



Tā mātou mahere tekau tau Our ten year plan

Mahere tekau tau 2024 - 2034
Long term plan 2024 - 2034

Marlborough District Council Vision

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





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



Te haumi ki te anamata
o Wairau, ki ō tātou tāngata,
ki te kounga o te āhua noho,
ki te taiao māori pai
whakaharahara.

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

Our Long Term Plan

Explains what Council plans to do over the next decade and how Council activities will contribute to the community outcomes. Here you will find how much Council intends to spend on its activities and services, how this will be funded and the expected impact on rates.

Wāhanga 1: Whakarāpapoto Whakahaere

Part 1: Executive Summary

MAYOR'S INTRODUCTION	3
ELECTED COUNCIL MEMBERS	7
FINANCIAL SUMMARY	17
LONG TERM PLAN DISCLOSURE STATEMENT FOR THE PERIOD COMMENCING 1 JULY 2024...	21
COMMUNITY OUTCOMES	24
CONSULTATION	26

Wāhanga 2: Tō Tātou Pahiki

Part 2: Our Business

ACTIVITY GROUPS AND ACTIVITIES.....	32
HOW TO READ THIS SECTION OF THE LONG TERM PLAN.....	33
ACTIVITY GROUP: PEOPLE.....	35
ACTIVITY GROUP: COMMUNITY FACILITIES.....	53
ACTIVITY GROUP: ROADS AND FOOTPATHS.....	63
ACTIVITY GROUP: FLOOD PROTECTION AND CONTROL WORKS	72
ACTIVITY GROUP: SEWERAGE INCLUDING TREATMENT AND DISPOSAL	79
ACTIVITY GROUP: STORMWATER DRAINAGE ...	89
ACTIVITY GROUP: WATER SUPPLY	97

ACTIVITY GROUP: SOLID WASTE

MANAGEMENT	109
ACTIVITY GROUP: ENVIRONMENTAL MANAGEMENT	117
ACTIVITY GROUP: REGULATORY	135
ACTIVITY GROUP: REGIONAL DEVELOPMENT	153
ACTIVITY GROUP: CORPORATE SERVICES.....	160

Wāhanga 3: Ngā Rautaki me ngā Tauākī Pūtea

Part 3: Strategies and Financial Statements

FINANCIAL STRATEGY.....	167
INFRASTRUCTURE STRATEGY.....	179
ASSUMPTIONS, DISCLOSURE AND COMPLIANCE	248
FINANCIAL STATEMENTS	262
FINANCIAL FUNDING IMPACT STATEMENT (FIS).....	286

Wāhanga 4: Ngā Kōrero Reiti

Part 4: Rates Information

RATES FUNDING IMPACT STATEMENT	290
TRIENNIAL REVALUATION MOVEMENTS.....	316
RATES MOVEMENTS 2045-25.....	319
INDICATIVE IMPACT ON BENCHMARK PROPERTIES.....	320

Wāhanga 5: Kaupapa Here

Part 5: Policies

REVENUE AND FINANCING POLICY.....	328
RATES REMISSION AND POSTPONEMENT POLICIES.....	350
ENGAGEMENT AND SIGNIFICANCE POLICY.....	360
STATEMENT ON CONTRIBUTIONS TO DECISION-MAKING PROCESSES BY MAORI.....	366

Wāhanga 6: Pūrongo Arotake

Part 6: Audit Report

AUDIT REPORT.....	370
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Etahi atu Kōrero

Appendices

COUNCIL COMMITTEES AND MEMBERS.....	375
WARD BOUNDARIES.....	380
COUNCIL STAFF STRUCTURE	381
MDC DIRECTORY	383
GLOSSARY OF TERMS	384

WĀHANGA 1
PART 1

Whakarāpato Whakahaere Executive Summary

Te kupu whakataki nā te Mea

Mayor's introduction

My thanks to the 365 Marlburians who made a submission to this Long Term Plan 2024 - 2034. More than 100 people spoke to their submission over four days of public hearings in early June and many people joined us at a series of public meetings in April.

It was very helpful for Councillors and for me to hear directly from members of the public - the feedback we received had a significant influence on our decision making, particularly in how we proceed with the Marlborough Sounds roading recovery.

We agreed to progress the Sounds roading repairs with a number of changes made to the funding proposals in the Consultation Document released in April. The recommendations include adopting Option 2(d) for the recovery funding, with the following amendments:

- All marine costs are excluded except a study allocation of \$500K, thereby reducing the current uncertainty on the scope and viability of any future marine works;
- Tranches 1 and 2 road repairs expenditure have now been included in the calculation of the cost share allocation between the Sounds' zones;
- The weighting for non-Sounds properties has increased to 30 from the 25 originally proposed.

This means our budget decisions are even fairer and there is a lower financial impact on almost all ratepayers. We now await NZTA's decisions on Council's funding application, including the necessary confirmation of their financial assistance rate. I am hopeful that Sounds' residents and ratepayers' long-tested patience will be rewarded.

By 2034 the average non-Sounds ratepayer will pay \$187.63 towards the Sounds' roading repairs, rather than the \$247.37 a year proposed in the Consultation Document. Non-Sounds ratepayers will contribute 74.5% of Marlborough's contribution to the repairs.

- Kenepuru ratepayers will pay on average \$705.55 per year by 2034, rather than the \$1,224.15 originally proposed.
- Te Aumiti/French Pass ratepayers will pay on average \$247.94 per year by 2034, rather than the \$505.12 originally proposed.
- Totaranui/Queen Charlotte Drive ratepayers will pay on average \$344.75 per year by 2034, rather than the \$333.05 originally proposed.
- Te Hoiere/Pelorus ratepayers will pay on average \$272.84 per year by 2034, rather than the \$323.06 originally proposed.
- Te Whanganui/Port Underwood ratepayers will pay on average \$376.11 per year by 2034, rather than the \$498.58 originally proposed.

The overall rates increase for the 2024/25 financial year is 13.62%. The increase would have been lower, at 12.96%, close to what was proposed in the Consultation Document, were it not for the late and well publicised cost increase in Council's insurance premiums. It is very frustrating that this increase was last minute and had to be rates funded, when Councillors' good work on the LTP had already been completed. However, we had no choice but to recognise the reality of the situation - we must keep Marlborough insured.



The removal of our COVID rates relief subsidy, which has successfully kept rates increases down for the last three years, makes up a large proportion of this year's increase, at 2.94%. Like every council in New Zealand, we face increased costs due to factors outside our control - inflation, insurance, contract price increases - plus, in our case, the on-going impact of weather events combined with an empty Emergency Events Reserve.

This LTP focuses on managing these challenges while continuing to invest responsibly in core infrastructure - roads, footpaths, waste management, water supply and community services and facilities - because we don't want Marlborough to go backwards. Over the next 10 years our investment in infrastructure will be \$790M, which is \$85M more than our previous ten year plan, from 2021 to 2031. This year's capital expenditure on infrastructure will be in the order of \$80M.

Council's key infrastructure projects include continuing work on the water supply in Awatere, Seddon, Blenheim, Havelock, Picton, Renwick, Riverlands and Wairau Valley, including upgrading pipelines, pump stations and wells to ensure they meet current needs. Drinking water improvements will continue with chlorination still required to be introduced in Blenheim and a new water treatment plant in Havelock, to ensure water meets national standards.

A new reservoir is planned for Dashwood, new wells are proposed north of Blenheim to increase resilience and supply capacity, and work is ongoing with Picton's water supply, dams and reservoirs. There will also be investment in sewage treatment plants and pump stations in Blenheim, Riverlands, Picton and Renwick, plus new a sewage treatment plant for Havelock and a major upgrade for Seddon's plant.

“Like every council in New Zealand, we face increased costs due to factors outside our control”

Roading is the biggest item of Council expenditure at around 20%, excluding the Sounds roads recovery, including maintenance, renewals and improvements to roads, footpaths, bridges and drainage. This Long Term Plan will see that funding increase by \$27.5M over the next three years.

Other key initiatives include repairing the Peninsula Road stop bank in Spring Creek to protect the community, local infrastructure and the state highway network, replenishing our Emergency Events Reserve and reducing Council's reliance on debt by moving to fully fund depreciation on our three waters assets through increasing depreciation funding from rates. We are also funding sediment removal in the Taylor and Ōpaoa Rivers and replacing the Riverside Park boardwalk with resilient plastic boards. Council's new Arts, Culture and Creativity Strategy will be supported to help build a flourishing creative community and the Nautical and Coastal Science team's work will receive an increase in funding.

The wide ranging proposals set out in our Consultation Document were supported by Councillors and to a very large degree by the public. Some submissions were referred to our committees for further consideration, as well as to Council's grant schemes and the Commercial Events Fund.

I am pleased to note that some modest requests from submitters were able to be supported:

- Tōtaranui 250 Trust: \$100K for Cook's Lookout on Arapaoa Island (one-off from reserves, approved on condition that all other funds are sourced).
- Warmer Healthier Homes Te Tau Ihu Charitable Trust: \$20K each year for three years to support retrofitting of home insulation into low income Marlborough homes.
- Flaxbourne Heritage Trust: increase of \$2.5K per year.
- Rapaura Tennis Club: \$2.5K per year for turf maintenance.
- Graeme Dingle Foundation Marlborough: \$2K per year for the Career Navigator programme.
- Blenheim Community Patrol: increase of \$3K in annual grant for an expansion of patrols.
- Link Pathway/Rick Edmonds: \$10K one-off for path maintenance.
- Marlborough Historical Society: \$40K for one year for the Marlborough Museum from existing budgets.

Finally, I'd like to thank my fellow Councillors and staff for their work throughout this Long Term Plan process, particularly those who are part of the Long Term Plan Working Group. That group worked hard to ensure that the Council was as well prepared as possible for the public consultation and decision-making process that have now been successfully concluded.



A handwritten signature in blue ink that reads "Nadine Taylor". The signature is written in a cursive, flowing style.

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 Allanah 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

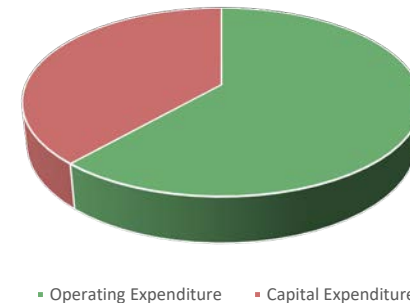


PLAN HIGHLIGHTS, KEY DECISIONS AND PROJECTS

Over the ten years of this Long Term Plan Council expects to expend \$2.6 billion to keep Marlborough running.

\$1.6 billion of operating expenditure, which includes personnel costs, insurance premiums, debt financing costs and other operational costs, but excluding depreciation which is non cash, ensures the provision of community services and the maintenance of assets.

Investment in critical infrastructure and other Council activities of just under \$1.0 billion ensures assets are renewed, levels of service are maintained, including recovery from natural events, and Marlborough can cope with population growth expected.



Council consulted with the community on a number of key decisions included in this Long Term Plan and at a Council meeting on 24 June 2024. After considering all submissions and feedback received, Council adopted the recommendations, with some amendments, as described in the Consultation section of this plan.

The key decisions made were:

- To proceed with the recovery of the storm damaged Marlborough Sounds Roads
- To continue with the extensive renewal of infrastructure assets

- To improve selected levels of service as agreed at a budget meeting on 26 February 2024
- To rebuild the Emergency Events reserve
- To cease and repay the Covid relief reserve.

An important element of the planning process is the identification of the key areas of focus and issues to address. The key issues facing Council's core infrastructure activities are:

For Roads

- The increasing frequency and intensity of adverse natural events are significantly damaging the network. Emergency responses result in resource re-allocation, affecting delivery of planned business-as-usual activity.
 - The recovery of the storm damaged roads in the Marlborough Sounds is a key programme in this Long Term Plan, and was a key decision consulted on with our community.
- Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures resulting in reduced asset lives and unacceptable safety and amenity issues.
- We are facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality.
- Rapidly rising construction costs and inflation results in a reduced programme of work, or increases in funding requirements, possibly rates.
- Existing roading infrastructure design does not promote safe multi-modal transport options.

For Water

- Investment in new water treatment plants to comply with the NZ Drinking Water Standards and legislative changes in the Water Act 2021 and overseen by Taumata Arowai.

- Work here includes development for a number of treatment plants, including chlorination of the Blenheim water supply.

- The need for water demand management (particularly in Picton) to ensure the water sources can meet future demand.
- Continued development of a targeted and efficient renewal programme for up to \$105 million of water network over the next 30 years.

For Wastewater

- Meet increasing national standards and cultural sensitivities of effluent discharges to the environment.
- Anticipated growth in wastewater flows particularly industrial effluents from the wine industry.
- Continued development of a targeted and efficient renewals programme for up to \$75 million of wastewater network over the next 30 years.
- Continuing to reduce the vulnerability of some older wastewater pipes to ground movement during an earthquake.
- Increasing likelihood of infiltration of stormwater into the wastewater network as a result of ageing pipe network and climate change.
- Consent renewal considerations.

For Stormwater

- The effects of urban growth and climate change on stormwater volumes.
- The need to improve the quality of stormwater discharges.
- Continued development of a targeted and efficient renewals programme for up to \$80 million of stormwater network over the next 30 years.

For Rivers and land drainage

- The need to meet levels of service in areas where land use has been changed and development is occurring.
- The impacts of climate change on coastal storm waves, sea level rise and flood flows on the effectiveness of the existing land drainage system.
- Managing gravel extraction to ensure sustainability of the resource and good river management.
- Continued development, and execution of, a remediation plan to address natural event damaged and ageing protection assets.

For Community Facilities

- Ensuring facilities can adapt to meet needs that inevitably change over time.
- Facilities meet an evidenced and identified need within the community.
- Facilities should be developed to maximise usage of assets by many groups to ensure sustainability.
- Identified facility development and upgrades.

The projects identified to address the areas of focus are described below and represented in the associated tables.

Water supply

Clean and safe drinking water

Meeting the NZ Drinking Water Standards (NZDWS) has been a major challenge for Marlborough due to the number of water supplies serving relatively small communities. Upgrading our water infrastructure has been a major focus for this Council over the last decade.

Major upgrades to the treatment plants serving Blenheim and Picton were completed in 2012 and 2017. Progress in other areas includes:

- construction of a new treatment plant for Seddon which opened in March 2019.
- Construction of a new 1500m³ water reservoir in Renwick was completed in November 2020. A new treatment plant utilising water from new bores in Conders Bend Rd was commissioned during May 2024 and began delivering water into the water supply network in early June. The water supply is now fully compliant with the Water Services Act 2021 and Drinking Water Quality Assurance Rules.
- \$26.7 million has been allocated for new well pipelines and a pump station and treatment plant for Blenheim, from 2024 to 2033.
- Major treatment upgrades are planned over the next ten years in Havelock, Picton, Riverlands, the Awatere and Wairau Valley.

Water metering

Water meters were installed in Havelock and Renwick in 2019/20, with billing beginning from July 2021. Metering for all properties is also planned for Picton and eventually for Blenheim. Metering helps to manage the demand for water and identify leaks.

- Reducing water demand from Havelock's existing water source is helping reducing salinity affecting the supply.
- During summer the bores providing Renwick's water often suffered from low water levels at the same time as summer demand peaks. This led to the necessity for either voluntary reductions or restrictions. The reduction in water use has led not requiring voluntary reductions or restrictions. Water metering has also improved equity in paying for the costs of water.
- Picton is at the limit of the volumes of water that can be taken from its existing water sources. Demand management, including water metering, is considered a better option than accessing a new source, which would cost around \$24 million.
- It is expected that universal metering will become a national requirement. \$19.8 million has been allocated for metering in Blenheim in 2028–30.

Renewal of infrastructure

Infrastructure renewal continues to be necessary across all networks as pipelines near the end of their useful life.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2028-30 universal water metering	\$19.8
	2026-28 Wither Road booster station replacement	\$2.6
	2024-25 Chlorination and other treatment improvements	\$4.1
	2024-33 new wells, pipelines, distribution pump station and treatment plant for the north of Blenheim	\$26.7
Havelock	2024-26 new treatment plant.	\$9.2
	2032-33 new water source including pipelines and treatment plant	\$15.2
Picton	2028-29 Essons Valley re-line the cast iron pipelines	\$1.3
	2024-25 Speeds Road additional wells and treatment plant	\$1.5
	2033-34 new water source including pipelines and treatment plant	\$23.8
	2027-28 universal water metering	\$2.9
Renwick	2024-25 pipelines renewals	\$2.1
Awatere	2024-25 entry treatment for rural households not served by the Seddon water treatment plant	\$2.2
	2024-25 The Lions Back reservoirs	\$1.3
	2025-34 Pipeline upgrade	\$1.2

Areas	Major Capital Projects	Inflated value (Millions)
Seddon	2024-33 Additional reservoir, pipeline and treatment plant upgrades	\$1.9
Riverlands	2024-26 new treatment plant to meet the Drinking Water Standards	\$16.0

Sewerage

Blenheim

Growth in housing and current capacity challenges require significant upgrading of sewers and pump stations. In addition, Blenheim's main pump station is built in an area that is susceptible to liquefaction so a new pump station will be built from 2027–2029. The Blenheim Sewage Treatment Plant will be progressively upgraded from 2025 to ensure a new resource consent can be obtained and retained.

Havelock

Upgrading of the Havelock sewage treatment plant is required as part of the resource consent process. The existing treatment pond site is not suitable for further investment due to geotechnical issues, so a new treatment plant will be built at a new site.

Picton

Sewerage pipeline replacements are continuing in Picton and Waikawa. \$7.8 million has also been set aside for a second aeration basin to be constructed for 2030–31, depending on population growth. A reclaimed water system to be built in 2028–29 will enable the provision of non-potable water, taking the pressure off the town's water supply in summer.

