



**MARLBOROUGH  
DISTRICT COUNCIL**



Only Marlborough

**2016-17**

# **Annual Plan**



# Council's Mission Statement

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



*Pollard Park, Blenheim*

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## Part 1: Executive Summary

*Pollard Park, Blenheim*

- Mayor's Introduction
- Elected Council Members
- Purpose of this Plan
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- Annual Plan Disclosure Statement for the Period Commencing on 1 July 2016
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- Audit Opinion

# Mayor's Introduction

In every Annual Plan we aim to deliver value to our ratepayers. Once again this year, Councillors did not want to see services cut or the maintenance of amenities reduced. Bearing that in mind, this Plan seeks to make best use of funds for the benefit of many, at the same time maintaining a long term view on what will be good for Marlborough

The information here sets out Council's priorities for the year ahead, confirmed after Councillors considered the large and varied range of public submissions from about 400 people and organisations.

The work programme outlined in the Plan continues to focus on Council's core business; about 90% of our budget will again go into roading, river control, stormwater and drainage, solid waste management, sewerage and water supply, reserves, community facilities and fulfilling regulatory obligations.

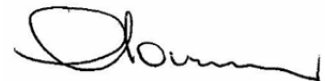
As confirmed by our recent AA credit rating from Standard and Poor's (the highest available to a NZ local authority), this Council is in a strong financial position, its finances prudently managed and debt levels carefully controlled.

That sound management continues in this Plan with core infrastructure upgrades that will serve the region for decades to come; the upgrade of Blenheim's stormwater system, the improvements to the sewerage systems in Blenheim and Picton and very welcome progress on improved drinking water supplies for our smaller centres. Council has had a clear message that ratepayers place high priority on the upgrade to those water supplies and that the associated costs should be distributed across the region. There will be significant progress on these schemes in the coming year.

We know Marlborough has an aging population and, with that in mind, every effort has been made to hold down spending while also meeting the community requests for project funding. The rates-take across the district in the coming year will rise by just 2.46%. I should point out that it's the publicly-owned assets managed by the Council that has made this possible. Returns from ratepayer-owned forests and ratepayer-owned residential developments mean Council has the reserves to pay for a raft of sports, recreation and community amenities and community-partnered environmental projects - without big rates rises.

This year the Council has made one spending decision which, it's hoped, will have very important long term benefit for future generations. Bearing in mind the government's call for Councils to direct more effort into regional development, Council will contribute to an industry bid to establish a grape growing and winemaking scientific research institute in Marlborough. Marlborough is now accounting for 77% of national wine production – the country's sixth most valuable export – and this is an opportunity to grow an internationally recognised research and development facility with associated tertiary education. It's a proposal which, if it comes to fruition, will open up a new path for Marlborough's future.

I would like to thank everyone who made a submission – that input has helped shape the Plan we are presenting here.



**Alistair Sowman**  
Mayor

# 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 2016-17 Annual Plan is prepared in compliance with the Local Government Act 2002.

It includes:

- The activities Council intends to undertake in the 2016-17 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.

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**For more information on these and other plans, see the Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz) or enquire at the Marlborough District Library or Council Service Centres.**

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## Timeline



# Consultation

The 2016-17 Annual Plan Consultation Document was adopted for public consultation on 7 April 2016. The period for submissions was open until 9 May 2016 and a total of 398 submissions were received.

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 the following four items shown in more detail in the Consultation Document:

- Sharing the cost of good quality drinking water.
- Irrigation scheme for Flaxbourne.
- Development contributions policy changes to include Development Contributions for North West Blenheim Zone and Extension Zone.
- Consolidation of sports facilities at Lansdowne Park.

Submitters were offered the opportunity to speak to Councillors about their submission at hearings on 7-9 June 2016. A total of 104 oral submissions were made at the hearings.

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**Councillors considered all submissions at a meeting held on 13 June 2016. The result of the deliberation was that the rates-take across the district will rise by 2.46%, compared with the 2.2% initially forecast in the Consultation Document, and the 4.97% increase forecast in the 2015-25 Long Term Plan for 2016-17.**

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A number of funding requests or project proposals were referred to Council committees for future consideration. Council made the following decisions in respect of major projects:

- To proceed with the preferred 'Option 3' for sharing the cost of good quality drinking water across Council provided water users.
- To accelerate the consolidation of sports facilities at Lansdowne Park.
- To establish a Flaxbourne Irrigation targeted rate.
- Include in its Development Contributions policy Development Contributions for North West Blenheim Extension Zone and North West Blenheim Zone.

Other new projects include:

- To extend the monitoring and reporting of fresh water quality to meet national standards.
- To establish a full time Conventions Bureau.
- To fund a permanent Commercial Events Co-Ordinator.
- To increase Community, Heritage and Arts & Culture grants.

Council also considered and supported a number of community proposals including:

- Establishment of a forestry barging site at Kenepuru.
- Digital Enablement Plan, Wifi and CCTV.
- Picton Foreshore water play and irrigation.
- Awatere Hall maintenance.
- Totaranui 250 Trust – Ship Cove.
- Marlborough Sounds Integrated Management Trust.
- Funding contribution to establishing a Research Institute of Viticulture and Oenology in Marlborough, subject to government support for the project.
- Increase in the operating grant for Marlborough Research Centre.
- Multi-beam mapping of Totaranui/Queen Charlotte Sound project.
- Marlborough Community Centre funding for building safety.
- Endeavour Park Pavilion Society netball/tennis courts.
- Marlborough Softball Association toilets and roofed shelter.



# Financial Overview

## Rates

Council has prepared the 2016-17 Annual Plan to maintain the direction set in the 2015-25 Long Term Plan. This includes:

- Maintaining existing levels of service.
- Responding to community and Government demands for essential infrastructure improvement.
- Keeping rates increases and debt levels low.

Maintaining current levels of service provided by Council across all its activities requires a rates increase of 1.51%. Compare this to the forecast increases in the Consumer Price Index to June 2017 of 1.6% (RBNZ June 2016 Monetary Policy Statement) and the Local Government Cost Index of 1.9%.

The draft budget included a number of new initiatives that will either be funded from Council Reserves, levies or rates. The approval of these additional initiatives lifted the rates increase to 2.2%. These initiatives are shown in more detail in the preceding Consultation section of the Plan.

Following Council's consideration of ratepayer submissions, Council decided to approve a number of their requests, 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 2.46%. This is significantly below the 4.97% rates increase signalled for 2016-17 in the Long Term 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 planned Operating and Capital expenditure for each activity is shown in the following graphs, with a separate table showing planned expenditure levels compared to 2015-16 and the level of expenditure budgeted in the LTP for 2016-17.

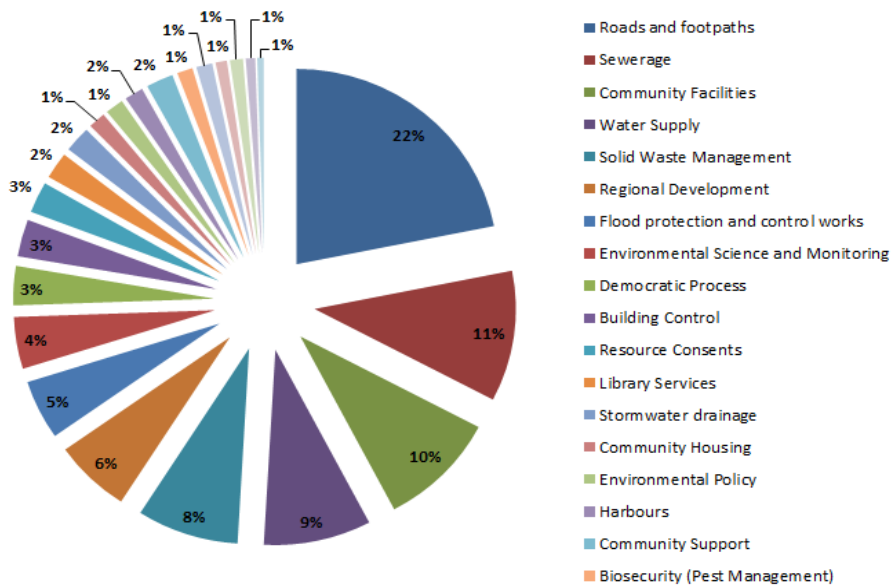
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**As evidenced by Council's AA Long Term Standard and Poors Credit Rating (the highest rating available to a New Zealand local authority) Council is well positioned financially for the future.**

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## Operating Expenditure 2016-17

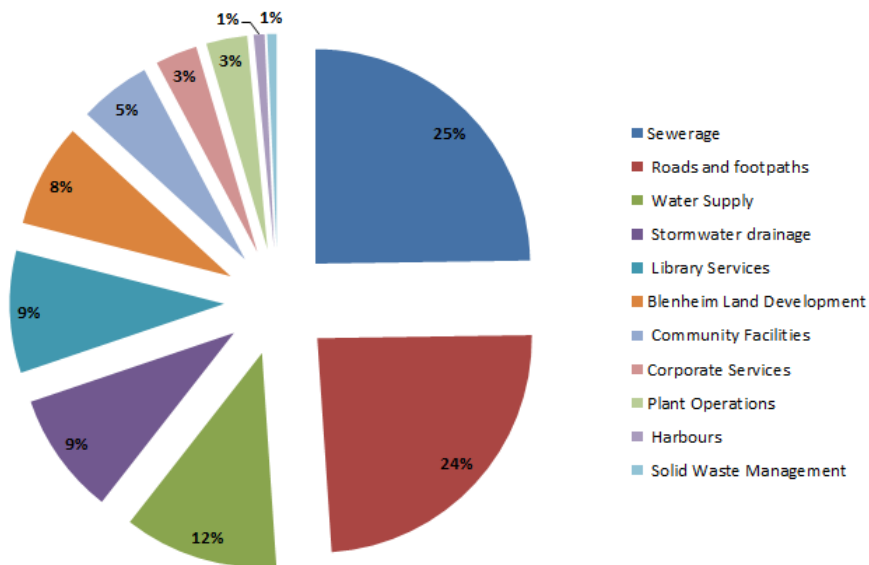
### 2016-17 Operating Expenditure



	2016-17 Annual Plan	2016-17 Year in LTP	2015-16 Year in LTP
Total Operating Expenditure	\$92.8M	\$93.0M	\$89.1M

## Capital Expenditure 2016-17

### 2016-17 Capital Expenditure



	2016-17 Annual Plan	2016-17 Year in LTP	2015-16 Year in LTP
Total Capital Expenditure	\$49.1M	\$45.1M	\$52.1M

## Financial Position

The following table shows the expected levels of net debt at the end of June 2017 compared to that expected at June 2016 and 2017 in the LTP.

	2016-17 Annual Plan	2016-17 Year in LTP	2015-16 Year in LTP
Net debt	\$25.4M	\$59.6M	\$47.5M

## Where Your Money Will Go – Major Capital Projects 2016-17

Summarised below are the major capital budget projects we have planned for 2016-17. More detailed information can be found under each Activity section:

### Community Facilities \$4.5 Million

including:

**\$2.5 Million** for the initial phase of Lansdowne park redevelopment into a multisport facility, including parking development and stormwater control and relocation of netball courts

**\$0.9 Million** for new and improved reserves across Marlborough, subject to Land Subdivision reserve contributions

**\$0.4 Million** New water play feature and irrigation system for Picton foreshore

### Flood Protection \$1.5 Million including:

**\$0.5 Million** for Tuamarina rock and gabion protection

**\$0.4 Million** for Wither Hills soil conservation and farm infrastructure

### Water \$5.6 Million including:

**\$2.3 Million** for Seddon township treatment plant

**\$1.7 Million** for Picton pump station, reservoir, treatment plant and pipelines

**\$1.0 Million** for Blenheim strengthening of Wither's reservoir and upgrade of pipelines for fire capacity

### People \$4.1 Million

to build new Picton library

### Roads \$11.7 Million including:

**\$5.7 Million** for the renewal of existing infrastructure (e.g. drainage, resealing, pavement rehabilitation, unsealed road metalling, road structures and traffic services)

**\$1.2 Million** for subdivision works for northwest Blenheim zone expansion

**\$0.8 Million** for major rehabilitation of Waihopai high productivity motor vehicles (HPMVs) route

**\$0.7 Million** for French Pass road sealed pavement

### Sewerage \$12 Million including:

**\$10.7 Million** for Picton pipelines, pump station and treatment plant

**\$0.7 Million** for Blenheim treatment plant, pipeline renewals and new connections

### Regional Development \$4.5 Million

including:

**\$4.1 Million** for Flaxbourne irrigation scheme

**\$0.2 Million** for Southern Valleys pump stations

# Annual Plan Disclosure Statement for the Period Commencing on 1 July 2016

## What is the purpose of this statement?

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

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

Benchmark	Planned	Met
Rates increases affordability benchmark $\leq$ Local Government Cost index plus 2% this year 3.86%.	2.46%	Yes
Rates affordability benchmark -Maximum dollar of rates $\leq$ \$89.7M.	\$62.0M	Yes
Debt affordability benchmark -proposed earnings $\geq$ 2.25 net interest.	6.11	Yes
-annual interest expense $\leq$ 12.5% total operating revenue.	1.91%	Yes
Operations Control benchmark $\geq$ 2.	11.94	Yes
Balanced budget benchmark $\geq$ 100%.	105%	Yes
Essential services benchmark $\geq$ 100%.	230%	Yes
Debt servicing benchmark $\leq$ 10%.	2.04%	Yes

## Rates Increases affordability benchmark

The Council's planned rates increases for the year are compared with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 2%

## Rates affordability benchmark

For this benchmark, the Council's planned rates for the year are compared with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan. The quantified limit is a maximum dollar value of rates of \$89.7 million.

## Debt affordability benchmark

For this benchmark, the Council's proposed borrowing is compared with quantified limits on borrowing contained in the financial strategy included in the council's long-term plan.

### Benchmark One

The quantified limit on this benchmark is proposed earnings before interest and tax is at least 2.25 times the proposed net interest expense, measured as a factor of proposed net interest. A negative number means there was net interest income and this is a favourable result. Positive numbers below 2.25 are an unfavourable result.

### Benchmark Two

The quantified limit on this benchmark is proposed annual interest expense cannot exceed 12.5% of proposed total operating revenue and is measured as a percentage.

## Operations control benchmark

For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's long-term plan.

The Council meets the operations control benchmark if its planned net cash flow from operating activities exceeds the planned proposed gross annual interest expense by at least two times measured as a factor of operating activities cashflow.

## Balanced budget benchmark

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

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

## Essential services benchmark

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

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

## Debt servicing benchmark

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

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

# LTP Consultation Amendments

The 2015 - 2025 Long Term Plan (LTP) has been amended as follows:

## Flaxbourne Irrigation Scheme

### Details of the amendment

The LTP is amended to include a targeted rate to enable Council to recover costs it has and will incur in the development of an irrigation scheme for the Flaxbourne area. The rate has initially been set at \$1 per irrigable hectare for those landowners that have subscribed to the scheme. Currently there have been 1,053 hectares subscribed.

Projected operational expenditure is not significantly affected.

### Analysis of the options considered under section 77 (1) of the Local Government Act

Council, in its 2016-17 Annual Plan Consultation Document, consulted on a proposed Long Term Plan amendment on Irrigation Scheme for Flaxbourne. The Consultation Document included:

Council has approved a budget of \$1.7M for the preliminary work on this project. The Ministry of Primary Industries has agreed to meet half of that cost through its Irrigation Acceleration Fund and the balance will be recovered from members of the Scheme.

**Council is proposing that its cost recovery should be through a targeted rate per irrigable hectare on all who join the Scheme.**

This is a new rate which would be paid ONLY by members of the Flaxbourne Irrigation Scheme – no other ratepayers are affected.

### What's the alternative?

**Fund the investigation by means of a General Rate across the District on the basis that the Scheme generates economic benefit to the District.**

However, based on the feedback received during consultation on the 2015-25 Long Term Plan, this would not be favoured by other ratepayers.

Also, the Scheme has always been promoted as a user pays initiative, similar to the Southern Valleys' Irrigation Scheme.

Council posed the following question in its Consultation Document:

**“Should Flaxbourne Irrigation Scheme members be responsible for repaying all money spent by Council in helping investigate this scheme?”**

The response from submitters was that 73.33% answered “yes”.

Council agreed with the view of the majority of submitters and agreed to establish a targeted Flaxbourne Irrigation rate effective from 1 July 2016.

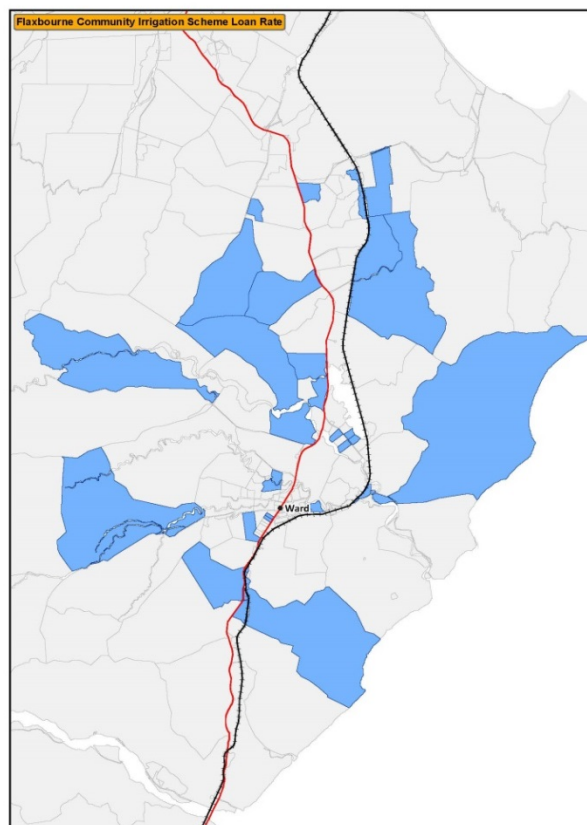
### Parts of the Long Term Plan to be amended

- Page 258 will be amended to include the targeted Flaxbourne Community Irrigation Scheme:

### Flaxbourne Community Irrigation Scheme Loan Rate

This rate is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m<sup>3</sup> per hectare on land identified within the Flaxbourne Special Rating Area. The quantum of the loan rate will alter as the scheme proposal is progressed and will be used to either fund investigation costs incurred should the scheme not proceed or the total capital cost of the Scheme should construction contracts be awarded.

The targeted loan rate will commence in the 2016-17 rating year and will be \$1 GST inclusive - \$1,053 GST excl (\$1,211 GST incl).



- Page 167 will be amended as italicised “from the 2016-17 rating year”.

## Sharing the cost of good quality drinking water

### Details of the amendment

The 2016-17 Annual Plan Consultation Document included:

Council's aim is to see consistent levels of drinking water quality and water pressure at all six Council water schemes around the region.

Council is suggesting a new formula to pay for the upgrade of household water supplies – sharing costs more evenly across users of Council provided water so it won't matter whether you live in Blenheim, Picton or a smaller township. Until now, the approach has been largely "user pays" along with a 50% subsidy from Council's reserve funds when big projects are needed by our smaller centres.

Upgrades to household water supply in Renwick and Havelock are coming up at \$11.8M and \$10.2M each. Unless these costs are spread across other Council water users, it's going to be expensive for the residents of these townships – even with a subsidy.

Projected capital and operational expenditure is not significantly affected.

### Analysis of the options considered under section 77 (1) of the Local Government Act

Council, via its Consultation Document, consulted on a proposed Long Term Plan amendment on sharing the cost of good quality drinking water. The Consultation Document included:

#### What are the alternatives?

***We could leave things the way they are so that small communities get an upgrade when their ratepayers agree to pay the costs.***

*Like Seddon, Renwick and Havelock's water does not meet NZ Drinking Water Standards. This situation is unsatisfactory for the residents and potentially reflects poorly on the District's reputation. However, it is unlikely these communities will ever find the cost of upgrade to be affordable. These two communities also face capacity challenges.*

#### Option 1 – Operating Costs Spread To Reflect Cost of Operation

*This Option would spread the construction costs across Council water users, as happens with sewerage, with operating costs allocated to reflect the different costs of operation. While this would make water treatment more affordable for Renwick and Havelock, it would still mean water rates of \$1,073\* for Renwick and \$1,250\* for Havelock.*

#### Option 2 – Everyone Pays The Same Amount

*This Option is based on the premise that drinking water is a basic human need and every ratepayer should pay the same amount for supply. This option would increase the average cost to Blenheim ratepayers by almost \$200\* above that signalled in the 2015-25 Long Term Plan.*

#### Option 3 – Operating Costs Spread More Evenly Than Option 1

*This Option (Council's preferred option) would also spread construction costs on the same basis as the current sewerage scheme, but operating costs would be spread more evenly. Councillors currently favour this option as it would provide balance between affordability for Renwick, Havelock, Blenheim and the other communities. Compared to Option 1, it would result in a rates decrease of \$248\* and \$425\* for Renwick and Havelock, while increasing Blenheim water rates by a further \$21 (less than an extra \$0.50\* cents per week). Picton residents would receive a small reduction in rates under this Option from that forecast in the LTP."*

Council also considered extending the Seddon funding approach to Renwick and Havelock. After consultation on the 2015-25 Long Term Plan, Council decided to assist Seddon water users by agreeing that all other water users in the District should contribute \$8 towards Seddon's water treatment costs. Adopting a similar approach for Renwick and Havelock would see the application of a \$28.50 and \$11.50 charge to all other water users, except Seddon. This Option was not favoured because it would reduce water rates for Renwick and Havelock by \$500 and \$800, to approximately \$1,200 and \$1,800 per annum respectively - but that's still more costly for them than the result from Option 1, 2 and 3.

As part of the consultation process Council asked the following questions to ascertain the views of the community:

***"Should other Council water users help to pay for small communities' drinking water supply upgrades? Yes/No.***

***If yes, how should the costs be shared?***

***Option 1 – Operating costs spread to reflect cost of operation.***

***Option 2 – Everyone pays the same amount.***

***Option 3 – Operating costs spread more evenly than Option 1."***

The response from submitters was that:

- 81.6% favoured that other Council water users help to pay for small communities' drinking water supply upgrades.
- 132 favoured Option 3, 76 favoured Option 2, 14 favoured Option 1 and 6 offered other comments.

Council agreed with the view of the majority of the submitters and agreed to adopt Option 3 as its means of sharing the cost of good quality drinking water as proposed in the Consultation Document.

### Parts of the Long Term Plan to be amended

- All figures in the Consultation Document were based on the 2015-25 Long Term Plan. No amendments are required for capital and operational costs.
- Page 5 will be amended as italicised:

### Clean and Safe Drinking Water

New paragraph added before the last paragraph:

*Council will introduce, in 2017-18, a district-wide funding formula for drinking water to deal with affordability issues facing Renwick and Havelock. In 2016, following consultation through the 2016-17 Annual Plan Consultation Document, Council agreed to adopt Option 3 as a means of sharing the cost of good quality drinking water. It is expected that the rates impact in 2017-18, the first year of the operation of the new formula, should be minimal.*

- Page 105 will be amended as italicised:

### Emerging Issues and Expected Changes

New bullet point added before the first bullet point:

- *Council will introduce, in 2017-18, a district-wide funding formula for drinking water to deal with affordability issues facing Renwick and Havelock. In 2016, following consultation through the 2016-17 Annual Plan Consultation Document, Council agreed to adopt Option 3 as a means of sharing the cost of good quality drinking water. It is expected that the rates impact in 2017-18, the first year of the operation of the new formula, should be minimal.*



# Audit Opinion

## Independent auditor's report

### To the Readers of Marlborough District Council's amended 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Marlborough District Council (the Council). I use the staff and resources of Audit New Zealand to audit information that the Council is required to have audited.

The Council adopted its 2015-25 Long-Term Plan (the plan) on 25 June 2015.

A Long-Term Plan must contain a report from the auditor on:

- whether the plan gives effect to the purpose set out in section 93(6) of the Local Government Act 2002; and
- the quality of the information and assumptions underlying the forecast information in the plan.

We issued an unmodified opinion on that plan in our report dated 25 June 2015.

The Council has since consulted on proposed amendments to the plan. The amendments to the plan were:

- The establishment of a combined Water Scheme rate; and
- The establishment of a Flaxbourne Community Irrigation Scheme loan rate.

Following the consultation process on the proposed amendments, the Council has decided to amend its plan. The amended plan replaces the plan adopted on 25 June 2015.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report issued when the plan was adopted.

We considered the impact of the proposed amendments on our previous audit report. We completed our audit on 30 June 2016 and our report is below.

### Report confirming our previous opinion of 25 June 2015

Our audit focused only on the amendments and their effects on the plan. We did not repeat the audit that we carried out on the plan when it was originally adopted.

As a result of this work, we do not consider it necessary to amend our previous opinion which was included in our report on the plan as originally adopted.

We confirm that our previous audit report on the plan as originally adopted issued on 25 June 2015, is not affected by the amendments to the plan.

### Basis of this report

We carried out our audit in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- Ethical requirements in those standards.

We did not evaluate the security and controls over the electronic publication of the amended plan.

This report does not provide assurance that the forecasts in the amended plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the amended plan.

### Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to amending the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the amended plan to be free from material misstatement.

We are responsible for reporting on whether the amendment to the plan affects our previous audit report on the plan as originally adopted. We do not express an opinion on the merits of the amended plan's policy content.

### Independence and quality control

In carrying out our audit, we complied with the Auditor-General's

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than carrying out all legally required external audits and related assurance engagements, we have no relationship with or interests in the Council or any of its subsidiaries.



**Andy Burns, Audit New Zealand**  
**On behalf of the Auditor-General,**  
**Christchurch, New Zealand**

# 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

# 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 Gro**  
**Rationale for th**  
 These activities encour  
 Marlborough commun  
 elderly, community se

### 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: De**  
**How this Activi**  
 This Activity contribut  
**Outcome**  
 Governance

**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 Descripti**  
 There are several diff  
 managed by the Rese  
 into various categori  
**Reserve Category**

**Major Budgeted Capital Projects** (only included in asset related activity statements)  
 The table outlines the major budgeted capital projects and areas of expenditure for this activity for 2016-17. 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**  
 The table outlines the  
 areas of expenditure  
 next 10 years. Althou  
 some cases further pu  
 with the relevant com  
 implemented. These

**Emerging Issues and Expected Changes**  
 This text outlines the issues that will affect the activity during the 2016-17 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 Issue**  
**Changes**  
 This plan provides for  
 issues identified as pa  
 LTP. The proposed 2  
 line with that propos  
 required as we progre

**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 Co**  
**Attribute**  
 Environment

**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 2015, where applicable.

<b>Levels of Service</b>
<b>Performance Target</b>
<b>Level of Service</b>
<b>Customer satisfaction</b>
Provide an overall level of service that meets or exceeds residents' expectations

**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):

- LTP 2016-17 and LTP 2015-16 - the budget for these years are as set in the 2015-25 Long Term Plan.
- AP 2016-17 – this is the revised budget for the 2016-17 year.

<b>Funding Impact Statement</b>
<b>Water Supply</b>
<b>Sources of operating income</b>
Targeted rates (other than water rates)
Fees, charges and taxes
<b>Total operating income</b>
<b>Applications of operating income</b>

## 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 2016-17			
PEOPLE	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	6,914	6,531	7,410
Targeted rates	162	137	175
Subsidies and grants for operating purposes	353	344	344
Fees and charges	24	24	23
Other receipts including fines and infringement fees	2,103	1,987	1,945
<b>Total operating funding</b>	<b>9,556</b>	<b>9,023</b>	<b>9,897</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	4,773	4,464	5,124
Finance costs	39	11	40
Internal charges and overheads applied	2,866	2,793	2,955
Other operating funding applications	1,372	1,432	1,849
<b>Total applications of operating funding</b>	<b>9,050</b>	<b>8,700</b>	<b>9,968</b>
<b>Surplus (deficit) of operating funding</b>	<b>506</b>	<b>323</b>	<b>(71)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	10	10	10
Increase (decrease) in debt	3,500	310	724
Gross proceeds from sale of assets	-	-	25
<b>Total sources of capital funding</b>	<b>3,510</b>	<b>320</b>	<b>759</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	512	-	3,500
Capital expenditure to improve the level of service	24	172	98
Capital expenditure to replace existing assets	555	1,231	490
Increase (decrease) in reserves	2,925	(760)	(3,400)
<b>Total applications of capital funding</b>	<b>4,016</b>	<b>643</b>	<b>688</b>
<b>Surplus (deficit) of capital funding</b>	<b>(506)</b>	<b>(323)</b>	<b>71</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>9,050</b>	<b>8,700</b>	<b>9,968</b>
plus - Depreciation and amortisation	687	643	1,484
plus - Loss on sale of fixed assets	-	-	5
<b>Expenditure as per Note 1</b>	<b>9,737</b>	<b>9,343</b>	<b>11,457</b>

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

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

## Activity: Democratic Process

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcome of Governance, People, Economy and Living by:

Outcome	Sub-outcome	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.

### 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. The Act describes the purpose of Local Government as being to enable democratic local decision-making and action by and on behalf of communities and to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.

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 (reviewed after the election in 2013) 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 Council's website.

**The next Council elections are to be held on 8 October 2016. Council uses the Single Transferable Vote method for the election of the Mayor (across the whole District) and 13 Councillors from three Wards (seven from the Blenheim Ward; three from the Marlborough Sounds Ward; and three from the Wairau/Awatere Ward).**

### Emerging Issues and Expected Changes

The main emerging issue within this Activity is the community's continuing 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.	-

Attribute	Sub-attribute	Major linkages	Secondary linkages
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	2016-17
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	6.6
Provide a service that is timely and responsive to residents' needs.	Percentage of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%
Properly managed local elections.	Elections and polls will comply with the provision of the Local Electoral Act 2001 with no petitions for enquiry.	No petitions for enquiry.	No petitions for enquiry.
Public contribution to decision making process.	% of Council items of business open to the public.	90%	90%

Funding Impact Statement for 2016-17			
Democratic Process	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	2,788	2,563	2,891
Other receipts	303	254	262
<b>Total operating funding</b>	<b>3,091</b>	<b>2,817</b>	<b>3,153</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,348	1,148	1,346
Internal charges and overheads applied	1,725	1,657	1,794
Other operating funding applications	6	6	6
<b>Total applications of operating funding</b>	<b>3,079</b>	<b>2,811</b>	<b>3,146</b>
<b>Surplus (deficit) of operating funding</b>	<b>12</b>	<b>6</b>	<b>7</b>
<b>Sources of capital funding</b>			
Gross Proceeds from sale of assets	-	-	25
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>25</b>
<b>Applications of capital funding</b>			
Capital expenditure to replace existing assets	41	-	40
Increase (decrease) in reserves	(29)	6	(8)
<b>Total applications of capital funding</b>	<b>12</b>	<b>6</b>	<b>32</b>
<b>Surplus (deficit) of capital funding</b>	<b>(12)</b>	<b>(6)</b>	<b>(7)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>3,079</b>	<b>2,811</b>	<b>3,146</b>
plus - Depreciation and amortisation	12	6	6
plus - Loss on sale of fixed assets	-	-	5
<b>Expenditure as per Statement of Financial Performance</b>	<b>3,091</b>	<b>2,817</b>	<b>3,157</b>

### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

*There are no variances which are considered significant.*



## Activity: Culture and Heritage

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, People, economy and Living by:

Outcome	Sub-outcome	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 Life long 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.

### 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.

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.

### Emerging Issues and Expected Changes

The Heritage and Arts sectors need to invest in new technology, update collections and collection practices, and cope with the increasingly diverse forms of arts being practised in Marlborough similarly and need additional funding to do so. 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 has recognised this in part by increasing the contestable grants allocation and committing to review the Heritage Strategy.

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.

## Levels of Service: Culture and Heritage

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.9	6.9
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.	100%	100%

Funding Impact Statement for 2016-17			
Culture and Heritage	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	808	739	823
Other receipts	75	73	63
<b>Total operating funding</b>	<b>883</b>	<b>812</b>	<b>886</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3	3	106
Finance costs	-	-	-
Internal charges and overheads applied	69	67	79
Other operating funding applications	806	760	818
<b>Total applications of operating funding</b>	<b>878</b>	<b>830</b>	<b>1,003</b>
<b>Surplus (deficit) of operating funding</b>	<b>5</b>	<b>(18)</b>	<b>(117)</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Increase (decrease) in reserves	5	(18)	(117)
<b>Total applications of capital funding</b>	<b>5</b>	<b>(18)</b>	<b>(117)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(5)</b>	<b>18</b>	<b>117</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>878</b>	<b>830</b>	<b>1,003</b>
plus - Depreciation and amortisation	6	5	5
<b>Expenditure as per Statement of Financial Performance</b>	<b>884</b>	<b>835</b>	<b>1,008</b>
<b>Operating expenditure</b>			
Arts	487	386	477
Heritage	396	449	531

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*Heritage operating expenditure has increased due to grants to the Marlborough Heritage Trust.*

## Activity: Community Housing

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, People, Mobility and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Governance.	Transparent.	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.	Ensuring future tenants meet the criteria of Council requirements.

### 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 are reviewed annually. The current policy is that rents will increase by the lower of the Consumer Price Index (CPI) or the NZ Superannuation (GRI) rate benchmarks.

### Governance

The Housing Policy will be administered by Council's Housing for the Elderly Sub-Committee. Day to day administration of the portfolio, including assessing applications, will be provided by 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 proportion of elderly population in Marlborough.
- Fixed incomes of many tenants.
- Rents below market levels.
- Increasing maintenance costs.
- Increase in demand for current units and demand for Council to build more units.
- Increase in use of mobility scooters and secure storage of them – to be considered if developing new complexes.

- Damage caused by tenants smoking inside or in nearby vicinity- Implementing a full smoking ban inside and outside the units to preserve life of units and decrease costs involved to renovate after smoke damaged.

Currently the housing is of reasonable quality but due to some units either being old or on unstable land there is a need to consider the redevelopment, disposal and upgrading of a number of units. Investigations are currently underway on how this can be achieved which will be separately reported.

### 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	2016-17
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	7.1
	Tenant satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	8	8
Provide up-to-date record of Occupancy levels.	Minimum occupancy in units to be maintained.	98%	98%
Provide community housing reactive maintenance service in two categories.	<b>Urgent Unplanned Maintenance</b> <sup>1</sup> – Percentage of unplanned maintenance completed within 24 hours of notification.	98%	98%
	<b>Non-Urgent Unplanned Maintenance</b> <sup>2</sup> - Percentage of unplanned non-urgent maintenance completed within 20 working days of notification.	90%	90%
Provide an annual checklist of planned maintenance/projects as set out in budget and from Committee meetings.	Percentage of planned maintenance/projects completed in financial year.	70%	72%

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

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

Funding Impact Statement for 2016-17			
Community Housing	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
Other receipts including property rentals	1,165	1,126	1,128
<b>Total operating funding</b>	<b>1,165</b>	<b>1,126</b>	<b>1,128</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	855	801	913
Finance costs	-	-	-
Internal charges and overheads applied	149	150	150
Other operating funding applications	17	13	16
<b>Total applications of operating funding</b>	<b>1,021</b>	<b>964</b>	<b>1,079</b>
<b>Surplus (deficit) of operating funding</b>	<b>144</b>	<b>162</b>	<b>49</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	-	150	30
Capital expenditure to replace existing assets	170	533	135
Increase (decrease) in reserves	(26)	(521)	(116)
<b>Total applications of capital funding</b>	<b>144</b>	<b>162</b>	<b>49</b>
<b>Surplus (deficit) of capital funding</b>	<b>(144)</b>	<b>(162)</b>	<b>(49)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,022</b>	<b>964</b>	<b>1,079</b>
plus - Depreciation and amortisation	289	262	257
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,311</b>	<b>1,226</b>	<b>1,336</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

## Activity: Community Support

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Mobility and Living as follows:

Outcome	Sub-outcome	Major contribution	Secondary contribution
<b>Community Support and Development</b>			
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 Council 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. Life long learning. Diversity. Flexibility. Creativity. Tolerance. Engaged and participative.	Participation in the Youth Forum and Older Persons Forum supports this cohorts contribution to the community.	Capacity of the volunteer sector is supported.
<b>Community Safety (Safer Communities and Security)</b>			
Governance.	Inclusive. Enabling. Participative. Transparent. Strategic. Connected.	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.
People.	Education. Life long learning. Diversity. Flexibility. Creativity. Tolerance. 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.	Health. Individual safety. Cultural facilities and events. Sport and recreation. Opportunities for participation. Social cohesion.	The people of Marlborough want to be assured that the community they live in is safe.	

Outcome	Sub-outcome	Major contribution	Secondary contribution
<b>Events Management</b>			
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 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.
<b>Passenger Transport and Mobility Scheme</b>			
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.	
<b>Energy Efficiency</b>			
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.	

### 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.*

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 on-going 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 and Volunteer Marlborough to build the capacity of the voluntary sector through training.



## Energy Efficiency

*Facilitation of Central Government objectives of promoting energy efficiency, energy conservation, and the use of renewable energy resources.*

Marlborough District 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 provides 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

*Providing transport options for our community, including those with mobility issues to help access key services and enabling community participation.*

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 on-going 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

*Providing (via contract) free community festivals and events for Marlburians to enjoy and to attract visitors to the District.*

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 under contract for provision of specific events.

Marlborough Festivals and Events Trust 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 provides support to other organisations providing community based events.

## 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” – 2013 Census shows 20.5% of the population was over 65 and expected to increase to almost a third of the population by 2026. The other significant change anticipated is an increase in the ethnic diversity of the Marlborough community. It is already apparent that ethnic and cultural diversity will be an increasingly prominent feature of the population.

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

For Energy Efficiency Council is now offering a Home Insulation programme and 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 vary depending on future uptake of the programme.

Council is establishing the documentation for a Clean Heating programme.

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

For Passenger Transport, the challenge is maintaining an affordable, accessible service that meets community needs within funding constraints. Expansion of service delivery will be investigated and implemented within available funding where verification of the demand can be established.

