



MARLBOROUGH

DISTRICT COUNCIL



July 2001 — June 2002
Annual Report

Marlborough District Council Our Logo. . .



MARLBOROUGH
DISTRICT COUNCIL



. . . presents a fresher look in line with our image for and focus on customer service.

The sun is symbolic of our province as it lives up to its reputation of being one of the sunniest locations in the country.

DIRECTORY

Postal Address

P O Box 443, Blenheim

Telephone: (03) 578-5249
(0800 4 MDC 4U: (0800 463 248)
*(For use by residents in the
outer Sounds and Rai Valley areas)*

Facsimile: (03) 578-6866

Email: mdc@marlborough.govt.nz

Website: www.marlborough.govt.nz

Addresses

District Administration Building

15-21 Seymour Street, Blenheim

Picton Service Delivery Centre (Includes Library)

67 High Street, Picton

Marlborough Library

Corner Arthur and Seymour Streets, Blenheim

Animal and Plant Pests Depot

Nelson Street, Blenheim

Services and Reserves Depot

Parker Street, Blenheim

Solicitor

P J Radich of Radich Dwyer
Hardy-Jones Clark — Blenheim

Bankers

Bank of New Zealand — Blenheim

Auditor

Controller and Auditor General
Audit New Zealand — Christchurch

GENERAL STATISTICS

- Population 42,240 – (Census 6 March 2001)
 - Inter-Census Population Movement (+) 5%
 - District Area – 17,517 square kilometres
- as at 30 June 2002
- | | |
|----------------------------|-----------------|
| Rateable Land Value | \$1,932,828,900 |
| Rateable Capital Value | \$4,450,188,560 |
| Number Of Rate Assessments | 21,906 |

Cover:

*Awatere, Marlborough.
Photographer: Bernard Vavasour.*

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MAYOR'S REPORT

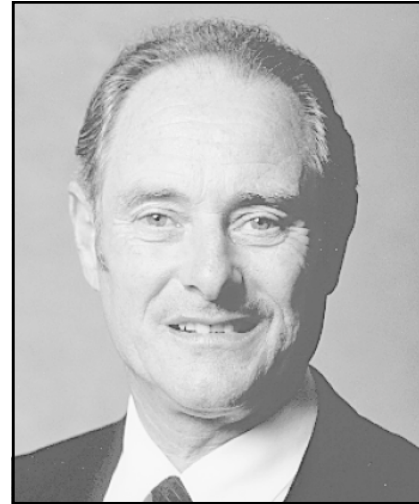
The 2001/02 year proved to be another in which Marlborough's development as a region of great heart and prosperity continued. Rather than dwell on what the Council has achieved this year, I would like to take the opportunity of this annual report to focus on the achievements of the community of which the Council is just one part, and to give some consideration to the progress that we are making towards a goal that I believe we all share - ensuring that all Marlburians can enjoy the highest possible quality of life.

As a region, we can all take enormous pride in the achievements of the men and women from Marlborough who have served in our armed forces overseas, especially those who have been engaged in resisting forces of war and terror, and those who have been providing assistance in rebuilding shattered lives and communities in East Timor, and in other parts of the world.

Of course, Marlborough has an especially close relationship with the RNZAF Base Woodbourne, and this long association was confirmed again this year with the annual Charter parade. I have been encouraged to see, both at the Charter parade, and even more prominently at our ANZAC commemoration, the number of young people who are taking part in these events. These are important traditions to keep hold of, and it is gratifying to be seeing such a strong turnout.

Another tradition that is to be treasured is our access to and use of Marlborough's natural resources. In this respect, some of what we have enjoyed for so long is under threat, and we should be vigilant to ensure that these opportunities are not lost to us, either by simple neglect, or by mismanagement of competing demands on the resource. The fisheries of the Marlborough Sounds are a case in point. On a brighter note, the recovery of the Wither Hills Park from the Christmas 2000 fires is returning a wonderful natural asset to the use of the community. On any weekend or summer evening, the number of people enjoying the Wither Hills is a testament to the value we place on our natural spaces. We cannot take these for granted.

The willingness of people to commit their time and energy to assisting others continues to be a feature of our communities, and I would like to pay tribute to the many people who, each week, give up their time to help the elderly, the infirm,



and the less fortunate. Marlborough is a prosperous region, and yet too many of our people – young and old - have not yet been able to take full advantage of the growth and opportunity that we have been experiencing. Although our employment rates are high, many people are working in jobs that are poorly paid, and subject to seasonal uncertainties. In all parts of our community, there are people who are missing out: I would like to think that, over the next few years, we can see real progress towards reducing some of these gaps.

The capacity to respond lies with ourselves, and we need not - and must not - stand by waiting for help from outside. We have demonstrated our ability to rise to the challenges many times over the years, recovering from floods and fires, finding new ways to work the land, and learning to live within the limits of our environment. We have the same capacity to build a strong future for our communities, our families, and for the generations to follow us. I look forward to future reports that document our ongoing achievements in these regards.

The activities that the Council has been involved in the past year are detailed in the pages that follow, as well as the financial details of the Council's performance, and information that records our stewardship of some of the community's assets. I believe that this report speaks for itself to the quality of that stewardship, and is a credit to the skill, hard work and dedication of all Council staff. On behalf of the Council, I extend my thanks to Chief Executive Andrew Besley, and his team.

Tom Harrison / MAYOR

CHIEF EXECUTIVE'S REPORT

The 2001/02 Annual Report provides an account of the activities and performance of the Council over the financial year. It provides the reader with an opportunity to compare the intended performance of the Council, as expressed in its Annual Plan, with what was actually achieved. Information is provided both on the financial performance of the organisation, and on the delivery of services, which are grouped into several "significant activities".

The overall framework for our performance in this period is provided by the Council's Goals and Objectives, including four that set the standards for the administration and management of the Council. These are Communication, Assets, Customer Service, and Employment.

Communication

Good communication is one of our most important objectives. This applies to how we convey information about what the Council is planning or doing, how we deal with enquiries and issues, and how we gather information to make decisions. Good communication uses a mix of styles – lots of "face to face" communication, but also making sure that there is good written information available for people. Increasingly, the Council's website is serving as an important place for people to access information. In the future, we hope that this will become more of a two-way service, enabling people to communicate electronically, and to carry out transactions online.

Assets

The Council has responsibility for an extensive and very valuable portfolio of community assets. Our objective is to manage and maintain these assets in a cost effective and efficient manner, taking account of the needs of the community. Often overlooked as an asset is the information that the Council holds. Although it does not figure on the balance sheets in the same way as our other assets, information is vital to the effective operation of the Council. More and more of our information is being collected and held electronically, and once again our website is emerging as an important element in how we make this information available, both internally



and externally. A major project is underway to upgrade the way in which we manage information, and I believe that this will produce some significant efficiencies over the coming years.

Customer Service

Our revamped customer services area has been in place for more than 3 years now, and our customer services staff in Blenheim and Picton continue to draw praise for their courtesy and efficiency, and their ability to assist. These standards are now the benchmark for all Council staff.

Employment

As one of Marlborough's larger employers, the Council has a special responsibility to set good standards in employment matters. This year we have reviewed our policy on equal employment opportunities, and surveyed staff on their views on internal consultation. The outcomes of both these exercises was positive, and the consultation survey especially has provided a benchmark against which we can measure future progress. I am especially pleased with our record on occupational health and safety, which reflects the importance that is placed on providing a safe workplace. It is often said that people are the most important resource of any organisation, and this is certainly true for the Council. This report is only a small fraction of our achievements during the 2001/02 year, and I thank the staff for all their work during this period.

Andrew Besley / CHIEF EXECUTIVE

ROLE OF ANNUAL REPORT

This Annual Report has been prepared to enable readers to assess the performance of the Marlborough District Council against the policies, activities, objectives, performance targets and financial details contained in the Council's 2001/2002 Annual Plan.

An Annual Report is required by Section 223E of the Local Government Act 1974. Financial and non-financial information is required to be included for each activity.

If any member of the public wishes to discuss any aspect of this report, a council officer will be more than pleased to meet with you. In the first instance please telephone Judith North, Committee Secretary (03) 578-5249, Blenheim.

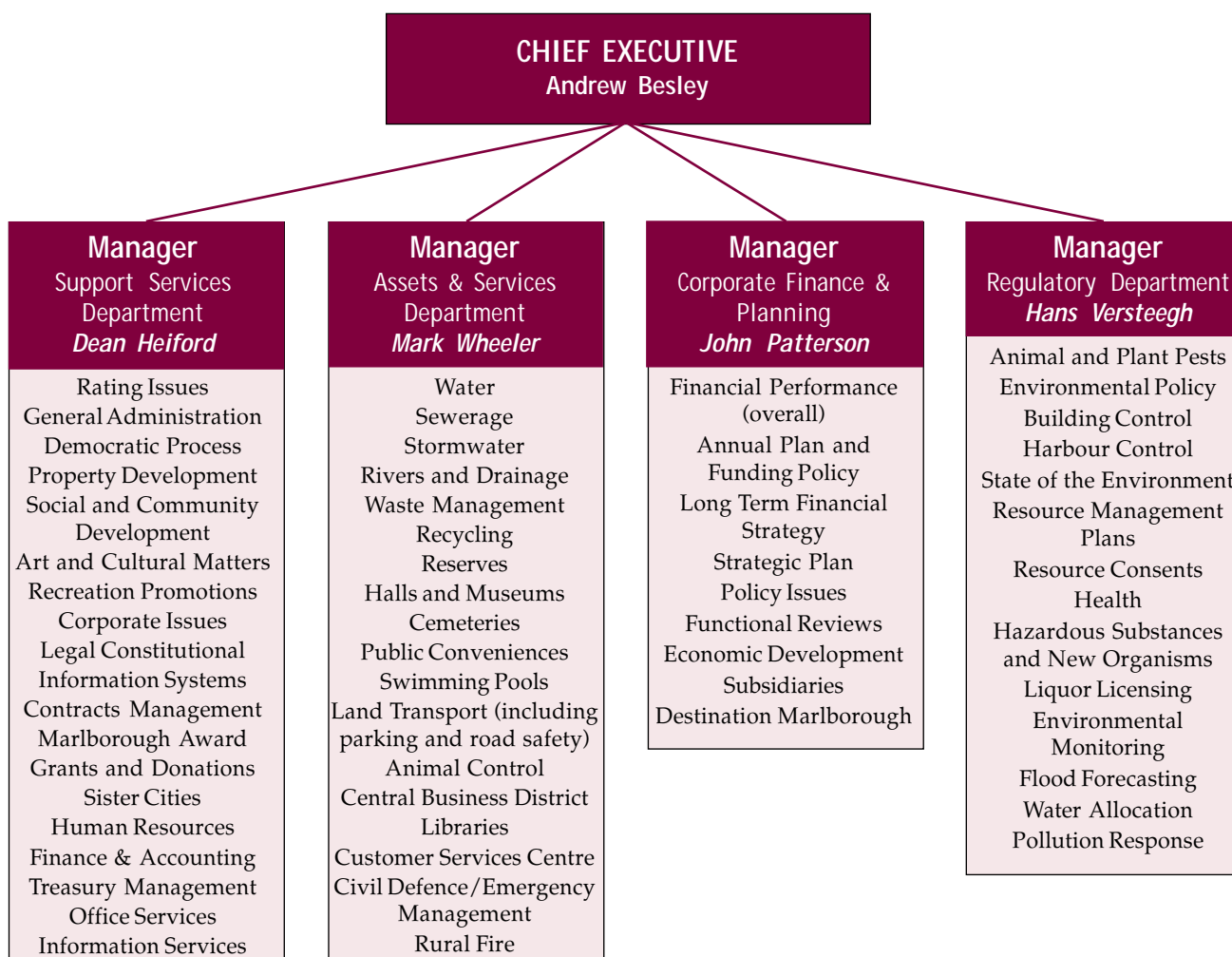
ENTITY STATEMENT

The Annual Report covers the activities of the Marlborough District Council. The Council is a unitary authority established under the Local Government Act 1974. A unitary authority has the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act.

The Annual Report also covers the activities of the following subsidiary entities of the Marlborough District Council:

- (1) MDC Holdings Limited (100% owned by Council).
- (2) Port Marlborough New Zealand Limited (100% owned by MDC Holdings Limited).
- (3) Marlborough Airport Company (100% owned by Port Marlborough New Zealand Limited).
- (4) Marlborough Regional Forestry (88.62% owned by Council).

COUNCIL STAFF STRUCTURE



ELECTED COUNCIL MEMBERS

(AS AT 30 JUNE 2002)



*Tom Harrison
(Mayor)*

Blenheim Ward



Jenny Andrews



Frank Connor



John Craighead



Liz Davidson



David Dew



Alistair Sowman

Wairau Ward



Francis Maher



Ian Mitchell



Larry Pigou

Awatere Ward



*Andrew Barker
(Deputy Mayor)*

Picton Ward



Cliff Bowers



Cheryl Cairns

Pelorus/Northern Marlborough Sounds Ward

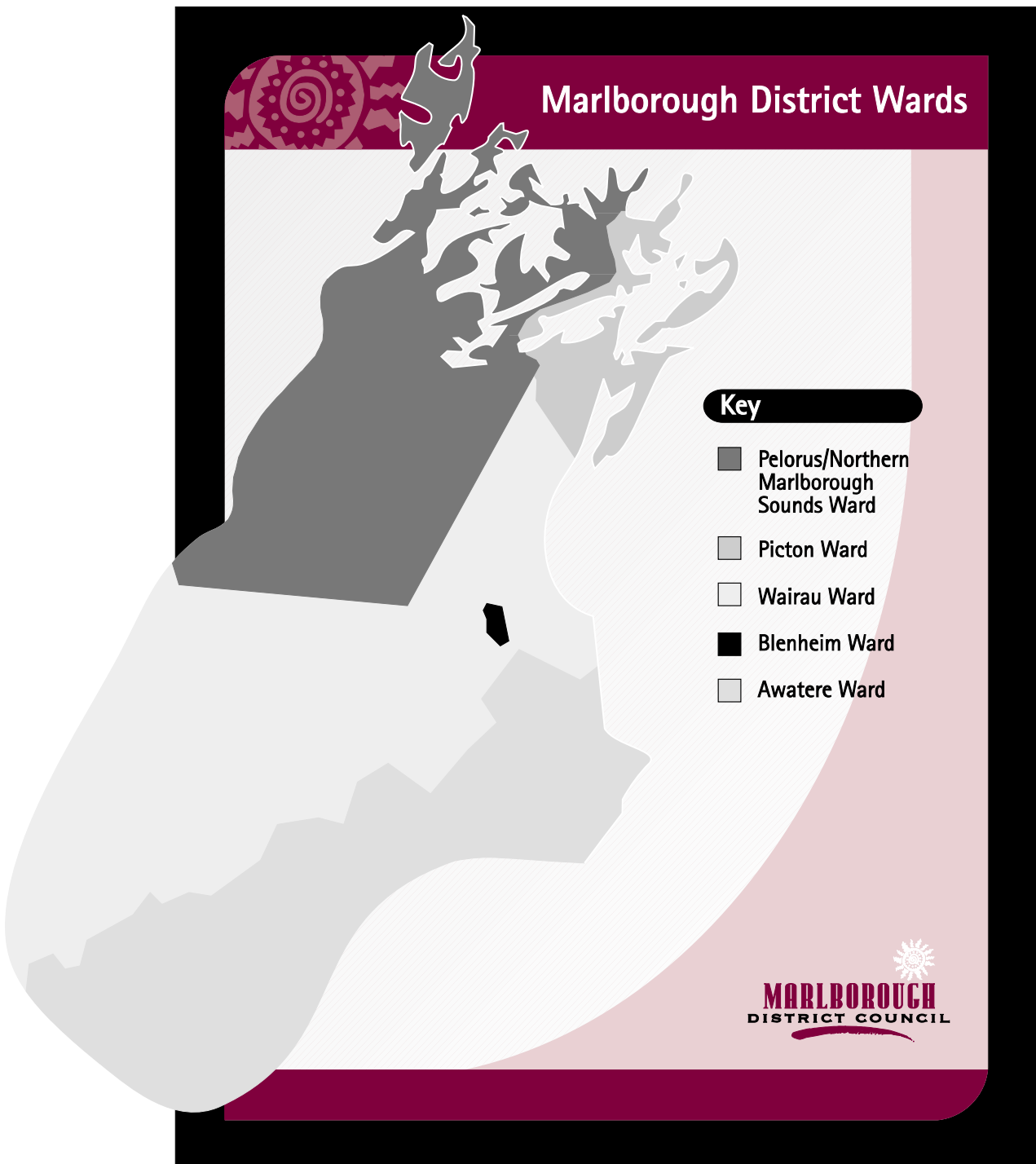


Graeme Barsanti

MISSION STATEMENT

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

MARLBOROUGH DISTRICT ELECTORAL WARDS



COUNCIL COMMITTEES AND MEMBERS

(AS AT 30 JUNE 2002)

The Marlborough District Council has four standing committees, two statutory committees, and five sub-committees. *The present committees (and statutory/sub committees) and their membership are as follows:*

FINANCE & ADMINISTRATION

This committee is responsible for annual and long term financial plans, strategic planning, funding policy, economic development, reviews, financial performance, financial services including rate collection and treasury management, general administration, property management and development, council subsidiaries, community development, social development, youth, elderly and access issues, art and culture, grants and donations, corporate issues, sister cities, democratic process, liquor licensing and information systems.

Chairperson – Clr David Dew
Deputy Chairperson – Clr Alistair Sowman
Clr Jenny Andrews
Clr Graeme Barsanti
Clr Cliff Bowers
Clr Frank Connor
Clr Larry Pigou
Mr Barry Mason (iwi representative)
Mayor Tom Harrison (ex officio)

Grants Sub-Committee:

This Sub-Committee carries out Council's partnership with Creative New Zealand to ensure local arts funding is available to the Marlborough area by distribution of grants. This Sub-Committee has the power to recommend to Council loans to sporting, recreation and community organisations from the Recreation Facilities Loan Fund. The Sub-Committee has also been tasked with allocation of Council's Annually Applied Grants and Donations.

Clr Jenny Andrews - Chair
Clr Alistair Sowman
2 iwi representatives
Creative Marlborough representative
Sports Trust representative
4 community representatives

Liquor Licensing Sub-Committee

Council has delegated its powers, duties and discretions under the Sale of Liquor Act 1989 to this Sub-Committee to act as the Marlborough District Licensing Agency.

Clr Alistair Sowman - Chair
Clr Jenny Andrews
Clr Frank Connor
Clr John Craighead

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 - Chair
Clr Alistair Sowman
Mayor Tom Harrison
5 community representatives

Youth, Elderly and Access Sub-Committee:

The focus of the Sub-Committee is issues related to youth, elderly and access which includes Council's elderly person's housing.

Clr Jenny Andrews - Chair
Clr Cheryl Cairns
Clr Frank Connor
Clr John Craighead

ASSETS & SERVICES

This committee has responsibility for water supplies, sewerage, stormwater, rivers and drainage, waste management, recycling, reserves, halls, museums, cemeteries, public conveniences, animal control, libraries, civil defence and emergency management (including rural fire control), roading, parking, road safety and customer services.

Chairperson – Clr Larry Pigou
Deputy Chairperson – Clr Graeme Barsanti
Clr Jenny Andrews
Clr Cliff Bowers
Clr Frank Connor
Clr David Dew
Clr Alistair Sowman
Mr Richard Hunter (iwi representative)
Mayor Tom Harrison (ex officio)

Animal Control Sub-Committee:

This Sub-Committee has responsibility for animal control including administration and dealing with any right of objection to the Council in terms of the Dog Control Act 1996.

Clr Liz Davidson - Chair
Clr Jenny Andrews
Clr John Craighead

Regional Civil Defence Committee:

The function of the Regional Civil Defence Committee is to advise Council on matters relating to civil defence and exercise powers conferred upon it by delegation under Section 32 of the Civil Defence Act 1983.

Clr Graeme Barsanti - Chair
Clr Cliff Bowers
Clr David Dew
Clr Larry Pigou
Mayor – ex officio
Civil Defence Controller
Ministry for Emergency Management representative

Regional Land Transport Committee:

The function of the Regional Land Transport Committee is to prepare for approval by Council the Regional Land Transport Strategy prepared under Section 175 of the Land Transport Act 1998 and the Regional Programme prepared under Section 42F of the Transit New Zealand Act 1989.

Clr Cliff Bowers - Chair
Clr Graeme Barsanti
Clr David Dew
Land Transport Safety Authority representative
Transfund New Zealand representative
Transit New Zealand representative
NZ Police representative
Railway Operator
Commercial Road User
Private Road User
Cycling representative
NZCCS representative
Taxi representative

ENVIRONMENT

This committee is responsible for Biosecurity, building control, dangerous goods, fencing of swimming pools, food and health monitoring, harbour management, hazardous substances, historic places, resource management, consent processing, monitoring of consents, compliance control, environmental policy and regional planning.

Chairperson – Clr Ian Mitchell
Deputy Chairperson – Clr Francis Maher
Clr Andrew Barker
Clr Cheryl Cairns
Clr John Craighead
Clr Liz Davidson
Mrs Yvonne Burns (iwi representative)
Mr Chris Bowron (rural services representative)

HEARINGS

The hearings committee makes decisions on applications for resource consents. Provision has been made for two hearings committees of three members each. The makeup of each committee may change from time to time.

