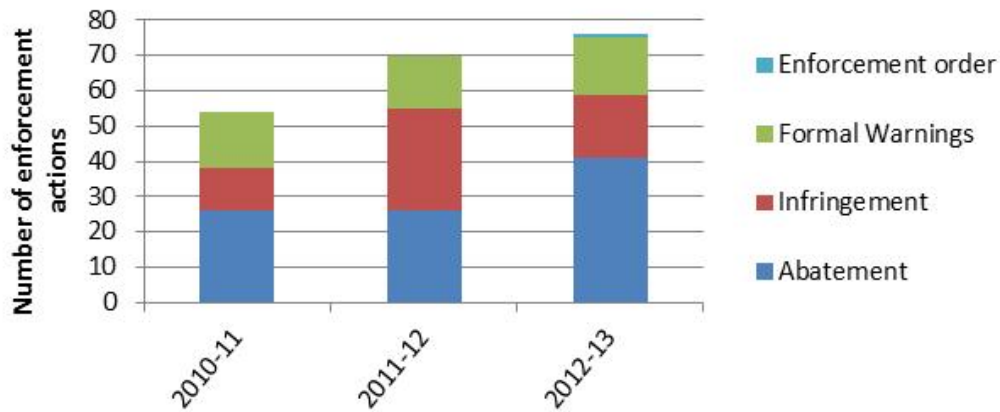
- **Monitoring** – Proactively monitor activities that have either a greater environmental impact warranting special consideration, generate community concern or are related to trends highlighted through the State of the Environment Report.
- **Complaint Response** - Investigate alleged breaches of the 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 2012-13, Council received 1,669 complaints (2011-12: 2,031). Noise complaints are the most common complaints received. Land use complaints have increased in recent years mainly due to issues with commercial use in areas where it is not permitted.



The total number of enforcement actions of 76 was above the five years average of 74. The graph below shows the trends in different types of enforcement actions for the last three years. There were no prosecutions in 2012-13 but one application for enforcement orders was lodged with the Environment Court.



Formal warnings were introduced during 2010-11 to assist in building a record of non-compliance which strengthens any case for future enforcement action through the Environment Court. Environmental Protection Officers use formal warnings where there is insufficient evidence for, or doubt over, an offender's culpability.

Emerging Issues and Expected Changes

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

- Clean-fills.
- Monitoring of NZ King Salmon's resource consents.
- Plan changes for dairy farming and stock crossings.
- Monitoring of strategic consents.
- Increased formal enforcement action.

Activity Group: Environmental Management

Smart and Connected

Column	Sub-attribute	Major linkages	Secondary linkages
Governance	Enabling	Internal user groups. Industry groups. External special interest groups.	Understanding of the requirements processes of the Resource Management Act and Council's District Plans.
Environment	Control over pollution levels, forms and effects. Systems of protection and care	Consent holders and the public.	Council has responsibility pursuant to s35 of the Resource Management Act to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural physical resources and to provide feedback to the policy, Resource Consents and Science and Monitoring groups.
People	Education	Holders of consents and people undertaking permitted activities.	-
Economy	Productivity	ISO Quality Assurance Group.	Undertaking a systems thinking approach to a number of processes. ISO 9001:2008 accredited.

Levels of Service: Environmental Protection

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 2014-15			
Environmental Protection	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	967	956	1,007
Fees and charges	65	61	35
Other receipts including fines	108	115	112
Total operating funding	1,140	1,132	1,154
Applications of operating funding			
Payments to staff and suppliers	750	761	758
Internal charges and overheads applied	388	369	395
Total applications of operating funding	1,138	1,130	1,153
Surplus (deficit) of operating funding	2	2	1
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	2	2	1
Total applications of capital funding	2	2	1
Surplus (deficit) of capital funding	(2)	(2)	(1)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,138	1,130	1,153
plus - Depreciation and amortisation	2	2	1
Expenditure as per Income Statement	1,140	1,132	1,154

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

There are no variances which are considered significant.

Activity Group: Regulatory

Rationale for the Delivery of the Regulatory Group of Activities

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 2014-15			
REGULATORY	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,592	2,417	2,485
Fees and charges	2,899	2,806	3,059
Other receipts	642	594	981
Total operating funding	6,133	5,817	6,525
Applications of operating funding			
Payments to staff and suppliers	4,373	4,145	4,764
Internal charges and overheads applied	1,520	1,455	1,542
Other operating funding applications	34	33	38
Total applications of operating funding	5,927	5,633	6,344
Surplus (deficit) of operating funding	206	184	181
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	109	136	102
Capital expenditure to replace existing assets	35	176	32
Increase (decrease) in reserves	62	(128)	47
Total applications of capital funding	206	184	181
Surplus (deficit) of capital funding	(206)	(184)	(181)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	5,927	5,633	6,344
plus - Depreciation and amortisation	140	146	145
Expenditure as per Note 1	6,067	5,779	6,489

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

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 provide funding to OSPRI for the Tb Free programme controlling wildlife vectors, 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:

Policy Review

- The statutory review of the RPMS is required to be completed by 2017. The process is expected to review existing pest programmes and provide for new approaches to pest management, while ensuring alignment of the Strategy to the requirements of the National policy direction.
- The need to review policies to manage biodiversity threats. This includes the potential development of a Biodiversity/Biosecurity Strategy incorporating non-regulatory approaches to site led management and community based pest programs.

Chilean Needlegrass

- The spread of Chilean Needle Grass continues to be a threat. A joint agency and community partnership and the development of a non-regulatory assistance programme coupled with risk pathway plans and other regulatory tools require future analysis and resourcing.

Activity Group: Regulatory

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent Enabling Participative Strategic Decision making	-	Understanding biosecurity statutory requirements, issues and threats to enable strategic and transparent decision making.
Environment	Attractive Systems for protection and care Sustainable resource management	The services provide for monitoring and management of pest organisms that pose a threat to our indigenous ecosystems.	-
People	Education Engaged and Participative	The services help to create solutions with the community through information participative dissemination processes and research.	-
Economy	Productivity Innovation	The services provide for monitoring and management of pest organisms that pose a threat to primary industry production and economic wellbeing. Services promote innovation for improved pest management systems.	-
Living	Health	-	Particular biosecurity programmes help to protect our lifestyle and general wellbeing from the threat of harmful pest organisms eg; ants and biting insects.

Levels of Service: Biosecurity (Pest Management)

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 2014-15			
Biosecurity (Pest Management)	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,214	1,068	1,134
Other receipts	152	142	156
Total operating funding	1,366	1,210	1,290
Applications of operating funding			
Payments to staff and suppliers	1,087	946	1,015
Internal charges and overheads applied	278	263	274
Total applications of operating funding	1,365	1,209	1,289
Surplus (deficit) of operating funding	1	1	1
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	1	1	1
Total applications of capital funding	1	1	1
Surplus (deficit) of capital funding	(1)	(1)	(1)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	1,365	1,209	1,289
plus - Depreciation and amortisation	1	1	1
Expenditure as per Income Statement	1,366	1,210	1,290

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:
 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:

Activity Group: Regulatory

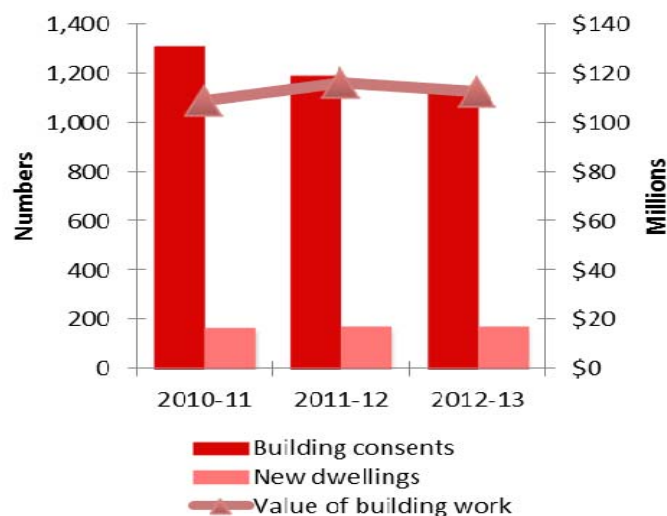
- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act 2002.
- The Council is required to have an accredited Building Consent Authority.

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. The following table lists the numbers of Building Consents handled during the past few years:



Emerging Issues and Expected Changes

Building Consent Authority Regulation 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 Control Officer's (BCO) in the group to achieve these qualifications. The BCO's are now registered with "The Skills Organisation" to meet this requirement. Two BCO's have already completed the work required and they have now been awarded their diplomas.

Changes to the Building Act 2004

The Building Amendment Act was passed by Central Government in November 2013. Some of the changes have immediate effect. The main immediate change was to Schedule 1 (exempt work). The changes to Schedule 1 will have no significant effect on the Building Groups budget. Changes to the Act in regard to dam safety will affect the Group's activity. The effect will mainly be additional administrative work. Provision in the 2014-2015 budgets has been made to cover this activity.

Other proposed Building Act 2004 changes to come this year

Earthquake Prone Buildings:

It is now clear that there will be significant changes to the way the Building Group will deal with earthquake prone buildings. Full details are not available at this stage but the changes will involve increased activities and costs to the group. The 2014-2015 budgets have made some allowances to cover these additional costs but until the changes have been finalised a true cost analysis cannot be carried out.

Fencing of Swimming Pools Act Changes

These are yet to be announced; therefore any effect on the group cannot be assessed. The Building Group intends to continue with its contractual agreement with Property Check to undertake swimming pool audits. This year's audits were fully completed (by Property Check) prior to 24 December 2013.

IANZ Accreditation

The Building Group's bi annual accreditation audit has been confirmed by IANZ for 12 to 14 of May 2014.

Electronic and Digital Development

Development of the electronic inspection module is now complete. The system went live on 25 February 2014. There have been some minor issues but they are being successfully resolved. It is expected that the use of this new tool will reduce time spent on administration work for each inspection therefore reducing the booking time for inspections.

Smart and Connected

Attributes	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent	-	Understanding of the requirements and process of the Building Code to assist development.
Environment	Systems of protection and care	The people of Marlborough want to be assured that the buildings they live and work in comply with the Building Code, are structurally sound, weather-tight and meet fire protection requirements.	-
Economy	Education	-	Understanding of the requirements and process of the Building Code to assist development.
Living	Access to quality housing	The people of Marlborough want to be assured that the buildings they live and work in comply with Building Code, are structurally sound, weather-tight and meet fire protection requirements.	Enabling events to take place with an effective inspection regime to ensure safety.

Levels of Service: Building Control

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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%

Activity Group: Regulatory

	% 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 2014-15			
Building Control	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	346	369	403
Fees and charges	2,176	2,086	2,338
Other receipts	110	70	83
Total operating funding	2,632	2,525	2,824
Applications of operating funding			
Payments to staff and suppliers	1,685	1,612	1,839
Internal charges and overheads applied	919	871	931
Other operating funding applications	27	24	25
Total applications of operating funding	2,631	2,507	2,795
Surplus (deficit) of operating funding	1	18	29
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to replace existing assets	1	-	-
Increase (decrease) in reserves	-	18	29
Total applications of capital funding	1	18	29
Surplus (deficit) of capital funding	(1)	(18)	(29)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	2,631	2,507	2,795
plus - Depreciation and amortisation	1	1	-
Expenditure as per Income Statement	2,632	2,508	2,795
Operating expenditure			
Building Control	2,449	2,339	2,618
LIMs	183	169	178
Capital expenditure:			
Building Control	1	-	-

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Fees and charges and payments to staff and suppliers have both increased due to expected increased demand for building consents.

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 and Supply of Alcohol Act 2012, which requires the issuing of alcohol 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:

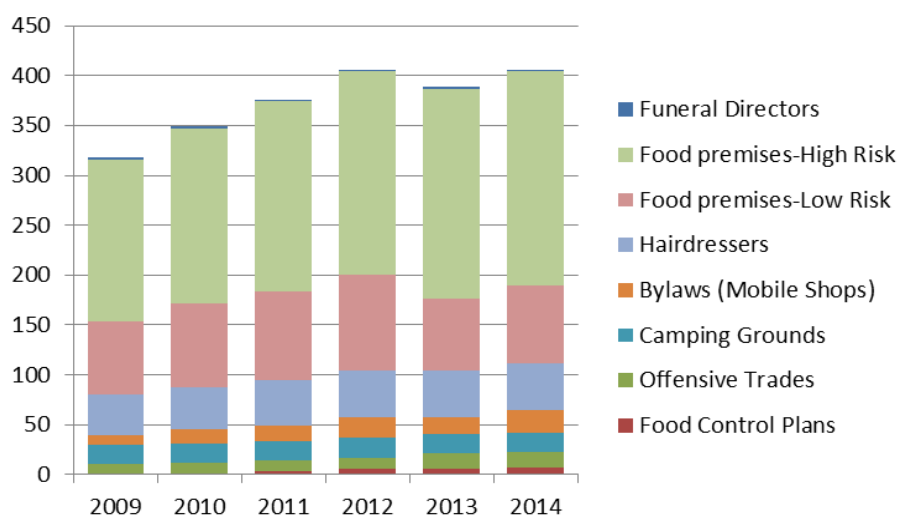
- The licensing, inspection and enforcement of standards with regard to all premises (particularly food, hairdressers, camping grounds and offensive trades) to ensure compliance with the relevant legislative requirements.
- The licensing and inspection of premises that sell or supply liquor, to ensure 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 a critical nature (food poisoning) within one working day and of non-critical nature within seven working days.
- 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.

Activity Group: Regulatory



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:

- Expected changes to the Food Act that may place an additional administrative burden on Councils who will be enforcing the Act.
- Monitoring and enforcement of existing frost fans.
- Council Liquor Licencing Policy has now been replaced by a Local Alcohol Policy: Council is no longer required to review its Policy as the Local Alcohol Policy has legal standing. The new Local Alcohol Policy has been handled by Council's Democratic Services Activity and is out for Public Submission as at 6 March 2014.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Inclusive Participative Enabling	Staff are encouraged to participate in both in-house and external user groups (alcohol, sub-standard housing) and in consultation with the community (Liquor Licensing Policy).	Staff participate in a collective management group formed to design and implement a monitoring strategy.
Environment	Control over pollution levels, forms and effects Systems for protection care	Council has responsibility to regularly inspect for nuisance conditions such as noise. This activity manages the inspections of food premises to ensure safety.	-
Economy	Entrepreneurship	-	This activity manages the inspections of food premises to ensure safety. This Section has a certified ISO Quality Management System which encourages continuous improvement.
Living	Health Individual Safety	Council has a responsibility to provide an effective registration, inspection and enforcement regime of food premises to ensure public health is maintained.	-

Levels of Service: Environmental Health			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%
	Number of annual inspections of markets and events with 10 or more food stalls.	≥12	≥12
	% of complaints of critical nature (food poisoning) actioned within one working day.	100%	100%
	% of complaints of a non-critical nature assessed 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%
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 complaints concerning unreasonable noise within one working day.	New measure	80%

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

Funding Impact Statement for 2014-15			
Environmental Health	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	190	183	147
Fees and charges	5	10	10
Other receipts	240	242	310
Total operating funding	435	435	467
Applications of operating funding			
Payments to staff and suppliers	283	284	311
Internal charges and overheads applied	149	143	153
Total applications of operating funding	432	427	464
Surplus (deficit) of operating funding	3	8	3
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)	4	(1)
Total applications of capital funding	3	8	3
Surplus (deficit) of capital funding	(3)	(8)	(3)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	432	427	464
plus - Depreciation and amortisation	3	4	3
Expenditure as per Income Statement	435	431	467

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Other receipts have increased due to the implementation of new liquor licensing fees.

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 cost of maintaining the levels of service.
- 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 review what proportion of the activity should be rate funded.

Smart and connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Enabling	-	Council works with dog owners and special interest groups to help their understanding of the requirements processes of the Dog Control Act 1996, the Impounding Act 1956 and the Council's Dog Control Bylaws and Policy 2012.
Environment	Control over pollution levels, forms and effects Systems of protection and care	Council has a duty imposed on it by the Dog Control Act 1996 to provide a dog registration process, educate the community about dog safety and care, remove livestock from public roads and public places and investigate complaints of dog attacks and take the appropriate enforcement action.	-
People	Education	Schools, community groups and industry.	Council works with schools, community groups and the industry to educate them on the issues relating to animal control.
Mobility	Safe	-	Council's contractor has the responsibility to ensure that our public roads and public places are kept safe by removing wandering livestock. Investigate complaints of dog attacks and take the appropriate enforcement action.
Living	Health Individual Safety Sports and Recreation	This activity supports the public to safely participate in sports and recreation in areas where there are dog friendly areas.	-

Activity Group: Regulatory

Levels of Service: Animal Control			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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 2014-15			
Animal Control	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	41	39	40
Fees and charges	580	560	560
Other receipts	14	14	13
Total operating funding	635	613	613
Applications of operating funding			
Payments to staff and suppliers	543	529	532
Internal charges and overheads applied	55	63	62
Other operating funding applications	7	4	9
Total applications of operating funding	605	596	603
Surplus (deficit) of operating funding	30	17	10
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Increase (decrease) in reserves	30	17	10
Total applications of capital funding	30	17	10
Surplus (deficit) of capital funding	(30)	(17)	(10)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	605	596	603
plus - Depreciation and amortisation	6	5	6
Expenditure as per Income Statement	611	601	609
Operating expenditure			
Dog Control	557	550	557
Other Animal Control	54	52	52

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

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.	<p>A place where people enjoy living.</p> <p>A place where people can enjoy quality leisure opportunities.</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 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 and other maritime emergencies. 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 1,800 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.

Activity Group: Regulatory

- Assist Central Government agencies and other Council Activities in meeting their responsibilities within Marlborough's marine area.
- Promote the public image of Council in the management of its marine responsibilities.

Activity Level

The Marlborough Sounds are busy waterways, particularly during the summer months. 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 are 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 a Harbour Authority is to patrol these busy waters 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 use of Marlborough's maritime waterways has increased and brings with it the potential for conflict between the various water user groups to increase.

With the increase in timber exports, more vessels are expected to call at Picton and the overlap between vessel arrivals requires a more pro-active vessel movement management regime to be established. This is being managed through an electronic pre-arrival process to ensure that as much relevant information regarding the vessel, her crew, cargo and pollutants carried is known. Additional anchorage areas have been defined both within the inner Sounds as well as at the Northern Entrance, the latter being subject to specific permission protocols.

With the Aid to Navigation contract having been taken in-house, a second vessel has been procured to undertake this on-water work. In addition to this work, the second vessel is able to provide concurrent patrol work in the Pelorus Sound area during the busy summer period. The 'older' patrol vessel (Protector 8.5 m) and the current towing vehicle (Toyota Land Cruiser) are scheduled for replacement in the 2015-16 financial year. Issues emerging within the Activity are:

- Ongoing review of the Harbour Risk Assessment with a complete review every four to five years, the consequential impacts of risk control measures, either adjustment of current measures or implementation of new risk control measures.
- Ongoing development and review of the Safety Management System required by Maritime New Zealand.
- Impact of oil exploration within New Zealand in relation to Admiralty Bay and the additional pressures this places on the Harbour Department's resources.
- Potential for log exports from Port Underwood has been raised on a number of occasions and again more recently and will require careful consideration prior to this taking place.

- The need to review the levels of service as water use changes.
- 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.
- Encouraging use of on-line interaction with stakeholders through electronic reporting of accidents and incidents, lodging of complaints and making suggestions on improvement of the services provided by the Harbour Master Group.
- Ongoing public boating education campaign and identifying and developing synergies with other regions and central authorities.
- Ongoing statutory responsibilities for preparedness and response to marine oil spill.
- Implementation of regular stakeholder liaison strategies.

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Transparent	Maritime legislation, Navigation Bylaws.	Education
Environment	Systems of protection and care	Risk Assessment and Safety Management System. Harbour Patrols.	Implementation of risk control measures.
	Control over pollution and effects	Expectation of Sounds residents and users that effects of marine oil spills will be mitigated and the environment protected against the impacts.	Planned response in accordance with the approved Oil Spill contingency plan.
Economy	International Connections	Use of the Sounds by internationally operating passenger and cargo vessels; pre-arrival processes.	-
	Productivity	Enabling commerce within the Sounds waterways-- carriage of logs, marine/salmon farming.	-
	National access	Interisland ferry traffic.	Tory Channel, Inner Queen Charlotte Sound an extension of State Highway 1.
	Local access	Transport route for Sounds residents.	No road access in many parts of the Sounds.
	Safe access	Providing well marked navigable channels and known dangers.	-
Living	Individual safety	Safe environment.	-
	Sport and Recreation	Events.	Enabling events to take place in a safe and attractive environment.
Governance	Enabling Participative	Availability of service 24/7, 365 days. Maritime safety management. Stakeholder liaison.	Staffing levels. On-water patrols.
Environment	System of Protection and care	Increased pressure on commercial use on Sounds.	Effects on safety of vessel operations.
People	Engaged and participation	Stakeholder liaison.	Increased expectation of on-water patrols.

Activity Group: Regulatory

Economy	Productivity and international connections	Increased use of Sounds waters by oil exploration industry for delivery and export of oil drilling rigs. Access for cruise vessels to Pelorus Sounds.	Understanding of water user needs.
Mobility	Safe	Increased management due to increased use.	