## Smart and Connected

Attributes	Sub-attribute	Major linkages	Secondary linkages
<b>Community Support and Events Management</b>			
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.
<b>Other Transport Services</b>			
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.	
<b>Energy Efficiency</b>			
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	2016-17
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".		
	• Community Support.	7.2	7.2
	• Community Safety	7.3	7.3
Manage Council's community grants and third party providers to ensure service quality and value.	• Events Management.	7.1	7.1
	% of grants administered, allocated and accounted for within timeframes.	100%	100%
	Achievement of reporting requirements.	95%	95%
Manage third party providers to ensure service quality and value of community events.	Contract requirements met.	100%	100%
	Achievement of reporting requirements.	100%	100%
Implement the Positive Ageing Accord.	Participation numbers match targets in contracts.	100%	≥95%
	Number of Older Persons Forums held annually with attendance exceeding quorum.	10	10

<b>Levels of Service - Community Support</b>			
<b>Performance Targets (for the financial year)</b>			
<b>Level of Service</b>	<b>Indicator</b>	<b>Baseline</b>	<b>2016-17</b>
	Frequency of Seniors Expo.	Biennial Seniors Expo	N/A
	% of actions in Positive Ageing Accord Plan completed relevant for that year.	New measure	95%
Implement Youth Initiatives Plan.	Number of Youth Forums held annually with attendance exceeding quorum.	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 quality service that meets and exceeds the expectations of the Ministry of Justice thus providing quality restorative justice service to the community.	Ensure contract reports are completed within timeframes.	100%	100%
	% of compliance with Ministry of Justice contract conditions met.	100%	100%
	Monitor and manage services to agreed timeframes and budgets.	100%	100%
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 2013-14 year was 26,498).	26,498	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 three bus shelters per year (as funding allows).	12 shelters	3 extra

Funding Impact Statement for 2016-17			
Community Support	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	932	886	1,100
Targeted rates	162	137	175
Subsidies and grants for operating purposes	334	326	344
Fees and charges	18	18	17
Other receipts	123	95	101
<b>Total operating funding</b>	<b>1,569</b>	<b>1,462</b>	<b>1,737</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	881	873	1,075
Internal charges and overheads applied	193	188	191
Finance costs	21	11	18
Other operating funding applications	472	582	835
<b>Total applications of operating funding</b>	<b>1,567</b>	<b>1,654</b>	<b>2,119</b>
<b>Surplus (deficit) of operating funding</b>	<b>2</b>	<b>(192)</b>	<b>(382)</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	-	310	-
Subsidies and grants for capital expenditure	10	10	10
<b>Total sources of capital funding</b>	<b>10</b>	<b>320</b>	<b>10</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	-	-	45
Capital expenditure to replace existing assets	20	320	-
Increase (decrease) in reserves	(8)	(192)	(417)
<b>Total applications of capital funding</b>	<b>12</b>	<b>128</b>	<b>(372)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2)</b>	<b>192</b>	<b>382</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,567</b>	<b>1,654</b>	<b>2,119</b>
plus - Depreciation and amortisation	4	4	6
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,571</b>	<b>1,658</b>	<b>2,125</b>
<b>Operating expenditure</b>			
Grants and Donations	514	647	981
Safer Communities	142	150	145
Security	97	97	132
Events Management	178	174	176
Energy Efficiency	156	156	206
Recreation	70	69	82
Passenger transport	414	365	405
<b>Capital expenditure:</b>			
Safer Communities	-	-	25
Passenger transport	20	320	20

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- *Grants and Donations operating costs have increased due to increased grants including \$111,000 to the Marlborough Community Centre, \$100,000 for the Queen Charlotte Track, \$75,000 for Community Heritage, Arts and Culture grants, \$50,000 for Warmer Healthier Homes grant, \$33,000 for the Havelock Community Trust, \$30,000 for the National Whale Centre, \$16,100 for the Nopera Golf Club, \$16,000 for the French Pass Residents' Association and \$15,000 for Synergy Youth Mentoring Services.*
- *The decrease in reserves is due to funding from reserves for grants including the Marlborough Community Centre, National Whale Centre, Grovetown Lagoon, Havelock Community Trust, French Pass Residents' Association, Nopera Golf Club and Synergy Youth Mentoring Services.*

## Activity: Library Services

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

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Governance, People, Mobility and Living by:

Outcome	Sub-outcome	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.
People.	Education. Life long learning. Diversity. Creativity.	Expertise, resources, (including access to national resources via the Interloan service), developing digital information literacy (eg; Any Questions/Many Answers), Library facilities and programmes are available to everyone, of which the majority are free of charge.	-
	Engaged and participative .	Library services are free to all residents of Marlborough	Library members, visitors and tourists to the District can use many of the services offer by the libraries
Economy.	International connections. Ability to connect.	-	Provide internet services for the overseas workforce to keep in touch with family at home.
Mobility.	Local accessibility.	School/Community libraries provided throughout the district.	
Living.	Individual health.	Provides a collection of self-help books (SMART) that are promoted by medical practitioners	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, Stepping-Up computer courses)	-

### What is this Activity About?

The purpose of this activity is to provide the community with a professional library service which assists customers to help themselves by encouraging 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 one of the highest Council provided services in the annual Resident's Satisfaction Survey.

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). Both of these facilities are open seven

days a week. Council also supports school based community libraries in Ward, Havelock, and Waitaria Bay, along with a community library in Renwick.

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 housebound service).

The promotion of literature and literacy is the main focus of library services to children across the District, offered through the summer and winter reading programmes, school visits, and school holiday activities. Picton Library's 'Library on Wheels' project takes the library into the community by visiting schools and preschools in the District.

As well as providing comprehensive book collections for informational and recreational use, the library service provides access to a wide range of electronic databases and the World Wide Web. Free internet and Wi-Fi access is provided to all library visitors via the Aotearoa People's Network Kaharoa with a maximum 25% financial contribution from Council.

IT skills and training programmes are offered at both facilities as part of the Stepping Up project.

## Asset Description

To undertake this Activity, the following assets are held:

District Library, Blenheim

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## Council has made a decision to replace the Picton Library and Service Centre with a new facility planned to open in 2017.

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In 2014-15 405,689 items were issued. Its central location has proven popular as a meeting place for those visiting the CBD. As the collection has expanded and new services introduced free space has become a premium with no areas for quiet reading or study. The number of people visiting the District Library in 2014-15 was 302,126.

## 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 1970s. 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. Following the completion of a design brief, Council has engaged an architect and building of the new facility is to commence in 2016-17.

In 2014-15 57,608 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 in the library. The number of

people visiting Picton Library and Service Centre in 2014-15 was 72,819.

## Collections

The libraries' collection consists of over 121,153 items with a current estimated value of \$3.92 million. The collection covers a wide range of general interest and popular titles (both fiction and non-fiction), pre-school, children's and teens titles, large print, local history and 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 authoritative electronic databases, national online catalogues and websites, including access to national and international newspapers, and Ancestry.com, along with the World Wide Web.

Non-book resources include DVDs, audiobooks in various formats, magazines, sheet music, and jigsaw puzzles. Downloadable e-books and e-audio books are also available.

## IT

In September 2011, Marlborough joined a New Zealand wide Public Library Consortium called Kotui to provide its library management and searching system (catalogue). In addition, downloadable e-books and e-audio books were made available to library members in early 2012 via a South Island wide Public Libraries Consortium project provided by OverDrive Digital Library. This service was expanded in April 2015 when the library established another consortium with Tasman District Libraries to provide more e-resources via BorrowBox. OverDrive and BorrowBox are digital media platforms that allow library customers to download e-books and e-audio books. Titles include fiction and non-fiction items for adults, teens and children, with regular additions of new material. In 2014-15 7,445 e-resources were issued.

The libraries automated library management system facilitates the day to day control and circulation of the collection. The online catalogue can be accessed 24/7 and allows members to self-manage the items they have on loan and reserve items they wish to borrow. Members with email addresses receive a reminder email three days prior to their items being due.

The free internet and Wi-Fi service delivered by the Aotearoa Peoples Network Kaharoa is a managed network separate from Council and provided by the National Library of New Zealand. The Library Management System, Kotui, is supported through this same framework.

## Community Engagement

Both the District Library and the Picton Library and Service Centre continue to be a community hub for activities and events. The continuation of regular events for adults including BookChat, Stepping Up computer classes, Lunchtime Law information sessions in partnership with Community Law Marlborough, book

sales, author events and numerous events and activities for children.

### Major Budgeted Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$3.5	New Picton Library

### Emerging Issues and Expected Changes

The major challenge that continues to effect Library Services is the lack of space for collections and library users, especially class visits and regular meetings. Council's urban design strategies have reinforced the need for improved facilities in both Blenheim and Picton. Council has made the decision to replace the Picton Library and Service Centre with a new facility planned to open in late 2017. Budgeting to replace the District Library in Blenheim is on-going with a replacement date from 2018-19.

### 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)	-

<b>Levels of Service: Library Services</b>			
<b>Performance Targets (for the financial year)</b>			
<b>Level of Service</b>	<b>Indicator</b>	<b>Baseline</b>	<b>2016-17</b>
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".	8.1	8.1
Provide a range of current resources supporting the tastes, interests and reading levels of users.	Average age of resources.	10 years or less	<10 years
	Frequency of items being taken out (turnover rate).	4 times per year	4 times per year
	Average number of overdue items not returned 28 days after the due date each month.	185 items	<185 items
Provide a range of programmes or training opportunities that meet or exceed customers' expectations.	Evaluate the satisfaction of courses and programmes offered by the libraries by survey, where 1=Unsatisfactory, 3=Good, and 5=Excellent.	>3	>3
Provide access to information electronically.	Number of e-book and e-audio loaned.	6,600 items	10% increase on baseline

<b>Funding Impact Statement for 2016-17</b>			
<b>Library Services</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,642	1,623	1,843
Fees and charges	6	6	6
Other receipts including fines and infringement fees	310	313	294
<b>Total operating funding</b>	<b>1,958</b>	<b>1,942</b>	<b>2,143</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,150	1,122	1,252
Finance costs	18	-	22
Internal charges and overheads applied	490	490	503
<b>Total applications of operating funding</b>	<b>1,658</b>	<b>1,612</b>	<b>1,777</b>
<b>Surplus (deficit) of operating funding</b>	<b>300</b>	<b>330</b>	<b>366</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	500	-	724
<b>Total sources of capital funding</b>	<b>500</b>	<b>-</b>	<b>724</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	24	22	3,500
Capital expenditure to improve the level of service	512	-	23
Capital expenditure to replace existing assets	276	350	269
Increase (decrease) in reserves	(12)	(42)	(2,702)
<b>Total applications of capital funding</b>	<b>800</b>	<b>330</b>	<b>1,090</b>
<b>Surplus (deficit) of capital funding</b>	<b>(300)</b>	<b>(330)</b>	<b>(366)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,656</b>	<b>1,612</b>	<b>1,777</b>
plus - Depreciation and amortisation	335	329	366
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,991</b>	<b>1,941</b>	<b>2,143</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- *Payments to staff and suppliers include an increase in personnel costs.*
- *Capital expenditure has increased due to the Picton Library construction costs being brought forward.*
- *The decrease in reserves is funding from reserves for the Picton library construction costs which have been brought forward.*



<b>Activity: Emergency Management</b>	Operating costs of this activity represent approximately 1% of total activity expenditure.
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### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Economy and Living by:

Column	Sub-attribute	Major linkages	Secondary linkages
Governance.	Strategic.	Supports the MKRFA as the governance body for rural fire. Support CDEM for civil defence.	
Environment.	Systems of protection and care.	Supports the MKRFA to protect the environment from risk of fire.	Input into the Marlborough Resource Management Plans
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. Health. Social cohesion. Individual safety.	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.

### What is this Activity About?

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

- Emergency Management policies and procedures in place to manage hazards through risk reduction strategies.
- Arrangements for declaring a state of emergency in the area.
- Arrangements for cooperation and coordination with neighbouring Civil Defence Emergency Management Groups and key stakeholders.
- How hazards managed by the Group are prioritised according to risk. The eight most significant hazards include:
  - Earthquake
  - Local source tsunamis
  - Marine Accident
  - Terrorism
  - River flood

- Human pandemic
- Animal epidemic
- Plant and animal pests

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.

## Preparedness for Major Hazards and Events

Council is only one of the organisations that have emergency management responsibilities. Others include the District Health Board, Police, Fire Service, Marlborough Kaikoura Rural Fire Authority and St Johns as well as a number of NGO's such as Red Cross. Council employs an Emergency Services Manager and an Emergency Management Officer who work alongside the agencies to ensure reduction, readiness, response, recovery and welfare arrangements are all in place throughout Marlborough. These key agencies all come together as members of the Marlborough CDEM Group and are on the Readiness and Response Committee. Senior managers of the key agencies also form the Co-ordinating Executive Group (CEG) which has oversight of all the CD functions across the District. The Assets and Services Committee of Council act as The Group. The CEG has budget control and policy and plan approval functions.

Community awareness campaigns are given high priority within the allocated budget provided. The Group has visited many schools and community organisations to talk about the risk to Marlborough and how to prepare for large emergency events. Firesmart programmes run by Rural Fire have been presented to vulnerable communities and other stakeholders such as Marlborough Lines, CDEM and the NZ Fire Service have taken the opportunity to talk about their hazards as well. CDEM supports the Ministry's national awareness campaign (e.g. drop, cover, hold) and spends considerable resources each year encouraging residents (including schools) to prepare for disaster. One example is the *Clued up Kids* programme.

Metservice communicate extreme weather warnings throughout the year 24/7 and staff responded to these appropriately.

An Engineering Lifelines Group (e.g. road, rail, water, electricity and communication providers) exists to encourage lifelines in Marlborough to be resilient and therefore able to withstand a major event and be operating close to full capacity as soon as possible.

The Recovery Action Group incorporating Council, Rural Support Trust and MSD oversee the planning for the recovery phase of a major emergency event and activate when necessary to respond.

A Welfare Coordination Group has been established which includes the NMDHB, MPI, MSD, MBIE, Red Cross, Police and CYF. This is in response to the increased emphasis on welfare being a key part of response and recovery and the responsibility for welfare shifting from MSD to CDEM. The Group will have a governance role while the current Local Welfare

Committee will focus on the local delivery of welfare needs during an event.

Exercises are carried out regularly and the Group is actively involved in the Ministry of Civil Defence and Emergency Management 10 year exercise programme. The Rural Fire and CDEM Regional Incident Management Teams have been combined for efficiency as many volunteers were on both teams. Council staff are encouraged to be on this team which trains monthly.

A Marlborough Emergency Response Team (MERT) operates out of the Emergency Operations Centre. There are currently 14 voluntary members who train fortnightly. One of their roles is to establish welfare centres where they are needed and provide logistical support to rural fire crews. Marlborough CDEM and its partner agencies have engaged with opportunities for young people to be involved in the YES (Youth in Emergency Services) programme. This involves providing some training and options to be involved in practical exercises with the existing MERT. It is hoped that new recruits will be gained through the programme.

The Emergency Management Officer carries out the role of Marlborough/Nelson/West Coast Neighbourhood Support Regional Coordinator. There are now over 60 local NS Coordinators in Marlborough providing strong links into the communities and support for the members of those neighbourhoods. This work is carried out in conjunction with the Police.

The Darcy Christopher Trust has donated significant grants to Marlborough CDEM. This has enabled the purchase of a response trailer and large tent for the MERT to operate from during an event.

## Emerging Issues and Expected Changes

The Ministry of Civil Defence and Emergency Management (MCDEM) completed a capability assessment of the Marlborough Group in December 2014. A Corrective Action Plan has been approved by the CEG and should be largely completed by the end of 2016. Key issues to resolve include an increasing emphasis on welfare management, forward planning, formal relationships and a more active Lifelines Group.

GNS have completed maps which show the extent of the local source tsunami hazard for Marlborough. Communities at risk have been consulted and now management actions need to be completed. This is likely to include signage and information which will facilitate appropriate evacuation procedures in the possible event of a local tsunami.

The Marlborough Emergency Management Group Plan expires at the end of 2016. It requires significant review as there needs to be an increased emphasis on community resilience, applying and instigating research opportunities, improving performance reporting, Lifelines (eg; Transpower and Chorus) response coordination and particularly welfare management.

Council has invested in a new role of Welfare Manager who will engage all the stakeholders in improved planning and interagency exercising. This part time

position will be filled in the 2016-17 financial year and will bring the Council's CDEM staff up to three.

The most significant issue facing Emergency Management this coming year is the NZ Fire Service review which will radically change the way that urban and rural fire are delivered in NZ. New legislation is being drafted and it appears that the new entity could be taking over the management of fire related activities that Council currently do. This may mean that Council needs to change its by-laws such as those relating to urban fire permitting, industrial and urban burning guides, vegetation hazard and water supplies for fire-fighting. It is also envisaged that all fire-fighting plant

and equipment ownership will shift to the new entity. At this stage what will happen to the buildings in which all Council and Community owned assets are stored in is unknown. A significant investment of time will be required to ensure that the services Council expect and the equipment that Council has an invested interest in are taken into account during the 2016-17 transition period. It is essential that the new service continues its current levels of service and that business as usual occurs come 1 July 2017. It is currently unknown where the MKRFA staff will be located or what their role will be. It does seem almost certain that Marlborough and Nelson will be governed by one Board rather than the current two.

### Smart and Connected

Column	Sub-attribute	Major linkages	Secondary linkages
Governance.	Transparent. Strategic.	Ensuring consultation to community supports their expected outcomes through 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.

<b>Levels of Service: Emergency Management</b>			
<b>Performance Targets (for the financial year)</b>			
<b>Level of Service</b>	<b>Indicator</b>	<b>Baseline</b>	<b>2016-17</b>
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 2017
	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%
Urban fire is managed as per Council Bylaws.	% of fire permits issued within five working days.	New measure	95%
	% of urban fire season status match adjacent rural fire status.	New measure	100%
	% of vegetation fire hazard complaints processed within 10 working days of receipt of call.	New measure	90%

<b>Funding Impact Statement for 2016-17</b>			
<b>Emergency Management</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	744	721	753
Subsidies and grants for operating purposes	18	18	-
Other receipts	126	126	97
<b>Total operating funding</b>	<b>888</b>	<b>865</b>	<b>850</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	536	516	432
Internal charges and overheads applied	240	241	238
Other operating funding applications	71	71	174
<b>Total applications of operating funding</b>	<b>847</b>	<b>828</b>	<b>844</b>
<b>Surplus (deficit) of operating funding</b>	<b>41</b>	<b>37</b>	<b>6</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to replace existing assets	47	28	46
Increase (decrease) in reserves	(6)	9	(40)
<b>Total applications of capital funding</b>	<b>41</b>	<b>37</b>	<b>6</b>
<b>Surplus (deficit) of capital funding</b>	<b>(41)</b>	<b>(37)</b>	<b>(6)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>847</b>	<b>828</b>	<b>844</b>
plus - Depreciation and amortisation	41	37	844
<b>Expenditure as per Statement of Financial Performance</b>	<b>888</b>	<b>865</b>	<b>1,688</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

## Activity Group: Community Facilities

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

### 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.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Living and Mobility as follows:

Outcome	Sub-outcome	Major contribution	Secondary contribution
<b>Cemeteries</b>			
Living.	Health. Cultural facilities and events.	Cemeteries are provided for many reasons including cultural, religious, coping with grief.  People have a respectful and comforting environment to remember those they have lost.	-
<b>Memorials</b>			
Living.	Cultural facilities and events.	Society values past history. Contributes towards the commemorative needs of the community.	-
<b>Street Trees and Plots</b>			
Environment.	Attractive. Control over pollution levels, forms and effect.	Trees are valued aesthetically and for their air quality benefits.	-
<b>Halls</b>			
Governance.	Enabling.	Community halls enable local governance to take place in communities across Marlborough	-
People.	Engaged and participative.	Meeting places for community groups.	-
Living.	Cultural facilities and events. Sports and recreation. Opportunities for participation. Social cohesion.	Meeting places for community groups.	-
<b>Public Conveniences</b>			
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.		
<b>Reserves and Swimming Pools</b>			
Environment.	Attractive.	Reserves, recreation facilities, sports grounds and open spaces all provide opportunities for recreation, relaxation and physical activity.  There are also responsibilities to sustain natural and physical resources and manage the environment.	-

### 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 Council's target of ensuring that all urban households are in walking distance to an open space for leisure activities. Recreation reserve provision includes the management and maintenance of reserve assets including trees, gardens, lawn, structures, outdoor furniture and Council owned buildings.

### Sports Grounds

Throughout the Marlborough District we provide and maintain sports grounds for year round use by residents and visitors for both formal and informal use. Council endeavours to cater for a wide range of sporting codes.

### 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.

### Aquatic Facilities

The Regional Aquatic Centre is operated by the Stadium 2000 Trust. Picton's pool is located at Queen Charlotte College and is maintained by the Ministry of Education. Seddon pool is a MDC asset and is operated by the Awatere Community Association.

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 Council to assist short and long term decision making.

### Walking and Cycling Routes

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

### Community Halls

Council owns and assists with the maintenance of a number of community halls, usually in conjunction with local community groups. With increased awareness of earthquake risk Council is assessing its public buildings for seismic evaluation. Depending on the results additional spend may be required to bring up to Building Act 2004 requirement.

### Street trees and Berms

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

### Asset Description

There are several different types of assets which are managed by the Reserves section. They can be broken into various categories:

Reserve Category	Number	Land (hectares)
Reserves.	260	2,770
Sportsgrounds.	21	107
Community Building Reserve Land.	32	9
Cemeteries.	13	35
Accessways.	57	6
Other Reserves (eg; road reserves and berms).	88	428
<b>Total</b>	<b>471</b>	<b>3,356</b>

Major Asset Category	Number
Public conveniences/ Facilities.	51
Aquatic Facilities.	2
Playgrounds/Youth Facilities.	41
Sports Facilities.	571
Bridges, Boardwalks, Structures.	1,931
Carpark/Roading.	173
Walkways and Cycle Routes.	215 routes
Park Fixtures.	2,218
Street Trees and Garden Plots.	18,866

### Major Budgeted Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$2.5	Initial phase of Lansdowne park redevelopment into a multisport facility, including parking development and stormwater control and relocation of netball courts.
\$0.9	New and improved reserves across Marlborough, subject to

Value (millions)	Major capital projects
	Land Subdivision reserve contributions.
\$0.4	New water play feature and irrigation system for Picton foreshore.

### Emerging Issues and Expected Changes

- Ongoing assessment and evaluation of community facilities that require seismic strengthening. Consultation with user groups will determine whether facilities are either upgraded or replaced; and how these improvements are to be funded. Structural strengthening works are underway at Athletic Park grandstand and Stadium 2000. A&P Park Grand Stand and Awatere Community Hall still requires decisions to be made relating to the most appropriate future use. A&P grandstands is currently awaiting Resource consent process to remove the historical designation from the building before any decisions can be made to strengthen or removal and rebuild.
- Creation of policy providing guidance around investment in newly acquired Reserves needs to be developed to ensure Councils investment is appropriate and equitable for the type and location of reserve.
- The adoption of the new Sportville Policy will assist in the development of the Lansdowne Hub and continued sustainable operations of Endeavour Park Pavilion and the Renwick Sport centre and will also help guide decisions being made on Awatere Hall.
- 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 freedom camping. As the activity and its profile are increasing nationally, Marlborough will be required 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 continued investment in the current facility. Gaining "pool safe" accreditation will assist in the pool becoming a safer and more efficiency managed public pool for the community. This process will require funding from Council.
- Lansdowne Park redevelopment in to a multisport facility will be a complex process. Early planning and consultation with existing and potential users has begun. Funding has been provided in the LTP for grounds development but the timing of investment may need to be revisited as projects are dependent on several factors and will depend on the motivation of the various codes involved. The development of a "Sportville" facility at the Park will provide for all the potential sport codes that make use of the park. There is opportunity to develop the facility to provide for some commercial operation to assist in subsidising the operating expenses. A business plan, including a needs assessment, is underway, this will result in design options and costings being available within the 2016 year. It is expected the Sportville facility will cost \$5,000,000 with the ability to attract external fundraising.
- Asset Management Information System is programme to be installed in 2016; this will enable a more planned approach to maintenance renewals and future planning.
- As part of the Marlborough Outdoor Sports Facility Plan a review of the long term configuration of A&P Park will be required to get the greatest capacity for the fields and renewal of facilities.
- With the relocation of netball to Lansdowne Park, cricket will be looking at options to develop Horton Park and look for partners to share some of their operating costs.
- Picton foreshore is still requiring significant infrastructure upgrades While a landscape plan is being developed in 2016 which will create a plan for future investment the paddling pool and irrigation system are both deteriorated assets requiring replacement.
- Pollard Park is used as one of Marlborough key event venues but the area used, Baden Powell, is no longer able to cater for several of the events as they become increasingly popular. The expansion of the play area is also restricted by the space being shared by events. The Pollard Park Reserves Management Plan identified Churchill Glade as the preferred area to hold events. For this to be achieved investment in infrastructure is required to provide for public amenities and services. This includes extension of services to Churchill Glade, provision of public conveniences, irrigation replacement and wall demolition and redesign.
- Awatere Hall redevelopment is being driven by the Hall Committee which will make decisions on the design requirements for the community use. This group was formed in late 2015. The timing of development will be dependent on the hall committee. There are several upgrades that are needed for building maintenance that will not affect any potential redesign that has initiated a request for funding to be brought forward. The current state of the hall is preventing the community from utilizing the facility to its potential.
- A master plan is being drafted for district wide future developments in cemeteries. This will guide future development, management and operational requirements.
- Ensuring meaningful and relevant Iwi engagement occurs within the parks, reserves and open space areas.

## Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
<b>Cemeteries</b>			
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.	
<b>Memorials</b>			
Environment.	Attractive.	Society values past history. Contributes towards the commemorative needs of the community.	-
Living.	Cultural facilities and events.		
<b>Street Trees and Plots</b>			
Environment.	Attractive.	Trees are valued aesthetically and for their air quality benefits.	-
	Control over pollution, forms and effect.		
Living.	Health.		
<b>Halls</b>			
People.	Engaged and participative.	Meeting places for community groups.	-
<b>Public Conveniences</b>			
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.		
<b>Reserves and Swimming Pools</b>			
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.	

<b>Levels of Service: Community Facilities</b>			
<b>Performance Targets (for the financial year)</b>			
Level of Service	Indicator	Baseline	2016-17
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
<b>Neighbourhood Parks</b> Provision of neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	That within the urban environment 98% of the area is provided with a Neighbourhood Park which is either 500 metres approximately or ten minutes' walk.	98%	98%
<b>Public Gardens</b> Provision of high quality public gardens in key locations that provide opportunities for amenity horticultural displays, education and contemplative leisure experiences.	Three prime areas are allocated and maintained to high horticultural amenity standard. Offering at least five various displays, educational opportunities for the community and contemplative leisure experiences.	Five educational sessions are offered.	5



Levels of Service: Community Facilities			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
<b>Cultural Heritage</b> The protection of specific cultural heritage sites and opportunities to experience and learn about our history.	War Memorial sites are protected, maintained and made available for memorial services.	Sites are available for at least 12 services.	12
	Provision of cemeteries will meet the future interment of the community to provide accessible and appropriate sites for burial.	300 burial sites are available.	350
<b>Outdoor Adventure</b> Recreation activities and built facilities, requiring a large scale non-urban environment.	Provision of opportunities for outdoor adventure based Recreation activities such as walking tracks and mountain bike tracks.	158 kms	168 kms
<b>Civic Space</b> Provision of open space within business/retail areas, with a high level of amenity development and maintenance designed to attract and cater for periodic high levels of use.	Provision and maintenance of central areas eg; Liz Davidson Place, Bythell Place, Stadium 2000 Pocket Park, Riverside Park and London Quay.	At least 12 areas are provided and maintained.	12
	Events are held at the Parks.	Five or more events are held.	5
	Identification and acquisition of identified sites eg; Taylor River, Spring Creek walk way. Esplanade acquisition.	At least four new identified sites were acquired each year.	4
<b>Sport and Recreation</b> To provide and maintain sports field capacity to meet reasonable demand. Recreation facilities will be managed to meet the recreation needs of the community or sport code.	Provision of sports facilities meet reasonable demand.	New Measure	85%
	Delivery will achieve at least 85% resident satisfaction.	New Measure	90%

<b>Funding Impact Statement for 2016-17</b>			
<b>Community Facilities</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	7,614	7,398	7,875
Subsidies and grants for operating purposes	11	45	20
Fees and charges	146	143	143
Other receipts	750	767	638
<b>Total operating funding</b>	<b>8,521</b>	<b>8,353</b>	<b>8,676</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,463	5,706	5,681
Finance costs	1,595	1,573	1,649
Internal charges and overheads applied	709	642	644
Other operating funding applications	212	351	196
<b>Total applications of operating funding</b>	<b>7,979</b>	<b>8,272</b>	<b>8,170</b>
<b>Surplus (deficit) of operating funding</b>	<b>542</b>	<b>81</b>	<b>506</b>
<b>Sources of capital funding</b>			
Development and financial contributions	942	885	1,169
Increase (decrease) in debt	-	-	2,382
<b>Total sources of capital funding</b>	<b>942</b>	<b>885</b>	<b>3,551</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	415	842	1,074
Capital expenditure to improve the level of service	412	2,291	2,533
Capital expenditure to replace existing assets	1,232	574	851
Increase (decrease) in reserves	(575)	(2,741)	(401)
<b>Total applications of capital funding</b>	<b>1,484</b>	<b>966</b>	<b>4,057</b>
<b>Surplus (deficit) of capital funding</b>	<b>(542)</b>	<b>(81)</b>	<b>(506)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>7,979</b>	<b>8,272</b>	<b>8,170</b>
plus - Depreciation and amortisation	1,076	990	1,186
<b>Expenditure as per Statement of Financial Performance</b>	<b>9,055</b>	<b>9,262</b>	<b>9,356</b>
<b>Operating expenditure</b>			
Cemeteries	543	528	511
Memorials	98	94	91
Street berms, trees and plots	570	547	550
Halls	304	344	386
Public Conveniences	877	829	882
Reserves	4,900	5,148	5,150
Swimming Pools	1,763	1,772	1,786
<b>Capital expenditure:</b>			
Cemeteries	184	200	80
Memorials	8	43	8
Street berms, trees and plots	34	109	34
Halls	20	20	142
Public Conveniences	154	525	150
Reserves	1,658	1,475	4,044
Swimming Pools	-	1,335	-

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- *Capital expenditure for reserves is higher than the LTP due to the consolidating of the sports facilities at Lansdowne Park for \$2.15 million.*
- *The primary reason for the increase in debt is because the Lansdowne Park is loan funded.*

## Activity Group: Roads and Footpaths

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

### Rationale for the Delivery of Roads and Footpaths Group of Activities

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Environment, Economy, People, Mobility and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
<b>Roads</b>			
Economy.	Increasing GDP per FTE. 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 and national accessibility. Safe. Sustainable.		
Living.	Individual safety. Opportunities for participation.		
<b>Cycle facilities and Footpaths</b>			
Environment.	Control over pollution levels, forms and effects 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.		
<b>Paved cobbled areas, street furniture</b>			
People.	Engaged and participative. Opportunities for participation. Social cohesion.	Community gathering areas should be attractive and enable people to mingle, enjoy the environment and participate in commercial or other town activities.	-
Living.	Opportunities for participation. Social cohesion.		
<b>Street lighting</b>			
Mobility.	Local accessibility. Safe.	Street lights enable safer use of roads, footpaths, public facilities and encourage night time usage.	-
Living.	Individual safety.		
<b>Wharves</b>			
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.		
Living.	Access to education and employment. Opportunities for participation. Sport and recreation. Social cohesion.		

## What is this Activity About?

As owner of the local road 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 car parks (car parking is now accounted for in the Regional Development activity). 13 wharves are also owned and maintained by Council.

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

There has recently been an increased emphasis on moving freight more efficiently. Northbank Road is now fully High Productivity Motor Vehicle (HPMV) compliant and bridge upgrades have been undertaken in the Kenepuru area and are underway at the Tyntesfield Bridge site.

### Separate Roles

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

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

The Transport Agency is a key partner in Council's land transport management 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 reviews a Road Safety Action Plan for the District.

### 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 10 years. Detailed programmes are included in the Regional Land Transport Plan (RLTP) for which Council will receive normal funding assistance from the Transport Agency at a rate of 51%.

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 Transport Agency requirements. The standards and guidelines identified are predominantly those developed or adopted by the Transport Agency and are consistently applied across the Marlborough District's road network.

## Asset Description

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

Asset	Length / Quantity
Road Length	1,535 km (894 km sealed, 641 km unsealed)
Bridges	364
Jetties	13
Urban Footpaths	238 km (150 km concrete; 74 km asphalt; 7 km sealed; other 7 km)

The total asset value for the Roads and Footpaths Activity as at 30 June 2015 is \$642 million.

## Major Budgeted Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$5.7	Renewal of existing infrastructure (e.g. drainage, resealing, pavement rehabilitation, unsealed road metalling, road structures and traffic services)
\$1.2	Subdivision works for northwest Blenheim zone expansion
\$0.8	major rehabilitation of Waihopai high productivity motor vehicles (HPMVs) route
\$0.7	French Pass road sealed pavement
\$0.7	Blenheim CBD pavement upgrades
\$0.5	Small townships upgrades
\$0.4	Footpaths reseal
\$0.4	Kenepuru Barge site
\$0.1	Cycle facilities

## Emerging Issues and Expected Changes

### Increasing Forest Harvests

Marlborough's main forests were developed in the late 1970's and 1980's. Increasing harvest volumes, and harvesting in new areas are creating roading issues such as dust effects, noise, wear and tear on the network and along with perceived safety issues.

The forest industry is improving freight efficiency by carting logs with 50MAX availability across the entire Marlborough network and High Productivity Motor Vehicle (HPMV) availability on selected routes. Logging is putting pressure on Council's older bridge stock requiring bridge replacements and incrementally increasing pavement maintenance and renewal costs.

## **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 the Transport Agency's funding assistance rate policy for emergency repairs could also impact on Council's budgets.

## **Urban Growth Effects**

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

## **Ageing Population**

The ageing demographic of the Marlborough population is likely to increase demand for better standards of footpath including increased levels of service for mobility scooter users.

## **Walking and Cycling**

Marlborough is eligible to receive funding assistance from the Transport Agency for approved Urban Cycle Funding and has identified extension of the Taylor River and the Beaver Road/Eltham Road as probable projects. Council is also supporting the Spring Creek to Grovetown Cycle-path. There is likely to be future demand for safe urban cycle routes.

## Smart and Connected

Attributes	Sub-attribute	Major linkages	Secondary linkages
<b>Roads</b>			
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.		
<b>Cycle facilities and Footpaths</b>			
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.		
<b>Paved cobbled areas, street furniture</b>			
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.		
<b>Street lighting</b>			
Mobility.	Local accessibility. Safe.	Street lights enable safer use of roads, footpaths, public facilities and encourage night time usage.	-
Living.	Individual safety.		
<b>Wharves</b>			
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.		
Living.	Access to education and employment. Opportunities for participation. Sport and recreation. Social cohesion.		

Levels of Service: Roads and footpaths			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
Provide an overall level of service that meets or exceeds residents' expectations.	1. Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.5	6.5
<b>Road safety</b> Provide a safe transport infrastructure.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	8 (previous 10 year average)	Target for reducing the number of serious injuries and fatalities = 1
<b>Road condition</b> Provide a quality transport infrastructure.	Average quality of ride on a sealed local road network measured by Smooth Travel Exposure <sup>3</sup> for: Urban roads Rural roads	≥ 85% ≥ 92%	≥ 84% ≥ 92%
	Condition Index <sup>4</sup>	≤ 6.5	< 6.2
	Average road roughness <sup>5</sup> standards for: Urban sealed roads Rural sealed roads	< 110 < 98	< 115 < 100
<b>Road maintenance</b> Provide a sustainable land transport infrastructure.	The percentage of sealed road network that is resurfaced annually. Total sealed area is 7,995m <sup>2</sup> as 2014-15.	4.2%	4.2%
<b>Footpaths</b> To provide footpaths that meet the needs of an ageing community.	% of footpaths that meets the Asset Management Plan rating of better than 4.	94%	94.7%
<b>Respond to Service Requests</b>	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	New measure	≥ 90%

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> A newly sealed road has an average roughness of 50 – 70. A very rough gravel road will have a roughness value higher than 300.

<b>Funding Impact Statement for 2016-17</b>			
<b>Roads and footpaths</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	9,989	9,135	9,263
Targeted rates	63	63	63
Subsidies and grants for operating purposes	5,011	4,498	4,823
Fees and charges	6	6	7
Other receipts	1,196	1,147	1,266
<b>Total operating funding</b>	<b>16,265</b>	<b>14,849</b>	<b>15,422</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	10,809	9,897	10,452
Finance costs	756	590	565
Internal charges and overheads applied	1,427	1,361	1,387
Other operating funding applications	-	-	24
<b>Total applications of operating funding</b>	<b>12,992</b>	<b>11,848</b>	<b>12,428</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,273</b>	<b>3,001</b>	<b>2,994</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	3,063	3,097	3,278
Development and financial contributions	246	240	622
Increase (decrease) in debt	1,052	1,525	1,525
<b>Total sources of capital funding</b>	<b>4,361</b>	<b>4,862</b>	<b>5,425</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	371	312	1,544
Capital expenditure to improve the level of service	1,387	2,026	3,131
Capital expenditure to replace existing assets	8,089	8,866	6,395
Increase (decrease) in reserves	(2,213)	(3,341)	(2,651)
<b>Total applications of capital funding</b>	<b>7,634</b>	<b>7,863</b>	<b>8,419</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,273)</b>	<b>(3,001)</b>	<b>(2,994)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>12,992</b>	<b>11,848</b>	<b>12,428</b>
plus - Depreciation and amortisation	8,850	8,560	8,843
<b>Expenditure as per Statement of Financial Performance</b>	<b>21,842</b>	<b>20,408</b>	<b>21,271</b>
<b>Capital expenditure (including vested assets):</b>	<b>9,847</b>	<b>11,204</b>	<b>11,695</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- Finance costs have reduced as forecast debt is less than in the LTP.
- Payments to staff and suppliers have reduced because the roading network costs are less than the LTP which was adjusted for inflation.
- The increase in capital expenditure is primarily due to the additional infrastructure within the Blenheim North West development zone. The capital expenditure increase is primarily funded from debt, development and financial contributions and subsidies and grants for capital expenditure.



## Activity Group: Flood Protection and Control Works

### Activity Group: Flood Protection and Control Works

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

### 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.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes primarily to the Community Outcomes of Environment, People, Economy, Mobility and Living by:

Outcome	Sub-outcome	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.	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 and recreation.	Gravel extraction from river channels is managed in a sustainable manner and provides a valuable economic resource.  Environmental sustainability is managed.	

### What is this Activity About?

The activity is primarily about managing flood hazard and drainage of the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks, development of drainage improvements and 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 (for the outfall).

#### 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 270 kilometres of excavated drains or natural watercourses, maintaining floodgated culverts

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

### Gravel Extraction

To manage gravel extraction from river channels throughout Marlborough to ensure that the extraction of this valuable economic resource is managed in a sustainable manner consistent with good river management. This requires limiting gravel extraction to specific amounts and locations.

### Gibsons Creek Rewatering

To supply water from the Wairau and Waihopai rivers into Gibsons Creek to meet the requirements of the Southern Valleys irrigation Scheme and to provide further water to ensure a continuous flow in the Gibsons Creek/Opawa system for environmental objectives including groundwater recharge.

### Soil Conservation

To manage the Wither Hills Farm Park so that little or no sediment is deposited 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

The table below provides an overview of Council's Flood Protection and Control Works assets:

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 kms
Large rock rip rap for river bank erosion protection purpose.	585,000 m <sup>3</sup>
Manage tree plantings (willows,	61 hectares

Asset	Length /Quantity
poplars etc) for riverbank erosion protection purposes.	
Excavated minor water courses for agricultural drainage and urban stormwater disposal purposes.	160 kms
Major river diversions.	2
Pumping stations for agricultural drainage purposes.	18
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 2015 is \$179.1 million.