Chairperson – Clr Francis Maher
Deputy Chairperson – Clr Cheryl Cairns
Clr Andrew Barker

Chairperson – Clr Ian Mitchell
Deputy Chairperson – Clr Liz Davidson
Clr John Craighead

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC Holdings Limited

Mayor Tom Harrison (Director)
Clr David Dew (Director)
Andrew Besley (Director)

Port Marlborough NZ Limited and Marlborough Airport Limited

Clr David Dew (Director)

Marlborough Regional Forestry

(Joint Committee of Marlborough District Council and Kaikoura District Council)
Clr Andrew Barker (Chairperson)
Mayor Tom Harrison

STAFF EMPLOYED (FULL TIME EQUIVALENTS)

	30.6.02		30.6.01	
	Male	Female	Male	Female
Support Services				
Community Development Management		1		1
Democratic Services Management	1	1	1	1
Office Services	1.4	10.6	1	9.6
Treasury	4	5	4	4.6
Contracts Management	.5		1	
Human Resources		.9		.9
Information Services	5.5	3	6	2
General Management				
Forward Planning	2		1	
Management and Support	3	2	3	2
Regulatory				
Animal and Plant Pests	13		12	
Building Control	7		6	1
Environmental Health and Liquor	2		2	
Environmental Unit	8	5	7	5
Harbour Functions	2		2	
Resource Management Control	8	5.6	8	5.6
Management and Support	3	7	4	5
Assets and Services				
Development and Project Management	4		4	
Engineering	7	1	7	1
Operations	14	3.2	13	3.6
Reserves and Amenities	3.6		3.6	
Rivers and Land Drainage	5		5	
Management and Support	3	1	3	2
Civil Defence/Emergency Management	1.75		0.75	
Customer Service Centres	1	15.4	1	14.6
Libraries	4	9.3	4	9.3
Totals	103.75	71	99.35	68.2

INFRASTRUCTURAL ASSETS

	30.6.02		30.6.01	
Roads	Urban	Urban	Urban	Length
	Sealed	161.9 km	Sealed	161.9 km
	Metalled	1.2 km	Metalled	1.2 km
	Rural	Length	Rural	Length
	Sealed	663.1 km	Sealed	657.1 km
	Metalled	693.3 km	Metalled	699.3 km
TOTAL		1519.5 km		1519.5 km
Bridges		Lineal		Lineal
		Number	Number	Metres
	One lane bridges	299	299	5207
	Two lane bridges	54	54	771
	Footbridges	6	6	71
	TOTAL	359	6049	359
Wharves	12		12	
Street Lighting	3,016 lights		3,016 lights	
Water Supply Schemes	7 schemes with 344 kms of reticulation		7 schemes with 312 kms of reticulation	
Sewerage Systems	5 schemes with 194 kms of reticulation		5 schemes with 189 kms of reticulation	
Stormwater System	111 kms of reticulation		111 kms of reticulation	

REPORT ON LONG TERM FINANCIAL STRATEGY AND POLICIES

During the 2001/2002 financial year MDC has made significant progress towards the achievement of objectives and policies for the year as set out in the Annual Plan and its Long Term Financial Strategy, Funding Policy and Treasury Management Policy. Council reviewed its Funding Policy and its Long Term Financial Strategy in consultation with the community during the 2000/2001 financial year.

LONG TERM FINANCIAL STRATEGY

Background

The Long Term Financial Strategy (LTFS) as outlined in the Annual Plan identifies significant activities of the Council and provides for the associated estimated future expenses, revenues, cashflows and other movements in the statement of financial position.

The general aim of the LTFS is to ensure that the Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- Prudent management of Council activities in the interest of the district and its inhabitants.
- Adequate provision for expenditure needs of the Council.
- Adequate consideration and assessment of benefits and costs of different options.
- Lawful funding mechanisms that on reasonable grounds can be considered as appropriate.
- Maintaining prudent levels of debt in accordance with borrowing management policy.
- Operating revenue to cover all projected operating expenses.

Overall Performance

Council has substantially achieved the level of non-financial and financial performance set in the Annual Plan.

FUNDING POLICY

Background

The Funding Policy, as outlined in the Annual Plan, is designed to ensure that the allocation of costs by function is met by the people or groups benefiting from the function.

Overall Performance

Council has funded the cost of functions in the manner outlined in the Funding Policy.

Treasury Policy

The Treasury Policy sets out the parameters for the Treasury operations both in terms of investments and borrowings. There have been no significant variations or material departures from the Council's treasury policy as reported in the Annual Plan.

STATEMENT OF COMPLIANCE

COMPLIANCE

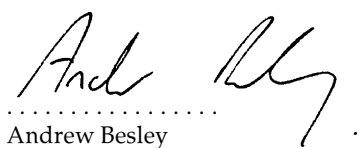
The Council and management of Marlborough District Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

RESPONSIBILITY

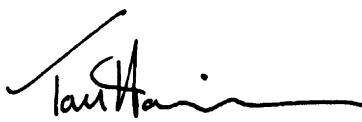
The Council and management of Marlborough District Council accept responsibility for the preparation of the Annual Financial Statements and the judgments used in them.

The Council and management of Marlborough District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Marlborough District Council, the annual Financial Statements for the year ended 30 June 2002 fairly reflect the financial position and operations of Marlborough District Council.



.....
Andrew Besley
Chief Executive
13 November 2002



.....
Tom Harrison
Mayor
13 November 2002

AUDIT OFFICE REPORT



Audit New Zealand

REPORT OF THE AUDITOR-GENERAL TO THE READERS OF THE FINANCIAL STATEMENTS OF MARLBOROUGH DISTRICT COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 15 to 71. The financial statements provide information about the past financial and service performance of Marlborough District Council and group and its financial position as at 30 June 2002. This information is stated in accordance with the accounting policies set out on pages 15 to 19.

Responsibilities of the Council

The Local Government Act 1974 requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Marlborough District Council and group as at 30 June 2002 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The Auditor-General has appointed Bruce Robertson of Audit New Zealand to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to Marlborough District Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

During the period we provided temporary assistance to Marlborough District Council in the compilation of its financial statements. Other than this assignment and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Marlborough District Council or any of its subsidiaries.

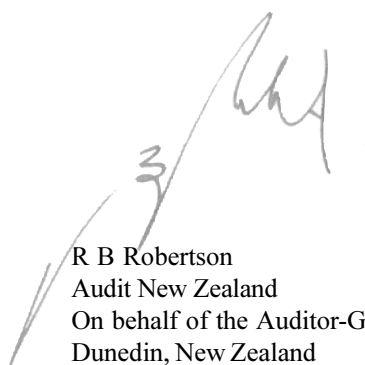
Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of Marlborough District Council and group on pages 15 to 71:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - Marlborough District Council and group's financial position as at 30 June 2002;
 - the results of its operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 15 November 2002 and our unqualified opinion is expressed as at that date.



R B Robertson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand



STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 1974. These financial statements comprise the activities of the Marlborough District Council and the other entities in which the Council has a significant interest.

The group consists of:

- MDC Holdings Limited - MDC wholly owned.
- Port Marlborough NZ Limited - wholly owned by MDC Holdings Limited.
- Marlborough Airport Limited - wholly owned by Port Marlborough NZ Limited.
- Marlborough Regional Forestry (MRF) - Joint Committee (88.62% MDC owned). MRF is accounted for in these financial statements as an activity of Council.

The financial statements have been prepared in terms of Section 223E of the Local Government Act 1974.

Measurement Base

The accounting principles recognised as appropriate for the measurement and report of financial performance, cashflows and financial position on an historical cost basis are followed in the financial statements, with the exception that certain fixed assets have been revalued.

Accounting Policies

The following are the particular accounting policies which have a material effect on the measurement and reporting of results and financial position.

Basis of Consolidation - Purchase Method

The consolidated financial statements include Marlborough District Council and its subsidiaries. The subsidiaries are accounted for using the purchase method, which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-entity transactions are eliminated on consolidation.

Accounts Receivable

Accounts receivable are valued at expected realisable value.

Inventories

Inventories are valued at the lower of cost and net realisable value. Where the cost basis is used the cost has been determined by the weighted average cost method.

Properties Intended for Sale

Properties intended for sale have been valued at the lower of cost and net realisable values. The valuation of net realisable value was carried out by Abel Properties Limited.

Fixed Assets

Land Improvements and Buildings

Land was valued by QV Valuations (Registered Valuers). The value is based on net current value as at 1 July 1999.

Improvements and buildings were valued by Alexander Hayward Limited (Registered Valuers). The values are based on the 1 July 1999 lower of depreciated replacement cost or net realisable value. Depreciation has been provided for the year ended 30 June 2002. Any assets acquired subsequent to 1 July 1999 are shown at cost less depreciation.

In the case of Port Marlborough these assets are stated as acquisition cost less accumulated depreciation.

In the case of Marlborough Regional Forestry these assets were valued by Merrill & Ring New Zealand Limited (Forestry Consultants). The land was based on the 1 September 1999 government valuation adjusted for capital roading undertaken after government valuation date.

Library Books and Parking Meters

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

Forestry

The Conders Bend and Marlborough Regional Forestry forest crop values were determined by Mr Murray Turbitt (Bachelor of Forestry) of Merrill & Ring New Zealand Limited as at 30 June 2002. The basis of valuation is the estate based 'Net Present Value Method'.

The estate based 'Net Present Value Method' involves forecasting future cashflows likely to be generated from the forest. These cashflows are then discounted back to the present giving a net present value.

Other Fixed Assets Excluding Infrastructural Assets

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

In the case of Port Marlborough these assets are stated at acquisition cost less accumulated depreciation.

Infrastructural Assets

(Marlborough District Council Only)

Infrastructural assets are recorded at valuation, plus additions at cost less accumulated depreciation.

Roads, bridges, wharves, street lighting, water, sewer, stormwater and river control and drainage assets were valued at depreciated replacement cost as at 1 July 2001. The valuation was performed by Council engineering staff directly associated with managing these assets. Independent reviews of these valuations were carried out by Opus International Consultants (roads, bridges, wharves and street lighting) and Alexander Hayward Limited (water, sewer, stormwater, river control and drainage and land under roads). In the case of land under roads, an average of adjacent 'undeveloped land value' has been applied.

Carparks were valued at depreciated replacement cost at 1 July 2001 by Marlborough Roads Limited. The valuation was peer reviewed by Opus International Consultants.

Reserves, public conveniences and war memorials land were valued by QV Valuations (Registered Valuers). The value is based on as at 1 July 1999 'net current value'. Any land acquired after 1 July 1999 is shown at cost.

Reserves, public conveniences and war memorials buildings and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on, as at 1 July 1999, the lower of cost and net realisable value. Any buildings and improvements acquired after 1 July 1999 are shown at cost less depreciation. Depreciation has been provided for the year ended 30 June 2001.

Certain infrastructural assets have been vested in Council as part of the subdivision consent process. Vested infrastructure assets have been valued based on the estimated quantities of the components vested in Council.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets 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.

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

	Life	Rate
Roads, Streets and Bridges		
- Land under roads	Not depreciated	
- Pavement formation	Not depreciated	
- Pavement layers	80 - 100 years	1 - 12.25%
- Pavement surface	13 years	7.692%
- Culverts	20 - 50 years	2 - 5%
- Kerb and channel	80 years	1.25%
- Concrete stormwater channels	80 years	1.25%
- Earth water channels	Not depreciated	
- Footpaths	30 - 80 years	1.25 - 3.33%
- Bridges	40 - 100 years	1 - 2.5%
- Footbridges	50 - 100 years	1 - 2%
- Retaining walls	30 years	3.33%
- Street berms	Not depreciated	
- Traffic signs	20 years	5%
- Street lighting	20 years	5%

	Life	Rate
- Traffic islands	50 years	2%
- Street trees	40 years	2.5%
- Street furniture	25 years	4%
- Paved and cobbled areas	30 years	3.33%
- Council wharves	40 years	2.5%
- Port Marlborough wharves and marinas	10 - 50 years	2 - 10%
Carparks		
- Parking meters	10 years	10%
- Land	Not depreciated	
- Formation	Not depreciated	
- Basecourse	80 years	1.25%
- Surfacing	20 years	5%
- Markings	3 years	33.33%
Buildings (excluding properties intended for sale)	100 years	1%
Council Computers (excluding GEMs)	4 years	25%
Council GEMS computer equipment	5 years	20%
Plant, equipment (excluding Council infrastructural assets)	5 - 13.33 years	7.69 - 20%
Mowers/chainsaws	1 - 2 years	50 - 100%
Sewerage		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
- Oxidation ponds		
Liner	Not depreciated	
Waveband	75 years	1.33%
- Treatment plant	20 - 100 years	1 - 5%
Stormwater		
- Pipes	80 - 100 years	1 - 1.25%
- Pump stations	20 - 100 years	1 - 5%
Water		
- Pipes	50 - 100 years	1 - 1.67%
- Reservoirs	80 years	1.25%
- Surface connections	100 years	1%
- Pumps	10 years	10%
- Pump stations	20 - 60 years	1.67 - 5%
- Treatment plant	20 - 100 years	1 - 5%
- Dams	150 years	.667%
Rivers and Drainage		
- Pump stations	35 - 100 years	1 - 2.86%
- Stopbanks/earthworks	Not depreciated	
- Rock and gabion protection	Not depreciated	
- Trees and tree retards	Not depreciated	
- Culverts and gates	Not depreciated	
- Channels	Not depreciated	
- Dam	100 years	1%
Library books	13.33years	7.69%

Apart from plant and equipment (see above), no provision has been made for depreciation on the fixed assets of the Marlborough Regional Forestry. These assets principally comprise land and improvements, forests and forestry development.

As owner and operator of the Blenheim landfill, Council has depreciated the cost of the landfill development over its 30 year life and charged the depreciation to operating costs. The amortisation rate is based on volume utilisation divided by the capacity of the landfill site.

Landfill Post Closure Costs

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

Budget Figures

The budget figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The budget figures have been prepared in accordance with the generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Taxation

Marlborough District Council

The Marlborough District Council is subject to income tax in respect of income received from its subsidiaries. The income tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences.

The Council and its subsidiaries use the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Marlborough Regional Forestry

Marlborough Regional Forestry is a joint committee of Marlborough District Council (88.62%) and Kaikoura District Council (11.38%) and is not subject to income tax on income from its own operations.

Goods and Services Taxation

These accounts are prepared on a GST exclusive basis except for accounts receivable/accounts payable which are shown GST inclusive.

Cost of District Council's Significant Activities

- (a) **Operating Costs**
All direct costs of providing services and allocating overheads have been charged to the relevant significant activity.
- (b) **Direct costs include salaries and wages, materials, services, depreciation and a share of the other costs of managing each significant activity within the groupings of:**
 - Services
 - Resource Management and Regulatory
 - Commercial and Other Property.
- (c) **Allocated Overheads**
The costs of providing supporting services for the Marlborough District Council are accumulated and then allocated to each significant activity using appropriate allocation bases which reflect usage and/or capacity for each significant activity.
- (d) **General type rates have been allocated to significant activities of Council in the Cost of Service statements. The basis of allocation is as detailed in the Annual Plan.**

Separate Rate Financed Activities

Where significant activities include the delivery of services which benefit a specific group within the community, the net cost of delivering such services is financed where practicable by separate rate charged only to that specific group. Such rates are shown separately as revenue earned by the particular significant activity.

Restricted Reserves

- (a) **Revenue**
Revenue related to restricted reserves is reported in the Statement of Financial Performance. It is not available for ordinary purposes.
- (b) **Expenditure**
Operating expenditure from a restricted reserve is shown within the appropriate significant activity to which it relates. Capital expenditure is added to the appropriate fixed asset category in the Statement of Financial Position.
- (c) **Appropriations**
The net amount of restricted reserves revenue less allowable expenditure as in (b) above, is appropriated from accumulated funds to restricted reserves each year. These appropriations are shown in note 9.

Employee Entitlements

The gratuity and long service provisions have been calculated on an actuarial basis which recognises the liability for what is likely to be paid out to staff over the long term based on years of service accumulated to date.

Investments

All investments are valued at the lower of cost and net realisable values. Records of the cost were not available for

all investment when the Council adopted accrual accounting methods. In those instances where the original cost of an investment was not available, par or nominal value has been used. Where investments have been purchased at a premium/discount that premium/discount is amortised over the term of the investment.

Financial Instruments

The Council and its subsidiaries are party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and bank balances, investments, receivables, payables and borrowing. These instruments are generally carried at their estimated fair value as described in the Statement of Financial Position. Revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council or group invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the group and record the cash payments made for the supply of goods and services.

Agency transactions are recognised as receipts and payments in the Statement of Cash Flows given that they flow through the Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise activities that change the equity and debt capital structure of the Council and group.

Changes in Accounting Policies

Council previously applied the long run average renewals accounting method to estimate the annual decline in service potential for water, sewerage and stormwater assets. From 1 July 2001, Council adopted and applied depreciation accounting to these assets. The change in method used to calculate decline in service potential resulted in an additional charge of \$270,985.

There have been no other significant changes in accounting policies. All policies have been applied on a basis consistent with that used in the previous accounting period.

COUNCIL GOALS AND OBJECTIVES

The Marlborough District Council has the following ten key goals and objectives:

1. Communication

To use an open and consultative approach to decision making, and inform the public on matters relating to Council activities and policies.

2. Assets

To manage and maintain Council assets in the most cost effective and efficient manner while taking account of community needs.

3. Customer Service

To provide quality customer service by identifying and delivering appropriate services efficiently, courteously and in the most cost effective manner which meets the needs of the community.

4. Employment

To be a good employer and in particular promote equal employment opportunities and develop a work environment that responsibly provides for change.

5. Services

To provide (within available resources) services that meet the needs and provide for the well being of the various communities within the district.

6. Community

To provide (within available resources) recreational, cultural and social services to meet the needs of the various communities within the district.

7. Sustainability

To manage the natural resources of the district in a sustainable manner to achieve benefits for present and future generations. To administer the regulatory obligations of the Marlborough District Council in a manner which is fair, responsible and courteous to the public.

8. Growth

To ensure that planning for the district is undertaken in a manner that encourages social and economic growth, giving full recognition to the natural environment.

9. Administration

To develop administrative services which serve the Marlborough District Council's requirements in an efficient and effective manner.

10. Property

To ensure effective and efficient management of land and buildings owned by the Marlborough District Council.

STATEMENT OF SERVICE PERFORMANCE - GENERAL

The Marlborough District Council has 10 stated goals and objectives (above). The first four of these goals are of a more general nature and this part of the Statement of Service Performance examines our achievement of the performance measures that we set relating to goals (1) to (4).

Goals (5) to (10) can be related more directly to a significant activity of Council, and the major tasks and performance indicators that we set last year are reported against under the significant activity heading.

GOALS 1 TO 4 – OBJECTIVES AND PERFORMANCE TARGETS

Goal 1: Communication

To use an open and consultative approach to decision making and inform the public on matters relating to Council activities and policies.

Objectives for 2001/2002	Performance Targets
<p>To consult with the community on major issues prior to decisions being made.</p> <p>To promote the open and public transaction of business at Council meetings.</p> <p>To encourage co-operation and consult with central government, iwi organisations, other ad hoc and private organisations including community groups.</p> <p>To keep the community informed of Council issues and matters of interest.</p> <p>To ensure that the community is advised of all significant decisions and actions of Council and the reasons for these.</p>	<ul style="list-style-type: none"> • Follow the appropriate consultation processes. <i>Annual Plan consultation process was carried out. Eighty-three submissions were received and considered by council.</i> <i>On going community consultation is being carried out for specific projects e.g. Renwick sewerage scheme, Taylor River enhancement projects.</i> • Include agenda items on the Marlborough District Council order papers stating items to be public excluded. <i>All agenda items stated those items to be considered in public excluded and the reason why.</i> • Use the Marlborough Express MDC news advertisement at least monthly, to inform the community of matters of interest and for messages from the Mayor. <i>The Marlborough Express MDC news advertisement was used extensively over the 12 months to inform the community.</i>

Goal 4: Employment

Objectives for 2001/2002	Performance Targets
<p>Management to consult with staff on all matters affecting them including recruitment, conditions of employment, and any relevant government driven changes.</p> <p>To provide a safe, healthy place in which to work ensuring compliance with the Health and Safety in Employment Act.</p> <p>To monitor the Equal Employment Opportunities Policy that exists and to ensure that, wherever practicable, all policies, procedures and institutional barriers that may lead to inequality in the work place are reduced or eliminated.</p> <p>To provide opportunities for staff to enhance their personal development.</p>	<ul style="list-style-type: none"> • Conduct a survey ascertaining the quality and timeliness of consultation at least once a year. <i>Survey conducted June 2002. The quality and timeliness of consultation was considered to be good.</i> • To ensure staff conducting interviews are trained and comply with Council policy. <i>Interview panel members are briefed by the Human Resource Co-ordinator on interview guidelines prior to interview process.</i> • Maintain a database to support Marlborough District Council's Occupational Safety and Health Plan. <i>Database updated regularly by Health & Safety Officer.</i> • Equal Employment Opportunities programme reviewed by Council annually. <i>EEO policy/programme reviewed.</i> • Maintain a performance enhancement system. <i>Performance Enhancement Programme met agreed timeframes.</i>

SIGNIFICANT ACTIVITIES

COMMUNITY, RECREATION, CULTURE AND HERITAGE

Goal:

To provide services and amenities for the recreational, cultural and social needs of Marlborough's local communities.

