

### **Renwick Sewerage Loan Rate (\$53,605 GST inclusive)**

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

The loan rate of 0.173777 cents in the \$ funds debt servicing costs.

*No increase has occurred.*

### **Miscellaneous Loan Rates/Charges (\$2,261 GST inclusive)**

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

◆ Havelock Sewerage Loan Rate	\$917	0.057665 cents in the \$
(Calculated on the basis of the land value of all rating units in the Havelock Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		
◆ Spring Creek Sewerage Loan Rate	\$442	0.175446 cents in the \$
(Calculated on the basis of the land value of all rating units in the Spring Creek Sewerage Special Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		
◆ Wairau Valley Water Loan Charge	\$902	\$225.50 uniform charge
(This charge is calculated as a fixed amount on every rating unit in the Wairau Valley Water Rating Area in respect of which no contribution to the lump sum scheme was chosen.)		

*No increases have occurred.*

### **Southern Valleys' Irrigation Loan Rate (\$1,837,740 GST inclusive)**

This rate is assessed on the basis of a fixed amount per hectare (\$440.11) on all irrigable land in the Southern Valleys' Special Rating Area to fund debt servicing costs on capital expenditure.

*No increase has occurred.*

## **Roading Rates and Charges (\$109,026 GST inclusive)**

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

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

Funding for this seal extension will continue until 30.06.08, with additional sealing works being staged in accordance with revenue flows.

*No increase has occurred - current charge \$268.*

### **Dillons Point Road Charge (\$7,837 GST inclusive)**

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

*The charge reduces from \$1,375 to \$784 as a result of cost savings and subsidy. It will continue until 30 June 2008.*

### **French Pass Road Charge (\$26,966 GST inclusive)**

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

*The charge remains at \$97 on each rating unit and will continue until 30.06.15.*

### **French Pass Road (Okiwi ) Charge (\$9,900 GST inclusive)**

This charge is calculated on each rating unit in the French Pass (Okiwi) Rating Area to assist with sealing of the French Pass Road.

*The charge remains at \$50 per rating unit and will continue until 30 June 2007.*

### **Kenepuru Road Rate (\$36,000 GST inclusive)**

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

*The rate will be 0.011881 cents in the dollar and for a rating unit with a capital value of \$660,000, the rate levy will be \$78.41.*

## Okiwa Bay Jetty Charge (\$260 GST inclusive)

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

*No increase has occurred.*

## Taylor Pass Road Charge (\$3,943 GST inclusive)

This charge is calculated on each rating unit and is being applied towards the cost of a 4.25km Taylor Pass Road seal extension.

*The charge reduces from \$351.50 to \$94 as a result of savings on the budgeted cost, and will discontinue after 2006-07.*

## Wairau Valley River Works Rates (\$3,134,037 GST inclusive)

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

The funding requirements from each area are as follows:

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

*No increase has occurred.*

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

◆ Rural A Rating Units	0.071332	(7.13)
◆ Rural B Rating Units	0.056352	(5.64)
◆ Rural C Rating Units	0.040659	(4.07)
◆ Rural D Rating Units	0.008560	(0.86)
◆ Blenheim Urban 1 Rating Units	0.064653	(6.47)
◆ Blenheim Urban 2 Rating Units	0.043102	(4.31)
◆ Blenheim Urban 3 Rating Units	0.028735	(2.87)
◆ Blenheim Urban 4 Rating Units	0.021551	(2.16)
◆ Other Urban 1 Rating Units in Wairau Catchment	0.064450	(6.45)
◆ Other Urban 2 Rating Units in Wairau Catchment	0.038669	(3.87)

## Sewerage Rates And Charges (\$4,710,617 GST inclusive)

### Blenheim/Riverlands Sewerage (Total \$3,656,289 GST inclusive)

*An overall increase of \$253,676 (GST exclusive) will occur (8.47%).*

#### **Blenheim Sewerage Capital Works Rate (\$1,942,589 GST inclusive)**

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

*There is an 11.5% (\$178,039 GST exclusive) increase in this rate to meet debt servicing costs on new loans. The works are a continuation of the Blenheim Sewerage Scheme upgrade to meet resource consent requirements for improved treatment. A key component in the upgrade is the separation of trade waste, which will provide greater residential capacity.*

*On a rating unit whose land value increases from \$58,000 to \$146,000 (as a result of the triennial revaluation), the rate will increase from \$173.84 to \$199.66. The new rate in the dollar is 0.136754 cents.*

#### **Blenheim Sewerage Charges (\$1,713,700 GST inclusive)**

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

The charges fund the balance of expenditure and will increase from \$153 to \$158 on each separately used or inhabited part of every serviced rating unit and from \$76.50 to \$79.00 on each separately used or inhabited part of every serviceable rating unit. The 5.22% (\$75,637 GST exclusive) increase relates to increased power costs. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be levied an additional trade waste charge.

## **Havelock Sewerage (Total \$118,268 GST inclusive)**

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An overall increase of \$13,675 (GST exclusive) will occur (14.95%).

### **Havelock Sewerage Capital Works Rate (\$32,517 GST inclusive)**

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

An increase of \$10,784 (GST exclusive) is required to fund additional loan costs on the Oxidation Pond Upgrade.