### Major Budgeted Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$0.5	Tuamarina rock and gabion protection
\$0.4	Wither Hills soil conservation and farm infrastructure
\$0.3	Extension of rural drainage network

### Emerging Issues and Expected Changes

This plan provides for further progress on a number of issues identified as part of preparing Council's current LTP. The proposed 2016-17 work plan is very much in line with that proposed in the LTP with some changes required as we progress the various projects. These changes/updates are summarised as follows:

#### Asset refurbishment and upgrades to ensure agreed levels of service

Omaka River below Hawkesbury Road bridge – the first section of edge protection upgrades is on track to be built late summer 2016. However just completed computer flood flow modelling to check the capacity of the floodway indicates that some sections of the existing stopbanks are also not up to standard and will likely require upgrading. Work is underway to confirm any upgrade requirement and the likely cost.

Lower Wairau stopbank upgrade – further progress has been made with the design of these upgrades and discussions are underway with affected landowners on the proposed works. There are several sections of land held in multiple Maori ownership that may take further

time to get necessary entry approvals. The capital budgets reflect the likely pace of when actual works can be achieved.

Wairau River edge protection upgrades – work is underway on upgrading several vulnerable bank edge sections as per the plan. The recent lack of any large floods is ensuring we can progress the work without new problem sites emerging.

Lower Tuamarina channel upgrade – preliminary design of the upgrade is complete and we will shortly seek the agreement of the two key landowners affected by the works, and for access. All going well we will complete the channel upgrade in summer 2016-17 as provided for in the budget.

Blenheim pump station upgrades – the programme of refurbishing existing Blenheim stormwater pump stations is going well. High Street and Redwood Street station upgrades are essentially complete. A new upgraded pump is ready to be installed into the refurbished Main Street pump house as soon as power supply upgrade discussions with Marlborough Lines are complete. Only minor further upgrades are planned for 2016-17 and 2017-18.

### Blenheim Stormwater Outfall Upgrades

The priority for 2016-17 will be construction of the Muller Road link and associated upgrade of the Town Branch Drain to Rileys Drain outfall. This will both provide a more secure outfall for the Muller Road area and enable the current Easthaven subdivision to be completed.

It is proposed to also proceed with the necessary resource consent application and landowner agreements for the Caseys Creek upgrade in 2016-17. This should enable construction of the upgrades from summer 2017-18 to meet the development requirements of the rezoned area north of Old Renwick Road.

### Improvements to the Lower Wairau Drainage Network

Implementation of the upgrades is underway and will continue into 2016-17 and 2017-18. There may be matters for further Council decision as the work proceeds.

### Taylor Dam Upgrades to meet new Dam Safety Regulations

Design of the upgrades to the auxiliary spillway is proposed for 2016-17 with construction the following year. It is likely that some decisions on the extent of these upgrades will need to be made as the budget provided for in 2017-18 is for the likely minimum requirements.

Similar refurbishment work is also planned for a number of other flow control/outlet structures of a similar age including the Gibsons Creek Waihopai intake and the upper Opawa loop inlet control gate.

### Wither Hills Farm Park building upgrade at Redwood Street

The 2016-17 Annual plan provides for the upgrade/replacement of key farm buildings at Redwood Street including the woolshed extension, replacement of the garage at the existing house and a new implement shed. Once complete the farm will be able to be operated from Redwood Street and the existing farm buildings at Taylor Pass Road will become largely redundant until removed for ongoing housing development.

### Pukaka Quarry Extension

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

The rock resource within the existing land boundary is now very limited and further land will be required if the quarry is going to continue for a further 50 years.

Investigations are advancing well to determine the feasibility of extending the quarry to the north including the land area required, and infrastructure requirements including a new haul road, floor extension and building requirements. We expect to shortly be in a position to approach the adjacent landowner regarding the proposed extension.

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

### Planning Input

Investigations of the Lower Terrace area at Renwick for suitability for further development from a flood hazard perspective are progressing well with the aim of having a recommendation to Council by the end of 2016. It is possible some Gibsons Creek upgrade work will be required if more intensive development is to proceed. No budget provision for this is currently provided.

Ongoing staff resource will continue to be made available to provide appropriate input into the proposed Regional Policy Statement/Resource Management Plan, and to ensure that adequate technical expertise is applied to assess and facilitate areas of growth in the District.

## 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. Agricultural drainage of the lower Wairau plains is provided, improving the productivity of drainage impaired soils.	
Economy.	Increasing GDP per FTE. Productivity.	Soil conservation is managed in the Wither Hills Farm Park to prevent sediment from depositing into the watercourses at the base of the hills.	
Mobility.	Accessibility. Sustainable. Safe.	Gravel extraction from river channels is managed in a sustainable manner and provides a valuable economic resource.	
Living.	Health. Individual Safety. Access to housing. Sport & Recreation.	Environmental sustainability is managed.	

## Levels of Service: Flood Protection and Control Works

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
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
<b>Wairau River scheme - system and adequacy</b> These major flood protection and control works are maintained, repaired and renewed to the standards defined in Rivers and Drainage Asset Management Plan (AMP).	% of floodway and tributary network inspected annually for condition and maintenance requirements.	90%	90%
	% of programmed maintenance and renewal works identified in the AMP 'practically' <sup>6</sup> completed.	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
	Timeliness of providing a report to the Assets and Services Committee on the damage to the floodway network and potential problem areas following significant flood events (generally exceeding a 1:2 year return).	<2 months post event	<2 months post event
<b>Wairau Plains</b> Effective drainage provided to the lower Wairau plains.	% of drain network inspected at least annually for condition and maintenance requirements.	100%	100%
	% of drains weed sprayed each year.	90%	90%
	% of drains mechanically cleared each year.	6%	6%
	% of the agreed and approved drain network extension upgraded and brought into Council management.	New measure	30%
<b>Picton Floodways</b> Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event.	% of floodway network inspected annually for condition and maintenance requirements.	100%	100%
	% of programmed maintenance and renewal works identified in the AMP 'practically' <sup>5</sup> completed.	100%	100%

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

**Levels of Service: Flood Protection and Control Works**

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
<b>Blenheim Urban</b> Upgrade and maintain key Blenheim stormwater outfalls. <sup>7</sup>	% of programmed maintenance and renewal works identified in the AMP 'practically' <sup>5</sup> completed.	100%	100%
	% of capital improvement works in the AMP achieved.	80%	80%
Sound flood hazard advice provided.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	<5	5

<sup>7</sup> Channels and pump stations, including the Town Branch Caseys, Fulton and Murphys Creeks to provide for a 1 in 50 year return period storm event runoff including both infill and greenfield development.

<b>Funding Impact Statement for 2016-17</b>			
<b>Flood protection and control works</b>	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	280	273	274
Targeted rates	3,852	3,678	3,598
Fees and charges	620	605	605
Internal charges and overheads recovered	205	200	200
Other receipts including rental revenue	2,588	2,586	2,405
<b>Total operating funding</b>	<b>7,545</b>	<b>7,342</b>	<b>7,082</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	3,152	3,090	3,106
Finance costs	137	97	51
Internal charges and overheads applied	1,714	1,671	1,646
Other operating funding applications	32	32	36
<b>Total applications of operating funding</b>	<b>5,035</b>	<b>4,890</b>	<b>4,839</b>
<b>Surplus (deficit) of operating funding</b>	<b>2,510</b>	<b>2,452</b>	<b>2,243</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	308	300	50
<b>Total sources of capital funding</b>	<b>308</b>	<b>300</b>	<b>50</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	205	340	240
Capital expenditure to improve the level of service	749	240	390
Capital expenditure to replace existing assets	565	915	900
Increase (decrease) in reserves	1,299	1,257	763
<b>Total applications of capital funding</b>	<b>2,818</b>	<b>2,752</b>	<b>2,293</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2,510)</b>	<b>(2,452)</b>	<b>(2,243)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>5,035</b>	<b>4,890</b>	<b>4,839</b>
plus - Depreciation and amortisation	192	166	143
less - Internal charges and overheads recovered	205	200	200
<b>Expenditure as per Statement of Financial Performance</b>	<b>5,022</b>	<b>4,856</b>	<b>4,782</b>
<b>Operating expenditure</b>			
River Leases	231	231	242
Rivers Outside Wairau Floodplain	260	257	248
Wairau Floodplain Drainage	908	865	825
Wairau Floodplain Rivers	3,623	3,503	3,466
<b>Capital expenditure:</b>			
Rivers Outside Wairau Floodplain	21	20	20
Wairau Floodplain Drainage	303	230	295
Wairau Floodplain Rivers	1,195	1,245	1,215

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

## Activity Group: Sewerage Including Treatment and Disposal

### Activity Group: Sewerage Including Treatment and Disposal

Operating costs of this activity represent approximately 11% of total activity expenditure.

### 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.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Environment, Economy and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	Attractive. Control over pollution levels, forms and effects. 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.
Living.	Health. Access to quality housing.	Sewage management and treatment is a highly significant benefit to health and also enables more intensive housing.	A prosperous community and economy for all Marlburians.

### 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. During 2014 the construction of a major new wetland tertiary treatment, outfall and land irrigation network was completed.

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 was replaced in 2012 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. On-site treatment within the property is often more affordable for small and dispersed settlements but requires suitable ground conditions for percolation of supernatant liquors and a commitment to on-going monitoring and maintenance. Permeable soils, a low residual water table and a reasonably flat topography are prerequisites for an efficient on-site treatment system. There are many areas of Marlborough where on-site sewage disposal are operated in difficult conditions., Further growth in many areas of the Marlborough Sounds, for example, is inhibited by the lack of sewage disposal options. Failing treatment systems risk insanitary conditions and pollution of local water courses and groundwater with a subsequent deterioration to the ecological, recreational and living environment. In some 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.

## Asset Description

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

Area	Sub Area	Pipeline Length (kms)	Number of Connections
Blenheim.	Blenheim.	184.9	12,106
	Renwick.	13.8	Included in Blenheim.
	Spring Creek.	3.9	Included in Blenheim.
	Riverlands.	20.4	Included in Blenheim.
	Grovetown.	16.5	Included in Blenheim.
Picton.		48.5	2,497
Havelock.		10.1	287
Seddon.		7.4	224
<b>Total</b>		<b>305.9</b>	<b>15,114</b>

Council operates four treatment plants at Blenheim (Hardings Road), Havelock, Picton and Seddon (Spring Creek decommissioned); 59 sewer pump stations and around 190 sewer grinder pumps. The asset base has grown considerably over the last 10 years to meet the growth in wastewater volumes produced by domestic and industrial users and the higher standards imposed by an increasingly environmentally conscious population.

The total asset value for the Sewerage activity as at 30 June 2015 is \$155.2 million. Detailed information on these assets is provided in the Wastewater Asset Management Plan.

## 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 wastewater 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 of the outfall.

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

Excessive wastewater volumes can lead to inadequate treatment at the plants and overflows from the reticulation. Most surcharging in the system is derived from rainwater entering the reticulation through inflow and infiltration during storms. There is a continuous programme to identify and remedy sources of leakage

into the system. There is a formal process for Assets and Services Department to advise Council's Regulatory Department, public health and major stakeholders if an overflow occurs, so that a recovery plan can be agreed and monitored.

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

**Timely and responsive service** – A constant and reliable wastewater service is often taken for granted, however all systems are likely to breakdown or fail from time to time. Council cannot guarantee a 24/7 wastewater drainage but does 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 determine whether the problem is on the customers pipe within the property or is the responsibility of 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 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 Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$10.4	Picton: pipelines \$3.8 million, pump station \$4.9 million and treatment plant \$1.7 million
\$0.7	Blenheim treatment plant, pipeline renewals and new connections
\$0.3	Havelock treatment plant upgrade



Value (millions)	Major capital projects
\$0.2	Spring Creek treatment plant upgrade
\$0.1	Seddon treatment plant upgrade

### Emerging Issues and Expected Changes

- Increasing treatment capacity at BSTP to meet continuing growth in trade waste.
- Significant upgrades of the sewerage reticulation network and pump stations will be required in Blenheim and Picton to reduce and control overflows.
- 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.
- Blenheim network capacity upgrades providing capacity for future urban growth.

### 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	2016-17
<b>Customer Satisfaction</b> 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
	The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.	7.5	7.5
<b>System and Adequacy</b> Provide a level of service quality that minimises environmental risks.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.31	0.31
<b>Discharge Compliance</b> Provide a reliable wastewater service with adequate system capacity and performance.	Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	1.00	1.00
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation those resource consents.	Nil	Nil
<b>Fault Response Times</b> Provide a service that is timely and responsive to customers' needs.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	New Measure	1.5 hours

## Levels of Service: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
	(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New Measure	4.5 hours

### Funding Impact Statement for 2016-17

Sewerage	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
Targeted rates	8,321	7,898	7,992
Fees and charges	64	62	62
Other receipts	1,943	1,936	1,915
<b>Total operating funding</b>	<b>10,328</b>	<b>9,896</b>	<b>9,969</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,934	2,802	2,862
Finance costs	3,779	3,032	2,469
Internal charges and overheads applied	1,931	1,863	2,223
<b>Total applications of operating funding</b>	<b>8,644</b>	<b>7,697</b>	<b>7,554</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,684</b>	<b>2,199</b>	<b>2,415</b>
<b>Sources of capital funding</b>			
Development and financial contributions	458	462	565
Increase (decrease) in debt	12,458	11,370	8,593
<b>Total sources of capital funding</b>	<b>12,916</b>	<b>11,832</b>	<b>9,158</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	7,189	5,787	4,166
Capital expenditure to improve the level of service	5,417	4,248	3,494
Capital expenditure to replace existing assets	4,869	4,013	4,210
Increase (decrease) in reserves	(2,875)	(17)	(297)
<b>Total applications of capital funding</b>	<b>14,600</b>	<b>14,031</b>	<b>11,573</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,684)</b>	<b>(2,199)</b>	<b>(2,415)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>8,644</b>	<b>7,697</b>	<b>7,554</b>
plus - Depreciation and amortisation	3,283	2,861	3,055
<b>Expenditure as per Statement of Financial Performance</b>	<b>11,927</b>	<b>10,558</b>	<b>10,609</b>
<b>Operating expenditure</b>			
Combined scheme	9,786	8,522	8,691
Riverlands Industrial	1,998	1,887	1,796
St Andrews (new)	7	7	6
Loan units (no-lump sum)	136	142	116
<b>Capital expenditure (including vested assets):</b>			
Combined scheme	15,667	14,093	11,990
Riverlands Industrial	737	51	-
Tuamarina (new)	-	-	-
St Andrews (new)	-	-	-

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

- Finance costs have reduced due to reduced debt as a result of project timing and the interest rate reduction.
- Capital expenditure for the combined scheme has reduced due to trunk main and pump station upgrades in Blenheim sewer being deferred to 2017-18 and 2018-19.
- Capital expenditure for Riverlands Industrial has reduced compared to the LTP as the industrial capacity upgrade has been deferred to 2017-18.

## Activity Group: Stormwater Drainage

### Activity Group: Stormwater Drainage

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

### Rationale for the Delivery of Stormwater Drainage Group of Activities

It is mandatory that Stormwater Drainage is an activity group.

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environment, Economy and People by:

Outcome	Sub-outcome	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. Residents and their property are safeguarded from the risks of stormwater flooding.	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.	Flood-free land facilitates commercial and residential development.	
Economy.	Increasing GDP per FTE. Productivity.	Environmental sustainability is managed through quality of urban stormwater run-off.	

### 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, man-made channels manholes, inlet sumps, pump stations, retention areas,

secondary flow paths and soak pits. Picton and Blenheim accounts 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	122.0
Picton/Waikawa	28.6
Renwick	4.9
Okiwi Bay	0.8
Riverlands	5.4
Spring Creek	3.4
Rai Valley	0.3
Havelock	1.4
<b>Total</b>	<b>168.7</b>

The current total asset value for the Stormwater Drainage activity at 30 June 2015 is \$69.2 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. 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 road surfaces as secondary flow paths to channel away high rain flows. Whilst this can be an efficient method of dealing with high volumes of stormwater it can lead to temporary inconvenience for road users. 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 picks up and carries some materials and can 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 to prevent rainfall from washing contaminants into the drains. If a pollution event occurs Council will respond to mitigate the effects and investigate the cause.

The quality of stormwater outfalls is 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 that affect the run-off characteristics from the land. Changing weather patterns, public expectations and living standards also affect the demand for the service.

**Provide a timely response** - During severe storm events when flooding is predicted 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 Council continue to refine their recording systems.

**Sustainable stormwater** - Responsible stewardship of major infrastructure requires 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.

### 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.
- Provision of acceptable solutions to achieve required quality standards which are cost effective and sustainable.
- 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.

### 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	2016-17
<b>Customer satisfaction</b> Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.6	6.7
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	2	2
<b>System adequacy</b> Provide a reliable stormwater service.	The number of flooding events that occur in a territorial authority district.	Actual number to be reported	Actual number to be reported
	For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system.	3	3
<b>Discharge compliance</b> Minimise the environmental risks of stormwater discharge.	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> <li>(a) abatement notices</li> <li>(b) infringement notices</li> <li>(c) enforcement orders, and</li> <li>(d) convictions,</li> </ul> received by the territorial authority in relation those resource consents.	Nil	Nil
<b>Response times</b> Provide a service that is timely and responsive to customers' needs.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	1 hour	1 hour

Funding Impact Statement for 2016-17			
Stormwater drainage	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,842	1,671	1,852
Fees and charges	52	51	51
Other receipts	172	165	142
<b>Total operating funding</b>	<b>2,066</b>	<b>1,887</b>	<b>2,045</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	254	260	297
Finance costs	21	23	18
Internal charges and overheads applied	740	722	372
<b>Total applications of operating funding</b>	<b>1,015</b>	<b>1,005</b>	<b>687</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,051</b>	<b>882</b>	<b>1,358</b>
<b>Sources of capital funding</b>			
Development and financial contributions	26	25	25
Increase (decrease) in debt	-	-	-
<b>Total sources of capital funding</b>	<b>26</b>	<b>25</b>	<b>25</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	1,076	51	51
Capital expenditure to improve the level of service	20	20	20
Capital expenditure to replace existing assets	117	76	69
Increase (decrease) in reserves	(136)	760	1,243
<b>Total applications of capital funding</b>	<b>1,077</b>	<b>907</b>	<b>1,383</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,051)</b>	<b>(882)</b>	<b>(1,358)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
Total applications of operating funding	1,015	1,005	687
plus - Depreciation and amortisation	1,440	1,303	1,395
<b>Expenditure as per Statement of Financial Performance</b>	<b>2,455</b>	<b>2,308</b>	<b>2,082</b>
<b>Operating expenditure</b>			
Blenheim Stormwater	1,820	1,704	1,441
Other Stormwater Schemes	635	604	641
<b>Capital expenditure (including vested assets):</b>			
Blenheim Stormwater	1,161	96	290
Other Stormwater Schemes	53	51	50

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- *Blenheim stormwater operating expenditure has reduced due to reduced internal charges and overheads applied.*
- *Capital expenditure in Blenheim stormwater is significantly reduced due to the Caseys Creek drainage upgrade being deferred to 2017-18.*

**Activity Group: Water Supply** Operating costs of this activity represent approximately 9% of total activity expenditure.

**Rationale for the Delivery of Water Supply Group of Activities**

It is mandatory that Water Supply is an activity group.

**How this Activity Contributes to Related Community Outcomes**

This Activity contributes to the Community Outcomes of Environment, Economy and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	Sustainable resource management. Control over pollution levels, forms and effects. 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.  Industrial and residential development.
Economy.	Increasing GDP per FTE. Ability to transform. Productivity.	Water supply is a key factor in housing location.	
Living.	Health. Access to quality housing.	Drinking water can present very serious health risks if not of good quality.	

**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 firefighting capability of the water supply system.
- Industrial and residential development.

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 on-going issue for schemes of this sort.

**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

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	NZDWS <sup>1</sup> met?
Awatere.	Black Birch Stream.	153	752	MIOX disinfection completed July 2012.	No (compliance required by 2014 but delayed <sup>1</sup> ).
Blenheim.	Grove Road, Bomford Street, Auckland Street, and Middle Renwick Road wells.	165	11,107	pH correction, UV disinfection at Middle Renwick Road and Central Water Treatment Plant.	Yes
Picton.	Speeds Road wells, Barnes Dam (river)	54	2,419	Filtration, chlorination and pH correction.	No (compliance required by 2014). Upgrade underway.
Havelock.	Kaituna wells.	9	309	Chlorination.	No (compliance required by 2014 but delayed <sup>1</sup> )



Drinking Water	Source	Reticulation Length (kilometres)	Service connections	Current Treatment	NZDWS <sup>1</sup> met?
Renwick.	Terrace Road wells.	16	892	Chlorination and pH correction.	No (compliance required by 2014 but delayed <sup>1</sup> )
Riverlands.	Malthouse and Hardings wells.	9	112	-	Yes: microbiological No: aesthetic
Wairau Valley.	Well.	3	59	Chlorination.	No (compliance required by 2015 but delayed <sup>1</sup> )

Note 1: There are continuing problems with small communities meeting the costs of compliance with the New Zealand Drinking Water Standards (NZDWS). Dates for achieving compliance are: Picton 2016, Havelock 2019, Seddon 2018 and Renwick 2019. The other non compliant areas have been delayed whilst affordable solutions are investigated.

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 current asset value on

30 June 2015 was assessed as \$113.3 million and is depreciating at a rate of more than \$3.1 million/year, a sum collected through the rating system.

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

Number of assets per location	Blenheim	Picton	Renwick	Havelock	Awatere	Riverlands	Wairau Valley	Riverlands Irrigation
Borehole.	9	3	3	2	0	3	1	0
Bore Pumps.	9	3	3	2	0	3	0	0
Abstraction Gallery.	0	0	0	0	1	0	0	0
Impounding Dam.	0	1	0	0	0	0	0	0
Treatment Works.	2	2	1	1	1	2	1	0
Distribution Pumps.	7	1	2	0	0	2	2	0
Storage Tanks.	18	20	10	2	29	8	0	0
Booster Pumps.	6	7	0	0	4	0	0	0
Valves.	1,314	454	105	75	177	55	11	0
Hydrants.	1090	285	84	34	62	37	4	0
Meters.	632	163	40	33	810	125	55	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 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 2,000 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 been installed to improve the bacteriological quality of the Awatere supply.

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

In the steep hills around Picton and Havelock 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. 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 Council to turn-off the water. Council do not routinely maintain tobies 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 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 Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$2.3	Seddon township treatment plant
\$1.7	Picton pump station, reservoir and Speeds Road treatment plant and pipeline upgrade
\$1.0	Blenheim strengthening of Wither's reservoir and upgrade of pipelines for fire capacity
\$0.5	Renwick pump station, pipelines and reservoir
\$0.2	Riverlands pump station

### Emerging Issues and Expected Changes

- Compliance with the DWSNZ continues to require significant capital expenditure which has affordability issues for smaller communities – eg; Awatere, Renwick, Wairau Valley, and Havelock. Upgrades to treatment plants to meet the DWSNZ are being investigated. The Ministry of Health has approved a drinking water subsidy of \$1,006,785 for the Seddon supply to reduce the cost of implementing treatment for the Seddon community.
- 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 2015 and there is a concern that this could reoccur and escalate. 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 proportion of operational costs such as power and chemicals are related to the volume of water pumped into the supply. Savings can be achieved by delaying major capital upgrades to meet increased demands for water. 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.

Locating additional nearby sources of water have so far been unsuccessful. Further, more detailed investigation will be required. The introduction of demand management techniques such as universal metering, pressure management zones and leakage control provide alternatives to enabling the current source to meet demand in the short term. As technologies improve and duplicate water mains are installed opportunities to recycle water will become viable to further reduce current demand.

The Council have adopted a passive leakage strategy. This means we attend to all reported leaks on a given time frame depending on an assessment how serious the leak is. We aim to attend major leaks in 30 minutes, serious leaks within 60 minutes and to all reported leaks within three working days. On a number of occasions the Council has adopted 'active' leakage control measures. Specialist contractors have been employed to search, locate and repair leaks in underground pipes that are not obvious from the surface. These projects have delivered some degree of success but are relatively costly because of the specialist equipment and skills required.

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

Firefighting capacity in some industrial/commercial areas is lower than sought by New Zealand Fire Service (NZFS). 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.  Industrial and residential development.
Economy.	Increasing GDP per FTE. Ability to transform. Productivity.	Water supply is a key factor in housing location.  Drinking water can present very serious health risks if not of good quality.	
Living.	Health. Access to quality housing.		

### Levels of Service: Water Supply

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
<b>Customer satisfaction</b> 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	8.1
	The total number of complaints received by the local authority about any of the following:		
	(a) drinking water clarity	1.30	1.10
	(b) drinking water taste	1.90	1.70
	(c) drinking water odour	0.65	0.60
	(d) drinking water pressure or flow	1.90	1.90
(e) continuity of supply, and	1.30	1.30	

Levels of Service: Water Supply			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
	(f) the local authority's response to any of these issues  expressed per 1000 connections to the local authority's networked reticulation system <sup>8</sup> .	0.65	0.65
<b>Safety of drinking water</b> Provide a level of water quality that meet community needs and is appropriate to the degree of public health risk.	The extent to which the local authority's drinking water supply complies with:  (a) Bacteria compliance criteria Drinking Water Standards NZ Pt.4  (b) Protozoal compliance criteria Drinking-Water Standards NZ Pt.5	Blenheim Picton Havelock Renwick Riverlands Awatere Wairau Valley	a)Y b)Y a)Y b)Y a)Y b)N a)Y b)N a)Y b)N a)N b)N a)N b)N
<b>Maintenance of the reticulation network</b>	The percentage of real water loss from the local authority's networked reticulation system. <sup>9</sup>	Blenheim ≤44% Picton ≤48% Havelock ≤51% Renwick ≤50% Riverlands N/A Awatere ≤28% Wairau Valley ≤42%	≤44% ≤48% ≤51% ≤50% N/A ≤28% ≤42%
<b>Fault response times</b> Provide a service that is timely and responsive to customers' needs.	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:  (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	30 mins	30mins
	(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	3 hours	3 hours
	(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	8 hours	8 hours
	(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	13 hours	13 hours
<b>Demand management</b> Provide a reliable water supply service.	The average consumption of drinking water per day per resident within the territorial authority district.	800 litres	800 litres

<sup>8</sup> Assumes 15,591 connections. Estimated in accordance with DIA recommended Option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

<sup>9</sup> The water loss figures shown are based on the best available information and do not include legitimate commercial/industrial night usage, day/night adjustment factor or system specific issues that are not currently monitored. Water loss has been calculated in accordance with Method Option 2 (minimum night flow analysis) recommended by the Department of Internal Affairs guidance for non-financial performance measures for water supply.

## Levels of Service: Water Supply

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
	% of properties that receive a minimum water pressure of 300kPa at the property boundary (except in the Awatere Valley and Wairau Valley township).		
	Blenheim	99%	99%
	Picton	99%	99%
	Havelock	100%	100%
	Renwick	69%	69%
	% of system where fire flows are equal to greater 25 litres/sec.		
	Renwick	55%	55%
	Blenheim	85%	85%
	Picton	87%	87%
	Havelock	100%	100%
	% of system where fire flows are less than 12.5 litres/sec.		
	Blenheim	0.7%	0.7%
	Picton	1.0%	1.0%
	Havelock	0.0%	0.0%
	Renwick	2.0%	2.0%

Funding Impact Statement for 2016-17			
Water Supply	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
Targeted rates (other than for water supply)	6,246	6,085	5,803
Fees, charges and targeted rates for water supply	2,941	2,853	2,738
<b>Total operating funding</b>	<b>9,187</b>	<b>8,938</b>	<b>8,541</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,419	2,300	2,513
Finance costs	1,735	1,734	1,424
Internal charges and overheads applied	1,663	1,612	1,584
<b>Total applications of operating funding</b>	<b>5,817</b>	<b>5,646</b>	<b>5,521</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,370</b>	<b>3,292</b>	<b>3,020</b>
<b>Sources of capital funding</b>			
Development and financial contributions	292	285	285
Subsidies and grants for capital expenditure	1,014	-	1,007
Increase (decrease) in debt	187	1,700	1,000
<b>Total sources of capital funding</b>	<b>1,493</b>	<b>1,985</b>	<b>2,292</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	309	2,861	856
Capital expenditure to improve the level of service	4,177	2,915	3,942
Capital expenditure to replace existing assets	1,336	423	638
Increase (decrease) in reserves	(959)	(922)	(124)
<b>Total applications of capital funding</b>	<b>4,863</b>	<b>5,277</b>	<b>5,312</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,370)</b>	<b>(3,292)</b>	<b>(3,020)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>5,817</b>	<b>5,646</b>	<b>5,521</b>
plus - Depreciation and amortisation	3,123	2,792	2,940
<b>Expenditure as per Statement of Financial Performance</b>	<b>8,940</b>	<b>8,438</b>	<b>8,461</b>
<b>Operating expenditure</b>			
Awatere Water	794	737	799
Blenheim Water	4,704	4,451	4,344
Havelock Water	260	249	304
Picton Water	2,243	2,101	2,107
Renwick Water	488	464	485
Riverlands Water	413	400	384
Wairau Valley Water	38	36	38
Rarangi Water	-	-	-
<b>Capital expenditure (including vested assets):</b>			
Awatere Water	2,526	575	2,314
Blenheim Water	2,211	3,173	956
Havelock Water	56	26	54
Picton Water	700	2,473	1,676
Renwick Water	350	20	461
Riverlands Water	173	123	165
Wairau Valley Water	6	3	5

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- *Blenheim and Picton Water operating expenditure have reduced due to reduced finance costs from the interest rate reduction.*
- *Capital expenditure for Awatere Water has reduced due to updated estimates for the new Seddon treatment system.*
- *Capital expenditure for Blenheim Water has reduced due to deferring the strengthening for the Wither reservoir to 2017-18.*
- *Capital expenditure for Picton Water has increased due to the upgrade of the Speeds Road water treatment plant and pipeline.*

## Activity Group: Solid Waste Management

Operating costs of this activity represent approximately 8% of total activity expenditure.

### 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.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Environment, People and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	Control over pollution levels, forms and effects. 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.	Reduced public and environmental health risks.
People.	Education. Engaged and participative.	Effective and accessible reuse and recycling facilities encourages and improves waste diversion.	
Living.	Health.		

### What is this Activity About?

Council is bound by legislation to ensure that our solid waste is managed in a safe and sanitary manner that reduces any potential environmental impact and protects public health. For the region Marlborough District Council is the main provider of waste management infrastructure, including a network of seven transfer stations, central landfill, salvage yard, e-waste collection point, rural community recycling collection points, greenwaste acceptance facility, hazardous waste collection and storage, 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.

### The Waste Situation

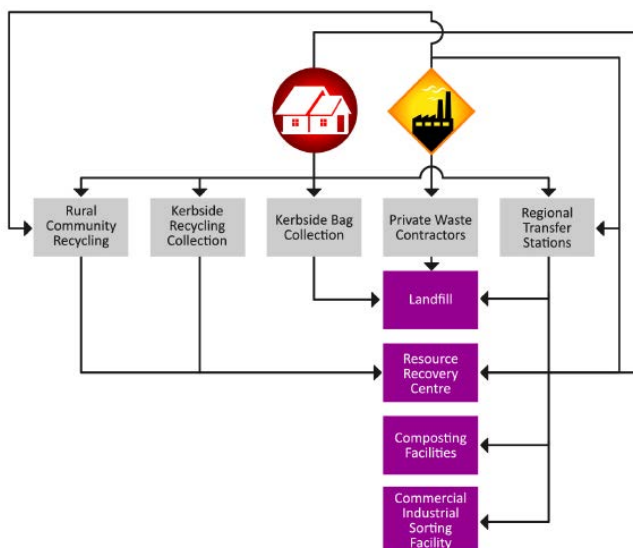
The transfer stations and the Resource Recovery Centre provide the opportunity for source segregation of recyclables by the public. Council collects, through contract, refuse and recyclables from the kerbside in Blenheim and Picton and then delivers them to the Resource Recovery Centre.

The Bluegums landfill site is an engineered containment facility for the depositing of waste residues. The landfill is estimated to be useable until 2068 based on current waste inputs. The landfill lifespan will be extended by up to 13 years when the Commercial Industrial Sorting Facility (CIF) becomes operational in 2016-17. The Bluegums landfill has met all resource consent conditions.

Council provide a greenwaste acceptance facility in Blenheim for the receipt of greenwaste materials, excluding lawn clippings. The material is shredded and then composted into a saleable product. The site is operated under contract to Council.

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)

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 2015 to 2021.

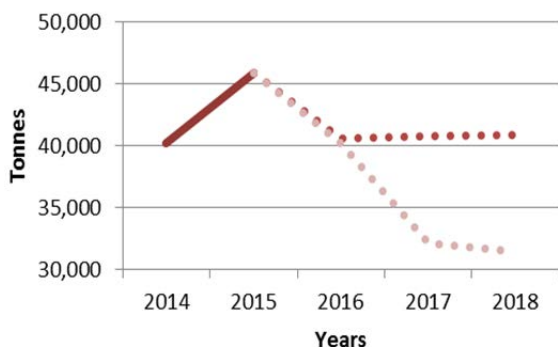
### Rural Community Recycling

After a successful trial period (2014-15) Council have adopted this as a permanent service. These containers allow the community to recycle plastics, cardboard, papers, cans and glass. The containers are available in Renwick, Grovetown, Spring Creek, Tuamarina, and Rapaura.

### Commercial Industrial Sorting Facility (CIF)

This facility is now under construction and is due to open in November 2016. Once operational it is envisaged that up to 60% of incoming waste will be diverted as a result of this new waste sorting process. The mixed waste stream inputs will be from commercial skip companies and the transfer stations. Diverted materials will then be reused or recycled as appropriate. Residual waste from the sorting process will continue to be taken to the Bluegums Landfill site for disposal.

The following graph outlines the projected growth in waste tonnage should no additional minimisation methods occur (waste sent to landfill), and the impact of implementing the WMMP:



- Waste sent to Landfill (actual)
- Waste sent to Landfill (projection)
- - - - WMMP impact on waste to Landfill (projection)

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

### The Waste Levy

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

The levy is split into three areas:

- Approximately 50% is returned to Council based on population for waste minimisation activities.
- Costs for administering the levy are taken out by Central Government.
- The remainder is put into the Waste Minimisation Fund (WMF) to which Council can apply for financial support.

Council have been awarded \$776k after a successful application to the 2014 WMF funding round. This money will be used in support of the construction of the CIF.

### Emissions Trading Scheme (ETS)

The landfill generates and emits gas as a by-product of the decomposition of the waste. The site is charged for its emissions and has to meet this obligation by purchasing carbon credits.

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 allows the site to define its Unique Emissions Factor (UEF). Bluegums landfill has ten UEF's which allow the site to reduce its liability for ETS charges.

Any reduction or diversion scheme that can reduce the biodegradable waste inputs to the landfill will have a positive impact on reducing the ETS charges liability. For the 2015 period the site surrendered 14,180 carbon credits to satisfy its obligation. The input tonnage to the site was 45,317 for the same period.

### Asset Description

Council's principal assets supporting this activity are the regional landfill facility, the network of transfer stations, CIF (from November 2016) and the Resource Recovery Centre/Re-Use shop facility.

### Emerging Issues and Expected Changes

The introduction of the CIF will reduce our reliance on landfill as a means for handling our waste and boost our diversion levels from 27% to 42% by June 2017. The change in operational practice at the compost site, from 2016 onwards, will provide an opportunity to expand the volume of greenwaste processed in the region.

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**The bag contents from the kerbside collection of refuse have been assessed on a number of occasions. Results consistently show that up to 25% of weight of the bag contents are food waste. Council is investigating the reduction of this waste through a combination of community trials, home composting and education awareness programmes.**

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The introduction of recycling services to the areas of Renwick, Grovetown, Spring Creek, Tuamarina, and Rapaura is now complete.

Public place recycling was trialed during 2016 in Picton and Blenheim. A final decision on whether to implement a permanent system will be made during 2016-17.

Council is involved in a national programme to look at rural waste, particularly in relation to farm dumps. This work will continue throughout 2016.

A waste collection system was trialed at the Picton Marina during 2016. This was for the collection of household waste from Marlborough Sounds' properties that can only be accessed by boat. This service will be made permanent during 2016-17.

### 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.		

Levels of Service: Solid Waste Management			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
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).	4,425 tonnes	5% growth from 2014-15
	% growth in sales at the Reuse Shop.	\$100k (incl GST)	5% growth from 2014-15
	% growth in tonnage diversion from the Commercial Industrial Sorting facility (CIF). (Note this facility will not open until July 2016)	New measure	0
	Amount of organic material composted.	14,000	5% on 2014-15 baseline
Effective operation of waste management and minimisation services.	Number of resident's complaints in regards to Bluegums Landfill operations.	12 per annum	<10
	% of Kerbside Refuse and Recycling Collection Service complaints/missed lifts.	13,200 households	< 1% of 2014-15
	Number of resident's complaints in regards to Compost operation	12 per annum	<10
	Number of resident's complaints in regards to the transfer stations, Reuse Centre, Resource Centre, ewaste facility, coin skips and salvage yard.	24 per annum	<18

Funding Impact Statement for 2016-17			
Solid Waste Management	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,346	1,283	1,320
Targeted rates	1,406	1,379	1,393
Subsidies and grants for operating purposes	138	135	135
Fees and charges	5,039	4,583	5,087
Other receipts	130	929	344
<b>Total operating funding</b>	<b>8,059</b>	<b>8,309</b>	<b>8,279</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,045	4,861	5,056
Finance costs	511	467	456
Internal charges and overheads applied	1,004	979	1,022
Other operating funding applications	334	407	355
<b>Total applications of operating funding</b>	<b>6,894</b>	<b>6,714</b>	<b>6,889</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,165</b>	<b>1,595</b>	<b>1,390</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	53	2,176	50
Subsidies and grants for capital expenditure	-	-	-
<b>Total sources of capital funding</b>	<b>53</b>	<b>2,176</b>	<b>50</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	-	211	-
Capital expenditure to improve the level of service	51	5,039	-
Capital expenditure to replace existing assets	2	45	50
Increase (decrease) in reserves	1,165	(1,524)	1,390
<b>Total applications of capital funding</b>	<b>1,218</b>	<b>3,771</b>	<b>1,440</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,165)</b>	<b>(1,595)</b>	<b>(1,390)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>6,894</b>	<b>6,714</b>	<b>6,889</b>
plus - Depreciation and amortisation	1,206	345	1,082
<b>Expenditure as per Statement of Financial Performance</b>	<b>8,100</b>	<b>7,059</b>	<b>7,971</b>
<b>Operating expenditure</b>			
Landfills	3,487	2,804	3,369
Refuse Collections	1,581	1,552	1,571
Transfer Stations	1,835	1,515	1,835
Waste Minimisation	1,197	1,188	1,196
<b>Capital expenditure:</b>			
Landfills	53	2,253	50
Refuse Collections	-	-	-
Transfer Stations	-	2,952	-
Waste Minimisation	-	90	-

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

# 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 Marlborough Environment Plan was recently notified. 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.