Seddon

The Seddon sewage treatment plant requires major upgrading. Although the existing plant could be replaced with a modern facility producing high quality effluent suitable discharged into the Starborough Creek, Te Rūnanga o Kaikōura has requested the discharge be removed altogether from the creek. A significant volume of storage and land area is required for all year round land treatment to achieve this.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2028-29 Domestic desludge	\$5.0
	2028-29 Battys Rd pump station for growth	\$7.4
	2027-29 Battys road pump station for high flow storage	\$7.6
	2024-27 main terminal pump station improvement and strengthening	\$17.1
	2024-28 reclaimed water reticulation	\$5.3
	2024-26 Purkiss Street reticulation and Pump Station	\$4.5
	2027-29 provision for Burleigh sewerage	\$2.7
	2028-29 New high flow buffer pond to reduce overflows	\$2.5
Blenheim & Riverlands	2024-30 Sewage treatment plant (domestic and industrial) resource consent upgrading	\$37.0
	2024-26 Land application of effluent	\$7.2
Picton	2028-29 Overflow storage tank	\$2.6
	2027-29 sewerage pipeline renewals	\$3.8
	2029-30 effluent treatment system upgrades	\$2.2
	2030-31 a second aeration basin depends on growth	\$7.8
	2028-29 Reclaimed water treatment plant	\$8.9
Riverlands	2026-27 industrial sewerage sludge dewatering and management	\$9.5
Renwick	2029-30 High flow storage tank	\$1.8

Areas	Major Capital Projects	Inflated value (Millions)
Seddon	2024-25 Sewage treatment plant upgrade	\$23.4
St Andrews	2024-28 grinder pump system	\$1.1
Havelock	2024-27 new treatment plant	\$20.4
	2029-31 land treatment system	\$6.9

Stormwater

Stormwater strategy

The stormwater strategy provides a comprehensive framework to manage both the quality and quantity of stormwater. Stormwater Management Area Plans will be developed for each of the different areas in Blenheim to implement the strategy. The strategy's goals and approach will be extended to other townships over time.

Redwood Street/Town Branch drain

The need for the Town Branch Drain stormwater project is identified in the Blenheim Stormwater Strategy. It relates to the Town Branch Drain Stormwater Management Area (TBSMA), which covers 25% of Blenheim's land area. The project represents a significant investment to improve levels of service while including provision for urban growth.

Much of the stormwater generated within the TBSMA is currently conveyed north via an overloaded Redwood Street stormwater main before being pumped to the Ōpaoa River near Raupo. This stormwater will be subsequently diverted east via an upgraded urban network and a remodelled Town Branch Drain to a new outlet at the Ōpaoa River in the St Andrews area. It is expected that this work will be completed by 2029 with a budgeted cost of \$17.2 million.

Urban Growth strategy

Urban growth in Blenheim is largely to the north and west of the town. Stormwater needs to flow to the eastern coast, so it is important to ensure downstream upgrades are provided in a timely manner. Evaluation and installation of effective stormwater quality control techniques for new subdivisions, and retrofit of existing reticulation, will also occur.

Climate change

Extreme weather events are likely to become more frequent and more intense, and sea level rise is anticipated. These changes have implications for the effectiveness of rivers to discharge to the sea and the outfall of the drainage network.

Major projects and estimated cost

Areas	Major Capital Projects	Inflated value (Millions)
Blenheim	2024-25 Murphys Creek Pipeline	\$5.2
	2024-25 Redwood Street from Muller Road to Stephenson Street pipe replacing	\$1.0
	2024-34 Renewals	\$4.2
	2025-27 Stephenson to Stuart Street pipelines	\$1.0
	2026-28 Graham St - Stephenson - Boys college - Francis Street pipelines	\$2.7
	2024-29 Town Branch Drain upgrade	\$11.0

Rivers and Land Drainage

Flood protection

The Wairau floodplain's major rivers and stopbanked floodways cover 20,000 hectares of fertile land around Blenheim and this is the Council's major river control and drainage activity.

The Council has an on-going programme of flood hazard management primarily on the Wairau Plain but also for the Waitohi and Waikawa rivers. It includes controlling weeds and sediment on 280 km of waterways, maintaining stopbanks, floodgated culverts and providing pumping stations.

Inspections have confirmed the need for continued investment in new works and the maintenance of existing works to ensure a robust flood protection system is in place.

Ongoing maintenance and upgrade work is required downstream to both the Diversion and Wairau River mouths.

Stopbank upgrades

Ongoing stopbank upgrades are planned for the Wairau and lower Ōpaoa and rivers. Upgrades bring older sections of stopbank up to current structural standards and service levels. The impacts of climate change are considered in all new upgrade proposals.

Upgrade work during this LTP period has been risk prioritised, including delivery of the following key projects:

- Peninsula Road, Spring Creek – involves full stopbank reconstruction, including seismic strengthening, rock armouring, and additional freeboard to accommodate future flood scenarios.
- Lower Wairau – completion of stopbank realignment and resilience upgrades at Upper Condors.
- Lower Ōpaoa – continuation of stopbank realignment and resilience upgrades.

New works and future planning

Commonly used methods for increasing flood capacity include constructing stopbanks and maintaining river channel capacity through gravel extraction.

The lower Wairau Floodplain includes several thousand hectares which are less than two metres above sea level. Average sea levels are predicted to rise by 0.3 m by 2050.

Ensuring the future resilience of the Wairau Valley Scheme is a major priority during this LTP period, with a comprehensive scheme review now underway to develop the schemes Infrastructure Strategy, guiding long term investment and decision-making around existing and future flood protection assets.

Major projects and estimated cost

Area	Major capital projects	Inflated value (millions)
Riverlands	2024-28 Town Branch drain upgrades	\$3.9
Renwick	2026-27 Lower Terrace upgrade	\$1.2

Blenheim & Rural	2024-34 Drainage pump station upgrades	\$2.5
Wairau	2024-34 Edge works Tuamarina to Waihopai	\$5.7
Spring Creek	2024-27 Peninsula Road stopbank repair and upgrade	\$9.0
Lower Wairau	2027-31 Stopbank upgrades	\$1.8
Ōpaoa	2025-31 Stopbank upgrades	\$1.9
Wither Hills	2024-34 Soil conservation works	\$0.5

Roads and footpaths

Council contracts Waka Kotahi's Marlborough Roads office to manage Council's roads on its behalf. Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. Council is responsible for all roading-related assets - footpaths, kerb and channelling, street lighting and car parks. In recent years there has been increased investment in walking and cycling infrastructure.

Urban growth effects

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

High impact natural events

Over recent years storm events and earthquakes have had a significant effect on Council's Roading budgets, and the frequency of storm events is likely to increase as a result of climate change. Council has provided additional funding to meet the cost of these events.

Conflicting road network use

Increases in viticulture, forestry and tourism traffic combined with an ageing demographic means the transport network is used for a variety of purposes. Council is planning how it can provide a safe transport network that affordably meets the needs of all road users.

Unsealed roads

Unsealed roads are challenging to manage and can deteriorate rapidly with adverse weather events. Marlborough Roads now has the capability to measure roughness which assists with determining the need for intervention treatments such as grading.



Major projects and estimated cost

Area	Major capital projects	Inflated value (millions)
Marlborough Sounds Road Recovery	2024-34 Repairs and Improvements	\$162.0
General roading	2024-26 Emergency Reinstatement	\$29.0
	2024-34 Northwest Blenheim extension zone development	\$16.3
	2024-34 Renewal of existing infrastructure (e.g. drainage, resealing, rehabilitation, seal widening, metaling, etc)	\$173.0
	2018-28 Minor safety improvements	\$14.9
Bridges	2026-30 Taylor River Bridge on High St renewal	\$15.4
	2030-31 Taylor River Wither Road west	\$7.4
Signs, footpaths, cycle facilities, kerb and channel	2024-34 Wairau/Awatere sealed pavement extension	\$1.3
	2024-34 Renewals and additions of kerb and channels, footpaths, cycle facilities and non-subsidised seal extensions	\$8.2
Blenheim CBD upgrades	2024-34 CBD paved/cobbled areas upgrade	\$7.0
Wharves	2024-34 Renewals of existing infrastructure (jetties)	\$1.2
Small township upgrades	2024-34 Small township upgrades in Blenheim Vicinity and General Rural	\$6.9
Subdivisional works	2024-34 Seal extensions, widening, kerb and channeling as required by subdivisional works	\$1.7

Community Infrastructure

Parks and open spaces

Council owns and maintains neighbourhood parks, public gardens, natural parks, sports parks, outdoor adventure parks, civic spaces and recreational and ecological linkages as part of its overall open space network. Its assets includes the Wither Hills Farm Park, Victoria Domain, Pollard Park, Seymour Square, Lansdowne Park and the Taylor River Reserve.

Public conveniences

Council owns or leases 73 toilet facilities across Marlborough. A planned programme of upgrades to public conveniences is underway over the next ten years, including in Havelock, Blenheim, Ward, Horton Park and Oliver Park. A budget over the full ten year programme has been set at \$5.9 million.

Blenheim A&P Park Pavilion

A 2020 feasibility study that consulted with all tenants and users of A&P Park recommended the replacement of the Pavilion as it was no longer deemed fit for purpose due to the age and difficulties in redeveloping the facility.

Council has previously allocated funding of \$2.2 million for the development of a groups including the A&P Association and Marlborough Football.

A master plan for the park including options on where to locate the multipurpose hub has been completed and a preferred approach has been identified. An additional \$3.9 million has been made available in the 2024-34 Long Term Plan.

Major projects and estimated cost

Activity	Major capital projects	Inflated value (millions)
Reserves	2024-34 District wide public convenience upgrades	\$5.9
	2025-28 A&P Park new pavilion	\$6.1
	2027-28 Horton Park pavilion redevelopment	2.1
	2025-26 Artificial Turf for sports grounds	\$1.6

Environment

The Council is investing in a number of environmental improvement activities, including:

- working to resolve outstanding appeals to the Proposed Marlborough Environment Plan (PMEP) and variation 1: Marine Farming. At this point, the PMEP can be made operative, providing increased certainty to resource users, Marlborough's tangata whenua iwi and the community.
- a continued emphasis in collaborative integrated catchment-based programmes designed in conjunction with government, iwi, and the community, intended to help mitigate diffuse pollution and sediment runoff which effect the receiving environment, including Te Hoiere/the Pelorus. A focus on building community capability and resilience including alignment to the Fresh water farm plan requirements are a key priority.
- the Essential Freshwater package which is underpinned by the National Policy Statement for Freshwater Management 2020. This aims to stop further degradation of freshwater and seeks to reverse past damage to bring waterways and ecosystems back to a healthy state within a generation. This Long-Term Plan continues to address funding priorities for policy development, monitoring, collection of data, reporting underpinned by a resilience review of our digital monitoring network. In addition, we are investing in information to further refine water allocation limits for our main Wairau Aquifers.
- recognising the impact of climate change and multiple other stressors on the marine and coastal environment. Council has invested an additional \$50,000 per annum in a resilience and restoration programme. Council recognises that the most efficient way to improve the resilience of ecosystems in the coastal and marine area is to ensure that they are as healthy as possible. This program will take a collaborative approach to restoration utilising the values of both science and mātauranga Māori.
- The Council is increasing our investment in natural hazard research with a focus on the impacts in the Marlborough Sounds environment following extensive storm events and landslips. We are also refining the potential impacts of sea level rise on the coastal environment as a consequent of climate change. Research will involve landslip and coastal inundation mapping, and assessments alongside hazards risk analysis to refine our understanding of the potential risks to inform better planning for the future.

- The community environment grant fund (Working for Nature/Mahi mō te Taiao) has been established to empower the community to help restore and protect native ecosystems and habitats. Council now invests \$138,750 per year an increase of \$38,750.

Waste Management

The roll out of wheelie bins occurred in the second half of 2023-24, becoming operational from 1 July 2024. The change to the wheelie bin collection service included an expansion of the areas serviced to include Renwick, Seddon, Rarangi, Tua Marina, Spring Creek, Havelock, and the Rai Valley, together with some additional locations close to Blenheim.

Additionally, remote transfer stations are being established in various rural locations replacing previous Council operated rubbish and recycling collection facilities. Funding of \$0.56 million has been allocated in 2024-25, together with an initial \$0.30 million in 2023-24, both amounts from the Forestry and Land Development Reserve.

Senior Housing

Councils new 12 Unit Senior Housing development is complete with a blessing and official opening of the new housing development to be held in August.

New tenants will take residence up from mid-August 2024.

Economy

The Trust that Destination Marlborough previously operated under was disestablished at the end of June 2024 with all activities, staff, assets and liabilities transferring to Council control and ownership, which resulted in a loan of \$0.2 million advanced by Council to Destination Marlborough. During 2024-25 a strategic review of destination management and marketing in Marlborough is being undertaken with various stakeholders, with the intent being to develop a future operating model that becomes effective from the start of 2025-26.



FINANCIAL SUMMARY

Following on from the plan highlights and in response to the key decisions made, Council expects to expend \$2.6 billion whilst receiving \$2.5 billion from rates and other sources of income. The \$0.1 billion shortfall is funded through an increase in debt, in support of capital investments.

Included in the expenditure amounts is Capital expenditure on critical infrastructure and other Council activities of just under \$1.0 billion. Council's debt will rise to a peak of \$564 million in 2030 before reducing to \$436 million by 2034.

The strategies applied to these key financial management priorities are described more fully in the Financial Strategy later in this document.

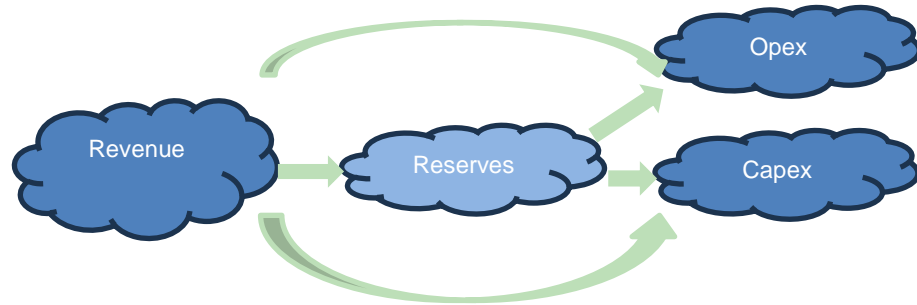
As a result of the key decisions in this plan Council has identified a number of key areas of expenditure. Below are these areas together with their funding sources:

- The recovery of the storm damaged Marlborough Sounds Roads with funding received from NZ Transport Agency/Waka Kotahi and rates serviced 20 year loans.
- The rebuilding of the Emergency Events reserve funded by general rates from 2026-27 onwards.
- The cessation of and the repayment of the COVID Relief reserve which is partially funded by the sale of carbon credits with the balance converted to debt and funded by general rates.
- The continued renewal of infrastructure assets which are funded by a combination of reserves which are built through rates (depreciation recovery) and debt initially but moving to a more fully reserve (rates/depreciation) funded model progressively over the ten years.

Council expenditure as summarised above is broken into operating expenditure and capital expenditure. Operating expenditure are costs Council incurs to run and maintain its operations and assets. It includes costs associated with debt funding and depreciation of assets.

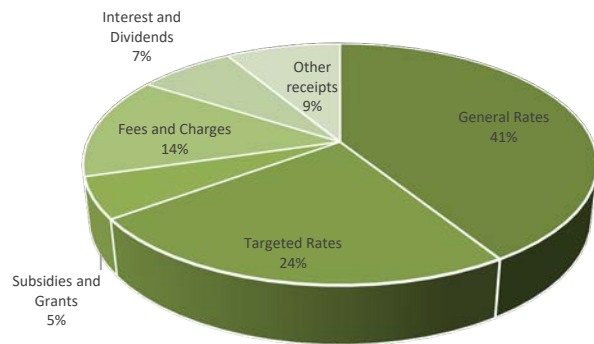
Capital expenditure is incurred to create or renew infrastructure and other assets that have an enduring use. Capital expenditure can be required in order to meet additional demand, to improve the levels of service Council provides or replaces existing assets that have reached the end of their useful lives.

Costs incurred need to be funded from the differing revenue sources Council has. Sometimes the revenue sources are directed to a reserve which is then used to fund the expenditure, as illustrated in the figure below.



Revenue Sources

Council receives revenue from a multitude of different sources as illustrated in the chart below, covering the ten years of this plan. Rates make up more than 50% of the total revenue for the ten year period with subsidies and grants making up a further 14%.



Rates and rates increases

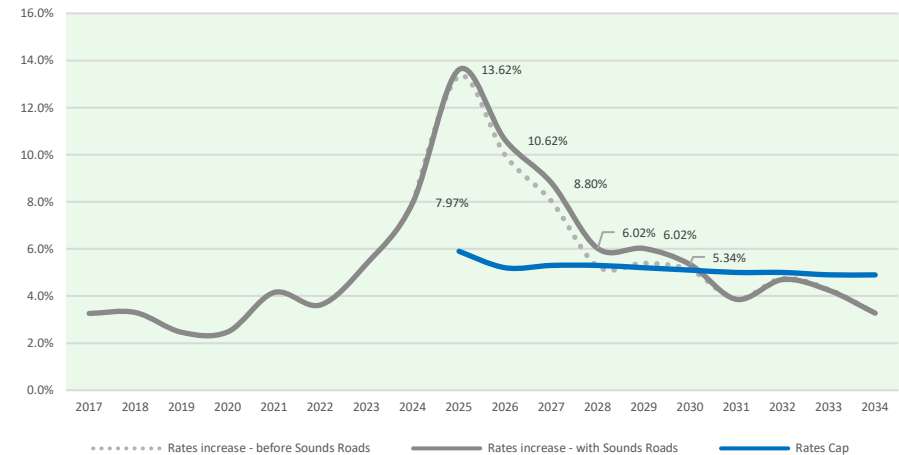
Rates are an important source of income, being used to fund operating and capital expenditure and to service the debt that maybe incurred in certain cases. The levels of

rates are particularly sensitive to changes in costs and levels of subsidies or grants received.

Over many years Council has targeted rates increases at levels close to inflation, which has led to alternative funding sources being used to “normalise” the cost of Council operations.

For this LTP Council has had no choice but to make the difficult decision to pass on more of the inflationary pressures, make adjustments to ensure Council maintains a strong financial footing, and to address the significant infrastructure investment requirements. Debt is being used to spread the cost of this investment equitably across generations but higher than recent years rates increases are being projected.

Council has adopted as policy that increases in total rates will not exceed the LGCI, set by Business Economic Research Limited (BERL), movement by more than 3%. The following table shows forecast rates increases compared to Council’s policy.