Overview

Marlborough District Council acknowledges social and community development is an important part of the health and well-being of Marlborough's community and is an appropriate organisation, in partnership with other organisations, to play an active role in the development of the community. Council achieves social and community development by:

Providing and maintaining:

- Library facilities
- Parks, reserves, walkways and sports grounds
- Community halls and pavilions
- Memorials
- Cemeteries
- Public conveniences
- Civil Defence services

Providing financial assistance for the provision of:

- Sports and Events Centre
- Swimming facilities
- Recreation and leisure programmes
- Art facilities
- Historical facilities
- Social and community services

Objectives for 2001/2002	Performance Targets
<p>To provide accessible, affordable and safe swimming facilities for use by the public.</p>	<ul style="list-style-type: none"> • Report to Council on services to the community as provided through contractual arrangements with the Stadium Trust. <i>The Stadium 2000 Trust reported to Council in a timely manner. The Trust exceeded expectations in its first year of operation. The Trust is to report on the 2001/2002 financial year in September 2002.</i> • Liaise with Queen Charlotte College and the Awatere Settlers' Association and monitor their provision of agreed services and standards to the community. <i>Queen Charlotte College. Due to an unseasonably wet summer, pool open days and usage were down on previous years (1999/00 – 2850; 2000/01 – 3697; 2001/02 – 2175). QCC is looking to contract out daily management of the pool to the Stadium 2000 Trust in 2002/03 to provide a more professional, consistent level of service to the public.</i> <i>Seddon Community Pool. While this pool was available to the public to the same level as in previous years, no statistics on usage have been supplied due to staffing problems within the Association. A satisfactory level of maintenance and provision of service was however provided throughout the swimming season.</i>
<p>To provide well maintained gardens, reserves and walkways for public recreational use.</p>	<ul style="list-style-type: none"> • Maintain reserves to the standard required in the Reserves Asset Management Plan. <i>All Council reserves have been maintained to the required standard throughout the course of the reporting year. Works undertaken to better cater for and encourage wider public use included:</i> <ul style="list-style-type: none"> • Re-cambering and hard surfacing of pathways in Pollard Park, McKendry Park, Picton Foreshore and the Taylor River Reserve to enable improved cycle, pushchair and disabled use.

	<ul style="list-style-type: none"> • <i>Reshaping of walkway cycle barriers to enable access by mobility scooters.</i> • <i>Improved drainage of sports parks to increase winter usage.</i> • <i>Extension of vehicle track networks and development of the Mountain Bike Park in the Wither Hills Farm Park to increase mountain biking opportunities.</i> • <i>Upgrading of walking tracks in the Wither Hills Farm Park to improve access for a wider cross section of walkers.</i> <ul style="list-style-type: none"> • Maintain and upgrade playground equipment to comply with NZS 5828. <i>Playgrounds have been maintained to required standards, with regular safety checks being undertaken in accordance with contract performance standards.</i> • Respond to all customer enquiries within three working days. <i>To improve on response time to customer enquiries, a reporting and response schedule is being developed for application in the Reserves function.</i>
<p>To provide suitable sports facilities for the sporting communities within Marlborough.</p>	<ul style="list-style-type: none"> • Sporting facilities are maintained to meet the needs of Marlborough as identified in the Reserves Asset Management Plan. <i>Approximately 220 bookings for either casual or seasonal usage of sports parks and reserves have been processed for the year. Only one playing day was lost due to poor ground conditions during the winter season and three during the summer. Marlborough Sports parks received a high assessment rating by NZ Sports Turf Institute. Waitohi Domain sports grounds are still considered substandard however, due to on-going drainage and soil problems associated with the site.</i> • Allocate sports fields biannually to fulfil the requirements of sporting codes. <i>Cricket and soccer continue to expand in Marlborough with both codes using five Council sports parks. A move by the Marlborough Cricket Association to start using Ministry of Education grounds does however indicate the Council parks are reaching their limit in terms of catering for current and future needs within the community.</i> <i>No complaints or concerns received from sporting groups with regard to season allocations for the year indicates a high level of satisfaction.</i>
<p>To provide access to recreation opportunities for all communities in Marlborough.</p>	<ul style="list-style-type: none"> • Administer the Hillary Commission Community Sports Fund. <i>The scheme was administered according to the partnership agreement with the Hillary Commission.</i> <i>Forty-three grants totalling \$42,599 were allocated to community groups providing sport and recreation activities to the community.</i> <i>In addition \$6,109 was allocated under the Rural Travel Fund for geographically isolated clubs and teams.</i> • Monitor the recreation contracts with Sport Marlborough and Festival and Events Trust for compliance.

	<p>Recreation programmes were approved and implemented through contracts with Sport Marlborough (Council funding \$49,522p.a.) and the Festivals & Events Trust (Council funding \$128,000p.a.).</p> <p>Programmes included:</p> <ul style="list-style-type: none"> - Festivals including summer concert series, Southern Jam Youth Music Festival. - Publication of a monthly events calendar circulated free to the community. - Regular activities for over 50's, women and youth. Programmes were run in Blenheim, Picton, Renwick, Seddon. Also provision of the CACTUS programme for youth in partnership with Blenheim Police. <ul style="list-style-type: none"> • Provide access to reserves and sports grounds for community recreation activities. <p>The provision of improved, all-weather and hard surface pathways within Council reserves has resulted in a significant increase in usage of some reserves by the less mobile within the community. This includes wheelchairs, mobility scooters, pushchairs and the less able footed. Usage of the Taylor River Reserve has increased four-fold plus as a result of the recently installed concrete pathways.</p> <p>Participation by Reserves and Amenities staff in the Access and Mobility Forums run by Council has increased staff awareness of and commitment to a 'Barrier Free' approach to development of parks and reserves.</p>
<p>To provide public halls in partnership with local community groups.</p>	<ul style="list-style-type: none"> • Assist local community groups in their maintenance of halls and pavilions and ensure their compliance with the provisions of the Occupational Safety and Health and Building Acts. <p>Continued support given to 32 individual hall committees throughout the district. Assistance given in respect of health and safety and maintenance checks and with specific capital maintenance requirements as required.</p>
<p>To provide support for arts, museums and historical facilities.</p>	<ul style="list-style-type: none"> • Administer the Creative Communities New Zealand Funding Scheme. <p>The scheme was administered in accordance with the agreement with Creative New Zealand.</p> <p>Thirteen grants totalling \$18,003 were allocated to organisations providing arts activities in the community.</p> <ul style="list-style-type: none"> • Provide financial assistance to museums/archives on a case by case basis as provided in existing budgets. <p>Fifteen individual memorials maintained by Council throughout the district and assistance given to the Renwick and Flaxbourne museum societies in respect of general maintenance of their facilities. Financial assistance provided to Marlborough Historical Society - \$50,000 per annum.</p> <ul style="list-style-type: none"> • Maintain to an appropriate standard all memorial monuments, clocks and fountains. <p>An annual maintenance check and spruce up undertaken of all war memorials immediately prior to ANZAC Day each year.</p> <p>Night lighting of the Blenheim and Seddon war memorials completed.</p> <p>An audit of all memorials undertaken during the year</p>

	<p><i>with re-lettering of 10 having now been commissioned. Restoration of historic upper fret work on Cleghorn Rotunda commissioned.</i></p> <ul style="list-style-type: none"> • Develop and implement a Heritage Policy. <i>A Heritage Discussion Document has been developed. The document provides information on heritage, its value to the community, what council is currently doing, gap identification and recommendations for progress.</i> <i>Workshops have been held with council on how to progress development of a Heritage Policy. It is likely that the discussion document will form the basis of community consultation.</i> • Review the Arts and Culture Policy in conjunction with the arts sector of the community. <i>A desktop review of the policy has been undertaken and reported to council.</i> <i>Recommendations in the report will be consulted with the community.</i> 																																																						
To provide financial assistance to community groups.	<ul style="list-style-type: none"> • Provide grants and donations for social and community development groups from within existing budgets. <i>Council provided grants to the following organisations in the 2001/2002 financial year:</i> <table border="0"> <tr><td>- Citizens Advice Bureau</td><td>\$5,097</td></tr> <tr><td>- Marlborough District Brass Band</td><td>\$30,000</td></tr> <tr><td>- Creative Marlborough</td><td>\$10,000</td></tr> <tr><td>- Picton Resource Centre</td><td>\$ 1,500</td></tr> <tr><td>- Sport Marlborough</td><td>\$ 7,500</td></tr> <tr><td>- Marlborough Safer Community Group</td><td>\$ 5,000</td></tr> <tr><td>- Marlborough Rugby Union</td><td>\$108,028</td></tr> <tr><td>- Millennium Art Gallery</td><td>\$77,300</td></tr> <tr><td>- Marlborough Historical Society</td><td>\$50,000</td></tr> <tr><td>- Marlborough Youth Trust</td><td>\$15,000</td></tr> <tr><td>- Awatere Community Activities</td><td>\$5,200</td></tr> <tr><td>- First Light Committee</td><td>\$30,000</td></tr> <tr><td>- Queen Charlotte College</td><td>\$8,000</td></tr> </table> <p><i>In addition Council allocated \$98,457.50 under the Financial Assistance Policy (grants applied annually) as follows:</i></p> <table border="0"> <tr><td>- Havelock Community Association</td><td>\$10,000</td></tr> <tr><td>- Marlborough Warbirds Assn</td><td>\$7,500</td></tr> <tr><td>- Marlborough Vintage Farm Machinery</td><td>\$2,500</td></tr> <tr><td>- Edwin Fox Society Inc.</td><td>\$9,025</td></tr> <tr><td>- Marlborough Historical Soc Inc</td><td>\$6,200</td></tr> <tr><td>- Guides Marlborough</td><td>\$ 911</td></tr> <tr><td>- Order of St John Marlborough</td><td>\$1,803</td></tr> <tr><td>- Citizens Advice Bureau</td><td>\$1,000</td></tr> <tr><td>- Bread of Life Centre</td><td>\$5,000</td></tr> <tr><td>- Horizon Youth Programme</td><td>\$3,234</td></tr> <tr><td>- Superkids – Elim Church</td><td>\$2,150</td></tr> <tr><td>- Linkwater Community Education</td><td>\$1,895</td></tr> <tr><td>- Waitaria Bay Community Library</td><td>\$1,600</td></tr> <tr><td>- Bay of Many Coves Ratepayers</td><td>\$1,000</td></tr> </table>	- Citizens Advice Bureau	\$5,097	- Marlborough District Brass Band	\$30,000	- Creative Marlborough	\$10,000	- Picton Resource Centre	\$ 1,500	- Sport Marlborough	\$ 7,500	- Marlborough Safer Community Group	\$ 5,000	- Marlborough Rugby Union	\$108,028	- Millennium Art Gallery	\$77,300	- Marlborough Historical Society	\$50,000	- Marlborough Youth Trust	\$15,000	- Awatere Community Activities	\$5,200	- First Light Committee	\$30,000	- Queen Charlotte College	\$8,000	- Havelock Community Association	\$10,000	- Marlborough Warbirds Assn	\$7,500	- Marlborough Vintage Farm Machinery	\$2,500	- Edwin Fox Society Inc.	\$9,025	- Marlborough Historical Soc Inc	\$6,200	- Guides Marlborough	\$ 911	- Order of St John Marlborough	\$1,803	- Citizens Advice Bureau	\$1,000	- Bread of Life Centre	\$5,000	- Horizon Youth Programme	\$3,234	- Superkids – Elim Church	\$2,150	- Linkwater Community Education	\$1,895	- Waitaria Bay Community Library	\$1,600	- Bay of Many Coves Ratepayers	\$1,000
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	<ul style="list-style-type: none"> - Birch Hill Fire Party\$2,500 - Nelson/Marlborough Fish & Game Council \$20,000 - Marlborough Farmers Market \$12,000 - Marlborough Rock & Mineral Club \$850 - Marlborough Basketball Assn \$684 - Marlborough Amateur Radio Club\$3,600 - Marlborough Boy's College\$5,000 <ul style="list-style-type: none"> • Provide assistance as required to community groups to access funds from other sources. <i>In excess of 50 organisations received assistance with funding information and/or application completion to access funding from other sources. Funding workshops and information sessions were provided during the year. In addition the Funding Information Service database was made publicly accessible at the Blenheim and Picton libraries.</i> • Continue to support the Marlborough Safer Community Group. <i>The partnership with the Crime Prevention Unit continues with Council providing administration support, funding assistance and liaison as required to the Marlborough Safer Community Group and the projects they manage including Truancy Service Marlborough, Pathways Marlborough (alternative education programme), Turnaround Marlborough (restorative justice project) and support for the Marlborough Youth Trust.</i>
<p>To plan and promote community development within the Marlborough community.</p>	<ul style="list-style-type: none"> • Provide liaison and develop partnership between community organisations. <i>Liaison and assistance is provided through the Community Development Co-ordinator in conjunction with other areas of council. Partnerships on community projects have included TrustPower Community Awards, Taylor River Development, Marlborough Mentoring project, International Year of the Volunteer Celebration, Regional Arts Strategy, Murals for Marlborough project, Community Directory project.</i> • Provide assistance for regular networking and forums for youth workers and youth issues. <i>Assistance was provided to the Youth worker forum, Marlborough Youth Trust and Marlborough Mentoring Group for development of youth issues and networking opportunities. In addition quarterly youth forums have been established with the Youth, Elderly & Access Sub-Committee of council and youth representatives from secondary schools in Marlborough.</i>
<p>To provide and promote a library service which is accessible and cost effective for the Marlborough community.</p>	<ul style="list-style-type: none"> • Increase usage and membership of library services. <i>Active membership 2000-01 17,469; 2001/02 17,852. Issues decreased by 19,458 (3%) to 592,074 due to a change in loan length policy from 3 to 4 weeks. Public internet revenue decreased by 12% in 2001/2002. 2001-2002 \$18,958 2000/2001 \$21,718.</i>

	<p><i>Rate charged for one hour continuous use reduced from \$8 to \$6.</i></p> <p><i>14,304 public enquiries were recorded at the Information Services help desk in 2001/2002, a decrease of 3,523 on 2000/01.</i></p> <p><i>Average usage of children's multimedia computers in the District Library was 479 sessions per month in 2001/02. (448 sessions were recorded in 2000/2001).</i></p> <p><i>Book reserves in 2001/2002 have increased by 192 to 9,342.</i></p> <ul style="list-style-type: none"> • Maintain lending rate per head of population at not less than the current level <i>2001/2002 – 14.96 issues per head of population (39,552).</i> <i>2000/2001 – 15.20 issues per head of population. Decrease due to change in lending policy in 2001/2002.</i> • Maintain the average age of library resources. <i>The average age of stock was maintained at 10 years.</i> <i>Average age – 1992.</i> • Maintain the average cost per issue at no more than the current level. <i>2000/2001 - \$1.99 per issue</i> <i>2001/2002 - \$2.02 per issue.</i> • Co-ordinate no fewer than 36 local community group displays in the Blenheim and Picton libraries collectively. <i>There were 44 local community group displays for the year.</i> • Provide support to community libraries. <i>Book collections are exchanged with community libraries on a regular basis determined by the community library.</i> <i>The District Libraries Manager attends committee meetings at the community libraries to offer help and support as required.</i>
<p>To provide cost effective cemetery services to meet the needs of the Marlborough community.</p>	<ul style="list-style-type: none"> • Complete the cemetery plot reservation review and provide a comprehensive and accurate schedule of all valid reservations relating to Council cemeteries. <i>Cemetery plot reservation review completed and database established.</i> • Maintain accurate and comprehensive cemetery records. <i>Accurate hard copy records of all burial information kept; with all Picton, Ward, Seddon and Havelock records currently being transferred over to digital format. Transfer of Omaka and Fairhall records to digital form will be undertaken in 2002/03 year.</i> • Provide an accurate reference service for reasonable requests from the public. <i>Digital format will simplify access to records for cemetery staff and in response to public enquiries.</i> • Maximise usage of available land within existing cemeteries in accordance with Council policy. <i>Removal of a significant number of drought effected trees has enabled a rationalisation of landscape plantings and available space within Stage 1 of Fairhall Cemetery. This has lead to the creation of several new memorial gardens</i>

	<p>and the planned development of extensive new burial beams which are anticipated to extend the life of the cemetery by up to 20 years.</p>
<p>To provide attractive, hygienic public conveniences at locations designed to cater for public needs.</p>	<ul style="list-style-type: none"> • Inspect all public conveniences monthly to ensure compliance with contract specifications. <i>Monthly audit inspections of public conveniences carried out in accordance with contract requirements. Deterioration of older style facilities (Queen Street and RSA) is leading to increasing public dissatisfaction with cleaning standards being achieved. Redevelopment of the Queen Street toilet is scheduled for completion by December 2002. Replacement of RSA toilet is scheduled for 2003/04.</i> • Investigate complaints relating to operations and facilities within 12 hours. <i>Only four written complaints relating to public conveniences received over the 12 month period. Formal responses given and action taken to remedy as appropriate. All other complaints responded to within 12 hours.</i> • Remedy minor faults within public conveniences within 24 hours of notification. <i>Minor faults remedied within 24 hours as required with exception of Queen Street and RSA toilets which were closed for 24 hours and 36 hours respectively to enable repair of major vandalism.</i>
<p>To maintain a Civil Defence Plan, liaise with emergency services and support groups and upgrade communication systems.</p>	<ul style="list-style-type: none"> • Maintain Civil Defence Headquarters in readiness for an emergency response. <i>Civil Defence headquarters continued to be available at all times. A new headquarters is planned for 2002/03.</i> • Maintain number of volunteers with relevant experience as at 30 June 2000. <i>Volunteer numbers have been maintained.</i> • Implement suitable training exercises to test Marlborough emergency response. <i>Training sessions for specialist groups were held in 2001/2002 on a regular basis.</i> • Determine Council policy in relation to the Civil Defence and Emergency Management Bill. <i>The Civil Defence and Emergency Management Bill has been slow to progress through Parliament making final requirements uncertain. Councillors have been kept informed of the Bill's expected requirements at Civil Defence Committee meetings and were provided with a briefing by the Ministry of Civil Defence and Emergency Management. A new staff appointment, Emergency Services Manager, was made to progress Council emergency management policy and implementation.</i>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR			Revenue	ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs							
Swimming Pools	464	395	1,031	Rates	4,163	4,067	3,910
Reserves	1,981	1,842	1,969	Subsidies	233	11	262
Halls, Museums and Memorials	172	174	207	Other Revenue	500	470	1,133
Libraries	1,017	1,081	1,016	Total Revenue	4,896	4,548	5,305
Cemeteries	300	279	301				
Public Conveniences	314	311	278				
Civil Defence	106	112	110				
Community Development	1,183	1,111	905	General Revenues	645	762	516
Special Work Schemes	4	5	4	Applied			
Total Operating Costs	5,541	5,310	5,821		5,541	5,310	5,821
Capital Works							
Swimming Pools	-	-	2				
Reserves	1,150	202	664				
Cemeteries	19	23	-				
Halls and Museums	-	-	-				
Libraries	180	209	212				
Public Conveniences	153	108	-				
Civil Defence	30	60	4				
Total Capital Works	1,532	602	882				

Note 1: The unfavourable variance in total capital works is attributable to unbudgeted expenditure relating to the Wither Hills Restoration works, the Blenheim Skate Park Development and other additional Reserve capital works funded by subsidies, grants, donations and cash reserves.

Note 2: The subsidies variance is mainly attributable to grants received in respect of capital works on reserves.

Note 3: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 4: Operating Costs as above	5,541	5,310	5,821
Less Internal Interest	86	200	82
Operating Costs as per page 67	5,455	5,110	5,739

ECONOMIC DEVELOPMENT

Goal:

To encourage economic development which improves the quality of life without compromising the environment by:

- Encouraging local business initiatives
- Attracting new business initiatives
- Positioning Marlborough as an alternative and competitive tourist destination.

Overview

Council's actions significantly affect the development of the regional economy. As a provider of infrastructure, a regulator and a democratic organisation, Council is a facilitator and encourager of the development of the region. MDC has determined that its role in economic development is:

- To ensure Council's infrastructure is able to cope with present and future business and industry needs.
- To ensure that Council services are provided in the most efficient and cost effective manner.
- To ensure that the cost of compliance with Council regulation is not prohibitive, specifically in relation to the District Plan, resource consent processes and conditions of consent.
- To ensure that both information providers and seekers are able to easily obtain information regarding the district.
- To market Marlborough.