Levels of Service: Harbours

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.2
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	N/A
	% 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 inspections of swimming and water-ski lanes undertaken during the summer season.	>10 (5 of each)	>10 (5 of each)

Funding Impact Statement for 2014-15			
Harbours	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	801	758	773
Fees and charges	138	150	151
Other receipts	126	126	407
Total operating funding	1,065	1,034	1,331
Applications of operating funding			
Payments to staff and suppliers	775	774	1,067
Internal charges and overheads applied	119	115	122
Other operating funding applications	-	5	4
Total applications of operating funding	894	894	1,193
Surplus (deficit) of operating funding	171	140	138
Sources of capital funding			
Total sources of capital funding	-	-	-
Applications of capital funding			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	107	134	100
Capital expenditure to replace existing assets	32	174	30
Increase (decrease) in reserves	32	(168)	8
Total applications of capital funding	171	140	138
Surplus (deficit) of capital funding	(171)	(140)	(138)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	894	894	1,193
plus - Depreciation and amortisation	130	134	134
Expenditure as per Income Statement	1,024	1,028	1,327

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- *Other receipts and Payments to staff and suppliers have both increased to enable the full implementation of the Harbour Safety Management System. It is hoped to recover the additional costs from Port Marlborough NZ Limited.*

Activity Group: Regional Development

Rationale for the Delivery of the Regional Development Group of Activities

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?

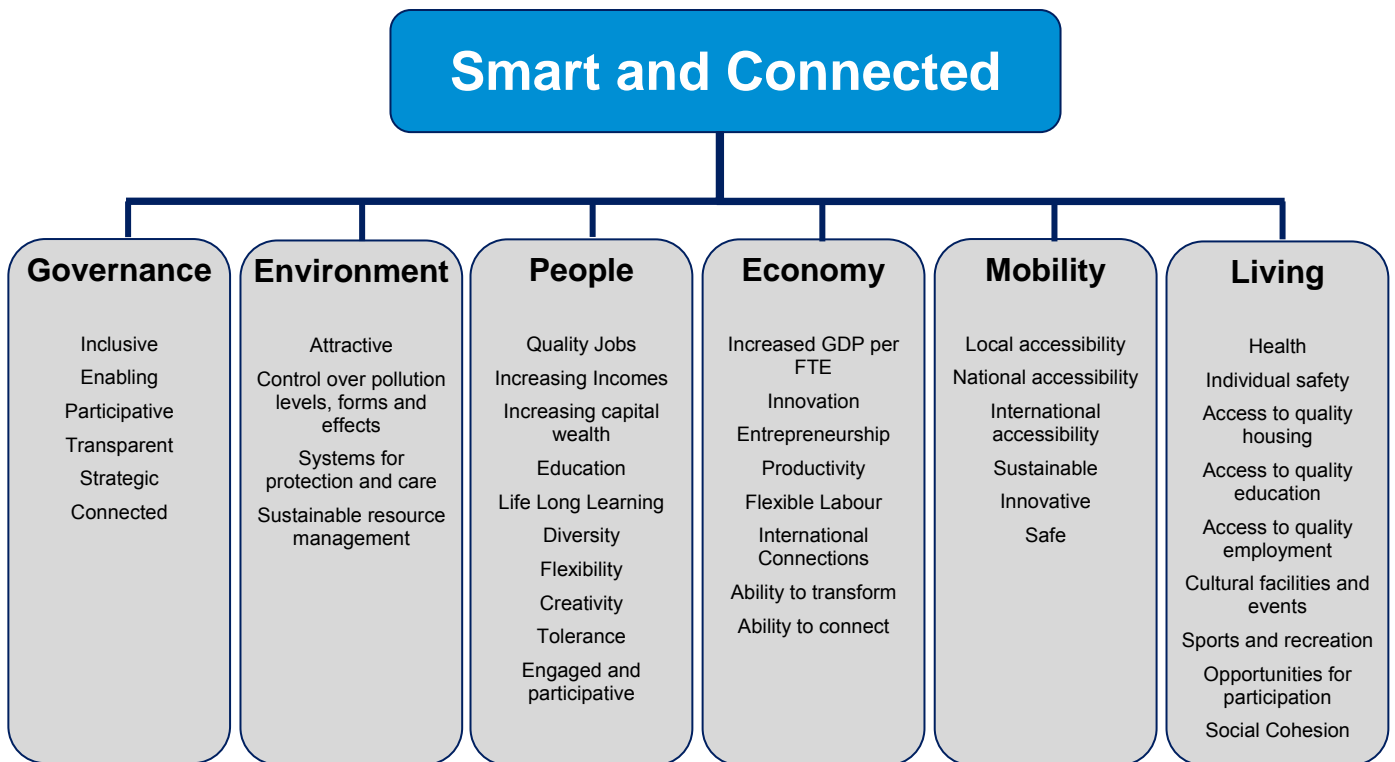
This activity is aimed at developing the regional economy to achieve long term economic growth to the benefit of the Marlborough community. It is about identifying where the direction of growth needs to be, how we will get there and what needs to be done. It is important to recognise that regional development 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.



How do we achieve the best result for Marlborough?

Council has led the development of the Marlborough Smart and Connected vision and strategic framework since 2012. As well as working to adopt and implement the vision within its organisation, Councils role is to support and facilitate the community to implement the vision. This is being achieved in a number of ways:

- Developing industry leadership groups to draw up long term Smart and Connected industry strategies for each of our key industries, delivered by the industry - starting with forestry and wood products.
- Develop community implementation groups to develop Smart and Connected community plans, with the implementation led by the community.
- Support innovation in Marlborough by developing connections between Marlborough companies and high quality advice, science and market information – starting with developing the Marlborough Food and Beverage Innovation Cluster with the Marlborough Research Centre, Riddet Institute and Massey University
- Providing a single point of contact within Council for businesses undertaking development through the Smart Business Marlborough service.

In 2014-15, a further roll-out of the industry and community leadership groups will take place along with continued contributions for the Food and Beverage Innovation Cluster, and further development of Smart Business Marlborough and advice services for start-up businesses.

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.

Regional Events Strategy

Council has developed a Regional Events Strategy with the support of the industry to identify opportunities for growing events in the region and increasing the commercial return to local businesses. A Regional Events Co-Ordinator is employed to help to deliver the strategy and to support the events industry. It is budgeted that a Commercial Events Fund of \$75,000 will be established in 2014-15 to help the development of events. The fund would support existing and new events and a range of criteria would apply including preference for events outside the main summer season, and events that showcase the wider region.

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.

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.

As mentioned previously MRC, Council, Riddet Institute and Massey University are working jointly to implement a Food and Beverage Strategy for Marlborough. Council is proposing to provide \$75,000 for this activity in 2014-15.

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 are 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 proposed irrigation scheme for the Flaxbourne area, estimated to cost up to \$27m, is under development. It would provide similar benefits to the Southern Valley scheme in supporting the development of productive agricultural land and be paid through a targeted rate by the beneficiaries. Council is proposing conditional support for the scheme to build and own the scheme, before any decision is made as part of next year's 2015-25 Long Term Plan consultation process.

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

- A proposal to develop the concept of an overarching organisation to provide a single focus for Destination Marketing, conference and event coordination and implementing a Smart and Connected vision and related economic development work in Marlborough is being investigated in 2014-15.
- MRC (Marlborough Research Centre) is leading the development of a Food and Beverage Innovation Cluster that will connect local companies in that field with the best food and beverage science, advice and market information available in New Zealand via a partnership with the Riddet Institute and Massey University.
- Implementation of the recently adopted Regional Events Strategy will continue, with a key focus on attracting and growing commercial events. The Commercial Events Fund will assist the implementation of the strategy.
- Domestic visitation to Marlborough has been in decline while nationally domestic visitation is increasing.
- Marlborough is maintaining its share of international visitors. International visitors to New Zealand are forecast to grow over the next five years. However the value of visitor spend is declining.
- Technology, and now more specifically mobile technology is being used increasingly to plan and book travel. The influence of social media and online technology as a communication channel is evolving the way we engage with potential visitors.
- The global economic balance of power is shifting and this is affecting where New Zealand's visitors come from. China is now the number two inbound visitor market to New Zealand.
- Any shortage of airline supply or inconvenient aviation network options can result in potential visitors not travelling or choosing a different destination. Therefore growing international air access into the South Island is crucial to the growth of international visitation into Marlborough.
- The increased value of the New Zealand dollar has weakened New Zealand's value proposition from an international tourism perspective.
- Tourism New Zealand's 2013-16 target market strategy for international promotion is closely aligned with the Marlborough visitor proposition and provides good future promotional opportunities to feature more within the context of the international marketing effort.
- Marlborough's current share of New Zealand association conference business is .8%.
- Parking strategies for Picton and Blenheim due in 2014, will guide future decisions about provision, pricing and other parking related issues.

Activity Group: Regional Development

Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance	Enabling Participative Strategic Connected	The focus of the Smart and Connected programme in 2014-15 is to enable and encourage industry groups and the community to develop and implement strategies. Discussions are underway with the Flaxbourne community to explore a community irrigation scheme.	MRC via the Food and Beverage Innovation Cluster are encouraging connectivity between Marlborough businesses and national and international science and markets.
Environment	Attractive		Tourism promotes the beauty of the Marlborough's District and Destination Marlborough's plans to recognise the tourism's role in environmental protection through sustainable use.
People	Quality jobs Increasing incomes Increasing capital wealth Engaged and participative	The focus of the Smart and Connected programme in 2014-15 is to enable and encourage industry groups and the community to develop and implement strategies. MRC via the Food and Beverage Innovation Cluster are encouraging connectivity between Marlborough businesses and national and international science and markets.	Discussions are underway with the Flaxbourne community to explore a community irrigation scheme. This is a participative approach that if implemented will create employment and increase the capital value of properties in that area.
Economy	Productivity Innovation Entrepreneurship International connections Ability to transform Ability to connect	The focus of the Smart and Connected programme in 2014-15 is to enable and encourage industry groups and the community to develop and implement strategies. MRC via the Food and Beverage Innovation Cluster are encouraging connectivity between Marlborough businesses and national and international science and markets. Council provides parking in towns for locals and visitors to shop, work and access the many services located in the CBD.	Discussions are underway with the Flaxbourne community to explore a community irrigation scheme. This is a participative approach that if implemented will create employment and increase the capital value of properties in that area.
Mobility	Local accessibility National accessibility Safe	Council provides parking in towns for locals and visitors to shop, work and access the many services located in the CBD.	-
Living	Cultural facilities and events Opportunities for participation Social cohesion	Council supports commercial events via the implementation of the Regional Events Strategy, and community events via funding. Event organisation and participation offers opportunities for people to participate and work with others in the community.	-

Levels of Service: Regional Development			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2014-15
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%
Provision of convenient and affordable car parks to support CBD businesses.	Regularly review the parking strategies for Blenheim and Picton. (five yearly)	New measure	N/A
	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

Activity Group: Regional Development

Funding Impact Statement for 2014-15			
Regional Development	LTP 2014-15 \$000's	AP 2013-14 \$000's	AP 2014-15 \$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,043	1,067	1,243
Targeted rates	1,247	1,235	1,237
Fees and charges	2,308	2,030	2,065
Other receipts	202	197	211
Total operating funding	4,800	4,529	4,756
Applications of operating funding			
Payments to staff and suppliers	1,979	2,049	2,516
Finance costs	1,365	1,457	1,403
Internal charges and overheads applied	310	290	311
Other operating funding applications	520	468	508
Total applications of operating funding	4,174	4,264	4,738
Surplus (deficit) of operating funding	626	265	18
Sources of capital funding			
Increase (decrease) in debt	(831)	(776)	(854)
Total sources of capital funding	(831)	(776)	(854)
Applications of capital funding			
Capital expenditure to meet additional demand	91	85	85
Capital expenditure to improve the level of service	-	-	53
Capital expenditure to replace existing assets	6	18	6
Increase (decrease) in reserves	(302)	(614)	(980)
Total applications of capital funding	(205)	(511)	(836)
Surplus (deficit) of capital funding	(626)	(265)	(18)
Funding balance	-	-	-
Reconciliation			
Total applications of operating funding	4,174	4,264	4,738
plus - Depreciation and amortisation	562	599	642
Expenditure as per Income Statement	4,736	4,863	5,380
Operating expenditure			
Economic Development	114	251	570
Marketing and Tourism	905	873	1,070
Research Centre	136	226	211
Irrigation	1,411	1,407	1,393
Parking	2,170	2,106	2,136
Capital expenditure:			
Irrigation	-	-	53
Parking	97	103	91

Explanation of Variances between LTP for 2014-15 and Annual Plan for 2014-15:

- Fees, charges and targeted rates have reduced primarily due to reduced parking collections which have not improved as expected.
- Operating expenditure has increased:
 - Economic development has increased due to increased funding for existing and new Smart and Connected projects and the reclassification of Regional Events Strategy expenditure from Marketing and Tourism.
 - Marketing and Tourism includes increased funding of \$200,000, with \$100,000 funded from the Forestry and Asset Sales Reserve and a reduction due to the reclassification of the Regional Events Strategy expenditure to Economic Development.
 - Research Centre has increased due to the development of the Food and Beverage Cluster.

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

Income Statement

for the year ending 30 June:		2015	2014	2015
	note:	(from LTP)	(from AP)	
		\$000's	\$000's	\$000's
Income:				
Rates revenue	2	59,275	55,710	57,892
Finance income	3	880	878	808
Development and financial contributions		2,233	1,603	1,613
Other revenue	4	33,815	33,444	35,253
Gains	4	-	1,628	828
Total income	1	96,203	93,263	96,394
Expenditure by function:				
Roads and footpaths		18,150	19,268	17,976
Sewerage		11,560	10,397	10,223
Water Supply		9,002	8,095	8,216
Community Facilities		8,078	8,039	8,431
Solid Waste Management		7,775	6,761	6,900
Regional Development		4,736	4,863	5,380
Flood protection and control works		4,639	4,377	4,557
Environmental Science and Monitoring		3,112	3,080	3,286
Democratic Process		2,942	2,765	2,873
Building Control		2,632	2,508	2,795
Resource Consents		2,376	2,229	2,398
Library Services		1,646	1,717	1,775
Stormwater drainage		1,826	1,674	1,773
Environmental Policy		1,418	1,358	1,350
Community Housing		1,414	1,243	1,451
Biosecurity (Pest Management)		1,366	1,210	1,290
Community Support		1,261	1,237	1,306
Environmental Protection		1,140	1,132	1,154
Harbours		1,024	1,028	1,327
Emergency Management		806	730	754
Culture and Heritage		788	530	647
Animal Control		611	601	609
Environmental Health		435	431	467
Community Safety		449	375	241
		89,186	85,648	87,179
less internal interest eliminated	3	5,529	5,303	5,556
Total expenditure by function		83,657	80,345	81,623
Non-activity expenditure				
Other expenditure	5	3,036	2,487	3,063
Marlborough Regional Forestry	5	5,282	5,333	3,687
Total non-activity expenditure		8,318	7,820	6,750
Total expenditure	5	91,975	88,165	88,373
Surplus		4,228	5,098	8,021

Statement of Comprehensive Income

Statement of Comprehensive Income				
for the year ending 30 June:				
	note:	2015 (from LTP) \$000's	2014 (from AP) \$000's	2015 \$000's
Surplus for the year		4,228	5,098	8,021
Other comprehensive income:				
Gain on property revaluations	8	40,453	113,806	23,735
Total other comprehensive income		40,453	113,806	23,735
Total comprehensive income		44,681	118,904	31,756

Statement of Changes in Equity

Statement of Changes in Equity				
for the year ending 30 June:				
	note:	2015 (from LTP) \$000's	2014 (from AP) \$000's	2015 \$000's
Balance at 1 July		1,354,524	1,313,897	1,322,938
Total comprehensive income for the year		44,681	118,904	31,756
Balance at 30 June		1,399,205	1,432,801	1,354,694

Note that the closing equity as per the 2013-14 Annual Plan differs from the opening equity for the 2014-15 Annual Plan due to the different timings and opening positions used in preparing this information.

Statement of Financial Position

Marlborough District Council				
Statement of Financial Position				
as at 30 June:				
	note:	2015 (from LTP) \$000's	2014 (from AP) \$000's	2015 \$000's
Assets:				
Current assets:				
Cash and cash equivalents		10,913	1,617	4,711
Debtors and other receivables	6	8,958	7,887	9,709
Other financial assets	7	3,330	3,582	3,582
Inventory (including non-current assets held for sale)		352	1,208	1,160
Total current assets		23,553	14,294	19,162
Non-current assets:				
Other financial assets	7	13,950	15,232	14,300
Intangible assets		578	588	556
Biological assets		8,069	11,264	14,901
Property, plant and equipment	8	1,437,412	1,458,807	1,373,532
Total non-current assets		1,460,009	1,485,891	1,403,289
Total assets		1,483,562	1,500,185	1,422,451
Liabilities:				
Current liabilities:				
Creditors and other payables	9	17,890	12,385	13,475
Employee entitlements		1,565	1,459	1,476
Total current liabilities		19,455	13,844	14,951
Non-current liabilities:				
Borrowings	10	62,217	50,605	50,039
Provisions		1,856	2,268	2,420
Employee entitlements		829	667	347
Total non-current liabilities		64,902	53,540	52,806
Total liabilities		84,357	67,384	67,757
Net assets		1,399,205	1,432,801	1,354,694
Equity:				
Accumulated funds	11	563,135	561,368	571,894
Other reserves	11	836,070	871,433	782,800
Total equity		1,399,205	1,432,801	1,354,694

Statement of Cash Flows

Statement of Cash Flows			
for year ending 30 June:	2015	2014	2015
note:	(from LTP)	(from AP)	
	\$000's	\$000's	\$000's
Cash flows from operating activities:			
Receipts from rates revenue	59,275	55,710	57,892
Interest received	880	878	808
Dividends received	700	827	764
User charges and other revenues	34,493	32,177	36,113
Payments to suppliers and employees	(68,327)	(66,336)	(65,607)
Interest paid	(2,903)	(2,389)	(2,337)
Net cash flows from operating activities	24,118	20,867	27,633
Cash flows from investing activities:			
Sale of assets	364	5,313	852
Movements in investments	(9)	(5,094)	(4,982)
Purchase of fixed assets	(33,685)	(26,351)	(28,123)
Net cash flows from investing activities	(33,330)	(26,132)	(32,253)
Cash flows from financing activities:			
Movement in borrowings (external)	9,957	866	8,457
Net increase/(decrease) in cash	745	(4,399)	3,837
Cash and cash equivalents:			
at the beginning of the year	1,617	6,016	874
at the end of the year	2,361	1,617	4,711

Note that the closing cash as per the 2013-14 Annual Plan differs from the opening cash for the 2014-15 Annual Plan due to the different timings and opening positions used in preparing this information.

Statement of Accounting Policies

These forecast financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2014 and ending on 30 June 2015.

These forecast financial statements were authorised for issue by Council on 26 June 2014.

These forecast 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

These forecast financial statements are the first set of prospective financial statements prepared under Public Benefit Entity Accounting Standards. The Council is a Public Benefit Entity (PBE) and has elected to report as a Tier 1 Public Sector PBE and required to apply Tier 1 PBE Accounting Standards with effect from 1 July 2014.

As a result of applying the new accounting standards, there have been no significant changes in the Council's accounting policies.

(i) Statement of Compliance

The forecast financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: sections 95, 100, 101, 111 and Part 2 of Schedule 10 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

(ii) Forecast financial statements

The forecast financial statements comply with Tier 1 PBE Accounting Standards (including PBE FRS 42 – Prospective Financial Statements and PBE FRS 46 – First Time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs). The prospective financial statements have been prepared using the best information available at the time they were prepared.

(iii) Measurement Base

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

(iv) Functional and Presentational Currency

The forecast 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.

(v) **Changes in Accounting Policies**

There have been no changes in the accounting policies and accounting policies 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 2013; and to these prospective financial statements.

(vi) **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%
Oxidation ponds:		
- Liner	Not	

Asset	Life	Rate
- 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 2014-15 figures are those approved by the Council in its 2012-2022 Long Term Plan. The 2013-14 figures are those approved by the Council in its 2013-14 Annual 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, however the financial impact will be mitigated as the need to proceed with growth driven projects is reviewed annually.

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 almost \$60 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 over a two to three year recovery period.

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 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 which 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 are used to offset overall increases in total insurance costs. The insurance industry is signalling that the insurance market is showing signs of softening again which will lead to a reduction in commercial premiums, however increases in asset values will result in a steady increase in total insurance costs.

Level of Uncertainty

Low.

Risks

The actual costs of recovery from a major natural disaster are higher than the forecast MPL of just under \$60 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. Also Council currently owns sufficient NZEU to meet its obligations for the next two to three years.