Funding the Marlborough Roads Recovery

Two major weather events occurred in July 2021 and August 2022 which resulted in extensive damage to the Sounds roading network and a need for significant repairs and improvements, generating a consequential funding need.

While a large portion of the circa \$140M Tranche 1 and 2 funding approved by the New Zealand Transport Agency (NZTA) at a 95% Financial Assistance Rate has been applied to necessary Sounds repairs, there is a need for further recovery works and additional Council funding.

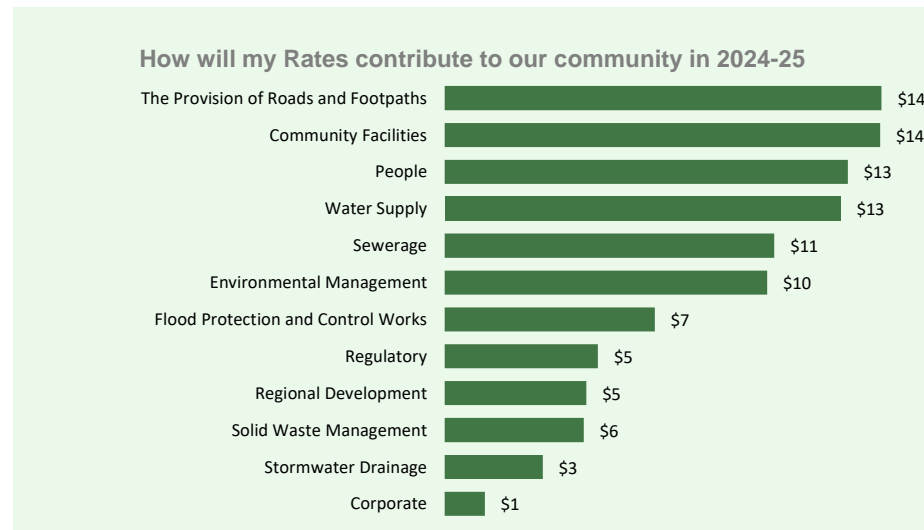
The uninflated estimated total cost of the remaining repair and improvement works is \$230M over a 25 year period, with an inflated value of \$162 million included in this plan. NZTA have agreed in principle to fund 71% of repair costs and 51% of improvements, subject to formal design and funding processes.

Following extensive public consultation and the consideration of submissions Council has set a rating model that sees the Marlborough Sounds split in to five zones with differential land value rates set for each. Additionally, there is a lower weighted rate for properties in the Sounds Admin Rural geographic rating area, and a Uniform Annual Charge (UAC) for properties outside the Marlborough Sounds.

These rates will be used to service the 20 year loans that are taken out to fund the completion of this work, and over the course of this ten year plan \$32.7 million is collected.

Where does Council spend ratepayers money?

For 2024-25 Council will collect \$99.8 million in rates allocated to the Groups of activities identified in the following chart.



Capital Expenditure

More information on the Capital Expenditure programme is given in the Activity Sections and the Infrastructure Strategy and is also available in Council's Asset Management Plans.

The following graph demonstrates that Council plans to spend 94% of the capital program on essential infrastructure and community facilities.

Capital expenditure by Group of Activities (in millions)



The average amount of Capital Expenditure over the past five years is \$70 million.

Points to note in regard to Capital Expenditure are:

- The full cost of interest and depreciation apply from the year after construction is completed; and
- New assets generate ongoing operations and maintenance expenditure.

The largest Capital Expenditure in the early years takes place in Roads, with further roading investment on the Sounds and other local roads, Sewerage, Water Supply,

Flood Protection, with particular spend on the Peninsula Road stopbank and Community Facilities.

Activity (\$M)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Sewer	13	22	35	29	31	25	26	12	13	6
Roading	44	36	22	21	31	29	30	23	25	23
Marlborough Sounds Roads	15	30	36	36	31	3	3	3	3	3
Water	23	18	10	11	8	24	7	8	28	27
Flood Protection and Control Works	4	10	8	4	2	2	3	1	2	1
Stormwater	6	3	4	7	6	1	1	1	0	1
Community Facilities	4	9	7	7	3	3	3	3	4	3
Other	8	6	4	7	14	5	6	3	5	2
Total Capital Expenditure	118	133	125	122	126	92	80	55	80	67

Capex Funding

While existing Reserves, subsidies and Development Contributions are the first sources for funding Capital Expenditure, the balance is generally funded by loans. Council targets funding of up to 50% of new capital assets from Reserves if available.

Debt

Loans have a rating impact, but as their repayment is spread over time, generally 20 years, it reduces the burden on current rates and spreads the costs over those future ratepayers who will also benefit from the asset being created. Increased maintenance and operating costs from capital projects are funded primarily by rates.

Gross borrowing over the period of the LTP will increase from \$275 million shown in the 2023-24 Annual Plan to a maximum of \$564 million in 2029-30 to help fund the proposed Capital Expenditure programme for the entire Council Group. This includes borrowings on behalf of its subsidiaries, MDC Holdings Ltd, Marlborough Airport Ltd

(MAL) and Port Marlborough NZ Ltd (PMNZL). Gross borrowing is forecast to reduce to \$436 million in 2033-34.

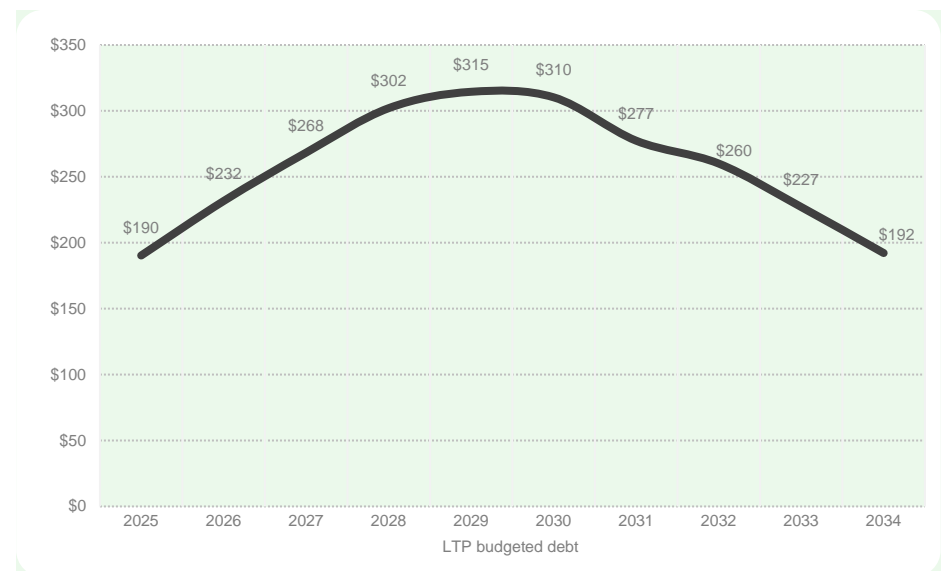
Subsidiary debt, which because of its cancellation, excludes any IREX Project funding, peaks at \$212 million before reducing to \$162 million in 2033-34.

Net Debt, which is total debt less amounts advanced to subsidiaries, investments and cash on hand increases from \$120 million at the end of 2023-24 to a peak in 2029-30 before reducing to a lower value in 2033-34.

Loans received and advanced to subsidiaries are typically in support of commercial objectives and will generate a return to Council which is used to service the loan taken out.

Each year Council will review the continued need and timing of Capital Expenditure as part of its Annual Planning and budgeting process and is used to optimise cashflow and debt levels. In previous years, these reviews have resulted in expenditure deferrals, which have in turn, reduced subsequent years rates increases and actual debt levels.

The following graph identifies Council's projected debt net of cash and investments and net debt.





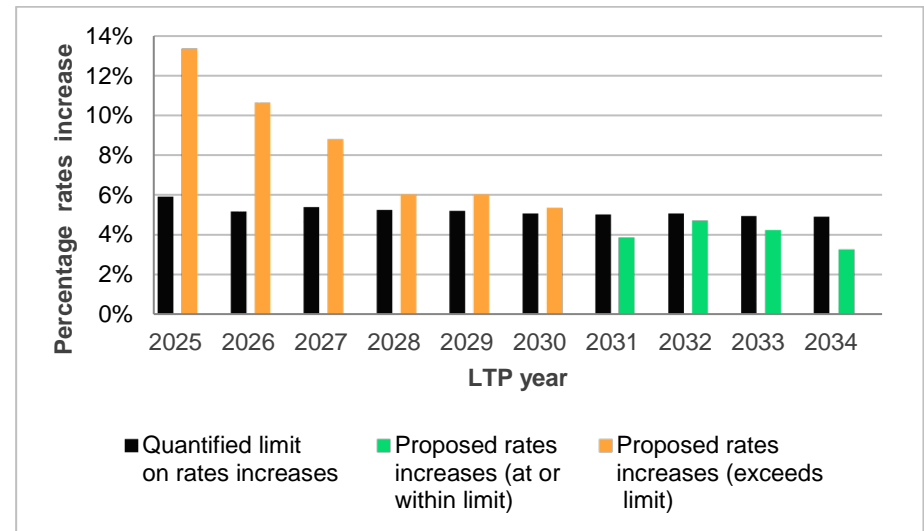
LONG TERM PLAN DISCLOSURE STATEMENT FOR THE PERIOD COMMENCING 1 JULY 2024

What is the purpose of this statement?

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

Rates increases affordability benchmark

The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is that rate increases will not exceed the Local Government Cost Index by more than 3%.



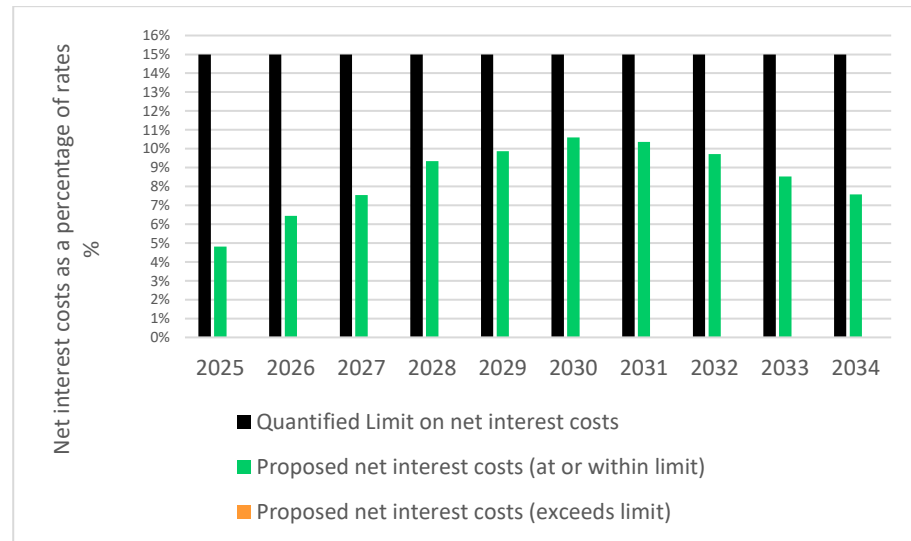
The graph shows that Council has gone above its policy from 2025 to 2030. The 2025-2027 increases are impacted by the phasing out of the COVID Rates Relief and beginning to make repayments of the relief provided over the last three years. The 2025 rates increase is especially high and is also driven by the expansion of our kerbside waste collection, the start of rates funding of the repairs for the roads in the Marlborough Sounds and significant increases in costs to continue to provide current levels of service. In 2028-2030 the limit is exceeded due to phasing in of a significant uplift in depreciation expense relating to three waters assets and the introduction of a rate to replenish the emergency events reserve which has been depleted in recent years.

Debt affordability benchmark

The following graph compares Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan.

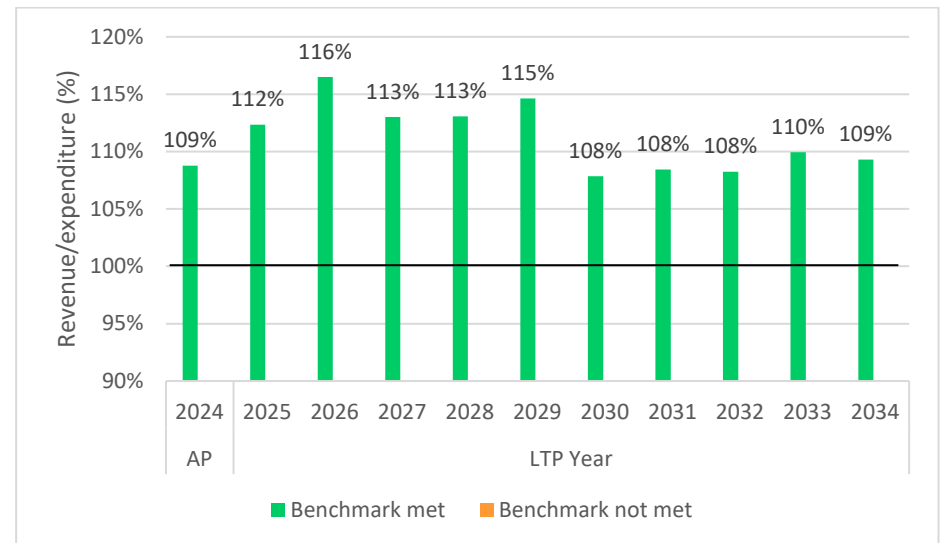
The quantified limit is

- Net interest costs are less than 15% of total rates.



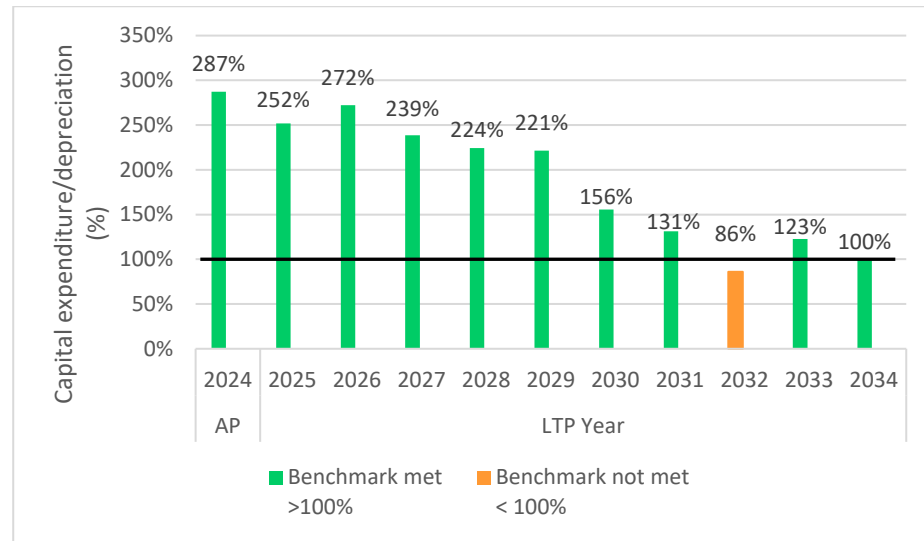
Balanced budget benchmark

The following graph displays Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivatives financial instruments and revaluations of property, plant or equipment). Council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

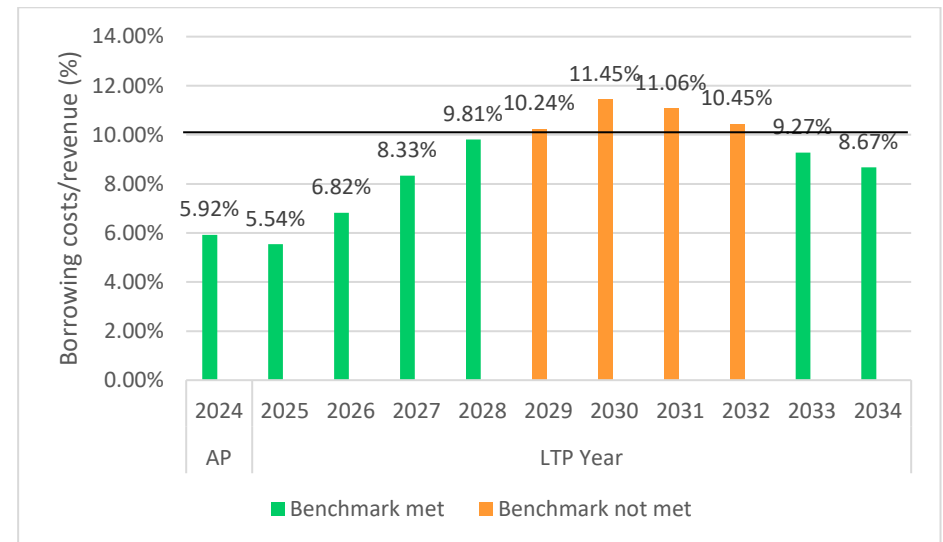
The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Council does not meet this benchmark in 2032. From 2025 onwards depreciation is significantly higher than it has been in previous years following a large uplift in the value of three waters assets. In the early years of the plan this is offset by higher than usual capital expenditure relating to the roading repairs program and upgrades required to water supply assets. In the later years as the capital expenditure program returns to normal levels this results in 2032 having higher depreciation than capital expenditure. In total, over the ten years of the plan, the result is 174% indicating that Council has set an ambitious capital expenditure program for the ten years.

Debt servicing benchmark

The following graph displays Council's planned borrowing costs 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 Council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs are equal or less than 10% of its planned revenue.



Council does not meet the benchmark in years 2029-2032. This is due to the growth in debt to fund Council's share of the roading repairs program following weather events in 2021 and 2022.

COMMUNITY OUTCOMES

Community Outcomes are statements that describe the sort of community Marlborough could be in the future, as a result of actions that get taken now and in years to come. The current group of Community Outcomes were written to take into account the Marlborough Smart and Connected vision and strategic framework. Council's contribution to achieving the community outcomes and the vision is summarised in the table below. A more detailed assessment is included in each activity statement.

In 2019 Government reinstated the "four Well Beings", i.e. social, economic environmental and cultural. Each of Council's Activities contributes to one or more of these well beings. The following table identifies for each Activity the "well beings" that it makes a positive contribution towards. It is not believed that any Activity makes a negative contribution to any of the well beings.