On a rating unit whose land value increases from \$53,000 to \$160,000 (as a result of the triennial revaluation), the rate will increase from \$55.10 to \$95.65 with a rate in the dollar of 0.059778 cents.

### **Havelock Sewerage Charges (\$85,751 GST inclusive)**

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

They fund the balance of expenditure and will increase from \$291 to \$306 for each separately used or inhabited part of every serviced rating unit and from \$145.50 to \$153 for each separately used or inhabited part of every serviceable rating unit. The bulk of the 3.94% (\$2,891 GST exclusive) increase is for environmental impact assessment costs required as a condition of the resource consent.

## **Picton Sewerage (Total \$797,623 GST inclusive)**

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An overall increase of \$50,073 (GST exclusive) will occur (7.6%).

### **Picton Sewerage Capital Works Rate (\$20,131 GST inclusive)**

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

No increase has occurred.

On a rating unit whose land value increases from \$69,000 to \$175,000 (as a result of the triennial revaluation), the rate levy will be \$9.92 with a rate in the dollar of 0.005670 cents.

### **Picton Sewerage Charges (\$777,492 GST inclusive)**

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

These charges fund the balance of expenditure and will increase from \$298 to \$317 per serviced rating unit and from \$149 to \$158.50 per serviceable rating unit. The 7.81% (\$50,073 GST exclusive) increase relates to increased operating costs for power, reticulation manholes, and desludging. Parts of rating units with sewerage discharges where the quantity or the strength of the effluent is greater than an average domestic rating unit, will be levied an additional trade waste charge.

## **Seddon Sewerage (Total \$71,636 GST inclusive)**

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No overall increase will occur.

### **Seddon Sewerage Capital Works Rate (\$14,804 GST inclusive)**

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

No increase has occurred. On a rating unit whose land value increases from \$10,000 to \$53,000 (as a result of the triennial revaluation), the rate levy will be \$58.86. The rate in the dollar will be 0.111065 cents.

### **Seddon Sewerage Charges (\$56,832 GST inclusive)**

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

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

## **Spring Creek Sewerage (Total \$66,801 GST inclusive)**

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No overall increase will occur.

### **Spring Creek Capital Works Rate (\$16,398 GST inclusive)**

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

On a rating unit whose land value increases from \$36,000 to \$90,000 (as a result of the triennial revaluation), the rate will be \$90.20 with a rate in the dollar of 0.100226 cents.

### **Spring Creek Sewerage Charges (\$50,403 GST inclusive)**

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

*They fund the balance of expenditure and will remain unchanged at \$318 per serviced part of a rating unit and \$159 per serviceable part of a rating unit.*

### **Okiwi Bay Stormwater Charge (\$15,900 GST inclusive)**

This charge funds the cost of a stormwater and stream protection scheme and is assessed on each separately used or inhabited part of every rating unit in the Okiwi Bay Stormwater Rating Area.

*No increase has occurred – current charge \$100 per separately used or inhabited part of every rating unit.*

### **Water Supply Rates and Charges (\$5,366,411 GST inclusive)**

#### **Awatere Water Supply (\$335,049 GST inclusive)**

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

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

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

##### **Awatere Water Metered Charge (\$317,899 GST inclusive)**

*The \$22,587 (GST exclusive) increase in the rate requirement is attributable to increased reticulation and mains maintenance costs, together with investigation costs for water treatment. The metered charge will increase from \$0.59 to \$0.64 per cubic metre on the basis of a consumption estimate of 496,000 M<sup>3</sup>.*

#### **Blenheim Water Supply (Total \$2,674,446 GST inclusive)**

*An overall increase of \$127,510 (GST exclusive) will occur (5.67%).*

##### **Blenheim Water Capital Works Rate (\$808,065 GST inclusive)**

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

*An increase of \$89,030 (GST exclusive) has occurred as a result of additional loan repayments to fund the construction of a new water reservoir, and pump station renewals. The rate levy for a property whose land value increases from \$58,000 to \$146,000 (as a result of the triennial revaluation), will increase from \$70.81 to \$85.24. The new rate in the dollar will be 0.058386 cents.*

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

##### **Metered and Uniform Charges (\$1,866,381 GST inclusive)**

*An overall increase of \$38,480 (GST exclusive) will occur.*

##### **Blenheim Metered Water Charge (\$244,000 GST inclusive)**

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

*Due to increased pump station operating costs the charge will increase from \$0.48 to \$0.50 per cubic metre, with a minimum quarterly charge of \$39.*

##### **Blenheim Water Charges (\$1,616,381 GST inclusive)**

These rates are calculated as a fixed amount for each non-metered separately used or inhabited part of every serviced rating unit in the Blenheim Water Supply Area (excluding the Burleigh Extension); and half that amount for each non metered separately used or inhabited part of every serviceable rating unit in the same area.