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:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Income:				
People		8,990	8,294	8,600
Community Facilities		8,792	8,623	8,882
Roads and footpaths		17,433	16,832	16,451
Flood protection and control works		6,481	6,519	6,803
Sewerage		10,744	9,265	9,871
Stormwater drainage		2,267	1,909	1,934
Water Supply		9,454	8,996	9,195
Solid Waste Management		7,469	7,084	7,136
Environmental Management		7,945	7,375	8,083
Regulatory		6,133	5,817	6,525
Regional Development		4,800	4,529	4,756
Total activity income		90,508	85,243	88,236
Plus other income (including forestry)		14,318	15,893	16,225
Less internal income		(8,623)	(7,873)	(8,067)
Total income		96,203	93,263	96,394
Expenditure:				
People		9,306	8,597	9,047
Community Facilities		8,078	8,039	8,431
Roads and footpaths		18,151	19,266	17,976
Flood protection and control works		4,639	4,377	4,557
Sewerage		11,560	10,397	10,223
Stormwater drainage		1,826	1,674	1,773
Water Supply		9,002	8,095	8,216
Solid Waste Management		7,775	6,761	6,900
Environmental Management		8,047	7,800	8,188
Regulatory		6,067	5,779	6,489
Regional Development		4,736	4,863	5,380
Total activity expenditure		89,187	85,648	87,180
Plus other expenditure (including forestry)		11,411	10,390	9,261
Less internal expenditure		(8,623)	(7,873)	(8,067)
Total operating expenditure		91,975	88,165	88,373

2. Rates revenue				
	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
People		6,431	5,877	6,305
Community Facilities		6,686	6,599	6,879
Roads and footpaths		9,738	8,784	9,021
Flood protection and control works		3,794	3,569	3,720
Sewerage		8,473	7,629	7,753
Stormwater drainage		1,649	1,509	1,526
Water Supply		8,760	8,558	8,705
Solid Waste Management		2,614	2,508	2,557
Environmental Management		5,754	5,464	5,967
Regulatory		2,592	2,417	2,485
Regional Development		2,783	2,795	2,973
Total activity rates		59,274	55,709	57,891
Non-activity rates		1	1	1
Total gross rates revenue		59,275	55,710	57,892
Rates remissions		512	510	462
Rates revenue net of remissions		58,763	55,200	57,430

3. Finance income and finance costs

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Finance income - interest income				
Term deposits		760	766	710
Community loans		120	112	98
Total finance income		880	878	808
Finance costs - interest expense				
Total internal interest expense		8,623	7,873	7,982
Bank charges on borrowings		192	180	90
less internal interest eliminated		(5,529)	(5,303)	(5,556)
Total finance costs		3,286	2,750	2,516
Net finance costs		2,406	1,872	1,708

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:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
NZTA Roothing Subsidy		5,702	5,894	5,547
Fees and Charges		6,861	6,192	6,405
Marlborough Regional Forestry		5,627	6,595	6,542
Regulatory revenues		4,482	4,097	4,460
Rental revenues		4,196	4,099	5,081
Contributions		1,698	1,533	1,259
Trade Waste - Operating Charges		1,276	960	1,096
Infringements and fines		663	635	625
Dividends received		700	827	764
Subsidies & Grants		561	442	423
Petroleum Tax		415	367	367
Penalties - Rates		320	375	345
Trade Waste - Capital Charges		289	409	761
Licence revenue		219	221	307
Rental income from investment properties		156	156	161
Other income		650	642	1,110
Gain on Sale of Fixed Assets		-	1,628	828
Total Other revenue and Gains		33,815	35,072	36,081

5. Expenditure

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$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		1,111	390	453
Property costs		1,180	1,056	1,822
Rate remissions as note 2		512	510	462
Digitisation project		101	401	101
Other		132	130	225
Total other expenditure		3,036	2,487	3,063

Expenditure disclosures

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

Depreciation and amortisation expense	20,813	19,342	20,058
Personnel costs	17,711	17,307	18,224
Finance costs as note 3	3,286	2,750	2,516
Grants	1,481	3,311	1,581
Insurance premiums	2,260	1,449	1,773
Councillors remuneration	756	660	694
Payments under operating leases	388	311	305
Fees to principal auditor:			
audit fees for financial statement audit	122	120	122
audit fees for LTP	97	-	93
Property plant and equipment loss on disposal	200	-	-
Other operating expenses	39,579	37,582	39,320
Marlborough Regional Forestry	5,282	5,333	3,687
Total expenditure	91,975	88,165	88,373

6. Debtors and other receivables

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Rates receivables		802	1,189	1,158
Goods and services tax (net)		1,011	679	1,113
Prepayments		649	452	2,342
Other		6,543	5,589	5,131
Gross debtors and other receivables		9,005	7,909	9,744
Less provision for impairment		(47)	(22)	(35)
Total debtors and other receivables		8,958	7,887	9,709

7. Other financial assets

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Current portion:				
Term deposits and bonds with maturities of 4-12 months		3,330	3,582	3,582
Total current portion		3,330	3,582	3,582
Non-current portion:				
Term deposits and bonds with maturities 12 months plus		7,260	7,440	6,821
Community loans		615	1,717	1,404
Unlisted shares in subsidiaries		6,000	6,000	6,000
Shares: NZ Local Govt. Insurance Corp		74	74	74
Shares other		1	1	1
Total non-current portion		13,950	15,232	14,300
Total other financial assets		17,280	18,814	17,882

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	-	-	-

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:	2015(LTP) \$000's	2014(AP) \$000's	2015 \$000's
Opening value	1,458,807	1,335,280	1,339,901
Capital additions by activity			
Democratic Process	-	40	-
Culture and Heritage	53	10	50
Community Housing	352	833	533
Community Safety	53	-	-
Community Support	13	12	12
Library Services	275	247	3,759
Emergency Management	34	28	28
People	780	1,170	4,382
Community Facilities	1,434	2,165	2,131
Roads and footpaths	7,404	7,755	6,899
Flood protection and control works	992	820	993
Sewerage	13,127	6,556	3,355
Stormwater drainage	1,545	285	1,290
Water Supply	8,426	2,154	6,711
Solid Waste Management	21	161	1,792
Environmental Science and Monitoring	52	69	150
Resource Consents	3	3	3
Environmental Management	55	72	153
Building Control	1	-	-
Environmental Health	4	4	4
Harbours	138	308	130
Regulatory	143	312	134
Regional Development	97	103	144
Forest Park Development	-	2,154	140
Information Services	636	770	1,162
Commercial Property	-	2,000	-
Plant Operations	447	137	610
Office Services	149	245	140
Asset Services Management	-	1,520	-
Total capital expenditure	35,256	28,379	30,036
Disposals	(172)	(2,510)	(82)
Depreciation	(20,813)	(19,342)	(20,058)
Revaluation	40,453	113,806	23,735
Closing value	1,513,531	1,458,807	1,373,532

9. Creditors and other payables

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Trade payables		6,479	6,451	7,682
Accrued expenses		7,426	2,202	2,089
Income in advance		1,051	1,007	944
Deposits		1,576	1,437	1,417
Agency account		99	90	113
Trust funds		259	236	250
Amounts due to related parties		1,000	962	980
Total creditors and other payables		17,890	12,385	13,475

10. Borrowings

	for the year ending 30 June:	2015(LTP)	2014(AP)	2015
		\$000's	\$000's	\$000's
Culture and Heritage		10	10	9
Community Housing		591	-	-
Library Services		-	-	-
People		601	10	9
Community Facilities		8,509	8,363	8,513
Roads and footpaths		7,554	5,976	6,522
Flood protection and control works		1,037	866	898
Sewerage		49,700	44,244	37,105
Stormwater drainage		1,335	344	331
Water Supply		26,209	19,869	23,331
Solid Waste Management		6,432	6,192	5,653
Regional Development		18,842	20,207	19,377
Works Depot		1,507	1,502	732
Rental Housing		6	-	-
Commercial Property		5,673	5,829	10,885
Marlborough Regional Forestry		-	-	-
Total Loans		127,405	113,402	113,356
Less internal loans		65,188	62,797	63,317
Borrowings (external loans)		62,217	50,605	50,039

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:

2015(LTP)
\$000's

2014(AP)
\$000's

2015
\$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 assets.

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

Opening balance	4,879	5,214	6,950
Transfer to reserve	717	560	3,029
Transfer from reserve	(267)	(250)	(250)
Capex transfer from reserve	-	(645)	(370)
Closing balance	6,908	4,879	9,360

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	3,147	2,218	4,866
Transfer to reserve	-	1,434	609
Transfer from reserve	(94)	(90)	(3,068)
Capex transfer from reserve	-	(415)	-
Closing balance	4,070	3,147	2,407

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	355	1,535	944
Transfer to reserve	1,037	1,416	1,770
Transfer from reserve	(220)	(445)	(407)
Capex transfer from reserve	-	(2,152)	(2,085)
Closing balance	1,640	355	222

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	5,718	5,007	5,589
Transfer to reserve	2,087	2,512	2,449
Transfer from reserve	(40)	(60)	(463)
Capex transfer from reserve	(1,949)	(1,741)	(1,310)
Closing balance	5,319	5,718	6,264

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	(2,042)	(2,412)	(2,016)
Transfer to reserve	1,245	1,135	1,502
Capex transfer from reserve	(844)	(765)	(1,102)
Closing balance	(1,519)	(2,042)	(1,616)

Financial Information

Reserves	2015(LTP) \$000's	2014(AP) \$000's	2015 \$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	-
Transfer from reserve	(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	2,567	2,794	2,171
Transfer to reserve	447	539	621
Transfer from reserve	(297)	(100)	(279)
Capex transfer from reserve	(522)	(666)	(631)
Closing balance	1,576	2,567	1,881

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	561,367	558,652	563,684
Surplus from Operations	4,228	5,098	8,021
Transfer from (to) General Reserves	343	(2,115)	203
Transfer from (to) Corporate Reserves	(1,301)	(268)	(14)
Closing balance	564,637	561,367	571,894

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	601	529	512
Transfer to reserve	211	265	302
Transfer from reserve	(130)	(119)	(207)
Capex transfer from reserve	(172)	(74)	(172)
Closing balance	138	601	434

Community Housing General and Depreciation reserves

Opening balance	(660)	(326)	(846)
Transfer to reserve	250	258	274
Transfer from reserve	(45)	(154)	(267)
Capex transfer from reserve	(235)	(438)	(613)
Closing balance	(113)	(660)	(1,452)

Energy Efficiency General reserve

Opening balance	(971)	(851)	(676)
Transfer to reserve	55	36	65
Transfer from reserve	(156)	(156)	(156)
Closing balance	(672)	(971)	(767)

Reserves	2015(LTP) \$000's	2014(AP) \$000's	2015 \$000's
Library Services General and Depreciation reserves			
Opening balance	366	296	327
Transfer to reserve	314	316	319
Capex transfer from reserve	(275)	(247)	(257)
Closing balance	405	366	389
CBD Works General and Depreciation reserves			
Opening balance	-	-	537
Transfer to reserve	-	-	59
Transfer from reserve	-	-	(26)
Capex transfer from reserve	-	-	(150)
Closing balance	-	-	420
Emergency Management General and Depreciation reserves			
Opening balance	222	210	210
Transfer to reserve	44	39	37
Transfer from reserve	-	-	-
Capex transfer from reserve	(34)	(28)	(28)
Closing balance	232	222	219
Swimming Pools General and Depreciation reserves			
Opening balance	559	247	370
Transfer to reserve	337	365	411
Transfer from reserve	(61)	(53)	(57)
Closing balance	1,090	559	724
Roading General and Depreciation reserves			
Opening balance	3,802	3,050	3,029
Transfer to reserve	4,091	4,226	8,636
Capex transfer from reserve	(3,268)	(3,473)	(7,357)
Closing balance	4,625	3,802	4,309
Roading Development Contributions reserve (Northwest Periphery)			
Opening balance	(780)	(930)	(721)
Transfer to reserve	170	160	160
Transfer from reserve	(10)	(10)	(10)
Closing balance	(501)	(780)	(571)
Wairau Floodplain Rivers and Drainage Depreciation reserves			
Opening balance	181	133	326
Transfer to reserve	134	147	152
Transfer from reserve	(2)	(30)	(34)
Capex transfer from reserve	(74)	(70)	(60)
Closing balance	252	181	384
Combined Sewerage General and Depreciation reserves			
Opening balance	4	6	1,989
Transfer to reserve	2,893	2,605	3,094
Transfer from reserve	(1,143)	(1,067)	(1,273)
Capex transfer from reserve	(1,740)	(1,540)	(1,614)
Closing balance	28	4	2,195
Riverlands Industrial Wastewater: General and Depreciation reserves			
Opening balance	(1,605)	(958)	(1,146)
Transfer to reserve	-	-	340
Transfer from reserve	(676)	(647)	(502)
Closing balance	(2,281)	(1,605)	(1,309)
<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>			
St Andrews Sewerage (new scheme): General reserve			
Opening balance	(62)	-	7
Transfer to reserve	-	-	14
Transfer from reserve	(22)	-	(14)
Closing balance	(85)	-	7

Financial Information

Reserves	2015(LTP) \$000's	2014(AP) \$000's	2015 \$000's
Blenheim Stormwater: Depreciation reserve			
Opening balance	1,803	965	1,719
Transfer to reserve	879	858	869
Transfer from reserve	(131)	(20)	-
Capex transfer from reserve	(927)	-	(1,010)
Closing balance	1,624	1,803	1,578
Blenheim Stormwater: Development contribution reserve			
Opening balance	-	-	-
Transfer to reserve	-	-	-
Capex transfer from reserve	(134)	-	-
Closing balance	-	-	-
Other Stormwater: Depreciation reserve			
Opening balance	707	413	678
Transfer to reserve	370	352	337
Transfer from reserve	(75)	(19)	(20)
Capex transfer from reserve	(42)	(39)	(39)
Closing balance	1,264	707	956
Awatere Water: Depreciation , General and Development Contribution reserves			
Opening balance	861	624	683
Transfer to reserve	356	359	353
Transfer from reserve	(18)	(17)	(18)
Capex transfer from reserve	(406)	(106)	(79)
Closing balance	793	861	939
Blenheim Water: General and Depreciation reserves			
Opening balance	566	(190)	651
Transfer to reserve	1,617	1,807	1,943
Transfer from reserve	(899)	(818)	(871)
Capex transfer from reserve	(1,276)	(233)	(609)
Closing balance	315	566	1,113
Havelock Water: Depreciation , General and Development Contribution reserves			
Opening balance	184	128	256
Transfer to reserve	55	91	88
Transfer from reserve	(37)	(32)	(50)
Capex transfer from reserve	(3)	(3)	(75)
Closing balance	47	184	218
Picton Water: General and Depreciation reserves			
Opening balance	148	453	939
Transfer to reserve	566	568	806
Transfer from reserve	(175)	(91)	(131)
Capex transfer from reserve	(828)	(782)	(851)
Closing balance	(289)	148	762
Renwick Water: General and Depreciation reserves			
Opening balance	599	739	580
Transfer to reserve	169	49	141
Transfer from reserve	(7)	-	(57)
Capex transfer from reserve	(630)	(189)	(161)
Closing balance	131	599	504
Renwick Water: Development contribution reserve			
Opening balance	-	-	-
Transfer to reserve	-	-	-
Capex transfer from reserve	(41)	-	-
Closing balance	-	-	-

Reserves	2015(LTP) \$000's	2014(AP) \$000's	2015 \$000's
Riverlands Water: General and Depreciation reserves			
Opening balance	99	(1)	113
Transfer to reserve	143	203	165
Transfer from reserve	(51)	(37)	(54)
Capex transfer from reserve	(29)	(66)	(127)
Closing balance	162	99	97
Wairau Valley Water: General reserve			
Opening balance	(15)	(25)	(24)
Transfer to reserve	17	10	18
Transfer from reserve	(11)	-	(11)
Closing balance	(9)	(15)	(17)
Landfill aftercare reserve			
Opening balance	891	816	569
Transfer to reserve	20	75	34
Closing balance	911	891	604
Landfills: General and Depreciation reserves			
Opening balance	(232)	(345)	(83)
Transfer to reserve	769	508	406
Transfer from reserve	(439)	(395)	(386)
Capex transfer from reserve	-	-	(1,319)
Closing balance	(2,154)	(232)	(1,382)
Refuse Collections: General and Depreciation reserves			
Opening balance	325	322	254
Transfer to reserve	53	14	18
Capex transfer from reserve	-	(11)	(56)
Closing balance	612	325	217
Environmental Science and Monitoring: General and Depreciation reserve			
Opening balance	10	1	(12)
Transfer to reserve	83	78	90
Capex transfer from reserve	(52)	(69)	(150)
Closing balance	41	10	(72)
Animal Control: General and Depreciation reserves			
Opening balance	131	114	171
Transfer to reserve	30	17	10
Closing balance	161	131	181
Harbours: General and Depreciation reserves			
Opening balance	(268)	(106)	(246)
Transfer to reserve	171	73	144
Capex transfer from reserve	(138)	(236)	(130)
Closing balance	83	(268)	(232)
Irrigation (SVIS): General and Depreciation reserves			
Opening balance	676	637	933
Transfer to reserve	335	324	355
Transfer from reserve	(320)	39	(329)
Capex transfer from reserve	-	(324)	(53)
Closing balance	691	676	905

Financial Information

Reserves	2015(LTP) \$000's	2014(AP) \$000's	2015 \$000's
Parking - Blenheim: General and Depreciation reserves			
Opening balance	(1,265)	(893)	(1,306)
Transfer to reserve	(233)	-	295
Transfer from reserve		(372)	(676)
Closing balance	(1,361)	(1,265)	(1,686)
Parking - Picton: General and Depreciation reserves			
Opening balance	108	100	113
Transfer to reserve	7	7	26
Transfer from reserve		-	(18)
Closing balance	103	108	121
Plant General and Depreciation reserves			
Opening balance	1,388	1,095	564
Transfer to reserve	462	431	314
Transfer from reserve	-	(14)	-
Capex transfer from reserve	(430)	(124)	(605)
Closing balance	873	1,388	274
Commercial Property and Development Depreciation reserves			
Opening balance	1,067	979	1,019
Transfer to reserve	161	159	225
Transfer from reserve	(168)	(71)	(149)
Closing balance	1,060	1,067	1,094
Information Services General and Depreciation reserves			
Opening balance	(19)	164	(584)
Transfer to reserve	1,034	988	1,173
Transfer from reserve	(101)	(401)	(101)
Capex transfer from reserve	(636)	(770)	(1,162)
Closing balance	278	(19)	(674)
Office and Customer Services Depreciation reserves			
Opening balance	1,169	1,123	1,296
Transfer to reserve	287	290	319
Capex transfer from reserve	(148)	(244)	(140)
Closing balance	776	1,169	1,476
Plus Revaluation reserves closing balance	803,622	841,845	748,012
Total Equity closing balance	1,399,796	1,432,801	1,354,694

Note that the closing balance as per the 2013-14 Annual Plan differs from the opening balance for the 2014-15 Annual Plan due to the different timings and opening positions used in preparing this information.

Part 4: Funding Impact Statement and Rates



- ☉ Funding Impact Statement
- ☉ Rates Movements 2014-15
- ☉ Impacts on Benchmark Properties

Funding Impact Statement

The Funding Impact Statement provides the following information:

- A Funding Impact Statement for 2014-15.
- 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 2014-15			
Marlborough District Council	2015(LTP)	2014(AP)	2015
	\$000's	\$000's	\$000's
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	35,693	33,371	34,977
Targeted rates (other than a targeted rate for water supply)	22,024	20,592	21,599
Subsidies and grants for operating purposes	3,803	3,731	3,798
Fees, charges, and targeted rates for water supply	13,830	13,006	13,122
Interest and dividends from investments	1,580	1,705	1,572
Other receipts including fuel tax, fines and infringement fees	13,195	15,631	16,512
Total operating funding	90,125	88,036	91,580
Applications of operating funding			
Payments to staff and suppliers	59,297	56,249	59,200
Finance costs	2,903	2,389	2,337
Other operating funding applications	8,761	10,185	6,726
Total applications of operating funding	70,961	68,823	68,263
Surplus of operating funding	19,164	19,213	23,317
Sources of capital funding			
Subsidies and grants for capital expenditure	2,459	2,605	(4,828)
Development and financial contributions	2,233	1,603	1,613
Increase in debt	9,957	866	8,457
Gross proceeds from sale of assets	19	2,469	24
Total sources of capital funding	14,668	7,543	5,266
Applications of capital funding			
Capital expenditure to meet additional demand	7,308	8,598	3,710
Capital expenditure to improve the level of service	12,812	8,709	16,168
Capital expenditure to replace existing assets	13,751	10,051	9,129
Increase (decrease) in reserves	2,105	(2,383)	14
Increase (decrease) of investments	(2,144)	1,781	(438)
Total applications of capital funding	33,832	26,756	28,583
(Deficit) of capital funding	(19,164)	(19,213)	(23,317)
Funding balance	-	-	-
Reconciliation			
Total operating funding	90,125	88,036	91,580
plus - Subsidies and grants for capital expenditure	2,459	2,605	(4,828)
plus - Development and financial contributions	2,233	1,603	1,613
plus - Contributions Vested Assets	1,386	1,019	8,029
Total income as per Income Statement	96,203	93,263	96,394
Total applications of operating funding	70,961	68,823	68,263
plus - Depreciation and amortisation	20,813	19,342	20,111
plus - Loss on sale of fixed assets	201	-	(1)
Expenditure as per Income Statement	91,975	88,165	88,373
Surplus of operating funding	19,164	19,213	23,317
less - Depreciation and amortisation	20,813	19,342	20,111
less - Loss on sale of fixed assets	201	-	(1)
plus - Subsidies and grants for capital expenditure	2,459	2,605	(4,828)
plus - Development and financial contributions	2,233	1,603	1,613
plus - Contributions Vested Assets	1,386	1,019	8,029
Surplus as per Income Statement	4,228	5,098	8,021

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 (including a homestay or farmstay activity) 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 or a homestay or farmstay activity resides on the same rating unit.
 - Where a number of different businesses are located on one rating unit, each separate business will be assessed uniform charges. An exception is made for motels, hotels and dwellings used for commercial rental – they are treated as one business use even if each accommodation unit may be capable of separate habitation.
 - Where rating units contain separate residential habitable dwellings that are capable of independent habitation (*i.e. they have all the facilities such as bathroom, toilets, kitchens, separate entrance ways etc*), uniform charges will be assessed on each dwelling.
 - If a rating unit contains a dwelling and a flat (*as shown as a "nature of improvements" on the Council valuation roll*) and the flat contains a kitchen; uniform charges will be assessed on the dwelling and flat.
- GST inclusive (incl) amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers. The GST rate used in these calculations is 15%.
- GST exclusive (excl) amounts are used to indicate Rate Revenue Movements affecting the Council.

