





MARLBOROUGH
DISTRICT COUNCIL

ANNUAL REPORT

July 2004 - June 2005

MISSION STATEMENT

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

MARLBOROUGH DISTRICT ELECTORAL WARDS





Front/Back Cover
Japanese Garden, Harling Park, Blenheim

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MDC 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

Web: www.marlborough.govt.nz

GENERAL STATISTICS

- **Population** 42,240 - (Census 6 March 2001)
- **Inter-Census Population Movement** (+) 5%
- **District Area** - 17,517 square kilometres

	<i>as at 30 June 2005</i>
Rateable Land Value	\$2,856,264,300
Rateable Capital Value	\$6,400,561,100
Number of Rate Assessments	24,015

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

Freswick Street, Blenheim

Services and Reserves Depot

Pollard Park, Blenheim

SOLICITOR

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

BANKERS

Bank of New Zealand, Blenheim

AUDITOR

Auditor General
Audit New Zealand
Christchurch

MAYOR'S REPORT

As I write this, my first year as mayor is coming to a close. It has been a very rewarding year, and I have been proud to serve in this office.

I would especially like to acknowledge the support that has been given me by all the councillors, especially those who were elected for their first term at the October 2004 elections. As I well remember, the first few months as a councillor can be a daunting experience, coming to terms with the quantity and complexity of information that needs to be understood. The quality of the decision making this past year has been a credit both to the speed with which the new councillors came on board, and the willingness of more experienced councillors to share what they have themselves learned over the years.

One of the highlights of the year was the visit of a delegation from Tendo, one of our sister cities in Japan. I was proud to show them the work that has been done by council staff, assisted by the community, at Harling Park. Our parks and reserves consistently earn praise from residents and visitors, and the new Japanese garden is a wonderful addition to this group of assets. I look forward to seeing the plantings mature over the coming years.

Another highlight was the exhibition in June at the Millennium Gallery, Kei Puta Te Wairau. It was a moving experience to be present at the dawn ceremony opening this exhibition, when the taonga were brought into the gallery and presented to the many people who had assembled. In visitor numbers, the exhibition was one of the most successful the Gallery has seen, but its real significance rested in the partnerships that were formed to bring the taonga back to their home, if only for a short time. The thanks of all the community go to Te Runanga A Rangitane O Wairau, for leading this initiative, to the other Marlborough iwi who supported the exhibition, and to the Millennium Art Gallery and the Marlborough Historical Society, for their contributions.

Projects such as these do not always feature in the financial statistics that make up so much of the Council's annual report, which tend to highlight the bigger capital projects that are undertaken. Major infrastructural works account for the bulk of Council's activity over the past year, but it is important to celebrate also the smaller projects that, although they may not represent a large part of the Council's spending, make just as important a contribution to the wellbeing of our community.

It's customary to end these types of introduction by expressing thanks for the contribution of staff and management. Without a doubt, any credit for the achievements detailed in this report is shared with the staff of Marlborough District Council, and with the leadership provided to the staff by our Chief Executive.

A handwritten signature in dark ink, appearing to read "Alistair Sowman".

**Alistair Sowman
MAYOR**

CHIEF EXECUTIVE'S REPORT

The 2004/05 financial year has seen significant progress on a number of major projects, including the completion of one of the largest capital works projects that Council has been engaged in for many years. The commissioning of the Southern Valleys' Irrigation Scheme marked the successful conclusion of a project that had its genesis in a recognised need to respond to urgent water management needs in the Wairau. I am pleased to report that it was brought in on budget and on time - given the economic environment this was an excellent achievement.

Another major capital works project was the extension of reticulated sewerage to Renwick. Begun this year, this has likewise proceeded well. Urban growth around Blenheim and Picton continue to place pressures on existing infrastructure, with major residential developments underway in both Blenheim and Picton. A number of new capital works can be anticipated in coming years.

Residential growth is being paralleled with an increase in business activity, and in the construction of civic building and amenities. In Blenheim, agreement was reached with the combined clubs to develop a new convention centre as part of the clubs redevelopments. This will be a valuable addition to the district's business and tourism infrastructure, as will the new Aviation Heritage Centre taking shape at Omaka. In Picton work progressed on options for developing the old Post Office site on London Quay.

These developments, and others like them, indicate an overall confidence in the future of the district, but they also signal continued stresses on the district's resources. Demand for Council services will likewise continue, with consequent pressures on staff. Across the whole organisation, current workloads are already high, with record numbers of resource consents and building consents. Changes to building legislation has created a range of new responsibilities for council to administer, and the overall changes in land use and economic growth are impacting on a range of other council services, in particular the roading network.

I am grateful to all staff for their continued high standards of performance, and thank them for their contribution to this year's achievements.

A handwritten signature in dark ink, appearing to read 'Andrew Besley'.

**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 2004/2014 Long Term Council Community Plan.

An Annual Report is required by Section 283 of the Local Government Act 2002. 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.

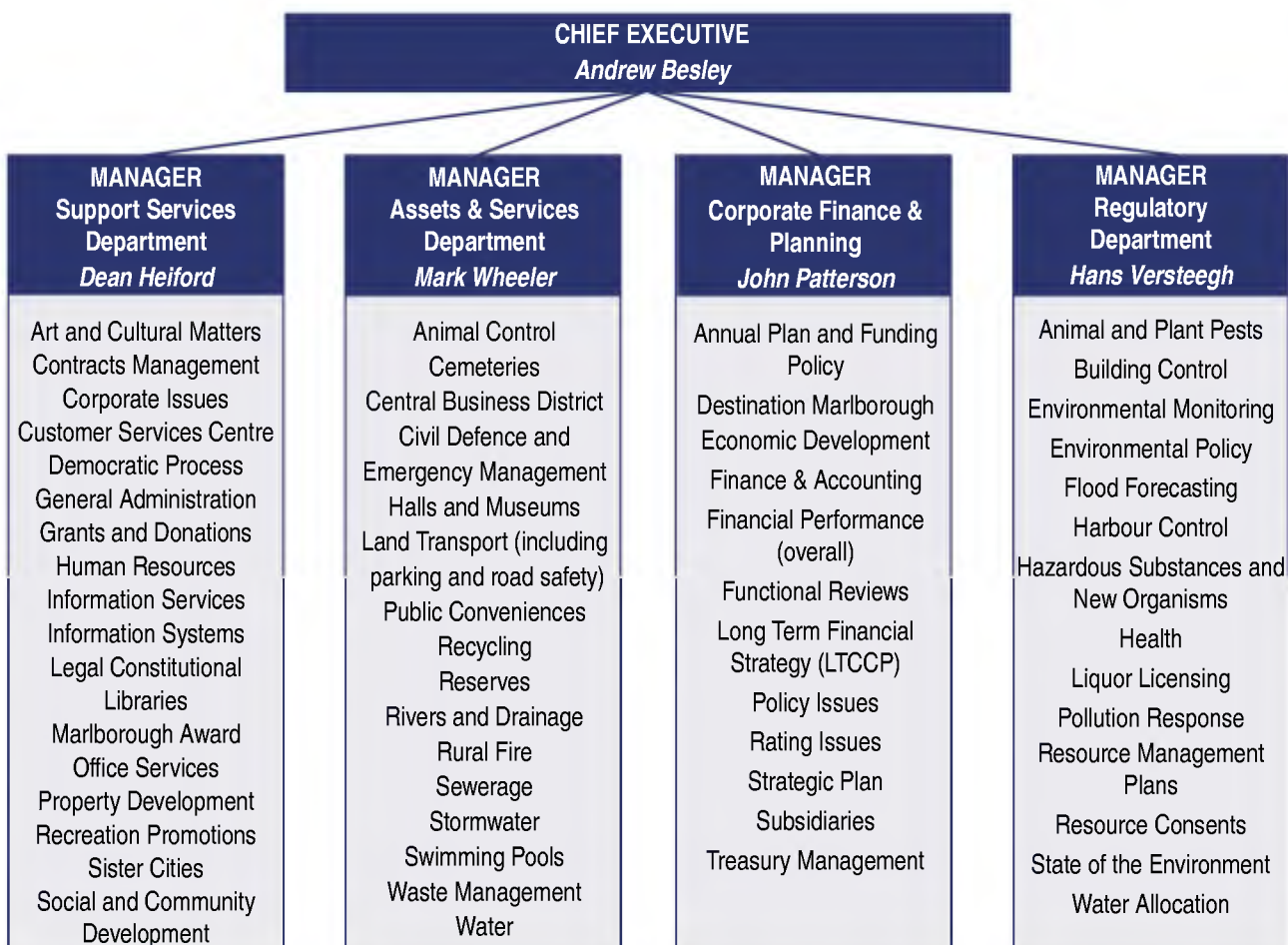
ENTITY STATEMENT

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:

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

COUNCIL STAFF STRUCTURE



ELECTED COUNCIL MEMBERS (AS AT 30 JUNE 2005)

BLenheim WARD



Jenny Andrews
(Deputy Mayor)



Jill Bunting



Frank Connor



Alistair Sowman

MAYOR



John Craighead



Liz Davidson



Gerald Hope



Graeme Taylor

WAIRAU/AWATERE WARD



Andrew Barker



Francis Maher



Pat O'Sullivan

PICTON WARD



Cliff Bowers



Nigel Weetman

PELORUS/NORTHERN MARLBOROUGH SOUNDS WARD



Graeme Barsanti

COUNCIL COMMITTEES AND MEMBERS

(AS AT 30 JUNE 2005)

The Marlborough District Council has five standing committees, a joint committee with Kaikoura District Council, two statutory committees, five sub-committees, and under a memorandum of understanding with a majority of tangata whenua iwi, the Māori Advisory Komiti.

The present committees and their membership are as follows:

ASSETS & SERVICES COMMITTEE

This committee is responsible for all infrastructure including roads, sewerage, water, stormwater, rivers and drainage, parking, waste management (including recycling), reserves, halls, cemeteries, public conveniences. Also responsible for animal control, civil defence and emergency management (including rural fire) and road safety.

Chairperson – Clr Francis Maher
 Deputy Chairperson – Clr Graeme Taylor
 Clr Graeme Barsanti
 Clr Frank Connor
 Clr Pat O’Sullivan
 Clr Nigel Weetman
 Iwi representative
 Mayor Alistair Sowman (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 Land Transport Committee**

This Committee prepares for approval by Council the Regional Land Transport Strategy prepared under the Land Transport Management Act 2003 and the Land Transport Programme prepared under the Land Transport Act 1998.

Clr Graeme Barsanti – Chair
 Clr Francis Maher
 Clr Pat O’Sullivan
 Land Transport New Zealand representative
 Transit New Zealand representative
 New Zealand Police representative
 Commercial Road User representative
 Private Road User representative
 Railway operator representative
 Taxi representative
 NZCCS representative
 Cyclist representative

Marlborough Chamber of Commerce representative
 District Health Board representative
 Environmental Centre representative
 Maori representative

COMMUNITY AND FINANCIAL PLANNING COMMITTEE

This committee is responsible for the Long Term Council Community Plan, Annual Plan, Annual Reports, economic development, community and social development, youth elderly and access issues, art, culture and heritage, grants and donations and sister cities. Also responsible for financial performance, general administration, property management, Council subsidiaries, libraries, customer services, democratic process and liquor licensing.

Chairperson – Clr Andrew Barker
 Deputy Chairperson – Clr Graeme Barsanti
 Clr Jenny Andrews
 Clr Cliff Bowers
 Clr Frank Connor
 Clr Gerald Hope
 Clr Francis Maher
 Clr Pat O’Sullivan
 Clr Graeme Taylor
 Iwi representative
 Mayor Alistair Sowman (ex officio)

- **Elderly, Access And Mobility Sub-committee**

The focus of the Sub-Committee is issues related to the elderly access and mobility which includes Council’s elderly housing portfolio.

Clr Jenny Andrews - Chair
 Clr Frank Connor
 Clr Graeme Taylor

- **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 making recommendations on the allocation of Council's Annually Applied Grants and Donations.

Clr Jenny Andrews - Chair

Clr Graeme Taylor

Two iwi representatives (M Bond & R Katu)

Creative Marlborough representative (L Smith)

Sports Trust representative (J Jeffs)

Four community representatives (R Carr, G Duncan, J Laing and R Weaver)

- **Liquor Licensing Sub-committee (Dla)**

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 John Craighead - Chair

Clr Jenny Andrews

Clr Nigel Weetman

- **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 Liz Davidson

Mayor Alistair Sowman

Six community representatives (P M Bradshaw, C S Cairns, R J Hopkins, B M F Lankshear, B R Lankshear, K A Stewart)

ENVIRONMENT COMMITTEE

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

Chairperson – Clr Gerald Hope

Deputy Chairperson – Clr John Craighead

Clr Jenny Andrews

Clr Andrew Barker

Clr Cliff Bowers

Clr Jill Bunting

Clr Liz Davidson

Iwi representative

Mr Chris Bowron (rural representative)

HEARINGS COMMITTEES (2)

These Committees make decisions on applications for resource consents. Provision is made for two Hearings Committees.

Chairperson – Clr Liz Davidson

Chairperson – Clr Jill Bunting

(Plus other members as required from the Environment Committee).

INTERIM SOUTHERN VALLEYS' IRRIGATION SCHEME SUB-COMMITTEE

This Sub-Committee was formed to oversee the construction and commissioning of the Scheme and to consider any variations to contracts for the Scheme and will continue until a review is undertaken in September 2006.

Chairperson – Mr Stuart Smith

Clr Andrew Barker

Clr Francis Maher

Clr Pat O'Sullivan

Mr Chris Simmonds

Mr Ivan Sutherland

CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP

This committee has been formed in accordance with the Civil Defence and Emergency Management Act 2002. The Group is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by Section 17(1)(i) of the Act.

Mayor Alistair Sowman – Chair

Clr Graeme Barsanti

Clr Andrew Barker

Clr Gerald Hope

Clr Francis Maher

MĀORI ADVISORY KOMITI

This committee was established under a Memorandum of Understanding in 1997. The memorandum sets out the intention of both parties to support a partnership between tangata whenua iwi and Council.

Currently there are six iwi represented on the committee:

Ngai Tahu Whanau o Wairau

Ngati Apa Ki Te Waipounamu Trust

Ngati Koata No Rangitoto Ki Te Tonga Trust

Ngati Rarua Iwi Trust

Ngati Toarangitira Manawhenua Ki Te Tau Ihu Trust

Te Atiawa Manawhenua Ki Te Tau Ihu Trust

APPOINTMENT OF COUNCILLORS AND STAFF TO SUBSIDIARIES

MDC HOLDINGS LIMITED

Mayor Alistair Sowman (Director)
 Chair of Community & Financial Planning
 Committee - Clr Andrew Barker (Director)
 Chief Executive – Andrew Besley (Director)

MARLBOROUGH REGIONAL FORESTRY

*(Joint Committee of Marlborough District Council and
 Kaikoura District Council)*

Clr Andrew Barker (Chairperson)
 Mayor Alistair Sowman

STAFF EMPLOYED (FULL TIME EQUIVALENTS) (AS AT 30 JUNE 2005)

	30.6.05		30.6.04	
	Male	Female	Male	Female
General Management				
Management and Support	4	2	4	2
Assets and Services				
Development and Project Management	7		6	
Engineering	9	2	9	1
Operations	12	2	13	3
Reserves and Amenities	4.6	1	4.6	
Rivers and Land Drainage	5		5	
Management and Support	3	1	3	1
Civil Defence/Emergency Management	2		1.75	
Finance & Corporate Planning				
Management and Support	2		2	
Treasury	4	5.6	4	5
Regulatory				
Animal and Plant Pests	7		7	
Building Control	9		9	
Environmental Health and Liquor	1	1	2	
Environmental Unit	8	6	8	5
Harbour Functions	2		2	
Resource Management Control	8	7.6	9	5.6
Management and Support	5	16	3	11
Support Services				
Community Development Management		1		1
Democratic Services Management	1	1	1	1
Office Services	.5	6	-	7.10
Contracts Management	.5			.5
Human Resources		1		1
Information Services	5	9	6	8
Customer Service Centres	1	18.5	2	13.1
Libraries	4	9.3	4	9.3
Totals	104.6	90	105.35	74.60

NOTE: Staff movements have occurred during the year to cater for increased demand on Council services due to the level of activity within the District. In addition Council has been required to respond to new legislative requirements associated with the Building Act.