*The charges will increase from \$153 to \$156 per part of a serviced rating unit and from \$76.50 to \$78 per part of a serviceable rating unit.*

##### **Burleigh Extension Metered Water Charge (\$6,000 GST inclusive)**

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

*The charge will increase from \$0.48 to \$0.50 per cubic metre with a minimum quarterly charge of \$39.*

## **Havelock Water Supply (Total \$170,364 GST inclusive)**

An overall rates increase of \$2,338 (GST exclusive) will occur (1.57%).

### **Havelock Water Capital Works Rate (\$54,595 GST inclusive)**

This targeted rate is calculated on the land value of all rating units in the Havelock Water Supply Area and funds Capital Expenditure and Debt Servicing costs. An increase of \$2,338 (GST exclusive) is required to fund increased loan charges for pipeline renewals.

*For a rating unit whose land value increases from \$53,000 to \$160,000 (as a result of the triennial revaluation), the rate will increase from \$137.88 to \$158.08. The new rate in the dollar will be 0.09880 cents.*

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

### **Metered and Uniform Charges (\$115,769 GST inclusive)**

No increase will occur.

### **Havelock Metered Water Charge (\$48,300 GST inclusive)**

Metered water will remain at \$1.38 per cubic metre with a minimum quarterly charge of \$64.75.

### **Havelock Water Charges (\$67,469 GST inclusive)**

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

*These charges fund the balance of expenditure not met from meter charges and will remain at \$259 per part of a serviced rating unit and \$129.50 per part of a serviceable rating unit.*

## **Picton Water Supply (Total \$1,184,556 GST inclusive)**

An overall increase of \$162,697 (GST exclusive) will occur (18.28%).

### **Picton Water Capital Works Rates (\$354,722 GST inclusive)**

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

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

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

*An increase of \$59,326 (23.18%) will be required to fund loan repayments on Reservoirs and pipelines. For a rating unit whose land value increases from \$69,000 to \$175,000 (as a result of the triennial revaluation), the rate will increase from \$141.16 to \$172.87. The new rate in the dollar for rating units subject to the special pipeline agreement is 0.079028 cents in the dollar and the new rate for other rating units is 0.098785 cents in the dollar.*

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

### **Metered and Uniform Charges (\$829,834 GST inclusive)**

An increase of \$103,371 (GST exclusive) will occur (16.3%), to meet increased costs for electricity and water treatment costs.

### **Picton Metered Water Charges (\$179,989 GST inclusive)**

#### **- Ordinary Charge**

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

*Water for ordinary metered consumers will increase from \$0.8091 to \$0.9491 per cubic metre with a minimum quarterly charge of \$69.50.*

#### **- Koromiko Charge**

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

*Water for Koromiko Special Agreement Consumers will increase from \$0.6473 to \$0.7593 per cubic metre.*

#### **- Onsold Charge**

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

*Water for consumers on-selling will increase from \$0.8976 to \$1.0529 per cubic metre with a minimum quarterly charge of \$69.50.*

### **Picton Water Charge (\$649,845 GST inclusive)**

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

*These charges fund the balance of expenditure not met from meter charges and will increase from \$244 to \$278 per part of a serviced rating unit and from \$122 to \$139.00 per part of a serviceable rating unit.*

### **Renwick Water Supply (Total \$296,493 GST inclusive)**

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*An overall increase of \$17,853 (GST exclusive) will occur (7.27%).*

#### **Renwick Water Capital Works Rate (\$83,506 GST inclusive)**

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

*No increase will occur.*

*For a rating unit whose land value increases from \$46,000 to \$87,000 (as a result of the triennial revaluation), the rate levy will be \$94.04. The new rate in the dollar is 0.108091 cents.*

#### **Metered and Uniform Charges (\$212,987 GST inclusive)**

*The 10.41% increase (\$17,853 GST exclusive) relates to increased costs for electricity, depreciation and other operating costs.*

#### **Renwick Metered Water Charges (\$24,080 GST inclusive)**

*Metered water will increase from \$0.70 to \$0.86 per cubic metre for water usage in excess of 727 cubic metres per annum, with a minimum quarterly charge of \$66.50.*

#### **Renwick Water Charge (\$188,907 GST inclusive)**

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

*These charges fund the balance of expenditure and will increase from \$239 to \$266 per part of a serviced rating unit and from \$119.50 to \$133 per part of a serviceable rating unit.*

### **Riverlands Water Supply (\$286,706 GST inclusive)**

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

*There is an increase in the funding requirement of \$10,457 GST exclusive (4.28%) as a result of increased pumping and treatment costs, which will result in the metered charge increasing from 35 cents to 37 cents per cubic metre. The minimum quarterly charge remains at \$40.*

### **Southern Valleys' Irrigation Scheme (Total \$395,071 GST inclusive)**

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

*The charge will remain at 14.625 cents per cubic metre.*

### **Wairau Valley Water Supply (\$23,726 GST inclusive)**

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

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

*The charge increases from \$416 to \$505 per connection and from \$208 to \$252.50 per serviceable part of a rating unit. The increase is the result of increased pump station and treatment costs (\$3,895 GST exclusive).*

### **Blenheim/Picton Refuse Collection Charge (\$905,456 GST inclusive)**

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

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

*The collection charge will increase from \$66 to \$70 per service. The increase relates to increased collection costs.*