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

Residential or Rural

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

Funding Impact Statement

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

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

Commercial or Industrial

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

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

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

Homestay or Farmstay

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

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

\$34,631,903 GST excl
(\$39,826,688 GST incl)

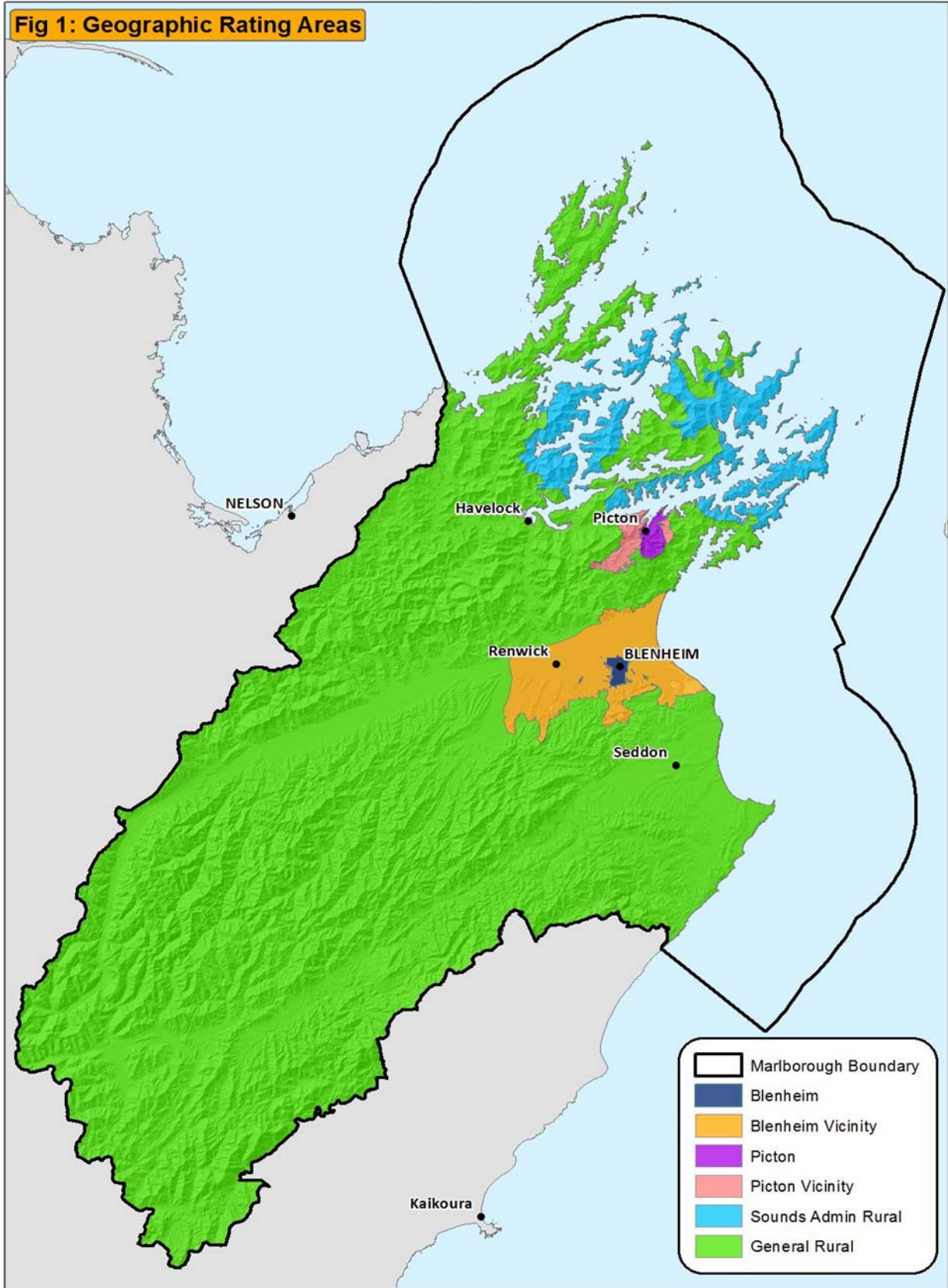
Although general-type rates and charges have increased overall by 4.65% (\$1,538,690 GST excl), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas and valuation movements in the differential areas.

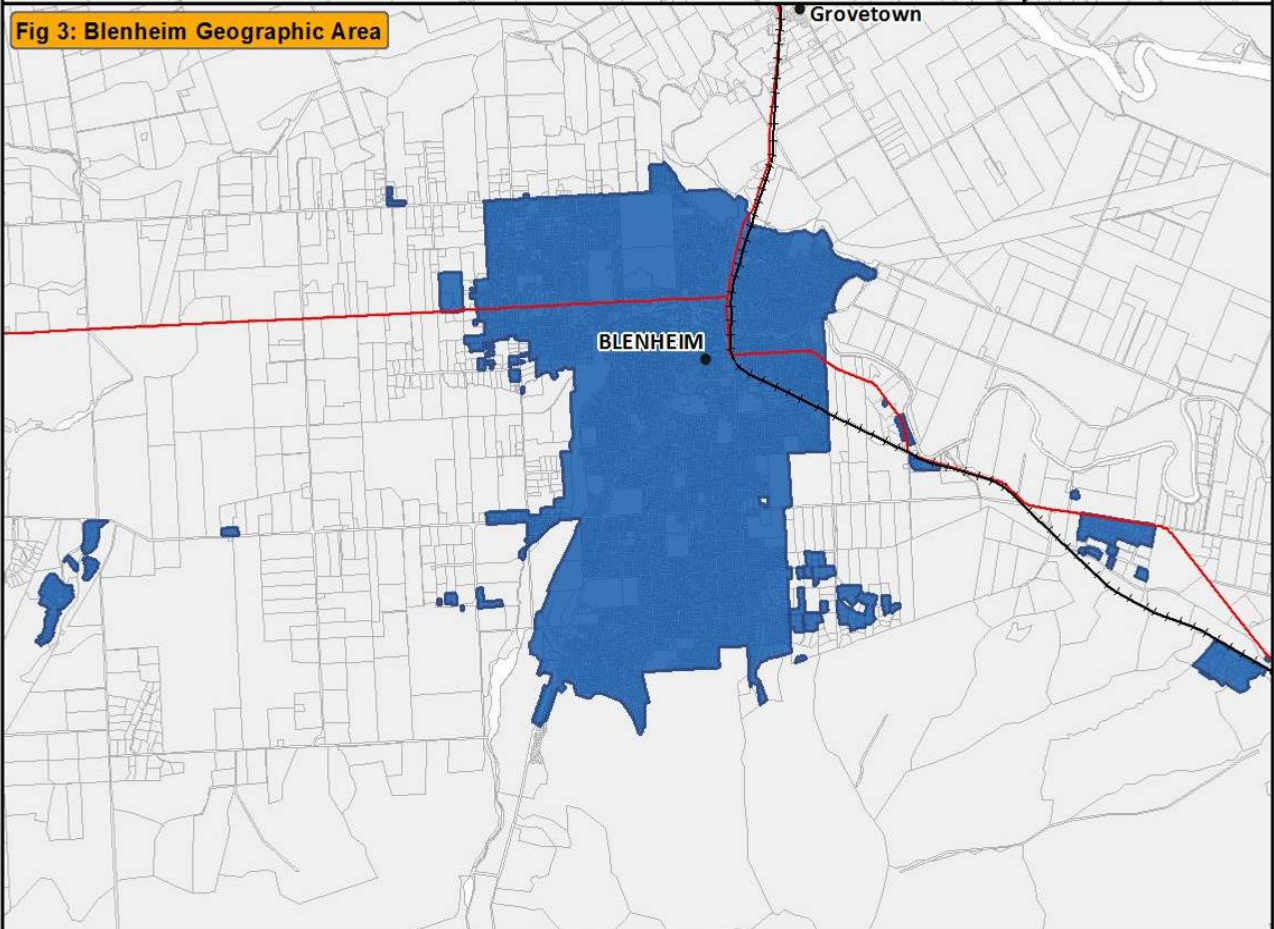
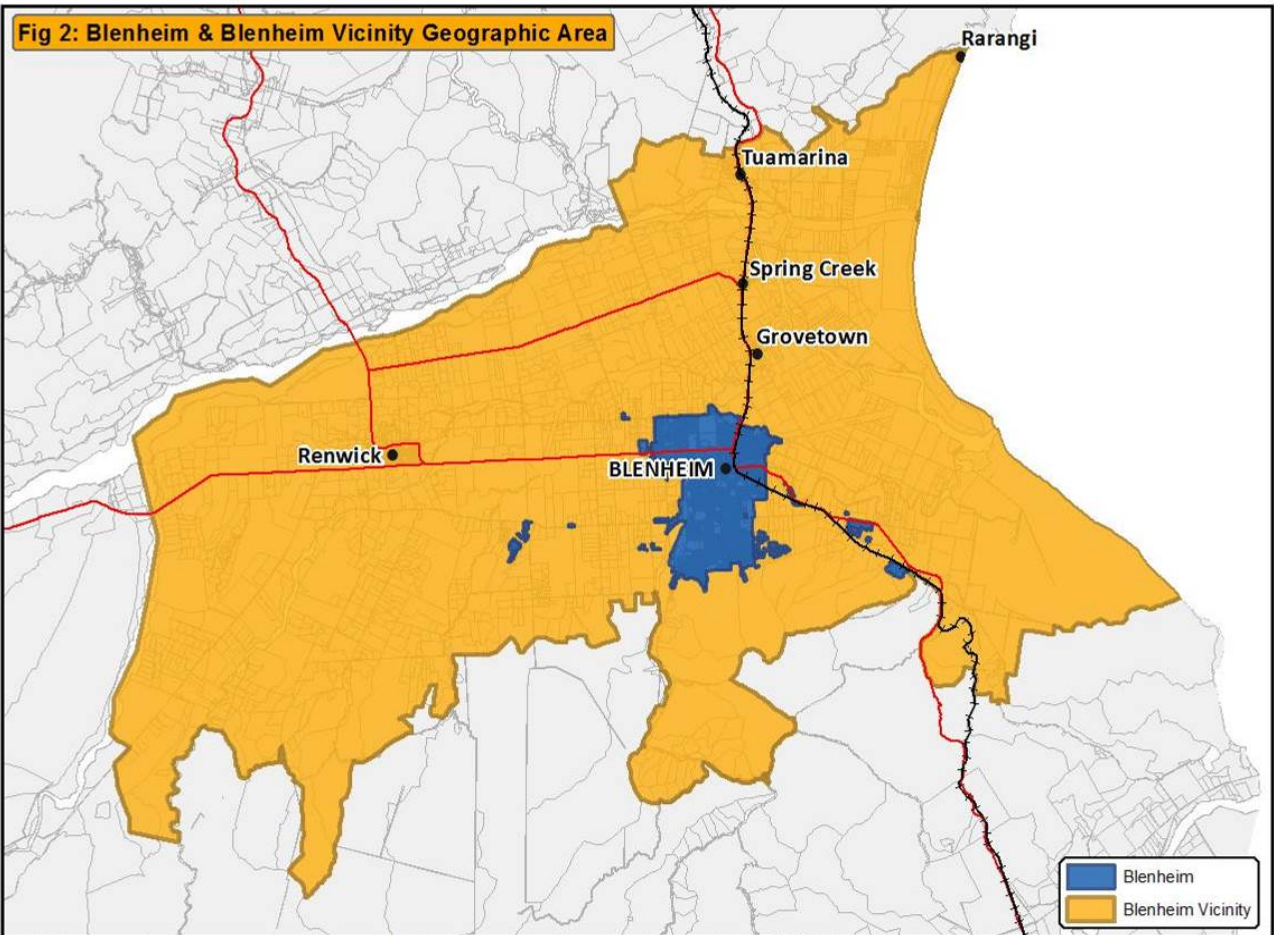
Geographic Area General Works and Services Rates

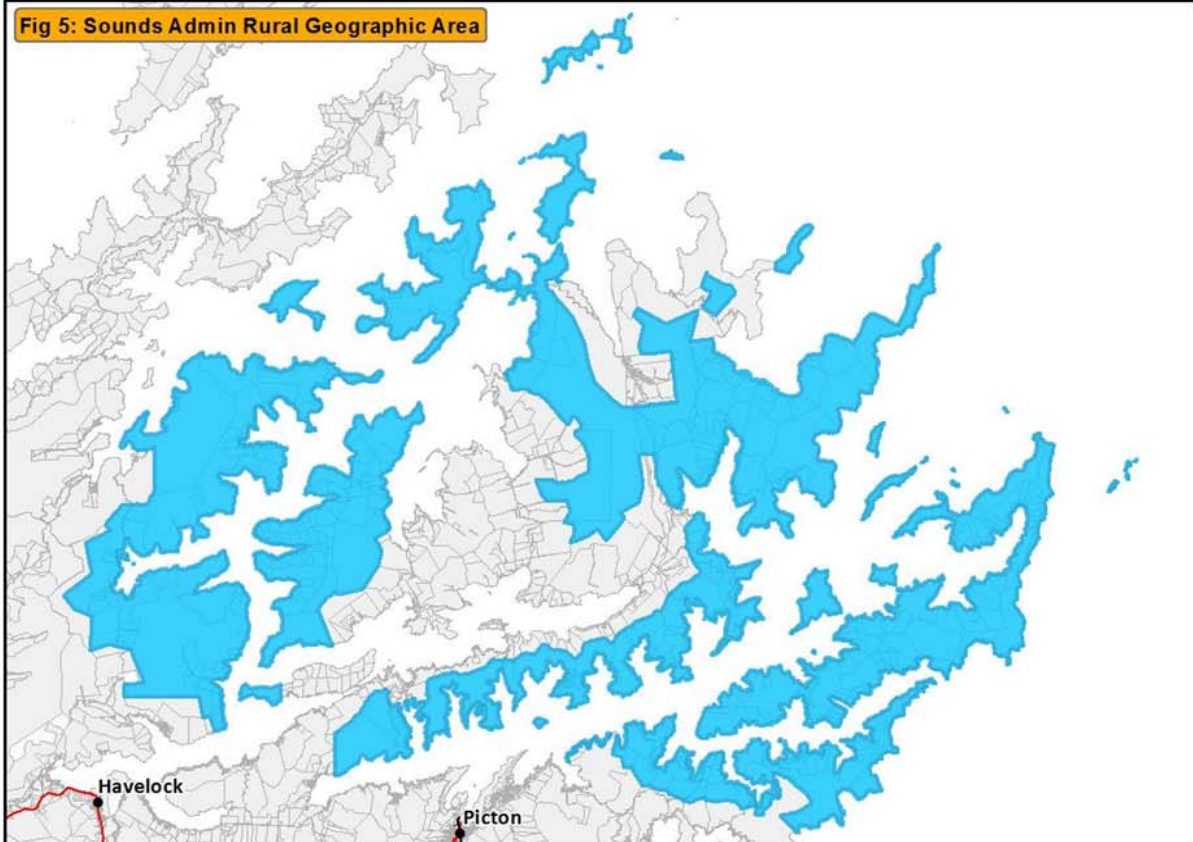
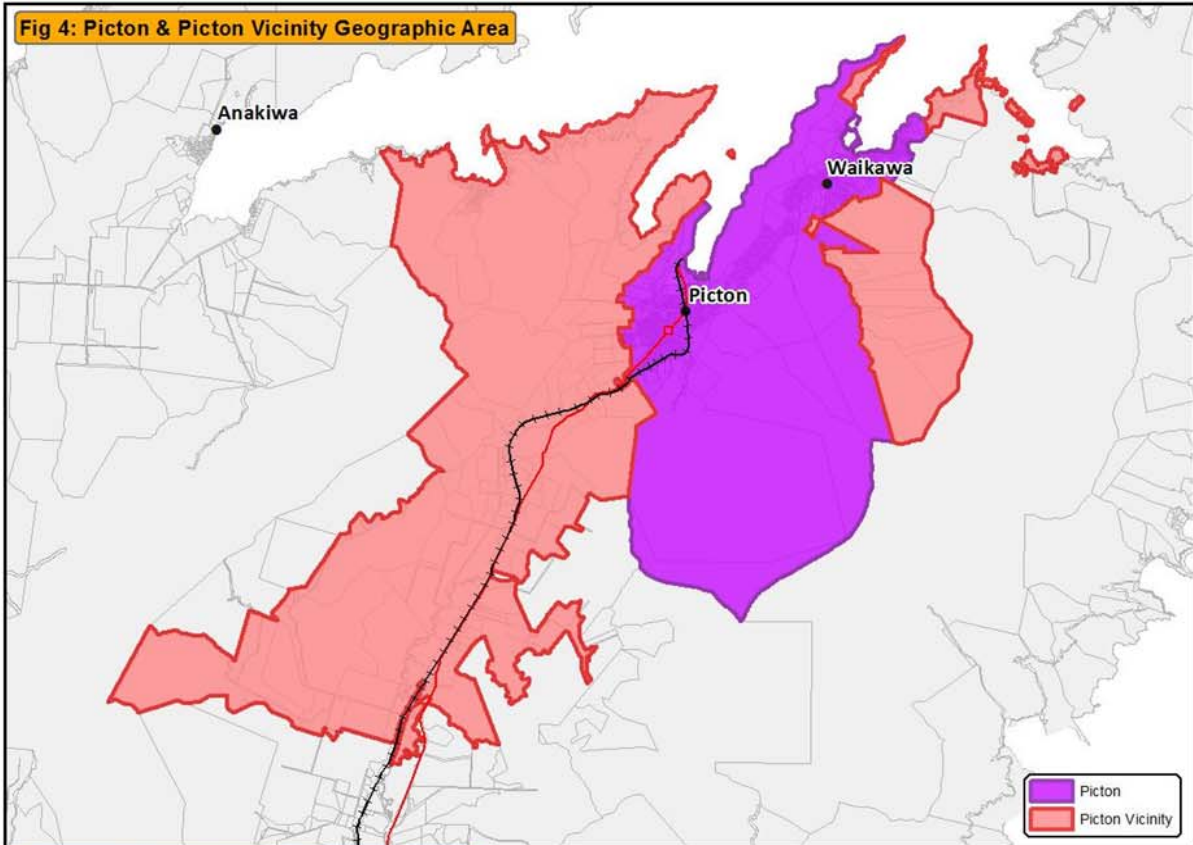
\$21,923,521 GST excl
(\$25,212,049 GST incl)

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

Geographic Rating Areas







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:

Funding Impact Statement

- 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 \$1,040,620 (4.98%) 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	5,474,911	6,296,147	0.420418
	Com/Ind	3,254,039	3,742,145	1.249464
	Hsty/Fsty	1,488	1,711	0.627680
Blenheim Vicinity	Res/Rural	4,901,446	5,636,663	0.313463
	Com/Ind	233,608	268,649	0.502149
	Hsty/Fsty	7,652	8,800	0.360635
Picton	Res/Rural	1,363,757	1,568,321	0.486209
	Com/Ind	696,052	800,460	1.074442
	Hsty/Fsty	3,970	4,565	0.633267
Picton Vicinity	Res/Rural	216,601	249,091	0.149342
	Com/Ind	16,902	19,437	0.373805
	Hsty/Fsty	270	311	0.205458
General Rural	Res/Rural	5,157,173	5,930,749	0.261403
	Com/Ind	128,024	147,228	0.400075
	Hsty/Fsty	2,703	3,108	0.296071
Sounds Admin Rural (formerly Admin Rural)	Res/Rural	444,974	511,720	0.119282
	Com/Ind	19,951	22,944	0.227160
	Hsty/Fsty	-	-	0.146252

Geographic Area General Works and Services Charges

**\$12,708,382 GST excl
(\$14,614,639 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 \$498,070 (4.08%) GST excl, but there are varying impacts on the geographic areas and their differential charges.