Governance	<ul style="list-style-type: none">• Marlborough has a strong community that is passionate about participating, connecting with and helping shape our future. Our Council listens to its communities and strives for best practice governance to support their aspirations. We value our strong partnership with tangata whenua iwi.
Environment	<ul style="list-style-type: none">• Marlborough's communities are the guardians of our unique place. Our landscape, water, air, natural features and biodiversity are managed, protected, enhanced and valued as the cornerstone to our quality of life.
People	<ul style="list-style-type: none">• Marlborough's communities value our special way of life. We are diverse, inclusive, welcoming and enjoy opportunities to connect, live, learn, work and play in this vibrant place.
Economy	<ul style="list-style-type: none">• Marlborough's economy supports the aspirations of our community. It is underpinned by strategic, thoughtful and sustainable use of resources which provides opportunities for business innovation and quality employment.
Connectivity	<ul style="list-style-type: none">• Marlborough's central location and transport network, enhanced by our digital resources, enables our communities and visitors to access a wide range of recreational, cultural and economic activities locally, nationally and globally.
Living	<ul style="list-style-type: none">• Marlborough's enviable community facilities, infrastructure, landscapes and climate enables our community to thrive. Life in Marlborough is safe and healthy.

Council Activities
Democratic Process
Culture and Heritage
Community Support
Housing for Seniors
Library Services
Emergency Management
Community Facilities
The Provision of Roads and Footpaths
Flood Protection and Control Works
Sewerage Including Treatment and Disposal
Stormwater Drainage
Water Supply
Solid Waste Management
Environmental Policy
Environmental Science and Monitoring
Resource Consents
Environmental Protection
Biosecurity
Building Control
Environmental Health
Animal Control
Harbours
Regional Development
Corporate

Community Outcomes					
Governance	Environment	People	Economy	Connectivity	Living
✓	✓	✓	✓	✓	✓
✓		✓	✓		✓
✓		✓		✓	✓
✓	✓	✓		✓	✓
✓		✓	✓	✓	✓
✓	✓	✓	✓		✓
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✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓

Four Well Beings			
Social	Economic	Environmental	Cultural
✓	✓	✓	✓
✓			✓
✓		✓	✓
✓			
✓	✓	✓	✓
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CONSULTATION

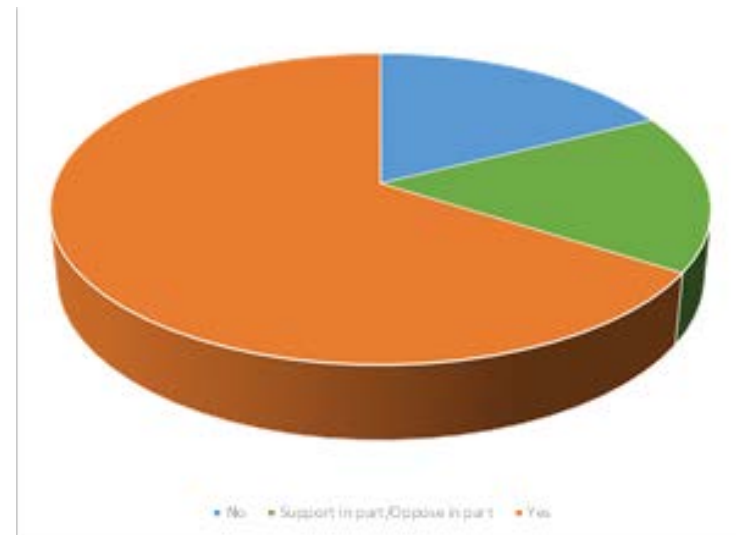
Background

The proposals put to residents and ratepayers in the Consultation Document represent the culmination of:

- previous Annual and Long Term Plan consultations which has led to the current direction taken by Council;
- the work of the LTP Working Group;
- budgeting and funding work by staff;
- agreement by Council to include the individual items and their proposed funding in the Consultation Document.

General Long Term Plan Consultation Topics

198 Submissions were received providing 534 responses indicating support or otherwise for the particular topic. "Yes" responses were proportionately larger than "No" or "Support in part/Oppose in part" responses, suggesting support in general for Councils LTP.



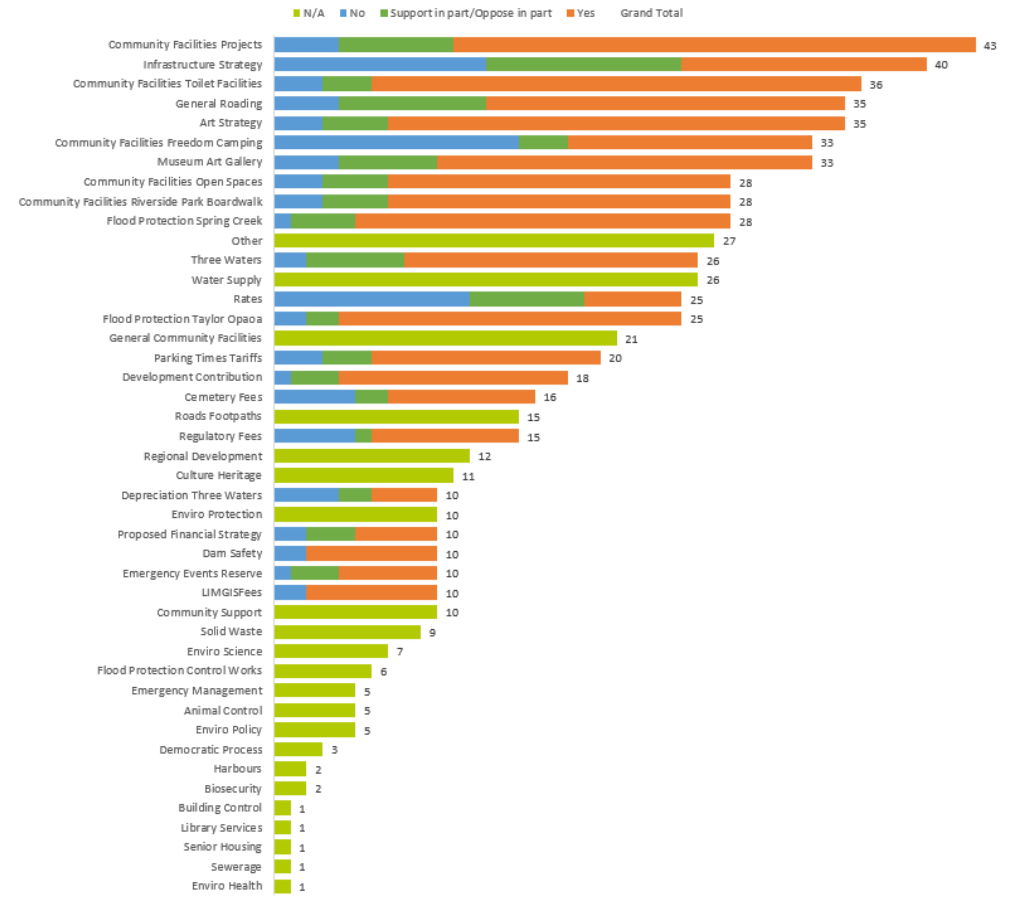
Consultation topics and proposals were largely accepted in full or part.

Feedback received from submitters on changes to fees and charges were generally supportive.

Budget requests were received from 59 submitters with a total request value of \$12.4m, with a mixture of one off and ongoing requests received.

In the Consultation Document Council made a number of proposals, and recommended increases in a range of fees and charges, which it asked for feedback on.

- 198 submissions were received for non Sounds Roads LTP topics with 534 “Yes”, “Support in part/Oppose in part”, and “No” responses received to the 44 topics consulted on.
- 352 “Yes” responses were recorded out of the total of 534 responses, 94 “No” and 88 “Support in part/Oppose in part”.
- The highest number of “Yes” responses were recorded for Community Facilities Projects (32) and Toilets (30), closely followed by the Art Strategy (28).
- The highest number of “No” responses were recorded for Freedom Camping (15), the Infrastructure Strategy (13) and Rates (12), the latter on a low number of total responses (25). For these 3 topics the “No” response was proportionately higher than other topics of consultation.
- See the following chart for a greater breakdown of responses by topic.
- In general, support was received for Councils proposed direction and decisions, including for the changes to fees and charges.
- Budget requests of a total of \$12.4m were received including some requests added by submitters in the Hearings. Larger requests include funding for Marlborough Netball and Whitehead Bowling Club for the installation of covers for sports areas, a request from Renwick Sports and Events Centre for a grounds and facility development programme over the next ten years and a request of \$5m from the Marlborough Heritage Society for Council to buy the Society’s buildings.



Marlborough Sounds Roads Recovery Consultation

The funding of the Sounds Roads Recovery was by far the most significant item contained in the 2024-34 Consultation Document. This is reflected in that the number of submissions received on this topic made up almost half of the total number of submissions. An analysis of the submissions received has been undertaken with 13 common themes being identified. However, while the themes were common, there were at times diametrically opposed views on how Council should proceed. One example was Marine where submitters argued both for and against the inclusion of Marine. There were other examples of this occurring as well which are detailed in the paper.

Of the themes, four would make a significant difference on rating for the funding of the Sound Roads recovery. Of these, three were recommended to Council:

- Removal of Marine, except for a \$500,000 study.
- Adjusting the cost allocation between Zones to take account of Tranche 1 and 2 expenditure not just Tranche 3 expenditure as was initially proposed in the Consultation Document.
- Changing the weighting for Non-Sounds from 25 to 30.

The table below shows the 2034 rating impact of the modified options. Option 2(d) in addition to the above is 2(c) but in which the Non-Sounds category is a Uniform Annual Charge (UAC).

Option 2(a)										
Average Rate	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
All Marlborough	10.30	39.00	79.07	122.93	163.85	185.47	191.31	197.27	203.35	209.55
Option 2(b)										
Average Rate	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Zones	20.96	79.33	160.85	250.08	333.32	377.32	389.19	401.32	413.68	426.28
Sounds Admin Rural	4.55	17.22	34.91	54.28	72.35	81.90	84.48	87.11	89.79	92.53
Non-Sounds	9.22	34.92	70.79	110.07	146.70	166.07	171.30	176.63	182.08	187.63
Option 2(c)										
Average Rate	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30	Jun-31	Jun-32	Jun-33	Jun-34
Te Aumiti/French Pass	12.19	46.14	93.55	145.45	193.87	219.46	226.36	233.41	240.60	247.94
Te Hoiere/Pelorus	13.41	50.77	102.95	160.06	213.34	241.50	249.10	256.86	264.77	272.84
Tōtaranui/Queen Charlotte	16.95	64.16	130.08	202.25	269.57	305.15	314.76	324.56	334.56	344.75
Kenepuru	34.68	131.30	266.22	413.91	551.69	624.50	644.16	664.22	684.68	705.55
Te Whanganui/Port Underwood	18.49	69.99	141.92	220.65	294.09	332.91	343.39	354.08	364.99	376.11
Sounds Admin Rural	4.55	17.22	34.91	54.28	72.35	81.90	84.48	87.11	89.79	92.53
Non-Sounds	9.22	34.92	70.79	110.07	146.70	166.07	171.30	176.63	182.08	187.63

Of those that answered the questions under the Sounds Roothing heading, their answers were as follows:

Options		Number
Option 1	Do minimum. Stop spending after Tranche 1 and 2.	13
Option 2(a)	Apply a weighting of 100 for all properties	72
Option 2(b)	Apply a weighting of 100 for Zone properties and a reduced weighting for Sounds Admin Rural and non Sounds properties.	16
Option 2(c)	Option 2(b) and allocate Zone costs in proportion to the expenditure planned for each Zone.	14
Option 2(d)	Option 2(c) and apply a uniform annual charge for the non Sounds properties.	36
	None of the above	17
	TOTAL	168

Council deliberations

At their deliberations meeting on 24 June 2024, Councillors subsequently agreed to the following for the recovery of the storm damaged roads in the Marlborough Sounds;

- To accept the recommendations above, and
- To modify the funding for the Sounds Roads Recovery to the modified option 2(d) (option 2(c) above with Non-Sounds as a UAC).

Of those submissions that made a budget request they agreed to allocate funding as following:

Recipient	Amount Approved \$	Funding Source
Warmer Healthier Homes Te Tau Ihu Charitable Trust	20,000	Rates
Flaxbourne Heritage Trust	2,500	Rates
Rapaura Tennis Club Incorporated	2,500	Rates
Graeme Dingle Foundation Marlborough	2,000	Rates
Totaranui 250 Trust	100,000	Reserve
Link Pathway Trust	10,000	Reserve
Destination Marlborough	200,000	Loan
Increased Maintenance costs at Sports Parks	67,334	Rates
Marlborough Historical Society Incorporated	40,000	Existing

They also:

- Adopted the Development Contributions Policy as proposed with a slight modification to address recent clarifications of the policy in relation to small homes.
- Confirmed the Levels of Service increase decisions made at the budget meeting of 26 February 2024 which included,
 - The funding of the Emergency Events Reserve from 2026-27 onwards,
 - The progressive move to fully funding the increased depreciation for the three waters assets revalued amount from 2026-27, and
 - The cessation and repayment of the COVID Rates Relief Reserve.
- Accepted all of the proposed non Sounds Roads options as identified in the Consultation Document, and
- Confirmed the changes in all fees and charges as presented in the Consultation Document.



WĀHANGA 2
PART 2

Tō Tātou Pahiki Our Business

ACTIVITY GROUPS AND ACTIVITIES

This second part provides detailed plan and budget information for each activity group and activity. Shown below are:

- The activity groups and the activities making up each group
- The types of information included for each group and for each activity.

Activity Groups	Activities
People	Democratic Process Culture and Heritage Housing for Seniors Community Support Library Services Emergency Management
Community Facilities	Community Facilities
Roads and Footpaths	Roads and Footpaths
Flood Protection and Control Works	Flood Protection and Control Works
Sewerage Including Treatment and Disposal	Sewerage Including Treatment and Disposal
Stormwater Drainage	Stormwater Drainage
Water Supply	Water Supply
Solid Waste Management	Solid Waste Management
Environmental Management	Environmental Policy Environmental Science and Monitoring Resource Consents Environmental Protection
Regulatory	Biosecurity Building Control Environmental Health Animal Control Nautical and Coastal
Regional Development	Regional Development
Corporate	Corporate



HOW TO READ THIS SECTION OF THE LONG TERM PLAN

Activity Groups

Pie chart: Operating costs

The graph represents the operating costs for the activity group in relation to total Council expenditure and how that expenditure is spread across the activities.

Pie chart: Capital projects

The graph represents the capital expenditure for the activity group in relation to total Council expenditure and how that expenditure is spread across the Activities.

Rationale for the delivery of the group of activities

This text explains why the activities have been grouped together. Some activity groups are mandatory as they are prescribed by the Local Government Act.

Changes to activity group from the 2023-24 Annual Plan

This text summarises any changes to the activity group structure from the 2023-24 Annual Plan.

Intended changes to levels of service from the 2023-24 Annual Plan

The table describes any intended changes to the levels of service within the group from the levels of service displayed in the 2023-24 Annual Plan.

Significant negative effects associated with this group of activities

This text lists any significant negative effects that may exist through the delivery of the activities within the group.

Variation between Long Term Plan and assessment of Water and Sanitary Services *(only included in assets related activity statements)*

This text describes any variations between the adopted assessment of water and sanitary services and this Plan.

Variation between Long Term Plan and Waste Management and Minimisation Plan (WMMP) *(only included under Solid Waste Management)*

This text describes any variations between the adopted WMMP and this Plan.

Funding Impact Statement (FIS) *(only included where there is more than one activity in the group)*

The format of the FIS (down to the 'Funding balance' line) is laid down by government regulations which require that non-cash items are excluded from the FIS.

This means that the FIS information differs from the information in Council's financial statements which are prepared in accordance with generally accepted accounting principles (GAAP).

The FIS table displays the budget for the 2023-24 Annual Plan and the budgets for this 2024-34 Long Term Plan.

Activities

Activity name

This table summarises the percentage of operating costs in relation to total Council expenditure.

How this activity contributes to related community outcomes

This table includes how the activity contributes to each of the community outcomes linked to the Smart and Connected vision for Marlborough (Governance, Environment, People, Economy, Connectivity and Living).

Refer to the Community Outcomes section under Part 1 of our Long Term Plan for more information on the Smart and Connected framework.

What is this activity about?

This text describes the services that the activity provides.

Asset description

The text and tables describe the assets that Council holds to deliver the activity. It provides a picture of the extent of the network as a whole, and the differing levels of assets in different communities.

Major budgeted capital projects

The table outlines the major capital projects and areas of expenditure planned for this activity over the next 10 years.

Although these items are budgeted, in some cases further public consultation will be required with the relevant community before the project is implemented. These projects are included under the Capital expenditure line of the Funding Impact Statement at the end of the activity section.

Emerging issues and expected changes

This text outlines the issues that will affect the activity during the years of our Long Term Plan. This section signals foreseeable changes to the way the activity will be delivered and explains some of the expenditure that Council is making.

Levels of service

This table details the levels of service that Council is proposing to deliver for each activity and the indicators and targets we will use each year to measure our success.

The baseline column provides an indication of recent performance levels. The standard calculation is the average of the three years' actual performance up to, and including, 2022-23.