Council provides annual funding to the following organisations which assist in carrying out its roles:

Destination Marlborough	\$300,000
Marlborough Economic Development Trust	\$50,000
Marlborough Research Centre	\$120,000

Objectives for 2001/2002	Performance Targets
To encourage economic development in Marlborough.	<ul style="list-style-type: none"> • Receive an Annual Report from the Marlborough Research Centre. <i>Annual Report was received by the Finance & Administration Committee at its meeting on 6 December 2001.</i> • Ensure that the Marlborough website contains relevant and up to date information. <i>Website information maintained.</i> • Continue to review Council's functions. <i>Council continues to review its functions. During the financial year new Land Information Memorandum products were introduced.</i> <i>Council is currently reviewing organisations associated with community and economic development.</i> • Ensure the Marlborough Economic Development Trust meets its obligations as set out in its funding deed with Council. <i>The requirements of the funding deed have been complied with. The Trust has developed an effective and productive working relationship with Council, and has achieved substantial progress towards the objectives of its strategic plan. Council, in partnership, has facilitated the establishment of a centre of excellence in wine research, the delivery of civilian aviation maintenance engineering at RNZAF Base Woodbourne and progress towards research and education in Aquaculture. In addition Council has assisted in studies for the establishment of water augmentation schemes in the Awatere, Southern Wairau Valleys and Upper Wairau.</i>
To promote tourism in Marlborough by supporting and monitoring Destination Marlborough.	<ul style="list-style-type: none"> • Ensure the Trust's Business Plan is received by Council within 90 days of the start of the financial year. <i>Achieved.</i> • Ensure the Trust's Annual Plan is received within 90 days of the start of the financial year. <i>Achieved.</i> • Ensure six monthly report is received by Council on the Trust's activities. <i>Achieved. Regular updates are provided to councillors of the Trust's activities.</i>

Cost of Services - \$000's	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01	Revenue	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01
Operating Costs				Revenue			
Destination Marlborough	300	300	300	Rates	368	365	365
Marlborough Research Centre	121	121	120	Other Revenue	-	-	-
Other	107	67	285	Total Revenue	368	365	365
Total Operating Costs	<u>528</u>	<u>488</u>	<u>706</u>	General Revenues Applied	<u>160</u>	<u>123</u>	<u>341</u>
					<u>528</u>	<u>488</u>	<u>706</u>

Note 1. The variance in other costs is the result of a conditional grant made to assist with water augmentation.

LAND TRANSPORT AND OTHER SERVICES

Goal:

To maintain, and where appropriate improve Marlborough's road and bridge network to a reasonable standard which provides for the convenient and safe movement of people and goods.

Roading

1. Roothing Maintenance
2. Seal Works
3. Footpaths, Berms, Trees
4. Street Cleaning
5. Street Lighting
6. CBD Upgrade
7. Parking
8. Road Safety

Overview

As owner of the local roading network Council has a legal requirement to provide services to certain standards. Other services and facilities are provided in order to ensure safety and to enhance the economy by encouraging and facilitating development.

Council is responsible for all roads in Marlborough except the State Highways which are the responsibility of Transit New Zealand. In addition Council is responsible for all roading related assets – footpaths, berms, street trees and plots, kerb and channelling, undergrounding (in conjunction with Marlborough Lines), street lighting and car parks. Council also participates in road safety programmes for Marlborough's roads.

Objectives for 2001/2002	Performance Targets
<p>To maintain monitoring systems to assist in the management of the roading network.</p>	<ul style="list-style-type: none"> • Prepare monthly exception reports outlining road maintenance required. <i>Monthly reports were presented to Council.</i> • Prepare a six monthly condition survey to ensure compliance with Council standards. <i>Condition reports based on 15% samples were undertaken. Compliance achieved with Council standards.</i>
<p>To provide a cost effective, safe and efficient roading network.</p>	<ul style="list-style-type: none"> • Maintain average road roughness standards for sealed roads of: <ol style="list-style-type: none"> (a) 120 for urban roads, and (b) 85 for rural roads. <p>Note: A newly sealed road has an average roughness value of 50-70. A very rough gravel road will have a roughness value higher than 300. <i>Average roughness was within desired limits: 98.0 for urban roads 84.7 for rural roads</i></p> • Not more than eight motor vehicle crashes involving injury on district roads recorded on the Land Transport Safety Authority database with a reported contributing factor of "Road Conditions". <i>Information used was based on the calendar year – 1 January 2000 to 31 December 2001. There were four crashes recorded in the Land Transport Safety Authority database with road conditions cited as factors.</i> • Maintain roading network in accordance with the Asset Management Plan. <i>All works identified in the Asset Management Plan were undertaken with the financial requirements translated to the Annual Plan.</i>
<p>To determine residents' level of satisfaction with the condition of the roading network.</p>	<ul style="list-style-type: none"> • Undertake a postal customer satisfaction survey with a minimum sample size of 280 Marlborough residents.

	<p><i>A postal survey was undertaken. A randomly generated list of 500 potential survey names was produced. Marlborough Roads then deleted business and company names plus some urban addresses of which there was a high percentage. Subsequently 250 survey forms were posted out and of those 105 forms were returned, with the survey results reported to Council in July 2002.</i></p>
Adequately manage the impacts of increased forestry traffic.	<ul style="list-style-type: none"> • Negotiate measures with forest industry to mitigate the effects of significant road damage. <i>Negotiations are ongoing with the forestry industry. A pro-forma application for ATR (Alternative to Roading) funding was lodged with Transfund for a potential barging operation in the Port Underwood area. Weyerhaeuser NZ Limited made a significant contribution towards ongoing maintenance and renewal works on Northbank Road.</i>
To improve pedestrian safety by maintaining all footpaths free from breaks and unevenness.	<ul style="list-style-type: none"> • Annually - all footpaths inspected to detect faults and a programme of works established to repair all footpath faults detected or reported. <i>All footpaths were inspected. Marlborough Roads completed the maintenance and renewal programmes.</i> • Maintain a log of reported footpath faults. <i>Marlborough Roads maintains a log of faults and repairs.</i>
Create an environment in the Central Business District conducive for retail shopping.	<ul style="list-style-type: none"> • Complete stage three of Blenheim CBD upgrade. (Note also refer parking). <i>Stage 3 of the Central Business District (CBD) upgrade was completed in October 2001.</i>
To provide well maintained street trees and plots.	<ul style="list-style-type: none"> • Maintain street trees and plots to contract standards and plant no fewer than 100 street trees. <i>126 new street trees planted throughout the district during the year.</i> <i>17 new street plots developed.</i> <i>All trees and plots maintained to satisfactory standards in accordance with contract requirements.</i>
To ensure that at all possible times parking is reasonably available for the use of shoppers and visitors.	<ul style="list-style-type: none"> • Council owned car parks and kerb-side parking spaces are monitored during working hours to ensure compliance with time limits. <i>The enforcement contract is operating successfully. There is no change in trend in the number of infringement notices issued.</i> • Report annually to Council on the implementation and performance of the adopted car parking strategy. <i>The annual report was provided to Council showing compliance with the car parking strategy.</i>
Develop off-street car parking in Picton.	<ul style="list-style-type: none"> • Investigate the provision of a minimum of an additional 40 car parks to service the Picton CBD. <i>A new off-street car park was provided in Picton. This park provides 54 parks.</i>
To promote driver courtesy, education and skills and thereby better driving, to achieve lower accident rates.	<ul style="list-style-type: none"> • Fewer than 90 crashes causing injury per annum. <i>63 injury crashes occurred in Marlborough. This includes state highways.</i>

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR		ACTUAL	BUDGET	LAST YEAR
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs				Revenue			
Roads, Streets and Bridges	9,391	8,714	8,545	Rates	5,352	5,328	5,377
Subdivision Works	35	37	33	Subsidies	3,100	3,294	3,054
Fire Protection	248	181	887	Other Revenue	1,046	733	2,422
Parking	462	494	474	Total Revenue	9,498	9,355	10,853
Total Operating Costs	10,136	9,426	9,939	General Revenues	638	71	-
Operating Surplus	-	-	914	Applied			
	10,136	9,426	10,853		10,136	9,426	10,853
Capital Works							
Roads, Streets and Bridges	4,789	5,591	5,812				
Subdivision Works	177	113	143				
Fire Protection	40	6	6				
Parking	598	25	328				
Total Capital Works	5,604	5,735	6,289				

Note 1: The operating roading expenditure is greater than budget due to the reclassification of the under grounding costs from capital to operating costs. This reclassification has resulted in roading capital works being less than budget.

Note 2: The fire protection costs were above budget due to repairs of equipment and equipment grants to rural brigades.

Note 3: The Other Revenue is above budget due to roading contributions and vested asset income.

Note 4: The variance in parking capital works is due to the purchase and development of the Picton Carpark site.

Note 5: Other cost variances against budget are in many instances the result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 6: Operating costs as above	10,136	9,426	9,939
Less internal interest	564	338	356
Operating costs as per page 67	9,572	9,088	9,583

RIVERS AND LAND DRAINAGE

Goals:

1. To protect from flooding Blenheim, the main Wairau floodplain (down-stream of the Waihopai) and also Picton/Waikawa to a high standard.
2. To lessen the impact of flooding and erosion from other Wairau tributaries and the Wairau above Waihopai.
3. To limit flood damage to houses and communities throughout Marlborough.
4. To provide a drainage network in the Lower Wairau.

Overview

Council carries out river protection and land drainage works in order to protect the communities and the economic resources potentially at risk. The Wairau River is a potential destroyer of resources and is the greatest threat to the Wairau plains. Council is committed to protect Blenheim and the Wairau floodplain downstream of the Waihopai to a high standard and ratepayers in this area are charged a rivers works rate accordingly. Land drainage works are carried out also predominantly in the low-lying land to the east of State Highway One.

Objectives for 2001/2002

Provide protection from flooding of rivers as is economically practical.

Performance Targets

- Continue programme of stopbank raising within the Wairau Plains in accordance with the River and Land Drainage Plan.

Stopbank raising over a 1500m reach of the north bank of the Wairau just downstream of the Wairau Bridge has been completed. A start has also been made to upgrading a further 2km section downstream of this but is not completed yet due to the onset of winter conditions.

- Carry out gravel extraction where it is beneficial to river control within the Wairau Plains.

A detailed survey of the Wairau River was carried out in 2001. This survey depicted the areas where gravel extraction would be most beneficial to river control and

	<p>the areas where gravel extraction should be reduced. The gravel extraction contractors were therefore directed to extract more in the vicinity of Wairau (Renwick) bridge, more in the Selmes Road area and less in the Wairau (Tuamarina) bridge area and less in the Jeffries Road area. Considerable improvement to the waterway capacity of the Omaka River has also been achieved by directed strategic gravel extraction.</p> <ul style="list-style-type: none"> • Upgrade and repair weak or damaged rock training banks with high quality rock work. <i>Significant repair and maintenance of rock training banks on the Wairau had to be carried out this year. This was particularly required at Conders groynes, Boyces Road, Upper Barnetts and Norths training banks.</i> • Keep tributaries outside the Wairau floodplain as clear and efficient as practical and economic. <i>The programmed budget was spent in keeping Wairau floodplain tributaries clear of willows and other obstructions.</i> • Provide advice to landowners regarding erosion protection as practical. <i>With Marlborough in a development phase, landowners are seeking to plant grapes on land exposed to flooding and erosion. Significant advice is being given to landowners directly, or as resource consent conditions regarding river control works needed to protect such grape plantings.</i>
Provide land drainage for the Lower Wairau.	<ul style="list-style-type: none"> • Upgrade the land drainage network pumping stations on the low lying lands generally to the east of State Highway One in accordance with the Drainage plan. <i>The pumping stations at Rouses and Roberts have been upgraded with larger pumps and discharge pipes. Planning is also underway for a new pumping station on the Riverlands Industrial Drain.</i>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR				ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs				Revenue			
Wairau Floodplain Rivers	1,929	1,603	1,613	Rates	2,823	2,892	2,796
Wairau Floodplain Drainage	448	485	449	Subsidies	-	-	292
Rivers Outside Wairau	222	111	161	Other Revenue	821	509	615
Wairau River Leases	67	72	56				
Total Operating Costs	2,666	2,271	2,279				
Operating Surplus	978	1,130	1,424				
	<u>3,644</u>	<u>3,401</u>	<u>3,703</u>	Total Revenue	<u>3,644</u>	<u>3,401</u>	<u>3,703</u>
Capital Works							
Wairau Floodplain Rivers	642	720	756				
Wairau Floodplain Drainage	103	280	156				
Rivers outside Wairau	94	50	-				
Total Capital Works	<u>839</u>	<u>1,050</u>	<u>912</u>				

Note 1: The variance in operating costs relates to remedial work carried out to repair flood damage.

Note 2: The variance in Other Revenue relates to additional lease income and capital works contributions.

Note 3: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 4: Operating costs as above	2,666	2,271	2,279
Less internal interest	45	-	45
Operating costs as per page 67	<u>2,621</u>	<u>2,271</u>	<u>2,234</u>

SEWERAGE

Goal:

To provide sewage collection, treatment and disposal to a high standard in a manner which does not endanger public health.

Overview

Council operates urban sewage collection, treatment and disposal systems to protect both the health of the community and the physical environment. Council operates five sewerage systems as follows:

AREA	PIPELINE LENGTH	NUMBER OF USERS (ESTIMATE)
Blenheim	140 km	9,570
Picton	33 km	2,110
Havelock	10 km	249
Seddon	7 km	210
Spring Creek	4 km	149

Objectives for 2001/2002	Performance Targets
To provide sewage collection, treatment and disposal to a high standard.	<ul style="list-style-type: none"> • Ensure a high degree of equipment reliability by undertaking an inspection and maintenance programme for sewerage networks. The resulting maintenance structure will then be adopted to ensure high performance standards are maintained. <i>All pump stations had a maintenance check undertaken once per week with staff visiting each pump station. A six monthly pump and motor seals check was undertaken. All pumps are overhauled after a pre-determined number of run hours. Council's infrastructural maintenance database records all maintenance for pumps.</i> • Where there are unplanned interruptions or blockages of the sewerage system, to respond to 95% of such events within two hours, and to restore toilet facilities to all customers affected within six hours of notification. Where extended interruption occurs, to provide alternative toilet facilities after the six hour period. <i>A sample of the sewer service line blockages attended during the year showed that 70% were responded to within the target times. Of those that were not, there was no record of the time of response. The response might have been to target but the recording of arrival and completion times had not been done. Action had been taken to improve recording.</i> • Respond to an overflow from the sewerage reticulation system within one hour of notification, take action to stop the overflow within two hours, and clean up the overflow within 24 hours. <i>All overflows were responded to within the timeframes specified. All sewer pump stations with the potential to overflow to the environment should a pump failure occur are monitored via radio telephone and staff are notified automatically through this alarm system.</i>
To dispose of sewage in a manner which is not likely to endanger public health.	<ul style="list-style-type: none"> • Monitor each of the sewage treatment and disposal plants to ensure that it complies with Resource Consent requirements. <i>Sampling as required by each of the resource consents was completed.</i>

	<p>All samples were compliant with the resource consent requirements.</p> <ul style="list-style-type: none"> Monitor groundwater flows and report on the effectiveness of the infiltration improvement programme. <p>Taking measurements of groundwater is on going in the evaluation of infiltration improvements. Results are recorded.</p>
To provide sustainable sewage disposal networks.	<ul style="list-style-type: none"> Council will continue to operate a physical and financial asset management programme for sewerage assets. The objective of this programme is to ensure that the resources are available to maintain and review the existing sewerage networks at a suitable load. <p>Infrastructure Management System (IMS) is being maintained as per council policy.</p> <ul style="list-style-type: none"> Complete capital programme on time to specification, within budget. <p>The project for the upgrade of the main sewage pump station for Blenheim and new pipelines to the treatment ponds is due for completion in September 2002. The main treatment plant contract is completed with some minor works planned for 2002/03.</p> <p>A project to construct emergency overflow storage at the Picton sewage pump station in Dublin Street has been deferred following higher than expected tender prices. Alternative options are being investigated.</p>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR				ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs				Revenue			
Blenheim	1,486	1,648	1,280	Rates	2,320	2,277	2,643
Picton	623	727	643	Other Revenue	492	425	166
Havelock	86	73	77				
Seddon	40	44	40				
Spring Creek	39	39	32				
Total Operating Costs	2,274	2,531	2,072				
Operating Surplus	538	171	737				
	<u>2,812</u>	<u>2,702</u>	<u>2,809</u>	Total Revenue	<u>2,812</u>	<u>2,702</u>	<u>2,809</u>
Capital Works							
Blenheim	5,094	6,077	1,658				
Picton	145	199	50				
Renwick	93	-	-				
Havelock	19	21	36				
Seddon	3	4	-				
Spring Creek	-	1	-				
Total Capital Works	<u>5,354</u>	<u>6,302</u>	<u>1,744</u>				

Note 1: Variances in the Blenheim operating and capital expenditure against budget are attributable to treatment upgrade and pipeline works carried forward to the following year.

Note 2: The variance in Renwick Sewerage Capital relates to initial investigation and design work on the new scheme.

Note 3: The variance in Other Revenue relates to capital works contributions and vested assets.

Note 4: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan Budgets.

Note 5: Operating costs as above	2,274	2,531	2,072
Less internal interest	374	278	275
Operating costs as per page 67	<u>1,900</u>	<u>2,253</u>	<u>1,797</u>

STORMWATER

Goal:

To provide stormwater collection and disposal to a high standard in a manner which does not endanger public health.

Overview

Stormwater systems are provided to minimise disruptions from rain events and to provide for the safety of residents. Council operates 120 kilometres of stormwater pipe drains for these purposes, predominantly in the urban areas of Picton and Blenheim. As stormwater systems are complex and expensive, a degree of prioritisation is required. 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.

Objectives for 2001/2002	Performance Targets
To provide stormwater collection and disposal to a high standard.	<ul style="list-style-type: none"> To continue to develop maintenance schedules for stormwater disposal assets and ensure that flow obstruction caused by debris build up is kept within acceptable limits. <p><i>A schedule had been set for checking of inlet structures on a monthly basis. Checks and comments are recorded.</i></p>
To dispose of stormwater in a manner which does not endanger public health.	<ul style="list-style-type: none"> To maintain a log of inspection and cleaning works carried out on stormwater systems. <p><i>All of the cleaning and blockage clearing required were completed during the year and logged to Council's infrastructural database.</i></p>
To provide stormwater disposal networks to Council approved standards.	<ul style="list-style-type: none"> Council will continue to operate a physical and financial asset management programme for stormwater assets. The objective of the programme is to ensure that resources are available to maintain and repair the existing stormwater networks at a suitable level. Completion of a capital programme, currently being finalised, to achieved defined standards in prioritised areas of Blenheim. <p><i>Budgets for maintenance, renewal and capital works provided as set in the Annual Plan.</i></p> <p><i>The standards for the design of stormwater systems is underway by Davidson Partners.</i></p>

Cost of Services - \$000's	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01
Operating Costs				Revenue		
Blenheim	583	600	569	Rates	657	654
Picton	133	149	133	Other Revenue	170	54
Other Schemes	53	67	44			
Total Operating Costs	769	816	746	Total Revenue	827	708
				General Revenues		
Operating Surplus	58	-	159	Applied	-	108
	827	816	905		827	905
Capital Works						
Blenheim	526	156	770			
Picton	80	75	4			
Other Schemes	-	17	130			
Total Capital Works	606	248	904			

Note 1: The variances in Other Revenue relates to vested assets

Note 2: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 3: Operating costs as above	769	816	746
Less internal interest	221	221	221
Operating costs as per page 67	548	595	525

WASTE MANAGEMENT

Goal:

To facilitate the provision of waste collection in specified areas, and to dispose of the District's solid waste in a manner which is environmentally and economically acceptable, encouraging better waste management and recycling practices.

Overview

Council provides waste management services for public health reasons and to protect the environment. Kerbside refuse collection is provided in Picton and Blenheim and waste transfer stations are operated at seven locations throughout Marlborough. Waste is transported to the regional landfill south of Blenheim on Taylor Pass Road. Green waste composting and recycling facilities are provided at the Blenheim transfer station along with a hazardous waste collection facility.

Council conducts education and training programmes for recycling and waste minimisation as well as providing support for research programmes.

Objectives for 2001/2002	Performance Targets
<p>To ensure the provision of waste collection in specified areas.</p>	<ul style="list-style-type: none"> • Operate weekly kerbside refuse collection services in Blenheim and Picton. <i>Kerbside collection completed as advertised.</i> • Log all reported kerbside collection failures, and liaise with contractor to ensure that such failures are rectified. <i>Letters had been answered and filed.</i>
<p>To dispose of the district's waste in an environmentally acceptable manner.</p>	<ul style="list-style-type: none"> • Monitor landfill sites in Marlborough to ensure that the environment effects of each landfill site, open or closed, comply with resource consent conditions. <i>Annual reports reviewing sampling and compliance with resource consent conditions will be available to the public by the end of October.</i>
<p>To encourage better recycling and Waste Management practices.</p>	<ul style="list-style-type: none"> • Control odour and other nuisances to minimise impacts. <i>The control of odour and litter is specified within the landfill and transfer stations operations contract. A quality bonus system in the contract encourages the contractor to ensure that litter and odour at all sites are controlled.</i> <i>Site inspections carried out to check that specifications were met.</i> • Provide an education and training programme for waste minimisation working with schools, interest groups and business. <i>Developed and delivered a range of programmes and activities to encourage waste minimisation including sustainable households, worm seminars, sustainable schools, organic recycling programmes for schools and an industry waste programme for the commercial sector.</i> • Implement an extended recycling programme by 31 December 2001. <i>Recycling programme extended with the introduction of glass recycling and support given to the 'Blue Door' operation.</i>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR			Revenue	ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs							
Landfill and Transfer Stations	1,887	2,515	2,438	Rates	1,408	1,373	1,396
Blenheim Refuse	624	590	552	Subsidies	14	-	-
Picton Refuse	173	162	168	Other Revenue	1,284	1,499	1,602
Total Operating Costs	2,684	3,267	3,158	Total Revenue	2,706	2,872	2,998
Operating Surplus	22	-	-	General Revenues Applied	-	395	160
	2,706	3,267	3,158		2,706	3,267	3,158
Capital Works							
Landfill and Transfer Stations	2,480	2,770	160				
Total Capital Works	2,480	2,770	160				

Note 1: The variance in operating costs relates to the renegotiation of the Regional Landfill contract and interest savings due to reprogrammed capital works.