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

Geographic Area	Levy (GST excl)	Levy (GST incl)	Unit Charge (GST incl)
Blenheim	6,567,295	7,552,390	621
Blenheim Vicinity	1,991,886	2,290,669	559
Picton	1,566,082	1,800,994	646
Picton Vicinity	217,959	250,653	561
General Rural	1,930,927	2,220,566	418
Sounds Admin Rural (formerly Admin Rural)	423,203	486,683	348
Utilities	11,030	12,684	526

Debt Servicing Rates and Charges

\$1,238,703 GST excl
(\$1,424,508 GST incl)

Grovetown Sewerage Loan Rate

\$96,344 GST excl
(\$110,796 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 \$997.86 to \$1,017.81 GST excl. The new cents in the dollar rate is 0.636134 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.

Funding Impact Statement

Southern Valleys' Irrigation Loan Rate

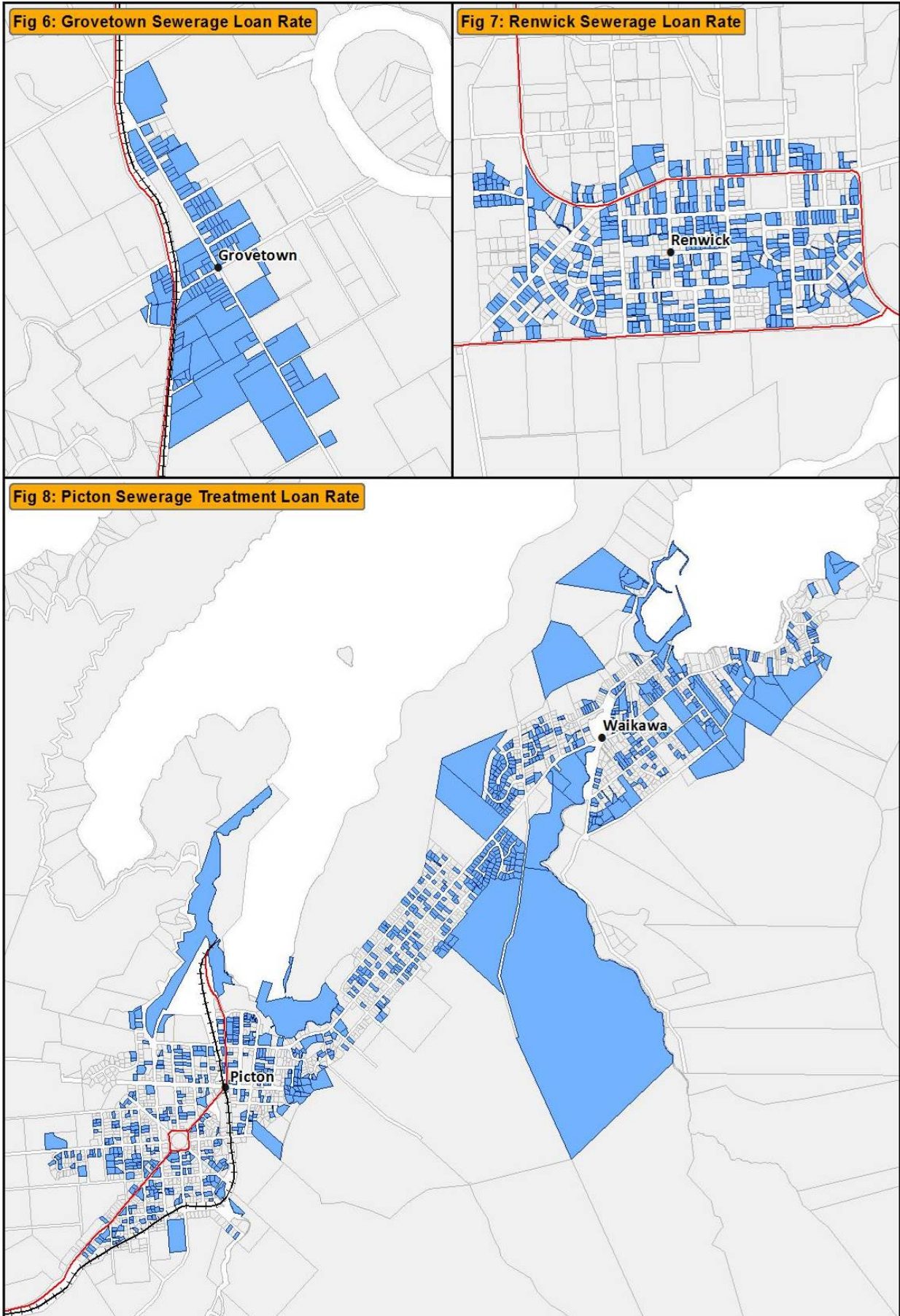
**\$1,049,549 GST excl
(\$1,206,980 GST incl)**

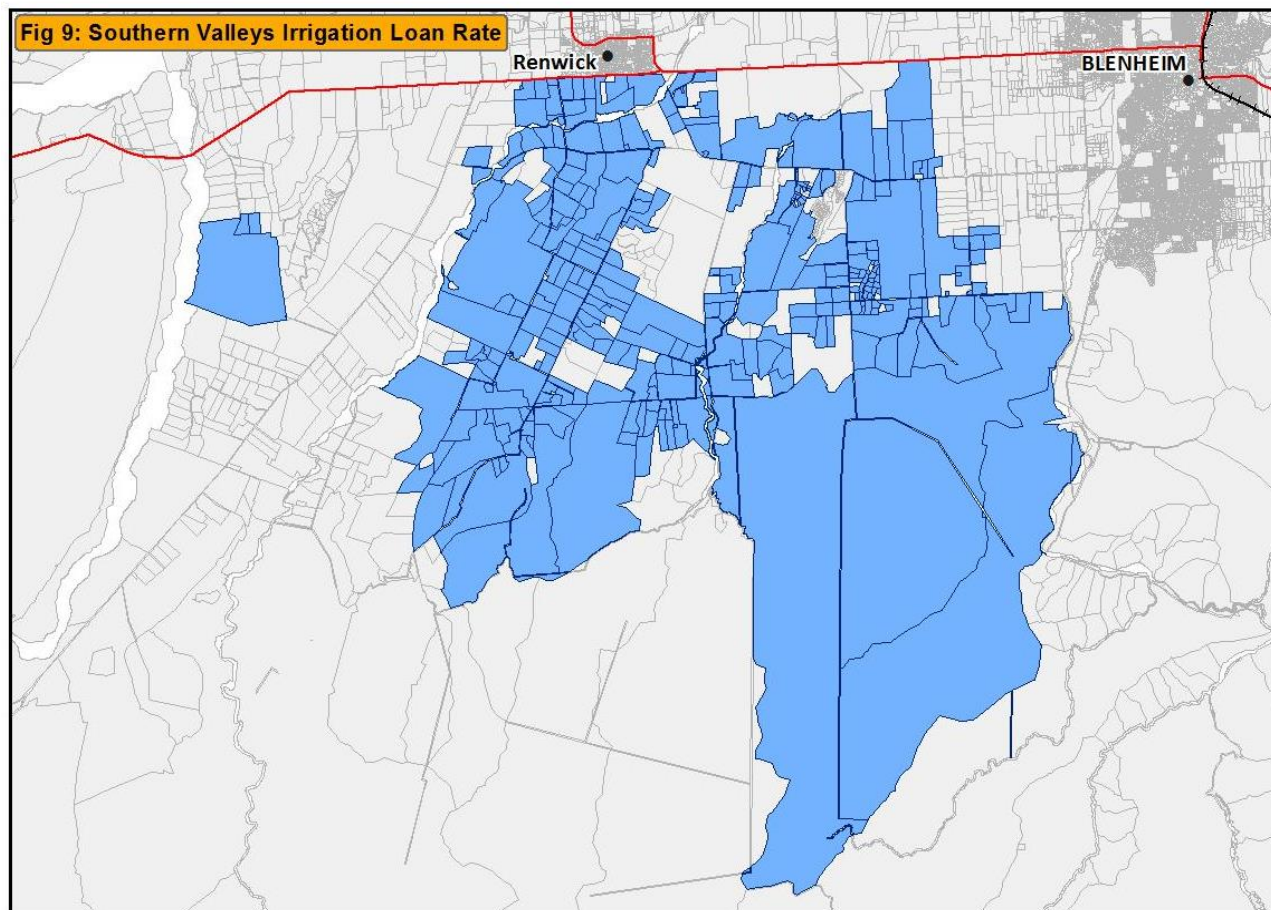
This rate is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the Southern Valleys' Special Rating Area in respect of which no contribution to the lump sum scheme was chosen to fund debt servicing costs on capital expenditure. The loan rate will continue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

No increase has occurred.

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

Special Rating Areas





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 2025.

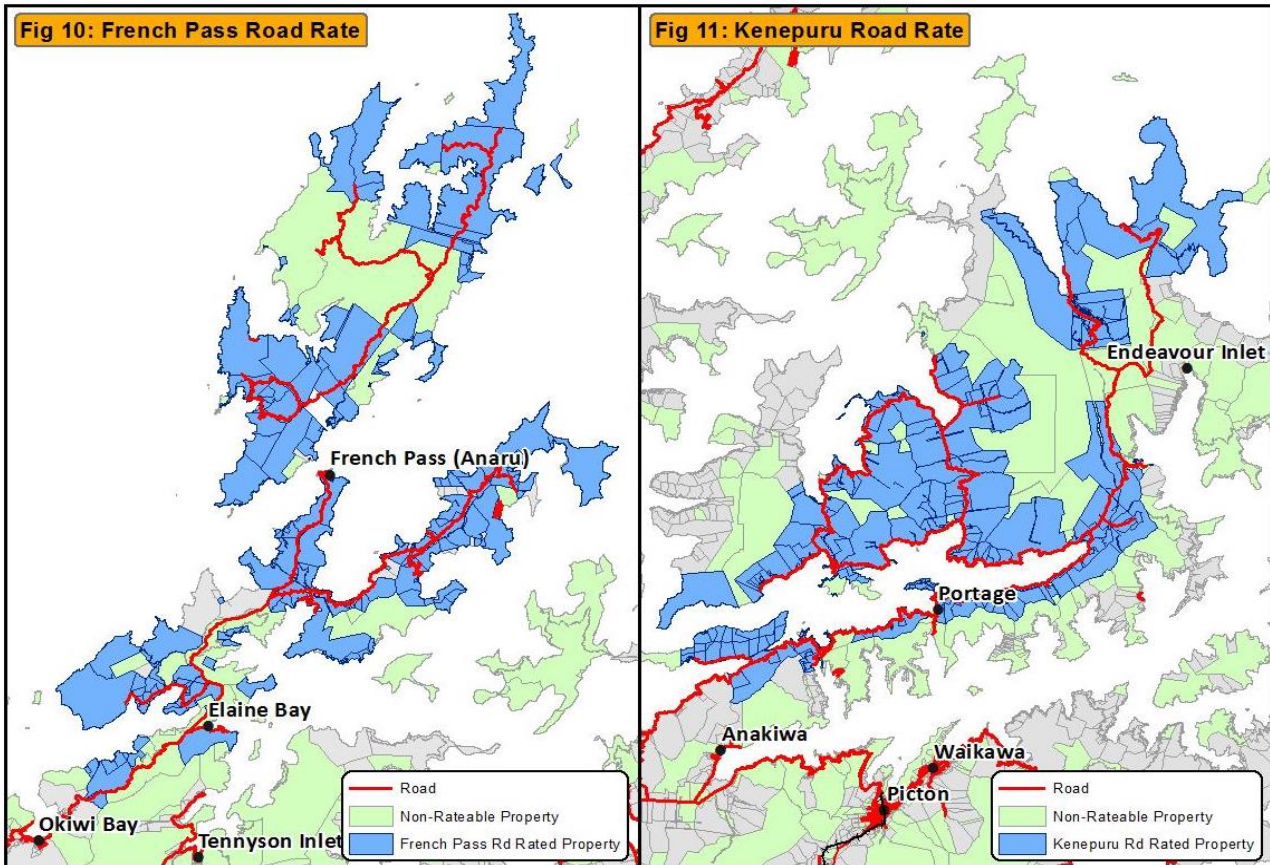
No increase in the charge levy has occurred and the charge remains at \$99 GST incl on each rating unit.

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

**\$3,461,119 GST excl
(\$3,980,287 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%

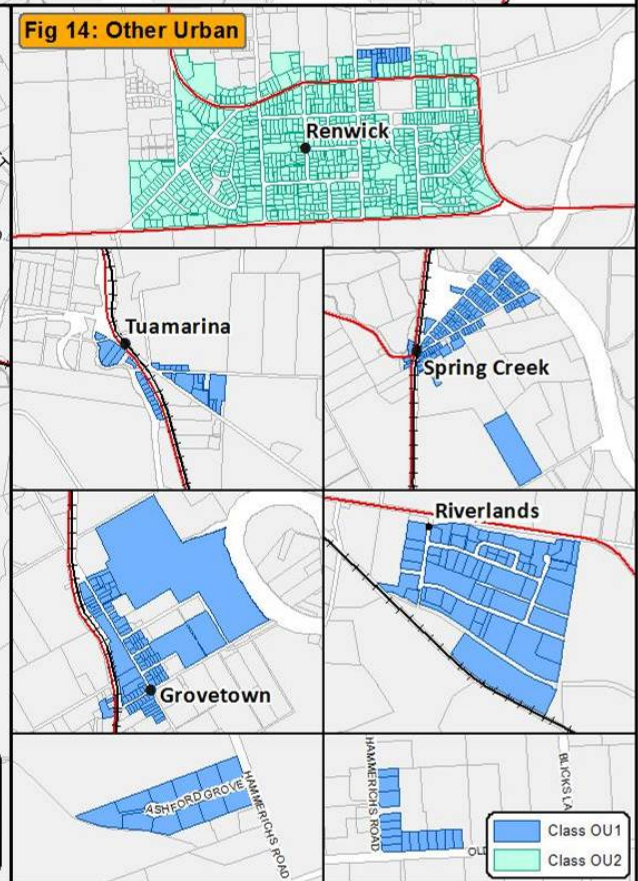
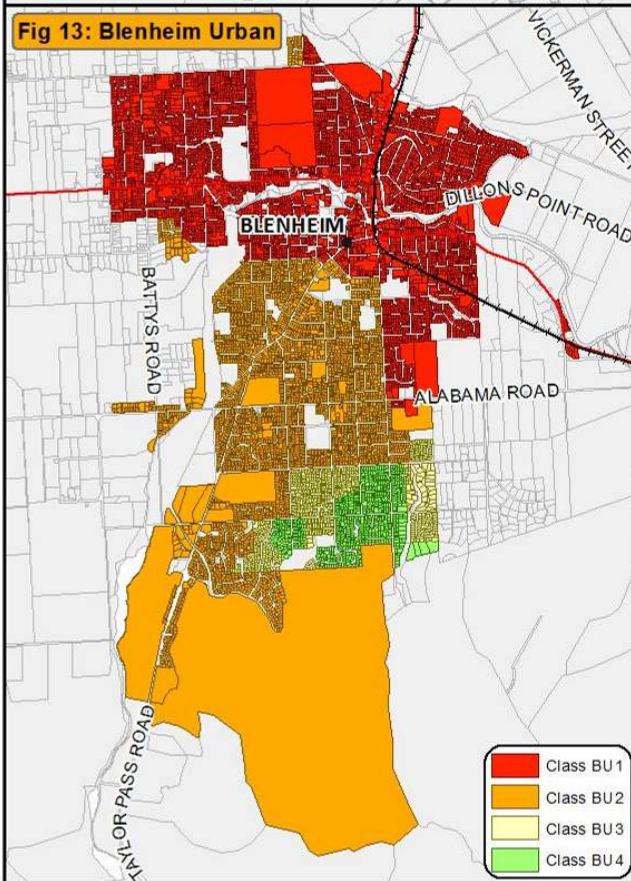
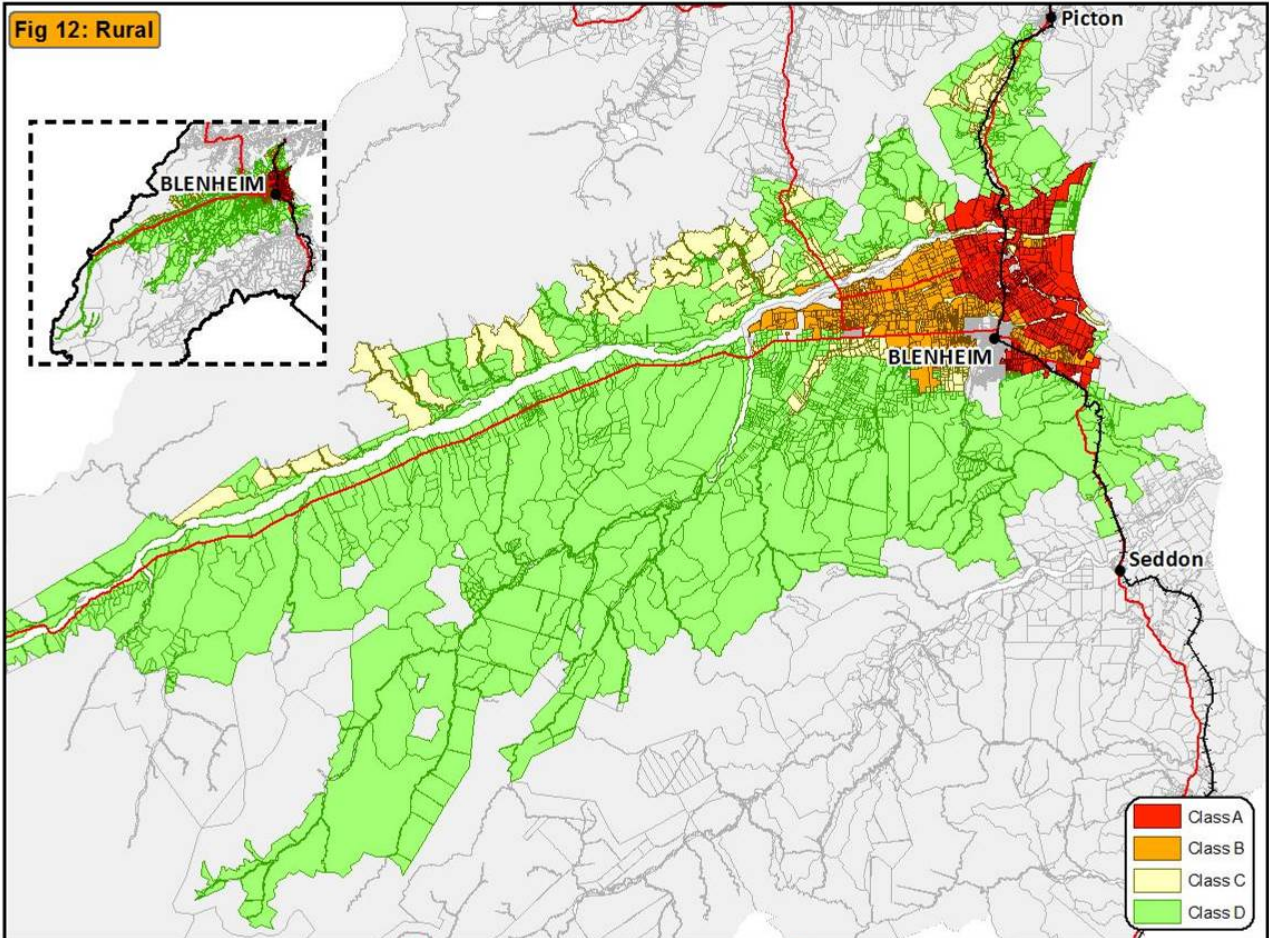
A 3.16% increase (\$106,170 GST excl) in the overall rates levy has occurred.

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	466,847	536,874	0.084308	(8.43)
Rural B Rating Units	871,330	1,002,030	0.078406	(7.84)
Rural C Rating Units	144,495	166,169	0.050584	(5.06)
Rural D Rating Units	163,784	188,352	0.009274	(0.93)
Blenheim Urban 1 Rating Units	1,062,453	1,221,820	0.060951	(6.10)
Blenheim Urban 2 Rating Units	489,541	562,972	0.042666	(4.27)
Blenheim Urban 3 Rating Units	58,393	67,152	0.029121	(2.91)
Blenheim Urban 4 Rating Units	45,410	52,222	0.023026	(2.30)
Other Urban 1 Rating Units in Wairau Catchment	81,977	94,274	0.054025	(5.40)
Other Urban 2 Rating Units in Wairau Catchment	76,889	88,422	0.034730	(3.47)

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

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges

\$7,563,935 GST excl
(\$8,698,525 GST incl)

An overall increase of \$442 (GST excl) will occur (0.01%).

Combined Sewerage Scheme Capital Works Rate

\$2,565,492 GST excl
(\$2,950,316 GST incl)

This rate is assessed on the land value of every rating unit in the Combined Sewerage Rating Area on a differential basis and funds the Capital Expenditure and Debt Servicing costs of the combined sewerage scheme. New loans fund the completion 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 0.98% (\$25,000 GST excl) increase in this rate.