<b>Funding Impact Statement for 2016-17</b>			
<b>ENVIRONMENTAL MANAGEMENT</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	6,221	6,017	6,337
Fees and charges	1,538	1,495	1,614
Internal charges and overheads recovered	88	88	88
Other receipts including fines	584	670	487
<b>Total operating funding</b>	<b>8,431</b>	<b>8,270</b>	<b>8,526</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	6,024	5,855	6,914
Finance costs	15	10	18
Internal charges and overheads applied	2,289	2,206	2,339
Other operating funding applications	-	15	62
<b>Total applications of operating funding</b>	<b>8,328</b>	<b>8,086</b>	<b>9,333</b>
<b>Surplus (deficit) of operating funding</b>	<b>103</b>	<b>184</b>	<b>(807)</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	154	-	35
<b>Total sources of capital funding</b>	<b>154</b>	<b>-</b>	<b>35</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	3	153	38
Capital expenditure to replace existing assets	154	150	185
Increase (decrease) in reserves	100	(119)	(995)
<b>Total applications of capital funding</b>	<b>257</b>	<b>184</b>	<b>(772)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(103)</b>	<b>(184)</b>	<b>807</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>8,328</b>	<b>8,086</b>	<b>9,333</b>
plus - Depreciation and amortisation	168	100	112
less - Internal charges and overheads recovered	88	88	88
<b>Expenditure as per Note 1</b>	<b>8,408</b>	<b>8,098</b>	<b>9,357</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

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

## Activity: Environmental Policy

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes primarily to the Community Outcome of Governance, Environment, People, Economy, Mobility and Living.

Outcome	Sub-outcome	Major linkages	Secondary linkages
Governance.	Inclusive. Enabling. Participative. Transparent. Strategic.	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.	-
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, the resource management framework enables environmentally sustainable economic development. This includes environmental standards and limits on resource use. 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 review processes. 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, 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.	-

Outcome	Sub-outcome	Major linkages	Secondary linkages
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.		

### 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: 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.

**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 resources. 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.

### Emerging Issues and Expected Changes

The Council has been reviewing its resource management framework, consisting of the Marlborough Regional Policy Statement, the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan, over a number of years. This has been 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 in the above documents into 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 document, called the Marlborough Environment Plan, has been completed. It was publicly notified for submissions and further submissions in accordance with the First Schedule of the RMA in June 2016. The main task for the Environmental Policy team 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 (NPS) Freshwater Management 2014, the Council has adopted a staged implementation programme to establish freshwater quantity limits for the Wairau Aquifer and freshwater quality 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 ongoing changes to the NPS 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.

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. Any new plan change request has to be processed in accordance with statutory processes and timeframes. The costs of plan change requests are borne by the person who has made the request (unless the Council adopts the plan change as its own).

The additional workload generated by plan changes are managed through the use of external planning assistance. This minimises the disruption to the processing and hearing of submissions to the Marlborough Environment Plan.

## Smart and Connected

Attribute	Sub-attribute	Major linkages	Secondary linkages
Governance.	Inclusive. Enabling. Participative. Transparent. Strategic.	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.	-
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

Attribute	Sub-attribute	Major linkages	Secondary linkages
			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.		

Levels of Service: Environmental Policy			
Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
A second generation resource management framework for Marlborough.	A combined Regional Policy Statement and Resource Management Plan is publicly notified.	July 2015	N/A
	Decisions on submissions publicly notified.	October 2016	October 2016
Implementation of the direction of the new resource management framework.	% of plans for implementing non-regulatory methods from the Regional Policy Statement completed.	0%	N/A
Review of the second generation resource management framework.	Efficiency and effectiveness report completed.	October 2021	N/A
Freshwater quality limits are set for all water management units.	% of water management units that have freshwater quality limits established.	New measure	N/A



Funding Impact Statement for 2016-17			
Environmental Policy	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,292	1,296	1,268
Other receipts	121	203	97
<b>Total operating funding</b>	<b>1,413</b>	<b>1,499</b>	<b>1,365</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,056	1,051	1,054
Internal charges and overheads applied	297	283	308
Other operating funding applications	-	15	62
<b>Total applications of operating funding</b>	<b>1,353</b>	<b>1,349</b>	<b>1,424</b>
<b>Surplus (deficit) of operating funding</b>	<b>60</b>	<b>150</b>	<b>(59)</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	-	150	-
Increase (decrease) in reserves	60	-	(59)
<b>Total applications of capital funding</b>	<b>60</b>	<b>150</b>	<b>(59)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(60)</b>	<b>(150)</b>	<b>59</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,353</b>	<b>1,349</b>	<b>1,424</b>
plus - Depreciation and amortisation	60	-	-
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,413</b>	<b>1,349</b>	<b>1,424</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

## Activity: Environmental Science and Monitoring

Operating costs of this activity represent approximately 4% of total activity expenditure.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes primarily to the Community Outcomes of Governance, Environment, Economy, People and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	Attractive. Control over pollution levels, forms and effects. Systems for protection and care. Sustainable resource management.	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 create solutions and implementation of programmes to protect our resources (fresh water, land, coastal and air).	
Economy.	Productivity.	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.	
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.	
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 and coastal waters.
Governance.	Transparent. Enabling. Participate. Strategic.		Understanding environmental issues and the condition of our natural resources to enable strategic and transparent decision making.

### What is this Activity About?

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

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

- Obtain information about the condition of the environment and raise awareness of environment issues.
- Assist in identifying areas where there is a need to improve the quality of the environment and

enable Council to support a range of methods that can be applied to address specific issues.

- Allow Council to assess the effectiveness of its policies and methods contained in the RMA policy and planning documents.

This activity is also responsible for implementing a range of non-regulatory resource management methods to effectively promote the sustainable management of our natural and physical resources. This also includes 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 in a more of an integrated way with effects from land use. This reflects the value of

water to the community and its overall vulnerability to over use and contamination. While there are other important programmes associated with measuring air quality, land resource monitoring and the protection of biodiversity, investment in monitoring of the coastal marine environment continues to be a significant priority which is anticipated to involve more collaboration between industry, government and the community.

### Asset Description

As at 30 June 2015 Council operated 85 automated real time monitoring stations that measure a number of environmental parameters to support a range of resource monitoring programmes and emergency responses such as flooding.

Environmental parameters (automated)	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
<b>Total</b>	<b>135</b>

### Emerging Issues and Expected Changes

The second generation Resource Management Plan for Marlborough was recently notified in June 2016. The Annual Plan process will be instrumental in setting the future direction and resourcing of State of Environment (SoE) monitoring and investigation programmes.

Diffuse pollution and sediment runoff as a consequence of intensive urban and rural land use, will remain as the

main human induced threat to water quality in the District. The extraction of fresh water for irrigation and consumptive use requires careful management to balance community aspirations of economic growth while ensuring environmental sustainability is not compromised. Other integrated monitoring programmes associated with our land resources and biodiversity will continue to evolve to meet the changing environment and community expectations.

The government is increasingly directing Council services through legislative change. The National Policy Statement for freshwater is expected to impact on the levels of service for setting of catchment based limits, monitoring and contaminate accounting systems.

The effects of land use and impacts from aquaculture and other coastal users on our marine ecosystems will continue to be better understood so we can manage our environment in an integrated and sustainable way. Additional resourcing for monitoring and research projects are expected to be delivered in conjunction with collaborative partnerships.

There is also an increasing expectation from government under the Environmental Reporting Act 2015 and the regional sector initiative under the EMaR framework for readily available resource information for national environmental reporting and the public.

Systems for managing resource information and ensuring data is of a high quality standard will continue to impact on resourcing.

Council is collaborating with land information NZ to map the entire seabed of Tōtaranui/Queen Charlotte Sound over the next two years with Multibeam technology. The information will be used to characterise and model seabed habitats which will provide valuable information for the detailed assessment of hazards to enable the updating of navigational safety marine charts and better identify benthic and biogenic habitats for resource management planning.

### 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. Sustainable resource management.	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 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.	-

Attribute	Sub-attribute	Major linkages	Secondary linkages
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	2016-17
Monitor, investigate, 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 and quality coding (in accordance with National Environmental Monitoring Standards).	30 June	30 June
	Number of technical SoE monitoring report cards completed.	5	5
	Timeliness completion of resource investigations and reporting to Council.	30 June	30 June
Effective real time environmental monitoring network is operated.	Percentage availability of the environmental monitoring network.	99%	99%
Promotion of resource management programmes to help maintain or improve the condition of the environment.	Increase in the number of protected (either Council agreements and/or legal covenants) terrestrial or wetland indigenous biodiversity sites on private land.	80	88
Encourage the community and industry to look after and restore the environment through communication, education and advocacy.	Marlborough Environment Awards are held biennially.	Awards held 2014-15	Awards held
	Percentage of planned educational or communication programmes are completed annually.	100%	100%

Funding Impact Statement for 2016-17			
Environmental Science and Monitoring	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	2,876	2,733	3,077
Fees and charges	5	5	5
Internal charges and overheads recovered	65	65	65
Other receipts	269	269	235
<b>Total operating funding</b>	<b>3,215</b>	<b>3,072</b>	<b>3,382</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,376	2,262	3,303
Finance Costs	15	10	18
Internal charges and overheads applied	782	767	810
<b>Total applications of operating funding</b>	<b>3,173</b>	<b>3,039</b>	<b>4,131</b>
<b>Surplus (deficit) of operating funding</b>	<b>42</b>	<b>33</b>	<b>(749)</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	154	-	35
<b>Total sources of capital funding</b>	<b>154</b>	<b>-</b>	<b>35</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	-	-	-
Capital expenditure to improve the level of service	-	-	35
Capital expenditure to replace existing assets	154	150	185
Increase (decrease) in reserves	42	(117)	(934)
<b>Total applications of capital funding</b>	<b>196</b>	<b>33</b>	<b>(714)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(42)</b>	<b>(33)</b>	<b>749</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>3,173</b>	<b>3,039</b>	<b>4,131</b>
plus - Depreciation and amortisation	107	99	111
less - Internal charges and overheads recovered	65	65	65
<b>Expenditure as per Statement of Financial Performance</b>	<b>3,215</b>	<b>3,073</b>	<b>4,177</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*Payments to staff and suppliers have increased due to the addition of the multi-beam mapping of the entire seabed of Tataranui/Queen Charlotte Sound project and the increased level of services for collecting and analysing data for coastal monitoring programmes to meet national standards.*

**Activity: Resource Consents** Operating costs of this activity represent approximately 3% of total activity expenditure.

**How this Activity Contributes to Related Community Outcomes**

This Activity primarily contributes to the Community Outcomes of Governance, Environment, Economy, Living.

Outcome	Sub-outcome	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.	-
Economy.	Education.	To educate applicants, submitters and other interested parties on the Resource Management Act and the resource consent and approval process to assist development	Understanding of the requirements and process of the Resource Management Act to assist development.  Providing information to potential applicants, interest groups and the general public on all resource management matters.
Living.	Access to quality housing. Access to quality employment. Social cohesion. Health. Opportunities for participation. Sports and recreation. Cultural facilities and events.	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.

**What is this Activity About?**

This Activity involves discharging Council's statutory obligations under the Resource Management Act (RMA). RMA sets out a range of powers, duties and functions and the statutory processes that must be followed when processing and determining applications for resource consent. The RMA purpose is to promote sustainable management of natural and physical resources. This activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds and the Wairau/Awatore 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 database 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.

**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.

The Resource Management Amendment Act 2013 introduced new provisions in March 2015. The new provisions relate to the required content of resource consent applications under section 88 and Schedule 4. The new provisions require significantly more

information at lodgment stage for applications to be accepted under section 88 and if the application does not provide this information it “must” be rejected. Previously Council had discretion over the rejection of

applications under section 88. After 3 March 2015 this discretion was removed and consequently an increased number of incomplete applications have been rejected and this trend is expected to continue in future years.

### 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	2016-17
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.	99.7%	99%
	% of objections under section 357(b) compared to total number of applications processed. <sup>10</sup>	<0.2	<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.	<1.7%	<15%

<sup>10</sup> RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Funding Impact Statement for 2016-17			
Resource Consents	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	917	884	869
Fees and charges	1,491	1,455	1,565
Internal charges and overheads recovered	23	23	23
Other receipts	86	87	67
<b>Total operating funding</b>	<b>2,517</b>	<b>2,449</b>	<b>2,524</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,719	1,685	1,729
Internal charges and overheads applied	797	762	794
<b>Total applications of operating funding</b>	<b>2,516</b>	<b>2,447</b>	<b>2,523</b>
<b>Surplus (deficit) of operating funding</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	3	3	3
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	(2)	(1)	(2)
<b>Total applications of capital funding</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1)</b>	<b>(2)</b>	<b>(1)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>2,516</b>	<b>2,447</b>	<b>2,523</b>
plus - Depreciation and amortisation	1	1	1
less - Internal charges and overheads recovered	23	23	23
<b>Expenditure as per Statement of Financial Performance</b>	<b>2,494</b>	<b>2,425</b>	<b>2,501</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*Fees and charges have increased due to improvements in the economy which in turn, reduces the rate funding in this activity.*



## Activity: Environmental Protection

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

### How this Activity Contributes to Related Community Outcomes

This Activity primarily contributes to the Community Outcomes of Governance, Environment, People and Economy by:

Outcome	Sub-outcome	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 (RMA) and Council's resource management framework.
Environment.	Control over pollution levels, forms and effects. Systems for 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 and the public.	-
Economy.	Sustainability.	Providing an active compliance monitoring and enforcement regime to sustainably manage Marlborough's natural and physical resources.	

### 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 Resource Consents and Permitted Activities** – Proactively monitor activities with priority on those that have either a greater environmental impact, generate community concern or are related to trends highlighted through the State of the Environment Report.

**Complaint Response** – Investigate alleged breaches of the Resource Management Act 1991 (RMA), Resource Management Plans, Resource Consents and Marlborough District Council Bylaws. All complaints received by the Environmental Protection Section are required to be logged and responded to. The follow up involved in resolving a complaint can vary from a relatively simplistic desk top exercise to a complex investigation and enforcement.

**Enforcement** – Undertake enforcement action for breaches of the RMA and Marlborough District Council Bylaws.

**Reporting** – Monitor and analyse trends and issues. This analysis is used in reviewing education opportunities and monitoring programmes. Relevant trends and issues are feedback to the Policy, Resource

Consents and Science and Monitoring Groups. Reporting RMA activity to the Ministry for the Environment.

**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.

### Emerging Issues and Expected Changes

- Development and the resourcing of targeted monitoring programmes for environmentally significant activities.
- Improving delivery of service under increasing demand.
- Training and development of staff in legislative requirements and technical competencies.
- Notification of the new Marlborough Environment plan.
- Increasing numbers of active consents and complaints.

- Increasing expectation of customers to access information electronically.
- Development of technological solutions to improve monitoring and reporting capability and efficiency.

### Smart and Connected

Attribute	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	2016-17
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 RMP and consents.	N/A	31 August
	Report on waste from wineries for compliance with resource consent conditions (waste water and grape marc).	New Measure	Improved or unchanged compliance level
		N/A	30 November
	Report on resource consents for forestry in the district.	New Measure	Improved or unchanged compliance level
		N/A	30 November
	Monitor and investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	80%
% of complaints, either resolved or had a resolution strategy, developed within 90 days of receipt.		99%	99%

Funding Impact Statement for 2016-17			
Environmental Protection	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,137	1,105	1,123
Fees and charges	41	35	44
Other receipts including fines	109	111	88
<b>Total operating funding</b>	<b>1,287</b>	<b>1,251</b>	<b>1,255</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	874	857	828
Internal charges and overheads applied	413	394	427
<b>Total applications of operating funding</b>	<b>1,287</b>	<b>1,251</b>	<b>1,255</b>
<b>Surplus (deficit) of operating funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Increase (decrease) in reserves	-	-	-
<b>Total applications of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,287</b>	<b>1,251</b>	<b>1,255</b>
plus - Depreciation and amortisation	-	-	-
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,287</b>	<b>1,251</b>	<b>1,255</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*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 2016-17			
REGULATORY	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
General rates, uniform annual general charges, rates penalties	2,930	2,800	2,660
Fees and charges	3,449	3,367	3,543
Other receipts	784	765	714
<b>Total operating funding</b>	<b>7,163</b>	<b>6,932</b>	<b>6,917</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	5,119	4,998	4,894
Finance Costs	42	34	38
Internal charges and overheads applied	1,729	1,659	1,797
Other operating funding applications	31	30	31
<b>Total applications of operating funding</b>	<b>6,921</b>	<b>6,721</b>	<b>6,760</b>
<b>Surplus (deficit) of operating funding</b>	<b>242</b>	<b>211</b>	<b>157</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	-	247	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>247</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	-	320	-
Capital expenditure to replace existing assets	110	74	107
Increase (decrease) in reserves	132	64	50
<b>Total applications of capital funding</b>	<b>242</b>	<b>458</b>	<b>157</b>
<b>Surplus (deficit) of capital funding</b>	<b>(242)</b>	<b>(211)</b>	<b>(157)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
Total applications of operating funding	6,921	6,721	6,760
plus - Depreciation and amortisation	184	161	251
<b>Expenditure as per Note 1</b>	<b>7,105</b>	<b>6,882</b>	<b>7,011</b>

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

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

## Activity: Biosecurity (Pest Management)

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

### How this Activity Contributes to Related Community Outcomes

This activity contributes to Community Outcomes of Environment, Economy, People and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
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.	-
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.	-
People.	Education. Engaged and participative.	The services help to create solutions with the community through information participative dissemination processes and research.	-
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.

### What is this Activity About?

The Biosecurity Act 1993 (Act) outlines how Council has a significant regional role in pest management

The Act outlines the Marlborough District Council leadership responsibilities that help prevent, reduce, or eliminate adverse effects from harmful organisms that are present in the region. In Marlborough there is a long history of pests which impact on our economy and the environment and specifically impact on our terrestrial, freshwater and marine environments. Furthermore the potential of new pest threats continue and require an active regime to be in place to better understand and manage any impacts.

The ways in which Council undertake its activities include:

- Promoting the alignment of pest management in the region.
- Facilitating the development and alignment of regional pest management plans and regional pathway management plans in the region.
- Promoting public support for pest management and facilitating communication and co-operation among those involved in pest management to enhance effectiveness, efficiency, and equity of programmes.

- Monitoring to determine whether or not pests are present and undertaking surveillance of pests, and unwanted organisms.
- Provide in accordance with relevant pest management plans, undertaking investigations, eradication or management of pests.

The main regulatory framework for managing pests is through the implementation of a Regional Pest Management Plan (RPMP) or a small scale management programme.

Council's current RPMP outlines programmes for pests that have a regional focus, rather than being of national significance. The RPMP contains programmes for 37 plant and animal pests that are a threat to the Region. The Plan contains a variety of methods, on how the 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 some specific circumstances, the Department of Conservation.

**Containment Pests** - pests that are more widespread in nature which have a high impact on the environment and require ongoing control to prevent spread and to reduce overall pest density levels over time. The control of these pests is primarily the responsibility of the land occupier.

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

**The major part of Council’s pest management activity is directed towards providing advice to land occupiers and the public on identifying and controlling pests and monitoring to ensure land owner compliance with pest control programmes.**

The activity is predominantly focused in the Wairau/Awatere catchment to protect the productive state of Marlborough’s primary industries.

The Council also provides a range of non-regulatory pest management services through the provision of community partnerships and funding. For example, a collaborative approach is undertaken to manage risks and the impact of pest threats to the marine environment where programmes are in place with industry and government support. Funding assistance is also provided to a Trust to help protect and manage the landscape values in the Marlborough Sounds by removing wilding conifer trees.

**Emerging Issues and Expected Changes**

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

The statutory review of the RPMP is required to be completed by 2017. The process is expected to review the existing pest programmes and provide for new approaches to pest management, including the potential for additional new pest programmes while ensuring alignment of the Plan to the requirements of the National policy direction.

Incorporated with this review is the option to prepare a non-regulatory Biosecurity Strategy incorporating a framework for all Council based approaches to pest management. The review process is likely to impact on future resourcing levels.

The spread of Chilean needle grass and Wilding conifers continue to be a threat to the community. Various non-regulatory approaches to pest management such as partnerships to management these pests, coupled with regulatory tools are expected to be necessary in the future.

Council has approved \$75,000 for the development of strategies for the containment of Chilean needle grass and Wilding Pines.

Consideration is required for animal and pest plant pest programmes to protect significant natural areas and broader land scape values in parts of Marlborough where existing possum control operations managed by OSPRI are looking to cease following the success of the TB programme.

Marine biosecurity and the threats posed by these invaders continue to be complex and Council continues to explore a range of options to reduce the risk of organisms spreading and causing impacts on our economy and the ecosystem.

**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	-

Attribute	Sub-attribute	Major linkages	Secondary linkages
		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	2016-17
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	6.3	6.3
Monitoring and controlling the spread and impacts of animal and plant pests.	Percentage of 'high priority' sites (land occupier obligations) inspected or audited to confirm compliance.	95%	95%
	Percentage of 'active' pest sites managed annually through a service delivery programme.	95%	95%
	The number of hours spent searching (surveillance) for pests outside known areas.	500 hours	>500 hours
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 2016-17

Biosecurity (Pest Management)	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,193	1,140	1,018
Fees and charges	21	20	20
Other receipts	124	124	90
<b>Total operating funding</b>	<b>1,338</b>	<b>1,284</b>	<b>1,128</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,005	964	783
Internal charges and overheads applied	333	320	345
<b>Total applications of operating funding</b>	<b>1,338</b>	<b>1,284</b>	<b>1,128</b>
<b>Surplus (deficit) of operating funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Increase (decrease) in reserves	-	-	-
<b>Total applications of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,337</b>	<b>1,283</b>	<b>1,128</b>
plus - Depreciation and amortisation	-	-	-
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,337</b>	<b>1,283</b>	<b>1,128</b>

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

Payments to staff and suppliers have reduced as Bovine TB funding is no longer required.

## Activity: Building Control

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

### How this Activity Contributes to Related Community Outcomes

This activity contributes to the Community Outcomes of Environment, Economy and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	System for 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.

### What is this Activity About?

This activity is important for the 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 (TA) and Building Consent Authority (BCA). Council's role is to ensure compliance and to meet the relevant Acts and Regulations.

- 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.

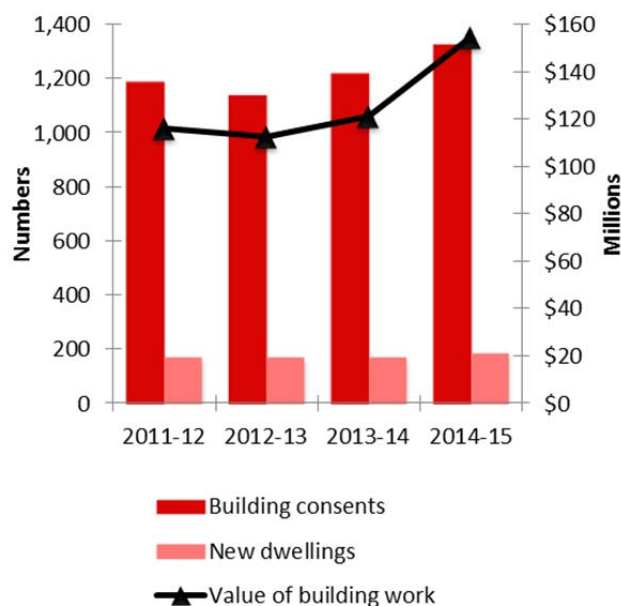
### Activity Levels

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:

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

This Activity also involves other functions under separate legislation including:

- Monitoring swimming pool fencing under the Fencing of Swimming Pools Act 1987.
- Investigating building related complaints under the Local Government Act and the Building Act 2002.





## Emerging Issues and Expected Changes

### Earthquake Prone Buildings

There have been many submissions to Government on the direction of the policy and because of this uncertainty no budget consideration has been made for the 2016-17 financial year. Budget provision of \$400,000 per annum for three years (total \$1.2 million) from 2017-18 onwards has been made .

### Dam Safety Assurance Programme

Permanently removed from Building Control's budget. Central Government has made the decision to move over to RMA role.

### 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 undertaking the inspections using in house staff. This differs from previous budgets, however the amendments to the FoSP Act are very likely to increase the numbers of inspections each year. This may mean looking at contracting the role out again. No budget allowance for a contractor has been made in this budget paper.

### IANZ Accreditation

The Building Control Group has been assessed in May 2016 and accreditation is expected to be received in August 2016, if not earlier.

## 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.

## Electronic and Digital Development

Building Control's digital inspection tool is successfully continuing. Continual upgrades ensure that these tools keep pace with the group's requirements. The inspection tool continues to reduce inspection booking times and each year since its introduction the numbers of inspections undertaken have increased.

Online consenting tool has been fully implemented and has been successfully working since February 2015. Most housing companies and main stream applicants are now using the online facility. Improvements to the system are continuing.

## Exemptions Under Schedule 1 Exemption 2

Building Control is developing a system for processing applications to approve exempt work (work without a building consent) under Schedule 1. This system will also allow for information re other exemptions to be recorded on the property file. A fee structure has been developed to cover the cost of performing these tasks.

It is planned that this new application process will be introduced prior to the main budget. A one off report will be prepared and presented in the very near future.

It is not expected that the introduction of this new process will impact on the proposed budget.

## Levels of Service: Building Control

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
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".	6.2	6.2
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.	96.5%	96%
	% of Code Compliance Certificates issued within 20 working days of receipt of application.	86%	90%
	% 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 2016-17

Building Control	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	483	464	374
Fees and charges	2,403	2,344	2,509
Other receipts	137	136	119
<b>Total operating funding</b>	<b>3,023</b>	<b>2,944</b>	<b>3,002</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,011	1,975	1,957
Internal charges and overheads applied	980	936	1,014
Other operating funding applications	21	20	20
<b>Total applications of operating funding</b>	<b>3,012</b>	<b>2,931</b>	<b>2,991</b>
<b>Surplus (deficit) of operating funding</b>	<b>11</b>	<b>13</b>	<b>11</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to replace existing assets	-	-	-
Increase (decrease) in reserves	12	13	11
<b>Total applications of capital funding</b>	<b>12</b>	<b>13</b>	<b>11</b>
<b>Surplus (deficit) of capital funding</b>	<b>(12)</b>	<b>(13)</b>	<b>(11)</b>
<b>Funding balance</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>3,012</b>	<b>2,931</b>	<b>2,991</b>
plus - Depreciation and amortisation	-	-	-
<b>Expenditure as per Statement of Financial Performance</b>	<b>3,012</b>	<b>2,931</b>	<b>2,991</b>
<b>Operating expenditure</b>			
Building Control	2,829	2,754	2,789
LIMs	183	177	202
<b>Capital expenditure:</b>			
Building Control	-	-	-

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

*Fees and charges have increased due to improvements in the economy and our 3% pricing increase which in turn, reduces the rate funding in this activity.*

**Activity: Environmental Health** Operating costs of this activity represent approximately 1% of total activity expenditure.

**How this Activity Contributes to Related Community Outcomes**

This Activity primarily contributes to the Community Outcomes of People, Economy, and Living by:

Outcome	Sub-outcome	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 (Local Alcohol Policy).	Staff participate in a collective management group formed to design and implement a monitoring strategy.
Environment.	Systems for protection and care.	Council has responsibility to regularly inspect for nuisance conditions such as noise.  This Activity manages the inspections of food premises to ensure safe delivery for public health.	-
People.	Education.	Individuals, community groups and industry.	Council works with individuals, community groups and industry to educate them on issues relating to food safety.
Economy.	Productivity.	Provide confidence to locals and visitors that environmental health is effective.	
Living.	Health. Individual safety.	Council has a responsibility to provide an effective registration, inspection and enforcement regime of food and alcohol premises to ensure public health is maintained.	

**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 2014. The activity also promotes public health and food safety by undertaking education activities and providing information material to the public.

Further, our Environmental Health Officers have duties under the Sale and Supply of Alcohol Act 2012, which requires reporting on licence applications 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 reporting on applications and inspection of premises that sell or supply alcohol, 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.
- The assessment/granting of Class Four Gaming Consent applications.
- The response to complaints of critical nature (food poisoning) within one working day and of non-critical nature within seven working days.
- And in general, ensure that the health of the public of Marlborough is not put at risk from environmental influences by investigating conditions<sup>11</sup> that may directly or indirectly have the potential to threaten public health.

**Emerging Issues and Expected Changes**

- Implementation of the new Food Act 2014 which places responsibilities and functions on Council.
- Development of technological solutions to improve verification and reporting capability and efficiency.
- Changes to processes and systems to deliver new service requirements.

<sup>11</sup> With particular emphasis on statutory nuisances, bylaw, air quality and noise complaints.

- Increasing expectation of customers to access information electronically.
- Resourcing with increasing numbers of registered and licensed premises in the district.
- Training and development of staff in legislative requirements and technical competencies.

### 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	2016-17
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.	100%	100%
	Undertake an initial audit of newly registered Food Control Plans under the voluntary implementation programme within three months of registration.	100%	100%
Administer Food Control Plans under the Food Act 2014.	Register businesses required under Food Act 2014 in Food Control Plans and National Programmes.	New Measure	100%
	Audit registered business as scheduled in the Food Act 2014 and Regulations.	New Measure	100%

## Levels of Service: Environmental Health

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
Carryout the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse.	% of 'On-Licences' inspected once a year <sup>12</sup> .	90%	90%
Provide a service for investigation of noise complaints.	Report on performance of noise control contract.	New Measure	30 September
	Assess complaints concerning unreasonable noise within one working day.	89%	89%

### Funding Impact Statement for 2016-17

Environmental Health	LTP 2016.17 \$000's	LTP 2015.16 \$000's	AP 2016.17 \$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	130	126	162
Fees and charges	10	10	10
Other receipts	337	322	341
<b>Total operating funding</b>	<b>477</b>	<b>458</b>	<b>513</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	317	312	346
Internal charges and overheads applied	158	151	164
<b>Total applications of operating funding</b>	<b>475</b>	<b>463</b>	<b>510</b>
<b>Surplus (deficit) of operating funding</b>	<b>2</b>	<b>(5)</b>	<b>3</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to replace existing assets	4	4	3
Increase (decrease) in reserves	(2)	(9)	-
<b>Total applications of capital funding</b>	<b>2</b>	<b>(5)</b>	<b>3</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2)</b>	<b>5</b>	<b>(3)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
Total applications of operating funding	475	463	510
plus - Depreciation and amortisation	3	3	3
<b>Expenditure as per Statement of Financial Performance</b>	<b>478</b>	<b>466</b>	<b>513</b>

#### Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:

*There are no variances which are considered significant.*

<sup>12</sup> An 'On-Licence' allows the sale or supply of liquor to any person present on the premises for the consumption on the premises.

**Activity: Animal Control** Operating costs of this activity represent approximately 1% of total activity expenditure.

**How this Activity Contributes to Related Community Outcomes**

This Activity contributes primarily to the Community Outcomes of Environment, People, Mobility and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Environment.	Systems for protection and care.	Council's Dog Control Policy and Bylaw provides for dog exercise and restricted access areas in the district to provide an environment for dog owners and the public.	-
People.	Education.	Individuals, schools, community groups and industry.	Council works with individuals, 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 or restricted areas.	-

**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, and training.

**Emerging Issues and Expected Changes**

- The cost of maintaining and improving delivery of service under increasing demand.
- Training and development of staff in legislative requirements and continual improvement of systems and technology.
- Increasing expectations of customers to access information and complete electronic transactions.
- Development of strategies to increase the number of microchipped dogs.
- Increasing numbers of callouts for wandering stock.

## 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.	-

## Levels of Service: Animal Control

Performance Targets (for the financial year)			
Level of Service	Indicator	Baseline	2016-17
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. The key service specifications relate to Education, Unaccounted for Dogs and Complaints.	100%	100%
	Report on contract performance.	New measure	30 September
	Compliance with DCA requirements by: <ul style="list-style-type: none"> <li>Reviewing policies and bylaws; and</li> <li>Preparing and publicising a report annually.</li> </ul>	2012-13 review  30 September	N/A  30 September

<b>Funding Impact Statement for 2016-17</b>			
<b>Animal Control</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	134	131	136
Fees and charges	573	561	572
Other receipts	26	26	24
<b>Total operating funding</b>	<b>733</b>	<b>718</b>	<b>732</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	656	644	653
Internal charges and overheads applied	65	62	68
Other operating funding applications	9	9	9
<b>Total applications of operating funding</b>	<b>730</b>	<b>715</b>	<b>730</b>
<b>Surplus (deficit) of operating funding</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Increase (decrease) in reserves	3	3	2
<b>Total applications of capital funding</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3)</b>	<b>(3)</b>	<b>(2)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>730</b>	<b>715</b>	<b>730</b>
plus - Depreciation and amortisation	3	3	2
<b>Expenditure as per Statement of Financial Performance</b>	<b>733</b>	<b>718</b>	<b>732</b>
<b>Operating expenditure</b>			
Dog Control	646	632	646
Other Animal Control	88	86	86

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*



## Activity: Harbours

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

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, Economy, People, Mobility and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Governance.	Transparent. Enabling. Participative.	Maritime legislation, Navigation Bylaws. Availability of service 24/7, 365 days a year. Maritime safety management. Stakeholder liaison.	Education.
Environment.	Systems for protection and care. Control over pollution, levels, forms and effects.	Risk Assessment and Safety Management System. Harbour Patrols. Increased pressure on commercial use on Sounds. Expectation of Sounds residents and users that effects of marine oil spills will be mitigated and the environment protected against the impacts.	Implementation of risk control measures. Planned response in accordance with the approved Marine Oil Spill Contingency Plan.
Economy.	International connections. Productivity.	Use of the Sounds by internationally operating passenger and cargo vessels; pre-arrival processes. Increased use of Sounds waters by oil exploration industry for delivery and export of oil drilling rigs. Enabling commerce within the Sounds waterways, carriage of logs, marine/salmon farming.	Passive monitoring of vessel movements.
People.	Engaged and participative.	Stakeholder liaison.	Increased expectation of on-water patrols.
Mobility.	National accessibility. Local accessibility. Safe.	Interisland ferry traffic. Transport route for Sounds residents. Providing well marked navigable channels and known dangers. Increased management due to increased use.	Tory Channel, Inner Queen Charlotte Sound an extension of State Highway 1. No road access in many parts of the Sounds.
Living	Individual safety Sport and Recreation Cultural facilities and events	Safe environment. Recreational use of the coast and Sounds. Events.	Enabling events to take place in a safe and attractive environment.

## 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 kilometres of coastline (which is 18% of New Zealand's entire coastline) and 4,136 kilometres<sup>2</sup> 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 Council's statutory functions, duties and powers as a Harbour Authority are discharged in an accountable way and, where appropriate, educate the users of the Sounds waterways so that non-compliance with statutes and bylaws and, potentially, enforcement action through legal processes are minimised. The Activity also performs pollution response functions and duties as set out in the Maritime Transport Act 1994 and associated maritime rules. More generally, the purpose of the Harbours Activity is to:

- Provide a 24/7 service, with a rostered system for after-hour call-outs.
- Provide the infrastructure and systems that allows all users to travel safely within the region. This includes the provision of all regional Aids to Navigation, maritime information and Vessel Traffic Monitoring Services.
- Monitor and manage compliance using statutes, bylaws and regulations that directly affects the Marlborough Sounds.
- Manage emergencies and risks that threaten people, the environment, property or economic benefits from the coastal regions of Marlborough.

- Protect Marlborough's coastal environment for this and future generations from pollution through the ability to respond and deal with oil spills or other environmental risks.
- Educate maritime users in particular and the whole community in general, on the safe and sustained use of Marlborough's marine environment.
- Provide support to Council on decision and policy provisions related to the region's marine environment.
- Assist Central Government agencies and other Council Activities in meeting their responsibilities within Marlborough's marine area.
- Promote the public image of Council in the management of its marine responsibilities.

## Activity Level

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

### Recreational Vessels

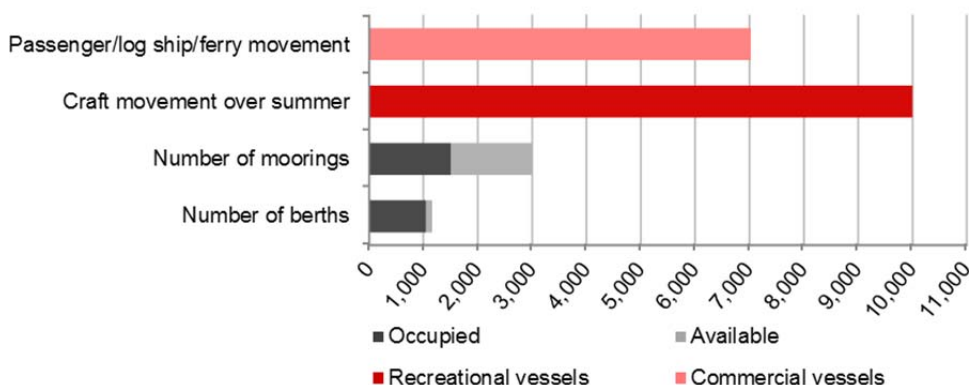
Recreational use is important in the Sounds, both in terms of access to property and for leisure uses. Currently there are 1,158 berths in the Port Marlborough marinas of which over 90% are occupied. In addition, there are in excess of 3,000 moorings in the Sounds and it is estimated that 50% are occupied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

### Commercial Vessels

The Marlborough Sounds is important for commercial use. There were almost 7,000 ferry movements, which according to the New Zealand Standards demonstrate that the area is the second busiest harbour after Wellington. In addition there are over 126 movements of passenger and log ships within the Sounds, the majority of these calling at Picton.

An important aspect of Council as Harbour Authority is to patrol these busy 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.

The graph below provides a brief statistical overview of the estimated number of commercial and recreational vessel movements inwards or outwards the Marlborough Sounds and the occupancy of mooring and berths:



### Oil Spill Response

Specialist oil spill response equipment is on permanent loan to the District from the national stock-pile held by Maritime New Zealand (MNZ). As part of the loan agreement, Harbours staff are responsible for the on-going 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 with this trend continuing [2013 = 83 ship calls (27 cruise, 56 cargo) 2014 = 83 ship calls (34 cruise 49 cargo) 2015 = 99 ship calls (44 cruise, 55 cargo)]. 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 may need to be established. This is currently 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. The level of monitoring required is an emerging issue and is further discussed in that area. In addition, some of the log vessels now depart at a deeper draught requiring increased use of the channel to the east of Long Island. Due to lack of Aids to Navigation, these transits are limited to daylight only. An emerging issue is that if the number of larger vessel call increase there may be a requirement for additional Aids to Navigation to be established allowing 24-hour transits. Additional anchorage areas have been defined both within the inner Sounds two being located close to Picton, one north-east of the Wedge the other north of Allports Island, one at the Northern Entrance, which is subject to specific permission protocols and one in Cloudy Bay. There is a further anchorage within Picton Harbour – the Quarantine Anchorage – which is suitable for vessels of up 120 metres length overall

Aids to Navigation (AtoNs) form a critical component of the Harbour Safety Management System and their operation complies with international standards as set

by the International Light House Authority (IALA). Requirements include minimum response times to rectify light failures, prescribed inspection routines and the establishment of an accurate performance data recording programme. Servicing and maintenance of AtoNs has been undertaken by the Harbour Master Group for the past two years. The processes and systems put in place ensure a robust regime is in place to achieve the IALA standard. Harbours vessel Astrolabe, is used to undertake this on-water work and in addition to this work, continues to be used to provide concurrent patrol work in the Pelorus Sound area during the busy summer period. Harbours 'older' patrol vessel Discovery (Protector 8.5 m) has now been replaced by a new vessel, *Resolution* and *Discovery* has now been sold. Replacement of the towing vehicle has been deferred again and will be reviewed during the 2017/18 budget preparation.