Note 2: The variance in capital expenditure relates to the reprogramming capital works.

Note 3: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 4: Operating costs as above	2,684	3,267	3,158
Less internal interest	318	245	246
Operating costs as per page 67	2,366	3,022	2,912

WATER SUPPLY

Goal:

To provide a reliable and sustainable water supply which meets agreed community health standards.

Overview

Council has a legal obligation to undertake the provision of water to urban areas and seeks to ensure appropriate quality and service standards are met. In addition Council ensures that growth is catered for and that reticulation systems meet fire fighting standards. Council operates seven water supply systems as follows:

AREA	KILOMETRES OF PIPELINE	NUMBER OF CONNECTIONS (Estimate)
Blenheim	137	9,440
Picton	49	2,020
Havelock	7	230
Renwick	13	650
Riverlands	4	89
Wairau Valley	3	42
Awatere	131	600

Objectives for 2001/2002

To provide a reliable water supply.

Performance Targets

- For each system a log of all supply faults and disruptions is maintained. This log is reviewed annually to ensure that there is no deterioration in the quality of Council's service and maintenance programme.
All faults logged.
- Council and its contractors operate to the following service targets:
 - (a) Respond within two hours to complaints of lost supply.
There was one reported loss of supply in Lane Street and this was responded to within half an hour. The problem was found to be within the property.
 - (b) Restore any lost supply within eight hours of the fault.

	<p>No losses of supply were reported.</p> <p>(c) Install new connections within 10 working days of application.</p> <p><i>A sample of installed connections had been assessed and of those 70% were installed within ten days. Some were delayed at the owner's request.</i></p> <ul style="list-style-type: none"> • Monitor contracts to ensure appropriate service delivery. <p><i>All water supply contracts have been monitored with them achieving the appropriate levels of service.</i></p>
To provide a water supply which meets agreed community standards.	<ul style="list-style-type: none"> • Regularly test all water systems to ensure that the water quality established for that system by Council is maintained. The standard against which the results are measured is the 2000 New Zealand Drinking Water Standard. Details of all test results are available to the public, and are supplied to the Ministry of Health for inclusion in the national grading programme. <p><i>All sampling undertaken as per requirements of the drinking water standards 2000 by contract with Connell Wagner. Results are logged to the Ministry of Health's WINZ database. Apart from Awatere, all Council water supply schemes were compliant with the Drinking Water Standards. Awatere water supply was compliant with agreed community standards.</i></p>
To provide a sustainable water supply.	<ul style="list-style-type: none"> • Council now operates a physical and financial Asset Management Programme. The objective of this programme is to ensure that the resources are available to maintain and renew the existing water systems at least at their present level of performance. <p><i>Asset management system being operated.</i></p>

Cost of Services - \$000's	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01		ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01
Operating Costs				Revenue			
Blenheim	1,612	1,565	1,502	Rates	3,365	3,224	3,380
Picton	577	515	574	Other Revenue	215	116	414
Renwick	138	111	118				
Havelock	114	116	110				
Awatere	233	214	235				
Riverlands	49	38	31				
Wairau Valley	21	17	18				
Total Operating Costs	2,744	2,576	2,588				
Operating Surplus	836	764	1,206				
	3,580	3,340	3,794	Total Revenue	3,580	3,340	3,794
Capital Works							
Blenheim	933	888	873				
Picton	337	97	257				
Renwick	1	75	28				
Havelock	16	12	3				
Awatere	1	63	18				
Riverlands	25	76	8				
Wairau Valley	-	-	-				
Total Capital Works	1,313	1,211	1,187				

Note 1: Variances in the rates and Other Revenue relate to increased metered water sales and vested assets respectively.
 Note 2: Variances in the Picton water capital expenditure relate to reprogrammed pipeline and Essons Valley Treatment Upgrade.
 Note 3: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

Note 4: Operating costs as above	2,744	2,576	2,588
Less internal interest	539	539	540
Operating costs as per page 67	<u>2,205</u>	<u>2,037</u>	<u>2,048</u>

ANIMAL CONTROL

Goal:

To provide effective dog control in the Marlborough district as required by the Dog Control Act 1996, Impounding Act 1995 and the Marlborough District Council Dog Control Bylaw.

Overview

Council is required to control animals and stock within the region, and to educate the public about the care and control of animals. A large part of this activity involves dogs and dog registrations.

Objective for 2001/2002	Performance Targets
To provide effective animal control in the Marlborough district with the parameters of the Dog Control Act 1996, the Impounding Act 1995 and Council Bylaws.	<ul style="list-style-type: none"> Maintain a complaints register. <i>680 Requests for Service (RFS) received over twelve month period. All RFS's logged and actioned through to completion in the RFS database.</i> Investigate all complaints within two working days. <i>All Requests for Service (RFS) were investigated by the contractor within the required period.</i> Investigate all dog attacks within four hours of notification and full processing within three days. <i>All notifications of cases of dog attack or rush were subject to initial investigation within required timeframe. Full processing and closure was generally achieved within the three day period, however, that was dependent on the complexity and degree of each case and the consultation as deemed necessary with victim and dog owner.</i> Recover all dog control costs through registration fees and fines. <i>High level of registration compliance was maintained by Animal Control and that enabled recoveries for the 12 month period to exceed budgeted target by \$14,154.</i> Recover 70% of pound costs through impounding fees. <i>Achieved. (145%).</i> Maintain a stock complaints register. <i>Number of stock complaints reported six weekly to Council.</i> Investigate all stock complaints within two working days. <i>Target achieved with 100% of complaints being responded to and dealt with within two days of report being received.</i>

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR	Revenue	ACTUAL	BUDGET	LAST YEAR
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs							
Animal Control	181	172	186	User Charges	198	176	191
Operating Surplus	17	4	5				
	<u>198</u>	<u>176</u>	<u>191</u>		<u>198</u>	<u>176</u>	<u>191</u>
Capital Works							
Animal Control	-	-	127				
Total Capital Works	<u>-</u>	<u>-</u>	<u>127</u>				

DEMOCRATIC PROCESS

Goals:

1. *To represent in a fair and equitable manner and conduct Council business in a 'transparent' manner.*
2. *Consult with constituents on proposed plans for Council.*

Overview

Council is an elected body that governs the direction and objectives it is responsible for on behalf of the district. The Marlborough District Council is a unitary authority. A unitary authority has the functions, duties and powers of both a regional council and a territorial authority as conferred by the Local Government Act.

<p>Marlborough District Council Committees, Statutory and Sub-Committees:</p> <ul style="list-style-type: none"> • Assets & Services <ul style="list-style-type: none"> • Animal Control • Regional Land Transport • Regional Civil Defence • Finance & Administration <ul style="list-style-type: none"> • Grants • Liquor Licensing • Youth, Elderly & Access • Sister City • Environment <ul style="list-style-type: none"> • Rural Services • Resource Hearings

Objectives for 2001/2002	Performance Targets
To represent constituents in a fair and equitable manner.	<ul style="list-style-type: none"> • Conduct the 2001 election in accordance with the legislative requirements. <i>The Electoral Officer presented a letter dated 19 October 2001 to the Council meeting held on 8 November 2001 in which he stated that the 2001 triennial elections had been conducted in accordance with the relevant legislation.</i> • All meetings of councillors to comply with the provisions of the Local Government Official Information and Meetings Act and Standing Orders. <i>No breaches of the Local Government Official Information and Meetings Act and Standing Orders had been reported in relation to meetings of councillors.</i>
To conduct Council business in a transparent manner.	<ul style="list-style-type: none"> • All scheduled meetings advertised in the local media no less than five working days prior to meeting wherever possible. <i>Scheduled meetings were advertised each month and complied with s46 of the Local Government Official Information and Meetings Act which requires a more stringent condition than the performance target. Advertisements were placed not more than 14 days and not less than 5 days before the end of every month, notifying scheduled meetings to be held in the following month (including date, time and venue).</i> • Agendas and attachments available at least three working days prior to meeting. <i>Agendas, including attachments, were completed and therefore were available at least three clear working days prior to the meeting i.e. for a Thursday meeting, the agenda was photocopied and posted to members on the Friday prior, and was available for viewing on that day.</i> • Adopt Council's Annual Plan and Report in accordance with statutory requirements. <i>Council adopted the 2000/01 Annual Report on 29 November 2001 and adopted the 2002/03 Annual Plan on 23 May 2002.</i>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR			ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01	2001/02	2001/02	2000/01
Operating Costs				Revenue		
Democratic Process	1,689	1,595	1,552	Rates	1,585	1,535
				Other Revenue	35	2
				Total Revenue	1,620	1,537
				General Revenues		
				Applied	69	58
Total Operating Costs	1,689	1,595	1,552		1,689	1,595
						1,552

ANIMAL AND PLANT PESTS

Goals:

1. To minimise the economic and ecological threats of regional animal and plant pests in the district.
2. To contain the spread of Bovine Tuberculosis in the district and reduce the number of infected cattle and deer herds.

Overview

This activity provides protection to the environment and productive land. Council carries out animal and plant pest control in accordance with its Regional Pest Management Strategy, prepared in conjunction with stake holders and in compliance with the Biosecurity Act 1993 and the Resource Management Act 1991.

There is also a proposed National Pest Management Strategy with an objective to achieve Tb-free New Zealand by 2012/13. Council is responsible under the strategy for the management of the vector control programmes primarily implementing possum and ferret control operations.

Biosecurity

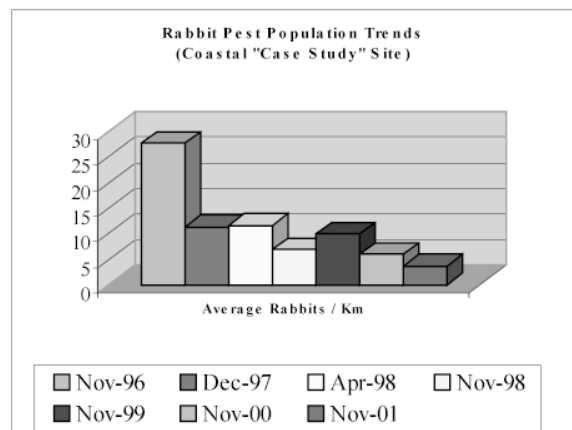
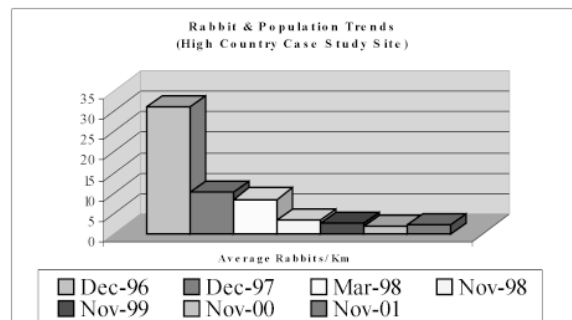
1. Regional Rabbit & Plant Pest Management.
2. Bovine Tuberculosis Management (vector control, possums and ferrets).

Objectives for 2001/2002

To monitor and implement control for animal and plant pests throughout the district.

Performance Targets

- Report annually by way of a representative sample, the trend of the level of rabbit population abundance.



- Identify and ensure compliance of properties with rabbit populations at or above the prescribed threshold levels.

A total of 78 properties were inspected. Ten properties were

	<p><i>issued control programmes where rabbit populations existed above the prescribed threshold levels. Eight of these properties complied, while the other two properties had been granted extensions for work to be conducted during July/August 2002.</i></p> <ul style="list-style-type: none"> • Report annually, by way of a representative sample of known 'rook' pest population levels. <i>Surveys indicated that fourteen rooks existed in the region, however these rooks were not clustering at that time, which prevented a level of precision in the measurement technique deployed.</i> • Implement control operations to eradicate 'total control' plant pest from known sites annually. <i>All control operations have been implemented including management of the six new total control plant pests.</i> • Identify, record and monitor properties with plant pests as defined by the Regional Pest Management Strategy. <i>A comprehensive database exists recording various plant pest sites in the region and council's relevant actions. All total control plant pest sites were controlled and 88% of properties with known infestations of containment were monitored. A further fifteen properties were inspected to determine pest status.</i> • Supply control programmes and ensure compliance for all land occupiers where containment control pests exists above the maximum allowable levels determined by the Regional Pest Management Strategy. <i>A total of 283 control programmes were issued for the control of containment control plant pests. 83% of those were inspected for compliance. Of those inspected, two compliance notices were issued for failure to comply with their obligations.</i> • Provide advice on the identification and control of pests. <i>Educational material was produced for 19 specific pest species. Staff attended two separate field days and presented a display at the Ward A & P show.</i>
<p>To prevent the establishment of new Bovine Tuberculosis risk areas and/or the expansion of existing risk areas into farmland free of Bovine Tb.</p>	<ul style="list-style-type: none"> • Carry out control programmes on behalf of the Animal Health Board on wildlife that spread Bovine Tuberculosis. <i>A total of 14 possum control operations covering a management area of 221,021 ha was carried out. A total of 12 specific ferret control programmes were also completed.</i> • Provide advice on programmes and techniques to control wildlife that carry Bovine Tuberculosis. <i>Brochures were published to provide landowners an awareness of vector control techniques and the relationships with managing Bovine Tb. Council staff were also involved in disseminating information to industry groups and to specific landowners. Regional animal health committee meeting also occurred every three months.</i> • Maintain possum populations in operational areas to less than or equal to the prescribed residual trap catch level, stipulated in the Bovine Tb operational plan. <i>All operations recorded residual trap catch indices well below the prescribed targets.</i>

To prevent any further increase from vector related Bovine Tuberculosis related disease spread in vector control operational areas.

- Report annually, by way of representative sample, the number of infected herds in Bovine Tuberculosis risk areas.

A total of 10 infected herds were recorded as at 30 June 2002.

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR		ACTUAL	BUDGET	LAST YEAR
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs				Revenue			
Animal Pests	233	130	111	Rates	605	602	583
Plant Pests	396	334	301	Subsidies	1,733	814	1,151
Bovine TB Control	2,360	1,376	1,425	Other Revenue	397	286	6
Total Operating Costs	2,989	1,840	1,837	Total Revenue	2,735	1,702	1,740
Operating Surplus	-	-	-	General Revenues			
				Applied	254	138	97
	2,989	1,840	1,837		2,989	1,840	1,837
Capital Works							
Bovine TB Control	23	-	-				
Total Capital Works	23	-	-				

Note 1: Additional bovine TB operating costs were mainly funded from Central Government subsidies.

Note 2: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

CONSENTS AND COMPLIANCE

Goal:

To carry out the statutory processes associated with resource consents, building consents and any other permits that are the regulatory responsibility of Council.

Overview

The Resource Management Act 1991 charges Council with the statutory function of receiving, processing and granting resource consents, including certificates of compliance. As a unitary authority, Council is responsible for regional, district as well as coastal functions. There are five types of consents that Council must process:

- Land use, including the erection of buildings and land disturbance, as well as the use of river beds and lakes.
- Subdivision of land.
- Coastal marine, including reclamation of the foreshore or seabed, the erection or demolition of structures and occupancy of the coastal marine area, including marine farming.
- Water, including the taking, damming or diversion of water.
- Discharges of contaminants into the environment, being to water, land or air.

The majority of resource consents are approved subject to conditions. Council encourages consent holders to

undertake monitoring functions. Compliance with consent conditions is monitored by way of a sample audit process.

The Building Act 1991 charges Council with the responsibility for receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code.

Council also has responsibility to protect and promote public health by undertaking the licensing, inspection and enforcement of standards with regard to all premises to ensure compliance with the Health Act 1956, Sale of Liquor Act 1989, Local Government Act 1974, Dangerous Goods Act 1974 and Hazardous Substance and New Organisms Act 1996 and Council Bylaws. Council is responsible for ensuring the abatement of nuisances, to control pollution to air and land and to carry out environmental noise monitoring.

Regulatory

1. Resource Consents
2. Compliance
3. Building Consents
4. Environmental Health

Performance Targets

To issue resource consents within the statutory timeframe after assessment for compliance with planning documents in accordance with the Resource Management Act 1991.

- Process non-notified resource consents within 20 days and notified consents within 70 days.

	Total Consents Processed	% Compliance with statutory timeframe
Notified	310	38%
Non-Notified	1495	84%

	<p>Notified Applications</p> <p><i>Approximately one third of the notified applications processed were for marine farms, all of which did not meet the statutory timeframe. The marine farming industry has signed off against not meeting statutory processing timeframes.</i></p> <p>Non-Notified Applications</p> <p><i>A large portion of non-notified applications not meeting statutory timeframes were for moorings. The majority of moorings were done on a bay by bay basis, through bulk applications. Processing of bulk applications often took longer but resulted in significant cost savings to the applicants.</i></p>
<p>To issue Land Information Memoranda within the statutory time frame in accordance with the Local Government Official Information and Meetings Act 1987.</p>	<ul style="list-style-type: none"> • Issue Land Information Memoranda within 10 working days. <p><i>911 of the 912 Land Information Memoranda issued in 2001/02 were within 10 working days. The one that was not took 11 working days due to the unprecedented number of requests being received at that time.</i></p>
<p>To monitor resource users for compliance with resource consent conditions.</p>	<ul style="list-style-type: none"> • Maintain a database for the monitoring of resource consents. <p><i>All resource consents are entered into a database to ensure, where required, a consent is monitored. This procedure is incorporated in an International Systems Organisation process.</i></p> <ul style="list-style-type: none"> • For resource consents requiring monitoring by Council an inspection to be carried out to verify compliance or a new "bring-up" date entered. <p><i>There is a backlog of monitoring to be carried out. Student workers were engaged to assist reduce this backlog. New bring-up dates entered.</i></p>
<p>To monitor all complaints received by Council with regard to non-compliance with Resource Management and Building Act statutory requirements.</p>	<ul style="list-style-type: none"> • Resolve all complaints, or develop a resolution strategy, within 15 working days of the complaint being received. <p><i>A total of 1292 complaints were received by the Regulatory Department. Only 26 did not have a resolution strategy in place or were not resolved in 15 working days.</i></p> <p><i>The number of complaints registered is up from 857 in 2000/20001. During that period a new database was established and more people are now using the database for recording complaints.</i></p> <p><i>774 after hours noise complaints, which are contracted out to Armourguard to investigate, are included in the figures.</i></p>
<p>To process building consents within the statutory time frame.</p>	<ul style="list-style-type: none"> • The number of working days to issue building consents for building work value be not greater than: Less or equal to \$500,000.....10 days Greater than \$500,000.....20 days <p><i>There were 1980 building consents less or equal to \$500,000 in value issued in 2001/02 with 1964 issued within 10 days. Compliance 99.19%.</i></p> <p><i>There were 14 building consents greater than \$500,000 issued in the period, all within the 20 days required. Compliance 100%.</i></p>

<p>To issue Project Information Memoranda within the statutory time frame after assessment for compliance with planning documents in accordance with the Resource Management Act 1991.</p>	<ul style="list-style-type: none"> • Issue Project Information Memoranda within 10 working days. <i>1994 project information memoranda issued. 99.5% (1985 PIMs) issued within 10 working days.</i>
<p>To optimise the safety of all food manufactured, prepared, stored or sold in food establishments and issue licences where necessary in matters of environmental health, food quality and the safety of the community.</p>	<ul style="list-style-type: none"> • To carry out annually at least one inspection of all registered food premises to ensure food safety. <i>Achieved.</i> • To carry out at least one inspection of all premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders to ensure compliance with health standards. <i>425 inspections carried out. All premises were registered during the year.</i>
<p>To optimise the safety of all dangerous goods manufactured, stored, used or sold from industrial and commercial premises.</p>	<ul style="list-style-type: none"> • To carry out at least one inspection of all premises where dangerous goods are manufactured, stored or used to ensure that safety standards are being met. <i>209 inspections carried out. This did not account for all premises licensed. 18 – Telecom, Broadcast Communications Limited and Airways Corporation premises in remote locations were not inspected.</i>
<p>To operate a reasonable system of control over the sale and supply of liquor to the public.</p>	<ul style="list-style-type: none"> • To report on all applications for licences and certificates within six working days of receiving all reports from outside agencies. <i>All applications for licences and certificates were reported on within six working days of receiving all reports from outside agencies. 738 applications received during the year.</i>
<p>To ensure the control of nuisances within the community.</p>	<ul style="list-style-type: none"> • To respond to and investigate within two working days all nuisances that threaten public health. <i>60 nuisances investigated. These were responded to within two working days. Follow up action taken as required.</i>
<p>To control pollution incidences to air and land and take enforcement action where required.</p>	<ul style="list-style-type: none"> • To respond to and investigate within two working days all incidences that threaten public health. <i>311 air and land pollution incidences investigated. These were responded to within two working days. Follow up action taken as required.</i>
<p>To collect environmental noise data where necessary for enforcement action and for State of the Environment Report.</p>	<ul style="list-style-type: none"> • To respond to all complaints of environmental noise within two working days. <i>All complaints responded to within two working days. 815 noise complaints attended to.</i> • To collect environmental noise data annually for the State of the Environment Report. <i>State of the Environment monitoring continued.</i>

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR		ACTUAL	BUDGET	LAST YEAR
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs				Revenue			
Resource Consents	1,811	1,737	1,836	Rates	1,758	1,734	1,663
Building Consents	890	883	859	Other Revenue	1,590	1,348	1,631
Resource Consent Hearings	559	484	599				
Environmental Health	279	277	243				
Total Operating Costs	3,539	3,381	3,537	Total Revenue	3,348	3,082	3,294
				General Revenues			
				Applied	191	299	243
	3,539	3,381	3,537		3,539	3,381	3,537
Capital Works							
Resource Consents	8	4	1				
Building Consents	12	1	1				
Resource Consent Hearings	-	2	2				
Environmental Health	5	-	-				
Total Capital Works	25	7	4				

Note 1: The favourable variance in the net cost of service is due to increased demand in consent applications, which in turn has resulted in additional costs of Resource Consents and Hearing costs.

