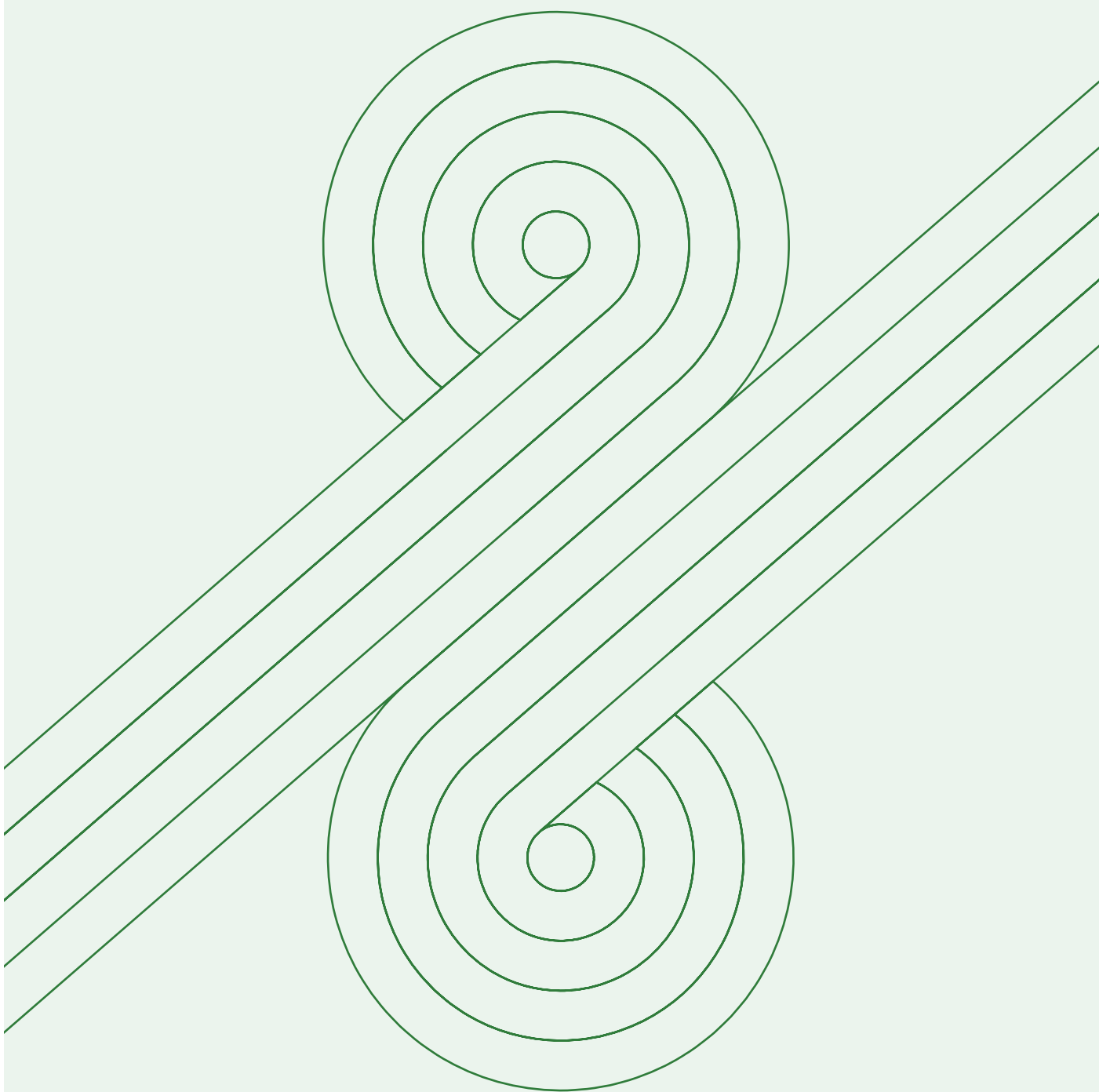


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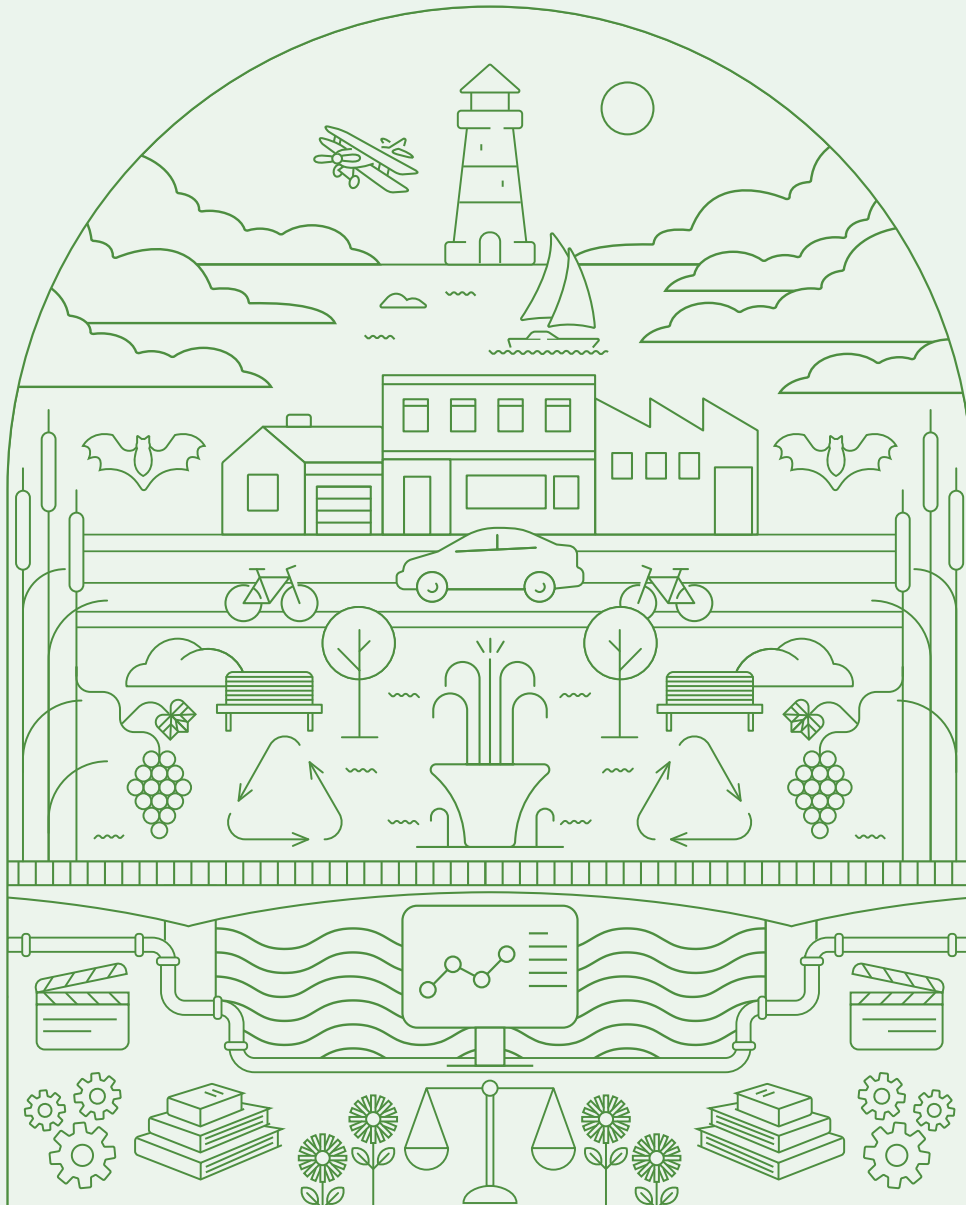
Mahere ā-Tau Annual Plan



Vision

Marlborough District Council

Marlborough is a globally-connected district of smart, progressive, high-value enterprises, known for our economic efficiency, quality lifestyle and wellbeing, caring community, desirable location and healthy natural environment



Mission Statement

We invest in Marlborough's future, our people,
quality lifestyle and outstanding
natural environment

Values

We are open, transparent and collaborative

We partner with tangata whenua iwi

We involve and respect our many cultures

We are innovative and strive for excellence

We are adaptive and responsive
to community needs

We work in an environmentally
sustainable manner

Community Outcomes

Governance

Environment

People

Economy

Connectivity

Living

Annual Plan

This Annual Plan explains what Council plans to do in the 2023-24 financial year; how much Council intends to spend on its activities and services and how this will be funded – including the expected impact on rates.