Other issues emerging within the Activity are:

- Ongoing review of the Harbour Risk Assessment with a complete review every three to four years, the consequential impacts of risk control measures, either adjustment of current measures or implementation of new risk control measures. The next formal review of the Risk Assessment was commenced in late 2015. Between the formal risk reviews, individual risks are reviewed in accordance with the parameters below:
  - Risks with a score of 5.5 or higher are reviewed every 12 months.
  - Risks with a score of between 4.0 and 5.5 over a two year period.
  - Risks with a score lower than 4.4 over a three year period.
- The Safety Management System has been subject to Maritime New Zealand review and implementation of the policies and procedures remain ongoing.
- Impact of oil exploration within New Zealand in relation to Admiralty Bay and the additional pressures these places on the Harbour Master Group resources. With the marked reduction in oil prices, the last remaining oil rig departed New Zealand in February 2016 as oil exploration has

- slowed down significantly, reducing the pressure on the Harbour Master Group.
- 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 with respect to the service provided by Picton Harbour Radio as the number of shipping movements increase, particularly the cruise ship sector, and whether there is a need to introduce a more direct vessel movement management/monitoring system. This will be specifically addressed in the Risk Assessment being undertaken in the 2015-16 financial year.
- Continue to keep the adequacy of the AtoNs 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.
- Introduction of new interactive technology that enables stakeholders to maintain access to their individual information data sets held by Council.
- Implementation of Plan Change 21- Moorings Management Area in Waikawa Bay. Additional resources in terms of personnel, systems and finance may be required to effect implementation.
- Implementation of the Rena report recommendations and introduction of the Marine Oil Spill Strategy 2015 identifies the need to increase stock piles of response equipment in strategic regions throughout New Zealand. It is anticipated that stock piles will be augmented during the 2016-17 financial year as Marlborough has been identified as one of the regions where an increase in the stock pile may occur. Should this occur it may require additional storage capacity being identified. Costs associated with the increase in storage requirements are met from the Oil Pollution Fund, a fund administered by MNZ.

### 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.

Attribute	Sub-attribute	Major linkages	Secondary linkages
People.	Engaged and participation.	Stakeholder liaison.	Increased expectation of on-water patrols.
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	2016-17
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey, where 10 = "service delivered extremely well".	7.4	7.4
Provide a safe environment for all users through effective public education.	Safe Sounds Boating brochure reviewed, printed and ready for distribution annually.	Labour weekend	Labour weekend
	Number of patrols from Labour weekend through to end of Easter of the following year.	New measure	≥55
	% 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 Risk Assessment.	Triennially	Review completed
	% 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 IALA standards.	Cat 1 = 99.8%	100%
		Cat 2 = 99.0%	100%
		Cat 3 = 97.0%	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.	4	4

<b>Funding Impact Statement for 2016-17</b>			
<b>Harbours</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
General rates, uniform annual general charges, rates penalties	990	940	947
Fees and charges	443	432	432
Other receipts	159	158	139
<b>Total operating funding</b>	<b>1,592</b>	<b>1,530</b>	<b>1,518</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,131	1,103	1,063
Finance Costs	42	34	38
Internal charges and overheads applied	192	191	206
Other operating funding applications	1	1	2
<b>Total applications of operating funding</b>	<b>1,366</b>	<b>1,329</b>	<b>1,309</b>
<b>Surplus (deficit) of operating funding</b>	<b>226</b>	<b>201</b>	<b>209</b>
<b>Sources of capital funding</b>			
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>			
Capital expenditure to improve the level of service	43	320	-
Capital expenditure to replace existing assets	64	70	104
Increase (decrease) in reserves	119	(189)	105
<b>Total applications of capital funding</b>	<b>226</b>	<b>201</b>	<b>209</b>
<b>Surplus (deficit) of capital funding</b>	<b>(226)</b>	<b>(201)</b>	<b>(209)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>1,366</b>	<b>1,329</b>	<b>1,309</b>
plus - Depreciation and amortisation	177	155	162
<b>Expenditure as per Statement of Financial Performance</b>	<b>1,543</b>	<b>1,484</b>	<b>1,471</b>

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

*There are no variances which are considered significant.*

## Activity Group: Regional Development

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

### 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.

### How this Activity Contributes to Related Community Outcomes

This Activity contributes to the Community Outcomes of Governance, Environment, People, Economy, Mobility and Living by:

Outcome	Sub-outcome	Major linkages	Secondary linkages
Governance.	Enabling. Participative. Strategic. Connected.	The focus of the Smart and Connected programme 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.	Marlborough Research Centre (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 Marlborough's District and Destination Marlborough's plans to recognise 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 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.  Business Trust Marlborough provides advice to support people starting and growing businesses.	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 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.  Business Trust Marlborough provides advice to support people starting and growing businesses  Information and advice resources are available to businesses to aid decision making  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.

Outcome	Sub-outcome	Major linkages	Secondary linkages
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.	The focus of the Smart and Connected programme is to enable and the community to develop and implement strategies.  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.	-

### What is this Activity About?

This activity is aimed at developing the District’s 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.

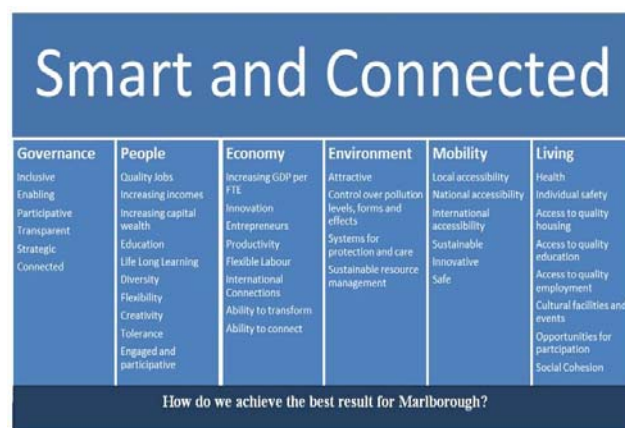
Some services are provided by Council specifically for the benefit of the District’s economy:

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

Council also plays a key role in the local economy through its core services of roading, water infrastructure, regulatory activity and through its investment in community infrastructure such as libraries and leisure facilities.

### Economic Development

Council has developed 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 District. This vision will require all of the community to input to ensure it is achieved, and Council's role is to encourage participation whilst focusing its own activities around the Smart and Connected framework.



Council undertakes a number of actions targeted at assisting business growth and development under the 'Smart Business Marlborough' banner. These are focused around providing access to information, advice, resources and other specific guidance. The actions include:

- Up to date regional economic data.
- Supporting regional promotion via the Only Marlborough toolkit.
- Start-up business advice and mentoring delivered by Business Trust Marlborough.
- Support for the Food and Beverage Innovation Cluster delivered via Marlborough Research Centre, and
- Commercial and industrial development guidance.
- International and education connections

### Marketing, Visitor Economy and Commercial Events

Destination marketing services are undertaken on Council's behalf by Destination Marlborough. Destination Marlborough exists to grow and support a sustainable visitor economy that contributes to achieving a Smart and Connected economy for Marlborough. It is funded through a combination of Council and private sector investment. The organisation’s core marketing priorities are to position Marlborough as a compelling destination to visit, to prioritise effort on smoothing seasonality and



to deliver a single voice to grow visitor spend in the region. Promotion of Marlborough as a location for business events is undertaken by the Marlborough Convention Bureau based at Destination Marlborough, with additional investment in this activity planned from 2016-17.

The Regional Events Coordinator post, based at Council, supports the delivery of quality commercial events in the region thus attracting visitors to stay and spend in the region. A Regional Events Strategy has been adopted and Commercial Events Fund established. Events in Marlborough are promoted under the 'Follow ME\*' banner via various promotional tools including the Events section of the marlboroughnz.com website.

### 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.

Marlborough Research Centre is owned and managed by the Marlborough Research Centre Trust. The Trust was set up in 1984 to ensure the Marlborough region makes the best use of its natural resources, by assisting innovative research and technical development in agricultural, pastoral, horticultural and viticultural matters. Marlborough Research Centre are a key partner in the implementation of the Smart and Connected vision. Marlborough Research Centre, Food HQ and Massey University are working jointly to implement a Food and Beverage Strategy for Marlborough

### Parking

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

This provision of car parking in Blenheim and Picton town centres is guided by parking strategies for each town. Blenheim and Picton's parking strategies were reviewed and adopted in November 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. 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 water 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 hectares 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.

Council is progressing plans for an irrigation scheme in the Flaxbourne area with the community. 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 kilometres
Service connections.	4,500 hectares
Abstraction Gallery.	2
Distribution Pumps.	7
Booster Pumps.	6
Meters.	311

### Major Budgeted Capital Projects

The table outlines the major budgeted capital projects and areas of expenditure proposed for this Activity for the 2016-17 year. These projects are also listed under the Capital Expenditure line of the Funding Impact Statement at the end of this Activity section.

Value (millions)	Major capital projects
\$4.1	Flaxbourne irrigation scheme
\$0.2	Southern Valleys pump stations
\$0.2	Blenheim parking meter, ticket machines and carparks

### Emerging Issues and Expected Changes

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

- A bid for a Regional Research Institute for Viticulture and Oenology has reached the business case development stage, which will be submitted to government for funding approval. If successful this centre may provide a significant research capability for Marlborough's major sectors. Subject to final Government approval

Council has agreed to contribute \$825,000 over the next six years.

- New Zealand, and along with it Marlborough, is experiencing strong growth in the visitor economy. Priorities for the sector are around flattening out seasonal peaks and encouraging regional spread, attracting a balanced international visitor mix and ensuring sufficient workforce and skills are in place to provide service and hospitality to the increasing numbers of visitors. Infrastructure developments at a regional and national level are also becoming a key consideration for the future
- The Marlborough Smart and Connected Visitor Economy Growth Plan 2015 – 2025 has been established to drive the growth of the visitor economy. It identifies the region’s key selling points and areas of focus to prioritise collaborative effort to achieve growth. A Steering group of regional agencies and community representatives are leading the

delivery of outcomes that support the priorities. The Marlborough region is targeting to grow visitor spend annually by 5% with a target of \$446 million by 2025.

- Increased funding to support a full time Marlborough Convention Bureau operated by Destination Marlborough has been provided from 2016-17.
- Council signed a Memorandum of Understanding with the Ningxia region of China in April 2016 to support increased co-operation between the two wine growing regions.
- A review of parking is underway for Blenheim.
- Council support for the Flaxbourne Irrigation Scheme is subject to a number of conditions including Government assistance, resource consents and take up by landowners. Council will continue to work with the community and Government on these issues.

### 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 Marlborough’s District and Destination Marlborough’s plans to recognise 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.	Council provides parking in towns for locals and visitors to shop, work and access the many services located in the CBD.	-

Attribute	Sub-attribute	Major linkages	Secondary linkages
	Safe.		
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	2016-17
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". <ul style="list-style-type: none"> <li>Economic Development</li> <li>Tourism</li> <li>Research Centre</li> <li>Parking</li> <li>Irrigation</li> </ul>	6.4 7.2 6.8 6.8 6.9	6.4 7.2 6.8 6.8 6.9
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	Develop a three year Economic Development Action Plan	New measure	-
	% of funded Action Plan targets achieved	New measure	80%
Manage Marlborough Research Centre contract to ensure service quality and value.	Number of published research papers.	98 papers	100 papers
Effective promotion of Marlborough as a visitor destination.	% change in domestic and international visitors spending in Marlborough.	% change in visitor spend equal or better than national trends	% change in visitor spend equal or better than national trends
	% achievement of Destination Marlborough Business Plan Key Performance measures.	80%	80%
Provision of convenient and affordable car parks to support CBD businesses.	Regularly review the parking strategies for Blenheim and Picton. (five yearly)	2014-15	N/A
	Occupancy rates of off-street car parks in Blenheim.		
	• kerbside	65%	<70%
	• off street (Queen St and Clubs only)	76%	<85%
	• parking building	30%	>30%
Support for land based industries through the supply of irrigation water.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	≤ 1 event per annum	≤ 1 event per annum

Funding Impact Statement for 2016-17			
Regional Development			
	LTP 2016.17	LTP 2015.16	AP 2016.17
	\$000's	\$000's	\$000's
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	1,521	1,530	1,851
Targeted rates	1,609	1,537	1,516
Fees and charges	1,857	1,812	1,749
Other receipts	232	238	229
<b>Total operating funding</b>	<b>5,219</b>	<b>5,117</b>	<b>5,345</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	2,277	2,243	3,084
Finance costs	1,414	1,370	1,272
Internal charges and overheads applied	537	524	677
Other operating funding applications	371	1,982	328
<b>Total applications of operating funding</b>	<b>4,599</b>	<b>6,119</b>	<b>5,361</b>
<b>Surplus (deficit) of operating funding</b>	<b>620</b>	<b>(1,002)</b>	<b>(16)</b>
<b>Sources of capital funding</b>			
Increase (decrease) in debt	2,118	510	138
<b>Total sources of capital funding</b>	<b>2,118</b>	<b>510</b>	<b>138</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	2,199	590	80
Capital expenditure to improve the level of service	176	60	4,329
Capital expenditure to replace existing assets	290	267	62
Increase (decrease) in reserves	73	(1,409)	(4,349)
<b>Total applications of capital funding</b>	<b>2,738</b>	<b>(492)</b>	<b>122</b>
<b>Surplus (deficit) of capital funding</b>	<b>(620)</b>	<b>1,002</b>	<b>16</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total applications of operating funding</b>	<b>4,599</b>	<b>6,119</b>	<b>5,361</b>
plus - Depreciation and amortisation	738	672	680
<b>Expenditure as per Statement of Financial Performance</b>	<b>5,337</b>	<b>6,791</b>	<b>6,041</b>
<b>Operating expenditure</b>			
Economic Development	489	1,987	914
Marketing and Tourism	946	975	980
Research Centre	136	211	277
Irrigation	1,599	1,473	1,785
Parking	2,167	2,145	2,085
<b>Capital expenditure:</b>			
Irrigation	2,300	571	4,333
Parking	366	346	138

**Explanation of Variances between LTP for 2016-17 and Annual Plan for 2016-17:**

- Fees and charges have reduced due to reduced parking collections which in the LTP were adjusted for inflation.
- Finance costs have reduced due to the interest rate reduction.
- Operating expenditure has increased:
  - Economic Development includes \$111,500 to establish a fulltime convention bureau, \$100,000 to fund a permanent Events Coordinator and enable Marlborough to more effectively bid for events, \$95,000 for rural broadband enablement, \$75,000 grant to the New Zealand Research Institute of Viticulture and Oenology, \$25,000 increase in the Commercial Events Fund and \$20,000 increase for Blenheim and Picton i-SITES.
  - The Research Centre includes \$140,000 increase in the operating grant.
  - Irrigation includes Flaxbourne irrigation costs brought forward from later years.
- Capital expenditure:
  - Irrigation has increased for Flaxbourne irrigation being brought forward from later years.
  - Parking has reduced due to a reduction in the budgeted number of new parking meters.



## Part 3: Financial Information

*Endeavour Park, Picton*

- Statement of Comprehensive Revenue and Expense
- Statement of Other Comprehensive Revenue and Expense
- Statement of Changes in Net Assets/Equity
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Accounting Policies
- Assumptions, Disclosures and Compliance
- Notes to Financial Statements

## Statement of Comprehensive Revenue and Expense

<b>Marlborough District Council</b>				
<b>Forecast Statement of Comprehensive Revenue and Expense</b>				
for the year ending 30 June:	note:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Revenue:</b>				
General rates, uniform annual general charges, rates pena	2	39,688	36,701	38,901
Targeted rates (other than a targeted rate for water supply)	2	23,424	23,424	23,075
Finance income	3	710	808	696
Development and financial contributions		1,221	1,198	1,792
Other revenue	4	41,632	40,323	42,082
Gains	4	2,231	2,104	1,825
<b>Total revenue</b>	<b>1</b>	<b>108,907</b>	<b>104,558</b>	<b>108,371</b>
<b>Expenditure by function:</b>				
Roads and footpaths		21,842	20,409	21,272
Sewerage		11,925	10,559	10,524
Community Facilities		9,057	9,263	9,340
Water Supply		8,940	8,438	8,407
Solid Waste Management		8,100	7,059	7,951
Regional Development		5,336	6,792	5,988
Flood protection and control works		5,022	4,856	4,782
Environmental Science and Monitoring		3,215	3,073	4,178
Democratic Process		3,091	2,817	3,157
Building Control		3,011	2,931	2,991
Resource Consents		2,494	2,426	2,500
Library Services		1,991	1,941	2,143
Stormwater drainage		2,455	2,307	2,081
Community Housing		1,311	1,226	1,352
Environmental Policy		1,412	1,348	1,426
Harbours		1,544	1,484	1,470
Community Support		1,572	1,658	2,126
Biosecurity (Pest Management)		1,337	1,284	1,220
Environmental Protection		1,287	1,251	1,256
Emergency Management		888	865	883
Culture and Heritage		883	836	1,009
Animal Control		734	718	732
Environmental Health		479	467	512
		<b>97,927</b>	<b>94,008</b>	<b>97,301</b>
less internal interest eliminated	3	4,957	4,941	4,513
<b>Total expenditure by function</b>		<b>92,970</b>	<b>89,067</b>	<b>92,788</b>
<b>Non-activity expenditure</b>				
Other expenditure	5	4,383	4,298	3,353
Marlborough Regional Forestry	5	4,663	4,632	4,543
<b>Total non-activity expenditure</b>		<b>9,045</b>	<b>8,931</b>	<b>7,896</b>
<b>Total expenditure</b>	<b>5</b>	<b>102,015</b>	<b>97,998</b>	<b>100,684</b>
<b>Surplus</b>		<b>6,892</b>	<b>6,560</b>	<b>7,686</b>

## Statement of Other Comprehensive Revenue and Expense

Statement of Other Comprehensive Revenue and Expense				
for the year ending 30 June:		LTP 2017	LTP 2016	2017
	note:	\$000's	\$000's	\$000's
<b>Surplus for the year</b>		6,892	6,560	7,686
<b>Other comprehensive revenue:</b>				
Gain on property revaluations	8	31,294	32,440	16,156
<b>Total other comprehensive revenue and expense</b>		31,294	32,440	16,156
<b>Total comprehensive revenue and expense</b>		38,185	39,000	23,843

## Statement of Changes in Net Assets/Equity

Statement of Changes in Net Assets/Equity				
for the year ending 30 June:		LTP 2017	LTP 2016	2017
	note:	\$000's	\$000's	\$000's
<b>Balance at 1 July</b>		1,412,670	1,373,670	1,427,497
Total comprehensive revenue and expense for the year		38,185	39,000	23,843
<b>Balance at 30 June</b>		1,450,855	1,412,670	1,451,340

## Statement of Financial Position

Marlborough District Council					
Statement of Financial Position					
	as at 30 June:	note:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents			547	642	729
Debtors and other receivables	6		7,657	7,474	8,358
Other financial assets	7		6,528	6,528	7,762
Inventory (including non-current assets held for sale)			2,455	2,445	2,042
<b>Total current assets</b>			<b>17,187</b>	<b>17,089</b>	<b>18,891</b>
<b>Non-current assets:</b>					
Other financial assets	7		12,348	12,348	11,819
Intangible assets			585	561	584
Biological assets			13,998	14,612	14,858
Property, plant and equipment	8		1,495,205	1,444,180	1,460,173
<b>Total non-current assets</b>			<b>1,522,136</b>	<b>1,471,701</b>	<b>1,487,435</b>
<b>Total assets</b>			<b>1,539,323</b>	<b>1,488,790</b>	<b>1,506,326</b>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Creditors and other payables	9		11,563	11,287	12,195
Employee entitlements			1,730	1,689	1,766
<b>Total current liabilities</b>			<b>13,293</b>	<b>12,976</b>	<b>13,961</b>
<b>Non-current liabilities:</b>					
Borrowings	10		72,500	60,500	39,000
Provisions			2,174	2,156	1,693
Employee entitlements			500	488	332
<b>Total non-current liabilities</b>			<b>75,174</b>	<b>63,144</b>	<b>41,025</b>
<b>Total liabilities</b>			<b>88,468</b>	<b>76,120</b>	<b>54,986</b>
<b>Net assets</b>			<b>1,450,855</b>	<b>1,412,670</b>	<b>1,451,340</b>
<b>Equity:</b>					
Accumulated funds	13		574,293	570,532	593,363
Other reserves	13		876,562	842,138	857,977
<b>Total equity</b>			<b>1,450,855</b>	<b>1,412,670</b>	<b>1,451,340</b>



## Statement of Cash Flows

Statement of Cash Flows				
for year ending 30 June:	note:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Cash flows from operating activities:</b>				
Receipts from rates revenue		63,112	60,125	61,976
Interest received		710	808	696
Dividends received		850	222	1,214
User charges and other revenues		39,880	37,458	39,900
Payments to suppliers and employees		(74,750)	(73,678)	(77,625)
Interest paid		(4,797)	(3,674)	(2,157)
<b>Net cash flows from operating activities</b>		<b>25,005</b>	<b>21,260</b>	<b>24,003</b>
<b>Cash flows from investing activities:</b>				
Sale of assets		10,345	3,377	13,082
Movements in investments		-	7,411	(0)
Purchase of fixed assets		(47,445)	(52,360)	(48,012)
<b>Net cash flows from investing activities</b>		<b>(37,100)</b>	<b>(41,572)</b>	<b>(34,930)</b>
<b>Cash flows from financing activities:</b>				
Movement in borrowings (external)		<b>12,000</b>	<b>20,000</b>	<b>11,000</b>
<b>Net increase/(decrease) in cash</b>		<b>(95)</b>	<b>3,837</b>	<b>73</b>
<b>Cash and cash equivalents:</b>				
at the beginning of the year		642	954	656
<b>at the end of the year</b>		<b>548</b>	<b>642</b>	<b>729</b>

## Statement of Accounting Policies

These prospective financial statements of Marlborough District Council (MDC) are for the year commencing 1 July 2016 and ending on 30 June 2017.

### These prospective financial statements were authorised for issue by Council on 30 June 2016.

These prospective financial statements are prepared to meet the requirements of the Local Government Act 2002, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAPP") 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 as public benefit entities (PBE) for the purposes of New Zealand equivalents to Internal Financial Reporting Standards (NZIFRS).

#### 2. Basis of Preparation

These prospective financial statements have been prepared in accordance with Tier 1 PBE standards. 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 prospective 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) Prospective financial statements

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

##### (v) Changes in Accounting Policies

There have been no significant changes in the accounting policies and accounting policies have been applied consistently to the prospective financial statements in MDC's 2016-17 Annual Plan; to the financial statements for the year ended 30 June 2015; and to these prospective financial statements.

##### (vi) 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. Revenue 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*

Most of the Council's revenue is from non-exchange transactions accounted for under PBE IPSAS 23. Exchange transactions are recognised under PBE IPSAS 9. Professional judgement is exercised to determine whether the substance of a transaction is non-exchange or exchange.

For non-exchange revenue there is a recognition of a liability to the extent of unfulfilled conditions.

#### *Revenue from non-exchange transactions*

##### Rates 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 is recognised by Council as being revenue when the Council has struck the rates and provided the rates assessment. It is a non-exchange revenue.

#### 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 revenue. 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 partial cost recovery/subsidised

Revenue from a subsidised sale of services is recognised as non-exchange revenue. 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.

#### 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".

#### *Revenue from exchange transactions*

##### Water Billing Revenue

Water Billing is recognised on an accrual basis.

##### Provision of Services Full Cost Recovery

Significant revenue from full cost recovery sale of services is recognised as exchange revenue. Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date.

##### Sales of Goods

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

##### Interest and Dividends

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend revenue from investments is recognised when the

shareholders' rights to receive payment have been established.

**(iv) Borrowing Costs**

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) 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 revenue 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 revenue on a straight-line basis over the term of the relevant lease.

**(vii) 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 Revenue 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. Receivables are recognised as exchange or non-exchange transactions under PBE IPSAS 23 and PBE IPSAS 9.

**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 Council 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.

**(viii) 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 as below;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue.

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 re-measurement 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 revenue and expense

Financial assets at fair value through other comprehensive revenue and expense 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 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 revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### (ix) **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 revenue

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 revenue and expense,, 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 revenue 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.

#### (x) **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.

#### (xi) **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.

#### (xii) **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 Revenue Statement. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the Revenue Statement will be recognised first in the Revenue 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 Revenue Statement.

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

Asset	Life	Rate
<b>Roads, Streets and Bridges</b>		
- Land under roads and pavement formation	Not depreciated	
- Pavement layers	55 - 100 years	1 - 1.81%
- Pavement surface	8 - 25 years	4 – 12.5%
- Unsealed roads	13.17 years	7.59%
- Culverts	50 years	2%
- Kerb and channel	70 years	1.43%
- Concrete stormwater channels	50 years	2%
- Earth water channels	Not depreciated	
- Footpaths	20 - 70 years	1.43- 5%
- Bridges	50 - 100 years	1- 2%
- Footbridges	80 years	1.25%
- Retaining walls	50 - 80 years	1.25 - 2%
- Street berms	Not depreciated	
- Traffic signs	10 years	10%
- Street lighting	4 - 50 years	2 - 25%
- Traffic islands	50 years	2%
- Street trees	80 years	1.25%
- Street furniture	25 years	4%
- Paved and cobbled areas	25 - 30 years	3.33 – 4%
- Council wharves	40 - 60 years	1.67 - 2.5%
- Port Marlborough wharves and marinas	10 - 50 years	2 - 10%
<b>Carparks</b>		
- Parking meters	10 years	10%
- Land and formation	Not depreciated	
- Basecourse	50 years	2%
- Surfacing	25 years	4%
- Markings	5 years	20%
<b>Buildings (excluding properties intended for sale)</b>	100 years	1%
<b>Council Computers</b>	4 - 5 years	20 - 25%
<b>Plant, equipment (excluding Council infrastructural assets)</b>	5 - 20 years	5 - 20%
<b>Mowers/chainsaws</b>	1 – 2.5 years	40 - 100%

Asset	Life	Rate
<b>Sewerage</b>		
- Pipes	43 - 100 years	1 – 1.25%
- Pump stations	25 - 100 years	1 - 4%
- Oxidation ponds:	Not depreciated	
- Treatment plant	25 - 100 years	1 - 4%
- Grinder pump unit	10 – 40 years	2.5 - 10%
- Odour beds	25 – 40 years	2.5 - 4%
- Bores	60 years	
<b>Stormwater</b>		
- Pipes	50 - 100 years	1 - 2%
- Pump stations	25 - 100 years	1 - 4%
<b>Water</b>		
- Pipes	38 - 100 years	1 – 2.63%
- Reservoirs	35 - 80 years	1.25 – 2.86%
- Pumps	20 – 40 years	2.5 - 5%
- Pump stations	20 - 100 years	1 - 5%
- Treatment plant	20 - 100 years	1 - 5%
- Dams	100 years	1%
<b>Rivers and Drainage</b>		
- Pump stations	35 - 100 years	1 - 2.86%
- Stopbanks/earthworks	Not depreciated	
- Rock and gabion protection	Not depreciated	
- Trees and tree retards	Not depreciated	
- Culverts and gates	Not depreciated	
- Channels	Not depreciated	
- Dam	100 years	1%
<b>Library books</b>	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 Revenue Statement.

#### (xiii) **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 Revenue Statement.

#### (xiv) **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 revenue 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 Revenue 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.

#### (xv) *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 PBE IPSAS 16, 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.

#### (xvi) *Trade and Other Payables*

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

#### (xvii) *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.

**(xviii) 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.

**(xix) 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.

**(xx) 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.

**Financial guarantee contracts**

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 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 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.

**(xxi) 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.

#### **(xxii) 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.

#### **(xxiii) 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.

#### **(xxiv) 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).

#### **(xxv) Annual Plan Figures**

The comparative 2015-16 and 2016-17 figures are those approved by the Council in its 2015-25 Long Term Plan. They have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

#### **(xxvi) 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 has incurred 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 Revenue 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 Revenue Statement.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – *whereas* in Council's Revenue 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 Revenue 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 Revenue Statement. The value of this expense is shown in the reconciliation section.
- In Council's Revenue 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 Revenue 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 Revenue 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 Revenue 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 Revenue 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 Revenue Statement and is prepared as per GAAP, similarly the capital expenditure includes vested assets as per GAAP.

## Assumptions, Disclosure 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

Government has signalled that it wishes to continue its reform agenda for Local Government including the Resource Management Act 1991 and the delivery of core services. It has also issued a National Policy Statement for Water and Food Hygiene and has recently completed a major review of the Health and Safety in Employment Act. All of these changes will potentially have a significant impact on Council.

#### Financial Impact

To date Government's reforms have not reduced legislative obligations, costs or the impact on the ratepayer. It is too early to assess the financial impact of the Government's signalled policy announcements.

### 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 has historically driven rates increases.

#### 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 rates 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 6%.

#### Level of Uncertainty

Low.

#### Risk

As a result of the continuing impact of the Global Financial Crisis and the expectation of increased interest rates in the future, MFL to review Council has adopted a conservative 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 6% 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

The New Zealand Transport Agency (NZTA) has recently reviewed its financial assistance policy and it is assumed that Council will retain its newly established subsidy rate of 51% for road maintenance and construction works.

### 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 rates would be required. Council is already receiving very good pricing for road maintenance compared to other Local Authorities, through its collaboration with NZTA in the form of Marlborough Roads.

## Natural Disasters

### Assumption

Should a major natural disaster occur the District could be faced with significant repair and reconstruction costs. Council has estimated the maximum probable loss (MPL)/cost as a result of a major earthquake, flood or tsunami at approximately \$77 million. It is assumed that this forecast is accurate. It is also assumed that:

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

The LAPP fund is a mutual pool set up to assist Councils cover their share of damage to "below ground" and river protection assets resulting from a significant natural event. At the time the fund was formed commercial insurance alternatives for these assets was not available. There was also a clear requirement from

Central Government that any assistance given to rebuild infrastructure following a disaster will only be made available if Council has made adequate financial provisions to cover its own repair obligations.

Council continues to review its options and strategies to address asset damage from major disasters.

Above ground assets are insured through commercial insurance. These costs have been more favourable over the last few years following a "softening" of the commercial insurance market. This together with a steady increase in the value of assets, led Council to reconsider its previous level of self-insurance and to reduce this in most cases to the current excess which is \$10,000.

### Level of Uncertainty

Low.

## Risks

The actual costs of recovery from a major natural disaster are higher than the forecast MPL of approximately \$75 million.

## Financial Impact

Should Council's current estimate of MPL and existing arrangements prove inadequate, either an increase in debt and corresponding 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 rates as Council moves to provide for asset replacement.

### Sources of Funds for Capital Expenditure

Council has assumed that the funds from a range of sources to fund Capital Expenditure will be received.

### Level of Uncertainty

Low.

### Risk

That the forecast funding will not be received as forecast.

### Financial Impact

As it is proposed to fund Capital Expenditure from a range of sources it should be possible to compensate a funding shortfall from one source with funding from another ie; borrowing. If it is decided to increase borrowing a debt servicing cost and a corresponding increase in rates will arise. The alternative is to slow Capital Expenditure especially if the project is growth related and the funding shortfall relates to Development Contributions.

### Climate Change

Council has assumed that the climate changes in relation to rainfall, temperature and sea level will occur as predicted. It has been further assumed that climate change will have minimal impact over the period of the Long Term Plan.

### Level of Uncertainty

Low.

### Risk

That asset and hazard planning has not adequately assessed climate change.

### Financial Impact

For the period of the Long Term Plan, the financial impact is assessed as low as climate change on the

whole is occurring very slowly, providing extended lead times for mitigation measures if required.

### Emissions Trading Scheme (ETS)

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

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

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

### Level of Uncertainty

Low.

### Risk

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

### Financial Impact

The Council will face increased compliance and operating costs, which if significant enough, may require higher fees and charges or increased rating requirements to fund them. 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 three years 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.

## Notes to Financial Statements

### Marlborough District Council Notes to the Accounts

#### 1. Summary cost of services

	for the year ending 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Revenue:</b>				
People		9,566	9,032	9,907
Community Facilities		9,463	9,238	9,846
Roads and footpaths		20,214	18,810	19,946
Flood protection and control works		7,340	7,142	6,882
Sewerage		10,908	10,418	10,654
Stormwater drainage		2,297	2,112	2,269
Water Supply		10,693	9,418	10,028
Solid Waste Management		8,060	8,309	8,279
Environmental Management		8,343	8,182	8,438
Regulatory		7,164	6,933	6,915
Regional Development		5,219	5,117	5,340
<b>Total activity revenue</b>		<b>99,267</b>	<b>94,711</b>	<b>98,504</b>
Plus other revenue (including forestry)		19,252	18,323	17,154
Less internal revenue		(9,612)	(8,476)	(7,288)
<b>Total revenue</b>		<b>108,907</b>	<b>104,558</b>	<b>108,370</b>
<b>Expenditure:</b>				
People		9,736	9,343	10,670
Community Facilities		9,057	9,263	9,340
Roads and footpaths		21,842	20,409	21,272
Flood protection and control works		5,022	4,856	4,782
Sewerage		11,925	10,559	10,524
Stormwater drainage		2,455	2,307	2,081
Water Supply		8,940	8,438	8,407
Solid Waste Management		8,100	7,059	7,951
Environmental Management		8,408	8,099	9,360
Regulatory		7,105	6,884	6,926
Regional Development		5,336	6,792	5,988
<b>Total activity expenditure</b>		<b>97,926</b>	<b>94,009</b>	<b>97,301</b>
Plus other expenditure (including forestry)		13,701	12,466	10,671
less internal interest eliminated		(9,612)	(8,476)	(7,288)
<b>Total operating expenditure</b>		<b>102,015</b>	<b>97,999</b>	<b>100,684</b>

#### 2. Rates revenue

	for the year ending 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
People		7,076	6,668	7,585
Community Facilities		7,614	7,398	7,875
Roads and footpaths		10,052	9,198	9,326
Flood protection and control works		4,132	3,951	3,872
Sewerage		8,321	7,898	7,992
Stormwater drainage		1,842	1,671	1,852
Water Supply		9,040	8,793	8,400
Solid Waste Management		2,752	2,662	2,713
Environmental Management		6,221	6,017	6,337
Regulatory		2,930	2,800	2,660
Regional Development		3,130	3,067	3,362
<b>Total activity rates</b>		<b>63,110</b>	<b>60,123</b>	<b>61,974</b>
Non-activity rates		2	2	2
<b>Total gross rates revenue</b>		<b>63,112</b>	<b>60,125</b>	<b>61,976</b>
Rates remissions		543	530	543
<b>Rates revenue net of remissions</b>		<b>62,569</b>	<b>59,595</b>	<b>61,433</b>



### 3. Finance revenue and finance costs

	for the year ending 30 June:		
	LTP 2017	LTP 2016	2017
	\$000's	\$000's	\$000's
<b>Finance revenue - interest revenue</b>			
Term deposits	710	710	696
Community loans	-	98	-
<b>Total finance revenue</b>	<b>710</b>	<b>808</b>	<b>696</b>
<b>Finance costs - interest expense</b>			
Total internal interest expense	10,727	9,236	6,523
Bank charges on borrowings	142	139	147
less internal interest eliminated	(6,072)	(5,701)	(4,513)
<b>Total finance costs</b>	<b>4,797</b>	<b>3,674</b>	<b>2,157</b>
<b>Net finance costs</b>	<b>4,087</b>	<b>2,866</b>	<b>1,461</b>

### 4. Other revenue including gains

	for the year ending 30 June:		
	LTP 2017	LTP 2016	2017
	\$000's	\$000's	\$000's
NZTA Rooding Subsidy	5,175	4,646	8,262
Fees and Charges	8,359	7,813	8,294
Marlborough Regional Forestry	6,891	6,660	6,576
Regulatory revenues	4,145	4,039	4,322
Rental revenues	4,686	5,137	4,923
Contributions	994	1,807	1,358
Vested Assets	1,167	1,079	1,139
Trade Waste - Operating Charges	1,141	1,125	1,113
Infringements and fines	648	632	632
Dividends received	900	850	900
Subsidies & Grants	4,424	3,484	1,355
Petroleum Tax	376	367	367
Penalties - Rates	354	345	345
Trade Waste - Capital Charges	802	812	802
Licence revenue	322	306	325
Rental revenue from investment properties	161	161	165
Disbursement recoveries	411	470	555
Legal Fees Recovered Revenue	91	89	89
Wharfage	1	1	1
Photocopying / Typing	18	17	17
Refunds (other than rates)	72	30	70
Requests for books etc	13	13	13
Miscellaneous Revenue	317	282	300
Non Property rentals	147	143	143
MFC distribution eliminated	-	-	-
MFC distribution	-	-	-
Interest - General Funds	-	-	-
Commissions	16	16	16
<i>rounding</i>			
Other revenue	1,086	1,060	1,205
Gain on Sale of Fixed Assets	2,231	2,104	1,824
<b>Total Other revenue and Gains</b>	<b>43,862</b>	<b>42,427</b>	<b>43,907</b>

## 5. Expenditure

	for the year ending 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's
<b>Other non-activity expenditure</b>				
Non-activity expenditure in the Statement of comprehensive revenue and expense is made up of:				
Insurance		1,169	1,175	1,035
Property costs		1,375	1,427	1,721
Rate remissions as note 2		543	530	543
Digitisation project		-	-	-
Other (inc Marlborough Regional Forestry)		5,958	5,799	4,597
<b>Total other expenditure</b>		<b>9,045</b>	<b>8,931</b>	<b>7,896</b>

### Expenditure disclosures

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

Depreciation and amortisation expense		22,980	20,350	22,340
Personnel costs		19,820	19,554	20,134
Finance costs as note 3		4,797	3,674	2,157
Grants		2,561	4,277	3,373
Insurance premiums		1,784	1,778	1,676
Councillors remuneration		646	634	673
Payments under operating leases		443	313	454
Fees to principal auditor:				
audit fees for financial statement audit		126	124	126
audit fees for LTP		-	-	-
Property plant and equipment loss on disposal		-	-	109
Other operating expenses		44,195	42,662	45,100
Marlborough Regional Forestry		4,663	4,632	4,543
<b>Total expenditure</b>		<b>102,015</b>	<b>97,998</b>	<b>100,685</b>