Note 2: Other cost variances against budget are in many instances a result of Council approved changes to the 2001/02 Annual Plan budgets.

ENVIRONMENT

Goals:

- To develop policy statements and resource management plans that promote the sustainable management of Marlborough's resources while enabling the district's people to provide for their social, cultural and economic well being.
- To monitor and report on the state of the environment, to ensure a quality natural, physical and social environment as anticipated in the Marlborough Regional Policy Statement.

Overview

As a unitary authority, the Marlborough District Council has the powers, functions, and responsibilities of both a regional and district council. The Council has statutory obligations to comply with and must enforce legislation; the most significant being the Resource Management Act 1991. This Act requires Council to promote the sustainable management of the natural and physical resources of the district.

Under the Resource Management Act 1991, the Council is required to prepare a Regional Policy Statement and Resource Management Plans for the region and to monitor and review them to ensure their ongoing effectiveness. The Regional Policy Statement underpins the region's resource management framework and sets out the Council's policy approach to significant regional resource issues. Council's Resource Management Plans combine the Council's Regional Coastal Plan, its District

Plan and its Regional Plan into single integrated planning documents.

The Resource Management Act 1991 requires that the Council shall gather information, monitor and keep records of the state of the environment. A detailed State of the Environment Report for Marlborough is prepared every five years with an environmental update prepared in the years in between. The report describes Marlborough's environmental quality and outlines what the Council and other agencies and organisations are doing to monitor and protect the environment from the pressures placed on human activity. The state of the natural environment (air, land and water quality and their use) and the physical and social factors affecting the quality of life are monitored and reported on.

Objectives for 2001/2002	Performance Targets
To develop Policy Statements and Plans.	<ul style="list-style-type: none"> Marlborough Sounds Resource Management Plan made operative in part by 31 August 2001, subject to Environment Court hearings having been completed. <p><i>This target was not achieved due to difficulties in getting Environment Court time for hearings and getting responses from referrers.</i></p>

	<ul style="list-style-type: none"> • Outstanding references to the Marlborough Sounds Resource Management Plan regarding Port Noise and Financial Contributions resolved by 30 June 2002. <i>References regarding financial contributions have been resolved. Other references regarding port noise, ship wake and coastal occupancy charges are currently being addressed through plan variations.</i> • Draft Variation to the Marlborough Sounds Resource Management Plan for the management of large high speed vessels considered for adoption by Council by 31 December 2001. <i>The Environment Committee, at its regular meeting on 6 September 2001, considered a draft variation to the Proposed Marlborough Sounds Resource Management Plan. The draft variation was subsequently released for public comment in December 2001.</i> • Community and industry consultation on the need for review of aquaculture plan provisions completed by 31 December 2001. <i>This target was superseded by the Government's marine farming moratorium and aquaculture law reform programme. Informal consultation has been undertaken and does indicate a clear need to review plan provisions, but the scope of this will be determined by legislation that has not yet been passed by the Government.</i> • 25% references to the Wairau/Awatere Resource Management Plan resolved by 30 June 2002. <i>This target was achieved.</i>
<p>To monitor the environment in accordance with the Resource Management Act 1991.</p>	<ul style="list-style-type: none"> • Carry out monitoring as specified in the monitoring strategies and programmes for hydrology, air quality, fresh and coastal water quality, soils condition and freshwater, terrestrial and coastal ecosystems. Significant projects include: <ul style="list-style-type: none"> - Rainfall, surface water and groundwater hydrology network <i>Monitoring of these networks is ongoing.</i> - Spring Creek water quality and land use <i>Based on recommendations from the Spring Creek report, staff have been working with the Department of Conservation preparing landscape plans and planting guides for two streams in the catchment where water quality has been an issue.</i> - South Marlborough Ecological Study <i>Field surveys to identify significant ecological sites on private land has continued. A programme is being developed to promote their protection.</i> - Air quality monitoring in urban areas <i>Particulate monitoring of sites in Blenheim has been ongoing.</i> - Macro-invertebrate monitoring in freshwater habitats <i>This monitoring was carried out in spring and autumn at 16 sites throughout the district. A report was produced summarising water quality using the macro-invertebrate community index as an indicator.</i> - Recreational bathing water monitoring <i>This monitoring occurs over the summer period and is ongoing to ensure bathing waters in the district meet</i>

	<p><i>Ministry of Health and Ministry for the Environment guidelines. Results for 2001/2002 have been reported to the Environment Committee.</i></p> <ul style="list-style-type: none"> - Wairau Plain aquifer sustainability studies <i>Studies include: preliminary report on Groundwater Management Rules for the coastal Wairau Plain; Southern Valleys aquifer management review; assessment of Southern Valleys groundwater level monitoring data in the southern valley aquifers; ecological assessment of spring-fed streams on the Wairau Plain; pesticide leaching under vineyards in the Rarangi area; 2001 Wairau Plain Groundwater Quality Survey.</i> - Monitoring the effects of large vessels in the Marlborough Sounds <i>Monitoring of beach profiles and on benthic communities has been ongoing. Auckland UniServices and Davidson Environmental Limited have submitted reports on monitoring results.</i> - Soil quality monitoring <i>Targeted monitoring of sites with potential for contamination has been undertaken.</i> - Rural 3 Zone subdivision investigations <i>Investigations culminated in a major report to the Environment Committee in September 2001. As a result of this, work is underway on reviewing policy in the Proposed Wairau/Awatere Resource Management Plan.</i>
<p>To report on the state of the environment.</p>	<ul style="list-style-type: none"> • Record environmental data and report on any significant trends, as soon as they are detected, to the Council's Environmental Committee. <i>This target has been achieved with two examples of significant monitoring results reported to the Environment Committee for further action being the water quality results from the Taylor and Rai Rivers.</i> • Produce and release the State of the Environment Report for 2001 for the Marlborough District by 30 June 2002. <i>The period over which data is gathered for the State of the Environment Report changed from a calendar year to a financial reporting year. The 2000/2001 State of the Environment Report was released in November 2001. The 2001/2002 State of the Environment Report is to be released in December 2002.</i> • Provide rainfall and flow information to the Rivers group, and others, as specified in the Flood Response Manual. <i>Provision of this information is ongoing.</i> • Provide resource information as required to assist in the assessment of applications for resource consents. <i>Provision of this information is ongoing.</i> • Provide resource information as required to assist in the development of the Policy. <i>Provision of this information is ongoing.</i> • Provide daily river flows for publication in the Marlborough Express, and maintain a river information line as part of the public information process. <i>Provision of this information is ongoing.</i>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR			Revenue	ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs							
Environment Policy	1,002	840	815	Rates	1,675	1,663	1,518
Environment Monitoring	1,093	1,156	1,198	Subsidies	-	-	20
				Other Revenue	24	-	7
				Total Revenue	1,699	1,663	1,545
				General Revenues			
				Applied	396	333	468
Total Operating Costs	2,095	1,996	2,013		2,095	1,996	2,013
Capital Works							
Environment Monitoring	50	49	50				
Total Capital Works	50	49	50				

Note 1: Cost variances in Environment Policy primarily relate to Council approved changes to the 2001/02 Annual Plan budgets.

HARBOUR CONTROL

Goal:

To ensure that the Marlborough region's coastal waters are managed in a manner that allows for their safe and economic use.

Overview

Harbour control is undertaken primarily to ensure safety in Marlborough's water ways as required by legislation. The Marlborough Sounds contain 4,136 square kilometres (total water area) and approximately 1,500 kilometres of coastline that is used extensively for recreational purposes, commercial shipping, fishing and other aquaculture industries.

The Harbourmaster is tasked with the responsibility of addressing matters of navigation and safety as required in the Local Government Amendment Act. In addition the Marine Transport Act 1994 requires councils to prepare, maintain and review Regional Marine Oil Spill Contingency Plans. For the purpose of oil spill response, the Marlborough region's area of responsibility extends to the 12 nautical mile territorial boundary.

Objectives for 2001/2002	Performance Targets
To ensure that marine farms comply with lighting requirements and do not pose a danger to navigation.	<ul style="list-style-type: none"> Randomly audit 10% of returns from individual marine farmers. <p><i>Audit of marine farms lights was undertaken. A total of 254 marine farms were audited during 2001/2002 and reported on to council, significantly exceeding the 10% required.</i></p> <p><i>Results showed the following statistics:</i></p> <p><i>Compliant farms – 118 (46.5%)</i></p> <p><i>Farms with one or more lights extinguished – 116 partly compliant (45.7%)</i></p> <p><i>Farms with no lights operational – 20 (7.8%).</i></p> <p><i>Ongoing discussions and monitoring are ensuring that the industry is focussing on improving compliance.</i></p>
To maintain swimming areas and water-ski access lanes in the Marlborough Sounds.	<ul style="list-style-type: none"> Inspect swimming and water-ski access lanes monthly between Labour weekend and Easter of the following year. <p><i>Swimming and access lanes were inspected in accordance with the performance target and reported on by the contractor.</i></p>
To ensure that the existing navigation aid network is kept fully operational.	<ul style="list-style-type: none"> Inspect leading lights quarterly, remaining lights bi-annually. <p><i>All lights inspected and reported on as follows:</i></p> <p><i>July 2001 – Havelock Approaches</i></p>

	<p><i>August/September – Pelorus Sounds, Tory Channel, Croisilles, Port Underwood, Leading Lights.</i></p> <p><i>October 2001 – Port Underwood.</i></p> <p><i>December 2001 – Queen Charlotte.</i></p> <p><i>May 2002 Leading Lights, Tory Channel, Inner Queen Charlotte Sound.</i></p> <p><i>June 2002 – Queen Charlotte Sound.</i></p> <ul style="list-style-type: none"> • Repair outages within 24 hours. Action on leading light outages to be taken immediately. <p><i>A total of 22 outages occurred and were attended to and reported on by the contractor within the timeframes specified in the contract.</i></p> <ul style="list-style-type: none"> • Regularly review the requirement for additional navigation aids with key industry stakeholders. <p><i>No new navigation lights were established. Informal discussions have taken place with pilots on additional aids required for Shakespeare Bay.</i></p>
<p>To monitor waters within harbour limits for breaches of Marlborough District Council Bylaws and appropriate Maritime legislation.</p>	<ul style="list-style-type: none"> • Formulate new Harbour Bylaws in accordance with the provisions of the Local Government Amendment Act prior to 31 March 2003. <p><i>New Harbour Bylaws have been drafted and circulated informally for comment on two occasions. These were adopted in September 2002 and will be operational from 1 October 2002.</i></p> <ul style="list-style-type: none"> • Investigate reports of breaches of Bylaws and appropriate Maritime legislation and respond within five working days. <p><i>Accidents, incidents and breaches investigated and, where appropriate, action taken although no prosecutions had been undertaken.</i></p> <ul style="list-style-type: none"> • Maintain a computer based complaints register. <p><i>Computer based complaints/accident/incident database maintained.</i></p>
<p>To maintain a Regional Marine Oil Spill Contingency Plan.</p>	<ul style="list-style-type: none"> • Review the approved Marlborough Maritime Oil Spill Contingency Plan as required pursuant to Section 297 of the Maritime Transport Act prior to 23 January 2003, unless such a review is deemed appropriate before that date as a result of an actual significant spill having occurred. <p><i>Owing to internal staff changes in Maritime Safety Authority (MSA), the Marlborough Oil Spill Contingency Plan review is now not due to be completed until December 2003. No significant oil spills occurred.</i></p> <ul style="list-style-type: none"> • Conduct a desk-top marine oil spill response management exercise annually. <p><i>Exercise conducted in June 2002.</i></p> <ul style="list-style-type: none"> • Conduct 1 to 2 in water equipment deployment exercises of appropriate oil spill response equipment located in Marlborough. <p><i>One in-water exercise conducted in June 2002. An exercise scheduled for October 2001 was cancelled owing to bad weather.</i></p> <ul style="list-style-type: none"> • Evaluate oil spill reports within one hour. <p><i>Oil spill reports evaluated in accordance with the time frames set out in the Marlborough Marine Oil Spill Contingency Plan.</i></p>

Cost of Services - \$000's	ACTUAL BUDGET LAST YEAR			Revenue	ACTUAL BUDGET LAST YEAR		
	2001/02	2001/02	2000/01		2001/02	2001/02	2000/01
Operating Costs							
Harbour Control	476	453	427	Rates	315	313	198
				Other Revenue	172	94	159
Total Operating Costs	476	453	427	Total Revenue	487	407	357
Operating Surplus	11	-	-	General Revenues Applied	-	46	70
	487	453	427		487	453	427
Capital Works							
Harbour Control	37	20	55				
Total Capital Works	37	20	55				

Note: The variance in other revenue is mainly due to recoveries of costs for pollution response work.

PROPERTY

Goal:

To ensure that all property holdings provide the maximum benefit to the community by either achieving a commercial return on investment or levels of utilisation which offset the opportunity cost of holding property.

Overview

Council's property functions are carried out for community benefit and to assist Council operations.

The Marlborough District Council has inherited a number of property holdings due to the amalgamation of local councils and regional authorities. These properties can be classified as being held for commercial, community or operational means.

In addition to holding property Council occasionally becomes involved in the development of land holdings. Outlined in the Treasury Management Policy of Marlborough District Council are the various reasons why Council holds property.

Council has limited its role in the development of land by selling or leasing land to enable commercial

development to occur. Examples include the lease of land to enable vineyard development at Condors, Renwick and the sale of land for subdivision at Harbour Heights, Picton. In the case of the Forest Hills residential development at the Taylor Pass/Wither Road area, Council entered into a development agreement with a third party which has seen the risks associated with development resting with the developer. Council intends to consult with the community with regard to the developments around the Wither Hills area, including the potential for further development of Forest Hills.

Council constantly reviews its land holdings to ensure that they are required by Council and are achieving the best return for the district.

Objectives for 2001/2002	Performance Targets
To maximise return on investment.	<ul style="list-style-type: none"> Achieve an annual rate of return against market value of not less than 8% against the latest rating valuation on commercially leased properties. <i>An annual rate of return against market value of 9.92% was achieved.</i> Carry out a review of the property management contract by an independent property consultant or a chartered accountancy firm. <i>Review completed with no issues being identified.</i> Achieve a market acceptable return for land development whilst retaining minimal risk to Council. <i>Forest Park View development showed a return to council to date for Stages 1 and 2 combined of 78% against Block Land Value.</i>
To provide provision of maximum benefit to the community.	<ul style="list-style-type: none"> Monthly analysis of issues such as utilisation and opportunity costs for key operational and community properties. <i>Monthly report were received per requirements.</i>

- Prepare and perform to a project plan for works associated with Conders Bend Forest proposal.
Project plan prepared with Conders Bend Forest conversion completed on time. Net present value of benefits associated with conversion have been quantified to be \$4.078 million.

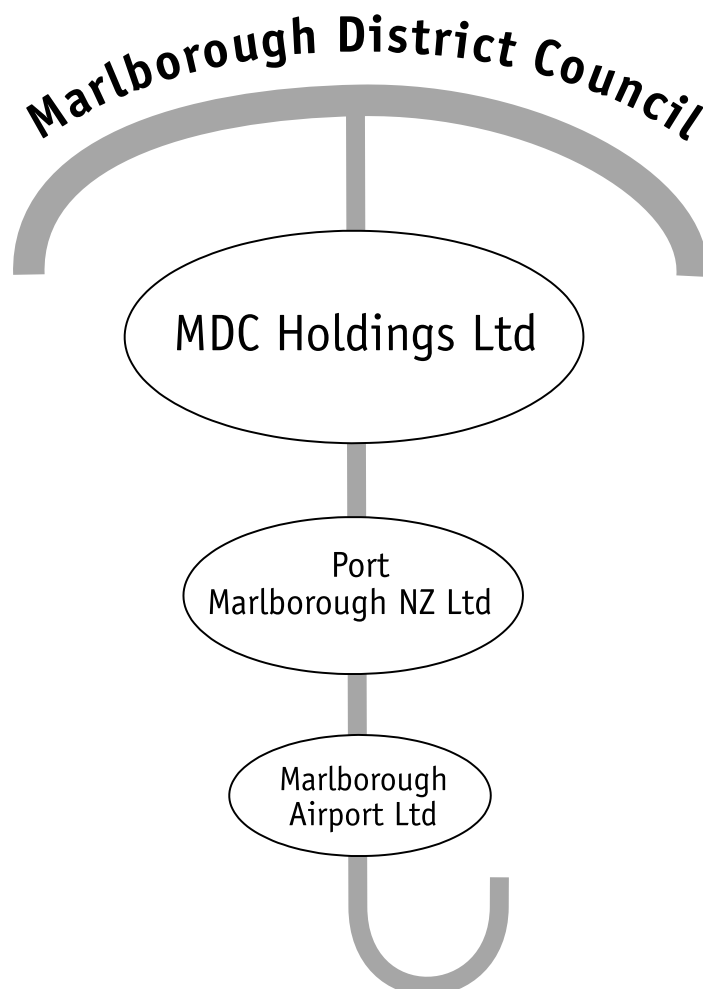
Cost of Services - \$000's	ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01		ACTUAL 2001/02	BUDGET 2001/02	LAST YEAR 2000/01
Operating Costs				Revenue			
Leased Property	891	930	1,103	Other Revenue	1,739	1,517	2,128
Forestry	956	8	83				
Land Development	15	8	12				
Total Operating Costs	1,862	946	1,198		1,739	1,517	2,128
Operating Surplus	-	571	930	General Revenues Applied	123	-	-
	1,862	1,517	2,128	Total Revenue	1,862	1,517	2,128
Capital Works							
Leased Property	224	116	139				
Land Development	-	-	-				
Total Capital Works	224	116	139				

Note 1: The Operating Costs variance results from the write off of the forestry crop at Conders Bend resulting from clearing of the land for viticulture leases. The lease income resulting from the land clearance will be reported in the Rivers and Land Drainage Significant Activity.

Note 2: The variance in capital works relates to the purchase of Community Housing and this was offset by its subsequent sale.

Note 3: Operating Costs as above	1,862	946	1,198
Less Internal Interest	131	12	131
Operating Costs as per page 67	<u>1,731</u>	<u>934</u>	<u>1,067</u>

SUBSIDIARIES



MDC HOLDINGS LIMITED

The Marlborough District Council established MDC Holdings Limited on 1 July 1996. The holding company acquired Council's interest in Port Marlborough New Zealand Limited. The company is a local authority trading enterprise (LATE) and is owned 100% by the Council.

Objectives for 2001/2002	Performance Targets
<p>To operate as a successful holding company.</p> <p>To provide the means for bringing the main trading enterprises of the Marlborough District Council together into one structure.</p> <p>To separate the commercial trading activities of the Council from the other functions carried out by the Council.</p> <p>To obtain commercial borrowing facilities at the most attractive rates attainable.</p>	<ul style="list-style-type: none"> • Prepare and forward financial statements to Council in accordance with legislative requirements. <i>Achieved.</i> • Report annually to Council on the performance of the subsidiary trading enterprises. <i>Achieved.</i> • Report annually to Council on the level and rate of its borrowings. <i>Annual Report provided to Council annually.</i>

PORT MARLBOROUGH NEW ZEALAND LIMITED

Mission Statement

To expertly and profitably manage and develop the company's assets and operations to achieve their full potential and benefit the company's customers and shareholders.

Relationship to Marlborough District Council

Port Marlborough New Zealand Limited is a company established under the Port Companies Act 1988. While the Marlborough District Council owns 100% of the shares, through MDC Holdings Limited, its intent is that Port Marlborough operates as a separate commercial entity in a completely commercial manner.

Councillor David Dew is appointed as Marlborough District Council's representative on Port Marlborough's Board of Directors. The company operates on a 30 June financial year.

Port Marlborough New Zealand Limited wholly owns Marlborough Airport Limited. Maintenance of the runways and taxiways used by civil aircraft is the responsibility of the Airport Company as well as the provision of a terminal facility with associated minor freight handling.