## **Tourism Charges (\$121,309 GST inclusive)**

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Differential uniform charges to enable Destination Marlborough to market Marlborough will be levied by targeted tourism charges on the following properties:

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

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

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

*Although the overall levy is unchanged from 2005-06 the amalgamation of residential baches and other dwelling units advertised for short term rental, with commercial rental accommodation for less than 30 people, has resulted in the first group's charge increasing from \$90.00 to \$168.75 and the second group's charge decreasing from \$191.25 to \$168.75.*

## **Agency Rates and Charges (11,581 GST inclusive)**

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### **Rarangi Works and Service Charge (\$9,349 GST inclusive)**

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

*No increase has occurred.*

### **Tuamarina/Waikakaho Hall Charge (\$1,500 GST inclusive)**

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

*No increase has occurred.*

### **Tuamarina Water Loan Charge (\$732 GST inclusive)**

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This charge is calculated as a fixed amount of \$366 on each separately used or inhabited part of every rating unit in the Tuamarina Water Special Rating Area, such charge to be applied towards loan advances for the Tuamarina Water Supply.

*2006-07 is the final year for this charge.*

## **General Revenue Sources**

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

These include –

### **Dividends and Interest from Investments (\$5,708,000)**

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

### **Petroleum Tax (\$350,000)**

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

### **Asset Sale Proceeds (not budgeted)**

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

### **Contributions Received from Development and Subdivision (\$1,812,425)**

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

### **Forestry Income (\$1,152,060)**

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

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

### General Information

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

#### ***Blenheim Area (BM)***

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

#### ***Blenheim Vicinity Area (BV)***

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

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

#### ***Picton Area (PN)***

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

#### ***Schedule***

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

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

#### ***Picton Vicinity Area (PV)***

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

#### ***General Rural Area (GR)***

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

#### ***Administrative Rural Area (AR)***

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



- ◆ The above rates and charges are for the period 1 July 2006 to 30 June 2007 and will become due and payable by four instalments as follows:

	Last Date for Payment Before Penalty is Added
Instalment One	13 September 2006
Instalment Two	13 December 2006
Instalment Three	13 March 2007
Instalment Four	13 June 2007

Each instalment is one quarter of the Annual Rates for the current year.

## PENALTY PROVISIONS (Additional Charges on Unpaid Rates)

- ◆ A FIRST ADDITIONAL CHARGE 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 on 1 July 2006 and also on each 1 July thereafter to rates that remain unpaid from previous years. Payments are applied to the oldest debt first.

## PENALTY PROVISIONS (Unpaid Metered Water)

- ◆ An additional charge 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.

## TRIENNIAL REVALUATION MOVEMENTS

The Marlborough District was revalued by Quotable Value Ltd on 1 July 2005. The new values apply from the 2006-07 rating year.

With the exception of the Wairau Valley River Rates and the Kenepuru Road Rate, all other rates levied on property values are based on Land Value (LV).

Land value percentage movements for the six geographic rating areas, the district at large and their differential rating groups for the triennial revaluation release on 1 July 2005 were:

(The previous revaluation movements as at 1 September 2002 are shown alongside).

	1.07.05	1.09.02
Blenheim Residential/Rural	150.82%	5.32%
Blenheim Commercial/Industrial	94.93%	5.28%
Blenheim Total	141.16%	5.31%
Blenheim Vicinity Residential/Rural	81.88%	74.48%
Blenheim Vicinity Commercial/Industrial	120.49%	32.08%
Blenheim Vicinity Total	82.55%	73.41%
Picton Residential/Rural	159.12%	14.57%
Picton Commercial/Industrial	148.97%	10.24%
Picton Total	157.35%	13.76%
Picton Vicinity Residential/Rural	184.66%	14.42%
Picton Vicinity Commercial/Industrial	187.84%	0.23%
Picton Vicinity Total	184.71%	14.18%
General Rural Residential/Rural	123.66%	56.12%
General Rural Commercial/Industrial	166.96%	33.00%
General Rural Total	124.21%	55.77%
Administrative Rural Residential/Rural	213.95%	27.71%
Administrative Rural Commercial/Industrial	270.78%	15.82%
Administrative Rural Total	214.85%	27.50%
District-wide Residential/Rural	119.64%	45.29%
District-wide Commercial/Industrial	114.38%	10.83%
District-wide Total	119.35%	44.46%

The Capital Value (CV) for the district at large increased by 75.34% as a result of the triennial revaluation released on 1 July 2005.

(The previous revaluation movement as at 1 September 2002 was 26.8%).