Funding Impact Statement (FIS)

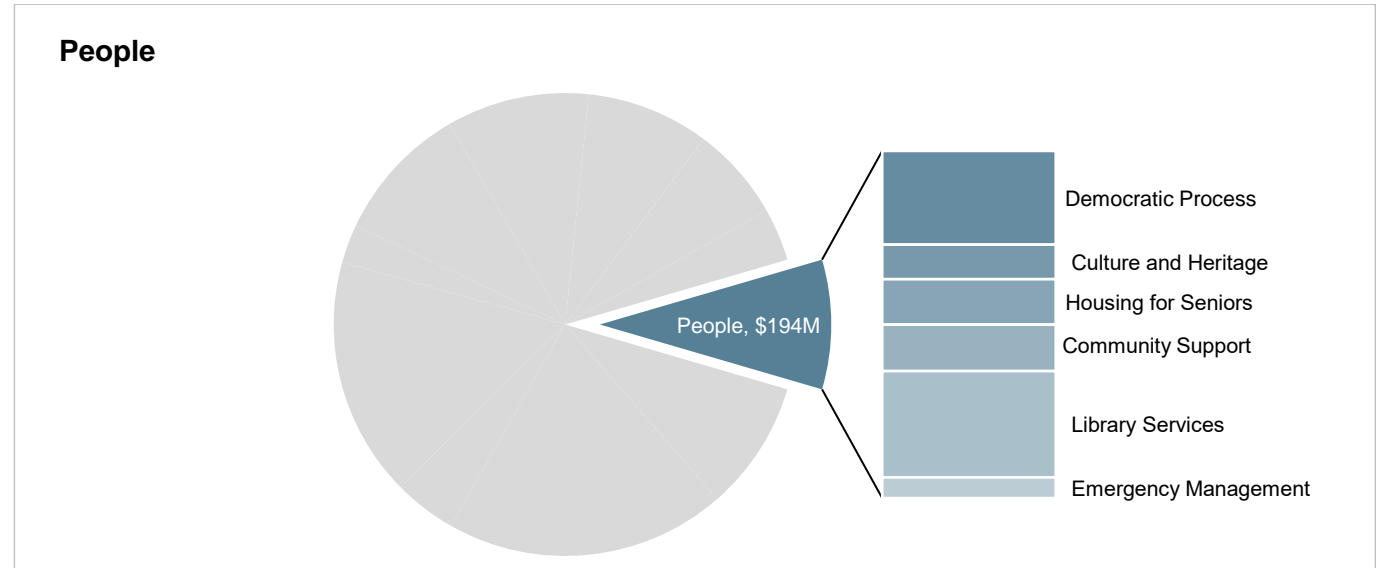
Refer to comment under activity groups.

ACTIVITY GROUP: PEOPLE



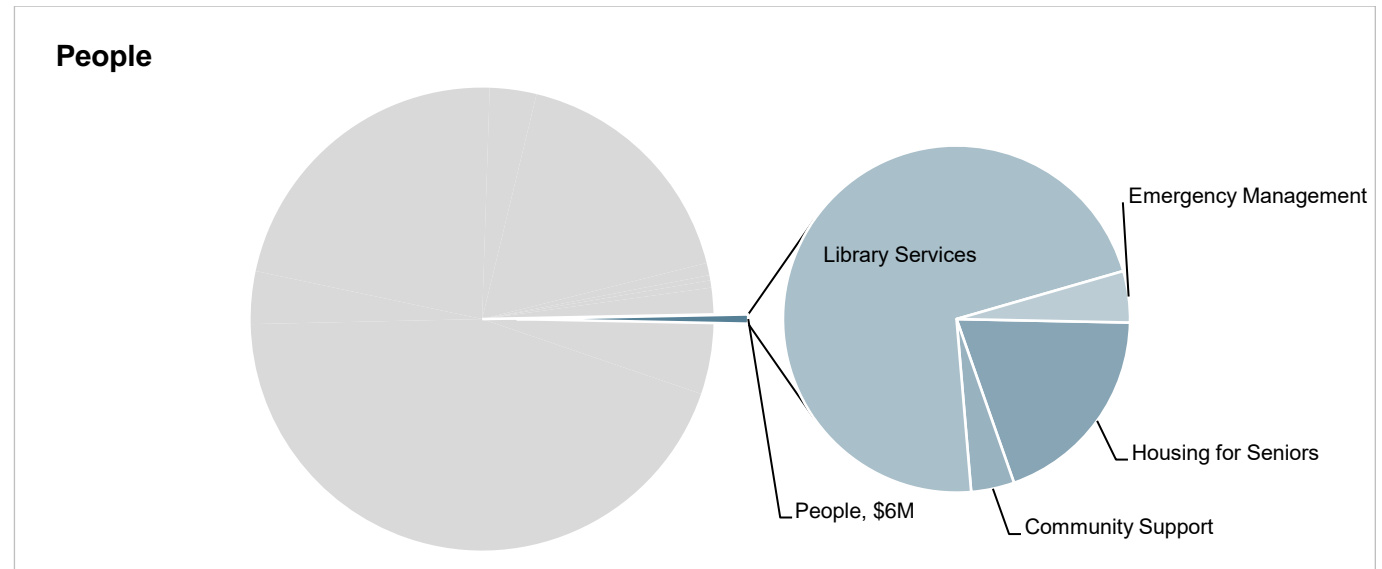
Operating costs

The operating costs for the People group of activities represents \$194 million of total Council expenditure.



Capital projects

The capital expenditure for the People group of activities represents \$6 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective activity sections.



Activity	Major Capital Projects	Inflated value (Millions)
Library Service	Library books, equipment and other assets	\$ 4.42
Housing for Seniors	Bryant Place units development	\$ 1.19

Rationale for delivery of the People group of activities

The activities encompass a range of People focused services from support to the youth and elderly, community services, housing and energy efficiency, democratic participation, safety and learning.

Changes to the People activity group from the 2023–24 Annual Plan

There are no changes to this group of activities.

Intended changes to levels of service from the 2023-24 Annual Plan

2024-34 LTP	Reason for changes
Removed Senior Housing Tenant Satisfaction Survey	There is an independent better focused survey undertaken by Aged Concern. Also, there was the potential for the Tenant Satisfaction Survey to confuse Senior Housing with Affordable Housing.
Removed planned maintenance projects as per budget in Housing for Seniors	This is captured in the financial information provided.
Removed “Number of meetings of Joint Committee, Coordinating Executive Group, Readiness & Response Committee and Welfare Coordination Group held.”	The Auditor General has been advocating a rationalization of performance measures.

Significant negative effects associated with this group of activities

There are no significant negative effects that have been identified for this group of activities.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the activity group.

Funding Impact Statement for LTP 2024-34 for											
People	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	10,713	12,300	13,392	14,042	14,194	14,813	15,154	15,274	15,906	16,259	16,443
Targeted rates	749	657	622	564	489	408	331	264	189	74	-
Subsidies and grants for operating purposes	823	800	616	577	508	504	515	542	537	547	576
Fees and charges	17	38	38	37	39	38	37	38	37	37	36
Internal charges and overheads recovered	150	150	153	157	160	164	167	171	174	177	181
Fuel tax, fines, infringement fees and other receipts	3,589	3,591	3,290	3,166	3,260	3,389	3,485	3,629	3,789	3,951	4,115
Total operating funding	16,041	17,536	18,111	18,543	18,650	19,316	19,689	19,918	20,632	21,045	21,351
Applications of operating funding											
Payments to staff and suppliers	9,213	9,312	9,630	9,820	9,776	10,284	10,460	10,484	11,017	11,179	11,214
Finance costs	352	457	439	420	401	379	357	334	310	284	256
Internal charges and overheads applied	4,358	4,734	5,058	5,276	5,406	5,559	5,710	5,843	5,994	6,166	6,313
Other operating funding applications	1,350	1,690	1,568	1,569	1,574	1,549	1,550	1,575	1,552	1,554	1,579
Total applications of operating funding	15,273	16,193	16,695	17,085	17,157	17,771	18,077	18,236	18,873	19,183	19,362
Surplus (deficit) of operating funding	768	1,343	1,416	1,458	1,493	1,545	1,612	1,682	1,759	1,862	1,989
Sources of capital funding											
Subsidies and grants for capital expenditure	11	11	12	12	12	12	13	13	13	14	14
Increase (decrease) in debt	(3,778)	(320)	(339)	(357)	(377)	(398)	(421)	(443)	(468)	(495)	(522)
Lump sum contributions	173	193	179	162	140	116	90	68	40	16	-
Gross proceeds from sales of assets	3,500	9	12	-	-	-	-	7	-	17	-
Total sources of capital funding	(94)	(107)	(136)	(183)	(225)	(270)	(318)	(355)	(415)	(448)	(508)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	1,554	55	57	58	61	63	66	67	69	69	71
Capital expenditure to replace existing assets	1,957	595	393	582	378	648	406	708	436	907	452
Increase (decrease) in reserves	(2,837)	583	828	635	837	565	823	549	841	436	963
Total applications of capital funding	674	1,236	1,280	1,275	1,268	1,275	1,294	1,327	1,344	1,414	1,481
Surplus (deficit) of capital funding	(768)	(1,343)	(1,416)	(1,458)	(1,493)	(1,545)	(1,612)	(1,682)	(1,759)	(1,862)	(1,989)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Democratic Process

What is this activity about?

Marlborough District Council is a unitary authority with the functions, duties and powers of both a regional council and a territorial authority, as conferred on it by the Local Government Act 2002. This Act describes the purpose of local government as being:

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Marlborough District Council’s Local Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Local Governance Statement and associated policies and documents can be viewed at Council Service Centres, Libraries and on the Council’s website.

Iwi relationships

Te Tiriti o Waitangi and consequent legislation such as the Resource Management Act 1991 and the Local Government Act 2022 guide how Marlborough District Council engages with Māori. These documents provide a foundation on how Council and its staff engage with iwi and Mana/Tangata whenua within the Marlborough District to ensure that the views and values of Māori are considered across Council activities as we make decisions about Marlborough, for Marlborough, our resources and ultimately our environment.

Maintaining partnerships with our iwi within Marlborough – Ngāti Apa ki te Rā Tō, Ngāti Koata, Ngāti Kuia, Ngāti Kuri-Ngāi Tahu, Ngāti Rārua, Ngāti Toa Rangatira, Rangitāne o Wairau and Te Ātiawa o Te Waka-a-Māui is of high priority to Council and one we are committed to. We remain focused on sustainable iwi partnerships and collaborations. We are dedicated to improving this throughout our work streams.

This engagement is achieved through the establishment and election of our Māori Ward providing better representation of Māori and providing a Māori voice at the governance level. We have also allocated iwi representation on our committees; Assets and Services Committee, Environment and Planning Committee (who will also sit on the Climate Change Committee) and Economic, Finance and Community Committee – these seats have been filled, with inductions planned for early 2024.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by encouraging people to care about community issues and to engage with local government decision making. It does this through the community outcomes of Governance, Environment, People, Economy and Living, as outlined below.

Outcome	Actions
Governance	Facilitating public interactions with Council and with other public and private organisations.
Environment	Funding the Sounds Advisory Group which promotes the sustainable management of Marlborough’s natural and physical resources.
People	Promoting the ability for people to be engaged and to participate in their community.
Economy	Promoting the ability for people involved in commercial and industrial businesses to be engaged and to participate in their community.
Living	Encouraging people to work together to participate in local democracy.

Emerging issues and expected changes

Iwi relationships

Council, alongside Tasman District Council and Nelson City Council, have recently signed an Iwi Relationship Agreement (Together Te Tauihu Partnership Agreement) with Te Tauihu iwi, to further solidify our relationship commitments and provide a working document that underpins our working relationship not only for today, but into the future.

Council employed a Kaihautū during the 2023-24 financial year.

There is a need to provide avenues to enhance our staff's cultural capability and understanding. We already provide opportunities for staff to participate in learning Te Reo Māori through the Te Ataarangi courses. We are considering how Council employees extend their capabilities and are investigating the possibility of:

- engagement workshops that aim to broaden understanding of Te Ao Māori (Māori ways of life)
- Te Tiriti o Waitangi workshops
- development of an Iwi Engagement team to work alongside Kaihautū.

Communications

Council adjusts its communications channels to reflect changes in how people consume news and information, giving a greater emphasis to online provision through its website, Facebook, Antenna and e-newsletters. We have also increased our use of online video.

A significant proportion of older residents read a print newspaper but younger adults have a preference towards online. Council will therefore continue to seek to increase its resourcing of online publishing and reduce its print expenditure.

Unfunded mandates from central Government, particularly in the environmental area, have put additional workload on the communications function in recent years, with no corresponding increase in budget.

Levels of Service 2024-34: Democratic Process

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.8	≥ 5.8	≥ 5.8	≥ 5.8	≥ 5.8
Provide a communications level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.5	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
Provide a service that is timely and responsive to residents' needs.	% of agendas available to the public, by way of the website and counter enquiry, at least three working days prior to meetings.	100%	100%	100%	100%	100%
Manage local elections and polls to comply with the provisions of the Local Electoral Act 2001.	Number of petitions for an enquiry.	0	0	0	0	0
Encourage public contribution to the decision making process.	% of Council items of business open to the public.	93.5%	≥ 93.5%	≥ 93.5%	≥ 93.5%	≥ 93.5%

Activity: Culture and Heritage

What is this activity about?

This activity promotes cultural wellbeing. Council defines “culture” as encompassing the customs, practices, languages, values and world views that define social groups in Marlborough. Practices such as arts, design and architecture reflect and create our cultural identity. Likewise, the ways in which we approach and understand our heritage shapes our image of ourselves, and the image we convey to future generations.

Council’s Arts and Culture Strategy, and its Heritage Strategy are being reviewed with new strategies being written and approved by Council in 2024/2025. These will outline Council’s future roles in the arts and heritage sectors and the ways in which it proposes working with the community to achieve culture and heritage outcomes.

These include:

- management and day to day running of two large museums, Marlborough Museum and Edwin Fox Ship and Visitor Centre;
- forming partnerships with organisations and institutions that contribute to cultural wellbeing, (e.g., the collections database project);
- supporting projects that reflect and strengthen Marlborough’s cultural identity; and
- managing the arts, cultural and heritage assets and resources in a sustainable manner.

Council also provides annual heritage and arts operating grants along with access to a contestable grant fund.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by promoting quality lifestyles and well-being, and contributing to the community outcomes of Governance, People, Economy and Living as outlined below.

Outcome	Actions
Governance	Supporting the community’s aspirations related to arts and heritage services through the professional delivery of services.
People	Providing access to funding for services. Promoting understanding of the process to access funding. Providing essential services.
Economy	Providing opportunities for people to undertake rewarding work in the heritage and arts sectors. Promoting employment that reflects the changing demographics of youth, older people and families. Acknowledging the volunteer sector as a key contributor to arts and heritage services.
Living	Supporting the cultural richness of the District. Enabling arts and heritage services to be accessible to the community at large.

Emerging issues and expected changes

Funding

The Heritage and Arts sectors are under increasing stress due to limited funding sources and a need to invest in new technology, update collections and collection practices, replace ageing infrastructure and buildings and cope with the increasing diverse forms of arts being practised in Marlborough. Expansion and maintenance of museum facilities and attracting more trained professionals to work in this sector is desirable.

Council will assist organisations in accessing support beyond the current levels from other funding agencies.

The Marlborough Heritage Trust ceased operating at the end of March 2023 with Council taking over the management and functions of the Marlborough Museum and Marlborough Archives, Brayshaw Heritage Park and the Edwin Fox Ship and Visitor Centre.

New art gallery in Blenheim

A new art gallery in Blenheim was completed in 2023 as part of the new library development, funded in part from a COVID-19 related Shovel Ready grant from the Government and community fundraising and donations.

Levels of Service 2024-34 : Culture and Heritage

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.4	≥ 6.4	≥ 6.4	≥ 6.5	≥ 6.5
Ensure service quality and value through oversight of Council's grants and third party providers.	% of contract and grant requirements met.	100%	100%	100%	100%	100%

Activity: Housing for Seniors

What is this activity about?

Council owns and maintains a housing portfolio for senior residents in our community.

Council also has an advocacy and facilitation role and will work closely with other housing entities to attract more funding and housing options for the Marlborough community.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by contributing to a caring community, and to the community outcomes of Governance, People, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Including a community representative on the Housing for Seniors Sub-Committee.
People	Providing housing for older adults within Council policy parameters.
Connectivity	Providing a safe living environment for senior residents.
Living	Ensuring Council supplied housing meets the needs of future residents. Ensuring future tenants meet the Council's criteria.

Emerging issues and expected changes

Financial sustainability

Emerging issues within this activity are:

- the age of the portfolio and the increasing maintenance costs.
- the increasing proportion of older people in Marlborough.
- the increasing living costs and fixed incomes of many tenants.
- an increase in demand for age-friendly, small units in Marlborough.
- the increasing cost of building materials and labour, which impacts the feasibility of future development and expansion of current complexes.

An ongoing programme of refurbishments is required to maintain the quality of the units.

Developments

At present the existing housing stock is of sound quality. However, due to some complexes being older and others being on unstable land, there is a need to investigate redevelopment options.

The development of a new 12-unit, two-storey Senior Housing complex in Blenheim commenced early 2023.

Levels of Service 2024-34: Housing for Seniors

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.5	≥ 5.5	≥ 5.5	≥ 5.5	≥ 5.5
Provide a well maintained housing portfolio which meets resident needs.	% occupancy level.	98%	≥ 98%	≥ 98%	≥ 98%	≥ 98%
	% of urgent unplanned maintenance ¹ completed within 24 hours of notification.	100%	100%	100%	100%	100%
	% of unplanned non-urgent maintenance ² completed within 20 working days of notification.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%

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

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

Activity: Community Support

What is this activity about?

Community support is provided by Council in a number of ways through organisations and agencies working with particular groups within the community, provision of funding, advocacy, and directly addressing specific issues through service provision. This activity combines a number of distinct ways Council is involved in supporting its community, including:

- Community support and development;
- Community safety;
- Events management;
- Passenger transport and Total Mobility Scheme; and
- Smart and Connected communities.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by contributing to a caring community, and to the community outcomes of Governance, Environment, People, Connectivity and Living as outlined below.

Outcome	Actions
Community support	
Governance	Supporting and responding to community aspirations and needs for essential services. Encouraging the Youth Council, the Positive Ageing Forum and Multicultural communities to participate in discussions with Council and other agencies. Funding essential services. Promoting understanding of ways to access funding.
People	Supporting people to access information about resources and service in their community.

Outcome	Actions
Community safety (safer communities and security)	
Governance	Bringing multiple agencies together to improve safety for everyone in Marlborough through participation in the World Health Organisation Safe Communities accreditation process.
People	Encouraging residents to become involved in improving their environment. Providing the opportunity for victims to have their say in the justice system through the Restorative Justice programme.
Connectivity	Improving CCTV in Blenheim and Picton supports safe mobility.
Living	Giving people in Marlborough confidence that they are living in a safe community.
Event management	
Living	Providing and supporting events that are fun, family friendly, affordable, promote community connection, celebrate and showcase our region's attributes and act as catalysts for community well-being and civic pride.
Other transport services	
Connectivity	Providing passenger transport to connect people with services and activities that enhance their well-being.
Living	Helping people with impairments to access appropriate transport through the Total Mobility scheme.
Smart and Connected communities	
Governance	Enabling communities to access strong governance through the Smart and Connected programme.
People	Enabling people to have a voice through community-led initiatives delivered through the Smart and Connected programme.