INFRASTRUCTURAL ASSETS

	30.6.05		30.6.04	
Roads				
	Urban	Length	Urban	Length
	Sealed	174.9 km	Sealed	167.1 km
	Metalled	1.2 km	Metalled	1.2 km
	Rural	Length	Rural	Length
	Sealed	684.4 km	Sealed	669.8 km
	Metalled	673.1 km	Metalled	687.8 km
	TOTAL	1533.6 km	TOTAL	1525.9 km
Bridges				
	Number	Lineal Metres	Number	Lineal Metres
One lane bridges	298	5195	298	5195
Two lane bridges	55	781	55	781
Footbridges	6	209	6	209
TOTAL	359	6185	359	6185
Wharves				
	12		12	
Street Lighting				
	3,815 lights		3,370 lights	
Water Supply Schemes				
	8 schemes with 426 kms of reticulation		7 schemes with 357 kms of reticulation	
Sewerage Systems				
	5 schemes with 219 kms of reticulation		5 schemes with 219 kms of reticulation	
Stormwater System				
	120 kms of reticulation		120 kms of reticulation	

STATEMENT OF COMPLIANCE

Compliance

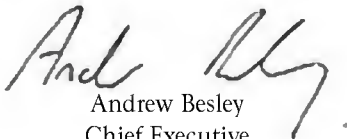
The Council and Management of Marlborough District Council confirm that all the statutory requirements of the Local Government Act 2002 have been complied with.

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 2005 fairly reflect the financial position and operations of the Marlborough District Council.



Andrew Besley
Chief Executive
25 October 2005



Alistair Sowman
Mayor
25 October 2005

AUDIT OFFICE REPORT



Audit New Zealand

AUDIT REPORT TO THE READERS OF MARLBOROUGH DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of Marlborough District Council (the District Council) and group. The Auditor-General has appointed me, Devan Menon, using the staff and resources of Audit New Zealand to carry out an audit on his behalf. The audit covers the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the District Council and group for the year ended 30 June 2005, including the financial statements.

Unqualified opinion

In our opinion:

The financial statements of the District Council and group on pages 15 to 66:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect :
 - the District Council and group's financial position as at 30 June 2005; and
 - the results of operations and cash flows for the year ended on that date.

The service provision information of the District Council and group on pages 20 to 48 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and

The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements"), including the provisions of Clause 15(f) of Schedule 10 relating to the significant acquisitions or replacements of assets.

The audit was completed on 26 October 2005, and is the date at which our opinion is expressed.

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

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

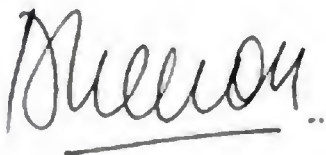
The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council and group as at 30 June 2005. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements, including service provision information that must fairly reflect the Council's level of service provision. The Council's responsibilities arise from Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit, we assisted the District Council in the compilation of its financial statements which is compatible with those independence requirements. Other than the audit and this assignment, we have no relationship with or interests in the District Council or its subsidiaries.



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



STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Marlborough District Council (MDC) is a unitary authority as defined by the Local Government Act 2002. 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.
- Housing for the Elderly Trust.
- Destination Marlborough Trust.
- Mayoral Drought Relief Trust.

The financial statements have been prepared in terms of Subpart 2 of Part 6 of the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of financial performance, cashflows and financial position on an historical cost basis are followed in the financial statements, with the exception that certain 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

The consolidated financial statements include Marlborough District Council and its subsidiaries. The subsidiaries are accounted for by 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

Leased land at Conders Bend and the Forum site was valued by Alexander Hayward Limited (Registered Valuers), as at 30 June 2003. The values are based on 'fair value with reference to highest and best use' as at 30 June 2003. All other land was valued by QV Valuations (Registered Valuers), as at 30 June 2004. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2004.

Improvements and buildings were valued by Alexander Hayward Limited (Registered Valuers), as at 30 June 2004. The basis of valuation was fair value.

Assets acquired subsequent to valuation are shown at cost less depreciation.

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

In the case of Marlborough Regional Forestry, land and improvements were valued by Merrill & Ring New Zealand Limited (Forestry Consultants).

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

Forest crop values were determined by Mr Murray Turbitt (Bachelor of Forestry) of Merrill & Ring New Zealand Limited as at 30 June 2005. The basis of valuation of the estate is based on the '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 'fair value', as at 30 June 2004.

Reserves, public conveniences and war memorial buildings and improvements were valued by Alexander Hayward Limited (Registered Valuers). The value is based on 'fair value', as at 30 June 2004.

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:

MAJOR ASSET CLASS	LIFE	RATE
Roads, Streets and Bridges		
• Land under roads	Not depreciated	
• Pavement formation	Not depreciated	
• Pavement layers	80 - 100 years	1 - 1.25%
• 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%
• 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 Finance 1)	4 years	25%
Council Finance 1 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%

Council has depreciated the cost of the Blenheim landfill development over its 45 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

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

Revenue

Rates revenue is recognised by Council as being income on the due date of each instalment. Water Billing is recognised on an accrual basis. Transfund roading subsidies are recognised as revenue upon entitlement which is when conditions pertaining to eligible expenditure have been fulfilled. Other revenue including assets vested in Council, with or without conditions are recognised as revenue when control over the assets is obtained.

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.

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 8 of the Notes to the Financial Statements.

EMPLOYEE ENTITLEMENTS

Provision is made in respect of the Council's liability for retiring gratuity allowances and Annual and Long Service Leave. The liability for Annual Leave has been calculated on an actual entitlement basis at current rates of pay. The Retiring Gratuity Liability and Long Service Leave Liability have been assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

INVESTMENTS

All investments are valued at the lower of cost and net realisable value. 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. All financial instruments with the exception of derivative financial instruments, are recognised 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

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

COMMUNITY OUTCOMES

There are thirteen community outcomes underlying the 2004 - 2014 Long Term Council Community Plan.

These are that, in 2014, Marlborough will be:

- A community that sustains and enriches the environment for future generations.
- A prosperous community where all people have the means to earn adequate incomes and enjoy standards of living that allow them to participate fully in society, and to have choices about how to live their lives.
- A community where knowledge and learning is prized, creativity is celebrated, and enterprise and endeavour is supported and rewarded.
- A community that values and supports all its members, and that welcomes visitors and new arrivals.
- A community where people can age positively, where older people are highly valued for their experience, wisdom and character, and where they are recognised as an integral part of families and communities.
- A community where young people are vibrant and optimistic, encouraged to take up challenges, and supported in their lifestyle choices.
- A community where people enjoy personal safety and security and are free from victimisation, abuse, violence and avoidable injury.
- A community where energy use is efficient, with a decreasing dependency on non-renewable sources.
- A community where people have access to a range of affordable and quality housing options.
- A community where people are served by a health infrastructure that is suited and responsive to their needs, and where they can make healthy choices for their own lifestyles.
- A community that is served by a strong infrastructure of essential services, where daily life and business is able to be conducted safely and easily.
- A community that acknowledges, values and enjoys its heritage.
- A community that has fun.

COUNCIL ACTIVITIES

Council's activities are presented in 15 groups.

Activity Group	Community outcomes that this group primarily contributes to:
Democratic Process	All the community outcomes are supported by this activity
Community Services	Health, Prosperity, Fun, Knowledge and Innovation, Safety and Security, Supportive communities, Youth, Positive Aging, Heritage, Housing.
Regional Development	Prosperity, Knowledge and Innovation.
Emergency Management	Infrastructure, Safety and Security.
Land Transport	Infrastructure, Health, Prosperity.
Rivers and Drainage	Infrastructure, Prosperity, Environment.
Wastewater (Sewerage)	Infrastructure, Health, Environment.
Stormwater	Infrastructure, Health.
Water Supply	Infrastructure, Health, Prosperity.
Waste Management	Infrastructure, Health, Energy, Environment.
Harbour Control	Environment, Infrastructure, Safety and Security, Prosperity, Fun.
Consent Processes, Licensing, and Compliance	Environment, Housing, Energy, Infrastructure, Prosperity.
Environmental Policy and Planning	Environment, Energy, Infrastructure, Prosperity.
Animal and Plant Pests (Biosecurity)	Environment, Prosperity, Health.
Animal Control	Health, Safety and Security.

Council reports the results of its measurement during the year in progressing towards these outcomes within each Significant Activity statement in this report. Council also describes any identified effects that any activity has had on the social, economic, environmental or cultural wellbeing of the community within each Significant Activity statement.

SIGNIFICANT ACTIVITIES

DEMOCRATIC PROCESS

What We Do & Why We Do It

This activity includes the planning and support for the meetings of Council and its committees, the provision of information regarding Council business, and the general oversight of the processes that underpin representative local government in Marlborough, including elections. Carrying out this activity enables Marlborough residents' and ratepayers' interests to be represented in a fair and equitable manner, and provides opportunities for the District's communities to participate in the decision-making processes that affect them.

The Marlborough District Council is a unitary authority, with the functions, duties and powers of both a regional council and a territorial authority conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being to enable democratic local decision-making and action by and on behalf of communities; and to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

In considering the range and diversity of the communities that are represented in Marlborough, Marlborough District Council recognises the special relationship it has with tangata whenua, and acknowledges the specific responsibilities it has to Maori under the Local Government Act and under the Resource Management Act.

The Marlborough District Council Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Governance Statement, and associated policies and documents, can be viewed at Council service centres and libraries, and on the Council's website.

Marlborough District Council Committees, Statutory and Sub-Committees:

- Assets & Services
 - Animal Control
 - Regional Land Transport
- Community & Financial Planning
 - Elderly, Access & Mobility
 - Grants
 - Liquor Licensing
 - Sister City
- Environment
- Resource Hearings (2)
- Interim SVIS Sub-Committee
- Civil Defence Emergency Management
- Maori Advisory Komiti

INDICATOR	TARGET 2004-2006
Compliance with the provisions of the Local Government Act, Local Government Official Information and Meetings Act, and Standing Orders.	<ul style="list-style-type: none"> • 100%. No breaches of the Local Government Act, Local Government Official Information and Meetings Act or Standing Orders have been reported.
Notification of meetings.	<ul style="list-style-type: none"> • Advertised in local media no less than five working days prior to meeting date. Scheduled meetings have been advertised as per, and comply with, s46 of the Local Government Official Information and Meetings Act, which requires a more stringent condition than the indicator. Advertisements are placed not more than 14 days and not less than 5 working days before the end of every monthly, notifying scheduled meetings to be held in the following month (including date, time and venue).
Public availability of agendas and attachments.	<ul style="list-style-type: none"> • At least three working days prior to meetings. Agendas (including attachments) have been completed and available at least three clear working days prior to the meeting (i.e. for a Thursday meeting the agenda is photocopied and posted to members on the Friday prior, and is available for viewing on that day).
Voter turnout.	<ul style="list-style-type: none"> • Top quartile of New Zealand local authorities. The Marlborough District Council came fourteenth out of 77 local authorities in voter turnout (62.01% - including special votes). Voter turnout was achieved.

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04		ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE			
Democratic Process	2,023	1,942	1,975	Rates	1,769	1,698	1,916
				Other Revenue	37	22	0
				Total Revenue	1,806	1,720	1,916
				General Revenues Applied	217	222	59
Total Operating Costs	2,023	1,942	1,975		2,023	1,942	1,975
CAPITAL WORKS							
Democratic Process	52	-	-				
	52	-	-				

Note 1: *Explanation of Cost of Service Variances*

- *There are no significant variances.*

Note 2: *Significant Capital Expenditure*

- *There has been no significant capital expenditure.*

Note 3: *Significant Capital Expenditure Variances*

- *There are no significant variances.*

COMMUNITY SERVICES

What We Do & Why We Do It

This group of activities includes:

- Arts and Heritage (including memorials and museums).
- Cemeteries.
- Community development.
- Community housing.
- Halls and reserves.
- Library services.
- Public conveniences.
- Recreational facilities (e.g. swimming pools).

Marlborough District Council considers social and community development to be cornerstones of the well-being of Marlborough's community. It views recreation, arts and culture as essential to the health and well-being of society, and believes that a strong community is knowledgeable of its heritage, and preserves and respects the achievements of the past.

Council provides grants and donations for social and community development from within existing budgets, and assists groups to access funds from other (non-Council) sources. It also works with specific sectors of the community, including youth, and the elder community, helps to provide liaison between community organisations, and develops partnerships with and between central government and non-governmental organisations.

Access to information is a pre-requisite for effective participation in all realms of activity. As well as providing an important recreational and educational resource, the public library system ensures that there is equitable opportunity for people to access the information they need to participate fully in their community as informed citizens.

The Council undertakes these activities by way of the following roles:

- A partner of groups and individuals actively involved in building and strengthening community well-being in Marlborough.
- A planner, co-ordinator and facilitator of community development.
- A custodian and manager of community resources and assets.
- A provider of information and resources that assist and promote community development.

INDICATOR	TARGET 2004-2006															
Usage and membership of library services.	<ul style="list-style-type: none"> Increase on 2003 base. <table border="1" data-bbox="906 286 1337 454"> <thead> <tr> <th></th> <th>2003/04</th> <th>2004/05</th> </tr> </thead> <tbody> <tr> <td>Membership</td> <td>25,360</td> <td>25,305</td> </tr> <tr> <td>Issues</td> <td>630,090</td> <td>606,691</td> </tr> <tr> <td>Enquiries</td> <td>16,418</td> <td>16,517</td> </tr> <tr> <td>Reserves</td> <td>10,901</td> <td>10,997</td> </tr> </tbody> </table> <p><i>The number of issues declined by 3.7% but is equal to the 2002/03 year. During 2003/04 a concentrated marketing campaign lifted the number of issues to a new base level. On line access to libraries catalogue commenced in April 2005 which is expected to increase library usage.</i></p> 		2003/04	2004/05	Membership	25,360	25,305	Issues	630,090	606,691	Enquiries	16,418	16,517	Reserves	10,901	10,997
	2003/04	2004/05														
Membership	25,360	25,305														
Issues	630,090	606,691														
Enquiries	16,418	16,517														
Reserves	10,901	10,997														
Average cost per issue of library resources.	<ul style="list-style-type: none"> < \$2. <i>2003/2004 - \$1.72 per issue. 2004/2005 - \$1.88 per issue.</i> 															
Average age of library resources.	<ul style="list-style-type: none"> < 10 years. <i>In 2004/2005 the average age of stock across the district was 8.95 years.</i> 															
Compliance with NZS 5828 for safety of playground equipment.	<ul style="list-style-type: none"> 100% (annual inspections). <i>Weekly playground inspection and maintenance is performed by Council staff, contractors or community associations under reserve maintenance contracts or agreements. The prescribed specification being C.3.9; and ensures all play equipment is maintained to the recently amended NZS 5828.</i> 															
Compliance with contract specifications for maintenance of public conveniences.	<ul style="list-style-type: none"> 100% (monthly inspections). <i>Monthly inspections of all urban public conveniences undertaken in conjunction with the contractors. Rural PC's maintained by local community groups and individuals and inspected by staff during routine visits. The main Blenheim contractor is now completing Quality Assurance reports as part of their own performance standards programme.</i> 															
Public satisfaction with Council-provided community services.	<ul style="list-style-type: none"> Zero complaints received. <i>Overall satisfaction with Council services was rated highly in resident surveys.</i> 															
Participation rates in physical activities.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Participation figures from Sport Marlborough indicated substantial increases in some of their major programmes (e.g. women's triathlon and family walking), and positive responses to new initiatives (e.g. motor sensory development programme for 3 – 4 year olds).</i> 															
Participation rates in arts and cultural activities.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Combined participation figures from the Millennium Art Gallery and the Marlborough Historical Society indicated an increase of approximately 14% on 2003 figures.</i> 															
Participation rates in community festivals and events.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Participation figures from Marlborough 4 Fun indicated an increase of approximately 11% on 2003 events.</i> 															
Average earnings of arts professionals.	<ul style="list-style-type: none"> Increase on 2003 base. <i>24% of artists surveyed in 2003 earned over \$50,000 from their arts activity. New information was not available for this report.</i> 															