Part 1: Executive Summary 3

Mayor's Introduction.....	4
Elected Council Members	6
Results of Consultation	7
Financial Overview.....	9
Annual Plan Disclosure Statement for the Period Commencing on 1 July 2023	11

Part 2: Our Business 13

Democratic Process	16
Culture and Heritage	19
Housing for Seniors.....	21
Community Support	23
Library Services	27
Emergency Management.....	29
Community Facilities	32
Roads and Footpaths.....	38
Flood Protection and Control Works	42
Sewerage Including Treatment and Disposal ..	47
Stormwater Drainage	51
Water Supply.....	56
Solid Waste Management.....	62
Environmental Policy.....	68
Environmental Science and Monitoring	71
Resource Consents.....	74
Environmental Protection	78
Biosecurity.....	82
Building Control.....	84
Environmental Health.....	87
Animal Control.....	89
Harbours.....	91
Regional Development	95

Part 3: Financial Information . 99

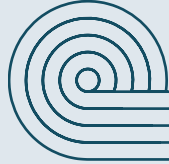
Statement of Comprehensive Revenue and Expense	100
Statement of Other Comprehensive Revenue and Expense	101
Statement of Changes in Net Assets/Equity.	101
Statement of Financial Position	102
Statement of Cash Flows.....	103
Notes to Financial Statements.....	104
Statement of Accounting Policies	115
Assumptions, Disclosure and Compliance ...	116
Financial Funding Impact Statement (FIS)...	117

Part 4: Rates Information..... 121

Rates Funding Impact Statement	122
Rates Movements 2023-24.....	158
Indicative Impact on Benchmark Properties .	159

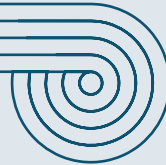
Appendices 161

Council Committees and Members	162
Ward Boundaries	166
MDC Directory	167
Council Staff Structure.....	168
Glossary of Terms	170



PART 1

Executive Summary



Mayor's introduction



After considering 77 submissions from members of the public, Marlborough District Councillors confirmed their funding priorities for this Annual Plan on 12 June 2023.

It is always challenging for Council to manage the community's desire for increased levels of service and project funds, whilst keeping rates increases contained, especially in the current economic climate.

This year's Annual Plan process has been particularly challenging as we face much higher than normal levels of inflation and an expectation that the Consumer Price Index will peak at more than 7 per cent in 2023.


In preparation for our consultation, we reviewed user pays fees and reduced expenditure where possible. Fees including resource consenting, environmental health and building control are set to increase. By increasing fees we are reducing the impact on ratepayers by just over \$1 million. I believe that is a fair way of spreading costs.

After discussion and deliberation, Council has been prudent and managed to keep this year's rates increase to 7.97 per cent, a slight increase on the 7.8 per cent we proposed to the public in April.


I am pleased to advise that we have been able to maintain levels of service across our wonderful community facilities and key services with no reductions or cuts. We also continue a significant capital expenditure programme focused on our core infrastructure needs, primarily roading, sewerage and water treatment.

The rates increase also includes one-off grant funding of \$31,462 to the Marlborough Stadium Trust who provide a much valued stadium and pool facility, and a \$100,000 funding increase for the Marlborough Art Gallery to improve its service to the community.

A number of submitters spoke about the condition of local community halls. Council will undertake a stocktake of halls throughout Marlborough to determine the scale and priority of work required, as part of a strategic review of these important community assets.



“I am pleased to advise that we have been able to maintain levels of service across our wonderful community facilities and key services with no reductions or cuts.”



There were submissions about heritage and some people were concerned that Council is taking over the management of some heritage functions in Marlborough. This includes the operation of the Marlborough Museum and archives, Brayshaw Heritage Park, the Edwin Fox and assets owned or operated by the Marlborough Heritage Trust. The decision to do this follows years of challenges for the Trust who have relied on Council funding and support. There will be a transition period while the changeover is worked through with sector stakeholders but we believe the change will provide better long term protection and strategic planning for Marlborough’s important heritage sector.

A number of submitters' proposals will be referred to the relevant committee to progress, including cycleway and bike projects. Many of those who submitted on community projects will be advised to apply to the Community Grants Scheme.

Thank you to all submitters for taking the time to provide feedback on Council’s 2023-2024 Annual Plan consultation document. It’s very important for Councillors to hear from their community and the Annual Plan process provides an opportunity for everyone to be involved and heard.