## 6. Debtors and other receivables

	as at 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's
<b>NON EXCHANGE RECEIVABLES</b>				
Rates Receivables		1,071	1,045	2,422
Other Receivables (fees and charges and other)		3,687	3,599	3,736
GST ( net)		710	693	664
Prepayments		829	809	267
Other		570	557	688
<b>Total Non Exchange Receivables</b>		<b>6,867</b>	<b>6,703</b>	<b>7,776</b>
<b>EXCHANGE RECEIVABLES</b>				
Metered Water Receivables		835	816	790
Other -interest		-	-	-
<b>Total Exchange Receivables</b>		<b>835</b>	<b>816</b>	<b>790</b>
Less provision for impairment		(45)	(44)	(208)
<b>Total debtors and other receivables</b>		<b>7,658</b>	<b>7,474</b>	<b>8,358</b>

## 7. Other financial assets

	as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Current portion:</b>				
Term deposits and bonds with maturities of 4-12 months		6,528	6,528	7,762
<b>Total current portion</b>		<b>6,528</b>	<b>6,528</b>	<b>7,762</b>
<b>Non-current portion:</b>				
Term deposits and bonds and community loans with maturities 12 months plus		5,838	5,838	5,085
Unlisted shares in subsidiaries		6,000	6,000	6,000
Shares: NZ Local Govt. Insurance Corp		85	85	85
Shares other		425	425	649
<b>Total non-current portion</b>		<b>12,348</b>	<b>12,348</b>	<b>11,819</b>
<b>Total other financial assets</b>		<b>18,876</b>	<b>18,876</b>	<b>19,581</b>

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

#### Marlborough Regional Forestry (eliminated in these accounts)

Venture share	6,000	6,000	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

	as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Opening value</b>		<b>1,444,741</b>	<b>1,384,824</b>	<b>1,416,745</b>
<b>Capital additions by activity</b>				
Democratic Process		41	-	40
Culture and Heritage		-	-	-
Community Housing		170	683	165
Community Support		20	320	45
Library Services		812	372	3,792
Emergency Management		47	28	46
<b>People</b>		<b>1,090</b>	<b>1,403</b>	<b>4,088</b>
<b>Community Facilities</b>		<b>2,059</b>	<b>3,707</b>	<b>4,459</b>
<b>Roads and footpaths</b>		<b>10,486</b>	<b>11,828</b>	<b>11,695</b>
<b>Flood protection and control works</b>		<b>1,518</b>	<b>1,495</b>	<b>1,530</b>
<b>Sewerage</b>		<b>17,598</b>	<b>14,148</b>	<b>11,991</b>
<b>Stormwater drainage</b>		<b>1,419</b>	<b>347</b>	<b>340</b>
<b>Water Supply</b>		<b>6,022</b>	<b>6,394</b>	<b>5,631</b>
<b>Solid Waste Management</b>		<b>53</b>	<b>5,295</b>	<b>50</b>
Environmental Science and Monitoring		-	150	-
Environmental Policy and Protection		154	150	220
Resource Consents		3	3	3
<b>Environmental Management</b>		<b>157</b>	<b>303</b>	<b>223</b>
Building Control		-	-	-
Environmental Health		4	4	3
Biosecurity		-	-	-
Animal Control		-	-	-
Harbours		107	390	104
<b>Regulatory</b>		<b>111</b>	<b>394</b>	<b>107</b>
<b>Regional Development</b>		<b>2,666</b>	<b>917</b>	<b>4,471</b>
<b>Forest Park Development</b>		<b>-</b>	<b>2,760</b>	<b>2,610</b>
<b>Information Services</b>		<b>1,432</b>	<b>884</b>	<b>1,397</b>
<b>Commercial Property</b>		<b>-</b>	<b>1,500</b>	<b>-</b>
<b>Plant Operations</b>		<b>402</b>	<b>389</b>	<b>394</b>
<b>Office Services</b>		<b>102</b>	<b>245</b>	<b>100</b>
<b>Asset Services Management</b>		<b>-</b>	<b>120</b>	<b>-</b>
<b>Total capital expenditure</b>		<b>45,115</b>	<b>52,129</b>	<b>49,086</b>
<b>Disposals</b>		<b>(7,500)</b>	<b>(808)</b>	<b>(4,384)</b>
<b>Less carryovers movement</b>		<b>4,112</b>	<b>(3,510)</b>	<b>4,038</b>
<b>Depreciation</b>		<b>(21,971)</b>	<b>(20,334)</b>	<b>(20,884)</b>
<b>Revaluation</b>		<b>31,294</b>	<b>32,440</b>	<b>16,156</b>
<b>Closing value including intangibles</b>		<b>1,495,790</b>	<b>1,444,741</b>	<b>1,460,757</b>

### 9. Creditors and other payables

	as at 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's
Trade payables		5,167	5,043	3,139
Accrued expenses		2,735	2,670	4,470
Revenue in advance		1,726	1,685	2,748
Deposits		1,530	1,494	1,453
Agency account		111	108	106
Trust funds		290	283	253
Amounts due to related parties		4	4	26
<b>Total creditors and other payables</b>		<b>11,563</b>	<b>11,287</b>	<b>12,195</b>

### 10. Borrowings

	as at 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's
Culture and Heritage		-	-	-
Community Housing		298	306	299
Library Services		3,459	-	714
<b>People</b>		<b>3,757</b>	<b>306</b>	<b>1,013</b>
Community Facilities		11,677	10,199	11,872
Roads and footpaths		9,858	9,152	10,227
Flood protection and control works		1,877	1,372	846
Sewerage		58,910	47,305	44,289
Stormwater drainage		286	309	288
Water Supply		24,020	25,082	23,750
Solid Waste Management		6,957	7,412	7,421
Environmental Management		292	144	319
Regulatory		589	605	616
Regional Development		20,630	19,228	22,675
Commercial Property		5,620	5,780	5,288
Works Depot		714	736	713
<b>Total Loans</b>		<b>145,187</b>	<b>127,630</b>	<b>129,317</b>
Less internal loans		72,687	67,130	90,317
<b>Borrowings (external loans)</b>		<b>72,500</b>	<b>60,500</b>	<b>39,000</b>

### 11. Exchange/Non Exchange Revenue

	for the year ending 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's
<b>Non exchange revenue</b>				
General rates and charges		60,171	57,272	59,237
Donations, Subsidies and Grants		9,600	8,130	9,617
Fees and Charges		13,125	12,458	13,221
Other Revenue		9,575	10,086	10,154
<b>Total non exchange revenue</b>		<b>92,471</b>	<b>87,945</b>	<b>92,230</b>
<b>Exchange revenue</b>				
Metered water		2,941	2,853	2,738
Rentals and Leases		4,994	5,441	5,231
Marlborough Regional Forestry		6,891	6,660	6,576
Interest and Dividends		1,610	1,658	1,596
<b>Total exchange revenue</b>		<b>16,436</b>	<b>16,613</b>	<b>16,141</b>
<b>Total Revenue</b>		<b>108,907</b>	<b>104,558</b>	<b>108,371</b>

### 12. Contingencies

Along with being guarantor for a small number of community organisation bank loans, the Council has a loan guarantee for the Marlborough Civic Theatre Trust ( The Trust) for a total of \$5.1 million.

**13. Reserves**

	as at 30 June:	LTP 2017	LTP 2016	2017
		\$000's	\$000's	\$000's

**13.1 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	5,769	6,540	8,883
Transfer to reserve	2,115	2,129	2,172
Transfer from reserve	(1,622)	(1,600)	(1,600)
Capex transfer from reserve	(1)	(1,300)	(55)
<b>Closing balance</b>	<b>6,261</b>	<b>5,769</b>	<b>9,400</b>

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

**Forest Park reserve**

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

**Activities to which it relates:** Various.

Opening balance	(5,486)	(1,492)	-
Transfer to reserve	4,636	2,484	-
Transfer from reserve	-	(2,026)	-
Capex transfer from reserve	(1,077)	(4,452)	-
<b>Closing balance</b>	<b>(1,928)</b>	<b>(5,486)</b>	<b>-</b>

**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	3,436	2,366	-
Transfer to reserve	1,814	1,770	-
Transfer from reserve	(1,358)	(405)	-
Capex transfer from reserve	(220)	(295)	-
<b>Closing balance</b>	<b>3,672</b>	<b>3,436</b>	<b>-</b>

**Forestry and Land Development reserve**

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

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

Opening balance	-	-	1,441
Transfer to reserve	-	-	7,775
Transfer from reserve	-	-	(6,846)
Capex transfer from reserve	-	-	(677)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>1,694</b>

**Infrastructure Upgrade Reserve**

**Purpose:** To be used for essential infrastructure to assist funding new assets (upto 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	6,518	6,175	6,635
Transfer to reserve	2,330	2,535	2,250
Transfer from reserve	(376)	(396)	(54)
Capex transfer from reserve	(2,134)	(1,796)	(2,296)
<b>Closing balance</b>	<b>6,339</b>	<b>6,518</b>	<b>6,536</b>

**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	45	464	135
Transfer to reserve	1,096	1,035	1,169
Capex transfer from reserve	(1,095)	(1,454)	(1,679)
<b>Closing balance</b>	<b>47</b>	<b>45</b>	<b>(375)</b>

Reserves as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Port Marlborough NZ Ltd Special Dividend reserve</b>			
<b>Purpose:</b> 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.			
<b>Activities to which it relates:</b> Various.			
Opening balance	4,313	4,313	4,313
Transfer to reserve	-	-	-
Transfer from reserve	-	-	-
<b>Closing balance</b>	<b>4,313</b>	<b>4,313</b>	<b>4,313</b>

<b>Wairau Rivers reserve</b>			
<b>Purpose:</b> Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.			
<b>Activities to which it relates:</b> Rivers and Land Drainage on the Wairau Plain.			
Opening balance	1,520	1,922	1,738
Transfer to reserve	886	649	1,046
Transfer from reserve	(287)	(286)	(416)
Capex transfer from reserve	(716)	(765)	(1,026)
<b>Closing balance</b>	<b>1,403</b>	<b>1,520</b>	<b>1,342</b>

**13.2 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	570,532	558,506	582,354
Surplus from Operations	6,892	6,560	7,686
Transfer from (to) General Reserves	890	2,114	1,134
Transfer from (to) Corporate Reserves	(4,020)	3,351	2,189
<b>Closing balance</b>	<b>574,293</b>	<b>570,532</b>	<b>593,363</b>

**13.3 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	(419)	(162)	1,225
Transfer to reserve	1,664	445	369
Transfer from reserve	(664)	(702)	(299)
Capex transfer from reserve	-	-	(186)
<b>Closing balance</b>	<b>581</b>	<b>(419)</b>	<b>1,109</b>

**Community Housing General and Depreciation reserves**

Opening balance	(1,571)	(948)	(772)
Transfer to reserve	289	262	278
Transfer from reserve	(254)	(202)	(230)
Capex transfer from reserve	(170)	(683)	(165)
<b>Closing balance</b>	<b>(1,706)</b>	<b>(1,571)</b>	<b>(889)</b>

**Energy Efficiency General reserve**

Opening balance	(814)	(742)	(1,350)
Transfer to reserve	103	84	175
Transfer from reserve	(156)	(156)	(282)
<b>Closing balance</b>	<b>(867)</b>	<b>(814)</b>	<b>(1,458)</b>

Reserves as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Library Services Depreciation and general reserves</b>			
Opening balance	341	381	770
Transfer to reserve	337	331	368
Transfer from reserve	-	-	(293)
Capex transfer from reserve	(38)	-	(10)
<b>Closing balance</b>	<b>639</b>	<b>713</b>	<b>836</b>
<b>Emergency Management General and Depreciation reserves</b>			
Opening balance	252	243	208
Transfer to reserve	41	37	38
Transfer from reserve	-	-	-
Capex transfer from reserve	(47)	(28)	(46)
<b>Closing balance</b>	<b>246</b>	<b>252</b>	<b>200</b>
<b>Swimming Pools General and Depreciation reserves</b>			
Opening balance	1,079	720	1,275
Transfer to reserve	465	421	544
Transfer from reserve	(57)	(61)	(77)
<b>Closing balance</b>	<b>1,487</b>	<b>1,079</b>	<b>1,742</b>
<b>Roading General and Depreciation reserves</b>			
Opening balance	3,409	2,508	2,903
Transfer to reserve	4,732	4,530	4,493
Transfer from reserve	(668)	(682)	(1,386)
Capex transfer from reserve	(3,649)	(2,948)	(3,830)
<b>Closing balance</b>	<b>3,824</b>	<b>3,409</b>	<b>2,180</b>
<b>Roading Development Contributions reserve (Northwest Periphery and North West Blenheim extension)</b>			
Opening balance	(449)	(599)	(451)
Transfer to reserve	164	160	924
Transfer from reserve	(10)	(10)	(1,622)
<b>Closing balance</b>	<b>(295)</b>	<b>(449)</b>	<b>(1,149)</b>
<b>Wairau Floodplain Rivers and Drainage Depreciation reserves</b>			
Opening balance	178	73	487
Transfer to reserve	159	135	86
Transfer from reserve	-	-	-
Capex transfer from reserve	(31)	(30)	(30)
<b>Closing balance</b>	<b>306</b>	<b>178</b>	<b>544</b>
<b>Combined Sewerage General and Depreciation reserves</b>			
Opening balance	2,268	2,091	2,209
Transfer to reserve	2,978	3,010	3,054
Transfer from reserve	(1,570)	(1,083)	(1,067)
Capex transfer from reserve	(2,345)	(1,750)	(2,575)
<b>Closing balance</b>	<b>1,331</b>	<b>2,268</b>	<b>1,620</b>
<b>Riverlands Industrial Wastewater: General and Depreciation reserves</b>			
Opening balance	(1,264)	(1,076)	(1,217)
Transfer to reserve	317	271	339
Transfer from reserve	(484)	(404)	(340)
Capex transfer from reserve	(700)	(55)	-
<b>Closing balance</b>	<b>(2,131)</b>	<b>(1,264)</b>	<b>(1,217)</b>

Reserves as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Blenheim Stormwater: Depreciation and general reserves</b>			
Opening balance	2,111	1,384	286
Transfer to reserve	1,006	908	955
Transfer from reserve	(75)	(150)	(14)
Capex transfer from reserve	(1,094)	(31)	(25)
<b>Closing balance</b>	<b>1,948</b>	<b>2,111</b>	<b>1,202</b>
<b>Other Stormwater: Depreciation reserve</b>			
Opening balance	1,387	1,055	1,404
Transfer to reserve	434	394	440
Transfer from reserve	(23)	(22)	(24)
Capex transfer from reserve	(42)	(40)	(39)
<b>Closing balance</b>	<b>1,757</b>	<b>1,387</b>	<b>1,781</b>
<b>Awatere Water: Depreciation and general reserves and development contributions</b>			
Opening balance	32	32	1,047
Transfer to reserve	-	-	409
Transfer from reserve	-	-	(19)
Capex transfer from reserve	-	-	(31)
<b>Closing balance</b>	<b>32</b>	<b>32</b>	<b>1,405</b>
<b>Blenheim Water: General and Depreciation reserves</b>			
Opening balance	994	1,536	1,535
Transfer to reserve	2,063	2,112	2,021
Transfer from reserve	(917)	(940)	(966)
Capex transfer from reserve	(1,740)	(1,713)	(494)
<b>Closing balance</b>	<b>401</b>	<b>994</b>	<b>2,095</b>
<b>Havelock Water: General and Depreciation reserves</b>			
Opening balance	325	293	365
Transfer to reserve	116	99	122
Transfer from reserve	(44)	(44)	(37)
Capex transfer from reserve	(52)	(23)	(51)
<b>Closing balance</b>	<b>344</b>	<b>325</b>	<b>399</b>
<b>Picton Water: General and Depreciation reserves</b>			
Opening balance	721	1,059	423
Transfer to reserve	842	744	739
Transfer from reserve	(227)	(144)	(197)
Capex transfer from reserve	(664)	(938)	(641)
<b>Closing balance</b>	<b>672</b>	<b>721</b>	<b>324</b>
<b>Renwick Water: General and Depreciation reserves</b>			
Opening balance	625	547	536
Transfer to reserve	137	118	139
Transfer from reserve	(61)	(50)	(33)
Capex transfer from reserve	(256)	10	(431)
<b>Closing balance</b>	<b>444</b>	<b>625</b>	<b>211</b>



Reserves as at 30 June:	LTP 2017 \$000's	LTP 2016 \$000's	2017 \$000's
<b>Riverlands Water: General and Depreciation reserves</b>			
Opening balance	147	212	77
Transfer to reserve	137	133	117
Transfer from reserve	(81)	(75)	(75)
Capex transfer from reserve	(73)	(123)	(165)
<b>Closing balance</b>	<b>131</b>	<b>147</b>	<b>(47)</b>
<b>Wairau Valley Water: General reserve</b>			
Opening balance	(36)	(42)	(46)
Transfer to reserve	14	16	12
Transfer from reserve	(11)	(11)	(10)
<b>Closing balance</b>	<b>(33)</b>	<b>(36)</b>	<b>(44)</b>
<b>Landfill aftercare reserve</b>			
Opening balance	616	616	355
Transfer to reserve	-	-	-
<b>Closing balance</b>	<b>616</b>	<b>616</b>	<b>355</b>
<b>Landfills: General and Depreciation reserves</b>			
Opening balance	(2,758)	(956)	(1,157)
Transfer to reserve	1,067	682	1,225
Transfer from reserve	(458)	(328)	(533)
Capex transfer from reserve	-	(2,156)	-
<b>Closing balance</b>	<b>(2,148)</b>	<b>(2,758)</b>	<b>(465)</b>
<b>Refuse Collections: General and Depreciation reserves</b>			
Opening balance	380	367	389
Transfer to reserve	18	18	18
Capex transfer from reserve	(5)	(5)	(5)
<b>Closing balance</b>	<b>393</b>	<b>380</b>	<b>402</b>
<b>Environmental Science and Monitoring: Depreciation reserve</b>			
Opening balance	57	108	209
Transfer to reserve	107	99	114
Capex transfer from reserve	-	(150)	(185)
<b>Closing balance</b>	<b>164</b>	<b>57</b>	<b>138</b>
<b>Animal Control: General and Depreciation reserves</b>			
Opening balance	182	179	187
Transfer to reserve	3	3	3
<b>Closing balance</b>	<b>184</b>	<b>182</b>	<b>190</b>
<b>Harbours: General and Depreciation reserves</b>			
Opening balance	(16)	(35)	(32)
Transfer to reserve	183	161	162
Capex transfer from reserve	(107)	(143)	(104)
<b>Closing balance</b>	<b>60</b>	<b>(16)</b>	<b>26</b>
<b>Irrigation Schemes (SVIS &amp; Flaxbourne): Depreciation and general reserves</b>			
Opening balance	939	1,085	933
Transfer to reserve	393	343	379
Transfer from reserve	(547)	(427)	(421)
Capex transfer from reserve	(182)	(61)	(234)
<b>Closing balance</b>	<b>603</b>	<b>939</b>	<b>657</b>

Reserves as at 30 June:	LTP 2017 \$000's	LTP 2016	2017 \$000's
<b>Parking General and Depreciation reserves</b>			
Opening balance	(602)	(374)	(426)
Transfer to reserve	406	379	491
Transfer from reserve	(594)	(607)	(613)
Capex transfer from reserve	-	-	-
<b>Closing balance</b>	<b>(790)</b>	<b>(602)</b>	<b>(548)</b>
<b>Plant General and Depreciation reserves</b>			
Opening balance	302	356	358
Transfer to reserve	317	336	320
Transfer from reserve	(3)	-	(8)
Capex transfer from reserve	(402)	(389)	(258)
<b>Closing balance</b>	<b>215</b>	<b>302</b>	<b>411</b>
<b>Commercial property General and Depreciation reserves</b>			
Opening balance	2,117	1,628	1,034
Transfer to reserve	164	638	660
Transfer from reserve	(171)	(149)	(342)
<b>Closing balance</b>	<b>2,110</b>	<b>2,117</b>	<b>1,352</b>
<b>Information services General and Depreciation reserves</b>			
Opening balance	(186)	(458)	(531)
Transfer to reserve	1,325	1,155	1,230
Transfer from reserve	(651)	-	-
Capex transfer from reserve	(781)	(884)	(1,397)
<b>Closing balance</b>	<b>(293)</b>	<b>(186)</b>	<b>(698)</b>
<b>Office and customer services depreciation reserves</b>			
Opening balance	1,504	1,426	1,722
Transfer to reserve	347	323	503
Capex transfer from reserve	(102)	(245)	(100)
<b>Closing balance</b>	<b>1,749</b>	<b>1,504</b>	<b>2,125</b>
<b>Plus Revaluation reserves closing balance</b>	<b>844,480</b>	<b>813,801</b>	<b>820,278</b>
<b>Total Equity closing balance</b>	<b>1,450,855</b>	<b>1,412,670</b>	<b>1,451,340</b>



## Part 4: Funding Impact Statement and Rates

*Seymour Square, Blenheim*

# Funding Impact Statement Rates Movements 2016-17 Impacts on Benchmark Properties

## Funding Impact Statement

The Funding Impact Statement provides the following information:

- A Funding Impact Statement for 2016-17.
- 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%.**

<b>Funding Impact Statement (excluding GST)</b>			
<b>Marlborough District Council</b>	<b>LTP 2016.17</b>	<b>LTP 2015.16</b>	<b>AP 2016.17</b>
	<b>\$'000's</b>	<b>\$'000's</b>	<b>\$'000's</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, rates penalties	39,074	37,046	39,246
Targeted rates (other than a targeted rate for water supply)	21,451	20,571	20,337
Subsidies and grants for operating purposes	5,513	5,022	5,323
Fees, charges, and targeted rates for water supply	16,067	15,311	15,959
Interest and dividends from investments	1,610	1,658	1,596
Other receipts including fuel tax, fines and infringement fees	15,744	16,763	15,986
<b>Total operating funding</b>	<b>99,458</b>	<b>96,371</b>	<b>98,446</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	72,205	69,066	73,940
Finance costs	4,797	3,674	2,157
Other operating funding applications	3,042	4,924	3,594
<b>Total applications of operating funding</b>	<b>80,044</b>	<b>77,664</b>	<b>79,692</b>
<b>Surplus of operating funding</b>	<b>19,414</b>	<b>18,708</b>	<b>18,754</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital expenditure	4,087	3,107	4,294
Development and financial contributions	1,221	1,198	1,410
Increase in debt	12,000	20,000	11,000
Gross proceeds from sale of assets	9,345	2,608	10,835
<b>Total sources of capital funding</b>	<b>26,653</b>	<b>26,913</b>	<b>27,540</b>
<b>Applications of capital funding</b>			
Capital expenditure to meet additional demand	11,257	14,364	14,943
Capital expenditure to improve the level of service	14,270	17,650	18,075
Capital expenditure to replace existing assets	19,588	20,115	16,068
Increase (decrease) in reserves	951	(6,508)	(2,792)
Increase (decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>46,067</b>	<b>45,621</b>	<b>46,294</b>
<b>(Deficit) of capital funding</b>	<b>(19,414)</b>	<b>(18,708)</b>	<b>(18,754)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reconciliation</b>			
<b>Total operating funding</b>	<b>99,458</b>	<b>96,371</b>	<b>98,446</b>
plus - Subsidies and grants for capital expenditure	4,087	3,107	4,294
plus - Development and financial contributions	1,221	1,198	1,410
plus- Gain on sale of fixed assets	2,231	2,104	1,824
plus - Contributions Vested Assets	1,910	1,778	2,395
<b>Total income as per Income Statement</b>	<b>108,907</b>	<b>104,558</b>	<b>108,371</b>
<b>Total applications of operating funding</b>	<b>80,044</b>	<b>77,664</b>	<b>79,692</b>
plus - Depreciation and amortisation	21,971	20,334	20,883
plus - Loss on sale of fixed assets	-	-	109
<b>Expenditure as per Income Statement</b>	<b>102,015</b>	<b>97,998</b>	<b>100,684</b>
<b>Surplus of operating funding</b>	<b>19,414</b>	<b>18,708</b>	<b>18,754</b>
less - Depreciation and amortisation	21,971	20,334	20,884
less - Loss on sale of fixed assets	-	-	109
plus - Subsidies and grants for capital expenditure	4,087	3,107	4,294
plus - Development and financial contributions	1,221	1,198	1,410
plus- gain on sale of fixed assets	2,231	2,104	1,824
plus - Contributions Vested Assets	1,910	1,778	2,395
<b>Surplus as per Income Statement</b>	<b>6,892</b>	<b>6,560</b>	<b>7,686</b>

## 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 and the Flaxbourne Community Irrigation Scheme Loan rate which are based on irrigable hectares; or the Energy Efficiency rates which are based on the service amount).
- LTP refers to Council's Long Term Plan which was adopted on 25 June 2015.
- A Separately Used or Inhabited Part of a Rating Unit (SUIP)

### Definition

- A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

For the purposes of this definition:

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

Examples of the application of the definition

- Where a rating unit has two separately used parts, whether or not actually occupied at any

particular time, they will be treated as two SUIPs.

Residential	Residential	= 2 SUIPs
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- Where a rating unit contains both a commercial or industrial type use, and a residential or rural type use they will be treated as two SUIPs.

Commercial or Industrial	Residential or Rural	= 2 SUIPs
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- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.

Commercial	Commercial	= 2 SUIPs
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Exceptions to the definition

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

Owner operated business	Predominant Use – Owner occupied residential	= 1 SUIP
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- Where two dwellings are located on a farm, vineyard, forestry or horticultural block, the first dwelling is considered an integral part of the farm, vineyard, forestry or horticultural block and every additional dwelling is assessed as a SUIP.

Two Residential	Rural	= 2 SUIPs
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- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

Motel	Dwelling	= 1 SUIP
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- GST inclusive (incl) amounts are used to indicate the Levy Totals and the Benchmark Property Levy Amounts affecting Ratepayers. The GST rate used in these calculations is 15%.
- GST exclusive (excl) amounts are used to indicate Rate Revenue Movements affecting the Council.

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

### Residential or Rural

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

"Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units

not otherwise categorised within a specified differential category.

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

### Commercial or Industrial

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

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

**\$38,654,952 GST excl**  
**(\$44,453,195 GST incl)**

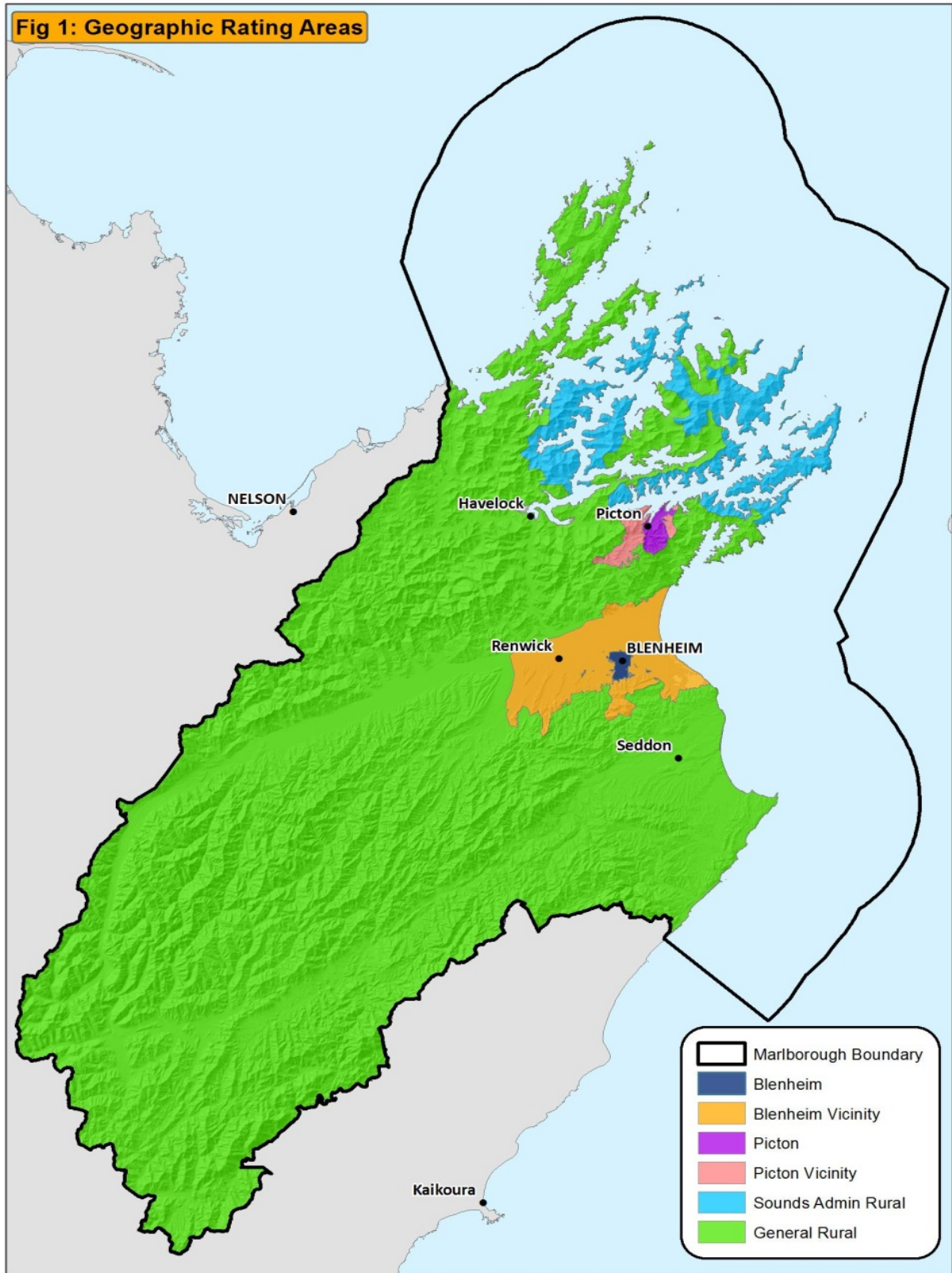
Although general-type rates and charges have increased overall by 5.36% (\$1,967,282 GST excl), there are varying percentage movements (both up and down) in the different rates and charges. These variations are the result of expenditure movements not uniformly impacting on geographic areas.

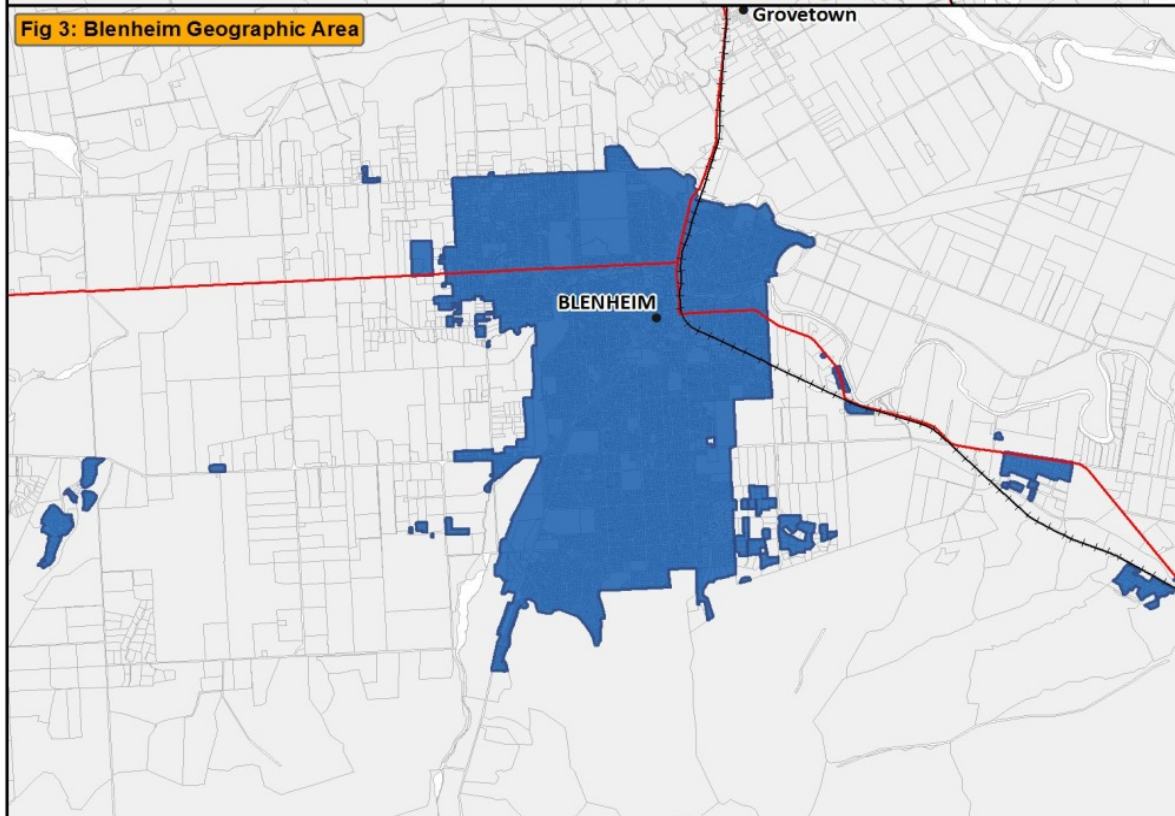
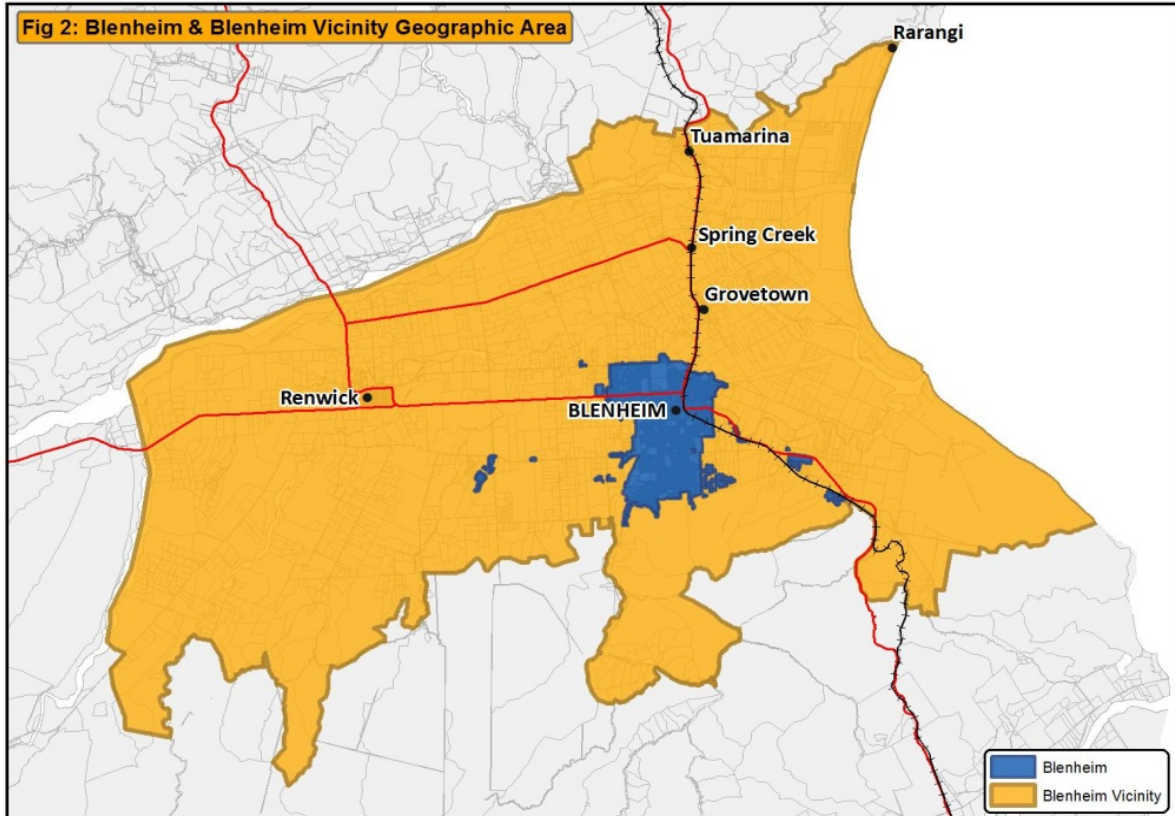
### Geographic Area General Works and Services Rates

**\$23,974,532 GST excl**  
**(\$27,570,712 GST incl)**

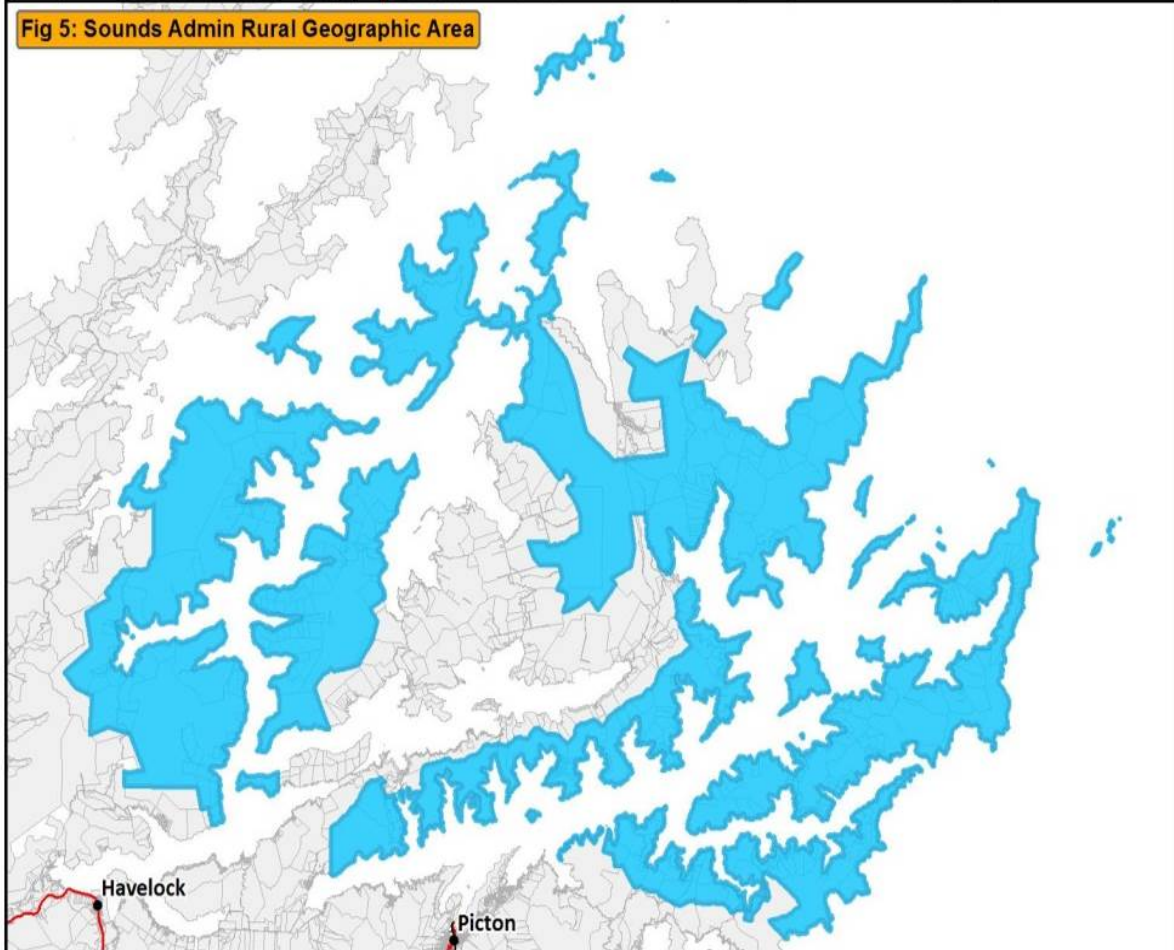
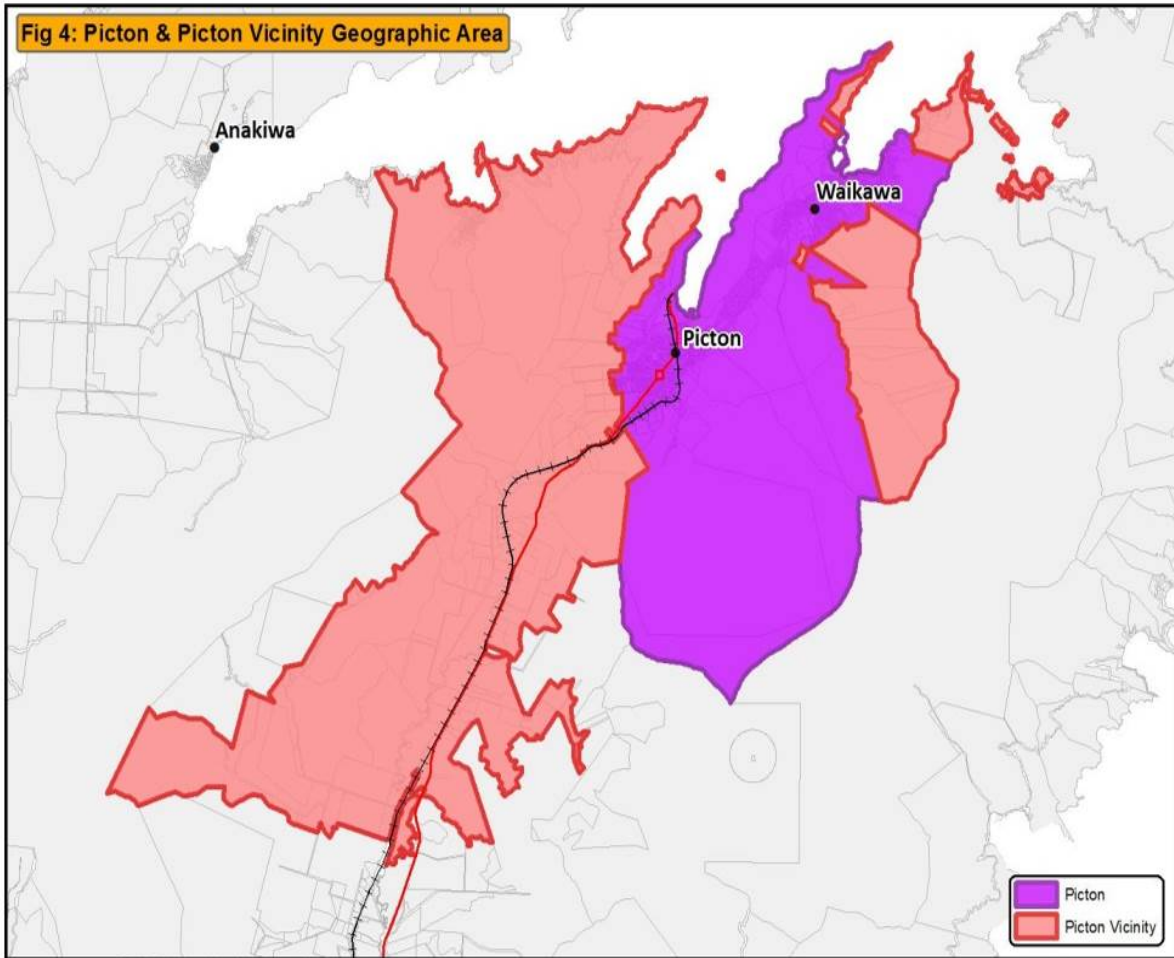
General Works and Services Rates are set differentially for six geographic areas, depending on where the land is situated.