Outcome	Actions
Living	Enabling our main townships to have strong community-led groups and a strategic plan through the Smart and Connected programme.

Emerging issues and expected changes

Changing demographics

The predicted change of age structure of the Marlborough community continues to unfold, posing challenges for future infrastructure and the delivery of services such as health and education, additional pressure to the housing shortage, transport (including passenger transport and mobility) and recreation. It is anticipated in the coming years our community is going to be “older” — 2018 population projections by Statistics NZ indicates 23% of the population is over 65 and this is projected to increase to 34% by 2043.

The transition to an increasingly ethnic diverse community in Marlborough continues and has been enhanced to a small degree with Marlborough becoming a Refugee Re-Settlement Community in 2020 and the arrival of former refugees now from two ethnic groups and in 2023 an accredited Welcoming Community.

Community Safety

The Ministry of Justice has provided a new contract for Restorative Justice which runs until 30 June 2027. Restorative Justice is very dependent on trends in the Justice system. Referrals are presently significantly lower across the entire country.

Bus services

Council has decided to make Picton Bus Service permanent from 1 July 2023 after a successful trial.

Half price fares for total mobility users have been made permanent.

Levels of Service 2024-34: Community Support

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations (excludes Passenger transport).	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).					
	• Community Support.	6.2	≥ 6.2	≥ 6.2	≥ 6.3	≥ 6.3
	• Community Safety.	6.5	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
	• Events Management.	6.5	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
Ensure service quality and value through oversight of Council's community grants and third party providers.	% of contract and grant requirements met.	100%	100%	100%	100%	100%
High quality and well attended events are provided.	Number of participants as a % of targets in contracts.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Support Seniors community through implementation of the Positive Ageing Accord.	Number of Older Persons Forums held.	10	≥ 10	≥ 10	≥ 10	≥ 10
	Seniors Expo held.	Annually	Annually	Annually	Annually	Annually
	Review Age Friendly Community Strategy.	Annually	Annually	Annually	Annually	Annually
Support the Youth community through implementation of the Youth Initiatives Plan.	% of planned actions in Youth Initiatives Plan completed.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Build capacity in the Community Sector through provision of training in partnership with key service providers.	Number of training courses delivered where attendance numbers meet targets.	4	≥ 4	≥ 4	≥ 4	≥ 4
	Provide quality services that meet and exceeds the expectations of Ministry of Justice and thus provide quality restorative justice services to the community.	% of Ministry of Justice contract conditions met.	100%	100%	100%	100%
Provide a well-used and affordable bus service in Blenheim and to Picton and Renwick that is timely and responsive to community needs, including extending infrastructure as funding allows.	Annual % increase in patronage	2%	≥ 2%	≥ 2%	≥ 2%	≥ 5%
	Resident satisfaction as measured by survey (10 = service delivered extremely well).	5.6	≥ 5.6	≥ 5.6	≥ 5.6	≥ 6.0

Activity: Library Services

What is this activity about?

This activity provides the community with a professional library service. Marlborough District Libraries provide access to great physical and digital collections with easy to use services and great staff. Libraries are places of discovery, imagination and creativity, supporting life-long learning and fostering connection between people and groups. They are valued and trusted by the community as modern, vibrant and exciting places. They aspire to connect services with people where they are: in-library, online or in the community.

Council provides library services to all Marlborough residents through a network of library facilities. These comprise a District Library in Blenheim and a Branch Library in Picton (a joint Library and Service Centre) which are both open seven days. Council also supports school-based community libraries in Havelock and Waitaria Bay with resources for adults.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by contributing to a smart and globally-connected community, and to the community outcomes of Governance, People, Economy and Living as outlined below.

Outcome	Actions
Governance	Assisting members of the community to participate in central and local government issues by providing free internet access to consultation documents/papers, physical displays and brochures.
	Providing access to the resources available through the Kōtuiti Library Management System.
People	Providing free library services to all Marlborough residents. Providing expert staff, a varied range of services and resources, (including access to national collections via the Interloan service), helping people to develop digital literacy skills and

Outcome	Actions
	running pre-school and school holiday programmes. Providing access to the digital library resources. Providing the Housebound and Rest home Library Service for residents who are unable to visit the libraries.
Economy	Providing internet and Wi-Fi access to all visitors to the libraries, which allows the overseas workforce to keep in touch with families and the digitally disadvantaged to find work/apply for jobs. Providing scanning, photocopying, and printing services.
Living	Promoting topical local and national issues and campaigns through library displays. Providing access to the internet, a wide range of resources and programming, including the Community Database, Book Chat, Book Club, Company Café, Fiero Code Club, Cheeky Monkeys and 3D Printing. Providing one-on-one assistance (Book a Librarian and Digital Drop-in) for people who need assistance with their cellphone or Tablet and / or loading software onto their device. Hosting community shared events. Providing community spaces and meeting rooms for people to work and gather in, to share their common interest.

Asset description

Marlborough Library, Blenheim

The Marlborough Library opened in May 2023 at 15 High Street Blenheim. The joint 3,600m² Library and Art Gallery facility is named, Te Kahu o Waipuna – ‘The protective cloak of Waipuna’. It provides spaces for programming, collections, exhibitions, meeting rooms and a café. The ground floor meeting rooms are available to be hired out of hours. Solar panels have been installed to offset power costs. A COVID-19 related Shovel Ready grant of \$11M from Government assisted the funding of this facility.

In the 2022–23 year, 393,444 physical items were issued and 202,658 visitors were recorded, averaging 16,888 per month.

E-resources issues across the District recorded 46,499 items.

Picton Library and Service Centre Waitohi Whare Mātauranga

This 725m² joint facility opened in November 2017. The facility provides a variety of scaled spaces to suit the myriad uses of a modern community building. It includes collections, community meeting and activity spaces and Council information and services.

A Pou whenua stands proud on the southern side of the facility.

In the 2022-23 year, 62,216 items were issued and 87,676 visitors were recorded, averaging 7,306 per month.

Collections

The libraries' collection consists of over 94,400 physical items, covering a wide range of general interest and popular fiction and non-fiction for all ages. Non-book resources (including sheet music, DVDs, audio books, magazines, tech kits and jigsaw puzzles) are also available. The Collection Development Policy identifies how the collections will be maintained and developed to meet the needs of a growing and diverse population.

The comprehensive book collections are complemented by access to authoritative electronic databases, including national online catalogues and websites, national and international newspapers, and access to the internet.

In addition, downloadable e-books and e-audio books are available to library members of all ages through two consortiums.

IT

The library management system, that provides day-to day circulation and collection management, is part of a New Zealand-wide Public Library Consortium called Kōtui which 41 Councils are part of.

The Aotearoa People's Network Kaharoa (APNK), a managed network, provides free internet and Wi-Fi.

The Library Management System, Kōtui, and APNK are supported through the same network provided by the National Library of NZ.

Emerging issues and expected changes

Both facilities need regular maintenance to keep at a high standard.

Levels of Service 2024-34: Library Services

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.7	≥ 7.7	≥ 7.7	≥ 7.7	≥ 7.7
Support the tastes, interests and reading levels of users through providing a range of current resources.	Average age of resources (measured in years).	8	≤ 8	≤ 8	≤ 8	≤ 8
	Frequency of items being taken out (turnover rate).	4	≥ 4	≥ 4	≥ 4	≥ 4
Provide a range of programmes or training opportunities that meet or exceed customers' expectations.	Satisfaction of attendees with courses and programmes as measured by survey (1=Unsatisfactory; 3=Good; 5=Excellent)	4.7	≥ 4.7	≥ 4.7	≥ 4.7	≥ 4.7

Activity: Emergency Management

What is this activity about?

The Marlborough Civil Defence Emergency Management Group (CDEM) is responsible for implementing the four R's of emergency management – reduction, readiness, response and recovery as outlined in the Marlborough CDEM Group Plan.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by demonstrating care for the well-being of the community. It contributes to the community outcomes of Governance, Environment, People, Economy and Living as outlined below.

Column	Actions
Living	<p>Ensuring that communities welfare is at the centre of responses to emergencies in Marlborough.</p> <p>Providing an effective, coordinated response to emergencies that creates confidence within the community.</p>

Column	Actions
Governance	Providing a governance role to ensure Emergency Management is coordinated effectively in Marlborough.
Environment	Advocating for the reduction of significant hazards as identified in the CDEM Plan risk profile.
People	<p>Engaging with vulnerable sectors of the community to assist them with their preparedness planning.</p> <p>Encouraging communities to build their own community resilience by being prepared at home and work.</p> <p>Training an incident management team and volunteers and equip them to manage emergencies.</p> <p>Ensuring that key relationships are fostered within and between all the key emergency management stakeholders in Marlborough.</p>
Economy	Engaging with businesses and non-governmental organisations to encourage the development of Business Continuity Plans that will enable them to function during and after an emergency.

Emerging issues and expected changes

The CDEM Act of 2002 is being replaced with a new Bill before a select committee in January 2024. Proposed changes include an increased emphasis on working in partnership with iwi/Māori and disproportionately impacted people. The current Bill enables the Chief Executive of the National Emergency Management Agency (NEMA) to establish rules and regulations which could result in capacity and capability issues arising to enable them to be met.

Once the new Emergency Management Act is passed, the emphasis will then focus on reviewing the National Civil Defence Emergency Management Plan, reviewing the Director's Guidelines and developing a 10-year implementation plan from the National Disaster Resilience Strategy.

NEMA's focussed primarily on catastrophic planning in the next 12 months and the Marlborough Group will invest significant effort in regionalising those plans over the next 2 years.

A new Group Plan will be completed by June 2024, and this will look to concentrate work around delivering on the expectations outlined in the National Disaster Resilience Strategy at a regional level. This will mean a greater emphasis on community and emergency management partner preparedness.

Levels of Service 2024-34: Emergency Management

Performance Targets (for the financial year)

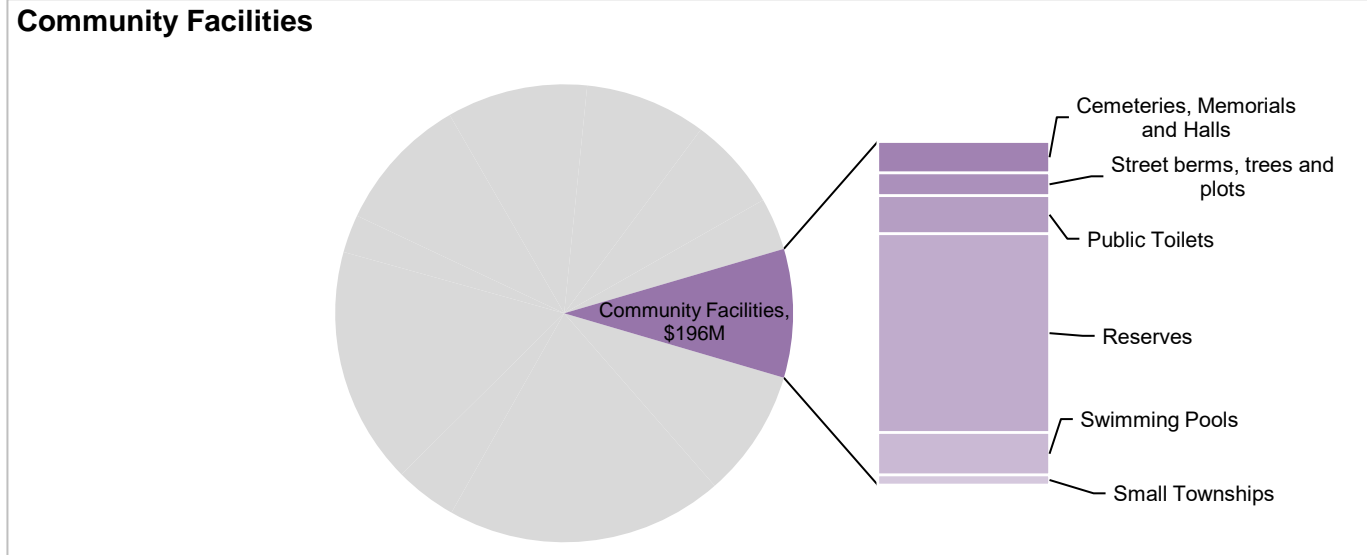
Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.5	≥ 7.5	≥ 7.5	≥ 7.5	≥ 7.5
Provide a planned, tested capability to respond to major Civil Defence and Emergency Events.	Compliance of CDEM Group Plan and Group Welfare Plan with the Ministry of Civil Defence Director's Guidelines.	97%	≥ 100%	≥ 100%	≥ 100%	≥ 100%
	Regional Incident Management Team training events/exercises held.	8	≥ 8	≥ 8	≥ 8	≥ 8
	Time taken to activate EOC in case of an event or post a national warning being received from NEMA, if an active response is required (target in minutes).	30	≤ 30	≤ 30	≤ 30	≤ 30

ACTIVITY GROUP: COMMUNITY FACILITIES



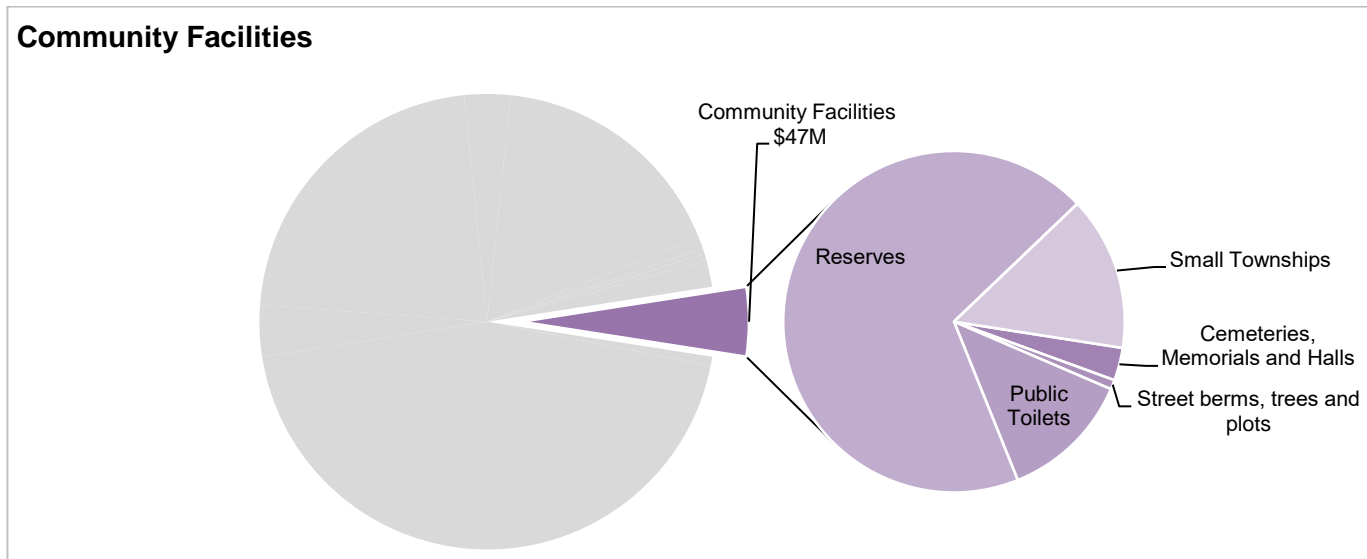
Operating costs

The operating costs for the Community Facilities activity group represents \$196 million of total Council expenditure.



Capital projects

The capital expenditure for the Community Facilities activity group represents \$47 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included in the Activity section.



Activity	Major Capital Projects	Inflated Value (Millions)
Reserves	2024-34 Development of new reserves (funded by growth)	\$ 10.4
	2025-28 A&P Park new pavilion	\$ 6.1
	2024-34 Land acquisition and development	\$ 3.3
	2024-34 Regional playgrounds	\$ 2.7
	2027-28 Horton Park pavilion redevelopment	\$ 2.1
	2025-26 Artificial Turf	\$ 1.6
	2024-27 Lighting for sports parks	\$ 0.8
	2032-33 Hockey turf replacement	\$ 0.6
	2024-34 Esplanade reserve acquisitions	\$ 0.5
	2025-26 Riverside Park boardwalk replacement	\$ 0.5
	2028-34 Development of former Taylor Pass Landfill site into a recreational space	\$ 1.0
Public Conveniences	2024-34 District wide public convenience upgrades	\$ 5.9
Small Townships	2024-34 Small township upgrades	\$ 6.9

Rationale for delivery of Community Facilities

This Activity is a grouping of several types of community facilities that are mostly delivered within Parks and Open Spaces Section of the Property and Community Facilities Department.

Changes to Community Facilities activity group from the 2023-24 Annual Plan

Small Townships Activity has been shifted from Roads and Footpaths to this activity group from this LTP

Intended changes to levels of service from the 2023-24 Annual Plan

This table documents intended changes to the levels of service included in the 2023-24 Annual Plan, within this group, and the reasons for those changes.

2024-34 LTP	Reason for changes
Removed LoS on % of projects in respective cemetery master plans completed.	The cemetery master plans are being reviewed so the current LoS measuring the percentage of projects completed against short, medium and long term priorities in each of the plans will not be applicable once the review is completed.
Increased number of burial and ashes plots to 1000	A review of the number of plots available has been undertaken in terms of the <u>actual plots</u> available. An increase in the number of plots has resulted.
Removed “Provide public conveniences which are well designed, accessible, clean and safe to use.”	There are specific questions asked about public conveniences in the resident satisfaction survey. The specific indicator of responding to requests for service within allotted times has proven difficult to accurately measure given the variety of ways in which the requests for service/complaints come into Council or contractors.
Removed “Provide well maintained street trees to contribute to an attractive streetscape.”	The Auditor General has been advocating a rationalisation of performance measures. The removal of the street trees is because it's a very small activity.

Variation between Long Term Plan and the assessment of water and sanitary services

There is no significant variation between the adopted assessment of water and sanitary services (i.e. cemeteries and public conveniences) and this Plan.