Objective for 2001/2002	Performance Target
<p>To operate a successful port company.</p>	<ul style="list-style-type: none"> • To achieve a pre-tax profit of \$4.909 million for the operations of Port Marlborough for the year ending 30 June 2002. <i>Achieved (\$5.45 million).</i> • To achieve non-ferry terminal cargo flows in excess of the previous three year average (585,965 tonnes). <i>Achieved (1,123,585 tonnes).</i> • Return on new investments will be considered on a case by case basis consistent with the company's desire to generate returns greater than the weighted average cost of capital. <i>Prefeasibility studies have been undertaken for all material capital developments to ensure that the desired weighted average cost of capital return is achieved.</i> • To achieve 95% capacity usage of marina berths. <i>Achieved (96.6%).</i> • To achieve 95% capacity usage of small craft storage facilities. <i>Achieved 99% for boatsheds and 82% for compound parks.</i> • Completion of the dredging of the Havelock port area and access channel by 31 December 2001. <i>Channel work completed; minor work outstanding on port area.</i> • Construct additional wharf and an expanded unloading area for marine farming harvesters at Oyster Bay, Port Underwood by June 2002. <i>Resource consent obtained; work to commence shortly.</i> • To achieve a customer satisfaction level, as measured by customer survey, of 95% or greater. <i>October 2001 customer survey indicated an overall customer satisfaction rating of 88%. Port Marlborough is committed to a programme of monitoring and responding to customer service needs and has subsequently implemented measures to address areas of concern.</i>

MARLBOROUGH REGIONAL FORESTRY

Goal:

To maximise return on investment.

Marlborough Regional Forestry (MRF) is a joint committee of the Marlborough District Council and the Kaikoura District Council (KDC). MDC owns 88.62% of the forestry estate and KDC owns the remaining 11.38%. The estate was valued at \$33.3 million as at 30 June 2001.

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.

Clear felling operations, which have commenced are expected to reach a sustainable annual harvest of 59,000m³. Distributions made to Council will in the first instance repay advances provided for projects such as the Picton sewage treatment plant and Renwick sewerage. Funds remaining have been set aside to fund infrastructure projects in accordance with the contributions made by the different areas within Marlborough.

Objective for 2001/2002	Performance Targets
<p>To ensure the programme of timber extraction maximises return on investment.</p>	<ul style="list-style-type: none"> • Preparation of harvesting strategy. <i>Prepared annually.</i> • Operating plans for pruning, maintenance and replanting reviewed annually. <i>Prepared annually.</i>

STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance - \$000's for the year ended 30th June

Expenditure	NOTES	Consolidated		Marlborough District Council			
		ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01	ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01
Services							
Community, Recreation, Culture and Heritage	(2)	5,455	5,110	5,739	5,455	5,110	5,739
Economic Development		528	488	706	528	488	706
Land Transport and Other Services	(2)	9,572	9,088	9,583	9,572	9,088	9,583
Rivers and Land Drainage		2,621	2,271	2,234	2,621	2,271	2,234
Sewerage	(2)	1,900	2,253	1,797	1,900	2,253	1,797
Stormwater	(2)	548	595	525	548	595	525
Waste Management	(2)	2,366	3,022	2,912	2,366	3,022	2,912
Water	(2)	2,205	2,037	2,048	2,205	2,037	2,048
Animal Control		181	172	186	181	172	186
Democratic Process		1,689	1,595	1,552	1,689	1,595	1,552
		27,065	26,631	27,282	27,065	26,631	27,282
Resource Management and Regulatory							
Animal and Plant Pests		2,989	1,841	1,837	2,989	1,841	1,837
Consents and Compliance		3,539	3,380	3,537	3,539	3,380	3,537
Environment		2,095	1,997	2,013	2,095	1,997	2,013
Harbour Control		476	453	427	476	453	427
		9,099	7,671	7,814	9,099	7,671	7,814
Commercial							
Property	(2)	1,731	934	1,067	1,731	934	1,067
		1,731	934	1,067	1,731	934	1,067
Subvention Payment to MDC Holdings		0	0	0	588	619	619
General District Expenses		605	757	520	605	757	520
Marlborough Regional Forestry Expenditure		1,248	483	489	1,248	483	489
Total Expenditure Council Services		39,748	36,476	37,172	40,336	37,095	37,791
Subsidiaries Expenditure							
MDC Holdings (Consolidated)		7,410	7,964	6,775	0	0	0
Total Expenditure		47,158	44,440	43,947	40,336	37,095	37,791
Revenue							
Rates	(6A)	26,163	25,772	25,844	26,390	26,044	25,978
Subsidies and Grants	(6B)	5,080	4,119	4,779	5,080	4,119	4,779
Interest	(6C)	1,043	695	1,083	1,662	1,299	1,702
Dividends	(6D)	0	4	0	0	435	0
Subvention Payments		0	0	0	52	0	0
Other Income	(6E)	9,225	8,095	10,832	10,004	8,095	11,171
Marlborough Regional Forestry	(6F)	3,896	2,530	1,178	3,896	2,530	1,178
Total Revenue Council Services		45,407	41,215	43,716	47,084	42,522	44,808
Subsidiaries Revenue							
MDC Holdings Limited (Consolidated)		12,380	12,862	11,076	0	0	0
Total Revenue		57,787	54,077	54,792	47,084	42,522	44,808
Operating Surplus / (Deficit)		10,629	9,637	10,845	6,748	5,427	7,017
Assets vested in Council from Subdivisions		300	0	1,222	300	0	1,222
Surplus / (Deficit)		10,929	9,637	12,067	7,048	5,427	8,239
Less Taxation	(8)	1,306	1,733	1,341	0	0	1
Net Surplus / (Deficit) After Taxation		9,623	7,904	10,726	7,048	5,427	8,238

Explanation of Council Net Surplus

- * The Council has made a net Surplus after tax of \$7.048m compared to a Budget of \$5.427m
- * Operating expenditure is over budget in several area and the explanations are provided in the Significant Activity Statements.
The main areas are –
 - The increase in the Bovine TB programme. This is funded by a corresponding increase in Central Government subsidy.
 - The partial writeoff of the Conders Bend forestry crop. The resulting increase in lease income is reflected in the Rivers and Land Drainage account

- * Operating revenue is over budget in Subsidies (as explained above) Marlborough Regional Forestry Income and Other Income.
The main areas Other Income is over budget are –
 - Unbudgeted profits on sale of sections
 - Additional lease income primarily from Conders Bend viticulture leases.
 - Increased subdivision levies.
 - Increased user charges from Consents.
 - Contributions received for capital and operating works for Reserves, Roding, Water and Harbour Control.
 More detailed explanations are contained in the significant Activity Statements as appropriate.

STATEMENT OF MOVEMENTS IN EQUITY

Statement of Movements in Equity- \$000's for the year ended 30th June

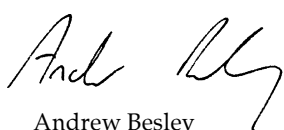
NOTES	Consolidated		Marlborough District Council			
	ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01	ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01
Equity at the beginning of the year	450,356	436,888	435,997	447,354	434,576	435,483
Infrastructural Assets Adjustment	0					
Amended equity at the beginning of the year	450,356	436,888	435,997	447,354	434,576	435,483
Surplus and Revaluations						
Net Surplus for the period	9,623	7,904	10,726	7,048	5,427	8,238
Revaluation of Properties intended for sale	0					
Revaluation of Fixed Assets (10)	83,156		3,633	83,156	0	3,633
Total recognised revenues and expenses for the period	92,779	7,904	14,359	90,204	5,427	11,871
Closing Ratepayers Equity	543,135	444,792	450,356	537,558	440,003	447,354

STATEMENT OF FINANCIAL POSITION

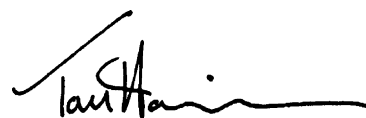
Statement of Financial Performance - \$000's for the year ended 30th June

NOTES	Consolidated		Marlborough District Council			
	ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01	ACTUAL 2001/02	BUDGET 2001/02	ACTUAL 2000/01
Ratepayers' Equity and Minority Interests						
Accumulated funds (9)	397,917	393,054	385,875	394,956	388,265	385,468
Ordinary and Council Created Reserves (9)	22,160	16,031	25,950	19,544	16,031	23,355
Restricted Reserves (9)	5,793	4,990	4,447	5,793	4,990	4,447
Revaluation Reserve (10)	117,265	30,717	34,084	117,265	30,717	34,084
Total Ratepayers Equity	543,135	444,792	450,356	537,558	440,003	447,354
<i>Represented by:-</i>						
Current Assets						
Cash and Deposits (11)	4,990	11,608	12,766	4,308	10,768	12,417
Receivables and Prepayments (12)	7,836	4,553	6,447	7,172	2,846	5,264
Stocks	233	231	213	42	100	58
Tax refund due	304	0	660	0	0	0
Properties for Sale	1,038	0	852	1,038	0	852
	14,401	16,392	20,938	12,560	13,714	18,591
Current Liabilities						
Bank Current Account	512	0	0	512	0	0
Payables and Accruals (17)	9,868	8,469	9,122	8,337	7,253	7,642
Deposits Trusts and Agencies (18)	977	690	1,229	977	690	1,229
Provision for Taxation	0	0	1	0	0	1
Current portion of Term Liabilities (19)	96	0	158	96	0	158
	11,453	9,159	10,510	9,922	7,943	9,030
Working Capital	2,948	7,233	10,428	2,638	5,771	9,561
Non Current Assets						
Deferred Taxation (8)	238	168	196	0	0	0
Investments (14)	10,093	5,838	7,041	23,828	19,578	20,771
Fixed Assets (13)	555,683	472,735	455,814	513,626	427,720	419,702
	566,014	478,741	463,051	537,454	447,298	440,473
Less Non Current Liabilities (19)	25,827	41,182	23,123	2,534	13,066	2,680
Net Assets	543,135	444,792	450,356	537,558	440,003	447,354

Signed on behalf of Council by



Andrew Besley
Chief Executive
13 November 2002



Tom Harrison
Mayor
13 November 2002

STATEMENT OF CASHFLOWS

For the Year Ended 30 June 2002

	NOTES	Consolidated		Marlborough District Council	
		Actual 2001/02	Actual 2000/01	Actual 2001/02	Actual 2000/01
		\$000's	\$000's	\$000's	\$000's
Operating Activities					
Cash was provided from:					
Rates		26,230	26,549	26,456	26,757
Monies from deposits, agency and in trust		25	598	25	598
Receipts from customers		30,303	25,155	18,597	14,285
Interest received		351	929	910	1,665
Dividends		0	0	0	1,205
Net GST		0	228	0	226
		<u>56,909</u>	<u>53,459</u>	<u>45,988</u>	<u>44,736</u>
Cash disbursed to:					
Payments to suppliers and employees		(34,883)	(33,855)	(31,184)	(30,645)
Interest paid		(1,832)	(918)	(124)	0
Deposits, agency, trust fund money refunded		(277)	(81)	(277)	(81)
Taxes paid		(993)	(1,703)	(1)	(2)
Net GST		(965)	0	(955)	0
		<u>(38,950)</u>	<u>(36,557)</u>	<u>32,541</u>	<u>(30,728)</u>
Net Cash Flows from Operations	(21)	17,959	16,902	13,447	14,008
Investing Activities					
Cash was provided from:					
Sale of assets		905	1,457	848	1,457
Proceeds from sale of investments		26	182	21	271
		<u>931</u>	<u>1,639</u>	<u>869</u>	<u>1,728</u>
Cash was supplied to:					
Purchase of fixed and forestry assets		(26,457)	(17,065)	(19,291)	(12,921)
Purchase of investments		(2,953)	(73)	(3,078)	(73)
		<u>(29,410)</u>	<u>(17,138)</u>	<u>(22,369)</u>	<u>(12,994)</u>
Net Cash Flow from Investing Activities		(28,479)	(15,499)	(21,500)	(11,266)
Financing Activities					
Cash was provided from:					
Term Liabilities		2,800	1,600	0	0
		<u>2,800</u>	<u>1,600</u>	<u>0</u>	<u>0</u>
Cash was applied to:					
Repayment of term liabilities		(568)	(237)	(568)	(64)
		<u>(568)</u>	<u>(237)</u>	<u>(568)</u>	<u>(64)</u>
Net Cash Flow from Financing Activities		2,232	1,363	(568)	(64)
Net Increase / (Decrease) in Cash		(8,288)	2,766	(8,621)	2,678
Add opening cash		12,766	10,000	12,417	9,739
Ending Cash Balance		4,478	12,766	3,796	12,417
Represented by:					
Cash and Bank		957	2,028	275	1,679
Bank Overdraft		(512)	0	(512)	0
Short Term Investments		4,033	10,738	4,033	10,738
		<u>4,478</u>	<u>12,766</u>	<u>3,746</u>	<u>12,417</u>

STATEMENT OF COMMITMENTS AND CONTINGENCIES

Commitments:

These represent contracts entered into but the goods or services have either not been received or the work has not been completed as of 30 June 2002. They do not include such things as lease contracts for photocopiers, mowing contracts etc which are deemed to be of an ongoing operational nature. Council does have contractual commitments with many suppliers of services that are of a maintenance nature and the costs of these services are included in our operational expenditure for the year. Total commitments for Council are 2001/2002 \$1,360,142, (2000/2001 \$3,383,143).

A summary of commitments is as follows:

Planning and Development

• Bluegums Regional landfill	\$64,428
• Blenheim Sewer Rising Main & Alabama Main Pump Station	\$657,980
• Professional Fees on above	\$62,400
• Blenheim Watermains (High-Hutcheson-Taylor-Hospital)	\$14,463
• Blenheim Sewer Treatment Pond - Landscaping	\$10,177

Services and Operations

• Wairau Road Sewer Renewal	\$93,490
• Blenheim Watermain Replacement (Penny, Leitrim & Stratford Sts)	\$168,862

Land Transport

• Wheadons Culvert	\$41,195
• Havelock Power Undergrounding	\$53,000
• Horton Street Upgrade	\$54,288

Rivers and Land Drainage

• Wither Hills Rehabilitation (balance MFE funds)	\$40,864
• Wairau River Stopbank Improvements	\$98,995

TOTAL COMMITMENTS

\$1,360,142

Contingencies and Guarantees:

During the years 1995, 1996 and 1997 Council participated in negotiations and arrangements for the disposal of certain land at Fox's Island. As a result of a disposal and lease of part of that land Council has been given notice by Resource Planning and Management Limited and Marlborough Wine Centre Limited (purchaser and lessee) that such companies have suffered losses, liability for which is asserted against Council. A claim has been made in the High Court against Council for the sum of \$2.4 million. Council is not insured in respect of this claim. Council has denied and intends to continue to deny any liability.

A loan from the former Marlborough Harbour Board amounting to \$1,000,000 is now vested in the Council as the residual authority. This loan is accounted for and being repaid by Port Marlborough New Zealand Limited under an agreement made at the formation of the Port Company. Council is liable to repay the loan in the event that the Port Company defaults on their arrangement.

The following loan guarantees have been provided by Council:

- Marlborough Hockey Association	\$70,000
- Havelock Community Association	\$17,000
- Awatere Settlers Association	\$20,000

As at 30 June 2002 Council has issued uncalled share capital from MDC Holdings of \$30,000,000 (2000/01 \$19,300,000).

Intentions to Commit:

Your attention is drawn to the Marlborough District Annual Plan for July 2002 to June 2003. This document is available from Council offices and agencies and shows details of our intentions for the next year in particular, and the ensuing two years in general terms.

STATEMENT OF FINANCIAL INTEREST IN LOCAL AUTHORITY TRADING ENTERPRISES

Marlborough District Council has control over MDC Holdings Limited (100% owned). Council's financial interest in MDC Holdings include:

- \$6,000,000 Share Capital (\$1 shares)
- \$7,740,019 Loan Advance

The cost to MDC Holdings Limited for the financial interests, finance or financial assistance of the Council is as follows:

- Dividends	\$0
- Interest	\$619,200
Total	\$619,200

NOTES TO THE FINANCIAL STATEMENTS

NOTES - \$000's

1. Expenditure Disclosures

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
Audit Fees - Audit NZ	75	72	70	69
- Other Services	8	4	8	4
- Other Auditors	24	21	5	0
Bad Debts - Write-offs	142	178	136	143
- Increase in Provision	0	(845)	0	(845)
Councillors and Directors Fees	464	463	364	365
Depreciation / Amortisation				
- Landfill	573	564	573	564
- Bridges	1,072	528	1,072	528
- Buildings	485	443	315	324
- Carparks	71	0	71	0
- Library Books	165	192	165	192
- Office Equipment, Furniture and Equipment	668	716	541	633
- Parking Meters	22	25	22	25
- Plant, Machinery and Equipment	624	600	350	387
- River Works	85	74	85	74
- Roads and Streets	2,628	3,311	2,420	3,138
- Sewerage Scheme	458	407	458	407
- Stormwater Drainage Schemes	268	227	268	227
- Water Supply Schemes	655	447	655	447
- Wharves	509	461	0	0
Loss/(Gain) on Sale	383	(527)	383	(527)
Grants and Donations	1,437	1,379	1,422	1,375
Interest Expense	1,750	1,950	124	124
Lease of Equipment	539	442	462	365
Rentals	29	54	29	54

2. Internal Interest Eliminations

Interest on internally financed loans has been charged to the Significant Activity Accounts for the current year.

This interest has been eliminated in the Statement of Financial Performance as follows:

Activity	\$000's
Community Recreation, Culture and Heritage	86
Land Transport and Other Services	564
Rivers and Land Drainage	45
Sewerage	374
Stormwater	221
Waste Management	318
Water Supply	539
Property	131
General District Expenses	14
Total Elimination	2,292

3. Remuneration of the Chief Executive

The Chief Executive of the Marlborough District Council appointed under Section 119C(1)(a) of the Local Government Act 1974 received a salary of \$145,000 (last year \$145,000).

In terms of his contract, the Chief Executive also receives the following additional benefits:

Additional Benefit	2001/02	2000/01
Car (see note below)	15,563	15,563
Miscellaneous Employment related expenses	1,780	1,780

Note: The Department of Internal Affairs' guideline for calculating the additional benefit for cars requires the assessed benefit to be calculated on a formula basis. This formula is based on 24% of the cost price of the motor vehicle (\$40,500) and fringe benefit tax (\$5,843)

For the year ending 30 June 2002, the total annual cost to the Marlborough District Council of the remuneration package being received by the Chief Executive (and including fringe benefit tax), is calculated at \$162,343.

4. Miscellaneous Expenditure

In terms of Section 233J and 223E(12) of the Local Government Act 1974, the Marlborough District Council has expended money for the following purposes:

	Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's
* The payment of premiums in respect of any contract of insurance entered into by the Council for any purpose which the Council considered appropriate with its functions, duties and powers.	665	578
* Severance payments exceeding \$50,000	0	0
* The making of any exgratia payments to any person who suffered any loss or damage to property while rendering assistance to, or performing any action the control or authority of, the Council.	0	0
* Ceremonies for the public or a section of the public.	28	16
* The purchase of insignia and robes of office and civic insignia of any kind.	0	4
* The provision of entertainment	12	19
* The payment of subscriptions, levies, fees or general contribution to any organisation that the Council considered appropriate in connection with its functions, duties and powers.	1,513	1,469

5. Unauthorised Expenditure

In terms of Section 223K of the Local Government Act 1974, the Marlborough District Council has not expended any monies out of its general revenues for purposes not authorised by any Act or law for the time being in force.

6. Reconciliation of Total Revenue

A) Rates

Activity

	Consolidated Marlborough District Council			
	2001/02	2000/01	2001/02	2000/01
Total Significant Activity Rates	26,394	25,975	26,394	25,975
Other Revenues				
Other MDC Activities	14	20	14	20
Inter Company Eliminations	(245)	(151)	(18)	(17)
Total Rates	26,163	25,844	26,390	25,978

B) Subsidies and Grants

	5,080	4,779	5,080	4,779
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C) Interest

Total Significant Activity Interest	153	117	153	117
Other Revenues				
Other MDC Activities	890	966	890	966
MDC Holdings Revenue	0	0	619	619
Total Interest	1,043	1,083	1,662	1,702

D) Dividend Income

	0	0	0	0
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E) Other Council Income

Significant Activity Other Income	8,167	9,374	8,167	9,374
Other Revenues				
Land Subdivision Revenues	386	743	386	743
Development Impact Levies	78	169	78	169
Other MDC Activities	1,425	885	1,425	885
Inter Company Eliminations	(831)	(339)	0	0
Total Council Other Income	9,225	10,832	10,004	11,171

F) Marlborough Regional Forestry

	3,896	1,178	3,896	1,178
Subvention Payment Received	0	0	52	0
Total Revenue	57,787	43,716	47,084	44,808

7. Transit Disclosure

With the establishment of Marlborough Roads, Council have discontinued its in house business unit.