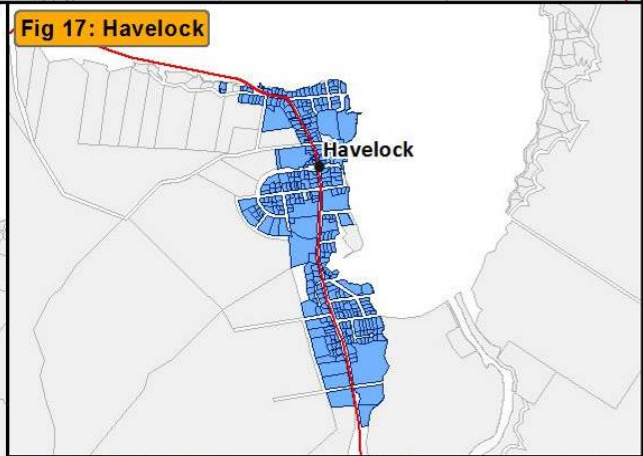
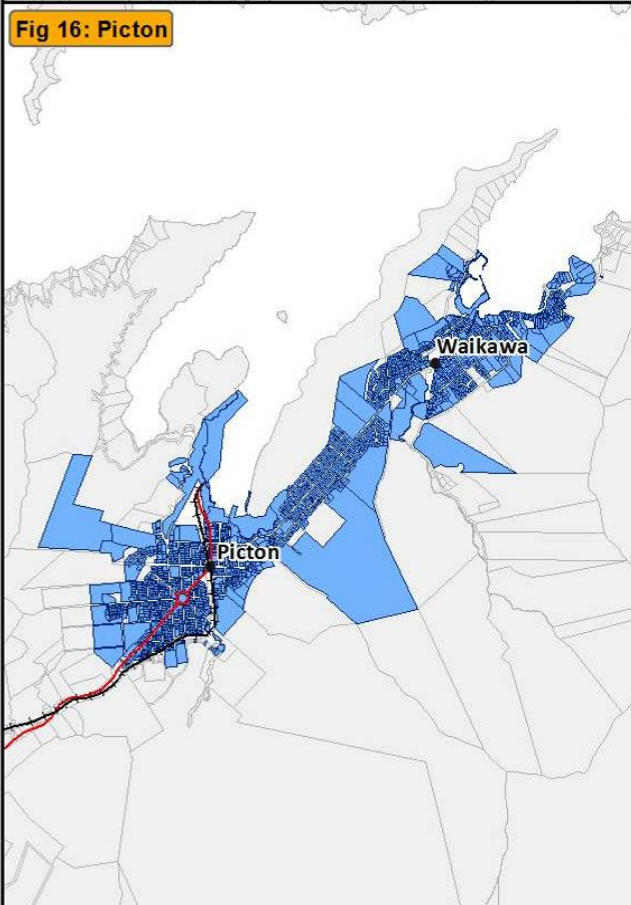
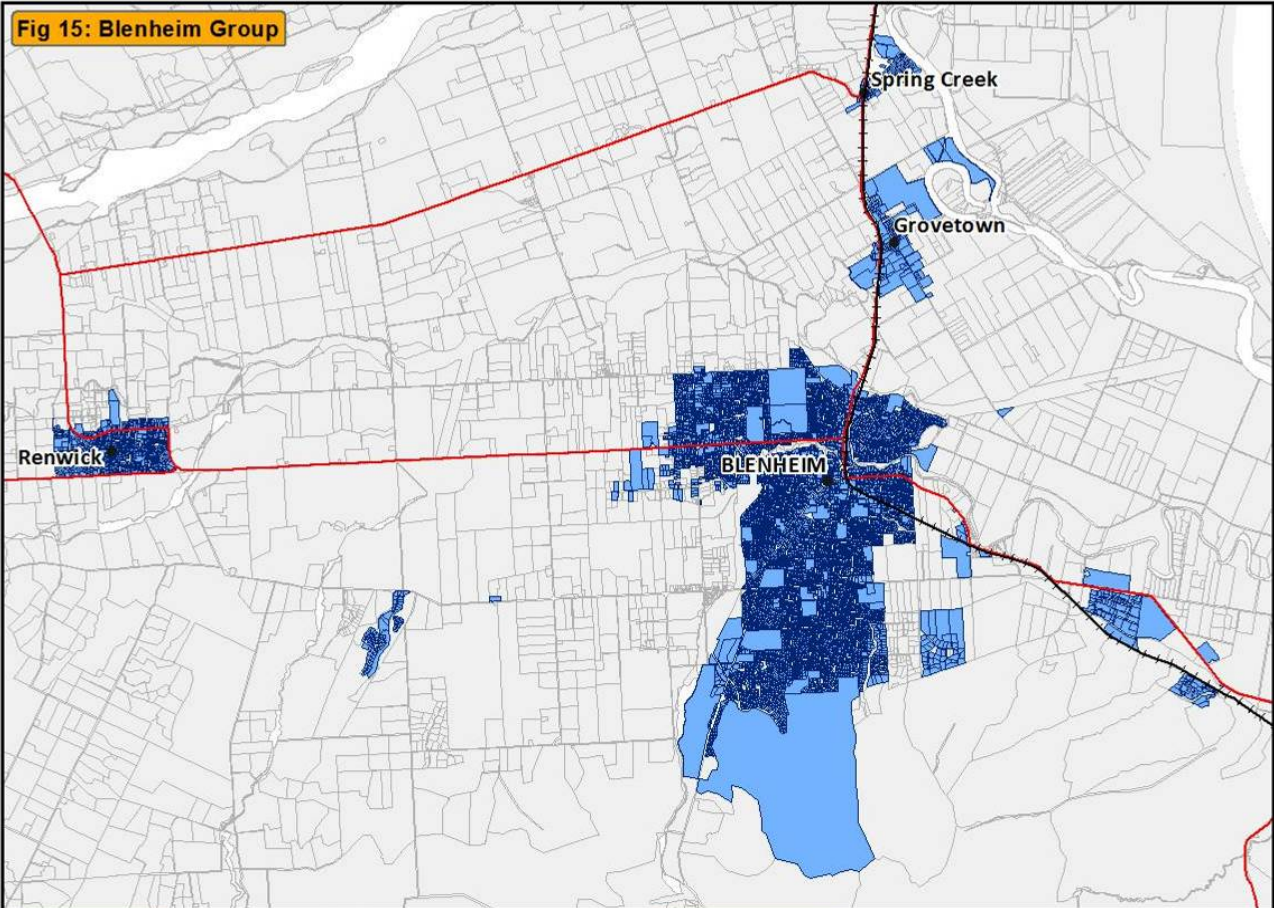
On a Blenheim rating unit in the Blenheim Group area with a land value of \$160,000 the rate will increase from \$183.43 to \$186.24 - a rate in the dollar of 0.116399 cents GST incl.

On a Havelock rating unit with a land value of \$170,000 the rate will increase from \$173.66 to \$176.41 - a rate in the dollar of 0.103772 cents GST incl.

On a Picton rating unit with a land value of \$160,000 the rate will increase from \$216.45 to \$219.82 - a rate in the dollar of 0.137386 cents GST incl.

On a Seddon rating unit with a land value of \$86,000 the rate will increase from \$165.42 to \$168.47 - a rate in the dollar of 0.195898 cents GST incl.

Combined Sewerage Rating Areas



Combined Sewerage Scheme Charge

\$4,998,443 GST excl
(\$5,748,209 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 0.49% (\$24,558 GST excl) decrease in this charge.

The charge will decrease from \$351 to \$350 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$175.50 to \$175.00 GST incl on every separately used or inhabited part of every serviceable rating unit.

Water Supply Rates and Charges

\$9,197,905 GST excl
(\$10,577,591 GST incl)

Awatere Water Supply

\$709,130 GST excl
(\$815,500 GST incl)

An increase of \$664 (GST excl) has occurred (0.09%).

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

Awatere Water Charge

\$237,438 GST excl
(\$273,054 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

\$471,692 GST excl
(\$542,446 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 remains at \$1.88 GST incl per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Awatere Water Supply.

Blenheim Water Supply

\$4,926,866 GST excl
(\$5,665,895 GST incl)

An overall rates decrease of \$2,359 will occur (0.05%).

Blenheim Water Capital Works Rate

\$2,044,012 GST excl
(\$2,350,613 GST incl)

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

A decrease of \$12,990 (GST excl) has occurred (0.63%).

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

\$2,882,854 GST excl
(\$3,315,282 GST incl)

An increase of \$10,632 (GST excl) has occurred (0.37%).

- **Blenheim Metered Water Charge**

\$368,696 GST excl
(\$424,000 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.

Funding Impact Statement

Metered water charges are as follows:

The minimum charge remains at \$62.75 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.44 m³ instead of 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 will increase from \$0.79 to \$0.80 GST incl per cubic metre.

- **Blenheim Water Charges** **\$2,507,502 GST excl**
(\$2,883,628 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 charge remains at \$62.75 GST incl and it will now provide for the volume of water supplied between 0 m³ and 78.44 m³ instead of 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 will increase from \$0.79 to \$0.80 GST incl per cubic metre.

- **Havelock Water Supply** **\$275,053 GST excl**
(\$316,311 GST incl)

An overall rates decrease of \$315 (GST excl) will occur (0.11%).

- **Havelock Water Capital Works Rate** **\$96,359 GST excl**
(\$110,813 GST incl)

This targeted rate is calculated on the land value of every rating unit in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs.

No increase has occurred.

For a rating unit with a land value of \$170,000 the rate will increase from \$285.43 to \$288.31. The new rate in the dollar will be 0.169592 cents GST incl.

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

- **Metered and Uniform Charges** **\$178,694 GST excl**
(\$205,498 GST incl)

A decrease of \$315 (GST excl) will occur (0.18%).

- **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 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**
\$112,937 GST excl
(\$129,877 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**
\$1,919,653 GST excl
(\$2,207,601 GST incl)

An overall increase of \$44,862 (GST excl) will occur (2.39%).

- Picton Water Capital Works Rates**
\$477,617 GST excl
(\$549,260 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 \$3,818 (GST excl) will occur (0.79%).

For a rating unit with a land value of \$160,000 the rate will remain at \$218.42. The rate in the dollar for rating units subject to the special pipeline agreement remains at 0.109208 cents in the dollar for all other rating units remains at 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**
\$1,442,036 GST excl
(\$1,658,341 GST incl)

An increase of \$48,680 (GST excl) will occur (3.49%) to meet increased operating costs.

- Picton Metered Water Charges**
\$302,423 GST excl
(\$347,786 GST incl)

Ordinary Charge

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

The minimum charge will increase from \$124.00 to \$128.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 60.83 m³ instead of the volume of water supplied between 0 m³ and 66.67m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.8598 to \$2.1124 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 \$1.4879 to \$1.6899 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.

Funding Impact Statement

Metered water charges for consumers onselling are as follows:

The minimum charge will increase from \$124.00 to \$128.50 GST incl and it will now provide for the volume of water supplied between 0 m³ and 54.83 m³ instead of the volume of water supplied between 0 m³ and 60.10 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$2.0632 to \$2.3435 GST incl per cubic metre.

- **Picton Water Charge** **\$1,139,613 GST excl**
(\$1,310,555 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 \$496 to \$514 on every part of a serviced rating unit and increase from \$248.00 to \$257.00 on every part of a serviceable rating unit GST incl.

- Renwick Water Supply** **\$414,473 GST excl**
(\$476,644 GST incl)

An overall increase of \$58,025 (GST excl) will occur (16.28%).

- Renwick Water Capital Works Rate** **\$7,770 GST excl**
(\$8,936 GST incl)

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

No increase has occurred.

For a rating unit with a land value of \$133,000 the rate levy will increase from \$9.01 to \$9.12. The new rate in the dollar is 0.006858 cents GST incl.

- Metered and Uniform Charges** **\$406,703 GST excl**
(\$467,708 GST incl)

An increase of \$58,025 (GST excl) will occur to meet increased operating costs (16.64%).

- **Renwick Metered Water Charges** **\$44,096 GST excl**
(\$50,710 GST incl)

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

Metered water charges are as follows:

The minimum charge will increase from \$99.50 to \$116.75 GST incl and it will now provide for the volume of water supplied between 0 m³ and 65.96 m³ instead of the volume of water supplied between 0 m³ and 66.33 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.50 to \$1.77 GST incl per cubic metre.

- **Renwick Water Charge** **\$362,607 GST excl**
(\$416,998 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 \$398 to \$467 on every part of a serviced rating unit and from \$199.00 to \$233.50 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.

The minimum charge will remain unchanged at \$41 GST incl and it will provide for the volume of water supplied between 0 m³ and 39.81 m³.

The metered charge for the volume of water supplied in excess of the minimum charge volume will remain at from \$1.03 GST incl per cubic metre.

Southern Valleys' Irrigation Scheme

\$492,591 GST excl
(\$566,480 GST incl)

Operations and maintenance costs have decreased by \$946 GST excl (0.19%).

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 remain at \$0.25566 GST incl per cubic metre.

Wairau Valley Water Supply

\$33,615 GST excl
(\$38,657 GST incl)

A decrease of \$7,222 (GST excl) will occur (17.68%).

Water metering was introduced for the Wairau Valley water supply during 2006-07 with metered charges commencing on 1 July 2007. In the first two years of charging by water meters there was no uniform annual charge. In 2009 a uniform annual charge was introduced to fund the fixed operating costs of the scheme leaving a metered water charge to fund the variable operating costs. It was intended that users would pay a fair cost to have the water supply available irrespective of how little they might use. However, following this water use has reduced even further with demand over the last two years averaging only 19,000 cubic metres per year compared to 53,000 prior to metering and 30,000 budgeted water usage for 2012-13 and 2013-14. Continuing revenue shortfalls due to consumption being less than budgeted is unsustainable. The uniform annual charge has increased to \$450 funding the first 350 cubic metres of water use, with water used in excess of this charged at \$2.61.

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

Wairau Valley Water Charge

\$21,934 GST excl
(\$25,224 GST incl)

The uniform charge will increase from \$313 to \$450 GST incl for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

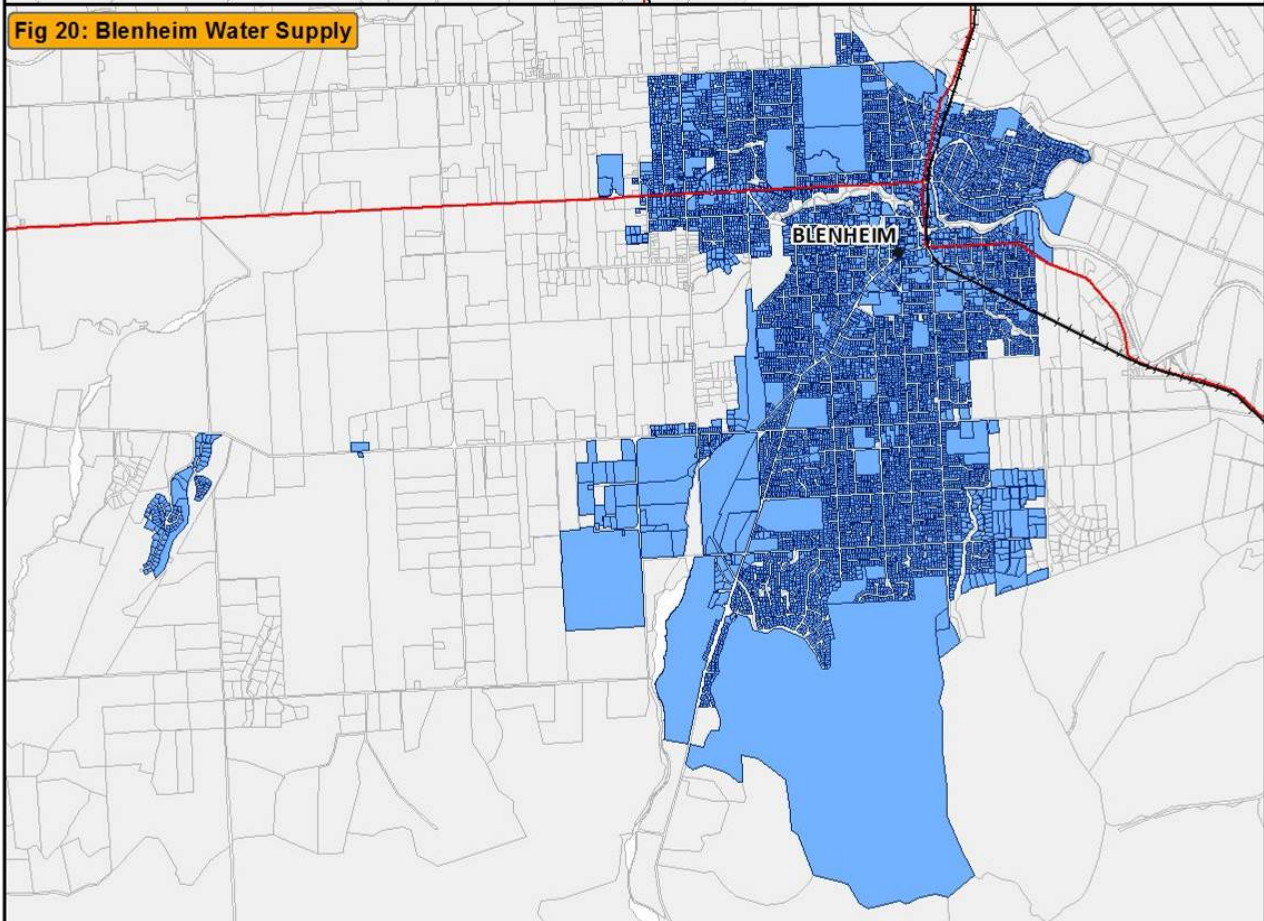
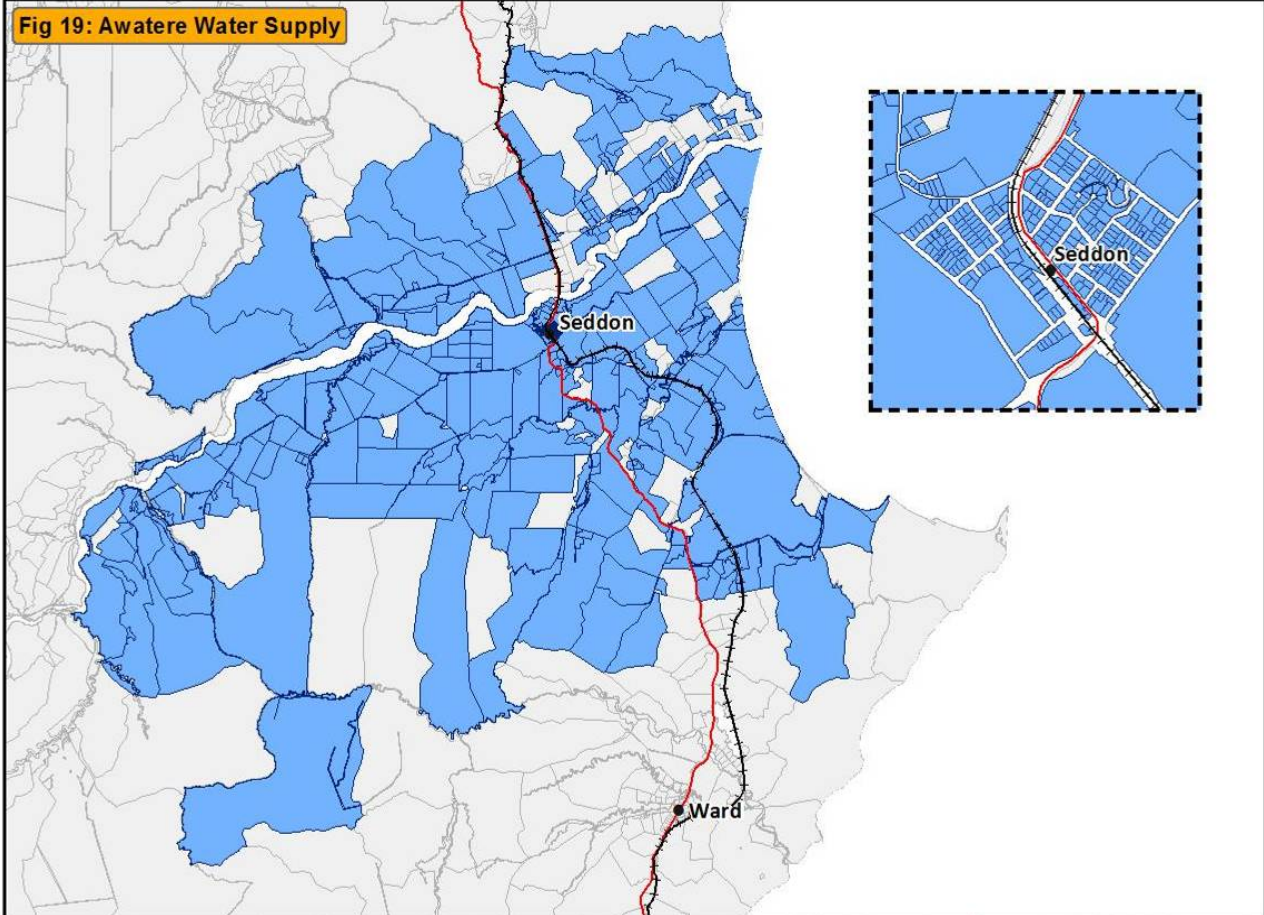
Wairau Valley Metered Water Charge