We value the feedback and new ideas and every submission was given full consideration during the decision making process.

**Ki te kāpuia e kore e whati
We succeed together**



**Nadine Taylor
Mayor of Marlborough**

Elected Council Members



Mayor
Nadine Taylor



Deputy Mayor
David Croad
WARD: BLENHEIM



Councillor
Scott Adams
WARD: WAIRAU-AWATERE



Councillor
Jamie Arbuckle
WARD: BLENHEIM



Councillor
Sally Arbuckle
WARD: WAIRAU-AWATERE



Councillor
Allannah Burgess
WARD: MARLBOROUGH
MĀORI



Councillor
Deborah Dalliessi
WARD: BLENHEIM



Councillor
Brian Dawson
WARD: BLENHEIM



Councillor
Barbara Fauls
WARD: MARLBOROUGH
SOUNDS



Councillor
Matt Flight
WARD: BLENHEIM



Councillor
Gerald Hope
WARD: WAIRAU-AWATERE



Councillor
Raylene Innes
WARD: MARLBOROUGH
SOUNDS



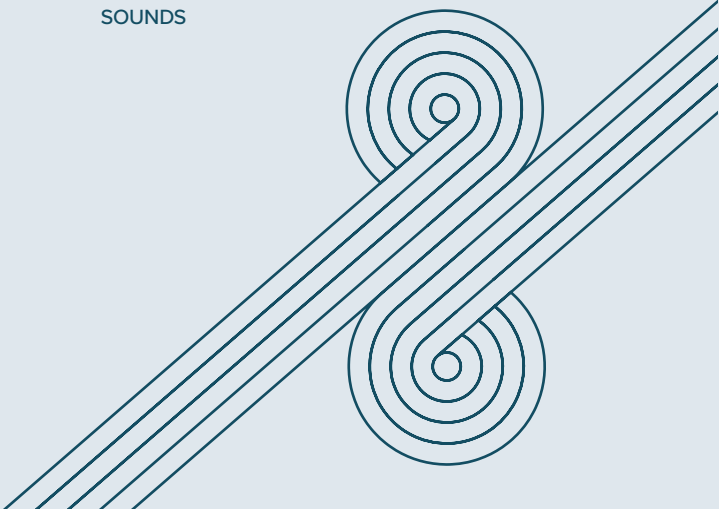
Councillor
Ben Minehan
WARD: MARLBOROUGH
SOUNDS



Councillor
Jonathan Rosene
WARD: BLENHEIM



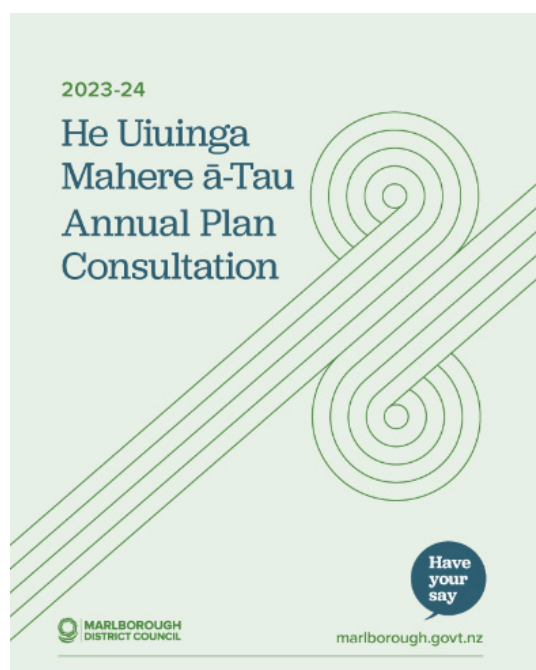
Councillor
Thelma Sowman
WARD: BLENHEIM



Results of Consultation

Council adopted its draft Annual Plan 2023-24 and budgets for public consultation on 6 April. The consultation closed on 8 May.

An Annual Plan Consultation Document was published and distributed.



This year's budget proposed maintaining Council's levels of service across Marlborough. It also continued a significant capital expenditure programme focused on core infrastructure, primarily roading, sewerage and water treatment.

User pays fees were reviewed and expenditure reduced where possible. Fees including resource consenting, environmental health and building control were proposed to increase. By doing so, Council aimed to reduce the impact on ratepayers by just over \$1 million. A small number of new expenditure items were supported by councillors, leaving a proposed rates increase of 7.8 per cent.