INDICATOR	TARGET 2004-2006
Visitor spending at festivals and events.	<ul style="list-style-type: none"> Increase on 2003 base. <p><i>Visitor spending at Marlborough businesses in February and November 2004 (as measured by the BNZ Marketview reports) increased by 3% over 2003 figures. Those two months feature three of the district's major festivals.</i></p>
Occupancy rates of community housing.	<ul style="list-style-type: none"> 90%. <p><i>Occupancy rates for Community Housing over the previous year have been on average 97%. This has been achieved while allowing vacant units to be converted from bedsitter units into single bedroom units and units to be renovated before being tenanted.</i></p>
Volunteer participation rates.	<ul style="list-style-type: none"> Increase on 2001 (Census) base. <p><i>Progress on this indicator will not be known until the results of the 2006 Census. Community groups report increasing pressures on volunteers.</i></p>
Offending rates.	<ul style="list-style-type: none"> Positive reporting by Police and community advocacy groups. <p><i>There was an increase in overall reported crime in Marlborough in the 12 months to 31 December 2004. Police believe that a good proportion of the increase could be explained as the result of police proactivity in a number of areas of crime. Resolution rates (offenders identified) had also increased with Marlborough having amongst the highest resolution rates in the country.</i></p>
Response times for complaints and faults.	<ul style="list-style-type: none"> Investigate complaints relating to operations and facilities within 12 hours. <p><i>This has been achieved through the CSO's and Reserves staff or after hours through Call Care contacting contractors with attendance to these usually within 2 – 8 hours.</i></p> <ul style="list-style-type: none"> Remedy minor faults within public conveniences within 24 hours of notification. <p><i>Problems were remedied promptly i.e. broken pipes, vandalism or graffiti damage, with minor faults generally remedied within 24 hours. In conjunction with local police, the Reserves and Amenities section works to a three day removal policy for graffiti on public structures.</i></p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS						
Swimming Pools	525	462	450			
Hall and Reserves	2,293	2,220	1,996			
Arts, Museums and Memorials	411	564	186			
Libraries	1,144	1,141	1,093			
Cemeteries	295	257	290			
Public Conveniences	372	377	340			
Community Development	679	808	978			
Community Housing	767	752	602			
Special Work Schemes	34	42	38			
Total Operating Costs	6,520	6,623	5,973			
REVENUE						
Rates				4,759	4,617	4,561
Subsidies and Grants				10	5	11
Other Revenue				1,252	1,120	1,205
General Revenues Applied				556	599	476
Total Revenue				6,577	6,341	6,253
Operating Deficit Funded (to)/from Reserves				(57)	282	(280)
				6,520	6,623	5,973

CAPITAL WORKS

Swimming Pools	-	5	-
Halls and Reserves	754	385	2,334
Cemeteries	-	-	6
Arts, Museums and Memorials	45	-	9
Libraries	205	194	280
Public Conveniences	32	16	149
Community Development	245	-	29
Community Housing	181	120	-
Total Capital Works	1,462	720	2,807

Note 1: Explanation of Cost of Service Variances

- The favourable variance in the operating revenue relates to vested assets, donations received and rental income. This combined with favourable variances in grants paid by Council contributed to the favourable operating surplus result.

Note 2: Significant Capital Expenditure

- There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances

- Increased levels of Land Subdivision contributions enabled a reprogramming of capital works in Reserves and Memorials.
- The Community Development capital expenditure relates to the carry forward of the Security Camera purchase from the 2003/04 Budgets.
- The Community Housing Capital expenditure variance resulted from Council taking advantage of an opportunity to purchase Land adjacent to existing holdings.

Note 4:

<i>Operating Costs as above</i>	<i>6,520</i>	<i>6,623</i>	<i>5,973</i>
<i>Less Internal Interest</i>	<i>209</i>	<i>192</i>	<i>100</i>
<i>Operating Costs as per Statement of Financial Performance</i>	<i>6,311</i>	<i>6,431</i>	<i>5,873</i>

REGIONAL DEVELOPMENT

What We Do & Why We Do It

Council's decisions and actions can significantly assist the development of the regional economy by encouraging local business initiatives, attracting new investments, and by presenting Marlborough as a tourist destination. As a provider of infrastructure, as a regulator of business activity, and as an institution for democratic decision-making, Council is both a facilitator and encourager of development in the region. Council has determined that its role in economic development includes:

- 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 compliance costs associated with Council's regulatory responsibilities are balanced with community benefits.
- To ensure that accurate and up to date information on the District is widely available.
- To facilitate and participate in specific projects that assist in regional development.
- To promote a positive image of Marlborough in its publications and activities.

For the bulk of this activity Council is primarily a purchaser of regional development services. It provides funding of \$395,000 to Destination Marlborough; \$155,000 to the Marlborough Regional Development Trust and \$124,000 to the Marlborough Research Centre. These three organisations are important partners for the Council in assisting the region to achieve economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, adding value to Marlborough enterprises, and enriching the quality of life for Marlborough residents. The three organisations work closely with each other, with Council, and with other development-focussed groups and organisations in the District.

All organisations receiving funding under this activity are required to provide an annual report to the Council describing its operations and achievements for the year, including how it has contributed to the development of the regional economy. Council will continue to encourage closer organisational relationships between the various groups that are working in this sector.

INDICATOR	TARGET 2004-2006
Average land values.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Rateable land value increased by \$27,685,850 in the period June 2003 to June 2004. This was an increase of 1%.</i>
Capitalisation of land.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Rateable Capital Value increased by \$236,884,500 in the period June 2003 – June 2004. This was an increase of approximately 4%.</i>
Levels of unemployment.	<ul style="list-style-type: none"> Decrease on 2003 base. <i>Regional unemployment rate reduced from 3.6% in December 2003 quarter to 2.3% for December 2004 quarter.</i>
Median household income.	<ul style="list-style-type: none"> Increase on 2003 base. <i>Changes in median household income figures not available. Average weekly income for Marlborough increased to \$489 in the June 2004 quarter from \$405 in the June 2003 quarter.</i>
Business turnover.	<ul style="list-style-type: none"> Net gain in new businesses on 2003 base. <i>The number of businesses in Marlborough increased by 518 in the period February 2003 – February 2004. This was an increase of 14%.</i>
Research and development activity.	<ul style="list-style-type: none"> Positive reporting by Council-funded providers. <i>The Marlborough Research Centre reported on activity for the period. Details of their activity are contained in their Annual Report. A highlight was the first year's operation of the Wine Research Centre.</i>
External investments and partnerships.	<ul style="list-style-type: none"> Positive reporting by Council-funded providers. <i>Marlborough Regional Development Trust reported on regional economic development in the period. For information on the Regional Development Trust see http://www.marlboroughnz.org/</i>
Visitor spending.	<ul style="list-style-type: none"> Positive reporting by Council-funded providers. <i>Destination Marlborough reported on achievements in increasing visitor numbers and visitor yield during the period. For information on Destination Marlborough see http://www.destinationmarlborough.com/</i>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS						
Destination Marlborough	410	375	480			
Marlborough Regional Development Trust	158	155	77			
Marlborough Research Centre	136	124	120			
Other	125	284	107			
	829	938	784			
REVENUE						
Rates				627	602	383
General Revenues Applied				72	66	401
Operating Deficit Funded from Reserves				130	270	0
				829	938	784

Note 1: Explanation of Cost of Service Variances
 - There are no significant variances.

EMERGENCY MANAGEMENT

What We Do & Why We Do It

The Civil Defence and Emergency Management Act 2002 imposes statutory obligations on Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, response, and recovery after an event. The Act requires an "all hazards" approach – this includes earthquakes, floods, tsunami, oil spills, hazardous substances, and landslips, to name a few. Council is part of the Marlborough Civil Defence Emergency Management Group, and is required to have in place a Civil Defence Emergency Management Group plan. Amongst other requirements, the plan describes:

- the hazards and risks to be managed by the Group;
- emergency management policies and procedures in place to manage the hazards and risks;
- arrangements for declaring a state of emergency in the area;
- arrangements for co-operation and co-ordination with other Emergency Management Groups.

The Council is also a Rural Fire Authority under the Forest and Rural Fires Act 1977. It must meet requirements for the prevention, detection, and suppression of rural fires, and must comply with the Rural Fire Management Code of Practice for equipment standards and competency requirements for fire fighting personnel.

INDICATOR	TARGET 2004-2006
Identification of hazards.	<ul style="list-style-type: none"> • Regional hazards are identified and planned for. <i>The regional hazards have been identified which are set out in the reduction section in the new Civil Defence Emergency Management Plan for Marlborough. These hazards have been prioritised using a consequences based process. The plan provides for a work programme to obtain more information in the Targets and Action section (section 3.6) of the plan. The Civil Defence Emergency Management Plan was approved on 17 May 2005 by the Hon George Hawkins, Minister for Civil Defence and Emergency Management.</i>
Staff competencies	<ul style="list-style-type: none"> • All staff and volunteers are appropriately trained, qualified, and resourced. <i>All staff and volunteers have received training to the appropriate level. A major Civil Defence exercise was held on 11 September 2004 to deliver appropriate training for sector and emergency operations staff and volunteers. Rural fire force members continue to train and exercise on a regular basis, and have met fire and rescue unit standards to the level required by the Rural Fire Management Code of Practice.</i>
Facility quality.	<ul style="list-style-type: none"> • Emergency management equipment, control facilities and communication systems are well maintained and upgraded as required. <i>All Emergency Management equipment including communication equipment is tested regularly. Radios at the Emergency Operations Centre and those installed at the Civil Defence sectors are tested every Thursday morning. Rural fire equipment checks are carried out to the levels required in accordance with the Rural Fire Management Code of Practice.</i>
Emergency response reserves.	<ul style="list-style-type: none"> • Build emergency response reserves to \$15m. <i>As at 30 June 2005 emergency reserve balance \$7.475 million.</i>
Treatment planning.	<ul style="list-style-type: none"> • A treatment plan is implemented for all identified risks. <i>A plan is in place to treat the identified hazards and risks facing Marlborough. Section 3.6 Targets and Actions and work programme in the Marlborough CDEM Group plan set out the work programme and tasks to be undertaken by the Group during the next five years.</i>

INDICATOR	TARGET 2004-2006
Fire permitting compliance.	<ul style="list-style-type: none"> Rural fire permit processes comply with statutory requirements. <p>All fire permits have been issued in accordance with legislation.</p>
Response to events.	<ul style="list-style-type: none"> Emergency events are responded to promptly and efficiently. <p>All rural fire calls were responded to promptly and efficiently. All fire calls were responded to within the required time frames set down in the Rural Fire Management Code of Practice.</p>
Recovery from events.	<ul style="list-style-type: none"> The immediate welfare needs of those affected have been met. Systems have been established/re-established to assist individual and community self-sufficiency. Essential services have been restored to minimum operating levels. <p>The Marlborough region had no major events during the period.</p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE		
Emergency Management	521	542	509	Rates	451	445
				Subsidies and Grants	33	8
				Other Revenue	17	50
Total Operating Costs	521	542	509	General Revenues Applied	58	57
Operating Surplus	38	18	66			
	559	560	575	Total Revenue	559	560
Emergency Management	14	27	30			
	14	27	30			

Note 1: Explanation of Cost of Service Variances
 - There are no significant variances.

Note 2: Significant Capital Expenditure
 - There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances
 - There are no significant variances.

LAND TRANSPORT

What We Do & Why We Do It

Council is responsible for all roads in Marlborough except the State Highways, which are the responsibility of Transit New Zealand. As owner of the local roading network Council has legal requirements to provide roads to certain standards. 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 carparks.

This activity is carried out so that the movement of people and goods within and through the District can be convenient and safe. Land transport is part of the essential infrastructure of the district, vital to well being and development.

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

INDICATOR	TARGET 2004-2006
Resident's satisfaction with roading network.	<ul style="list-style-type: none"> >80% for sealed roads. 89% achieved. >50% for unsealed roads. 82% achieved.
Numbers of motor vehicle crashes.	<ul style="list-style-type: none"> < 8 motor vehicle crashes involving injury where a reported contributing factor is "Road Conditions". Three crashes reported.
Condition of road surfaces.	<ul style="list-style-type: none"> Average road roughness standards for sealed roads of: <ul style="list-style-type: none"> (a) <110 for urban roads. (b) <95 for rural roads. <p><i>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></p> <p>Average roughness standards for sealed roads were 112 for urban roads; 85 for rural roads.</p>
Street cleanliness and CBD condition.	<ul style="list-style-type: none"> Inspect and report on street cleanliness and asset condition of Blenheim CBD area at least twice annually. Routine monthly reports are received from the contractor. Satisfactory independent report was received at the end of the financial year.
Condition of footpath surfaces.	<ul style="list-style-type: none"> Minor faults on footpaths repaired within 20 working days of detection. Minor faults were repaired within 20 working days. Unevenness greater than 8mm repaired within 5 days. Target met. All concrete joints are programmed for grinding before the 8mm limit is reached.
Condition of street trees and plots.	<ul style="list-style-type: none"> 99 new or replacement street trees planted each year. The street trees, berms and plots contract requires the planting of a minimum of 100 new or replacement street trees during the course of the year. In addition to this number, a further 67 trees were planted by the contractors, giving a total of trees planted by Council of 167. Further to this number, the recent upsurge in residential growth throughout the district has seen approximately 266 additional street trees planted by developers in new subdivisions.
Compliance with parking limits.	<ul style="list-style-type: none"> Increasing. Off street – 99% in Queen Street. Kerbside continues to increase – 85% (76% 2003/2004).
Parking occupancy rates.	<ul style="list-style-type: none"> < 85%. Achieved overall. High occupancy in Queen Street off-street car park.

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR		ACTUAL	BUDGET	LAST YEAR
	2004/05	2004/05	2003/04		2004/05	2004/05	2003/04
OPERATING COSTS				REVENUE			
Roads, Streets and Bridges	11,177	10,071	10,349	Rates	6,648	6,605	6,107
Parking	606	598	632	Subsidies and Grants	4,473	3,950	3,758
Total Operating Costs	11,783	10,669	10,981	Other Revenue	3,712	635	1,515
Operating Surplus	3,932	1,361	399	General Revenues Applied	882	840	-
	15,715	12,030	11,380		15,715	12,030	11,380
CAPITAL WORKS							
Roads, Streets and Bridges	7,158	5,007	5,356				
Parking	8	5	6				
Total Capital Works	7,166	5,012	5,362				

Note 1: Explanation of Cost of Service Variances

- The Subsidy income is above budget due to additional seal extension and flood damage works.
- The Other Revenue is above budget due to additional Parking revenue, Roading contributions, Stop Road sales and vested asset income.
- The unfavourable variance in Roads Streets and Bridges expenditure is caused by an increase in pavement maintenance and flood damage.

Note 2: Significant Capital Expenditure

- The expenditure above relates to normal roading renewals and sealed pavement works.

Note 3: Significant Capital Expenditure Variances

- The variance in Capital works is attributable to vested assets.