### 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:

- 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 \$719,169 (3.09%) 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	5,477,592	6,299,232	0.383443
	Com/Ind	3,693,490	4,247,513	1.325578
	Hsty/Fsty	1,225	1,409	0.618687
Blenheim Vicinity	Res/Rural	5,061,231	5,820,416	0.280047
	Com/Ind	271,432	312,147	0.543448
	Hsty/Fsty	14,048	16,155	0.346463
Picton	Res/Rural	1,569,292	1,804,685	0.580318
	Com/Ind	789,673	908,124	1.181879
	Hsty/Fsty	5,370	6,176	0.732146
Picton Vicinity	Res/Rural	199,965	229,959	0.149622
	Com/Ind	19,637	22,582	0.442189
	Hsty/Fsty	364	419	0.222542
General Rural	Res/Rural	6,055,015	6,963,267	0.300851
	Com/Ind	144,340	165,991	0.489172
	Hsty/Fsty	3,406	3,917	0.347975
Sounds Admin Rural	Res/Rural	642,450	738,818	0.205367
	Com/Ind	25,515	29,342	0.347052
	Hsty/Fsty	487	560	0.240727

**Geographic Area General Works and Services Charges \$14,680,420 GST excl (\$16,882,483 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 \$1,248,113 (9.29%) 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	7,555,111	8,688,378	704
Blenheim Vicinity	2,302,019	2,647,322	636
Picton	1,822,808	2,096,229	742
Picton Vicinity	266,398	306,358	640
General Rural	2,216,238	2,548,674	470
Sounds Admin Rural	490,324	563,872	392
Utilities	27,522	31,650	598

**Debt Servicing Rates and Charges \$1,182,128 GST excl (\$1,359,448 GST incl)**

**Grovetown Sewerage Loan Rate \$96,835 GST excl (\$111,360 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. The loan rate will continue until 30 June 2039.

*This year the interest rate reduction to 6% has resulted in a decrease of \$1,436 to the amount expected to be required to service the future table mortgage requirements.*

*On a rating unit with a land value of \$175,000 the sewerage loan rate will decrease from \$1,041.23 to \$1,026.00 GST excl. The new cents in the dollar rate is 0.586291 cents GST incl.*

**Picton Sewerage Treatment Loan Rate**  
**\$56,610 GST excl**  
**(\$65,101 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.

*A decrease of \$4,114 GST excl will occur.*

*On a rating unit with a land value of \$105,000, the Picton Sewerage Treatment Loan rate will decrease from \$52.39 to \$48.88 GST incl.*

*The new cents in the dollar rate is 0.046557 GST incl.*

**Renwick Sewerage Loan Rate**  
**\$30,623 GST excl**  
**(\$35,218 GST incl)**

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

*A decrease of \$1,494 GST excl will occur.*

*On a rating unit with a land value of \$131,000, the loan rate will decrease from \$85.07 to \$80.99 and the new cents in the dollar rate is 0.061824 GST incl.*

**Southern Valleys' Irrigation Loan Rate**  
**\$997,007 GST excl**  
**(\$1,146,558 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.

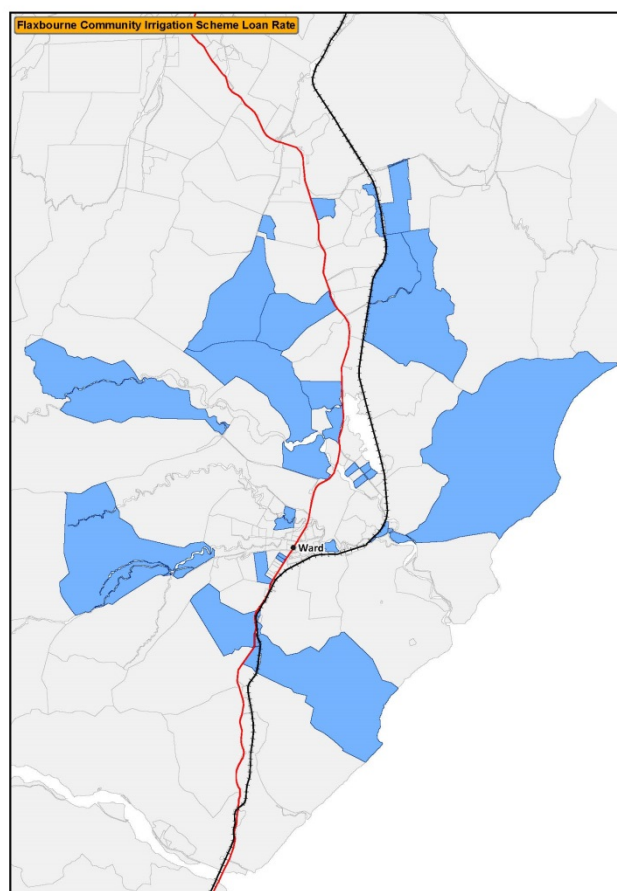
*A decrease of \$53,248 GST excl will occur.*

*The new targeted loan rate is \$308.29 GST incl.*

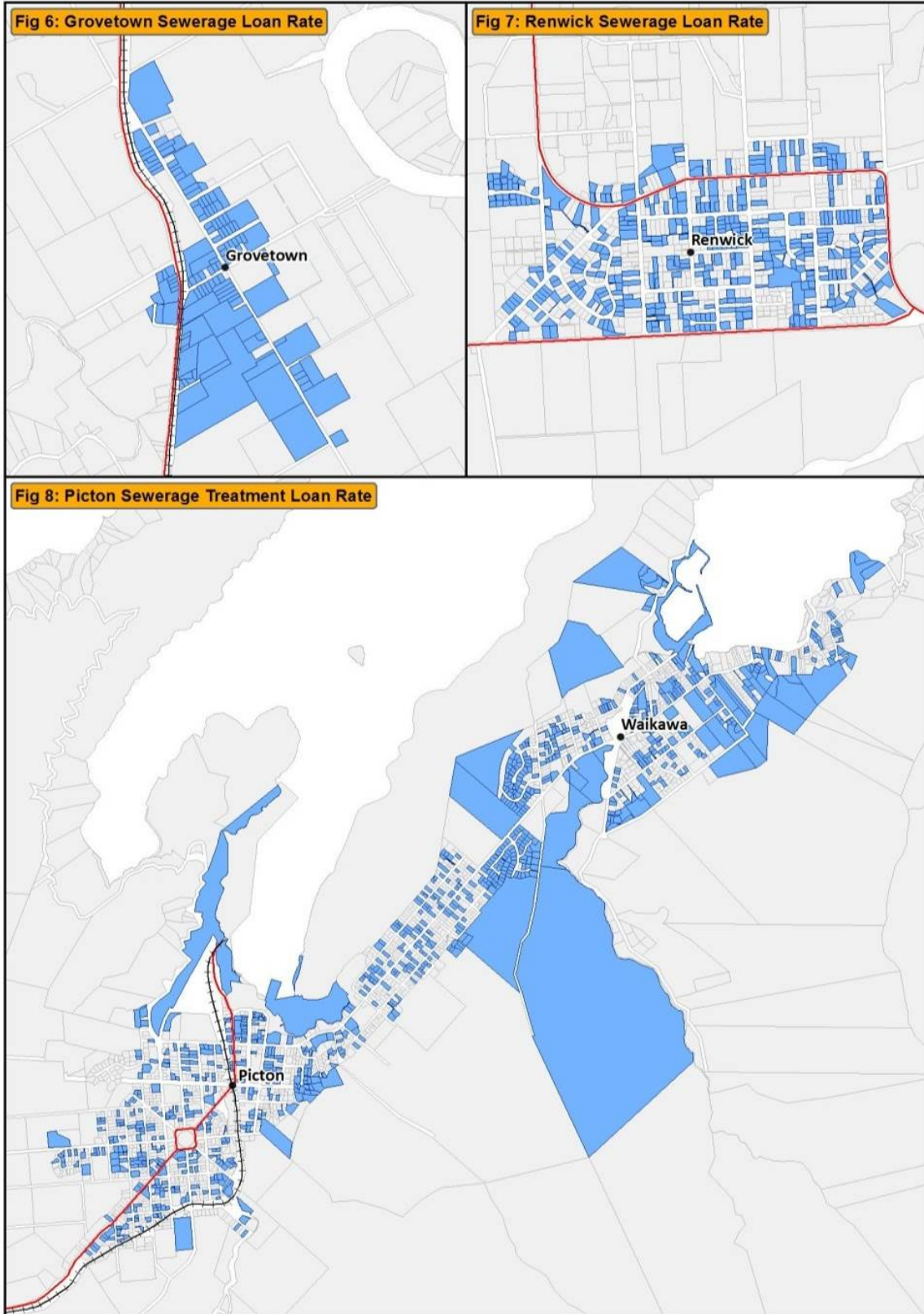
**Flaxbourne Community Irrigation Scheme Loan Rate**  
**\$1,053 GST excl**  
**(\$1,211 GST incl)**

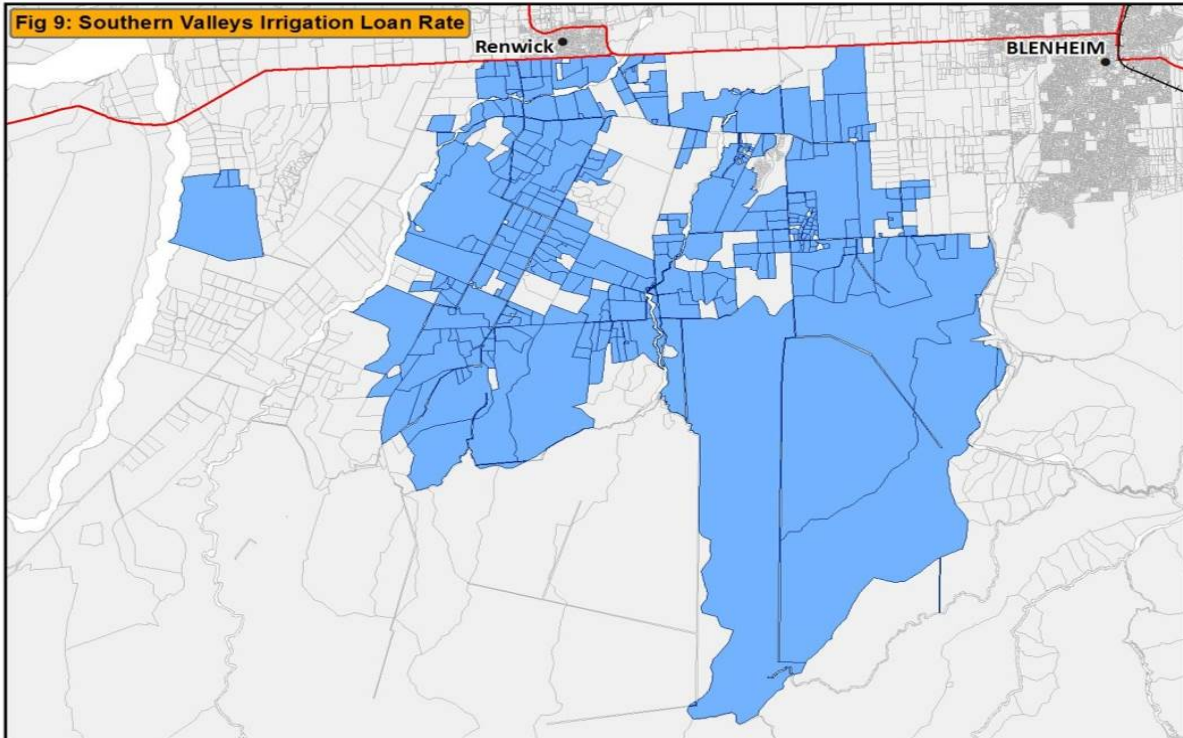
This rate is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m<sup>3</sup> per hectare on land identified within the Flaxbourne Special Rating Area. The quantum of the loan rate will alter as the scheme proposal is progressed and will be used to either fund investigation costs incurred should the scheme not proceed or the total capital cost of the scheme should construction contracts be awarded.

*The targeted loan rate is \$1 GST inclusive.*



### Special Rating Areas





**Roading Rates and Charges**  
**\$63,363 GST excl**  
**(\$72,867 GST incl)**

**French Pass Road Charge**  
**\$27,865 GST excl**  
**(\$32,045 GST incl)**

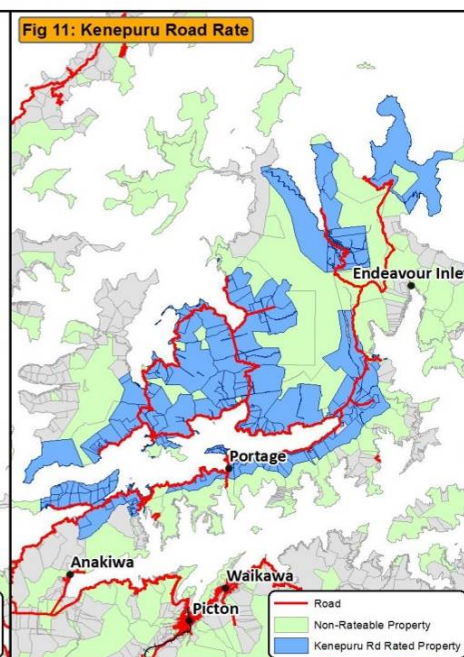
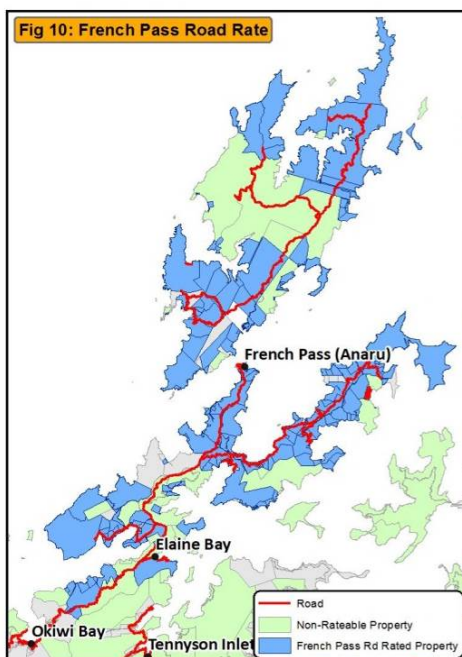
This charge is calculated on every rating unit in the French Pass Rating Area, to be applied towards the cost of seal extension in the targeted area. The charge will continue until the sealing costs are fully repaid.

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

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

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

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



**Wairau Valley River Works Rate**  
**\$3,598,297 GST excl**  
**(\$4,138,041 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%

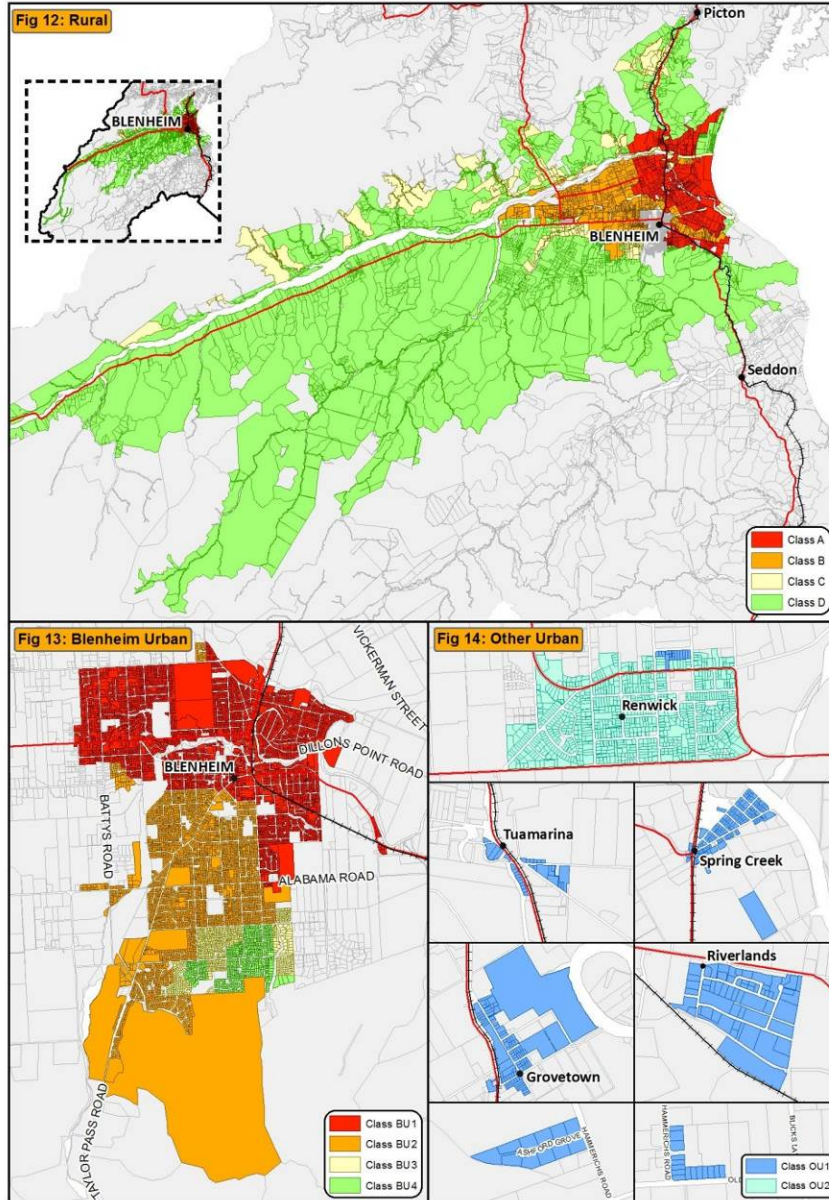
*A 2.22% decrease (\$81,659 GST excl) in the overall rates levy has occurred.*

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	483,364	555,869	0.069928	(6.99)
Rural B Rating Units	911,712	1,048,468	0.065033	(6.50)
Rural C Rating Units	146,925	168,964	0.041957	(4.20)
Rural D Rating Units	169,709	195,166	0.007693	(0.77)
Blenheim Urban 1 Rating Units	1,103,775	1,269,340	0.059129	(5.91)
Blenheim Urban 2 Rating Units	512,019	588,822	0.041391	(4.14)
Blenheim Urban 3 Rating Units	59,614	68,556	0.028251	(2.83)
Blenheim Urban 4 Rating Units	46,018	52,920	0.022338	(2.23)
Other Urban 1 Rating Units in Wairau Catchment	86,851	99,879	0.051941	(5.19)
Other Urban 2 Rating Units in Wairau Catchment	78,310	90,057	0.033391	(3.34)

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

Wairau Valley Rivers Rating Area



**Combined Sewerage Scheme Rates and Charges \$7,807,790 GST excl (\$8,978,958 GST incl)**

An overall increase of \$84,549 (GST excl) will occur (1.09%).

**Combined Sewerage Scheme Capital Works Rate \$2,159,664 GST excl (\$2,483,613 GST incl)**

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

There is a 17.71% (\$464,781 GST excl) decrease in this rate.

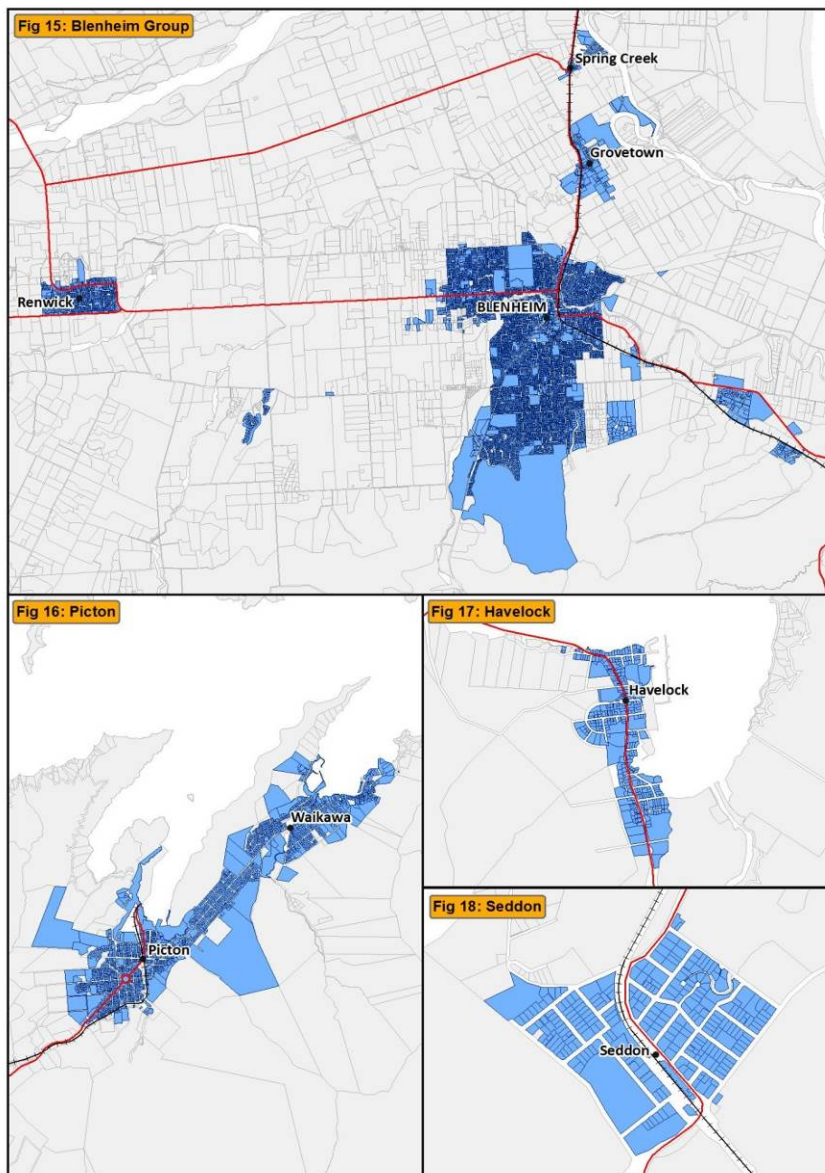
On a Blenheim rating unit in the Blenheim Group area with a land value of \$175,000 the rate will decrease from \$194.63 to \$159.58 - a rate in the dollar of 0.091191 cents GST incl.

On a Havelock rating unit with a land value of \$155,000 the rate will decrease from \$153.42 to \$125.80 - a rate in the dollar of 0.081160 cents GST incl.

On a Picton rating unit with a land value of \$155,000 the rate will decrease from \$203.41 to \$166.79 - a rate in the dollar of 0.107606 cents GST incl.

On a Seddon rating unit with a land value of \$62,000 the rate will decrease from \$115.84 to \$94.98 - a rate in the dollar of 0.153201 cents GST incl.

## Combined Sewerage Rating Areas



**Combined Sewerage Scheme Charge**  
**\$5,648,126 GST excl**  
**(\$6,495,345 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 10.77% (\$549,329 GST excl) increase in this charge.*

*The charge will increase from \$352 to \$388 GST incl on every separately used or inhabited part of every serviced rating unit connected to the combined sewerage scheme; and from \$176 to \$194 GST incl on every separately used or inhabited part of every serviceable rating unit.*

**Water Supply Rates and Charges**  
**\$8,916,385 GST excl**  
**(\$10,253,843 GST incl)**  
**Awatere Water Supply \$799,278 GST excl**  
**(\$919,170 GST incl)**

An overall rate increase of \$82,974 will occur (11.58%).

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

**Awatere Water Charge** **\$267,598 GST excl**  
**(\$307,738 GST incl)**

The uniform charge will increase from \$421 to \$466 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 \$531,680 GST excl  
(\$611,432 GST incl)**

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

The metered charge will increase from \$1.93 to \$2.17 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**

**\$4,523,060 GST excl  
(\$5,201,518 GST incl)**

An overall rates decrease of \$445,939 (GST excl) will occur (8.97%).

**Blenheim Water Capital Works Rate**

**\$1,832,857 GST excl  
(\$2,107,784 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 \$233,424 (GST excl) will occur (11.30%).

*The rate levy for a property with a land value of \$175,000 will decrease from \$210.91 to \$186.81. The new rate in the dollar will be 0.106746 cents GST incl.*

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

**Metered and Uniform Charges \$2,690,203 GST excl  
(\$3,093,734 GST incl)**

A decrease of \$212,515 (GST excl) will occur (7.32%).

- Blenheim Metered Water Charge**

**\$316,168 GST excl  
(\$363,594 GST incl)**

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

Metered water charges are as follows:

The minimum quarterly charge will decrease from \$63.50 to \$58.50 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 82.39 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 84.67 m<sup>3</sup>.

*The metered charge for the volume of water supplied in excess of the minimum charge volume will decrease from \$0.75 to \$0.71 GST incl per cubic metre.*

- Blenheim Water Charges**

**\$2,367,379 GST excl  
(\$2,722,486 GST incl)**

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

*The charges will decrease from \$254 to \$234 on every part of a serviced rating unit and from \$127 to \$117 on every part of a serviceable rating unit GST incl.*

- Burleigh Extension Metered Water Charge**  
**\$6,656 GST excl  
(\$7,654 GST incl)**

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

Metered water charges are as follows:

*The minimum quarterly charge will decrease from \$63.50 to \$58.50 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 82.39 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 84.67m<sup>3</sup>.*

*The metered charge for the volume of water supplied in excess of the minimum charge volume will decrease from \$0.75 to \$0.71 GST incl per cubic metre.*

**Havelock Water Supply**

**\$330,612 GST excl  
(\$380,204 GST incl)**

An overall rates increase of \$75,737 (GST excl) will occur (29.72%).

- Havelock Water Capital Works Rate**

**\$83,819 GST excl  
(\$96,392 GST incl)**

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

A decrease of \$12,361 (GST excl) will occur (12.85%).

*For a rating unit with a land value of \$155,000 the rate will decrease from \$288.71 to \$250.68. The new rate in the dollar will be 0.161726 cents GST incl.*

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

**Metered and Uniform Charges \$246,793 GST excl  
(\$283,812 GST incl)**

An increase of \$88,098 (GST excl) will occur (55.51%).

- Havelock Metered Water Charge**

**\$63,673 GST excl  
(\$73,224 GST incl)**

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

Metered water charges are as follows:

*The minimum quarterly charge will increase from \$110 to \$131 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 59.82 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 55.28 m<sup>3</sup>.*

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.99 to \$2.19 GST incl per cubic metre.

- Havelock Water Charges**     **\$183,120 GST excl**  
**(\$210,588 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 will increase from \$440 to \$524 on every part of a serviced rating unit and from \$220 to \$262 on every part of a serviceable rating unit GST incl.

**Picton Water Supply**     **\$1,880,554 GST excl**  
**(\$2,162,637 GST incl)**

An overall decrease of \$81,458 (GST excl) will occur (4.15%).

**Picton Water Capital Works Rates**  
**\$326,072 GST excl**  
**(\$374,982 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 \$95,253 (GST excl) will occur (22.61%).

For a rating unit with a land value of \$155,000 the rate will decrease from \$189.94 to \$146.53. The new rate in the dollar for rating units subject to the special pipeline agreement will be 0.075630 cents in the dollar and for all other rating units will be 0.094537 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**  
**\$1,554,482 GST excl**  
**(\$1,787,655 GST incl)**

An increase of \$13,795 (GST excl) will occur (0.90%) to meet increased operating costs.

- Picton Metered Water Charge**  
**\$317,114 GST excl**  
**(\$364,682 GST incl)**

**Ordinary Charge**

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

The minimum quarterly charge will increase from \$136.50 to \$138 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 62.30m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 62.41m<sup>3</sup>.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$2.1872 to \$2.2151 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 \$1.7498 to \$1.7721 GST incl per cubic metre.

**Onsold Charge**

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

Metered water charges for consumers onselling are as follows:

The minimum quarterly charge will increase from \$136.50 to \$138 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 56.16 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 56.25m<sup>3</sup>.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$2.4265 to \$2.4573 GST incl per cubic metre.

- Picton Water Charge**     **\$1,237,368 GST excl**  
**(\$1,422,973 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 \$546 to \$552 on every part of a serviced rating unit and from \$273 to \$276 on every part of a serviceable rating unit GST incl.

**Renwick Water Supply**     **\$455,864 GST excl**  
**(\$524,243 GST incl)**

An overall increase of \$35,097 (GST excl) will occur (8.34%).

**Renwick Water Capital Works Rate**     **\$3,803 GST excl**  
**(\$4,372 GST incl)**

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

A decrease of \$3,875 (GST excl) will occur (50.47%).

For a rating unit with a land value of \$136,000 the rate levy will decrease from \$8.87 to \$4.39. The new rate in the dollar is 0.003226 cents GST incl.

**Metered and Uniform Charges \$452,061 GST excl  
(\$519,871 GST incl)**

An increase of \$38,972 GST excl will occur (9.43%).

- **Renwick Metered Water Charges**  
\$47,466 GST excl  
(\$54,586 GST incl)

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

Metered water charges are as follows:

The minimum quarterly charge will increase from \$116.75 to \$127.50 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 66.75 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 65.96 m<sup>3</sup>.

The metered charge for the volume of water supplied in excess of the minimum charge volume will increase from \$1.77 to \$1.91 GST incl per cubic metre.

- **Renwick Water Charge** \$404,595 GST excl  
(\$465,285 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 \$467 to \$510 on every part of a serviced rating unit and from \$233.50 to \$255 on every part of a serviceable rating unit GST incl.

**Riverlands Water Supply**  
\$373,649 GST excl  
(\$429,697 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.

A decrease of \$52,875 GST excl will occur (12.40%).

The minimum quarterly charge will remain unchanged at \$41 GST incl and it will now provide for the volume of water supplied between 0 m<sup>3</sup> and 45.56 m<sup>3</sup> instead of the volume of water supplied between 0 m<sup>3</sup> and 39.81 m<sup>3</sup>.

The metered charge for the volume of water supplied in excess of the minimum charge volume will decrease from \$1.03 to \$0.90 GST incl per cubic metre.

**Southern Valleys' Irrigation Scheme**  
\$517,803 GST excl  
(\$595,474 GST incl)

Operating costs have increased by \$30,539 GST excl (6.27%).

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.

With the increased budgeted consumption this year the metered charge will reduce.

The metered charge will decrease from \$0.25241 to \$0.1985 GST incl per cubic metre.

**Wairau Valley Water Supply**  
\$35,565 GST excl  
(\$40,900 GST incl)

An increase of \$1,987 (GST excl) will occur (5.92%).

Although 2015-16 consumption was less than budget, budgeted consumption this year remains unchanged. Charges will be reviewed next year after consultation on the proposed district-wide funding formula for household water supplies is complete.

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

- **Wairau Valley Water Charge** \$23,206 GST excl  
(\$26,687 GST incl)

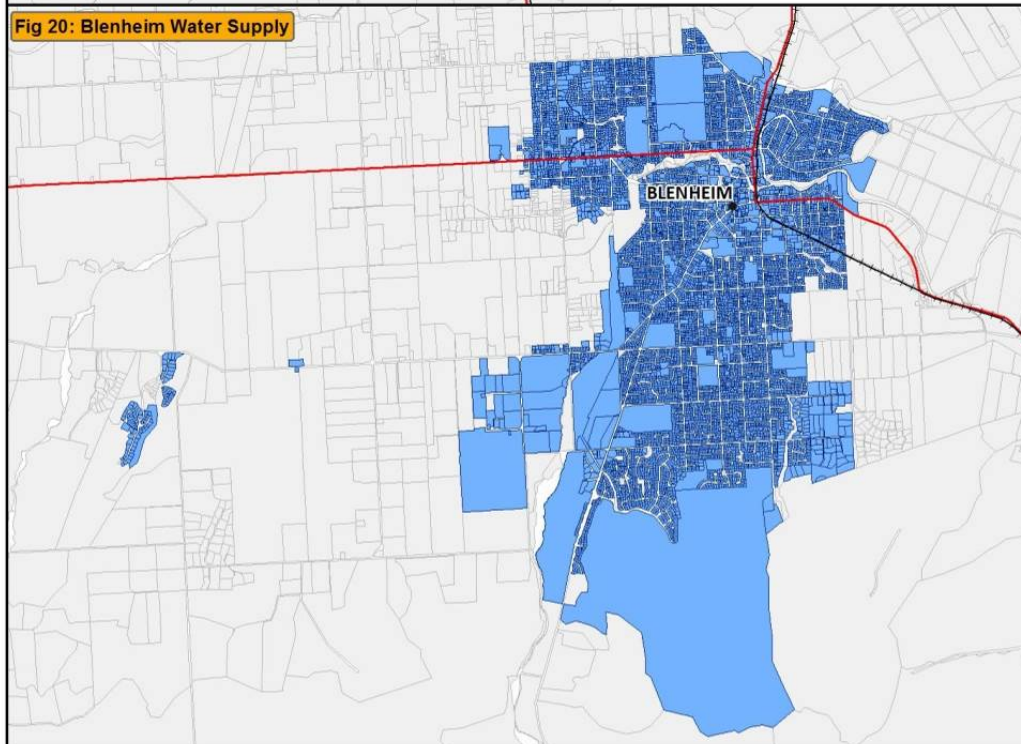
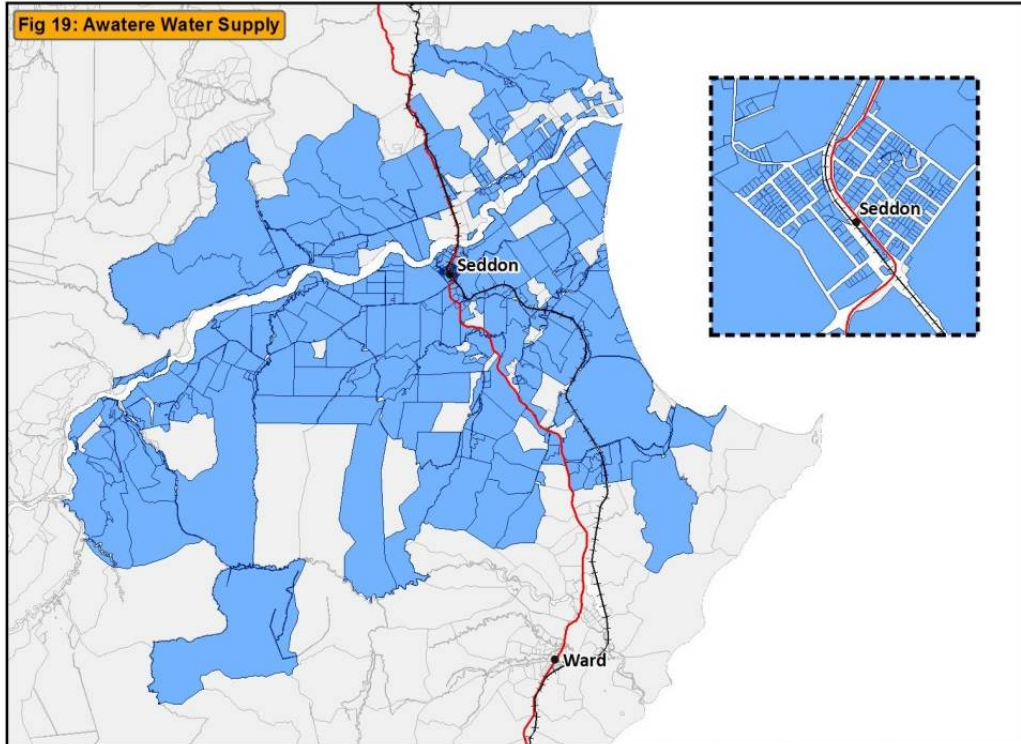
The uniform charge will increase from \$458 to \$485 GST incl for each water meter connected to a rating unit within the Wairau Valley Water Supply Area.