The Consultation Document proposed a small number of projects for the year ahead, with the majority of these to be funded from Reserves and not rates. They included:

- \$26.8M for new sewerage treatment plants, pump stations, pipelines and other renewals in Blenheim, Havelock, Picton, Renwick, Seddon, Grovetown, Spring Creek and Riverlands;
- \$15.7M for roads, footpaths, wharves and cycle ways including the Renwick Cycle Trail and streetscape improvements in Blenheim and Picton;
- \$7.2M for drinking water improvements including new treatment plants in Blenheim, Picton, Renwick and Havelock; and a new reservoir in Picton;
- \$5.8M for parks and reserves upgrades and renewals, including playgrounds, track improvements, street trees and the development of a new Taylor Pass reserve and dog park for Blenheim;
- \$4.7M for flood protection and control work across the district, including the Town Branch Drain upgrade and options for flood protection for Renwick's Lower Terrace;
- \$3M for the senior housing development in George Street, Blenheim;

- \$1.7M over four years for upgrades and improvements for community facilities and playgrounds in Blenheim, Renwick, Seddon, Ward, Wairau Valley and Havelock, with a rating impact of \$21,440 in 2023-24;
- \$29.4K to make the Picton to Blenheim return bus service permanent.

Seventy-seven submissions were received covering a range of topics including parks options funding, roading upgrades, catchment care and flood protection.

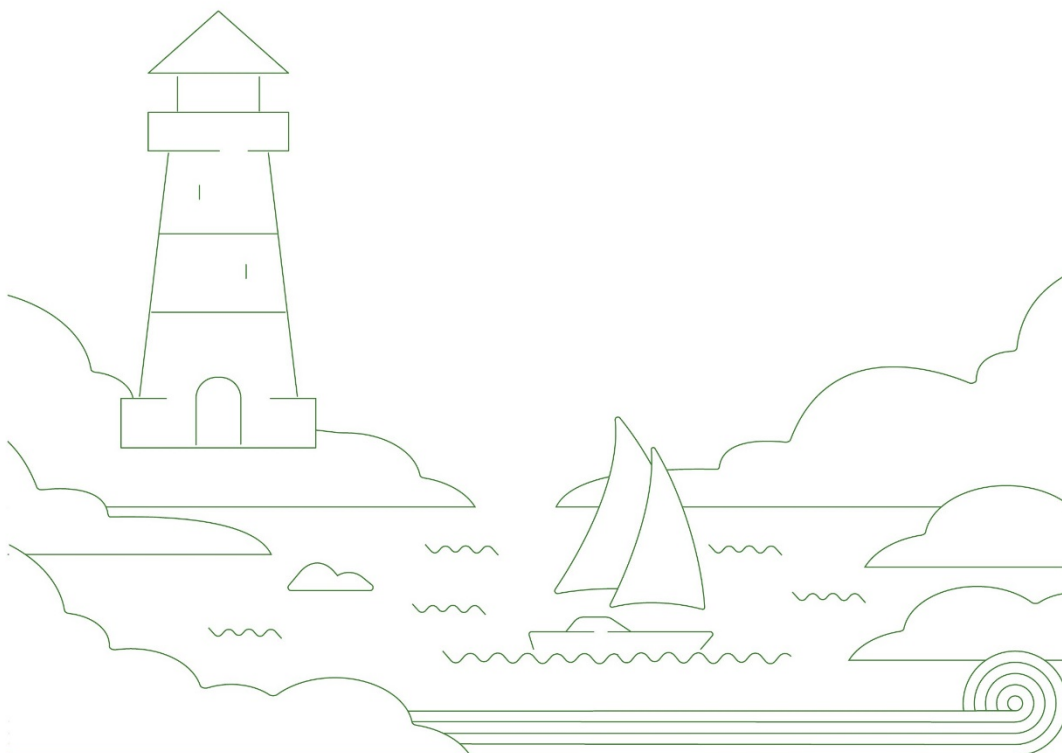
Hearings took place on 6 and 7 June, with deliberations on 12 June. Fifty organisations and individuals presented to the Council at the hearings. The Annual Plan was adopted by Council on 29 June with new rates effective from 1 July.

Councillors agreed a one-off grant fund of \$31,462 for the Marlborough Stadium Trust and a \$100,000 funding increase for the Marlborough Art Gallery.