Note 4:

Operating Costs as above	11,783	10,669	10,981
Less Internal Interest	598	567	621
Operating Costs as per Statement of Financial Performance	11,185	10,102	10,360

RIVERS AND LAND DRAINAGE

What We do & Why We Do It

This activity is primarily focussed on the Wairau floodplain (downstream of the Waihopai River). Picton and Waikawa are also given a high priority. Outside of these areas, and taking account of all risks, costs, and benefits, a lower level of protection work is undertaken.

The Wairau River is as large and powerful as any river in New Zealand with a long history of flood damage requiring river control works. These intervention works have enabled the floodplain to be developed productively. The lower floodplain is particularly low lying because the coast is prograding due to marine processes. This low lying floodplain is not only very flood prone but also requires considerable drainage measures, particularly to combat aquatic weed that impedes the 200 km of minor watercourses and drains. Such measures also have to be done carefully to minimise detrimental impact on the ecological and fishery values of these small watercourses for which there is much increasing community awareness.

INDICATOR	TARGET 2004-2006
Floodway capacity.	<ul style="list-style-type: none"> That rivers and floodways within the Wairau floodplain can cope with a 1 in 100 year return period flood. All floods are monitored with regard to size and flood levels, computer hydraulic models set up and calibrated and remedial action taken as required. River channel dimensions are regularly resurveyed and gravel extraction is managed in a strategic manner so as to improve channel capacity where practical. Riverbed survey was carried out on the Wairau River and monitoring of a two year return period flood was carried out in June. This indicated that floodway capacity is increasing in parts of the Wairau River due to gravel extraction but is decreasing in the lower Wairau River due to siltation. Strategies to deal with the decreasing capacity in the lower Wairau will be examined. There were no significant floods in other Wairau tributaries.

INDICATOR	TARGET 2004-2006
	<ul style="list-style-type: none"> Outside of the main floodplain the natural river channel capacities are maintained by keeping the channels clear of trees. Achieved
River bank erosion	<ul style="list-style-type: none"> That floodplain riverbanks are stabilised to limit erosion by lining with groynes, rock rip rap or trees as appropriate. These are maintained in a sound condition, with regular inspection after freshes and floods. Stockpiles of quarried rock are kept on hand for urgent repair, and appropriate contracts prepared to ensure a work force is available. Riverbank erosion prevention works were maintained, especially those on the Wairau in the Giffords Road area that suffered flood damage in a minor flood.
Lower Wairau floodplain rural drainage.	<ul style="list-style-type: none"> That minor watercourses and drains are regularly cleared of impeding aquatic weed and sediment. Watercourse specific strategies are developed that achieve desired drainage standards while ensuring ecological, private landowner and other values are provided for. Drainage spraying and clearing works have been carried out and a management strategy has been devised for the highly ecologically valued Spring Creek.
Pumping station capability	<ul style="list-style-type: none"> That rural pumping stations are capable of removing local stormwater to the standards specified in the Wairau Drainage Plan 1996. That urban pumping stations, in association with gravity outfall, are capable of controlling urban flood levels so that floors of buildings are not flooded in a 1 in 50 year return period event. Pumping stations were tested to ensure they meet the desired design performance.
Quality of flood hazard analysis and advice.	<ul style="list-style-type: none"> Development of GIS plans showing degrees of flood hazard throughout Marlborough, and the provision of information to the Regulatory Department and the public on feasible and acceptable flood hazard mitigation measures. Improvements have been made to the GIS system of depicting flood hazard areas so that advice can be more readily transmitted to the public through the PIMS, LIMS and other processes.
Flood control mitigation activities.	<ul style="list-style-type: none"> Where river control works have impacted on the environment to carry out mitigation activities to counteract the detrimental effect. This includes: <ul style="list-style-type: none"> Rewatering Gibsons creek channels to provide groundwater recharge of the Wairau aquifer and other ecological values. A major Council project (Southern Valleys' Irrigation Scheme) was implemented last year to increase flows into Gibsons Creek from the Wairau. This has resulted in aquifer recharge increasing groundwater levels especially in the southern part of the Wairau aquifer and increased flows in the streams of the lower plains. Investigate the feasibility of gravel banking control of the inlet to the Wairau Diversion so as to keep most flow in the lower Wairau except in flood times. Investigations continuing.

INDICATOR**TARGET 2004-2006**

- The Opawa Loop is regularly cleared of aquatic weed.
A regular programme was carried out to keep it clear of aquatic weed.
- Secondary activities are allowed in the floodways that provide a blend of ecological riparian habitat, public recreational access and economic leasing.
Significant ecological plantings were carried out on floodway land this year.
- That water levels and resulting flows into and out of Grovetown lagoon are controlled to provide for ecological values as well as drainage values.
The outlet channels were kept in clear condition to control water levels in the lagoon.

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04		ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE			
Wairau Floodplain Rivers	2,289	1,965	2,266	Rates (targeted and general)	2,869	2,840	2,774
Wairau Floodplain Drainage	534	537	472	Subsidies and Grants	32	-	-
Rivers Outside Wairau	238	111	241	Other Revenue	1,989	1,461	1,967
Wairau River Leases	181	190	326	General Revenues Applied	15	14	-
Total Operating Costs	3,242	2,803	3,305				
Operating Surplus	1,663	1,512	1,436				
	4,905	4,315	4,741		4,905	4,315	4,741
CAPITAL WORKS							
Wairau Floodplain Rivers	402	482	383				
Wairau Floodplain Drainage	101	195	417				
Rivers outside Wairau	-	-	36				
Total Capital Works	503	677	836				

Note 1: Explanation of Cost of Service Variances

- The variance in operating costs relate to Flood damage works.
- The variance in Other Revenue relates to additional lease income and gravel and rock sales.

Note 2: Significant Capital Expenditure

- There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances

- There are no significant variances.

WASTEWATER (SEWERAGE)

What We Do & Why We Do It

Council operates five wastewater schemes - in Blenheim, Picton, Havelock, Seddon and Spring Creek. In 2004 Council began construction of a sewer scheme for Renwick which will be connected into the Blenheim system. Treatment in all schemes with the exception of Picton is by oxidation ponds. In Picton the treatment system is an extended aeration activated sludge plant.

Collection, treatment and disposal of wastewater contribute to:

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

INDICATOR	TARGET 2004-2006
Blockages.	<ul style="list-style-type: none"> That no more than 35 identified blockages occur for 100 km of sewer main per year. <p>No area exceeded the target level of no more than 35 blockages per 100 km of sewer main.</p>
Capacity.	<ul style="list-style-type: none"> Maintained to meet Code of Practice design parameter of dry weather flow by a factor of 4. <p>Council's code of practice establishes the design parameters for subdivisions which extend or link to Council's infrastructural network. Conditions are set for all resource consents ensuring the sewer capacity is met. Council reviews the capacity of its sewer networks regularly to ensure that sufficient capacity is available within the network to cope with urban growth. Where necessary sewer mains and pump stations are upgraded to meet demands created from growth. An example of this is the construction of the relief sewer in Alabama Road and the upgrading of the sewer pump station in Alabama Road, in response to growth in the north west of Blenheim.</p>
Customer Response times.	<ul style="list-style-type: none"> Install 85% of new connections within 10 working days of application or by agreed alternative date. <p>Connections were installed in accordance with timeframes agreed with property owners.</p>
Customer Response times.	<ul style="list-style-type: none"> Respond to 95% of unplanned interruptions or blockages of the sewerage system of such events within two hours, and to restore toilet facilities to all customers affected within six hours of notification. <p>There were no sewer interruptions exceeding six hours. All unplanned interruptions were responded to within two hours.</p>
Discharge quality.	<ul style="list-style-type: none"> Total flow is to be treated prior to discharge through outfall for dispersal to receiving water in accordance with the discharge consent. <p>The discharge quality at all of Council's treatment plants met the conditions for discharge within resource consents. The effluent has been monitored at the frequencies required to show compliance.</p>
Asset Maintenance, Renewal and Capital Works Plans in Asset Management Plans.	<ul style="list-style-type: none"> Assets managed and operating according to levels of service. <p>Council maintains and updates asset management systems for wastewater infrastructure, ensuring the desired level of service is achieved.</p>

Cost of Services - \$000's	ACTUAL	BUDGET	LAST YEAR		ACTUAL	BUDGET	LAST YEAR
	2004/05	2004/05	2003/04		2004/05	2004/05	2003/04
OPERATING COSTS				REVENUE			
Blenheim	2,272	2,572	1,979	Rates	3,965	3,890	3,363
Picton	596	717	710	Subsidies and Grants	1,117	-	-
Havelock	96	97	85	Other Revenue	1,546	548	981
Renwick	-	34					
Seddon	50	47	50				
Spring Creek	58	58	42				
Total Operating Costs	3,072	3,525	2,866				
Operating Surplus	3,556	913	1,478				
	6,628	4,438	4,344	Total Revenue	6,628	4,438	4,344
CAPITAL WORKS							
Blenheim	4,512	1,558	3,047				
Picton	210	448	173				
Havelock	7	14	38				
Renwick	3,170	919	290				
Seddon	-	1	-				
Spring Creek	4	165	2				
Total Capital Works	7,903	3,105	3,550				

Note 1: Explanation of Cost of Service Variances

- Variances in the Blenheim operating and capital expenditure against budget are attributable to treatment upgrade and reprogrammed infiltration and capital works.
- The Subsidy Revenue is the first claim for the Renwick Sewerage capital works.
- The variance in Other Revenue relates to capital works contributions and vested assets.

Note 2: Significant Capital Expenditure

- The Renwick Sewerage Scheme is currently under construction. This scheme will service the Renwick Township and is funded from a combination of subsidy, Council Reserves and Ratepayer funding.

Note 3: Significant Capital Expenditure Variances

- Variances in the Blenheim and Renwick capital works relate to reprogrammed works from previous years and treatment upgrade works in Blenheim.

Note 4:

Operating Costs as above	3,072	3,525	2,866
Less Internal Interest	763	541	561
Operating Costs as per Statement of Financial Performance	<u>2,309</u>	<u>2,984</u>	<u>2,305</u>

STORMWATER

What We do & Why We Do It

Council provides a stormwater drainage system to manage stormwater runoff from urban catchments. Much of the urban development in Blenheim and Picton is in areas that are prone to flooding - stormwater systems are provided to minimise disruptions from rain events and to provide for the safety of residents. Collection and disposal of stormwater contributes to:

- Safety of the community by minimising the incidence of flooding.
- Minimising damage to property from flooding.
- Reduced erosion and water pollution.
- Industrial and residential development.

Stormwater systems are complex and expensive, and 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.

INDICATOR	TARGET 2004-2006
Number of system blockages.	<ul style="list-style-type: none"> Maintain system to ensure no more than three blockages in a year affect any one property. <p><i>There were no properties affected by three or more blockages.</i></p>
Customer Response times.	<ul style="list-style-type: none"> Install 85 % of new connections within 10 working days of application or by agreed alternative date. <p><i>Connections were installed in accordance with timeframes agreed with property owners.</i></p>
Capacity.	<ul style="list-style-type: none"> Primary system able to cope with a 5 year return period storm, 50% runoff in residential areas. <p><i>The following is a summary of a 1 in 5 year rainfall event for each of the Marlborough urban areas. During 2004/05 only one of these areas experienced an event that exceeded a return period of 1 in 5, that being in Picton on 15 November 2004. During this event there was minor surface flooding at sumps in lower Dublin St. Planned pump station and mains upgrading will improve the stormwater capacity in this area.</i></p> <ul style="list-style-type: none"> <i>Blenheim</i> <i>1 in 5 year (30 min duration) - 10.7 mm</i> <i>No Events Exceeded Threshold</i> <i>Maximum 7.5 24 March 2005.</i> <i>Renwick</i> <i>1 in 5 year (30 min duration) – 11.5 mm</i> <i>No Events</i> <i>Maximum 7 mm 11 November 2004, 29 May 2005.</i> <i>Havelock</i> <i>1 in 5 year (30 min duration) – 15.9 mm</i> <i>No Events Exceeded Threshold</i> <i>Maximum 9 mm 15 August 2004.</i> <i>Picton</i> <i>1 in 5 year (30 min duration) –14.8 mm</i> <i>One Event</i> <i>15.0 mm 15 November 2004.</i>
Asset Maintenance, Renewal and Replacement Plans in Asset Management Plans.	<ul style="list-style-type: none"> Assets managed and operating according to levels of service. <p><i>Council maintains and updates asset management systems for stormwater infrastructure, ensuring the desired level of service is achieved.</i></p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS						
Blenheim	603	630	605			
Picton	170	167	166			
Other Schemes	50	91	61			
Total Operating Costs	823	888	832			
Operating Surplus	918	125	365			
	1,741	1,013	1,197			
REVENUE						
Rates				849	844	756
Other Revenue				779	63	441
General Revenues Applied				113	106	-
				1,741	1,013	1,197
CAPITAL WORKS						
Blenheim	1,025	170	532			
Picton	213	75	114			
Other Schemes	311	284	35			
Total Capital Works	1,549	529	681			

- Note 1: *Explanation of Cost of Service Variances*
 - *The variances in Other Revenue relates to vested assets.*
- Note 2: *Significant Capital Expenditure*
 - *There has been \$0.5m spent on the north west periphery development. These works are funded from development contributions.*
- Note 3: *Significant Capital Expenditure Variances*
 - *The variances in capital expenditure relate to vested assets and Northwest Periphery development. The Northwest works are funded from development contributions.*

Note 4:

Operating Costs as above	823	888	832
Less Internal Interest	209	207	221
Operating Costs as per Statement of Financial Performance	614	681	611

WATER SUPPLY

What We do & Why We Do It

Council operates seven water supply systems - in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere. With the exception of Awatere and one of the two Picton sources all the schemes in Marlborough utilise groundwater sources.

In 2004 Council began construction on a reticulated piped irrigation scheme to serve more than 4,000 hectares of land to the south of Renwick.

Providing and maintaining an adequate supply of potable water to consumers and supply for fire fighting purposes contributes to:

- The health of the community.
- Community safety through the fire fighting capability of the water supply system.
- Industrial and residential development.

Providing reticulated irrigation supply enables a wider range of land uses, and contributes to the economic wellbeing of the community.

INDICATOR	TARGET 2004-2006
Water Quality.	<ul style="list-style-type: none"> • Compliance with bacteriological (P1) and chemical (P2) determinants of the Drinking Water Standards for NZ 2000. <i>There have been no microbiological transgressions for the past year in the zones, plants or sources, except for the Awatere water supply which does not meet the requirements of the Drinking Water Standards for NZ. Consultation is currently being undertaken to ascertain if users would like treatment. A 'boil water' notice is in place permanently for that supply.</i> <i>Priority 2: monthly lead (Pb) samples have been taken and they are all below the detectable limit but further sampling and testing is required to prove the non-aggressiveness of the water.</i> <i>All water sampling results are entered in the Water Information NZ (WINZ) database. The Ministry of Health maintain this database, using the information to report the water quality for each supply annually.</i>
Number of system failures.	<ul style="list-style-type: none"> • Three unplanned shutdowns/year/connection. <i>There were no connections affected by three unplanned shutdowns.</i>
Customer Response times.	<ul style="list-style-type: none"> • To respond to 95% of service interruption events within stated timeframe: <ol style="list-style-type: none"> (a) Within two hours to complaints of lost supply.