The capital value movements for the following rate groups levied on a Capital Value basis are as follows:

	1.07.05	1.09.02
Wairau Valley River Class A Rate	79.23%	41.42%
Wairau Valley River Class B Rate	45.55%	64.67%
Wairau Valley River Class C Rate	58.22%	55.39%
Wairau Valley River Class D Rate	71.46%	55.64%
Wairau Valley River Rural Urban 1 Rate	66.66%	9.44%
Wairau Valley River Rural Urban 2 Rate	79.62%	4.78%
Wairau Valley River Blenheim Urban 1 Rate	72.34%	3.61%
Wairau Valley River Blenheim Urban 2 Rate	84.70%	2.82%
Wairau Valley River Blenheim Urban 3 Rate	79.26%	3.03%
Wairau Valley River Blenheim Urban 4 Rate	83.01%	2.32%
Kenepuru Road Rate	125.74%	25.49%

The following is a summary of the valuation movements for each of Council's geographic and differential rating areas:

Rating Area	Average LV Mvt	LV Mvt Range	Average CV Mvt	CV Mvt Range
Admin Rural C/I	270.78%	200.00% - 609.88%	97.33%	10.53% - 157.41%
Admin Rural R/R	213.95%	11.11% - 1900.00%	130.39%	10.34% - 1900.00%
Blenheim C/I	94.93%	17.01% - 379.59%	43.68%	1.29% - 233.33%
Blenheim R/R	150.82%	31.78% - 376.74%	85.61%	5.26% - 759.38%
Blen Vic C/I	120.49%	21.95% - 449.45%	27.86%	-19.43% - 150.00%
Blen Vic R/R	81.88%	0.97% - 723.53%	62.85%	-10.76% - 1275.00%
Gen Rural C/I	166.96%	3.10% - 1233.33%	38.39%	2.17% - 428.57%
Gen Rural R/R	123.66%	0.90% - 2566.67%	87.40%	0.00% - 7900.00%
Picton C/I	148.97%	0.73% - 420.00%	58.63%	-15.09% - 196.05%
Picton R/R	159.12%	12.12% - 1500.00%	85.73%	5.17% - 1500.00%
Picton Vic C/I	187.84%	111.43% - 201.59%	34.87%	10.42% - 58.82%
Picton Vic R/R	184.66%	14.75% - 669.23%	114.28%	12.75% - 1070.00%

**C/I Relates to Commercial and Industrial Properties**  
**R/R Relates to Residential and Rural Properties**

The next revaluation of the District will be released in September 2008, and alterations to the above values will occur.

With a district-wide revaluation there is no direct relationship between valuation movements and rates movements.

A revaluation of the District does not increase Council's rating income, but it does redistribute the incidence of valuation based rates between individual ratepayers. This means that even if Council were to levy the same amount in total for the year following a revaluation, some ratepayers will have rate increases, while others will have rate decreases.

Rates levied on a uniform charge basis (e.g. refuse charges) are unaffected by a district-wide revaluation.

The only factors responsible for increasing rates on an individual property are:

- ◆ If an individual's property values alter by more than the average movement for a particular rating area.
- ◆ If an individual's property values alter as a result of new improvements being added (only affects rates levied on a capital value basis).
- ◆ If the property changes its eligibility for separate service rates/charges (e.g. it now qualifies for sewerage, refuse etc).
- ◆ If Council amends its Revenue and Financing Policy.
- ◆ If Council increases its rating income requirement.

## **RATE REMISSION AND POSTPONEMENT POLICIES**

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### **Rates Remissions Policy**

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This policy was prepared pursuant to Sections 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure detailed in the same Act.

The only change to the previous policy is a new rates postponement policy for residential ratepayers aged 65 years and over who meet defined conditions and criteria, and a policy for Wahi Tapu land.

### **Community, Sporting and Other Organisations**

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#### ***Objectives of the Policy***

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Marlborough District Council where there is no statutory provision in Schedule 1 Part 2 of the Local Government (Rating) Act 2002.

The purpose of granting rates remission to an organisation is to:

- ◆ Assist the organisation's survival; and
- ◆ Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

#### ***Conditions and Criteria***

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Organisations making application should include the following documents in support of their application:

- ◆ Statement of Objectives;
- ◆ Most recent financial accounts (preferably audited);
- ◆ Details of any leases (where applicable);
- ◆ Information on activities and programmes;
- ◆ Details of membership or clients.

#### ***Application***

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

The Policy shall apply to such organisations as approved by the Council (or Council Officers with delegated authority) as meeting the relevant criteria.

Remissions to any qualifying organisation shall be on the basis of a 50% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

### **Land Protected for Natural, Historic or Cultural Conservation Purposes**

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#### ***Objective of the Policy***

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

#### ***Conditions and Criteria***

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under Section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewage disposal or refuse collection will not qualify for remission under this part of the Policy.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

- ◆ The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- ◆ The degree to which features of natural, cultural or historic heritage are present on the land.
- ◆ The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s] on a case by case basis.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## **Residential Land in Commercial or Industrial Areas**

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### **Objective**

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and the former authorities.

### **Conditions and Criteria**

To qualify for remission under this part of the Policy, the rating unit must:

- ◆ Be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine how their property has been zoned by inspecting the Marlborough District Council District Plan, copies of which are available from either the District Administration Office, or the Picton Service Delivery Centre).
- ◆ Be listed as a “residential” property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council's rating information database at the District Administration Office, or obtain that information from the rate records on Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz).

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

## **Lansdowne Park**

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### **Objective of the Policy**

To make a contribution to the Marlborough Rugby Union due to the fact that the Union owns and fully maintains the land on which rugby is played.