Significant negative effects associated with this group of activities

This activity group may involve the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. There is a limited use of spray and chemicals. Resource consents are required for a number of activities and these are obtained where necessary often with conditions to be met on an ongoing basis.

Activity: Community Facilities

What is this activity about?

Council provides and maintains open space areas and a wide range of facilities to meet community and visitor needs. These community facilities include reserves, parks, open space, sports parks, cemeteries, memorials and accessways, shrub planted areas and trees, garden plots and amenity street trees, playgrounds, tracks, trails and specialist community buildings, public toilet facilities and halls.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the vision and community outcomes by enhancing the quality of the built and natural environment through the establishment and maintenance of the wide range of community facilities as the reserves, parks, open spaces, trees, sports parks, cemeteries, public toilets, and halls etc. These assets promote the health and wellbeing for Marlborough's communities and help make the district a great place to live in and visit. The Community Facilities activity contributes to the community outcomes of Governance, Environment, People, Economy, Living and Connectivity as outlined below.

Outcome	Major contribution
Cemeteries	
Living	<p>Providing a respectful and comforting environment for people to remember those they have lost.</p> <p>Investing in facilities which enhance the social well-being and health and safety of Marlborough's communities.</p> <p>Contributing to the open space network.</p>
Memorials	
Living	Recognising Marlborough's rich cultural and historic heritage and significant events and people.
Trees and garden plots	
Environment	Helping to maintain indigenous biodiversity, improve air quality and the quality of stormwater discharges as well as reducing stormwater run-off.

Outcome	Major contribution
Living	<p>Contributing to the well-being of the community by enhancing the character and amenity of our urban environments.</p> <p>Acknowledging and protecting Marlborough's historic heritage.</p>
Halls	
Governance	Enabling local governance to take place in communities across Marlborough.
People	Providing meeting places for community organisations.
Living	<p>Enhancing the social well-being of the community.</p> <p>Acknowledging and protecting Marlborough's historic heritage.</p>
Public conveniences	
Environment	Supports regional tourism and assist in avoiding adverse effects on the environment.
Living	Provides for the social well-being, health and safety of Marlborough's communities.
Reserves, recreation facilities, sports parks and open spaces	
Governance	<p>Enabling and encouraging widespread participation in the development of plans and policies.</p> <p>Enabling events to take place on reserves and sports parks.</p>
Environment	<p>Supports opportunities for recreation, relaxation, and physical activity to meet community needs and improve health and wellbeing.</p> <p>Managing our open space resources in a sustainable manner to protect and enhance important community assets (including for biodiversity outcomes), for future generations.</p>
People	Providing sporting facilities, stadia and reserves which enhance the quality of life for Marlborough's communities and visitors.

Outcome	Major contribution
Economy	Providing aquatic facilities, sporting stadia and sport parks that enables events to be held which contribute to the economy of Marlborough.
Connectivity	Establishing and maintaining a network of cycleways, walking paths, tracks and trails that provide access and recreational opportunity for our communities and visitors.
Living	<p>Providing a wide range of opportunities for recreation from passive through to active.</p> <p>Plan and invest in infrastructure to meet social and economic wellbeing and to promote the health and wellbeing of our communities.</p>

Asset description

There are several types of reserves, parks and open space areas managed by the Parks and Open Spaces section. These are categorised as follows:

Reserve type	Number	Land (hectares)
Sport and recreation	21	121.98
Neighbourhood	82	72.358
Public gardens (e.g. Seymour Square, Pollard Park, Picton Foreshore)	3	25.926
Nature (e.g. Koromiko Forest Reserve, Kahikatea Reserve)	11	28.962
Cultural/heritage (cemeteries, memorials)	26	42.983
Outdoor adventure (e.g. Wither Hills Farm Park, Victoria Domain)	6	367.12

Reserve type	Number	Land (hectares)
Civic places (e.g. Market Square, London Quay, Liz Davison Park, Bythell Place)	7	4.925
Recreation and ecological linkages (cycling and walking paths and tracks, Accessways)	123	474.798 ³
Community buildings (halls)	28	8.825
Road berm / street plots	125	17.620
Other	3	0.863
Total	435	1,166.396

Within each of the reserves and parks or open space areas there are a variety of assets depending on the type of reserve, park or open space. These assets may include:

- public toilet facilities, buildings, pools, boat ramps.
- trees, amenity garden areas, grassed areas, established vegetation, irrigation.
- park fixtures, bridges/boardwalks, BBQs, barriers, edgings, fences, gates, walls.
- carparks, roads, driveways and other vehicle accessways.
- memorials.
- play equipment and play areas, fitness stations, skatepark/pump tracks, sports fields, goal posts.
- picnic tables, platforms, rubbish bins, seats, signs, lighting; and
- walkways, tracks, trails and paths.

³ Updated data

Emerging issues and expected changes

There are some general issues and changes which may impact a number of Council's community facilities.

Planning

Parks and Open Spaces have several documents underway that will assist Council and the community to address planning and budgeting in our Parks and Open Spaces. The management plans for Grovetown Lagoon and Waikawa Bay Foreshore Reserve are in draft and the review of the current management plan for the Wither Hills Farm Park is underway.

The development of a plan for the grounds at A&P Park has been completed with a new build expected to commence in the 2025-26 period.

Climate change

Weather events have the potential to damage reserves and Council infrastructure. The implications of these events will need to be considered along with the impacts of anticipated sea level rise. There are costs already being incurred associated with these impacts and we anticipate further costs in managing these effects. There will be longer term discussions with communities regarding expectations from Council in responding to these events.

In particular, weather events are having an effect on the parks and open spaces environment with noticeable damage and loss of assets including structures, walkways and tracks. This was particularly evident in the storm events in 2021 and 2022 with severe damage to the Marlborough Sounds infrastructure and to other Parks and Open Spaces activity assets.

Greater losses of trees are also being experienced which may see a need for different responses to species being planted and/or a need for irrigation. There is also an increase in the range and number of pest infestations in Marlborough that will result in greater control or maintenance requirements.

Vandalism

There has been an increasing trend in the extent of vandalism occurring in our parks and open spaces. This includes vandalism to public toilet facilities as well as to areas accessed by vehicles causing significant damage to structures and turf grassed areas. There has been a noticeable increase in plant theft from within our premier parks which may have a longer-term implication for the flower portfolio. Additionally,

these incidents have budgetary implication with resources required to repair any damage and our security system.

Cemeteries

Cemetery plans for Council's 8 (eight) administered cemeteries that were originally developed in 2017 are under review. These will be updated to reflect completed management actions and outline future development considerations and management and operational requirements. The plans are to have an implementation programme, with agreed prioritised projects to be reflected in budget allocations.

A Cemetery Policy/Plan is being developed as the overarching management document to assist the Council in decisions on planning, funding, managing and operating the cemeteries activity. It will also set out how Council will meet growth demands and changing community preferences for interments.

Marlborough, like other areas around the country, is experiencing an increase in cremations compared to plot burials. Consequently, there is a need to consider the most appropriate options for ashes interments. There is also a trend for self-funerals, lessening the use of funeral directors. This may see a greater draw on staff or contractor resources to assist the public through the process. There is also increasing demand for access to Council's online cemetery database and genealogy and other cemetery heritage information.

The Burial and Cremation Act 1964 and associated regulations remains under review with Central Government. This may see more responsibilities placed on local authorities in managing the burial process with related costs. Planning around the need for more land for burials will also be required during the life of the Long Term Plan.

Public Toilet Facilities

Replacement and possible new public toilet facilities will help maintain current levels of service and meet future demand for Marlborough communities and visitors to the district.

This includes planned replacement of toilet facilities for Horton and Oliver parks and new toilet facilities to service the Whale Trail as it is developed.

In response to increased use of pathways and trails, new public toilet facilities are proposed at George Conroy Drive (Blenheim) as a result of further recreational development of the former Taylor Pass landfill site and for the Taylor River Walkway network near the former pony club site.

Walking and cycling

There is an increasing demand for the development of more paths and tracks for walking and cycling communities, including locals and visitors. The Walking and Cycling Strategy for Marlborough 2019 outlines areas where cycling and walking opportunities are to be enhanced and/or new connections made to the network. This is certainly a positive in terms of health, social and mental wellbeing and the possible economic impact that may occur, however ongoing funding to develop and maintain these facilities will need to be considered in the longer-term.

Enhancements to the network that will require budgetary provision for maintenance include Kahikatea Reserve – chip path (400m), Seddon Street, Seddon – walkway chip path (600m), Accessway Whitehall Drive (Rose Manor – concrete path (34m), Accessway Chapel Close (Rose Manor – asphalt path (37m), Accessway Arlington Close (Rose Manor – asphalt path (34m), and Accessway Bard Street (Rose Manor – asphalt path (34m).

Budgetary provision to maintain the Wither Hills Farm Park Skills Park in the Gentle Annie Walking area is also required once this has been developed. Provision will also be required for maintenance of the recently constructed cross country biking track in this area. This will be at a higher Level of Service than currently required in this area.

New reserves

New reserves have been or will be obtained by Council as a result of subdivision development. These include Rose Manor, Grovetown, Wai-Iti, Town Branch walkway/cycleway, Blue Hills/Westwood, Hapai Development Property Limited (former Hospital site), Endeavour Heights, Okiwi Bay Limited Developments, Bartlett Green, Renwick Wine Trail, Omaka Business Park, and the former landfill site at Taylor Pass. There will be budgetary implications for maintenance of these areas as well as some costs in establishing facilities like walkways and urban connections and playgrounds.

Development on existing reserves

Development or improvement works to Rewi Murray Park (former Polo grounds) will result in additional maintenance and development costs.

Upgrades to district playgrounds that are planned will also result in additional maintenance costs including: completed developments at Pollard Park Toddler Playground (Blenheim) and Havelock War Memorial Park (Havelock).

Small Townships Programme

There will be budgetary implications for projects implemented through the Small Townships Programme. The projects will have an impact on maintenance costs and subsequent increase in Levels of Service. There will need to be funding provided to ensure new projects are maintained at a level that meets community expectations.

Levels of Service 2024-34: Community Facilities

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide community facilities which are accessible, maintained to a high standard and appropriate to the range and level of use.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.4	≥ 7.4	≥ 7.4	≥ 7.4	≥ 7.4
Provide neighbourhood parks in urban area within walking distance of home, providing play opportunities for all ages, open space and amenity values.	% of residentially zoned houses in urban areas within 500m walking distance of a neighbourhood park.	97%	≥ 97%	≥ 97%	≥ 97%	≥ 97%
Provide a connected network of walking and cycling paths and tracks that is accessible, visible and caters for a range of abilities.	Walking and cycling paths and tracks being upgraded or are under development (measured in kilometres).	4km	≥ 4km	≥ 4km	≥ 4km	≥ 4km
Provide playgrounds which are varied and stimulating and also safe and well maintained.	% of new playgrounds and playground renewals that have shade (including natural shading) in the design.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
Provide well-maintained cemeteries which are accessible and appropriate sites for the interment needs of the community.	Minimum number of burial and ashes plots available.	1,000	≥ 1,000	≥ 1,000	≥ 1,000	≥ 1,000
Provide sports parks which: <ul style="list-style-type: none"> • cater for a range of sporting and recreation activities; and • are well maintained, available, accessible and safe to use. 	Sports park user survey to determine satisfaction with maintenance, availability, accessibility and safety.	85% satisfaction	N/A	85% satisfaction	N/A	85% satisfaction every 3rd year from 2025-26
	% of outcomes of Sports Facilities Strategic Plan 2021 implemented. (cumulative outcomes)	25% of projects (medium term priorities)	25% of projects (medium term priorities)	25% of projects (medium term priorities)	50% of projects (medium term priorities)	75% of projects (medium term priorities)

Funding Impact Statement for LTP 2024-34 for Community Facilities

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	12,426	13,995	15,274	16,210	16,791	17,321	17,773	18,192	18,505	18,900	19,317
Targeted rates	-	5	5	5	5	5	5	5	5	5	6
Subsidies and grants for operating purposes	11	11	11	11	11	12	12	12	12	13	13
Fees and charges	366	415	473	534	546	557	568	579	590	601	612
Fuel tax, fines, infringement fees and other receipts	1,962	1,791	1,330	1,079	1,074	1,079	1,044	1,074	1,077	1,092	1,125
Total operating funding	14,765	16,217	17,093	17,839	18,427	18,974	19,402	19,862	20,189	20,611	21,073
Applications of operating funding											
Payments to staff and suppliers	8,639	9,436	9,805	10,021	10,200	10,407	10,654	10,968	11,091	11,325	11,599
Finance costs	1,391	1,498	1,651	1,820	1,923	1,964	1,909	1,842	1,776	1,726	1,675
Internal charges and overheads applied	2,721	2,944	3,091	3,218	3,309	3,411	3,510	3,606	3,709	3,821	3,916
Other operating funding applications	84	99	89	89	89	89	89	89	89	89	94
Total applications of operating funding	12,835	13,977	14,636	15,148	15,521	15,871	16,162	16,505	16,665	16,961	17,284
Surplus (deficit) of operating funding	1,930	2,240	2,457	2,691	2,906	3,103	3,240	3,357	3,524	3,650	3,789
Sources of capital funding											
Subsidies and grants for capital expenditure	3,575	-	423	-	-	-	-	-	-	-	-
Development and financial contributions	2,462	3,006	3,147	3,295	3,450	3,612	3,782	3,960	4,146	4,341	4,545
Increase (decrease) in debt	4,867	675	4,730	1,387	2,319	(874)	(927)	(1,241)	(1,142)	(694)	(1,255)
Total sources of capital funding	10,904	3,681	8,300	4,682	5,769	2,738	2,855	2,719	3,004	3,647	3,290
Applications of capital funding											
Capital expenditure to meet additional demand	1,740	1,793	1,816	1,715	1,515	1,377	1,476	1,491	1,526	1,548	1,582
Capital expenditure to improve the level of service	3,423	1,159	2,795	2,228	2,857	1,271	1,175	832	1,194	1,334	1,235
Capital expenditure to replace existing assets	10,800	1,443	4,182	2,590	3,044	814	710	748	483	810	399
Increase (decrease) in reserves	(3,130)	1,527	1,965	841	1,261	2,381	2,734	3,006	3,325	3,605	3,864
Total applications of capital funding	12,834	5,921	10,757	7,373	8,675	5,841	6,095	6,076	6,528	7,297	7,079
Surplus (deficit) of capital funding	(1,930)	(2,240)	(2,457)	(2,691)	(2,906)	(3,103)	(3,240)	(3,357)	(3,524)	(3,650)	(3,789)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

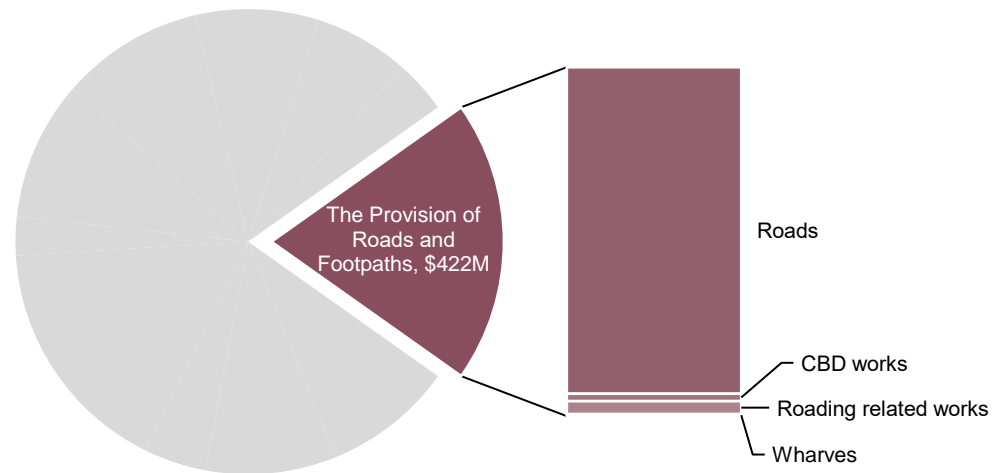
ACTIVITY GROUP: ROADS AND FOOTPATHS



Operating costs

The operating costs for The Provision of Roads and Footpaths activity group represent \$422 million of total Council expenditure.

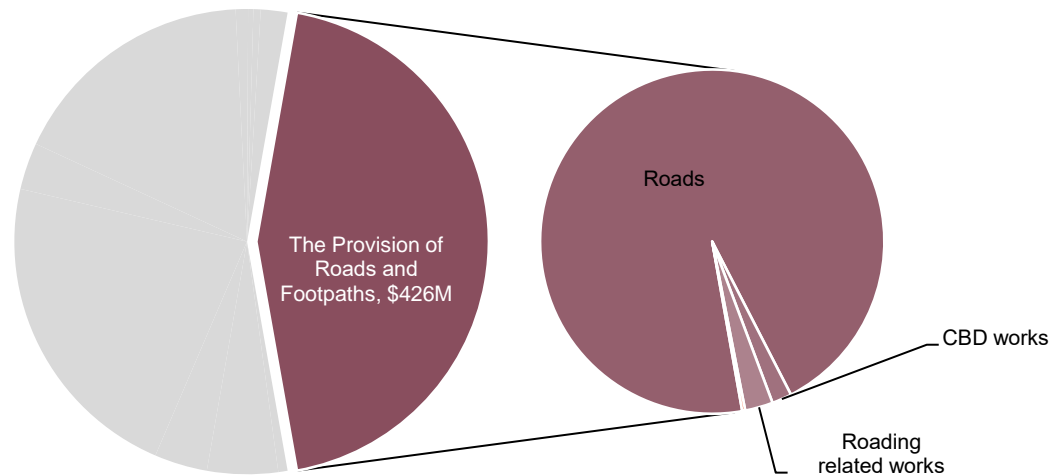
The Provision of Roads and Footpaths



Capital projects

The capital expenditure for The Provision of Roads and Footpaths activity group represent \$426 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activity sections.