INDICATOR	TARGET 2004-2006
	<p>60% of mains leaks responded to within timeframes. It is anticipated the % of compliance is higher as the reporting system is still being developed.</p> <p>(b) Restore any lost supply within eight hours of the fault. There were no losses of water supply exceeding 8 hours.</p>
Customer Response times.	<ul style="list-style-type: none"> Install 85% of new connections within 10 working days of application, or by agreed alternative date. <p>Connections were installed in accordance with timeframes agreed with property owners.</p>
Asset maintenance renewal and capital works plans in Asset Management Plans.	<ul style="list-style-type: none"> Assets managed and operating according to levels of service. <p>Council maintains and updates asset management systems for water infrastructure, ensuring the desired level of service is achieved.</p>
Capacity.	<ul style="list-style-type: none"> Meet all peak demands for domestic purposes in a drought period (defined as 1 in 20 year return period). <p>The drought of 2001 had return periods for rainfall over the 3 months as follows -- Picton 50 year event; Blenheim 25 year event. During this time the Blenheim water supply did not require water restrictions and has not since then. Demand and levels of service are met. Picton generally meets demand and levels of service, however, has required short duration low level water restrictions during January to ensure elevated areas in Moana View Road maintain an adequate water supply. Capital works being undertaken during 2005 and future upgrading will ensure this performance target is met in future.</p>
Fire Hydrant Performance.	<ul style="list-style-type: none"> To meet flow requirements in at least 80% of hydrants for fire fighting in accordance with the risk classification of the New Zealand Fire Service Fire Fighting Water Supplies Code of Practice. <p>Areas tested to date show that in excess of 80% of hydrants meet flow requirements.</p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04		ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE			
Blenheim	1,821	1,959	1,772	Rates	5,465	5,697	5,271
Picton	822	750	650	Other Revenue	2,128	501	1,427
Renwick	163	164	158				
Havelock	115	120	115				
Awatere	222	265	250				
Riverlands	225	219	226				
Wairau Valley	23	22	19				
Southern Valleys	1,115	1,405	112				
Total Operating Costs	4,506	4,904	3,302				
Operating Surplus	3,087	1,294	3,396				
	7,593	6,198	6,698	Total Revenue	7,593	6,198	6,698

CAPITAL WORKS

Blenheim	593	1,997	391
Picton	522	484	206
Renwick	43	166	12
Havelock	6	17	77
Awatere	135	183	62
Riverlands	527	161	105
Southern Valleys	6,341	5	12,039
Total Capital Works	8,167	3,013	12,892

Note 1: Explanation of Cost of Service Variances

- Variances in the Other Revenue relate to Southern Valley Water contributions, vested assets and Blenheim connections and Network upgrade levies.

Note 2: Significant Capital Expenditure

- Southern Valleys' Irrigation Scheme began in 2004 and is intended to service more than 4,000 hectares of land to the south of Renwick. The costs of this scheme are funded from a combination of capital contributions and targeted rates.

Note 3: Significant Capital Expenditure Variances

- Variances in the Blenheim, Riverlands and Southern Valley Water expenditure relate to reprogrammed works.

Note 4:

Operating Costs as above	4,506	4,904	3,302
Less Internal Interest	1,543	554	707
Operating Costs as per Statement of Financial Performance	2,963	4,350	2,595

SOLID AND HAZARDOUS WASTE MANAGEMENT

What We Do & Why We Do It

Council provides waste management services for public health reasons and to protect the environment. Council is committed to a long-term goal of "zero waste and a sustainable Marlborough". This entails reducing the volume of waste that is being created in Marlborough, encouraging reuse of materials, and/or recycling materials into other products. Opportunities to recover any energy potentials, or other resources, are also explored. Where these options have been exhausted, are unavailable, or are not economically feasible, safe containment of some waste products may remain the optimal treatment.

As its first line of action for achieving zero waste, Council conducts education for waste minimisation and sustainability as well as providing support for research programmes and recycling initiatives. These programmes target schools, households, businesses, and industry.

Kerbside refuse collection is provided in Picton and Blenheim and waste transfer stations are operated at seven locations throughout Marlborough. Green waste composting facilities are provided at the Blenheim transfer station, along with a hazardous waste collection facility.

Waste for containment is transported to the regional landfill south of Blenheim on the Taylor Pass Road.

INDICATOR	TARGET 2004-2006
Diversion of organic waste from landfill.	<ul style="list-style-type: none"> Increasing proportion diverted (2003 base). <i>Despite a slight increase of approximately 3% in the proportion of putrescibles in the waste stream since 2003, the proportion is still well down on historic figures. Diversion of greenwaste is also showing a positive trend.</i>
Diversion of construction and demolition waste from landfill.	<ul style="list-style-type: none"> Increasing proportion diverted (2003 base). <i>Although the proportion of timber in the waste stream was significantly diminished, from 25% to around 10%, this was offset by an increase in the percentage of rubble. This is largely due to an increase in construction activity.</i>
Diversion of glass and plastics from landfill.	<ul style="list-style-type: none"> Increasing proportion diverted (2003 base). <i>Proportions of glass remained steady at around 4%. Plastics declined from approximately 17% to 13%.</i>

INDICATOR	TARGET 2004-2006
Recovery and recycling rates for hazardous wastes.	<ul style="list-style-type: none"> Increasing proportion recovered and recycled (2003 base). Hazardous wastes remain at less than 1% of the total waste stream reflecting high collection and diversion rates.
Environmental impact of landfill sites.	<ul style="list-style-type: none"> 100% compliance with resource consent conditions. 100% compliance achieved.

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE		
Landfill and Transfer Stations	2,268	2,267	2,030	Rates	1,697	1,645
Refuse Collection	829	789	814	Other Revenue	1,063	844
				General Revenues Applied	105	117
				Total Revenue	2,865	2,606
				Operating Deficit funded from Reserves	232	450
Total Operating Costs	3,097	3,056	2,844		3,097	2,844
CAPITAL WORKS						
Landfill and Transfer Stations	1,053	970	145			
Total Capital Works	1,053	970	145			

Note 1: Explanation of Cost of Service Variances

- Increased operating revenue relates to increased dump fees.

Note 2: Significant Capital Expenditure

- There has been expenditure incurred on further Landfill development.

Note 3: Significant Capital Expenditure Variances

- Capital works consist of the construction of stage 5 of the regional landfill and the recycling press.

Note 4:

Operating Costs as above	3,097	3,056	2,844
Less Internal Interest	426	379	404
Operating Costs as per Statement of Financial Performance	<u>2,671</u>	<u>2,677</u>	<u>2,440</u>

HARBOUR CONTROL

What We do & Why We Do It

Harbour control is undertaken primarily to ensure safety in Marlborough's waterways. 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 Council is tasked with the responsibility of addressing matters of navigation and safety within this area, as required in the Local Government Act 2002 and the Maritime Transport Act 1994.

The Maritime Transport Act 1994 also 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.

INDICATOR	TARGET 2004-2006
Marine farm compliance with lighting requirements.	<ul style="list-style-type: none"> Compliance with Marlborough District Council Bylaws and relevant Maritime legislation. <i>Lighting of individual marine farms is being reviewed as consent renewals are processed. This is seen as an opportunity to ensure a rationalisation of lights does occur and that the standard of lights is in accordance with the standard set by Maritime New Zealand.</i>
Annual increase compliance rates by 5% over 2002/03 levels.	<ul style="list-style-type: none"> Annual increase Reports of non-compliance investigated and responded to within five working days. <i>Compliance of marine farm lighting has been taken up by the Marine Farming Association who survey compliance of all members and report to Council issues on an as required basis for enforcement. No enforcement action was required of Council this past year.</i>
Condition of navigation aid network.	<ul style="list-style-type: none"> Leading lights inspected quarterly, remaining lights bi-annually. <i>All navigation aid inspections and maintenance was carried out under contract with the contractor submitting reports on a monthly basis. All lights were inspected as required by the contract.</i> Repair outages within 24 hours. <i>During the course of the year 9 outages were reported and dealt with in the time frames specified in the contract.</i>
Accidents, injuries, and drowning.	<ul style="list-style-type: none"> Annual decline. <i>General awareness of the Navigation Safety Bylaws was a specific target of the summer patrol particularly over the 2004/2005 holiday period through the establishment of a dedicated patrol on a daily basis during the peak holiday periods. At other times those patrols were maintained over weekends from November through to the end of April. Reported breaches were investigated, where possible, with education being the preferred course of action taken. Public response to this approach was generally favourable.</i>
Numbers of training exercises.	<ul style="list-style-type: none"> At least one desk-top marine oil spill response management exercise conducted annually. <i>A desk-top exercise involving the management team was completed in June 2005. The team was set a number of objectives as an exercise outcome and achieved those in an efficient and timely manner.</i> At least one water equipment deployment exercise conducted annually. <i>An equipment exercise utilising locally stored response equipment was run in March 2005.</i>
Time to respond.	<ul style="list-style-type: none"> Oil spill reports evaluated within one hour of notification. <i>A total of 10 oil spills were reported and investigated during the course of the year. Generally the spills related to bilge discharges of light grade fuels, naturally evaporating without further action being required.</i>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04		ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE			
Harbour Control	687	752	523	Rates	369	528	367
				General Revenues Applied	50	67	
				Other Revenue	205	107	178
Total Operating Costs	687	752	523	Total Revenue	624	702	545
Operating Surplus	-	-	22	Operating Deficit Funded from Reserves	63	50	0
	687	752	545		687	752	545
CAPITAL WORKS							
Harbour Control	103	25	180				
Total Capital Works	103	25	180				

Note 1: Explanation of Cost of Service Variances

- The favourable variance in other revenue relates to increased navigation aid levies.

Note 2: Significant Capital Expenditure

- There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances

- The increased capital includes the purchase of a vehicle and navigation aids.

CONSENTS AND COMPLIANCE

What We Do & Why We Do It

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.

REGULATORY

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

The majority of resource consents are approved subject to conditions. Council works closely with consent holders to ensure compliance.

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 and inspection of premises and enforcement of standards to ensure compliance with the Health Act 1956, Sale of Liquor Act 1989, Local Government Act 2002, Dangerous Goods Act 1974 and Hazardous Substance and New Organisms Act 1996 and Council Bylaws. Council is also responsible for the abatement of nuisances, control of pollution to air and land, and environmental noise monitoring.

INDICATOR	TARGET 2004-2006
Timeframes for regulatory licensing and consent processing.	<ul style="list-style-type: none"> • Hold or decline in processing times (2003 base). <p><i>Buoyant economic times have seen a significant increase in the number of resource and building consent applications. The number of consents and the complexity of applications received have significantly increased Council's workload. Council staff have responded well to the increased pressures and workload and have sought to ensure customers have been kept informed of the progress of their applications. The increase in the number of notified consents and longer timeframes is symptomatic of the increased number going to a hearing. Of those applications that are notified 35% resulted in a hearing. Council has been running up to three hearings a week to keep up. It should also be noted that the statistics are for applications received.</i></p>

INDICATOR TARGET 2004-2006

Many applications are for multiple consents which make them more complex to process. Council is a unitary authority which means that regional and district consents can be processed together and at one time.

Resource Consents

	Applications Decided 2003/04	Timeframe Compliance 2003/04	APP Decided 2004/05	Timeframe 2004/05
Not required to be notified to the public	1,446	50%	809	53%
Notified	470	35%	302	41%
Limited Notification	39	97%	46	30%

Building Consents

Total consents issued 2,297 – up 146 (6.8%) from last year.

Consents issued for applications less or equal to \$500,000 in value were 2,248 with 639 being issued within the 10 days target.

Consents issued where value was greater than \$500,000 was 49, with 10 issued within the 20 day target.

Over the year peaks in the number of building consents made it difficult to meet target timeframes. Extra resources and additional effort by staff have brought the timeframes back within targets.

Liquor Licences

695 liquor licensing applications were received in 2004/05. 94% were processed in accordance with statutory timeframes.

<p>Compliance with resource consent conditions.</p>	<ul style="list-style-type: none"> Maintain a database for the monitoring of resource consents. Achieved. Monitoring schedules are checked on a monthly basis and assigned to staff to follow up.
<p>Compliance with public health standards.</p>	<ul style="list-style-type: none"> Carry out at least one inspection annually of all registered food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders. 367 premises were registered and 321 inspections were carried out. 83% of all premises registered were inspected.
<p>Compliance with safety standards for dangerous goods.</p>	<ul style="list-style-type: none"> Carry out at least one inspection annually of all premises where dangerous goods are manufactured, stored or used. Under the Hazardous Substances and New Organisms Act Council is only responsible for ensuring the safety of hazardous substances stored on premises such as private dwellings and public places. As Council does not have any premises that trigger the controls for private dwellings or are public places that are not also work places, no inspections were carried out.
<p>Responsiveness to complaints of 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 21 days of receipt. A total of 1361 requests for action were received by the Regulatory Department (includes fire hazards and after hours noise complaints). 1309 were actioned within the target timeframe. Compliance 96.18%.

INDICATOR	TARGET 2004-2006
Pollution incidences, environmental noise, and nuisances within the community.	<ul style="list-style-type: none"> Respond to and investigate incidents that threaten public health within two working days. <p><i>A total of 973 requests for action were received by the Environmental Health Section concerning pollution incidences, environmental noise and nuisances within the community. All were actioned within the target timeframe.</i></p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE		
Resource Consents	2,339	2,085	2,177	Rates	2,032	1,932
Building Consents	1,200	982	1,028	Other Revenue	2,589	1,957
Resource Consent Hearings	963	523	636	General Revenues Applied	262	260
Environmental Health	313	329	308			
	4,815	3,919	4,149	Total Revenue	4,883	4,149
Operating Surplus	68	1	-			
Total Operating Costs	4,883	3,920	4,149		4,883	4,149
CAPITAL WORKS						
Resource Consents	-	4	2			
Building Consents	-	1	5			
Resource Consent Hearings	2	2	7			
Environmental Health	1	-	1			
Total Capital Works	3	7	15			

Note 1: *Explanation of Cost of Service Variances*

- *The favourable variance in the Other Revenue is due to increased demand in consent applications, which in turn has resulted in additional Consents and Hearing costs.*

Note 2: *Significant Capital Expenditure*

- *There has been no significant capital expenditure.*

Note 3: *Significant Capital Expenditure Variances*

- *There are no significant variances.*

ENVIRONMENT

What We Do & Why We Do It

The Environment function of Council is carried out in terms of the requirements of the Resource Management Act 1991 (RMA). This function requires the monitoring and reporting on the state of Marlborough's environment - its land, air, water and coastal resources; and for preparation, and review, at not less than 10 year intervals, of policy for managing the natural and physical resources of Marlborough. Ensuring the ongoing involving of the community in defining issues, developing policy, and through to implementing best practice methods to manage issues is an important part of the function.

Measuring Progress

Measuring progress is primarily achieved through state of environment reporting on regionally significant issues set out in the Marlborough Regional Policy Statement. To date, a formal state of environment report has been prepared annually, in the year following the reporting period. The latest report, prepared in this reporting year, is for the 2003/04 period. A formal state of environment report will be prepared for the 2004/05 year. The format for future reporting on state of environment is under review.

State of Environment

- Production of Marlborough State of the Environment Report for the 2003/04 year.

Air

- Air quality monitoring programme and database. Reports and website information. Development of a regulated air shed for Blenheim to support the National Environmental Standards for Air.

Freshwater

Rainfall and River Flows

Water allocation review

- This applies to both surface and groundwater. Consultation arranged for the Flaxbourne, Awatere, Omaka, Tuamarina, Waihopai, Coastal aquifers, and Riverlands catchment communities.

Recreational Bathing Water

- Bathing water quality monitoring programme. Reports and website information.

Surface Water Quality

- Establishing a Regional Action Plan for implementing the Clean Streams Accord relating to dairy farming in Marlborough, including Council's stream crossings initiative.

Aquatic vegetation and pest fish

Wetlands

Groundwater

- Water quality investigations – reports on:
Salinity and sodicity issues; Environmental risk assessment of CCA leaching from treated vineyard posts; A hydro-geological study of the Rarangi area with reference to arsenic contamination; Sheep dip investigations at Rarangi, Marlborough; Review of the Marlborough regional groundwater quality monitoring programme; Nitrogen-15 study in relation to Blenheim and Renwick groundwater.
- Water quantity investigations – reports on:
Wairau aquifer management review; Hydro-geological investigation of the southern springs, Wairau Plain; Stream depletion.