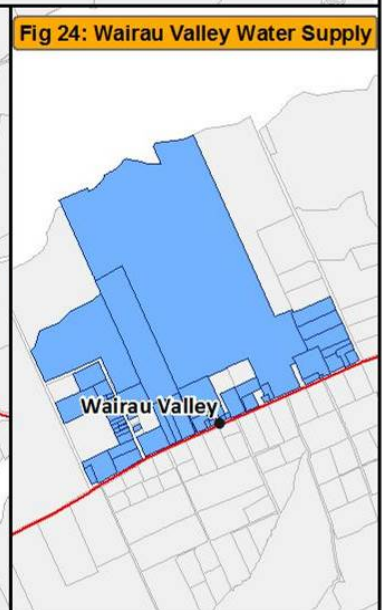
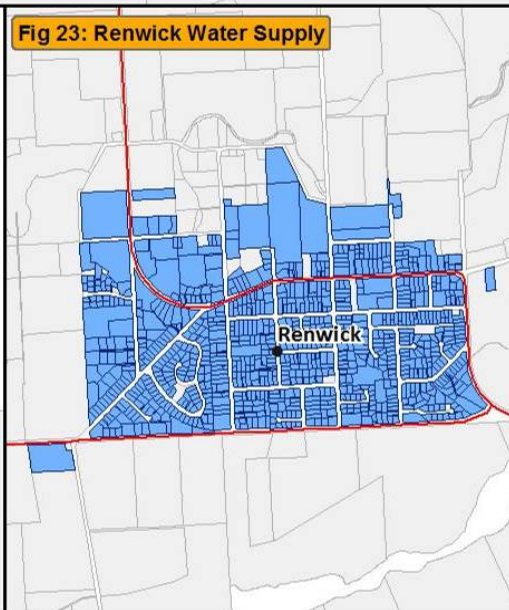
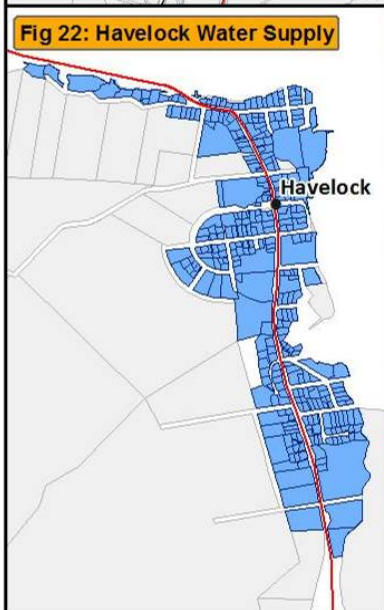
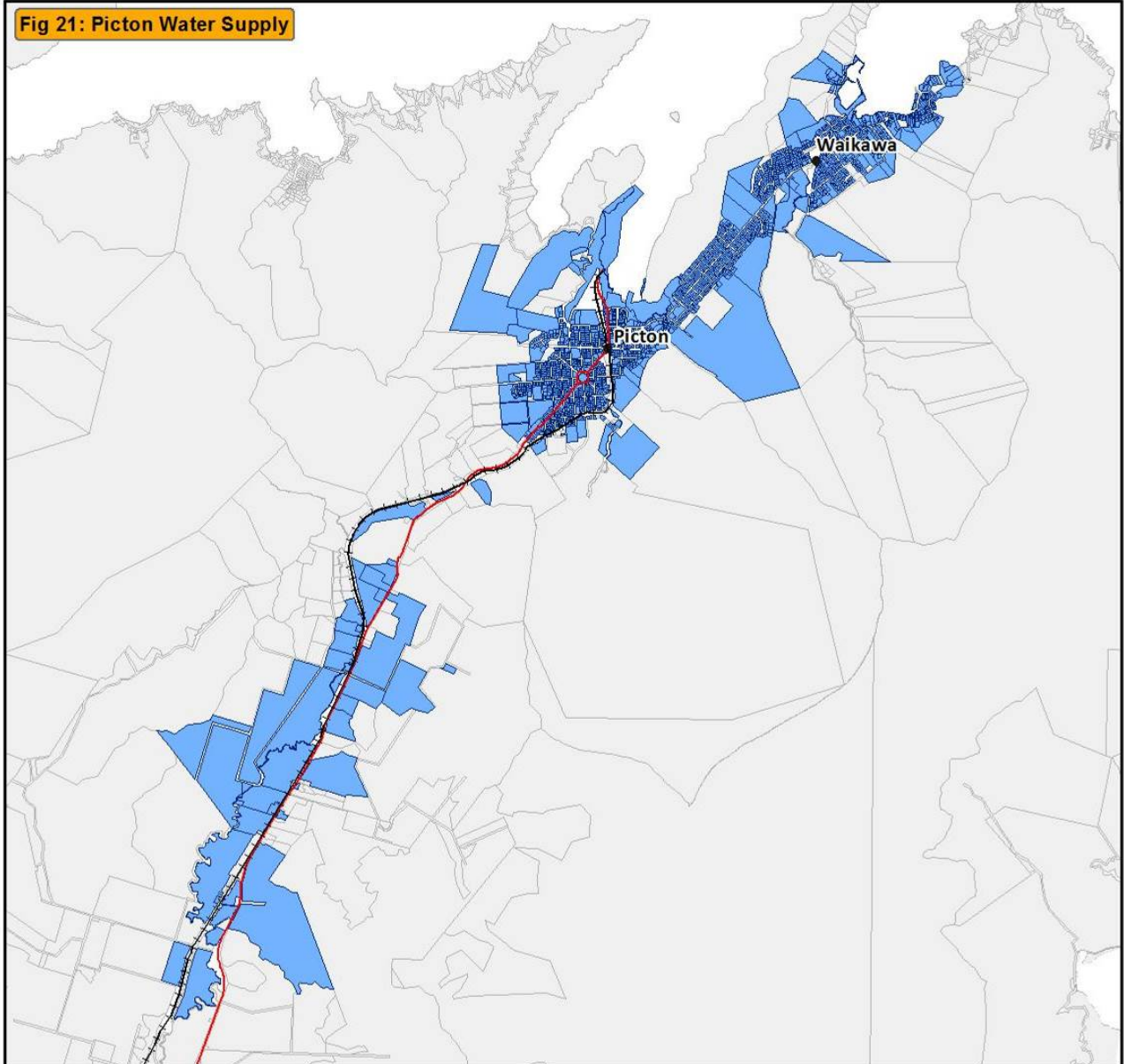
\$11,681 GST excl
(\$13,433 GST incl)

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 decrease from \$2.84 to \$2.61 GST incl per cubic metre for all usage in excess of 350 cubic metres for all consumers on the Wairau Valley water supply.

Water Supply Areas





Refuse and Recycling Charges **\$1,427,134 GST excl**
(\$1,641,204 GST incl)

Refuse and recycling charges have increased overall by \$68,516 GST excl (5.04%).

Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection Charge **\$1,341,139 GST excl**
(\$1,542,310 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 \$64 to \$69 per service - total charge increasing from \$110 to \$115 GST incl.

Blenheim/Picton (Residential) Refuse Collection Charge **\$8,287 GST excl**
(\$9,530 GST incl)

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

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

The collection charge will increase from \$64 to \$69 GST incl per service.

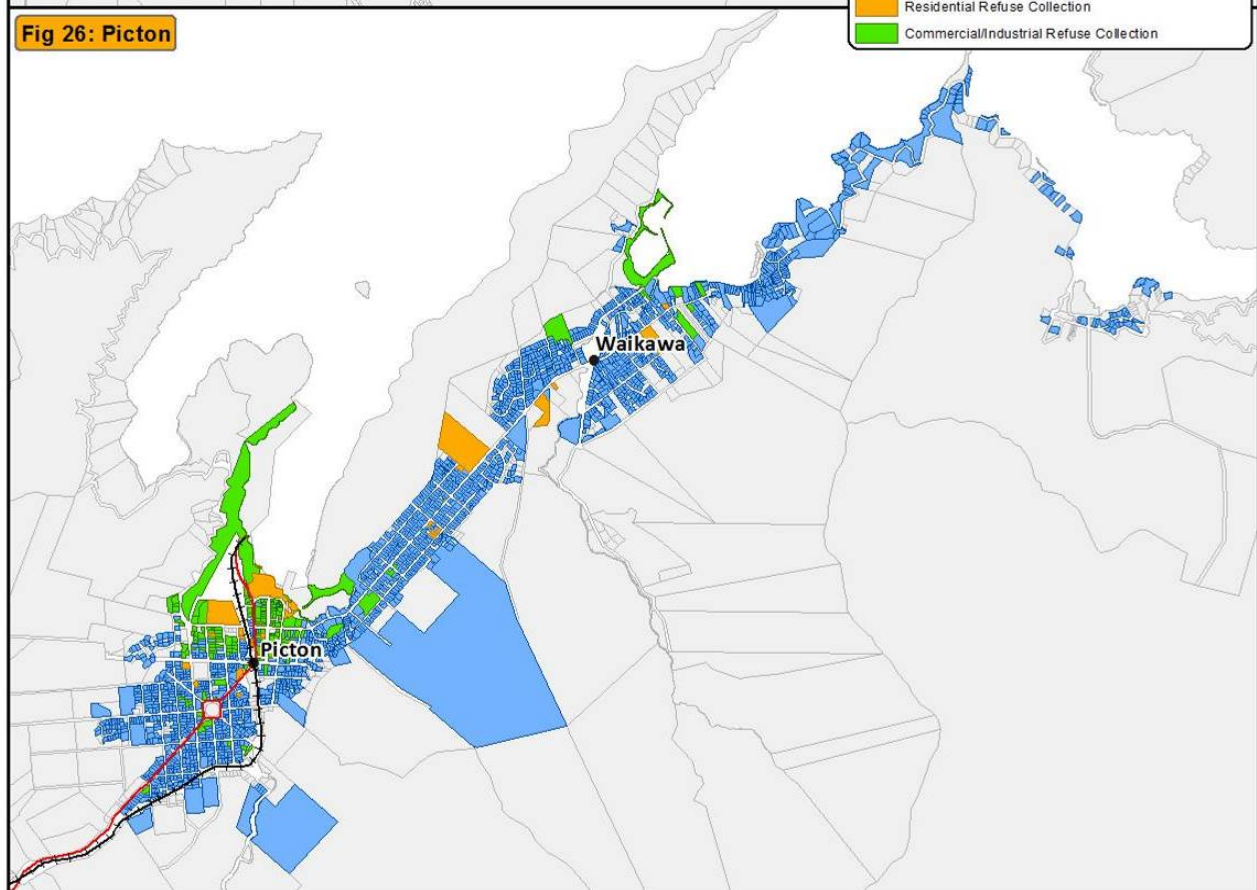
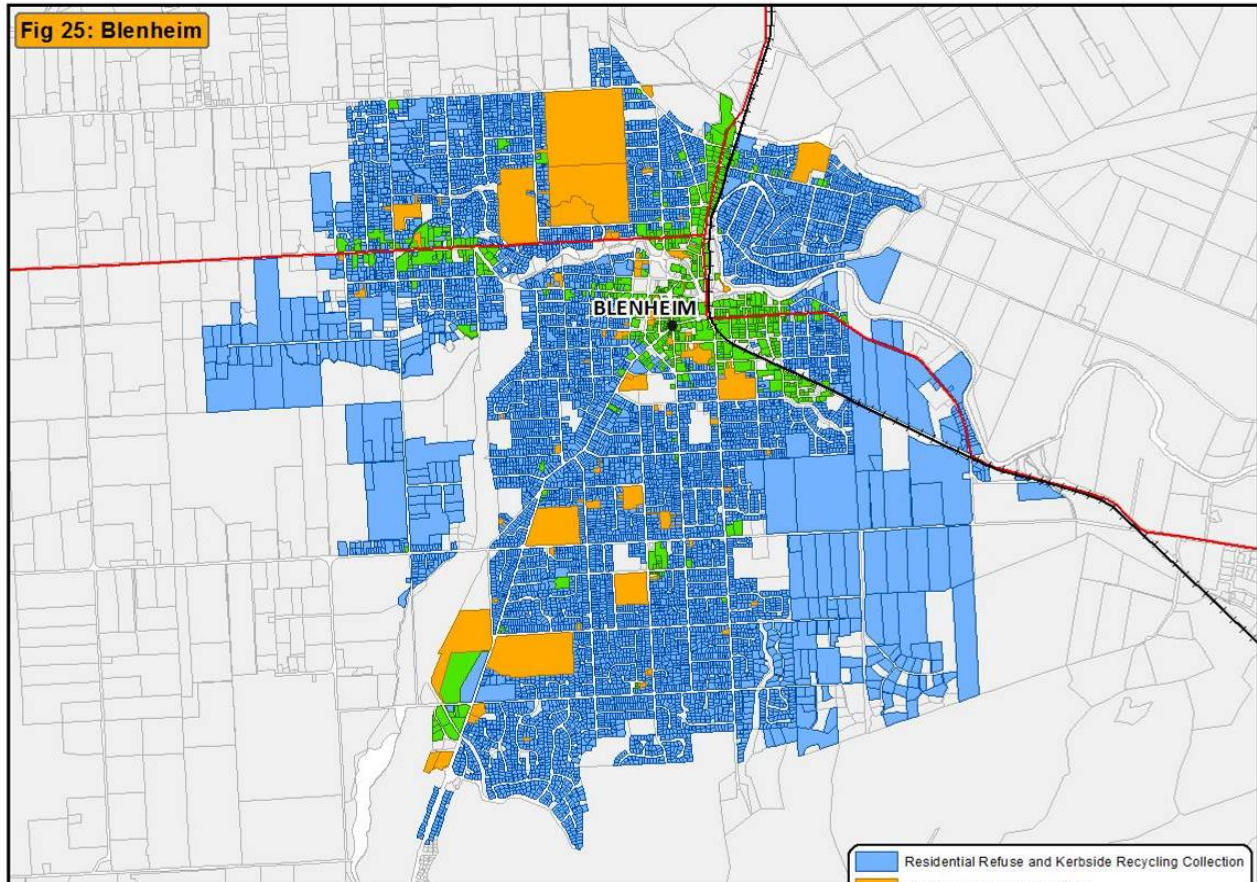
Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge **\$77,708 GST excl**
(\$89,364 GST incl)

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 \$64 to \$69 GST incl per service.

Refuse and Kerbside Recycling Collection Service and Refuse Collection Service Areas



Energy Efficiency Rates

**\$114,899 GST excl
(\$132,134 GST incl)**

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

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

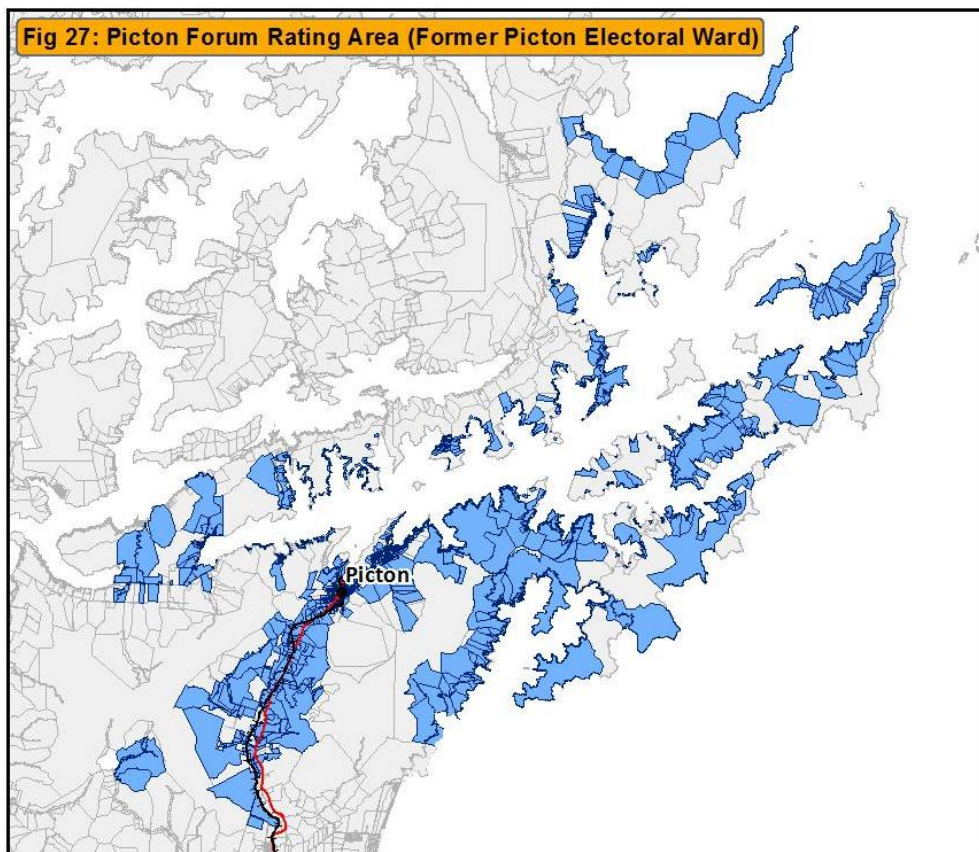
	% GST incl	First Rating Year	Final Rating Year
Energy Efficiency Rate 1	17.330531	2011-12	2019-20
Energy Efficiency Rate 2	17.330531	2012-13	2020-21
Energy Efficiency Rate 3	17.330531	2013-14	2021-22
Energy Efficiency Rate 4	17.330531	2014-15	2022-23

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

**\$187,587 GST excl
(\$215,725 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 - \$199 GST incl.

Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$307 GST incl.

Properties used for tourism activities (excluding the two groups above) - \$223 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 -	\$37 GST incl
Properties with Urban level 2 landscaping standards -	\$47 GST incl
Properties with Rural level 1 landscaping standards -	\$52 GST incl
Properties with Rural level 2 landscaping standards -	\$159 GST incl

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

Agency Rates and Charges

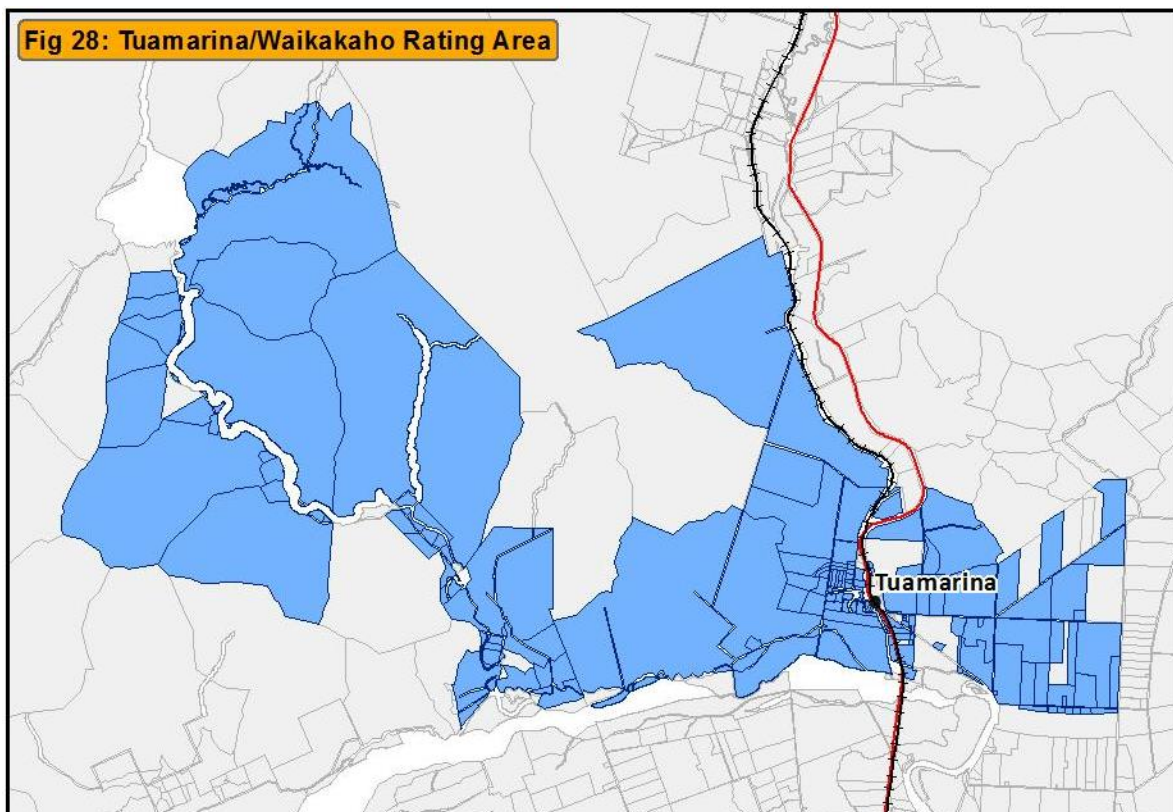
**\$1,494 GST excl
(\$1,718 GST incl)**

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 2014-15 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 (\$9,569,213)

The \$9,569,213 total amount is comprised of Internal Loans Interest (\$7,982,213), Interest on General Funds (\$75,000), Interest on External Loans to The New Zealand Aviation Museum Trust – Omaka Heritage Centre (\$98,000), Interest on Investments (\$650,000) and Dividends (\$764,000).