(Council Policy for its own sports grounds is that basic grass cutting and general maintenance are provided at no cost to the sports codes involved. Sports groups are responsible however for the costs of other work associated with the preparation and maintenance of their grounds).

### **Conditions and Criteria**

The rate remission to be the equivalent of a total rates waiver for the grounds at Lansdowne Park excluding any targeted rates covering water supply, sewage disposal or refuse collection, and excluding any land that is used for the consumption of liquor.

## **Land Affected by Natural Calamity**

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### **Objective of the Policy**

To enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

### **Conditions and Criteria**

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s].

## **General -Type Uniform Annual Charges and Targeted Charges on Non-Contiguous Pastoral Rating Units**

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### ***Objective of the Policy***

To provide relief from General-type Uniform Charges and Targeted Charges on rural pastoral land which is non-contiguous, provided it is farmed as a single entity.

### ***Conditions and Criteria***

Non-contiguous pastoral units may qualify for a remission of uniform annual general charges and targeted rates calculated as a fixed amount per rating unit where Council agrees that the economics of each farm property are inter-dependent on the other. The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Only one residential unit can exist on the qualifying rating units except where the farm contains accommodation on a rent free basis for the owner or staff associated with the farm.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

Council or its delegated officer[s] shall determine whether the criteria are met.

## **General -Type Uniform Annual Charges and Targeted Charges on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity**

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### ***Objective of the Policy***

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

### ***Conditions and Criteria***

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge-type and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

The extent of any remission shall be determined by the Council or its delegated officer[s].

## **Limitation of General-Type Uniform Annual Charges and Targeted Charges in Certain Circumstances**

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### ***Purpose of Policy***

To limit the incidence of General-Type Uniform Annual Charges and targeted rates calculated as a fixed amount per rating unit in certain circumstances.

### ***Conditions and Criteria***

Council will assess the General-Type Uniform Annual Charges and targeted rates [calculated as a fixed amount per rating unit] on the basis of every separately used or inhabited part of a rating unit but, the following situations will be deemed not to create a separately used or inhabited part of a rating unit:

- ◆ In the case of a farm or business:  
***Where the farm or business contains additional accommodation on a rent free basis for the owner, or staff associated with the farm.***
- ◆ In the case of a rating unit that contains one additional separately inhabited unit or dwelling, occupied by dependent family members:  
***Where members of the owner's family inhabit the separate part of the property on a rent free basis.***
- ◆ In the case of an orchard or other horticultural type property:  
***Where the orchard or horticultural operation contains an additional residence that provides accommodation on a rent free basis for the owner and staff of the operation.***

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### ***Application***

Council will remit any rates in excess of those payable under this policy.

## **Subdivisions That Create Four or More Rating Units**

---

### ***Objective of the Policy***

To provide a positive development incentive to commercial subdividers by remitting general-type uniform charges on unsold subdivided land with no more than one building, for a maximum period of three years.

### ***Conditions and Criteria***

To qualify for remission under this part of the Policy, the rating unit must remain in the subdivider's name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold within three years of the lots being created.

The ratepayer will remain liable for at least one uniform annual general-type charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

### ***Application***

Council or its delegated officer[s] shall determine whether the criteria are met.

## **Rate Penalties**

---

### ***Objective of the Policy***

To enable Council to remit penalties where –

- ◆ payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- ◆ it is deemed equitable to remit the penalty for other reasons

### ***Conditions and Criteria***

Each application will be considered on its merits and remission may be granted where it is considered just and equitable to do so.

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

- ◆ payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident of a family member]; or
- ◆ the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- ◆ penalties have arisen through processing errors in Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- ◆ the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

### ***Application***

The extent of any remission will be determined by the Council or its delegated officer[s].

## **Water Losses**

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### ***Objectives of the Policy***

To provide ratepayers with a measure of relief, by way of partial rates remission where, as a result of the existence of a water leak on the property which they occupy, the payment of full water rates is inequitable.

### ***Conditions and Criteria***

The existence of a significant leak on the occupied property has been established and there is evidence that steps have been taken to repair the leak as soon as possible after its detection.

### ***Application***

Council will calculate the volume of water lost based on average water consumptions during similar periods of previous years.

When an application for water rates remission is approved pursuant to this policy, the amount of the remission will depend on when the leak is repaired.

- ◆ If the leak is repaired before the following quarterly reading, the remission will be equivalent to the assessed volume of water that has been lost through the leak, since the quarter prior to the leak being discovered; or
- ◆ If the leak is not repaired before the following quarterly reading, the remission calculation will be assessed on the next three month period; or
- ◆ Where there are extenuating circumstances, Council or its delegated officer[s] may extend the period for a re-assessment of the water rate.

Council or its delegated officer[s] shall determine whether the criteria are met.

## **Extreme Financial Hardship**

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### ***Objective of the Policy***

To enable Council to grant remission, for cases of extreme financial hardship, on a case-by-case basis, of all or part of the rates.

### ***Conditions and Criteria***

Council may remit rates in accordance with the policy where the application meets all of the following criteria:

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

- ◆ Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.
- ◆ The ratepayer[s] must provide any evidence that Council deems appropriate to support the claim of extreme financial hardship.
- ◆ The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

### ***Application***

Applications for remissions shall be considered by the Council or its delegated officer[s]

## **Sundry Remissions**

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### ***Objective of the Policy***

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to Sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover; or where Council considers it equitable in the particular circumstances to remit rates.