Land

Plan changes and variations

- Variation 38 to the Proposed Wairau/ Awatere Resource Management Plan – Rural 3 Zone review – public consultation undertaken, facilitated through a published discussion document, media brochure.
- Plan changes to the Marlborough Sounds Resource Management Plan – 7 – Onsite discharges of domestic waste water, 9 - update and correct zonings and heritage information, and 13 (Special Subdivision Rule) to the Marlborough Sounds Resource Management Plan – consultation processes, and formal notification of changes.
- Production of guidelines for new on-site waste water management systems; "Looking after your septic tank" brochure.
- Study of pressures and trends, and availability commercial and industrial land in the Wairau/ Awatere Resource Management Plan area.
- Study into emerging pressures on the Rural 4 Zone land resource.
- Study into options for the sustainable management of commercial forestry in the Marlborough Sounds.
- Monitoring urban residential growth trends in Blenheim.

Environmental enhancement

- Marlborough Rural Environment Awards, presentation dinner and a series of field days run in May/June 2005.
- Significant Natural Areas Survey continued in Marlborough Sounds - 20 property reports produced for landowners.
- Survey and report on Old Mans Beard in South Marlborough completed. Native Planting Guide for South Marlborough completed and publicly launched and distributed. Summary Report on the South Marlborough Significant Natural Areas Ecological Survey.

Contaminated sites

- Remediation Action Plan for Weld Pass aviation fuel spill site. Annual monitoring of former Blenheim gasworks site completed.
- Rarangi Sheep dip site - two reports - Investigation and Remediation Action Plan.

Natural Hazards

- Plan change 12 to the Marlborough Sounds Resource Management Plan – Permitted Activity Hazards Rule.

Coastal Environment

Recreational bathing water

- Water quality monitoring programme. Reports and website information.

Plan changes - Domestic Waste Water

- Variation 3 to the Marlborough Sounds Resource Management Plan – Shipping Activity in the Marlborough Sounds – Hearings and decisions on submissions.

Aquaculture law reform

- Engagement in legislative processes including appearing before select committee hearings.

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04		ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS				REVENUE			
Environment Policy	1,182	1,348	1,135	Rates	2,320	2,297	2,012
Environment Monitoring	1,399	1,323	1,606	Other Revenue	40	0	76
	2,581	2,671	2,741	General Revenues Applied	304	298	653
Operating Surplus	83	(76)	0				
Total Operating Costs	2,664	2,595	2,741		2,664	2,595	2,741
CAPITAL WORKS							
Environment Monitoring	49	49	38				
Total Capital Works	49	49	38				

Note 1: Explanation of Cost of Service Variances

- The favourable variance in total operating costs compared to budget is primarily due to reprogrammed projects carried forward to 2005/06.

Note 2: Significant Capital Expenditure

- There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances

- There are no significant variances.

ANIMAL AND PLANT PESTS – (BIOSECURITY)

What We Do & Why We Do It

This activity helps ensure the economic and ecological sustainability of the District. Council carries out pest management in accordance with National and Regional Pest Management Strategies, prepared in conjunction with stake holders and in compliance with the Regional Policy Statement, and with the Biosecurity Act 1993 and Resource Management Act 1991.

The Regional Pest Management Strategy defines and classifies pests in the region into four categories:

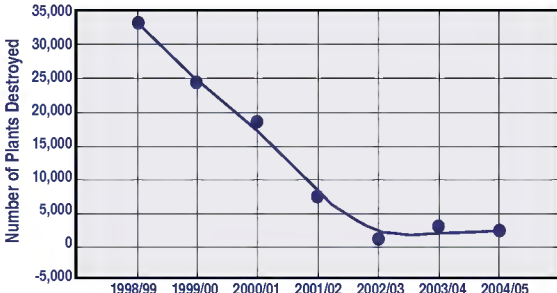
- **Total Control Pests** – pests to be eradicated throughout the region. The onus for control is shared between the land occupier and Council.
- **Containment Pests** – pests that require control to prevent that spread and to reduce overall pest density levels over time. The control of these pests is a legal obligation for the land occupier.
- **Surveillance Pests** – pests which have significance but where the only control is the banning of sale, propagation and distribution. Council provides advice and education as well as carrying out monitoring of that impact and distribution.

- **Ecological Threats** – pests that are regarded as being widely distributed and have been acknowledged as a threat to ecological values. Possible future pest control may be directed at sites with significant ecological values.

The responsibility for controlling pests lies primarily with land occupiers. A major part of Council’s pest management activity is therefore directed towards providing advice to land occupiers on identifying and controlling pests and monitoring to ensure compliance with pest control programmes.

The Council also has a responsibility to provide a service to the Animal Health Board, under a National Pest Management Strategy to reduce the impact of bovine tuberculosis. This involves managing and controlling the feral vectors, such as possums and stoats, that carry this disease. Central Government and Council provide funding for this programme, along with other stakeholders.

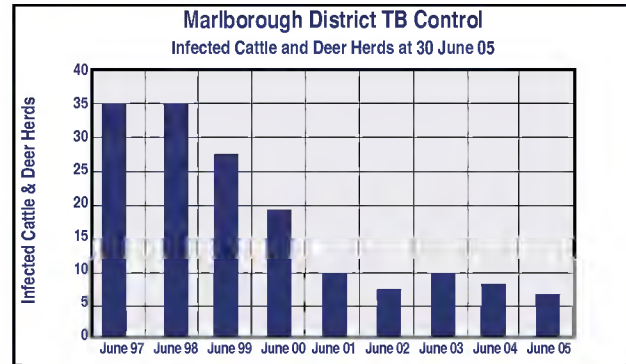
Further information is available by viewing Council’s Regional Pest Management Strategy or the Biosecurity activities on Council’s website or by directly contacting Council for a copy of the regional Pest Management Strategy Operational Plan or Operational Plan Report.

INDICATOR	TARGET 2004-2006																
Long-term (5 year +) trends in containment control plant pests.	<ul style="list-style-type: none"> • No new infestations outside known areas. 																
Long-term (5 year +) trends in total control pests.	<ul style="list-style-type: none"> • Measurable decline over time. 																
Land occupier compliance.	<ul style="list-style-type: none"> • 100% compliance where containment control pests exist and control is required under the Regional Pest Management Strategy. <p><i>68% of known containment plant pest sites were inspected to determine pest status and ensure land occupiers complied with control programmes and strategy rules. All these occupiers complied with their obligations. All known sites of total control pests were visited at least once to instigate control measures. Trend monitoring of total control plant pest populations indicate a measured decline of pests destroyed over a six year period.</i></p> <div data-bbox="821 1176 1441 1534" style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Regional Pest Management Strategy Total Control Plant Pests - excluding Eel Grass & Boneseed</p>  <table border="1" style="display: none;"> <caption>Data for Regional Pest Management Strategy Graph</caption> <thead> <tr> <th>Year</th> <th>Number of Plants Destroyed</th> </tr> </thead> <tbody> <tr> <td>1998/99</td> <td>33,000</td> </tr> <tr> <td>1999/00</td> <td>24,000</td> </tr> <tr> <td>2000/01</td> <td>18,000</td> </tr> <tr> <td>2001/02</td> <td>7,000</td> </tr> <tr> <td>2002/03</td> <td>1,000</td> </tr> <tr> <td>2003/04</td> <td>2,000</td> </tr> <tr> <td>2004/05</td> <td>2,000</td> </tr> </tbody> </table> </div> <p><i>Surveillance data collected during the last four year period indicates that a total of 33 new containment plant pest sites existed previously and are now under control. Twelve property occupiers were served with ‘Notices of Directions’ for non-compliance with either control programmes and/or the strategy rules. Further detailed performance and monitoring information can be sourced from the Regional Pest Management Strategy for Marlborough Operational Plan Report 2004/05.</i></p>	Year	Number of Plants Destroyed	1998/99	33,000	1999/00	24,000	2000/01	18,000	2001/02	7,000	2002/03	1,000	2003/04	2,000	2004/05	2,000
Year	Number of Plants Destroyed																
1998/99	33,000																
1999/00	24,000																
2000/01	18,000																
2001/02	7,000																
2002/03	1,000																
2003/04	2,000																
2004/05	2,000																
Numbers of Tb infected herds.	<ul style="list-style-type: none"> • No feral animal infected herds outside existing risk areas. • Hold or decline in the number of feral animal infected herds in existing risk areas. <p><i>No cattle or deer herds were recorded as infected with Bovine Tb from feral vectors in the designated vector free area as at 30 June 2005.</i></p>																

INDICATOR

TARGET 2004-2006

A total of seven infected cattle and/or deer herds were recorded as at 30 June 2005.



Information source: Animal Health Board.

Possum populations in operational areas.

- Maintain to less than or equal to the residual trap catch level stipulated in the operational plan.

A total of 15 possum control operations covering approximately 281,298ha of the District were completed. All monitoring targets (residual trap catch) were met with the exception of part of an operation in the Wairau Waihopai. This component of the operation was discontinued subsequent to correction works occurring on three separate occasions.

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS						
Regional Pest Control	605	577	561			
Bovine TB Control	2,519	2,748	3,192			
Total Operating Costs	3,124	3,325	3,753			
Operating Surplus	22	-	-			
	3,146	3,325	3,753			
REVENUE						
Rates				751	749	778
Subsidies				1,882	2,083	2,461
Other Revenue				411	361	443
General Revenues Applied				102	97	71
Total Revenue				3,146	3,290	3,753
Operating Deficit funded from Reserves				0	35	0
				3,146	3,325	3,753
CAPITAL WORKS						
Bovine TB Control	-	-	3			
Total Capital Works	-	-	3			

Note 1: Explanation of Cost of Service Variances

- Expenditure and subsidy income are less than budget due to Central Government approving a lesser TB programme than was originally budgeted.

ANIMAL CONTROL

What We Do & Why We Do It

Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1995, and Animal Control Bylaws. This includes control of dogs, stock on public roads and other domestic animals. A large part of the activity involves dogs and dog registrations.

INDICATOR	TARGET 2004-2006
Response times.	<ul style="list-style-type: none"> Attend to dog attacks and rushes which have just occurred within 1 hour. Attend to possible threats to public safety within 5 hours. Attend to complaints of general nuisance within 48 hours. Investigate all other complaints within two working days. <p>The Animal Control function is contracted by Council to a private company. The targets for response times to incidents of dog attack, threat and /or nuisance form part of the specifications and performance criteria for the contract.</p> <p>All incidents over the past 12 months had been responded to within the required timeframes or to the satisfaction of Council given the circumstances of individual incidents.</p>
Cost recovery rates.	<ul style="list-style-type: none"> Recover all dog control costs through registration fees and fines. <p>Achieved.</p>

Cost of Services - \$000's	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04	ACTUAL 2004/05	BUDGET 2004/05	LAST YEAR 2003/04
OPERATING COSTS						
Animal Control	332	295	286			
Operating Surplus	111	2	(9)			
	443	297	277			
REVENUE						
Rates				51	51	
User Charges				385	240	277
General Revenues Applied				7	6	
	443	297	277			
CAPITAL WORKS						
Animal Control	10	-	-			
Total Capital Works	10	-	-			

Note 1: Explanation of Cost of Service Variances

- Increased user charges resulted from the increased Dog registration fee. The increased fee was necessitated from increased operating costs.

Note 2: Significant Capital Expenditure

- There has been no significant capital expenditure.

Note 3: Significant Capital Expenditure Variances

- There are no significant variances.

MARLBOROUGH REGIONAL FORESTRY (Joint Committee)

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 \$26.4 million as at 30 June 2005.

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 80,000m³.

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	TARGET 2004-2006
To ensure the programme of timber extraction maximises return on investment.	<ul style="list-style-type: none"> Harvesting strategy maintained. <i>Achieved. Economic conditions in particular the exchange rate and shipping costs have meant the harvesting programme was deferred during 2004/2005.</i> Operating plans for pruning, maintenance and replanting reviewed annually. <i>Achieved.</i>

COUNCIL CONTROLLED ORGANISATION

MDC Holdings Limited

MDC Holdings is a council-controlled trading organisation (CCTO) and is owned 100% by the Marlborough District Council. Council established MDC Holdings Limited for the purposes of separating the commercial trading activities of the Council from the other functions carried out by the Council; to provide the means for bringing the main trading enterprises of the Marlborough District Council together into one structure; and to obtain commercial borrowing facilities at the most attractive rates attainable.

Port Marlborough New Zealand Limited is a subsidiary of MDC Holdings. 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.

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	TARGET 2004-2006
To operate as a successful holding company.	<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>Achieved.</i>

STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance for the year ended 30 June

	NOTES	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL		
		ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL
		2004/05	2003/04	2004/05	2004/05	2003/04
		\$000's	\$000's	\$000's	\$000's	\$000's
EXPENDITURE						
Democratic Process		2,023	1,975	2,023	1,942	1,975
Community Services	(2)	6,311	5,873	6,311	6,431	5,873
Regional Development		829	784	829	938	784
Emergency Management		521	509	521	542	509
Land Transport	(2)	11,185	10,360	11,185	10,102	10,360
Rivers and Drainage		3,242	3,305	3,242	2,803	3,305
Wastewater (Sewerage)	(2)	2,309	2,305	2,309	2,984	2,305
Stormwater	(2)	614	611	614	681	611
Water Supply	(2)	2,963	2,595	2,963	4,350	2,595
Solid and Hazardous Waste Management	(2)	2,671	2,440	2,671	2,677	2,440
Harbour Control		687	523	687	752	523
Consents and Compliance		4,815	4,149	4,815	3,919	4,149
Environment		2,581	2,741	2,581	2,671	2,741
Biosecurity		3,124	3,753	3,124	3,325	3,753
Animal Control		332	286	332	295	286
		44,207	42,209	44,207	44,412	42,209
Subvention Payment to MDC Holdings		0	0	0	619	441
General District Expenses	(2)	1,215	1,083	1,215	935	1,083
Marlborough Regional Forestry Expenditure		2,718	1,900	2,718	552	1,900
Total Expenditure Council Services		48,140	45,192	48,140	46,518	45,633
SUBSIDIARIES EXPENDITURE						
MDC Holdings (Consolidated)		11,106	9,762	0	0	0
Total Expenditure	(1)	59,246	54,954	48,140	46,518	45,633
REVENUE						
Rates	(6A)	34,389	31,980	34,572	34,349	32,201
Subsidies and Grants	(6B)	7,671	6,340	7,671	6,046	6,340
Interest	(6C)	1,002	721	1,002	1,426	1,542
Dividends	(6D)	9	0	9	1,080	77
Subvention Payments		0	0	0	0	0
Other Income	(6E)	17,890	12,825	18,143	8,900	13,035
Marlborough Regional Forestry	(6F)	4,359	3,612	4,359	4,551	3,612
Total Revenue Council Services		65,320	55,478	65,756	56,352	56,807
SUBSIDIARIES REVENUE						
MDC Holdings Limited (Consolidated)		15,514	14,933	0	0	0
Total Revenue		80,834	70,411	65,756	56,352	56,807
Operating Surplus / (Deficit)		21,588	15,457	17,616	9,834	11,174
Assets vested in Council from Subdivisions		4,142	1,365	4,142	0	1,365
Building Revaluation Adjustment		0	3,734	0	0	3,734
Surplus / (Deficit)		25,730	20,556	21,758	9,834	16,273
Less Taxation	(7)	1,389	1,505	0	0	0
Net Surplus / (Deficit) After Taxation		24,341	19,051	21,758	9,834	16,273