A number of submitters spoke about the condition of community halls in their townships. Council will undertake a stocktake of the halls throughout Marlborough to determine the scale and priority of work required.

A number of submitters' proposals will be referred to the relevant committee, while many of those who submitted on community projects will be advised to apply to the Community Grants Scheme.

Councillors were prudent in their funding decisions and as a result kept the rates increase to 7.97%.



Financial Overview

Council has prepared its 2023-24 Annual Plan with the objectives of:

- balancing the wider economic impacts on the community while maintaining the direction, priorities and levels of service contained in the 2021-31 Long Term Plan (LTP);
- responding to community and central government requirements for essential infrastructure and improved levels of service; and
- keeping rates increases and debt levels low. While debt can be used to minimise rates increases, it transfers the financial burden to future generations.

Council believes that it has met these objectives:

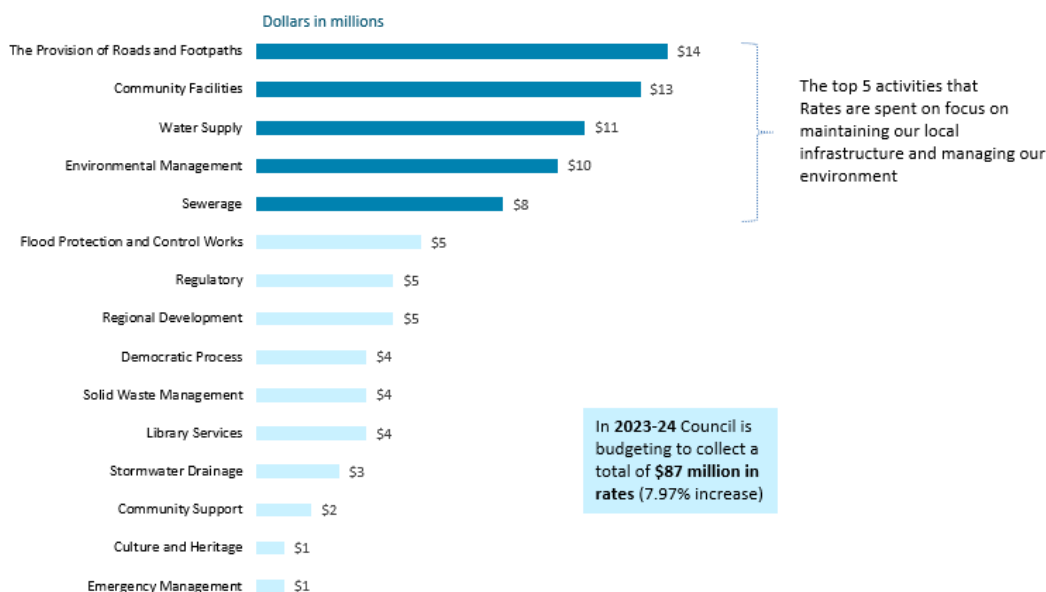
- budgets have been prepared on the basis of maintaining levels of service;
- budgets include meeting Government requirements and considering the community's requests for improved service

levels/funding as shown in the next section "Results of Consultation";

- Council has an S&P Global AA (negative credit watch) rating; and
- approved a rates increase of 7.97%. While this is above the 5.64% forecast in the LTP, that forecast was determined in a totally different economic environment with forecast CPI of less than 2% compared to the actual increases we are currently experiencing of greater than 7%. The majority of the increase is caused by the cost pressures facing local government, Council's capital expenditure programme and consequential increased operating costs, increasing government requirements.

The Rates collected by Council are spent on delivering services under the following broad activity groupings. As can be seen, the vast majority is spent in the operation and maintenance of core infrastructure and in managing our environment.

How will my Rates Contribute to the Community in 2023-24



2023-24 Planned Capital Expenditure

While Council is planning similar overall capital expenditure project spend there have been a number of changes in timing of projects undertaken by various activities. Below is a graphical representation of Council's proposed Capital Expenditure by Activity compared to that of the LTP.

In the 2021-31 Long Term Plan Council approved \$78M of capital expenditure for 2023-24. In this AP we are now proposing \$106M of capital expenditure for 2023-24.