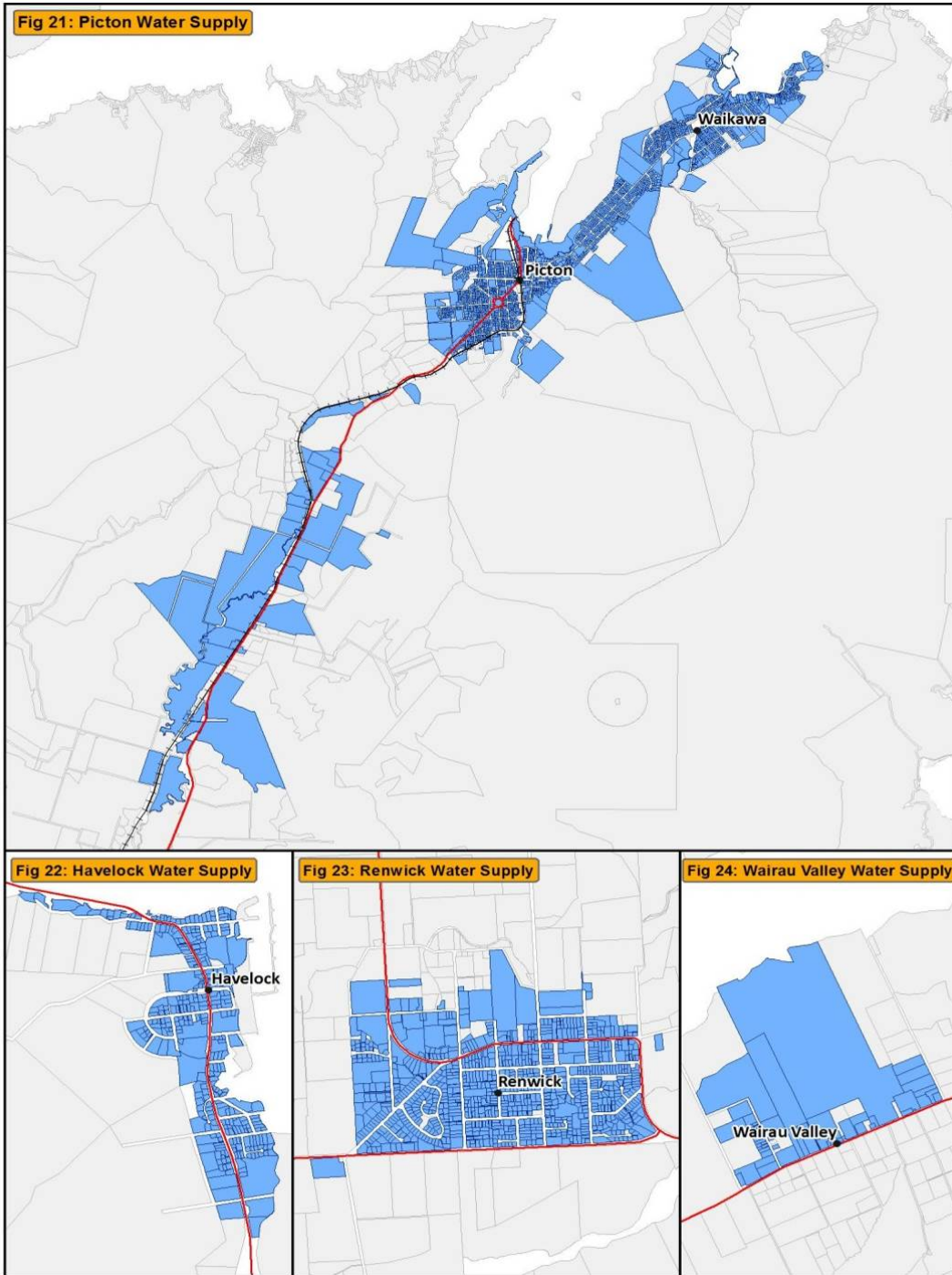
- **Wairau Valley Metered Water Charge**  
\$12,359 GST excl  
(\$14,213 GST incl)

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

The metered charge will increase from \$2.61 to \$2.76 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

**\$1,392,669 GST excl**  
**(\$1,601,569 GST incl)**

Refuse and recycling charges have decreased overall by \$45,071 GST excl (3.13%).

### ***Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection Charge***    **\$1,317,656 GST excl** **(\$1,515,305 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 remains at \$69 per service - total charge remains at \$115 GST incl.*

### ***Blenheim/Picton (Residential) Refuse Collection Charge***    **\$6,747 GST excl** **(\$7,760 GST incl)**

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

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

The collection charge remains at \$69 GST incl per service.

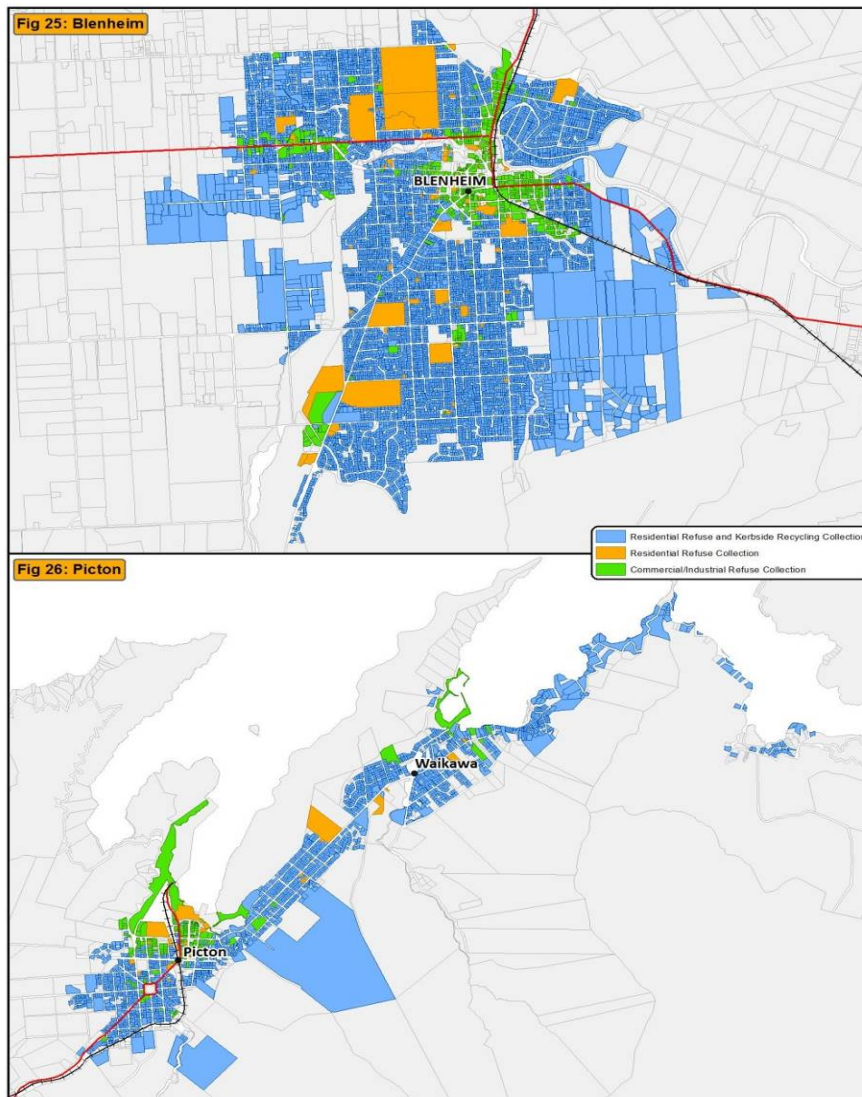
### ***Blenheim/Picton (Commercial/Industrial) Refuse Collection Charge***    **\$68,265 GST excl** **(\$78,505 GST incl)**

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 remains at \$69 GST incl per service.*

## Refuse and Kerbside Recycling Collection Service and Refuse Collection Service Areas



### Energy Efficiency Rates

**\$175,000 GST excl  
(\$201,250 GST incl)**

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

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

	% GST incl	First Rating Year	Final Rating Year
Energy Efficiency Rate 1	16.986199	2011-12	2019-20
Energy Efficiency Rate 2	16.910853	2012-13	2020-21
Energy Efficiency Rate 3	16.837603	2013-14	2021-22

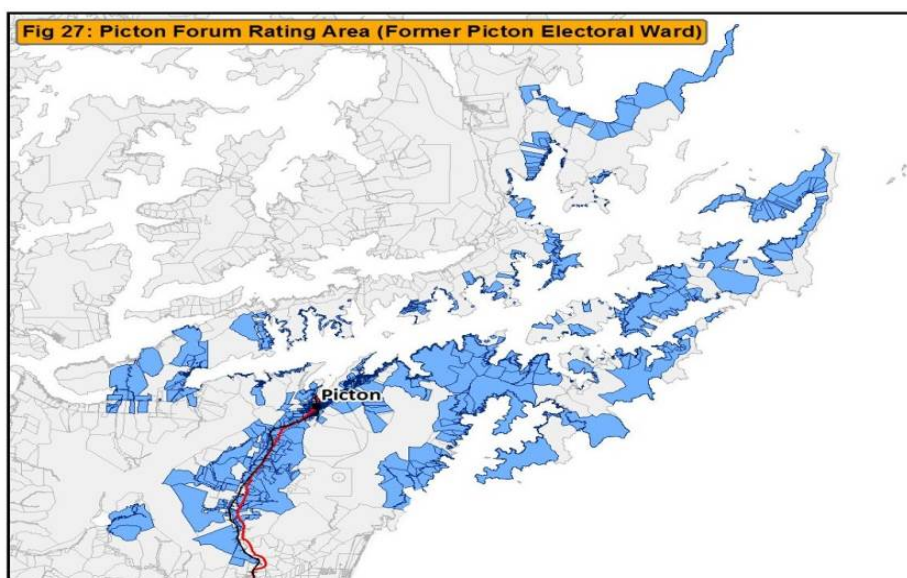
	% GST incl	First Rating Year	Final Rating Year
Energy Efficiency Rate 4	16.766417	2014-15	2022-23
Energy Efficiency Rate 5	16.697261	2015-16	2023-24
Energy Efficiency Rate 6	16.630102	2016-17	2024-25

The percentages have reduced, following the reduction in the budgeted interest rate on Council borrowings.

### 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 \$1.20 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.

*No increase has occurred.*



**Tourism Charges \$181,000 GST excl (\$208,150 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 - \$207 GST incl.*

*Properties used for commercial rental accommodation where 30 or more people can be accommodated - \$318 GST incl.*

*Properties used for tourism activities (excluding the two groups above) - \$232 GST incl.*

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

**Landscape Charges \$2,120 GST excl (\$2,438 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	\$38 GST incl
Properties with Urban level 2 landscaping standards	\$49 GST incl
Properties with Rural level 1 landscaping standards	\$54 GST incl
Properties with Rural level 2 landscaping standards	\$166 GST incl

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

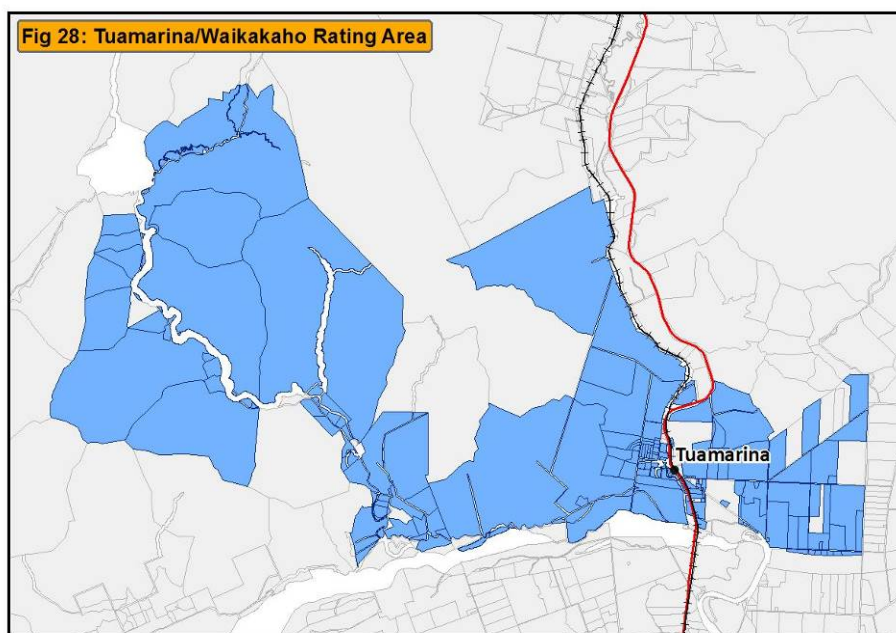
**Agency Rates and Charges \$2,390 GST excl (\$2,748 GST incl)**

**Tuamarina/Waikakaho Hall Charge \$2,390 GST excl (\$2,748 GST incl)**

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

*A \$6.15 increase has occurred due to increased hall maintenance costs.*





### Residential Rates Postponement Scheme

To cover costs for this scheme, the following fees and charges are set for the 2016-17 rating year. All fees and charges will be added as either a one-off or annual charge as the case may be, to the approved applicant's rate account.

Initial Charges – One off	Charging Unit	Fees and Charges (GST Inclusive)
Application fee	One-off	\$50.00
Contribution to the decision facilitation process	One-off	\$300.00
<b>Annual Interest Charges</b>		
Interest calculated at Council's borrowing rate on all amounts outstanding		
<b>Annual Charges – One-off</b>		
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 (\$8,884,005)

The \$8,884,005 total amount is comprised of Internal Loans Interest (\$7,288,125), Interest on General Funds

(\$5,000), Interest on Investments (\$690,880) and Dividends (\$900,000).

- 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 Land Development reserve.

#### Contributions Received from Development and Subdivision (\$1,693,333)

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 Land Development reserve which is used to fund any projects approved by Council.

## 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/Awatare Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

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

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

### Blenheim Vicinity Area (BV) (Fig 2)

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

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

Taylor's Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

### Picton Area (PN) (Fig 4)

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

### Schedule

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

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

### Picton Vicinity Area (PV) (Fig 4)

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

### General Rural Area (GR) (Fig 1)

All of that area administered by the former Marlborough County and excluding that part of the former County's area which has been included in either the Blenheim,

Blenheim Vicinity, Picton, Picton Vicinity or Sounds  
Admin Rural areas.

### Sounds Admin Rural (AR) (Fig 5)

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

The above rates and charges are for the period 1 July 2016 to 30 June 2017 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	9 September 2016
Instalment Two	9 December 2016
Instalment Three	9 March 2017
Instalment Four	9 June 2017

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 2017.

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

### Penalty Provisions (Unpaid Metered Water)

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

## Rates Movements 2016-17

**Total Rates and Charges for 2016-17 are estimated at \$61,981,094 (GST exclusive). This represents an increase of \$1,487,479 (2.46%) 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) affecting only those properties able to receive these services.

### Significant contributors to the overall rates increase are as follows:

General Rates and Charges		
Community Facilities	\$348,720	Increased Reserves operating costs including the Wither Hills Walkway track maintenance and the maintenance of the Seddon Domain and Pollard Park. Increased debt servicing costs for Lansdowne Park netball courts, stormwater control and resealing carpark, rebuild of the Pollard Park front wall area and the Picton Foreshore water play and irrigation.
Democracy	\$295,942	Increased operating costs due to Council elections to be held 8 October 2016, \$107,000 increased overhead allocation as a result of the increased operating cost and \$38,000 increase in Councillors' remuneration.
Regional Development	\$285,174	Includes \$140,000 increase in the Marlborough Research Centre grant, \$62,500 to fund a permanent Commercial Events Coordinator and enable Marlborough to more effectively bid for events, \$55,750 to establish a fulltime Conventions Bureau, \$20,000 increase for Blenheim and Picton i-Sites and \$12,500 increase for commercial events grants.
Roads and Footpaths	\$212,507	Increased costs for minor improvements and small townships debt servicing and depreciation costs.
Environmental Management	\$210,655	\$135,000 to extend the monitoring and reporting of freshwater quality to meet National Standards, increased laboratory costs, repairs and maintenance to maintain the reliability of the hydrometric equipment, equipment calibration and training.
Libraries	\$201,406	Increased interest costs for the Picton library project and increased personnel costs.
Community Support	\$169,640	Increase of \$75,000 for Community, Heritage and Arts & Culture grants and a \$50,000 Warmer Healthier Homes grant.
Stormwater	\$157,657	Increased depreciation cost and an additional \$50,000 for Blenheim stormwater investigations.
Arts	\$91,296	Includes \$100,000 increased Civic Theatre operating grant for the full year.
Building Consents	(\$107,153)	Increased building consents revenue due to the value of work increasing and our 3% pricing increase.
Biosecurity	(\$131,468)	Bovine TB funding is no longer required.
Targeted Rates and Charges		
Combined Sewerage Targeted Rates and Charges	\$84,549	Increased depreciation costs offset by reduced interest costs as a result of the interest rate reduction.
Wairau Valley River Works Targeted Rates	(\$81,659)	Tuamarina Capital Expenditure over three years and Blenheim drainage pump and stations are now funded from the Wairau Operating Reserve as sufficient funds are available, resulting in reduced debt servicing costs.
Water Targeted Rates and Charges	(\$394,633)	Reduced Blenheim water interest costs as a result of capital expenditure delays and the interest rate reduction.

## 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	15-16	16-17	16-17	16-17
			Actual Rate Levy	Final Plan Rate Levy	Total \$ Rate Mvt	Total % Rate Mvt
01-Blenheim Residential	175,000	320,000	2,502	2,530	28	1.13%
02-Blenheim Residential	160,000	310,000	2,469	2,500	30	1.22%
03-Blenheim Residential	195,000	410,000	2,643	2,666	23	0.86%
04-Blenheim Residential	195,000	520,000	2,866	2,882	16	0.56%
05-Blenheim Residential	170,000	435,000	2,583	2,609	26	1.01%
06-Blenheim Vacant Section	165,000	165,000	2,020	2,043	23	1.13%
07-Blenheim Commercial	122,000	480,000	3,414	3,538	124	3.62%
08-Blenheim Commercial	385,000	990,000	7,576	7,844	268	3.53%
09-Picton Residential * 1	105,000	340,000	2,590	2,669	79	3.04%
10-Picton Residential * 2	155,000	320,000	2,933	3,011	78	2.67%
11-Picton Vacant Section * 1	100,000	100,000	1,984	2,042	58	2.95%
12-Picton Commercial * 1	280,000	395,000	5,958	5,990	31	0.53%
13-Picton Motels (19 units) * 2	375,000	1,270,000	6,691	6,708	17	0.25%
14-Blenheim Vicinity	1,060,000	2,140,000	5,485	5,632	147	2.68%
15-Blenheim Vicinity	690,000	1,490,000	3,650	3,725	75	2.05%
16-Blenheim Vicinity	4,470,000	8,290,000	18,321	18,545	225	1.23%
17-Blenheim Vicinity	1,750,000	3,090,000	8,141	8,326	185	2.28%
18-Blenheim Vicinity	5,130,000	7,990,000	20,645	20,975	330	1.60%
19-Renwick Residential * 3	136,000	325,000	2,045	2,152	107	5.24%
20-Renwick Residential * 4	131,000	250,000	2,084	2,189	105	5.04%
21-Spring Creek Residential	134,000	305,000	1,613	1,680	66	4.12%
22-Grovetown Residential * 5	175,000	380,000	2,853	2,897	44	1.55%
23-Grovetown Residential * 5	139,000	210,000	2,408	2,464	56	2.33%
24-Rarangi Residential	220,000	800,000	1,244	1,314	69	5.58%
25-Picton Vicinity	1,970,000	2,110,000	4,189	4,053	-136	-3.25%
26-Ngakuta Bay - bach	155,000	410,000	845	873	28	3.33%
27-General Rural - French Pass	1,450,000	1,580,000	5,166	5,370	204	3.96%
28-General Rural - Manaroa	3,710,000	4,610,000	12,467	12,948	481	3.86%
29-General Rural - Opouri Valley	2,660,000	3,300,000	8,149	8,473	324	3.98%
30-General Rural - on Awatere Water	1,580,000	2,080,000	5,435	5,689	254	4.68%
31-Havelock Residential	155,000	360,000	2,113	2,225	112	5.29%
32-Seddon Residential	62,000	235,000	1,498	1,606	108	7.19%
33-Wairau Valley Township Residential	134,000	445,000	2,169	2,332	163	7.53%
34-Sounds Admin Rural - farm	4,710,000	5,500,000	10,025	10,664	639	6.37%
35-Sounds Admin Rural - bach	165,000	325,000	680	732	52	7.65%
36-Sounds Admin Rural - bach	270,000	465,000	883	948	65	7.33%

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

*Harling Park, Blenheim*

- 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 Jessica Bagge
Clr Jenny Andrews	Clr Cynthia Brooks
Clr Graeme Barsanti	Clr David Oddie
Clr Brian Dawson	Clr Terry Sloan
Clr Laressa Shenfield	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	Ian Marshall
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Mayor Alistair Sowman

### Grants Sub-Committee

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

Clr Jenny Andrews – Chairperson	Clr Cynthia Brooks
Sports Trust appointee – Karen Hartshorne	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 Cynthia Brooks
Clr Terry Sloan	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 – Community representatives  
Chairperson (at least five)  
Mayor – Alistair  
Sowman

### Youth Sub-Committee

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

Mayor Alistair Sowman Clr Jenny Andrews  
– Chairperson  
Clr Laressa Shenfield

### REGIONAL PLANNING AND DEVELOPMENT COMMITTEE

This Committee is responsible for development, maintenance and review of the Regional Policy Statement and Resource Management Plan 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 - Mayor Alistair Sowman -  
Chairperson Deputy  
Clr Geoff Evans Clr Peter Jerram  
Clr John Leggett Clr David Oddie  
Clr Terry Sloan 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 – Clr David Oddie – Deputy  
Chairperson  
Clr Jamie Arbuckle Clr Graeme Barsanti  
Clr Cynthia Brooks Clr Laressa Shenfield  
Iwi representative – Mr Raymond Smith

### Animal Control Sub-Committee

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

Clr Jamie Arbuckle – Clr Graeme Barsanti  
Chairperson  
Clr Peter Jerram

### 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 – Clr Jamie Arbuckle  
Chairperson  
Clr Graeme Barsanti Clr Cynthia Brooks  
Clr Laressa Shenfield

### 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 – Clr Graeme Barsanti –  
Chairperson Deputy Chairperson  
Two members appointed by the Chairperson from the following:  
Clr Graeme Barsanti Mr Hamish Beard  
(Deputy Chairperson)  
Ms Liz Hawthorne Mr John Hill  
Ms Norma Livingstone Ms Margaret McHugh

### APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited and Marlborough Airport Limited.

Mayor Alistair Chief Executive – Mark  
Sowman (Director) Wheeler (Director)  
Chair of Community and Finance Committee – Clr John Leggett (Director)

### Port Marlborough NZ Limited

Manager, Corporate Finance - Martin Fletcher (Director)

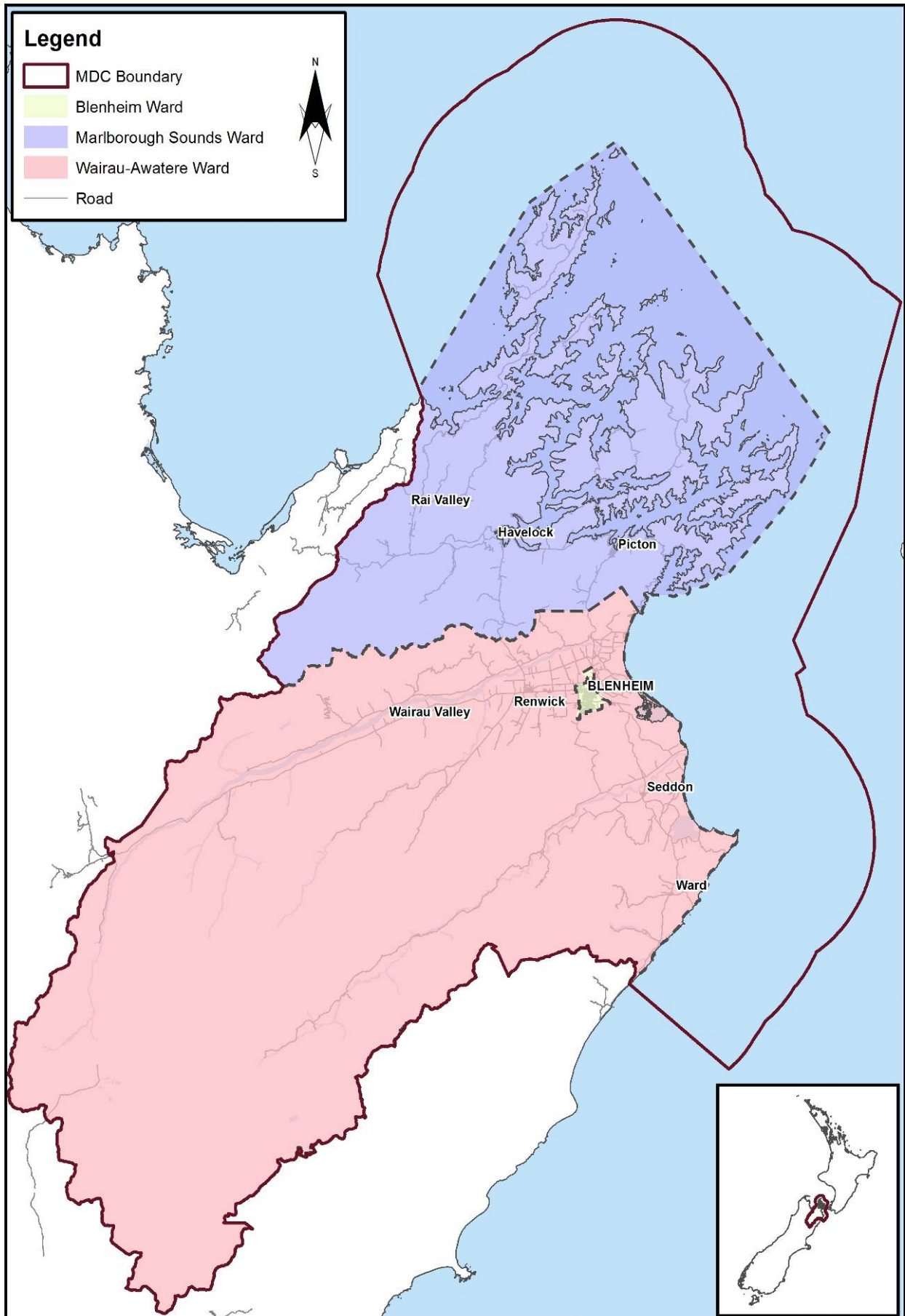
### Marlborough Regional Forestry

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.

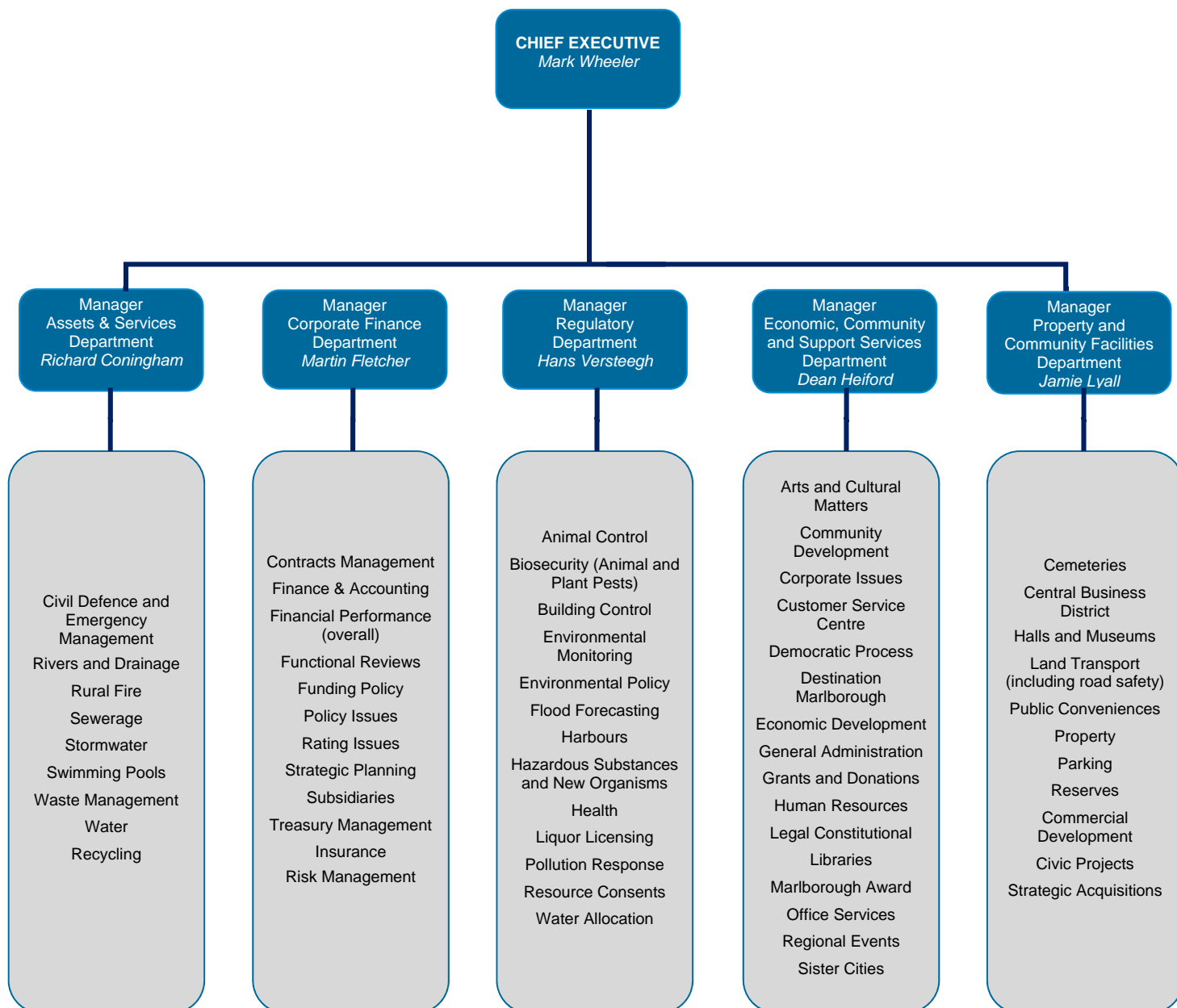
Clr Peter Jerram - Mayor Alistair Sowman  
Chairperson  
Kaikoura District Forestry representative – Leo  
Council representative Jelinek



# 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](mailto:mdc@marlborough.govt.nz)

Web: [www.marlborough.govt.nz](http://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 2015**

Rateable Land Value \$7,467,922,100

Rateable Capital Value \$15,091,674,350

Number of Rate Assessments 26,305

**as at 30 June 2014**

Rateable Land Value \$7,033,395,150

Rateable Capital Value \$13,691,761,250

Number of Rate Assessments 26,095

## Glossary of Terms

<b>Accruals</b>	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.	<b>Community Outcomes</b>	Means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions.
<b>Activity</b>	Means a good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.	<b>CV</b>	Capital Value.
<b>Allotment</b>	Has the meaning given to it in S218(2) of the Resource Management Act 1991.	<b>Departmental Management Development</b>	Allocation of Departmental Manager costs to activities. Means:
<b>Allotment Area</b>	Is the total land area of an allotment.	<b>Development Contribution</b>	(a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but (b) Does not include the pipes or lines of a network utility operator.
<b>AP 2016-17</b>	Means the revised budget for the 2016-17 year.		Means a contribution:
<b>Applicant</b>	Is the person/persons that apply for resource consent, building consent or service connection.		(a) Provided for in a development contributions policy included in the Long Term Plan of a territorial authority; and (b) Calculated in accordance with the methodology; and Comprising-
<b>Asset Management Plan</b>	Means Council documents outlining how each main asset class will be managed, upgraded and expanded as required.		(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.
<b>Asset Sales</b>	Refers to the sale of MDC assets eg: cars, property.	<b>Development Contributions Policy</b>	Means the policy on development contributions adopted under section 102(1).
<b>Borrowings</b>	This is the amount of external loans.	<b>District</b>	Means the District of a territorial authority.
<b>Capital Expenditure</b>	Means the cost of capital works for network infrastructure, reserves and community infrastructure.	<b>District Plan</b>	Means the District Plan of Marlborough District Council.
<b>Catchment</b>	Means the area served by a particular infrastructure investment.	<b>District Wide</b>	Applies to every property in the District.
<b>Charge</b>	These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.	<b>Equity</b>	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.
<b>Commercial</b>	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.	<b>Financial Contributions</b>	Has the same meaning as financial contributions in S108(9)(a)-(c) of the Resource Management Act 1991.
<b>Community Facilities</b>	Means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.	<b>Financial Strategy</b>	Means Council's Financial Strategy included in the Long Term Plan.
<b>Community Infrastructure</b>	Means the following assets when owned, operated or controlled by a territorial authority: (a) Community centres or halls for the use of a local community or neighbourhood and the land on which they are or will be situated; (b) Play equipment that is located on a neighbourhood reserve; (c) Toilets for use by the public.		

<b>General Revenues Applied</b>	Share of revenues generated by Council as a whole as compared to a specific activity eg: interest and dividends.	<b>Industrial</b>	Means:
<b>Geographic Areas</b>	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.		(a) Any premises used for any industrial or trade purposes; or
<b>Goods and Services Tax (GST)</b>	Means goods and services tax under the Goods and Services Tax Act 1985.		(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
<b>Greenfields Area</b>	Are defined as those areas where building capacity exists on the perimeter of the city.		(c) Any other premises from which containment is discharged in connection with any other industrial or trade process.
<b>Gross Floor Area (GFA)</b>	Means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding: <ul style="list-style-type: none"> <li>• Carparking.</li> <li>• Loading docks.</li> <li>• Vehicle access and manoeuvring areas/ramps.</li> <li>• Plant and equipment enclosures on the roof.</li> <li>• Service station canopies.</li> <li>• Pedestrian circulation space in an enclosed retail shopping centre.</li> <li>• Any foyer/Lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.</li> </ul>		(d) Any activity where people use materials and physical effort to: <ul style="list-style-type: none"> <li>• Extract or convert natural resources.</li> <li>• Produce goods or energy from natural or converted resources.</li> <li>• Repair goods.</li> <li>• Store goods. (ensuing from an industrial process)</li> </ul>
<b>Household Equivalent Unit (HEU)</b>	Means an average residential dwelling occupied by a household of average size.	<b>Infrastructural Assets</b>	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.
<b>Impervious Surface Area</b>	For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which: <ul style="list-style-type: none"> <li>• Falls within the definition of coverage.</li> <li>• Is covered by decks.</li> <li>• Is occupied by swimming pools.</li> <li>• Is used for parking, manoeuvring or loading of motor vehicles.</li> <li>• Is paved with a continuous surface with a run-off coefficient of greater than 0.45.</li> </ul>	<b>Infrastructure Strategy</b>	Means Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.
<b>Increase (Decrease) in Reserves</b>	Increase in reserves are generally surpluses on operations. Decrease from reserves assist to fund capital expenditure.	<b>LGA</b>	Means the Local Government Act 2002.
		<b>Loans/Debt</b>	Refers to the raising of internal loans for capital items, such as a sewerage or water scheme.
		<b>Local Authority</b>	Means a regional Council or territorial authority.
		<b>LTP</b>	Means 2015-2025 Long Term Plan.
		<b>LV</b>	Land Value.
		<b>Network Infrastructure</b>	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
		<b>Network Utility Operator</b>	Has the meaning given to it by section 166 of the RMA.
		<b>Non-Residential Development</b>	Means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.
		<b>Operational Assets</b>	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.

<b>Other Revenue</b>	Revenue specifically generated by the activity.	<b>Statement of Cashflows</b>	This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.
<b>Overhead Allocation</b>	The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.	<b>Statement of Comprehensive Revenue and Expense</b>	This can also be referred to as the Income Statement, Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.
<b>Prepayments</b>	Amounts paid to creditors by the MDC in the current year that relate to future years.	<b>Statement of Financial Position</b>	This shows the financial state of affairs at the end of each period. It can also be referred to as the Balance Sheet.
<b>Property Value</b>	For rating purposes this refers to either the "land" or "capital" value of a property.	<b>Subdivision</b>	Has the same meaning as section 218 of the Resource Management Act 1991.
<b>Public Debt</b>	This is the amount of borrowed funds that the MDC owes to external parties.	<b>Subsidies</b>	Amounts received from other agencies for the provision of services eg: NZTA roading subsidies.
<b>Public Equity</b>	Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.	<b>Third Party Funds</b>	Means funding or subsidy, either in full or in part, from a third party eg: subsidies for the roading network.
<b>Rate/Rates</b>	The Local Government (Rating) Act 2002 defines Rate – <ul style="list-style-type: none"> <li>(a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and</li> <li>(b) includes a penalty added to a rate in accordance with section 58; but</li> <li>(c) does not include a lump sum contribution.</li> </ul>	<b>Transfer to/from Reserves and Capex transfer from Reserves</b>	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.
<b>Residential Development</b>	Means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.	<b>Unit of Demand</b>	Means the measure of demand for community facilities.
<b>RMA</b>	Means the Resource Management Act 1991.	<b>User Charges</b>	The charges levied for use of MDC services eg: building consent fees, health inspections.
<b>Resource Management Plan</b>	Means the Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.	<b>Working Capital</b>	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.
<b>Section Management</b>	Allocation of Section Manager costs when they are responsible for more than one activity.		
<b>Service Catchment</b>	Means the same as catchment.		
<b>Service Connection</b>	Means a physical connection to a service provided by, or on behalf of, a territorial authority.		