STATEMENT OF MOVEMENTS IN EQUITY

Statement of Movements in Equity for the year ended 30 June

	NOTES	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL		
		ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL
		2004/05	2003/04	2004/05	2004/05	2003/04
		\$000's	\$000's	\$000's	\$000's	\$000's
Equity at the beginning of the year		618,418	565,783	607,603	565,527	557,746
Surplus and Revaluations						
Net surplus for the period		24,341	19,051	21,758	9,834	16,273
Revaluation of Fixed Assets	(9)	(2,251)	33,584	(2,251)	0	33,584
Total recognised revenues and expenses		22,090	52,635	19,507	9,834	49,857
Closing Ratepayers Equity		640,508	618,418	627,110	575,361	607,603

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at year ended 30 June

	NOTES	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL		
		ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL
		2004/05	2003/04	2004/05	2004/05	2003/04
		\$000's	\$000's	\$000's	\$000's	\$000's
RATEPAYERS' EQUITY AND MINORITY INTERESTS						
Accumulated funds	(8)	446,435	425,773	435,653	425,684	417,572
Ordinary and Council Created Reserves	(8)	25,012	22,851	22,396	14,041	20,235
Restricted Reserves	(8)	10,134	7,292	10,134	7,292	7,292
Revaluation Reserve	(9)	158,927	162,502	158,927	128,344	162,504
Total Ratepayers Equity		640,508	618,418	627,110	575,361	607,603
<i>Represented by:-</i>						
CURRENT ASSETS						
Cash and Deposits	(10)	13,417	12,110	11,403	4,248	9,907
Receivables and Prepayments	(11)	8,783	6,603	6,451	6,286	5,215
Stocks		338	352	136	141	166
Tax refund due		410	76	0	0	0
Properties for Sale		468	603	468	0	603
		23,416	19,744	18,458	10,675	15,891
CURRENT LIABILITIES						
Bank Current Account		968	0	968	0	0
Payables and Accruals	(16)	10,179	10,394	8,282	4,146	8,975
Deposits Trusts and Agencies	(17)	1,330	1,858	1,330	5,484	1,858
Provision for Taxation		15	37	0	0	0
Current portion of Term Liabilities	(18)	1,062	842	1,062	0	842
		13,554	13,131	11,642	9,630	11,675
Working Capital		9,862	6,613	6,816	1,045	4,216
NON CURRENT ASSETS						
Deferred Taxation	(7)	490	404	0	0	0
Investments	(13)	6,113	6,924	13,113	24,313	14,364
Fixed Assets	(12)	660,269	639,911	609,114	574,529	591,314
		666,872	647,239	622,227	598,842	605,678
Less Non Current Liabilities	(18)	36,226	35,434	1,933	24,526	2,291
Net Assets		640,508	618,418	627,110	575,361	607,603

Signed on behalf of Council by



Andrew Besley
Chief Executive
25 October 2005



Alistair Sowman
Mayor
25 October 2005

STATEMENT OF CASHFLOWS

For the Year Ended 30 June 2004

	NOTES	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
		ACTUAL	ACTUAL	ACTUAL	ACTUAL
		2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
OPERATING ACTIVITIES					
CASH WAS PROVIDED FROM:					
Rates		34,394	31,947	34,577	32,167
Monies from deposits, agency and in trust		1,541	2,926	1,541	2,926
Receipts from customers		39,266	40,058	25,511	24,687
Interest received		947	684	947	2,251
Dividends		9	0	9	77
Net GST		534	0	316	0
		76,691	75,615	62,901	62,108
CASH WAS DISBURSED TO:					
Payments to suppliers and employees		45,189	45,449	38,842	39,114
Interest paid		2,405	1,887	90	116
Deposits, agency, trust fund money refunded		2,069	2,162	2,069	2,162
Taxes paid		1,831	1,285	0	0
Net GST		0	953	0	948
		51,494	51,736	41,001	42,340
Net Cash Flows from Operations	(20)	25,197	23,879	21,900	19,768
INVESTING ACTIVITIES					
CASH WAS PROVIDED FROM:					
Sale of assets		7,757	342	7,757	300
Proceeds from sale of investments		3,091	13,839	3,091	13,839
		10,848	14,181	10,848	14,139
CASH WAS SUPPLIED TO:					
Purchase of fixed and forestry assets		34,206	27,487	30,210	23,718
Purchase of investments		2,280	13,329	1,840	7,029
		36,486	40,816	32,050	30,747
Net Cash Flow from Investing Activities		(25,638)	(26,635)	(21,202)	(16,608)
FINANCING ACTIVITIES					
CASH WAS PROVIDED FROM:					
Term Liabilities		950	7,700	0	0
		950	7,700	0	0
CASH WAS APPLIED TO:					
Repayment of term liabilities		170	1,386	170	498
		170	1,386	170	498
Net Cash Flow from Financing Activities		780	6,314	(170)	(498)
Net Increase / (Decrease) in Cash		339	3,558	528	2,662
Add opening cash		12,110	8,552	9,907	7,245
Ending Cash Balance		12,449	12,110	10,435	9,907
REPRESENTED BY:					
Cash and Bank		2,954	2,889	940	686
Bank Overdraft		(968)	0	(968)	0
Short Term Investments		10,463	9,221	10,463	9,221
		12,449	12,110	10,435	9,907

STATEMENT OF COMMITMENTS AND CONTINGENCIES

Commitments:

(A) Council

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 2005. Total commitments for Council are 2004/2005 \$5,792,542 (2003/2004 \$7,568,632).

A summary of commitments is as follows:

Office Services - Administration Building Extension	
• Building	\$756,294
• Architect Fees	\$37,280
• Furniture & Fittings	\$71,976
Reserves	
• Riverside Park	\$64,555
• Taylor River Walkway	\$36,236
Land Transport	
• Renwick Power Undergrounding	\$218,716
Rivers and Land Drainage	
• Town Branch Drain	\$12,177
Services and Operations	
• Mowat Street Stormwater Upgrade	\$153,155
• Colemans Road reconstruction/services	\$262,496
• Waipuna Street upgrade	\$337,148
• Renwick Sewerage scheme - Contract 03/24	\$3,141,341
• Renwick Sewerage scheme - Contract 03/45	\$435,663
• Renwick Sewerage & Stormwater schemes - Professional services	\$47,295
Waste Management	
• Regional Landfill Construction (stage 5)	\$218,210
TOTAL	\$5,792,542

Intentions to Commit:

Your attention is drawn to the Marlborough District Annual Plan for July 2005 to June 2006. 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.

(B) Port Marlborough

Total capital expenditure contracted for at balance date but not provided for in the accounts \$1,784,000 (2004: \$141,000).

Contingencies and Guarantees:

The following loan guarantees have been provided by Council:

• Marlborough Hockey Association	\$70,000
• Awatere Settlers Association	\$20,000

As at 30 June 2005 Council has issued uncalled share capital from MDC Holdings of \$40,000,000 (2003/04 \$40,000,000).

As at 30 June 2005 there are no contingent assets (2004 – nil).

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**

NOTES TO THE FINANCIAL STATEMENTS

NOTES - \$000's

1 Expenditure Disclosures

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Audit Fees				
- Audit NZ	81	86	75	78
- Other Auditors	28	23	0	0
- Other Services	10	0	5	0
Bad Debts				
- Write-offs	196	166	180	144
- Increase in Provision	(17)	85	(17)	85
Councillors and Directors Fees	582	577	449	430
Depreciation / Amortisation				
- Landfill	586	546	586	546
- Bridges	593	592	593	592
- Buildings	724	522	450	313
- Carparks	46	42	46	42
- Library books	139	137	139	137
- Office Equipment, Furniture and Equipment	840	819	730	710
- Parking Meters	36	35	36	35
- Plant Machinery and Equipment	559	522	230	187
- Public Conveniences	26	9	26	9
- Reserves	108	61	108	61
- River Works	93	89	93	89
- Roads and Streets	3,805	3,533	3,506	3,296
- Sewerage schemes	593	581	593	581
- Stormwater Drainage Systems	284	278	284	278
- War Memorials	2	1	2	1
- Water Supply Schemes	723	700	723	700
- Wharves	807	691	0	0
Loss/(Gain) on Sale	(2,808)	72	(2,808)	72
Grants and Donations	1,449	1,260	1,422	1,235
Interest Expense	2,405	1,887	90	116
Lease of Equipment	493	541	424	465
Rentals	58	15	58	15

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	Marlborough District Council	
	2004/05 \$000's	2003/04 \$000's
Community Amenities / Services	209	100
Land Transport and Other Services	598	621
Sewerage	763	561
Stormwater	209	221
Waste Management	426	404
Water	1,543	707
Commercial and Other Property	0	130
General District Expenses	10	13
Total Elimination	3,758	2,757

3 Remuneration of Elected Members

During the year to 30 June 2005, the total remuneration and value of other non-financial benefits received by or payable to the Mayor and other Councillors were as follows:

	\$
Tom Harrison	30,768
Alistair Sowman	75,169
Jenny Andrews	27,782
Andrew Barker	39,436
Cliff Bowers	27,030
Jill Bunting	26,834
Cherlyn Cairns	11,833
Frank Connor	20,384
John Craighead	23,794
Liz Davidson	34,210
David Dew	9,925
Gerald Hope	20,455
Francis Maher	33,304
Ian Mitchell	12,305
Pat O'Sullivan	13,767
Graeme Taylor	13,767
Nigel Weetman	13,767
Graeme Barsanti	23,692
Larry Pigou	6,617
	464,839

4 Remuneration of the Chief Executive

For the year ended 30 June 2005, the Chief Executive of the Marlborough District Council, appointed under Section 42 (1) of the Local Government Act 2002, received a total remuneration package of \$217,725. For the year ended 30 June 2004, the total remuneration package was \$203,283. (The remuneration package includes an assessed benefit for the use of a motor vehicle and fringe benefit tax thereon).

5 Severance Payments

In accordance with Schedule 10, section 19 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made as defined under that legislation.

For the year ended 30 June 2005, the Council did not make any payments that required disclosure under the Local Government Act 2002 (2004: Nil)

6 Reconciliation of Total Revenue

ACTIVITY	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
A) Rates				
Total Significant Activity Rates	34,622	32,183	34,622	32,183
Inter Company Eliminations	(233)	(203)	(50)	(18)
Total Rates	34,389	31,980	34,572	32,201
B) Subsidies and Grants				
Total Subsidies and Grants	7,671	6,340	7,671	6,340
C) Interest				
Total Significant Activity Interest	309	261	309	261
Other Revenues				
Other MDC Activities	693	460	693	781
MDC Holdings Revenue	0	0	0	500
Total Interest	1,002	721	1,002	1,542
D) Dividend Income	9	0	9	77
E) Other Council Income				
Significant Activity Other Income (excluding vested assets income)	11,678	9,513	11,678	9,513
Other Revenues				
Land Subdivision Revenues	1,780	1,211	1,780	1,211
Development Impact Levies	341	284	341	284
Other MDC Activities	4,344	2,027	4,344	2,027
Inter Company Eliminations	(253)	(210)	0	0
Total Council Other Income	17,890	12,825	18,143	13,035
F) Marlborough Regional Forestry	4,359	3,612	4,359	3,612
Total Revenue	65,320	55,478	65,756	56,807

7 Taxation

Profit Before Taxation	25,730	20,556	21,758	16,273
Prima Facie Tax at 33%	8,491	6,783	7,180	5,370
Plus (less) effect of permanent differences	(7,102)	(5,278)	(7,180)	(5,370)
Over provision in previous years	0	0	0	0
• Less Imputation tax credit adjustment	0	0	0	0
	1,389	1,505	0	0
Comprising: Current tax	1,475	1,604	0	0
Deferred tax	(86)	(99)	0	0
	1,389	1,505	0	0

Tax losses of \$1,025,558 (2004: \$666,998) with a tax benefit of \$338,434 (2004: \$219,000) have been transferred to Port Marlborough NZ Ltd via group loss offset.

DEFERRED TAX ACCOUNT

Opening balance	404	305	0	0
Current year's movement	86	99	0	0
Closing balance	490	404	0	0

TAX IMPUTATION ACCOUNT

Opening Balance	11,848	10,646	0	0
Credits:				
Income tax payments	1,612	1,632	0	0
Imputation credits attached to dividends paid or payable	0	(38)	0	0
Income tax refund	0	(392)	0	0
Imputation credits attached to dividends received	0	0	0	0
Closing balance	13,460	11,848	0	0

At 30 June, the imputation credits available to the shareholders of the parent Company were:

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Through Direct Shareholding in the Parent Company	3,170	2,494	0	0
Through indirect interest in the Subsidiaries	10,290	9,354	0	0
Closing balance	13,460	11,848	0	0

- The Council's financial statements report dividends net of imputation tax credits.

8 Movements in Equity

Reserves, Special and Separate Funds

Accumulated Fund

Opening Balance	425,771	407,399	417,572	401,978
Surplus / (deficit)	24,341	19,051	21,758	16,273
Transfers (To) / From Reserves	(3,677)	(679)	(3,677)	(679)
Closing Balance	446,435	425,771	435,653	417,572

Ordinary and Council Created Reserves

Opening Balance	22,851	23,851	20,235	21,235
Transfers (To) / From Accumulated Fund	2,161	(1,000)	2,161	(1,000)
Closing Balance	25,012	22,851	22,396	20,235

Restricted Reserves

Opening Balance	7,292	5,613	7,292	5,613
Transfers (To) / From Accumulated Fund	2,842	1,679	2,842	1,679
Closing Balance	10,134	7,292	10,134	7,292

9 Revaluation Reserve

Opening Balance				
- Land	58,790	28,903	58,790	28,903
- Buildings and Improvements	6,482	0	6,482	0
- Forestry Crop	16,506	19,291	16,506	19,291
- Roading	29,707	29,707	29,707	29,707
- Bridges	134	134	134	134
- Rivers	18,926	18,926	18,926	18,926
- Sewerage	8,947	8,947	8,947	8,947
- Stormwater	11,336	11,336	11,336	11,336
- Water	10,572	10,572	10,572	10,572
- Car Parks	1,104	1,104	1,104	1,104
- Plant & Equipment	0	0	0	0
- Investments	0	0	0	0
Plus Revaluations	0	0	0	0
- Land	82	29,889	82	29,889
- Forestry Crop	(2,333)	(2,785)	(2,333)	(2,785)
- Buildings and Improvements	0	6,480	0	6,480
- Transfers (To) / From Accumulated Fund	(1,326)	0	(1,326)	0
Closing Balance	158,927	162,504	158,927	162,504

10 Cash and Deposits

Cash Floats	2	2	2	2
Current Accounts	2,952	2,887	938	684
Short Term Deposits	10,463	9,221	10,463	9,221
Closing balance	13,417	12,110	11,403	9,907

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 \$11,403,000 of funds which have legal restrictions (2004 \$9,150,000).