### ***Conditions and Criteria***

The extent of any remission shall be determined by the Council or its delegated officer[s].

## **RATES POSTPONEMENT POLICIES**

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### **Extreme Financial Hardship**

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#### ***Objective of the Policy***

To assist ratepayers experiencing extreme financial hardship.

#### ***Conditions and Criteria***

All applications must be on the prescribed form.

When considering whether extreme financial circumstances exist, all of the ratepayer[s] personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

- ◆ The ratepayer[s] must be the current occupier[s] of the rating unit which must be solely used for residential purposes.
- ◆ The Council must be satisfied that the ratepayer[s] is/are unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day to day living expenses.
- ◆ The ratepayer[s] must not own any other rating units or investment properties or other realisable assets.
- ◆ The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are postponed, as a general rule the ratepayer[s] will be required to pay the first \$520 of the annual rate levy.

The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- ◆ The death of the ratepayer[s]; or
- ◆ The ratepayer[s] ceases to be the owner or occupier of the rating unit; or
- ◆ The ratepayer[s] ceases to use the property as his/her residence; or
- ◆ A date determined by the Council in any particular case.

At any time, the applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this Policy by paying the postponed rates or any part thereof.

### ***Application***

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications for rate postponements shall be considered by the Council or its delegated officer[s].

## **Residential Ratepayers aged 65 and over**

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### ***Objective of the Policy***

To offer ratepayers aged 65 years and over a facility to unlock the equity in their residential property by postponing all or part of their rates to a future date, at no cost or risk to Council.

### ***Conditions and Criteria***

All applications must be on the prescribed form.

The property on which the postponement is being sought must be the ratepayer's normal place of residence.

At least one of the ratepayer applicants must be aged 65 years or more.

Full postponement will be offered where forecast accumulated rates and charges are less than 80% of the forecast property value, based on details entered into an actuarial postponement model.

Partial postponement may be offered where the forecast rates and charges exceed 80% of the forecast property value, based on details entered into an actuarial postponement model.

Applicants must have at least one "decision facilitation" interview with a decision facilitator engaged by Council; to ensure that independent advice has been provided on the implications of the postponement offer.

The application will require any mortgagee's consents and a decision facilitator's completion certificate before a formal postponement offer is made by Council.

Postponed rates will normally be payable after the death of the ratepayer (or the partner in the case of joint ratepayers), or the sale of the property.

One-off costs to the ratepayer will relate to the initial postponement application fee, a contribution to the decision facilitation process, and any other incidental fees relevant to a particular application.

Other costs to the ratepayer (or their estate) will be the amount of the postponed rates and charges, interest on the accumulated postponement amount, an annual administration fee to cover external management and the schemes operating costs, and a reserve fund levy to meet any unsecured postponements.

Council requires all properties on which rates are postponed to be insured for the property's full value and evidence of this must be produced annually. (Investigations are currently being carried out into Council arranging an insurance policy for those applicants whose properties have previously been uninsured, which can be made available when the postponement application is approved).

### ***Application***

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications will be considered by delegated officers in accordance with the scheme's criteria.

## **MAORI FREEHOLD LAND**

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### **Remission and Postponement of Rates on Maori Freehold Land**

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#### ***Objectives of the Policy***

Section 102(4)(f) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

#### ***Conditions and Criteria***

Council has reviewed the matters set out in section 108 and Schedule 11 and has decided that the appropriate policy is to consider applications for remission or postponement of rates on Maori freehold land in terms of the policies adopted by council regarding remissions and postponements of rates on other land.



## POLICY ON SIGNIFICANCE

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### General Approach to Significance

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The Marlborough District Council will determine the significance of proposals and decisions in relation to issues, assets, or other matters by considering:

- ◆ The likely impact of the proposal or decision on:
  - the current and future social, economic, environmental, or cultural well-being of the district;
  - any persons who are likely to be particularly affected by the issue, proposal, decision, or matter;
  - the capacity of the council to perform its role and carry out its activities, now and in the future.
- ◆ The financial costs, and other resource requirements of the issue.

### Thresholds

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Marlborough District Council will consider any decisions concerning the following as significant:

- ◆ Expenditure on issues, assets, or other matters (not including strategic assets) that represent more than 10% of Council's total budgeted annual income.
- ◆ Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy.
- ◆ The sale of the Council's shareholding in any council-controlled organisation.
- ◆ Entry into any partnership with the private sector to carry out a significant activity.

### Criteria

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Degrees of significance will be determined after consideration of the following criteria:

- ◆ Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
- ◆ The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
- ◆ The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out.
- ◆ The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

### Procedure for Determining Significance

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Decisions on significance will be made according to council standing orders, and applying the general approach to significance set out in this policy.