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
8. Taxation				
Profit Before Taxation	10,929	12,067	7,048	8,239
Prima Facie Tax at 33%	3,607	3,982	(2,326)	2,719
Plus (less) effect of permanent differences	(2,301)	(2,641)	(2,326)	(2,718)
Over provision in previous years		0		0
* Less Imputation tax credit adjustment		0		0
	<u>1,306</u>	<u>1,341</u>	<u>0</u>	<u>1</u>
<i>Comprising :</i>				
Current tax	1,348	1,373	0	1
Deferred tax	(42)	(32)	0	0
	<u>1,306</u>	<u>1,341</u>	<u>0</u>	<u>1</u>
Deferred tax account				
Opening balance	196	164	0	0
Current year's movement	42	32	0	0
Closing balance	<u>238</u>	<u>196</u>	<u>0</u>	<u>0</u>
Tax Imputation Account				
Opening Balance	8,697	7,605	0	0
<i>Credits :</i>				
Income tax payments	1,652	2,031	0	0
Imputation credits attached to dividends paid or payable	0	(593)	0	0
Income tax refund	(660)	(346)	0	0
Imputation credits attached to dividends received	0	0	0	0
Closing balance	<u>9,689</u>	<u>8,697</u>	<u>0</u>	<u>0</u>
At 30 June, the imputation credits available to the shareholders of the parent Company were:				
Through Direct Shareholding in the Parent Company		993	0	0
Through indirect interest in the Subsidiaries		7,704	0	0
Closing balance	<u>0</u>	<u>8,697</u>	<u>0</u>	<u>0</u>
* The Council's financial statements report dividends net of imputation tax credits.				
9. Movements in Equity				
Reserves, Special and Separate Funds				
Accumulated Fund				
Opening Balance	385,875	378,672	385,468	380,753
Surplus / (deficit)	9,623	10,726	7,048	8,238
Transfers (To) / From Reserves	2,419	(3,523)	2,440	(3,523)
Closing Balance	<u>397,917</u>	<u>385,875</u>	<u>394,956</u>	<u>385,468</u>
Ordinary and Council Created Reserves				
Opening Balance	25,190	23,225	23,355	20,630
Transfers (To) / From Accumulated Fund	(3,790)	2,725	(3,811)	2,725
Closing Balance	<u>22,160</u>	<u>25,950</u>	<u>19,544</u>	<u>23,355</u>
Restricted Reserves				
Opening Balance	4,447	3,385	4,447	3,385
Transfers (To) / From Accumulated Fund	1,346	1,062	1,346	1,062
Closing Balance	<u>5,793</u>	<u>4,447</u>	<u>5,793</u>	<u>4,447</u>

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
10. Revaluation Reserve				
Opening Balance				
- Land	12,183	13,095	12,183	13,095
- Forestry Crop	21,901	17,619	21,901	17,619
Plus Revaluations				
- Land	(332)	(650)	(332)	(650)
- Forestry Crop	2,761	4,283	2,761	4,283
- Car Parks	1,104	0	1,104	0
- Bridges	134	0	134	0
- River and land Drainage assets	18,927	0	18,927	0
- Roads	29,707	0	29,707	0
- Sewerage	8,947	0	8,947	0
- Stormwater	11,336	0	11,336	0
- Water	10,572	0	10,572	0
- Transfers (To) / From Accumulated Fund	25	(263)	25	(263)
	<u>117,265</u>	<u>34,084</u>	<u>117,265</u>	<u>34,084</u>
11. Cash and Deposits				
Cash Floats	2	2	2	2
Current Accounts	955	2,026	273	1,677
Term Deposits	4,033	10,738	4,033	10,738
	<u>4,990</u>	<u>12,766</u>	<u>4,308</u>	<u>12,417</u>

Funds Which have legal restrictions

Within the definition of cash for the Statement of Cash Flows, and within both bank and Deposits per the Consolidated Statement of Financial Position of the Council, there are \$5,793,000 of funds which have legal restrictions.

12. Receivables and Prepayments

Sundry	752	249	752	249
Inter Entity Receivables	0	0	789	664
G.S.T. Receivable	619	0	619	0
Trade Debtors (includes rates)	4,093	3,911	2,606	2,030
Less Provision for Doubtful Debts	(75)	(75)	(41)	(41)
	<u>5,389</u>	<u>4,085</u>	<u>4,725</u>	<u>2,902</u>
Roading Subsidy	645	454	645	454
Prepayments and Accruals	1,802	1,908	1,802	1,908
	<u>7,836</u>	<u>6,447</u>	<u>7,172</u>	<u>5,264</u>

13. Fixed Assets

MARBOROUGH DISTRICT COUNCIL	Cost or Accumulated		30/06/02	30/06/01
	Valuation \$000's	Depreciation \$000's	Book Value \$000's	Book Value \$000's
(a) Operational Assets				
Work in Progress	1,600	0	1,600	0
Buildings	13,563	1,187	12,376	12,558
Forest Crops	29,318	0	29,318	27,147
Land	20,120	0	20,120	19,793
Land Development	1,118	0	1,118	1,264
Landfill	4,595	2,201	2,394	1,731
Library Books	2,883	1,947	936	937
Other Structures and Improvements	2,745	150	2,595	2,116
Office Equip, Furnishings & Fittings	4,574	3,435	1,139	1,304
Paintings	52	0	52	52
Parking Meters	376	248	128	122
Plant, Machinery & Equipment	3,012	1,921	1,091	1,053
	<u>83,956</u>	<u>11,089</u>	<u>72,867</u>	<u>68,077</u>

	Cost or Accumulated Valuation	Depreciation	30/06/02 Book Value	30/06/01 Book Value
	\$000's	\$000's	\$000's	\$000's
(b) Infrastructural Assets				
Work in Progress	5,295		5,295	3,160
Bridges	27,259	585	26,674	26,882
Car Parks	6,543	76	6,467	5,281
Public Conveniences	671	22	649	554
Reserves and Parks	13,113	480	12,633	12,318
River Works	93,456	84	93,372	73,604
Roads and Streets	219,521	2,922	216,599	184,068
Sewerage Schemes	30,818	458	30,360	20,290
Stormwater Drainage Schemes	20,268	268	20,000	8,132
War Memorials	98	14	84	84
Water Supply Schemes	29,281	655	28,626	17,252
	<u>446,323</u>	<u>5,564</u>	<u>440,759</u>	<u>351,625</u>
Total Operational and Infrastructural Assets	530,279	16,653	513,626	419,702
CONSOLIDATED ASSETS				
(a) Operational Assets				
Work in Progress	6,492	0	6,492	3,133
Buildings and Improvements	20,563	2,023	18,540	18,076
Forest Crops	29,318	0	29,318	27,147
Land	27,699	0	27,699	28,402
Land Development	1,118	0	1,118	1,264
Landfill	4,595	2,201	2,394	1,731
Library Books	2,883	1,947	936	937
Office Equip, Furnishings & Fittings	5,298	3,874	1,424	2,116
Other Structures and Improvements	2,745	150	2,595	1,538
Paintings	52	0	52	52
Parking Meters	376	248	128	122
Plant, Machinery & Equipment	6,998	3,631	3,367	2,667
	<u>108,137</u>	<u>14,074</u>	<u>94,063</u>	<u>87,185</u>
(b) Infrastructural Assets				
Work in Progress	5,295	0	5,295	3,160
Bridges	27,259	585	26,674	26,882
Car Parks (unmetered areas)	6,543	76	6,467	5,281
Public Conveniences	671	22	649	554
Reserves and Parks	13,113	480	12,633	12,318
River Works	93,457	84	93,373	73,604
Roads and Streets	219,521	2,922	216,559	186,335
Sewerage Schemes	36,695	1,828	34,867	20,290
Stormwater Drainage Schemes	20,268	268	20,000	8,132
War Memorials	98	14	84	84
Water Supply Schemes	29,281	655	28,626	17,252
Wharves	20,432	4,079	16,353	14,737
	<u>472,632</u>	<u>11,013</u>	<u>461,620</u>	<u>368,629</u>
Total Operational and Infrastructural Assets	580,769	41,740	555,683	455,814

The Council considers the fair value of the Land and Improvements to be \$84,263,608 (consolidated) and \$59,150,708 (Council). This is the aggregate of the latest government valuation of land and improvements and additions since the September 1999 valuation.

Urban Portions of the State Highway Network

The ownership of urban portions of the State Highway Network is unclear although there is legal opinion indicating that the ownership resides with Local Authorities. Transit NZ maintains these Highways in their entirety without any costs accruing to the Local Authorities.

As a consequence, even if ownership resides with Local Authorities, in practice Transit New Zealand controls the economic resources. Pending clarification of ownership and further consideration of the accounting issues which may arise, Council has not recognised the urban portion of the carriageway of the State Highway Network as an asset in these financial statements. The estimated distance of highway involved is 18 Kilometres. The Footpaths, Kerb and Channel and Street lighting are recognised as assets of Council.

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
14. Investments				
Local Authority Stock	2,022	1,725	2,022	1,725
Term Deposits	6,992	3,793	6,992	3,793
Shares - MDC Holdings Limited	0	0	6,000	6,000
- Other	75	96	75	96
Sinking Funds	624	531	624	531
Mortgage Advances	380	896	8,115	8,626
	<u>10,093</u>	<u>7,041</u>	<u>23,828</u>	<u>20,771</u>
15. Joint Venture				
The group has a 88.62% participating interest in Marlborough Regional Forestry. The Principal activity is forestry.				
(a) Share of assets employed				
The Council's interest in the joint venture is disclosed in the financial statements under the classifications shown below:				
Fixed assets				
Forest crops	28,642	25,524	28,642	25,524
Land	4,143	4,436	4,143	4,436
Plant	25	9	25	9
Current assets				
Cash	503	1,053	503	1,053
Debtors and accruals	1,558	102	1,558	102
Share of assets employed	<u>34,871</u>	<u>31,124</u>	<u>34,871</u>	<u>31,124</u>
(b) Share of Liabilities				
Term Liabilities	11,826	12,257	11,826	12,257
Current Liabilities	649	946	649	946
Share of Liabilities employed	<u>12,475</u>	<u>13,203</u>	<u>12,475</u>	<u>13,203</u>
(c) Share of net expenses				
	<u>1,586</u>	<u>489</u>	<u>1,586</u>	<u>489</u>
(d) Share of revenue				
	<u>3,916</u>	<u>1,178</u>	<u>3,916</u>	<u>1,178</u>
16. Bank Overdraft Facility				
Although Marlborough District Council had no formal overdraft facility in place as at 30.06.02, a "setoff" facility was in place which allows Council to have its net position assessed on the 00, 02, 03, 05, 06, and 08 accounts. The interest rates are 9.2% (overdraft) and 2.5% in funds. Interest accrues daily and is paid/charged at the end of the month.				
17. Payables and Accruals				
Trade Creditors	5,317	3,622	3,792	2,184
G.S.T. Payable	19	415	19	415
Wages, including Holiday Pay	1,767	1,696	1,528	1,472
Interest	0	437	0	0
Other Sundry Accruals	2,765	2,952	2,410	2,952
Inter Entity Payables	0	0	588	619
	<u>9,868</u>	<u>9,122</u>	<u>8,337</u>	<u>7,642</u>
18. Deposits, Trust Funds and Agencies				
Deposits	516	783	516	783
Monies held as agent	303	287	303	287
Trust Funds	158	149	158	149
	<u>977</u>	<u>1,219</u>	<u>977</u>	<u>1,219</u>
19. Non Current Liabilities				
Loan Maturities and Interest Rates				
Maturity				
Up to one year	96	158	96	158
One to two years	24,063	21,050	2,283	2,070
Two to three years	1,000	415	0	415
Three to four years	0	1,000	0	0
Four to five years	0	0	0	0
Five to ten years	140	0	140	0
Over ten years	(368)	0	(368)	0
	<u>24,931</u>	<u>22,623</u>	<u>2,151</u>	<u>2,643</u>

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
Loans	24,931	22,623	2,151	2,643
Less Current Portion	(96)	(158)	(96)	(158)
Balance 30 June	<u>24,835</u>	<u>22,465</u>	<u>2,055</u>	<u>2,485</u>
Provisions				
Employee Entitlements	101	76	101	76
Provision for Landfill aftercare	378	119	378	119
Provision for Runway reseal	513	463	0	0
Total Non Current Liabilities	<u>25,827</u>	<u>23,123</u>	<u>2,534</u>	<u>2,680</u>

20. Landfill aftercare liability

Marlborough District Council gained a resource consent in November 1995 to operate the Blenheim Landfill.

The Council has responsibility under the consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

There are closure and post closure responsibilities such as the following :

Closure responsibilities:

- * final cover application and vegetation
- * incremental drainage control features
- * completing facilities for leachate collection and monitoring
- * completing facilities for water quality monitoring
- * completing facilities for monitoring and recovery of gas.
- * post-closure responsibilities:
- * treatment and monitoring of leachate
- * ground water and surface monitoring
- * gas monitoring and recovery
- * implementation of remedial measures such as needed for cover, and control systems
- * ongoing site maintenance for drainage systems, final cover and vegetation.

To provide for the estimated cost a charge is made each year.

The estimated liability for closure and post closure is \$3.0m

Capacity of the Site

* The remaining capacity of the site is 2.0 million cubic meters (refuse cleanfill and cover)

* The estimated remaining life is 45 years. Estimates of the life have been made by the Council's engineers based on historical volume information. These estimates assume the granting of Resource Consent renewals.

21. Reconciliation of Cashflows from Operating Activities with Reported Operating Surplus

	Consolidated		Marlborough District Council	
	2001/02 \$000's	2000/01 \$000's	2001/02 \$000's	2000/01 \$000's
Net Surplus / (deficit) from operations	9,623	10,726	7,048	8,238
Add / (Less) non cash Items:				
Depreciation	8,283	7,995	6,995	6,946
Assets vested in Council	(300)	(1,222)	(300)	(1,222)
Movement in deferred tax	(42)	(32)	0	0
Runway Seal Provision	50	50	0	0
Landfill after Care Provision	37	0	37	0
Write down in Forest Valuation	735	0	735	0
	<u>8,763</u>	<u>6,791</u>	<u>7,467</u>	<u>5,724</u>
Add / (Less) movements in other working capital items:				
Increase / (decrease) in accounts payable and accruals	(212)	3,045	(171)	1,918
Increase / (decrease) in accounts receivable and accruals	(770)	(2,236)	(1,289)	(864)
(Increase) / decrease in inventory	(20)	91	16	120
Increase / (decrease) in trusts deposits agencies	(252)	517	(252)	517
Increase / (decrease) in taxation asset provision	355	(325)	(1)	(1)
	<u>(899)</u>	<u>1,092</u>	<u>(1,697)</u>	<u>1,690</u>
Add / (Less) items classified as investing activities:				
Net loss / (gain) on sale of assets	383	(527)	383	(527)
Movement in fixed asset related accounts payable	89	(1,180)	246	(1,117)
	<u>472</u>	<u>(1,707)</u>	<u>629</u>	<u>(1,644)</u>
Net cash flows from operating activities	<u>17,959</u>	<u>16,902</u>	<u>13,447</u>	<u>14,008</u>

22. Major Budget Variations

Explanations for major variations from the budget figures in the 2001/02 Annual Plan are as follows:

Statement of Financial Performance

* The Major Variances in expenditure related to:

- The increase in the Bovine TB programme. This is funded by a corresponding increase in Central Government subsidy.
- The partial writeoff of the Conders Bend forestry crop. The resulting increase in lease income is reflected in the Rivers and Land Drainage account.

The major variances in revenue related to:

* Operating revenue is over budget in Subsidies (as explained above), Marlborough Regional Forestry Income and Other Income.

The main areas Other Income is over budget are -

- Profits on sale of sections
- Additional lease income.
- Increased subdivision activity.
- Increased Consents activity.
- Contributions received for capital and operating works for Reserves, Roading, Water and Harbour Control.

More detailed explanations on budget variances are contained in the Significant Activity Statements as appropriate.

23. Related Parties

(a) Inter-group Transactions and Balances

The Consolidated financial statements include the results and assets and liabilities of the Marlborough District Council and other Entities in which the Council has a significant interest.

These entities are as follows:

- MDC Holdings Limited - Marlborough District Council wholly owned
- Port Marlborough New Zealand Limited - MDC Holdings Limited wholly owned.
- Marlborough Airport Limited - Port Marlborough wholly owned.
- Marlborough Regional Forestry - Joint Committee of Marlborough District Council (88.62%) and Kaikoura District Council (11.38%).

All inter entity transactions and balances as listed below have been eliminated in the consolidated financial statements.

	2001/02	2000/01
	\$000's	\$000's
MDC Holdings		
Subvention payment from Council	588	619
Services provided by Council	10	9
Services provided to Council	0	0
Interest to Council	619	619
Dividend payable to Council	0	0
Accounts payable to Council	629	628
Accounts receivable from Council	588	619
Port Marlborough Limited		
Dividend payable to MDC Holdings Limited	0	0
Services provided by Council	183	104
Services provided to Council	25	23
Rates paid to Council	222	204
Accounts payable to Council	18	0
Accounts receivable from Council	4	0
Marlborough Airport Limited		
Rates paid to Council	4	4

(b) Key Management and Members of Council

The Council purchased goods and services from a business that Councillor Bowers has an interest amounting to \$1,260. These goods and services were supplied on normal commercial terms.

Apart from that transaction no Councillor or Senior Management Member has entered into related party transactions with the group.

24. Financial Instruments

Credit risk

Financial Instruments which potentially subject the Marlborough District Council to credit risk principally consist of bank accounts, Local Authority Stock and Accounts Receivable.

The Council (both itself and through its funds manager) places its cash and short term deposits in high rating financial institutions. The Council's Treasury policy results in a spread of investments with limitations placed on the level of credit exposure to any one financial institution.

A potential concentration of credit risk exists in respect of amounts owing from Transit New Zealand of \$645,313. This receivable is considered to be fully recoverable. Other accounts receivable balances are spread over a large customer base, therefore, minimising exposure to credit risk in respect of these debtors.

Fair values

The Estimated fair values of the Council's financial instruments are as follows:

	2001/02		2000/01	
	Carrying Amount \$000's	Fair Value \$000's	Carrying Amount \$000's	Fair Value \$000's
Marlborough District Council				
Accounts Receivable	7,172	7,172	5,264	5,445
Cash and Deposits	11,300	11,300	16,210	16,210
Local Authority Stock	2,022	2,022	1,725	1,769
Accounts Payable and Accruals	8,337	8,337	7,642	7,642
Term Debt	2,151	2,151	2,485	2,485
Consolidated				
Accounts Receivable	7,836	7,836	6,447	6,673
Cash and Deposits	11,982	11,982	16,559	16,559
Local Authority Stock	2,022	2,022	1,725	1,769
Accounts Payable and Accruals	24,931	24,931	9,122	9,122
Term Debt			22,465	21,010

Council anticipates that term debt will be held to maturity and accordingly settlement is unlikely to be at the reported consolidated fair value. The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

Account Receivable, Term Deposits, Accounts Payable and Accruals

The carrying amount is the fair value for each of these classes of investment.

Local Authority Stock

The fair value of Local Authority Stock is estimated based on current market value.

Term Debt

Apart from Port Marlborough Term Debt, the carrying amount is the fair value for each of these classes of financial instrument.

The fair value of the Port Marlborough portion of Term Debt is estimated based on current market rates available to the Company for debt of similar maturities

Interest Rate Risk

Interest Rate Risk is minimal as term liabilities have fixed interest rates.

Currency Risk

The Council has minimal currency risk given that financial instruments are transacted in New Zealand dollars.

25. Movements in Provisions

	Consolidated	Marlborough District Council
	2001/02 \$000's	2001/02 \$000's
Employee Entitlements		
Opening Balance	76	76
Increase in provision	25	25
Closing balance 30 June	<u>101</u>	<u>101</u>
Provision for landfill aftercare		
Opening balance	119	119
Increase in provision	259	259
Closing balance 30 June	<u>378</u>	<u>378</u>
Provision for runway seal		
Opening balance	463	0
Increase in provision	50	0
Closing balance 30 June	<u>513</u>	<u>0</u>

26. Post Balance Date Events

There have been no significant post balance day events between year end and the signing of the report that have had a material effect on the Assets and Liabilities of Council.

EQUAL EMPLOYMENT OPPORTUNITIES POLICY

The following is a summary of Council's Equal Employment Opportunities Policy.

Reason for Policy

An Equal Employment Opportunities Policy is a planned, result orientated management programme designed to achieve equal opportunity in the work place. The Policy involves the identification and elimination of the policies, procedures and other institutional barriers that cause or perpetuate inequality.

Objectives of Policy

The goals of an Equal Employment Opportunities Policy is to ensure that for any given position the best available person for the job gets the job regardless of their gender, race, religion, disability, or any other irrelevant factor. Specific objectives the Council strives to achieve are:

Objective One:

To operate EEO policies in the Council's recruitment and promotion process to ensure that the best person available for the job is selected.

Council closely monitors compliance with this since it is both an EEO and Local Government Act requirement. Responsibility for compliance is assigned to the Human Resources section.

Objective Two:

To ensure EEO policies are incorporated in the review procedures for all staff for the purposes of regular performance appraisal and assessment of potential for staff development and promotion.

No employee may gain advantage or suffer any disadvantage by reason of gender including pregnancy and childbirth, marital status, religion, race, disability or other irrelevant factor. Should this be in dispute, staff are aware of their options to address the matter.

Objective Three:

To promote the Council's image as an EEO organisation. The main target groups which this Equal Employment Opportunities programme is aimed at are women, Maori, Pacific Island and ethnic minority groups and the disabled.

In recruitment Council advises that it is an EEO employer to encourage applications from the target groups.

To date the most successful in recruitment of the target groups has been women. The current proportion of women employed by Council is similar to the national statistics.

Council's Human Resources Co-ordinator is responsible for ensuring that any recruitment carried out by the Marlborough District Council follows the objectives and guidelines set out above. It is the co-ordinator's responsibility to ensure management and staff involved in the recruitment process have had the training that incorporates an awareness of equal employment opportunities.