11 Receivables and Prepayments

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Sundry	158	270	158	270
Inter Entity Receivables	0	0	0	543
G.S.T. Receivable	553	1,216	553	1,216
Trade Debtors (includes rates)	7,229	4,219	4,437	2,235
Less Provision for Doubtful Debts	(145)	(180)	(110)	(127)
	7,795	5,525	5,038	4,137
Roading Subsidy	495	418	495	418
Prepayments and Accruals	493	660	918	660
	8,783	6,603	6,451	5,215

12. Fixed Assets

MARLBOROUGH DISTRICT COUNCIL	COST OR VALUATION \$000's	ACCUMULATED DEPRECIATION \$000's	30/06/05 BOOK VALUE \$000's	30/06/04 BOOK VALUE \$000's
(a) Operational Assets				
Work in Progress	1,423	0	1,423	965
Buildings	21,087	746	20,341	22,307
Forest Crops	19,072	0	19,072	21,189
Land	55,400	0	55,400	56,172
Landfill	6,820	3,881	2,939	2,932
Library Books	3,427	2,352	1,075	1,019
Other Structures and Improvements	3,165	232	2,933	2,560
Office Equip, Furnishings & Fittings	7,151	5,167	1,984	2,185
Paintings	52	0	52	52
Parking Meters	491	330	161	189
Plant, Machinery & Equipment	4,399	1,982	2,417	1,431
	122,487	14,690	107,797	111,001
(b) Infrastructural Assets				
Work in Progress	3,770	0	3,770	15,254
Bridges	27,644	2,359	25,285	25,778
Car parks	7,111	234	6,877	6,848
Public Conveniences	1,801	29	1,772	1,052
Reserves and Parks	27,083	509	26,574	26,564
River Works	96,673	355	96,318	96,069
Roads and Streets	235,753	12,742	223,011	218,447
Sewerage Schemes	47,219	2,180	45,039	38,485
Stormwater Drainage Schemes	22,722	1,104	21,618	20,492
War Memorials	321	17	304	178
Water Supply Schemes	53,581	2,832	50,749	31,146
	523,678	22,361	501,317	480,313
Total Operational and Infrastructural Assets	646,165	37,051	609,114	591,314

Consolidated Assets

(a) Operational Assets				
Work in Progress	3,025	0	3,025	6,187
Buildings and Improvements	31,696	2,435	29,261	29,789
Forest Crops	19,072	0	19,072	21,189
Land	65,228	0	65,228	77,259
Land Development	0	0	0	0
Landfill	6,820	3,881	2,939	2,932
Library Books	3,427	2,352	1,075	1,019
Office Equip, Furnishings & Fittings	8,308	6,069	2,239	2,428
Other Structures and Improvements	3,165	232	2,933	2,560
Paintings	52	0	52	52
Parking Meters	491	330	161	189
Plant, Machinery & Equipment	8,833	4,643	4,190	3,465
	150,117	19,942	130,175	147,069

MARLBOROUGH DISTRICT COUNCIL	COST OR VALUATION \$000's	ACCUMULATED DEPRECIATION \$000's	30/06/05 BOOK VALUE \$000's	30/06/04 BOOK VALUE \$000's
(b) Infrastructural Assets				
Work in Progress	3,770	0	3,770	15,254
Bridges	27,644	2,359	25,285	25,778
Car parks (unmetered areas)	7,111	234	6,877	6,848
Public Conveniences	1,801	29	1,772	919
Reserves and Parks	27,083	509	26,574	14,401
River Works	96,673	355	96,318	88,971
Roads and Streets	245,135	15,083	230,052	231,844
Sewerage Schemes	47,219	2,180	45,039	37,854
Stormwater Drainage Schemes	22,722	1,104	21,618	20,492
War Memorials	321	17	304	101
Water Supply Schemes	53,581	2,832	50,749	30,186
Wharves	27,908	6,172	21,736	20,194
	560,968	30,874	530,094	492,842
Total Operational and Infrastructural Assets	711,085	50,816	660,269	639,911

Fair Value of Land and Improvements

The Council considers the carrying value of land and improvements to be the fair value.

Infrastructure Assets

Council intends to revalue its infrastructure assets as at 1 July 2005.

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.

13 Investments

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Local Authority Stock	0	1,000	0	1,000
Term Deposits	5,507	5,691	5,507	5,691
Shares - MDC Holdings Limited	0	0	6,000	6,000
- Other	75	75	1,075	75
Sinking Funds	0	0	0	0
Mortgage Advances	531	158	531	1,598
	6,113	6,924	13,113	14,364

14 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	18,695	20,830	18,695	20,830
Land	4,674	4,346	4,674	4,346
Plant	26	30	26	30

Current assets

Cash	1,345	1,334	1,345	1,334
Debtors	413	187	413	187

Share of assets employed	25,153	26,727	25,153	26,727
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	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
(b) Share of Liabilities				
Term Liabilities	288	677	288	677
Current Liabilities	1,558	1,063	1,558	1,063
Share of Liabilities employed	1,846	1,740	1,846	1,740
(c) Share of net expenses	2,718	1,900	2,718	1,900
(d) Share of revenue	4,166	2,510	4,166	2,510

15 Bank Overdraft Facility

Although Marlborough District Council had no formal overdraft facility in place as at 30.06.05, a "setoff" facility was in place which allows Council to have its net current account position assessed. The interest rates are 9.35% (overdraft) and 2.25% in funds. Interest accrues daily and is paid at the end of the month.

16 Payables and Accruals

Trade Creditors	3,119	3,034	2,090	2,031
G.S.T. Payable	47	66	47	66
Wages, including Holiday Pay	1,163	1,140	950	881
Interest	0	0	0	0
Other Sundry Accruals	5,850	6,154	4,823	5,526
Inter Entity Payables	0	0	372	471
	10,179	10,394	8,282	8,975

17 Deposits, Trust Funds and Agencies

Deposits	1,171	1,313	1,171	1,313
Monies held as agent	(36)	350	(36)	350
Trust Funds	195	195	195	195
	1,330	1,858	1,330	1,858

18 Non Current Liabilities

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Loan Maturities				
<i>Maturity</i>				
Up to one year	1,062	842	1,062	842
One to two years	33,180	32,816	0	586
Two to three years	0	50	0	50
Three to four years	0	0	0	0
Four to five years	288	0	288	0
Five to ten years	0	41	0	41
Over ten years	0	0	0	0
	34,530	33,749	1,350	1,519
Loans	34,530	33,749	1,350	1,519
Less Current Portion	(1,062)	(842)	(1,062)	(842)
Balance 30 June	33,468	32,907	288	677
Provisions				
Employee Entitlements	1,172	1,177	1,172	1,177
Provision for Landfill aftercare	473	437	473	437
Provision for runway reseal	1,113	913	0	0
Total Non Current Liabilities	36,226	35,434	1,933	2,291

MDC Holdings Limited

The weighted interest rate on the MDCHL BNZ loan is 7.16% (2004: 6.24%). Interest on Port Marlborough NZ Limited loans range from 7.12% to 7.19% (2004: 5.99% to 6.74%). It is intended that these loans are to be rolled as per funding requirements. The MDCHL loan is secured by a first charge debenture against its assets and undertakings. Other loans are secured by mortgage over certain properties.

Council

Interest rates range from 5% to 7% (2004: 5% to 7%)

19 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 2.045 million cubic meters (refuse cleanfill and cover)
- The estimated remaining life is 42 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.

20 Reconciliation of Cashflows from Operating Activities with Reported Operating Surplus

	CONSOLIDATED		MARLBOROUGH DISTRICT COUNCIL	
	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Net Surplus / (deficit) from operations	24,341	19,051	21,758	16,273
Add / (Less) non cash Items:				
Depreciation	9,964	9,158	8,145	7,577
Assets vested in Council	(4,142)	(1,365)	(4,142)	(1,365)
Movement in deferred tax	(86)	(99)	0	0
Runway Seal Provision	200	201	0	0
Landfill after Care Provision	36	36	36	36
Building Valuation Adjustment	0	(3,734)	0	(3,734)
	5,972	4,197	4,039	2,514
Add / (Less) movements in other working capital items:				
Increase/(decrease) in accounts payable and accruals	(216)	(6,942)	(693)	(6,480)
Increase/(decrease) in accounts receivable and accruals	(2,180)	2,514	(1,236)	2,620
(Increase)/decrease in inventory	14	(39)	30	(22)
Increase/(decrease) in trusts deposits agencies	(528)	764	(528)	764
Increase/(decrease) in taxation asset provision	(356)	319	0	0
	(3,266)	(3,384)	(2,427)	(3,118)
Add / (Less) items classified as investing activities:				
Net loss / (gain) on sale of assets	(2,808)	30	(2,808)	72
Movement in fixed asset related accounts payable	964	3,958	1,342	3,958
Movement in Non Current Employee Entitlements	(6)	27	(4)	69
	(1,850)	4,015	(1,470)	4,099
Net cash flows from operating activities	25,197	23,879	21,900	19,768

21 Major Budget Variations

Explanations for major variations from the budget figures in the 2004/05 Long Term Council Community Plan are as follows:

Statement of Financial Performance	\$000's
The Major Variances in expenditure related to:	
- The increase in the roading expenditure due to flood damage and increases in pavement maintenance.	(1,083)
- Increased rivers expenditure due to flood damage.	(439)
- The above increases were offset by reduced expenditure in sewerage and water. The reduced expenditure was due to the reprogramming of capital works and infiltration expenditure.	2,062
The major variances in revenue related to:	
- Vested assets	4,142
- Operating revenue is over budget in subsidies due to the first Renwick Sewerage subsidy claim as a result of additional roading expenditure.	1,116 523
The main areas Other Income is over budget are -	
- Profits on sale of sections	2,808
- Additional lease income	233
- Increased subdivision levies	1,441
- Increased user charges from consents.	516
- Contributions received for capital and operating works for Reserves, Roothing, Services and Harbour Control.	2,128

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

22 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.

	2004/05 \$000's	2003/04 \$000's
MDC HOLDINGS		
Transactions are:		
Subvention payment from Council	0	471
Services provided by Council	0	0
Services provided to Council	24	0
Interest to Council	0	501
Loan repaid to Council	1,440	6,300
Outstanding balances are:		
Dividend payable to Council	0	77
Accounts payable to Council	0	584
Accounts receivable from Council	372	471
PORT MARLBOROUGH LIMITED		
Transactions are:		
Sale of land to Port Marlborough	1,425	0
Dividend payable to MDC Holdings Limited	1,412	1,240
Subvention Payment payable to MDC Holdings Limited	505	329
Interest to Council	0	160
Interest to MDC Holdings	839	876
Net loans repaid by (advanced to) PMNZL to/by MDCHL	750	(2,000)
Services provided by Council	252	171
Services provided to Council	0	0
Rates paid to Council	180	220
Outstanding balances are:		
Accounts payable to MDCHL	543	500
Accounts receivable from MDCHL	0	0
Advance by MDCHL to PMNZL	14,000	14,750
Accounts payable to Council	425	2
Accounts receivable from Council	0	0
MARLBOROUGH AIRPORT LIMITED		
Rates paid to Council	3	5

(b) Key Management and Members of Council

The Council purchased goods and services from a business that Councillor Bowers has an interest amounting to \$934 and from a business that Gerald Hope has an interest in amounting to \$3,518.

These goods and services were supplied on normal commercial terms.

Apart from these transactions no councillor or senior management member has entered into related party transactions with the group.

23 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 \$495,880. 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:

	2004/05		2003/04	
	Carrying Amount \$000's	Fair Value \$000's	Carrying Amount \$000's	Fair Value \$000's
Marlborough District Council				
Accounts Receivable	6,451	6,451	5,215	5,215
Cash and Short-term Deposits (net of overdraft)	10,435	10,435	9,907	9,907
Term Deposits	5,507	5,507	5,691	5,691
Local Authority Stock	0	0	1,000	1,000
Accounts Payable and Accruals	8,282	8,282	8,975	8,975
Term Debt	288	288	677	677
Consolidated				
Accounts Receivable	8,783	8,783	6,603	6,603
Cash and Short-term Deposits (net of overdraft)	12,449	12,449	12,110	12,110
Local Authority Stock	0	0	1,000	1,000
Term Deposits	5,507	5,507	5,691	5,691
Accounts Payable and Accruals	10,179	10,179	10,394	10,394
Term Debt	33,468	33,468	32,907	32,907

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.

Off Balance Sheet Risk

Interest rate swaps and forward rate agreements are entered into by Council subsidiaries to manage interest rate exposure. Contracts have been entered into with various counterparties, having such credit ratings and in accordance with such dollar limits as set forth by authorised policies. No collateral or other security is required to support financial instruments with credit risk. While the group may be subject to credit losses up to the notional principal or contract amounts in the event of non-performance by its counterparts, it does not expect such losses to occur. The notional principal or contract amounts outstanding at balance date are:

	2004/05		2003/04	
	Notional Amount \$000's	Fair Value \$000's	Notional Amount \$000's	Fair Value \$000's
Marlborough District Council				
Interest rate swaps and forward rate agreements	0	0	0	0
Consolidated				
Interest rate swaps and forward rate agreements	24,260	301 Loss	24,160	304 Loss

24 Movements in Provisions

	2004/05 \$000's	2003/04 \$000's	2004/05 \$000's	2003/04 \$000's
Employee Entitlements				
Opening Balance	1,177	114	1,177	114
Increase in Provision	(5)	1,063	(5)	1,063
Closing Balance 30 June	1,172	1,177	1,172	1,177
Provision for Landfill Aftercare				
Opening Balance	437	401	437	401
Increase in Provision	36	36	36	36
Closing Balance 30 June	473	437	473	437
Provision for Runway Reseal				
Opening Balance	913	713	0	0
Increase in Provision	200	200	0	0
Closing Balance 30 June	1,113	913	0	0

25 Rates Remission Disclosures

	2004/05	2003/04
Community, Sporting and Other Organisations	22,911	22,249
Residential Land in Commercial/Industrial Areas	9,219	11,378
Single Entity Non Contiguous Pastoral Units	824	444
Subdivisions creating four or more units	26,261	46,697
Rate Penalties	20,424	16,213
Separately Used/Inhabited Parts of Rating Units	30,407	16,904
Multi-ownership Maori land	158,631	120,175
Separate Ownership Contiguous Pastoral Units	1,648	0
Protected Land	570	0
Water Remissions	9,191	0
Total	280,086	234,060

26 Segments Note

	Seaport \$000's	Airport \$000's	Council \$000's	Eliminations \$000's	Group \$000's
30/6/05					
Revenue	14,763	764	69,898	449	84,976
Net Surplus after tax	3,570	40	21,758	(1,027)	24,341
Net Assets	37,249	1,743	627,110	(25,594)	640,508
30/6/04					
Revenue	14,256	710	58,172	(1,362)	71,776
Net Surplus after tax	3,513	31	16,273	(766)	19,051
Net Assets	34,091	1,703	607,603	(24,979)	618,418

27 Consolidations

The Council has not consolidated the following entities into the Financial statements:

- Housing for the Elderly Trust
- Destination Marlborough Trust
- Mayoral Drought Relief Trust.

Consolidating the above entities' results is considered immaterial and would not significantly impact on the reported financial results.

28 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 Council's Equal Employment Opportunities Policy is designed to achieve equal opportunity in the Council workplace. The policy involves the identification and elimination of institutional barriers that cause or perpetuate inequality. The following is a summary of the Council's policy:

For any given position, the best available person for the job will be appointed regardless of their gender, race, religion, disability or any other factor irrelevant to performance in the position.

The Policy is implemented by way of a programme focused on three objectives:

1. Increasing knowledge and awareness of the principles of equal employment, by ensuring that all staff are advised and understand their rights and responsibilities.
2. Achieving workplace equality in recruitment and performance management, by ensuring systems and processes support the principles of equal employment.
3. Continual improvement, by monitoring and reviewing organisational performance.

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 recruitment processes have had training that incorporates an awareness of equal employment opportunities.

ACTIVITIES UNDERTAKEN TO ESTABLISH AND MAINTAIN PROCESSES TO PROVIDE FOR OPPORTUNITIES FOR MAORI TO CONTRIBUTE TO THE DECISION MAKING PROCESSES OF COUNCIL

Council has identified that one of the principal barriers to Maori contribution to decision making processes is the strength of the financial and administrative base of Marlborough iwi. Appropriately, the resources available to iwi have been primarily directed at the settlement of claims before the Waitangi Tribunal. Council has identified that one of the most effective contributions it can make, at this stage, is to provide assistance to Marlborough iwi in satisfactorily concluding these claims. To that end it has worked with Kurahaupo natural grouping of iwi comprising Ngati Apa Ki Te Ra To, Te Runanga o Ngati Kuia and Te Runanga A Rangitane O Wairau to assist them in their claim process. Similar offers of assistance have been made to other Marlborough iwi as they progress their claims.