- 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 (\$2,485,490)

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

Forestry Income (\$1,770,000)

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) (Fig 3)

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

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

Growth pockets and other growth areas rezoned Residential 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) (Fig 2)

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

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

Picton Area (PN) (Fig 4)

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

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP 3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa 2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

Funding Impact Statement

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

Picton Vicinity Area (PV) (Fig 4)

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

General Rural Area (GR) (Fig 1)

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

Sounds Admin Rural (AR) (formerly Administrative Rural Area) (Fig 5)

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 2014 to 30 June 2015 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	10 September 2014
Instalment Two	10 December 2014
Instalment Three	10 March 2015
Instalment Four	10 June 2015

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

Penalty Provisions (Additional Charges on Unpaid Rates)

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

Pursuant to sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to all rates and charges that remain unpaid on 30 June 2015. 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 2014-15

Total Rates and Charges for 2014-15 are estimated at \$57,892,333 (GST exclusive). This represents an increase of \$1,826,541 (3.26%) 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		
Environmental	\$373,142	Reinstatement of the Coastal Monitoring Strategy implementation for compliance with marine biosecurity obligations.
Roads and Footpaths	\$201,894	Increased general roading infrastructure and depreciation costs.
Democracy	\$132,823	Increased operating costs including the 2015-25 Long Term Plan preparation and audit costs partially offset by no Council election costs this year as the last election was held on 12 October 2013, remuneration of an external Audit Committee member and increased funding to the Sister City Sub-Committee.
Reserves	\$120,762	Increased contract costs for Lansdowne and Sheps Parks, Blenheim street trees and protected tree management.
Resource Consents	\$96,680	Increased personnel costs which are a significant driver of the fee structure for resource consent processing. The operation is staffed to the minimum level needed to maintain operational capacity and service levels (ie; 20 day timeframes required by legislation). The effects of the recession has seen a significant reduction in consent volumes being received together with widely fluctuating consent numbers from week to week, both of which have affected the revenue flows. A significant proportion of the work is not cost recoverable such as the time spent servicing appeals to the Environment Court.
Regional Development	\$183,184	Establishment of a commercial events fund and increase in Destination Marlborough funding.
Biosecurity	\$66,105	Increased cost for AHB funding share for Tb programme, Wilding Contorta for Wye Reserve and adjacent areas and Sea Squirt long term management.
Libraries	\$58,145	Reinstatement of operating costs following a one-off reduction last year and increased overhead allocation.
Arts	\$52,814	Includes reinstatement of \$50,000 Arts Strategy implementation following one-off reduction last year due to previous years unspent grants.
Heritage	\$52,183	Includes grants to the Marlborough Heritage Trust and the Picton Historical Society.
Solid Waste Management	(\$54,244)	Decreased contract costs for Refuse Transfer Station and Resource Recovery Centre Operations (as a result of the new combined Waste Management and Minimisation Contract); offset by increased Refuse and Recycling Targeted Charges identified below.
Targeted Rates and Charges		
Wairau Valley River Works Targeted Rates	\$106,170	Increased flood protection and drainage pump station costs.
Water Supply Targeted Charges	\$92,711	Increased Picton treatment and depreciation costs and Renwick operating and depreciation costs.
Refuse and Recycling Targeted Charges	\$68,516	Increased refuse bag collection and household recycling collection costs; offset by general rate savings identified in Solid Waste Management above.

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	13/14	14/15	14/15	14/15
			Actual Rate Levy	Final Plan Rate Levy	Total \$ Rate Mvt.	Total % Rate Mvt.
Blenheim Residential	160,000	305,000	2,417	2,478	61	2.54%
Blenheim Residential	147,000	280,000	2,380	2,440	60	2.54%
Blenheim Residential	175,000	400,000	2,535	2,600	65	2.57%
Blenheim Residential	195,000	490,000	2,866	2,941	75	2.63%
Blenheim Residential	155,000	420,000	2,490	2,554	64	2.56%
Blenheim Vacant Section	150,000	150,000	1,935	1,990	55	2.84%
Blenheim Commercial	103,000	420,000	2,953	3,090	137	4.65%
Blenheim Commercial	365,000	990,000	9,292	9,736	444	4.78%
Picton Residential * 1	105,000	340,000	2,405	2,476	71	2.97%
Picton Residential * 2	160,000	320,000	2,762	2,842	80	2.91%
Picton Vacant Section * 1	104,000	104,000	1,864	1,921	57	3.08%
Picton Commercial * 1	285,000	430,000	5,506	5,787	281	5.10%
Picton Motels (19 units) * 2	385,000	1,050,000	9,698	10,446	748	7.72%
Blenheim Vicinity	850,000	1,625,000	4,880	5,057	177	3.62%
Blenheim Vicinity	550,000	1,125,000	3,232	3,347	115	3.54%
Blenheim Vicinity	3,575,000	6,050,000	15,939	16,509	570	3.58%
Blenheim Vicinity	1,400,000	2,500,000	7,341	7,604	263	3.59%
Blenheim Vicinity	4,100,000	5,950,000	18,097	18,761	664	3.67%
Renwick Residential * 3	133,000	315,000	1,952	2,066	114	5.85%
Renwick Residential * 4	128,000	245,000	1,994	2,107	113	5.65%
Spring Creek Residential	122,000	290,000	1,545	1,590	45	2.91%
Grovetown Residential * 5	160,000	330,000	2,721	2,793	72	2.63%
Grovetown Residential * 5	126,000	200,000	2,301	2,360	59	2.59%
Rarangi Residential	220,000	225,000	1,217	1,269	52	4.30%
Picton Vicinity	2,075,000	2,225,000	4,019	4,251	232	5.77%
Ngakuta Bay - bach	180,000	395,000	783	831	48	6.10%
General Rural - French Pass	2,820,000	3,435,000	7,946	8,311	365	4.59%
General Rural - Manaroa	4,300,000	5,200,000	12,376	12,931	555	4.49%
General Rural - Opouri Valley	2,330,000	2,840,000	6,211	6,509	298	4.79%
General Rural - on Awatere Water	1,350,000	1,750,000	4,907	5,090	183	3.74%
Havelock Residential	170,000	295,000	2,075	2,117	42	2.03%
Seddon Residential	86,000	230,000	1,559	1,588	29	1.89%
Wairau Valley Township Residential	134,000	445,000	2,558	2,709	151	5.89%
Sounds Admin Rural - farm	7,665,000	8,457,000	9,477	10,038	561	5.92%
Sounds Admin Rural - bach	195,000	355,000	555	581	26	4.77%
Sounds Admin Rural - bach	320,000	500,000	696	731	35	5.06%

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.

Appendices



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

Council Committees and Members

For the new term of Council, the following Committee structure (and membership) was put into place on 31 October 2013. It has five standing committees, a joint committee with Kaikoura District Council, three statutory committees and six sub-committees. Pursuant to section 41A(5) of the Local Government Act 2002 the Mayor is a member of each Committee of Council.

ASSETS & SERVICES COMMITTEE

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

Clr Terry Sloan – Chairperson	Clr Geoff Evans – Deputy
Clr Jenny Andrews	Clr Jessica Bagge
Clr Brian Dawson	Clr Trevor Hook
Clr John Leggett	Iwi representative – Richard Hunter

Civil Defence Emergency Management Group (Statutory Committee)

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

Clr Terry Sloan – Chairperson	Clr Geoff Evans – Deputy
Clr Jenny Andrews	Clr Jessica Bagge
Clr Brian Dawson	Clr Trevor Hook
Clr John Leggett	Iwi representative – Richard Hunter

Regional Transport Committee (Statutory Committee)

This Committee prepares for approval by Council the Regional Land Transport Plan (the Plan), or any variations to the Plan and provides Council with any advice and assistance in relation to its transport responsibilities.. The Committee must adopt a policy that determines significance in respect of variations made to the Plan (under section 18D of the Land Transport Management Act 2003 (the Act) and the activities that are included in the Plan (under Section 16 of the Act). Membership of the Committee (refer Section 105 of the Act) is limited to four persons representing Council and one person representing the New Zealand Transport Agency.

Clr Terry Sloan – Chairperson	Clr Geoff Evans – Deputy
Clr Brian Dawson	Clr John Leggett
New Zealand Transport Agency representative	

COMMUNITY AND FINANCE COMMITTEE

This Committee is responsible for community and social issues, youth, elderly and access issues, culture and heritage, social policies (ie; gaming and psychoactive substances policies), grants and donations, sister cities, libraries, customer services, democratic process, parking, Long Term Plan, Annual Plan, Annual Report, general administration, audit issues, property management, Council Subsidiaries, risk management, health and safety.

Clr John Leggett – Chairperson	Clr Jamie Arbuckle – Deputy
Clr Jenny Andrews	Clr Jessica Bagge
Clr Graeme Barsanti	Clr Cynthia Brooks
Clr Brian Dawson	Clr David Oddie
Clr Laressa Shenfield	Clr Terry Sloan
Iwi representative – to be confirmed	

Audit Sub-Committee

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

Clr John Leggett - Chairperson
Mayor Alistair Sowman

Clr Jamie Arbuckle
A minimum of one independent professional to be appointed.

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

Clr Cynthia Brooks
Arts Sector appointee – Kate Parker

Community representatives – Patricia Clay, Graeme Duncan, Graeme Haymes, Lisa Ivamy,
Two iwi representatives (to be confirmed)

Housing for the Elderly Sub-Committee

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

Clr Jenny Andrews – Chairperson
Clr Terry Sloan

Clr Cynthia Brooks
GreyPower Marlborough representative (Mr Russell
Hopkins)

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
Mayor – Alistair Sowman

Clr Jamie Arbuckle
Community representatives (at least five)

Youth Sub-Committee

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

Mayor Alistair Sowman – Chairperson
Clr Laressa Shenfield

Clr Jenny Andrews

REGIONAL PLANNING AND DEVELOPMENT COMMITTEE

This Committee is responsible for development of Regional Policy Statement, Resource Management Plan Maintenance, District Plan Development and implementation of Growing Marlborough and “Smart and Connected” Economic Development strategies, CBD and Small Township Revitalisation programmes, Destination Marlborough, Picton Forum, Sounds Advisory Group.

Clr Trevor Hook - Chairperson
Clr Geoff Evans
Clr John Leggett
Clr Terry Sloan

Mayor Alistair Sowman - Deputy
Clr Peter Jerram
Clr David Oddie
Iwi representative (to be confirmed)

ENVIRONMENT COMMITTEE

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

Clr Peter Jerram – Chairperson
Clr Jamie Arbuckle
Clr Cynthia Brooks
Iwi representative – Mr Raymond Smith

Clr David Oddie – Deputy
Clr Graeme Barsanti
Clr Laressa Shenfield

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 Peter Jerram

Clr Graeme Barsanti

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 Oddie – Chairperson
Clr Graeme Barsanti
Clr Laressa Shenfield

Clr Jamie Arbuckle
Clr Cynthia Brooks

District Licensing Committee (Statutory Committee)

This Committee considers and determines applications, pursuant to the Sale and Supply of Alcohol Act 2012 (the Act) for licences and manager's certificate; temporary authorities to carry on the sale and supply of alcohol in accordance with s136 of the Act; the variation, suspension, or cancellation of special licences; the variation of licences (other than special licences) unless the application is brought under s280 of the Act; with the leave of the Chairperson for the licensing authority, to refer applications to the licensing authority and conduct inquiries and to make reports as may be required of it by the licensing authority under s175 of the Act. This Committee is also responsible for hearing and deciding on applications to Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

Clr John Leggett – Chairperson
Two members appointed by the Chairperson from the following:

Clr Graeme Barsanti (Deputy
Chairperson)

Clr Graeme Barsanti – Deputy
Chairperson

Mr Hamish Beard
Mr John Hill
Ms Liz Hawthorne
Ms Norma Livingstone
Ms Margaret McHugh

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited and Marlborough Airport Limited.

Mayor Alistair Sowman (Director)
Chair of Community and Finance Committee - Clr John Leggett (Director)

Chief Executive - Andrew Besley (Director)

Port Marlborough NZ Limited

Manager, Corporate Finance - Martin Fletcher (Director)

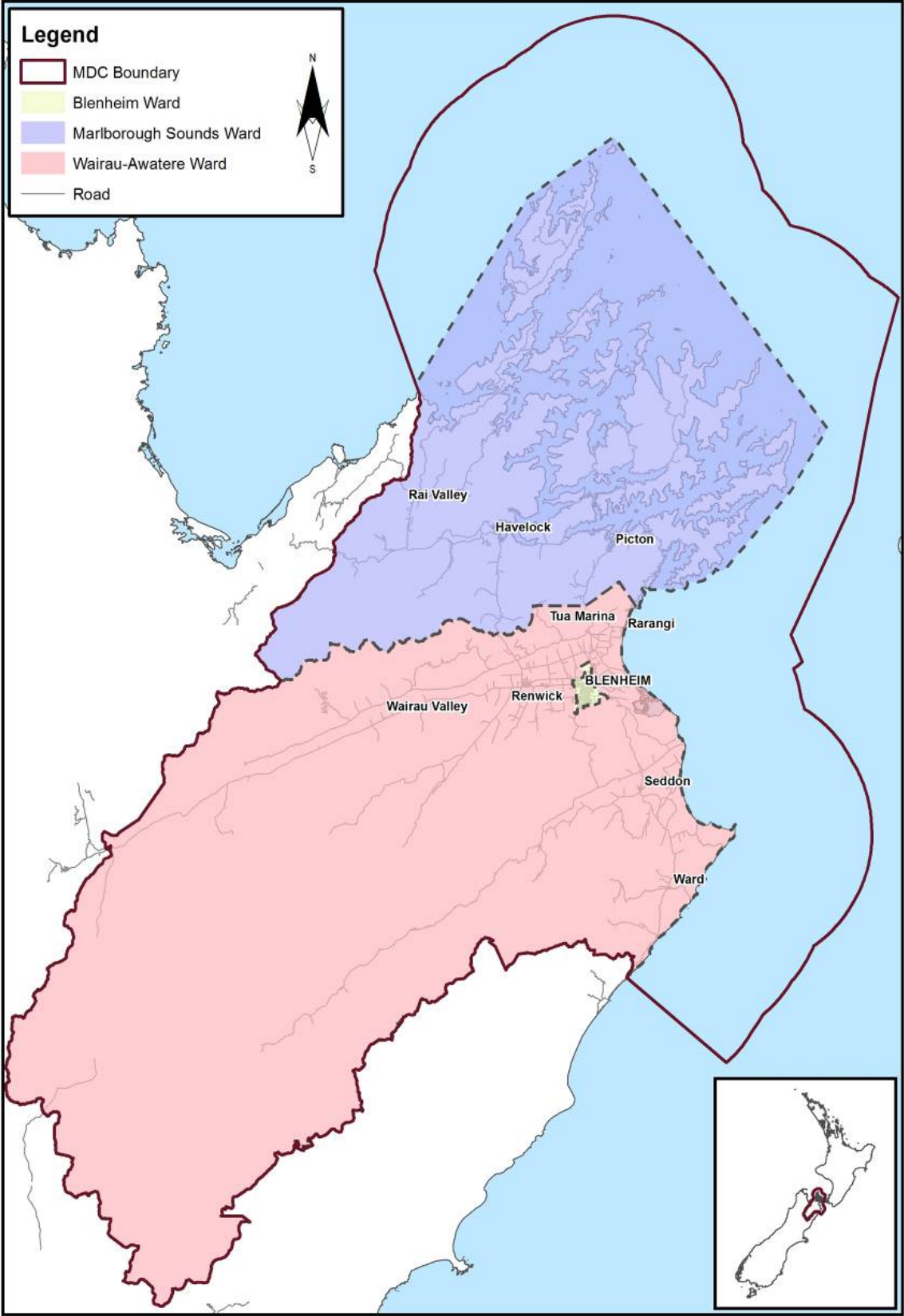
Marlborough Regional Forestry

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

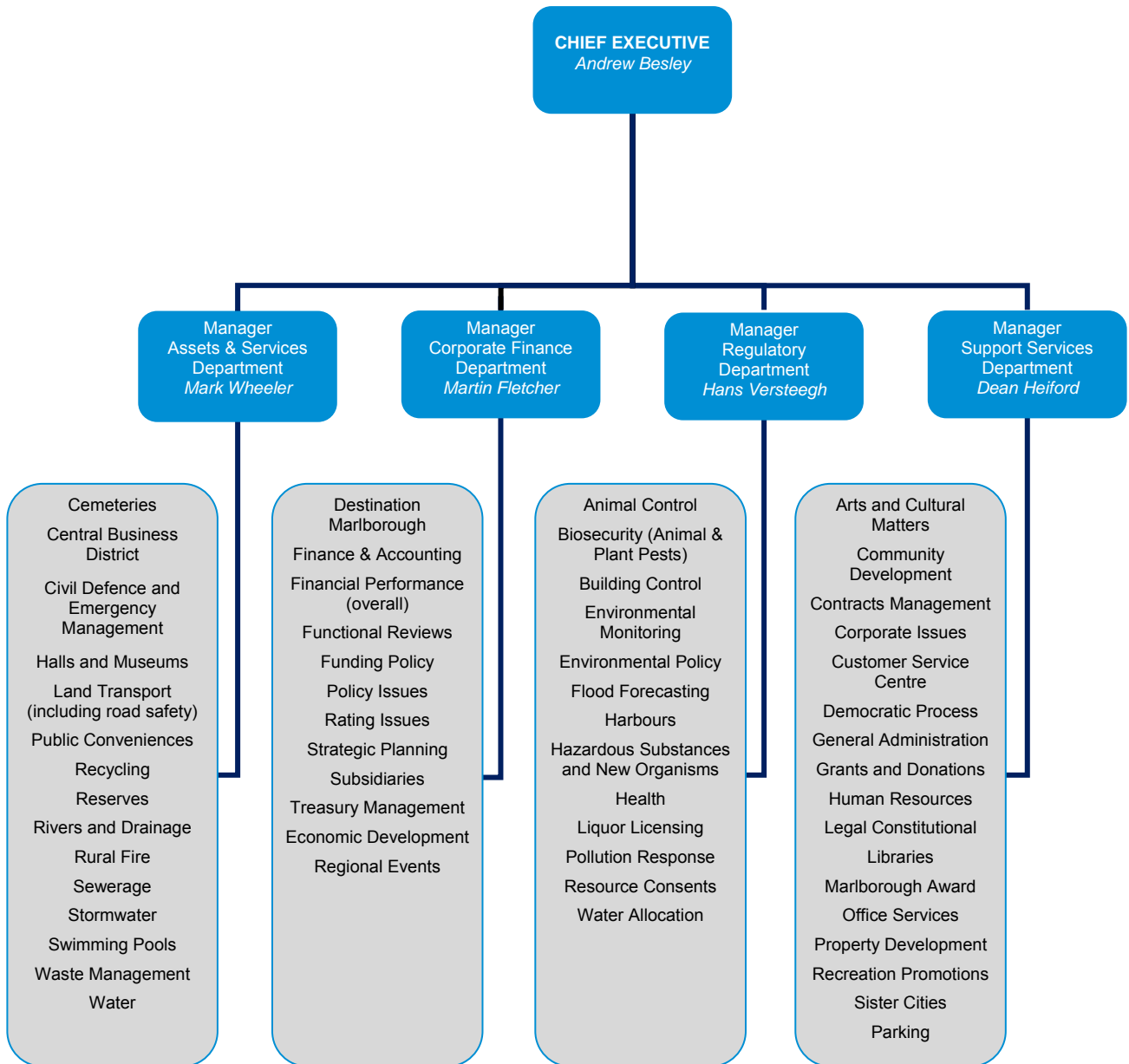
Clr Peter Jerram - Chairperson
Kaikoura District Council
representative

Mayor Alistair Sowman
Forestry representative – Leo Jelinek

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 March 2013) 46,302

Population (Usually Resident March 2013) 43,416

Inter-Census Population Movement (+) 2.0%

District Area 17,517 square kilometres

as at 30 June 2013

Rateable Land Value \$7,012,450,150

Rateable Capital Value \$13,576,928,250

Number of Rate Assessments 25,973

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.
AP 2014-15	Means the revised budget for the 2014-15 year.
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	Allocation of Departmental Manager costs to activities.
Development	Means: <ul style="list-style-type: none">(a) Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but(b) Does not include the pipes or lines of a network utility operator.
Development Contribution	Means a contribution: <ul style="list-style-type: none">(a) Provided for in a development contribution policy included in the

	<ul style="list-style-type: none"> Long Term Plan of a territorial authority; and (b) Calculated in accordance with the methodology; and (c) Comprising- <ul style="list-style-type: none"> (i) Money; or (ii) Land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) Both.
Development Contribution Policy	Means the policy on development contributions included in the Long Term 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)	<p>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:</p> <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	<p>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:</p> <ul style="list-style-type: none"> • Falls within the definition of coverage. • Is covered by decks. • Is occupied by swimming pools.

	<ul style="list-style-type: none">• 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 Any other premises from which containment is discharged in connection with any other industrial or trade process.(c) Any activity where people use materials and physical effort to:<ul style="list-style-type: none">• Extract or convert natural resources.• Produce goods or energy from natural or converted resources.• Repair goods.• Store goods. (ensuing from an industrial process)
Infrastructural Assets	These are the fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets, memorials, roads, bridges and wharves, water and sewerage schemes.
LGA	Means the Local Government Act 2002.
Local Authority	Means a regional Council or territorial authority.
LTP	Means 2012-2022 Long Term Plan.
LTP 2013-14	These are the \$ values budgeted for 2013-14 in the LTP.
LTP 2014-15	These are the \$ values budgeted for 2014-15 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.