### Assets Considered by the Local Authority to be Strategic Assets

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As set out in the Local Government Act 2002 [s.5], strategic asset means:

*An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:*

- ◆ *any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- ◆ *any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- ◆ *any equity securities held by the local authority in -*
- ◆ *a port company within the meaning of the Port Companies Act 1988;*
- ◆ *an airport company within the meaning of the Airport Authorities Act 1966.*

The assets and groups of assets in terms of s.90(2) that Marlborough District Council considers to be strategic are:

- ◆ The local roading network as a whole.
- ◆ District stormwater networks.
- ◆ District water supply networks.
- ◆ District sewerage networks.
- ◆ River control assets.
- ◆ Shares in MDC Holdings Ltd.
- ◆ Commercial forestry known as Marlborough Regional Forestry.

## **POLICY ON THE COMMITMENT OF COUNCIL RESOURCES TO PARTNERSHIPS WITH THE PRIVATE SECTOR**

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This policy sets out the circumstances and terms for the commitment of Council resources to partnerships with the private sector.

For the purposes of this policy, a partnership with the private sector is defined according to the Local Government Act 2002:

*“any arrangement or agreement that is entered in between one or more local authorities and one or more persons engaged in business, but does not include an agreement in which the only parties are local authorities, or one or more local authorities and one or more Council organisations. A contract for the supply of any goods or services to, or on behalf of a local authority, is not defined as a partnership with the private sector.”*

### **Circumstances Where Partnerships With the Private Sector Will be Considered:**

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Marlborough District Council will consider partnership arrangements with the private sector for the provision of infrastructure and services where:

- ◆ a need has been defined in measurable output terms;
- ◆ there is scope for the private sector to demonstrate particular skills and/or innovative capacity;
- ◆ the project size justifies the transaction and ongoing management costs of a partnership; and
- ◆ such a partnership is likely to deliver better value for money, based on cost, time and financial arrangements than alternative delivery methods.

### **Consultation**

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Consultation procedures mandated under sections 78 and 79 of the Local Government Act 2002 will be applied with regard to any proposal for a partnership with the private sector to carry out a significant activity.

### **Conditions to be Imposed**

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Before committing any resources to any form of private sector partnership, Marlborough District Council will establish the following conditions:

- ◆ Private participation will be subject to competitive tendering processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentialities where appropriate.
- ◆ Outputs will be clearly specified including measurable performance standards.
- ◆ Payments will only be made upon delivery of the specified services to the required standards.
- ◆ A clear and enforceable risk management regime will be agreed.
- ◆ All private sector parties will be fully accountable to the Marlborough District Council for the delivery of the specified products and/or services.
- ◆ Marlborough District Council's information requirements for monitoring of outcomes will be agreed.

### **Risk Assessment and Management**

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A comprehensive assessment of risks associated with any partnership proposal will be undertaken before any commitment to proceed.

A risk management regime will be agreed to as a condition of the partnership.

The prime principle for risk management within a partnership shall be to transfer risk to the party best placed to manage it.

### **Monitoring and Reporting**

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Partnership contracts will be monitored and reported in accordance with an agreed financial and programme reporting regime.

The contribution of any partnership arrangement to community outcomes will be assessed and monitored as required under the Local Government Act 2002.

## **STATEMENT ON THE DEVELOPMENT OF MAORI CAPACITY TO CONTRIBUTE TO THE DECISION MAKING PROCESSES**

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Over the period of this plan, Marlborough District Council intends to continue working with Marlborough iwi and with Maataa Waka to identify effective ways and means for Maori to participate fully in the Council's decision-making processes. Progressing Treaty of Waitangi settlements with the Crown is understood to be a principal objective for Marlborough iwi, and Council is committed to assisting these processes as it can, and according to the preferences of each iwi.

**REPORT TO THE READERS OF  
MARLBOROUGH DISTRICT COUNCIL  
LONG-TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL  
FOR PUBLIC CONSULTATION FOR THE TEN YEARS COMMENCING 1 JULY 2006**

The Auditor-General is the auditor of Marlborough District Council (District Council). The Auditor-General has appointed me, Devan Menon, using the staff and resources of Audit New Zealand, to report on the Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP), on his behalf.

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

## Opinion

### *Overall Opinion*

In our opinion the Statement of Proposal for adoption of the LTCCP of District Council incorporating volumes 1 to 2 dated 20 March 2006 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

It is not our responsibility to express an opinion on the merits of any policy content within the Statement of Proposal for adoption of an LTCCP.

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

### *Opinion on Specific Matters Required by the Act*

The Auditor-General is required by section 84(4) of the Act to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

In terms of our obligation to report on the matters outlined in section 84(4) of the Act, in our opinion:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information used to prepare the Statement of Proposal provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and proposed performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 20 March 2006, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

### ***Basis of Opinion***

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000 (revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the Statement of Proposal for adoption of the LTCCP does not contain material misstatements, and provides a reasonable basis for long term integrated decision-making by the public and the District Council about the activities of the District Council, and for subsequent accountability to the community about the activities of the District Council.

Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

### ***Responsibilities of the Council and the Auditor***

The District Council is responsible for preparing a LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the Statement of Proposal for adoption of the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

### ***Independence***

When reporting on the Statement of Proposal for adoption of the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the District Council.



**D Menon**  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# GLOSSARY OF TERMS

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