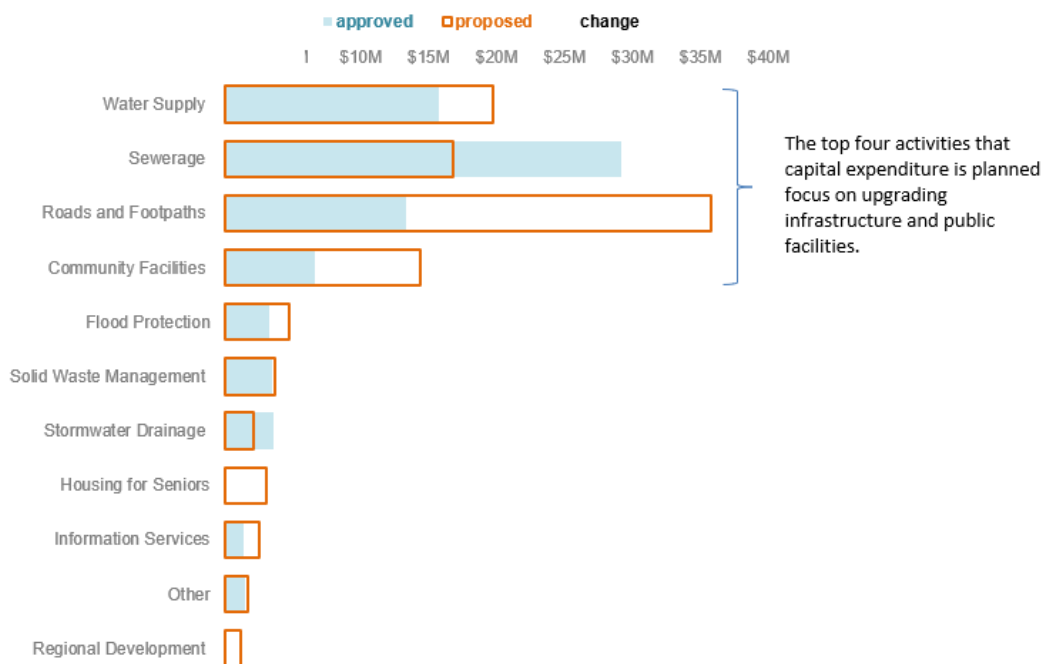
The main changes are:

- Roads and Footpaths are higher than LTP with \$20M of capital expenditure relating to

reinstatement of roads following the July 2021 and August 2022 weather events;

- Sewerage is lower than the LTP due to the timing of projects;
- Community Facilities are higher than the LTP due to relocation of activities from College Park; and
- Housing for Seniors is higher than the LTP due to delays in construction of the George Street Senior Housing development.

2023-24 capital expenditure against previous LTP budget



Annual Plan Disclosure Statement for the Period Commencing on 1 July 2023

What is the Purpose of this Statement?

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

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

Benchmark		Quantified limit	Council Planned 2023-24	Met
Rates affordability				
(a) increases	≤	7.34%	7.97%	No
Debt affordability				
(b) net debt / total revenue	<	250%	60%	Yes
(c) net interest / total revenue	<	20%	2%	Yes
(d) net interest / rates income	<	30%	5%	Yes
(e) liquidity	>	110%	125%	Yes
Balanced budget				
(f) revenue / operating expenditure	≥	100%	109%	Yes
Essential services				
(g) capital expenditure / depreciation	≥	100%	287%	Yes
Debt servicing				
(h) borrowing costs / total revenue	≤	10%	6%	Yes

Rates Affordability Benchmark

For this benchmark:

- (a) the Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the Financial Strategy included in Council's Long Term Plan.

The Council meets the rates affordability benchmark if its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Despite making best endeavours to keep the rates increase low, Council is planning to breach this benchmark in 2023-24 due to the combined effect of inflation, a large capital expenditure program, central government regulations and maintaining levels of service.

Debt Affordability Benchmark

For this benchmark, the Council's planned borrowing is compared with quantified limits on borrowing contained in in the Financial Strategy included in Council's Long Term Plan.

The Council meets the debt affordability benchmark if:

- (b) its planned net debt as a proportion of total planned revenue for the year is less than the quantified limit; and
- (c) its planned net interest as a proportion of total planned revenue for the year is less than the quantified limit; and
- (d) its planned net interest as a proportion of total planned rates income for the year is less than the quantified limit; and
- (e) its planned liquidity for the year is less than the quantified limit.

Balanced Budget Benchmark

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

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

Essential Services Benchmark

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

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

Debt Servicing Benchmark

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

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