The Provision of Roads and Footpaths



Activity	Major Capital Projects	Inflated Value (Millions)
Northwest Blenheim Extension Zone	2024-34 Northwest zone development	\$ 16.3
General roading	2026-30 Taylor River (High Street) bridge replacement	\$ 15.4
	2030-31 Wither Road West Bridge	\$ 7.4
	2024-34 Pavement rehabilitation	\$ 22.6
	2024-34 Sealed road resurfacing	\$ 68.3
	2024-34 Unsealed road metalling	\$ 27.8
	2024-34 Minor safety improvement projects	\$ 14.9
	2024-34 Bridge renewals	\$ 13.0
	2024-34 Footpath renewals	\$ 6.7
	2024-34 Drainage renewals	\$ 19.6
	2024-34 Structure renewals	\$ 5.2
	2024-34 Traffic services renewals	\$ 9.1
	2024-34 Emergency reinstatement	\$ 163.1
Roading Related Works	2024-34 Cycle Facilities, cycleways, cycle path renewals	\$ 2.7
Blenheim CBD Works	2024-34 CBD paved/cobbled areas upgrade	\$ 7.0
Wharves	2027-34 Emergency Reinstatement Marine	\$ 8.4

Rationale for delivery of the Provision of Roads and Footpaths

It is mandatory that the provision of roads and footpaths is an activity group.

Changes to the Provision of Roads and Footpaths activity group from the 2023-24 Annual Plan

Small Townships activity has been shifted to Community Facilities activity group from this LTP

Intended changes to levels of service from the 2023-24 Annual Plan

There are no intended changes to the levels of service from 2023-24 Annual Plan.

Significant negative effects associated with this group of activities

This activity group may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate. Vehicle emissions is another potential negative effect associated with this activity group.

Activity: Roads and Footpaths

What is this activity about?

This activity is carried out to provide our community with an efficient, safe and resilient road network.

As the owner of the local roading network, Council provides and maintains roads to a standard that achieves an acceptable balance between user levels of service and costs. In addition, Council is responsible for all roading related assets — bridges, footpaths, kerb and channelling, street lighting and car parks. Some wharves are also owned and maintained by Council. There continues to be an increased emphasis on alternative modes such as walking and cycling, particularly the connection of the existing networks.

Separate roles

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

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

The Transport Agency Waka Kotahi is a key partner and co-investor in Council's land transport programme and the State Highway network is of significant strategic importance in achieving Council's community outcomes.

Council also works closely with the Police on road safety issues and maintains and annually reviews a Road Safety Action Plan for the District.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision to have a safe and connected region that is liveable, accessible and sustainable.

Outcome	Actions
Roads	
Economy Connectivity Living	Providing the roads and the structures, components and services which support them. These are essential transport links which have both economic and social benefits.
Cycle facilities and footpaths	
Environment Connectivity Living	Providing healthy and sustainable alternative transport modes. Providing access and mobility for non-drivers.
Paved cobbled areas, street furniture	
People Living	Providing attractive public areas that enable people to mingle, enjoy the environment and participate in commercial or other town activities.
Street lighting	
Connectivity Living	Providing streetlights which enable safer use of roads, footpaths, public facilities.
Wharves	
People Economy Connectivity Living	Providing wharves and jetties to create important transport links to isolated areas, with consequent social and economic benefits. They also provide recreational boating opportunities.

Asset description

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

Asset	Length / Quantity
Road length	1,561 km (934km sealed, 627 km unsealed)
Bridges	393
Jetties	13
Urban footpaths	242 km (146 km concrete, 75 km asphalt, 9 km sealed, 12 km other materials)

The total asset value for the Roads and Footpaths Activity as at 30 June 2023 was \$1038.11m.

Emerging issues and expected changes

Intensive heavy vehicle movements

Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures; resulting in reduced asset lives and unacceptable safety and amenity issues.

Natural events

The increasing frequency and intensity of natural events is impacting on our vulnerable local road network, resulting in more frequent damage, network deterioration and subsequent network disruption.

Council has just completed the Marlborough Sounds Future Access Study Programme Business Case. This study has determined how the road network is to be reinstated following the storm events of 2021 and 2022. This study has been endorsed by the NZTA Board and it is envisaged that a programme of repairs will be undertaken over the next 3 years.

Increasing traffic flows

Increased traffic flows in urban and rural areas are resulting in barriers to walking and cycling (especially for the youngest and oldest members of the community), putting safety at risk and reducing transport options.

Renewal need

We are working on a bow-wave of renewal need in asphalt surfacing and chip sealing. This work is in progress and will maintain ride quality and avoid damage occurring to underlying pavement assets.

Compliance costs

The compliance costs and resources required to mitigate harmful effects of transport on the environment are increasing, resulting in increased complexity and cost of transport activities, which would incur further costs to repair.

Urban development

Several new residential zone possibilities are being investigated by developers assisted by Council and Marlborough Roads. The ensuing traffic growth will require significant investment in both local and state highway networks to maintain intersection efficiency. Developer contributions, Council and Waka Kotahi investment will be necessary.

Levels of Service 2024-34: Roads and Footpaths

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.5	≥ 5.5	≥ 5.5	≥ 5.6	≥ 5.6
Road safety Provide a safe transport infrastructure.	The decrease from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	-1	≤ -1	≤ -1	≤ -1	≤ -1
Road condition Provide a quality transport infrastructure	Average quality of ride on a local sealed road network measured by Smooth Travel Exposure ⁴ and classified using ONRC ⁵ hierarchy					
	Arterial	85%	≥ 85%	≥ 85%	≥ 85%	≥ 86%
	Primary Collector	92%	≥ 92%	≥ 92%	≥ 92%	≥ 93%
	Secondary Collector	91%	≥ 91%	≥ 91%	≥ 91%	≥ 92%
	Access	90%	≥ 90%	≥ 90%	≥ 90%	≥ 91%
	Low Volume	89%	≥ 90%	≥ 90%	≥ 90%	≥ 91%
	85% average road roughness classified using ONRC hierarchy					
	Arterial	112	≤ 112	≤ 112	≤ 112	≤ 113
	Primary Collector	115	≤ 115	≤ 115	≤ 115	≤ 115
	Secondary Collector	117	≤ 117	≤ 117	≤ 117	≤ 118
	Access	130	≤ 130	≤ 130	≤ 130	≤ 130
	Low Volume	135	≤ 135	≤ 135	≤ 135	≤ 135
	NB: a newly sealed road has an average roughness of 50 – 70. A very rough gravel road will have a roughness value higher than 300.					

⁴ Smooth Travel Exposure is the percentage of vehicle kilometres travelled on roads meeting a certain roughness standard. This indicator shows the extent to which Council has maintained the road asset. It records travel on the road network which meets the roughness benchmarks therefore providing a measure of delivery of a safe and comfortable ride. Well maintained roads contribute to lower operating costs for road users. The Marlborough values compare favourably with peer agencies.

⁵ ONRC = One Network Road Classification. The purpose of the classification is so roads of the same classification are maintained to a similar standard across the country.

Levels of Service 2024-34: Roads and Footpaths						
Performance Targets (for the financial year)						
Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Road maintenance Provide a sustainable land transport infrastructure.	% of sealed road network that is resurfaced annually. Average chipseal life is 13.5 years.	4.5%	≥ 4.8%	≥ 5.0%	≥ 5.2%	≥ 5.5%
Footpaths Provide footpaths that meet the needs of an ageing community.	% of footpaths that meets the Asset Management Plan rating of better than 4 (1="Excellent" 2="Good" 3="Average" 4="Poor" 5="Very Poor")	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Respond to Service Requests	% of customer services requests relating to roads and footpaths to which the territorial authority responds within 15 days.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%

Funding Impact Statement for LTP 2024-34 for Roads and Footpaths

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	12,159	13,748	14,632	15,340	16,194	17,078	17,738	18,274	18,821	19,299	19,619
Targeted rates	63	296	964	1,897	2,919	3,872	4,376	4,512	4,651	4,792	4,937
Subsidies and grants for operating purposes	23,005	9,030	9,726	9,382	10,010	9,385	7,372	7,507	7,667	7,839	7,981
Fees and charges	7	12	13	13	13	13	14	14	14	15	15
Internal charges and overheads recovered	23	23	23	24	24	25	25	26	26	27	27
Fuel tax, fines, infringement fees and other receipts	2,090	1,785	1,295	1,039	1,049	1,070	1,044	1,079	1,091	1,111	1,138
Total operating funding	37,347	24,894	26,653	27,696	30,209	31,443	30,570	31,412	32,270	33,084	33,717
Applications of operating funding											
Payments to staff and suppliers	29,857	16,195	17,007	17,175	19,265	17,828	15,092	15,393	15,696	16,069	16,337
Finance costs	777	1,015	1,536	2,198	2,880	3,470	3,731	3,734	3,728	3,711	3,688
Internal charges and overheads applied	1,171	1,690	1,738	1,782	1,820	1,860	1,908	1,949	1,993	2,038	2,083
Other operating funding applications	30	30	30	30	30	30	30	30	30	30	30
Total applications of operating funding	31,835	18,930	20,311	21,185	23,995	23,188	20,761	21,106	21,447	21,848	22,138
Surplus (deficit) of operating funding	5,512	5,964	6,342	6,511	6,214	8,255	9,809	10,306	10,823	11,236	11,579
Sources of capital funding											
Subsidies and grants for capital expenditure	24,533	36,520	41,107	34,337	34,971	33,907	15,110	15,121	11,588	11,808	12,036
Development and financial contributions	999	628	655	683	713	853	890	929	970	1,012	1,057
Increase (decrease) in debt	3,392	7,536	11,205	12,646	11,920	9,289	91	(87)	(269)	(418)	(542)
Other dedicated capital funding	-	300	51	52	53	54	56	57	58	59	60
Gross proceeds from sales of assets	-	-	1,900	-	-	-	-	-	-	-	-
Total sources of capital funding	28,924	44,984	54,918	47,718	47,657	44,103	16,147	16,020	12,347	12,461	12,611
Applications of capital funding											
Capital expenditure to meet additional demand	643	4,246	4,084	759	715	3,823	407	8,930	1,535	2,440	806
Capital expenditure to improve the level of service	1,796	6,115	3,610	3,168	1,354	3,809	3,876	3,945	4,017	4,084	4,154
Capital expenditure to replace existing assets	31,070	47,706	57,035	52,635	54,327	53,040	26,994	19,596	20,000	20,387	20,791
Increase (decrease) in reserves	927	(7,120)	(3,471)	(2,333)	(2,523)	(8,311)	(5,321)	(6,147)	(2,380)	(3,216)	(1,562)
Total applications of capital funding	34,436	50,948	61,260	54,229	53,871	52,358	25,956	26,326	23,170	23,697	24,190
Surplus (deficit) of capital funding	(5,512)	(5,964)	(6,342)	(6,511)	(6,214)	(8,255)	(9,809)	(10,306)	(10,823)	(11,236)	(11,579)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

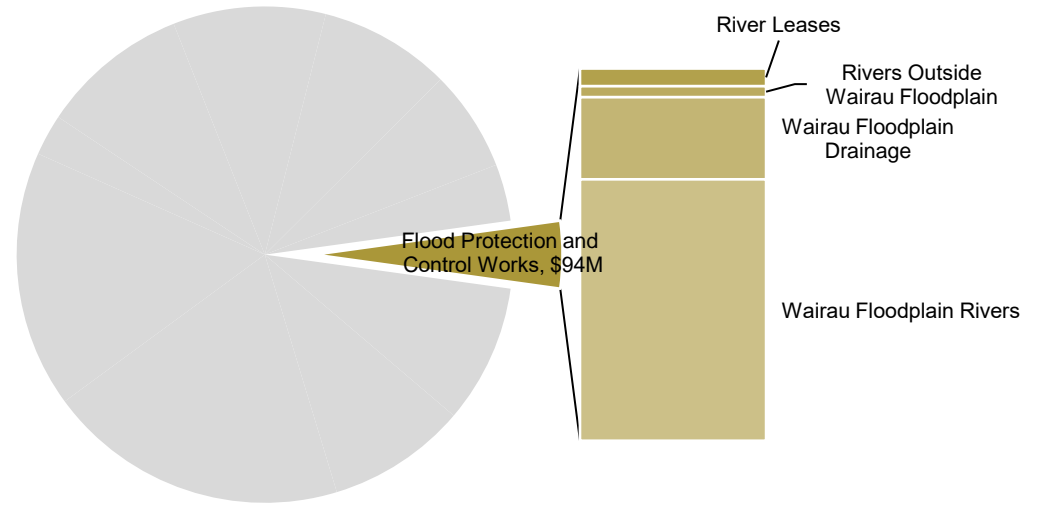
ACTIVITY GROUP: FLOOD PROTECTION AND CONTROL WORKS



Operating costs

The operating costs for the Flood Protection and Control Works activity group represent \$94 million of total Council expenditure.

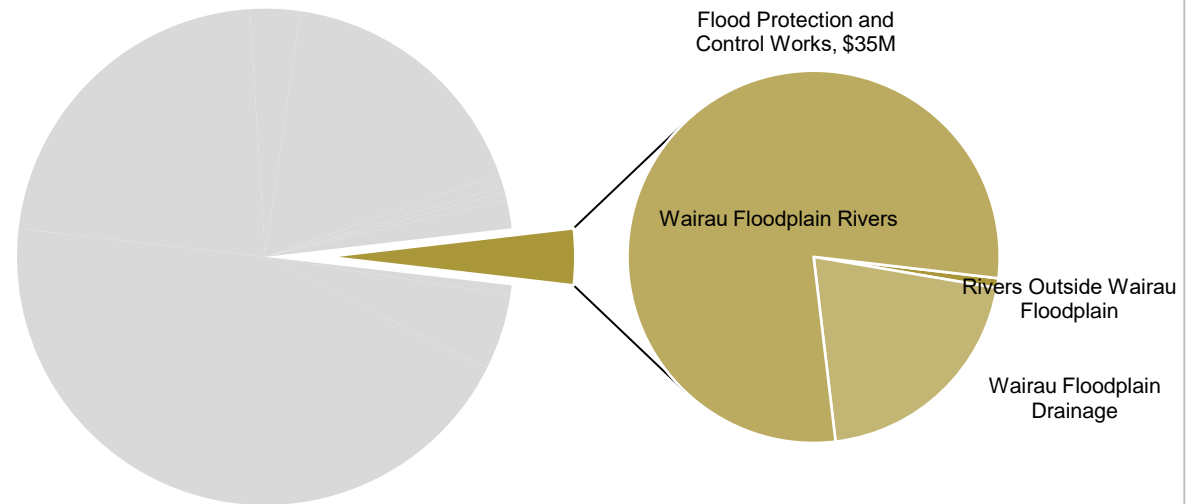
Flood Protection and Control Works



Capital projects

The capital expenditure for the Flood Protection and Control Works activity group represent \$35 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included in the Activity section.

Flood Protection and Control Works



Areas	Major Capital Projects	Inflated Value (Millions)
Riverlands	2024-28 Town Branch drain upgrades	\$ 3.9
Renwick	2026-27 Lower Terrace upgrade	\$ 1.2
Blenheim & Rural	2024-34 Drainage pump station upgrades	\$ 2.5
Wairau	2024-34 Edge works Tuamarina to Waihopai	\$ 5.7
Spring Creek	2024-27 Peninsula Road stopbank repair & upgrade	\$ 9.0
Lower Wairau	2027-31 Stopbank upgrades	\$ 1.8
Ōpaoa	2025-31 Stopbank upgrades	\$ 1.9
Wither Hills	2024-34 Soil conservation works	\$ 0.4

Rationale for delivery of Flood Protection and Control Works

It is mandatory that Flood Protection and Control Works is an activity group.

Changes to Flood Protection and Control Works activity group from the 2023-24 Annual Plan

There are no changes for this activity group.

Intended changes to levels of service from the 2023-24 Annual Plan

There are no intended changes to the levels of service included in the 2023-24 Annual Plan within this activity group.

Significant negative effects associated with this group of activities

This activity group may involve the potential for environmental impact to the regions waterways including the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. The activity is subject to controls either under the Marlborough Environment plan or where resource consents are required for these activities, site specific controls are imposed as appropriate.

Activity: Flood Protection and Control Works

What is this activity about?

This activity is primarily about managing flood hazard and drainage of the more developed areas of Marlborough. Requirements in different areas have developed according to the history of flood risks, predecessor authorities work activities and from more recent assessments of flood risks as land uses change with development.

Staff also provide appropriate input into resource consent and building applications near waterways or where a possible flood hazard exists.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by protecting both high-value enterprises and the wider community from flood damage. It contributes to the community outcomes of Environment, People, Economy, Connectivity and Living as outlined below.

Outcomes	Actions
Environment People Economy Connectivity Living	<p>Providing flood control and drainage services has major environmental, economic and social benefits because:</p> <ul style="list-style-type: none"> - residents and their properties are safeguarded from the risks of river and stream flooding and erosion, - agricultural drainage of the lower Wairau plains improves the productivity of drainage impaired soils. <p>Managing soil conservation at the Wither Hills Farm Park prevents sediment from depositing into the watercourses at the base of the hills and causing loss of flood capacity in these watercourses.</p> <p>Managing gravel extraction from river channels in a sustainable manner avoids environmental impacts and provides a valuable economic resource.</p> <p>Providing for secondary uses on Council owned floodway land enables public access and recreation, ecological/amenity plantings and economic gain through forestry or pastoral leasing as appropriate.</p>

Asset description

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

Asset	Length/Quantity
Stopbanks, training banks, the Taylor Dam, and other minor dams which in total comprise of 4.1 million cubic metres of earthworks.	189 km
Large rock rip rap for river bank erosion protection purposes.	533,090 m ³
Trees (willows, poplars etc) for riverbank erosion protection purposes.	65 hectares
Excavated minor watercourses for agricultural drainage and urban stormwater disposal purposes.	190 km
Major river diversions.	4
Pumping stations for agricultural drainage purposes.	19
Pumping stations for urban stormwater disposal purposes.	11
Culverts under stopbanks etc of various sizes and lengths, usually flood gated.	290
Control gates or weirs.	20
Floodway land.	3,000 hectares

The total asset value for the Flood Protection and Control Works Activity as at 18 October 2023 was \$315.4 million.

Emerging issues and expected changes

Blenheim stormwater outfall upgrades

Ongoing development of Blenheim including infill housing and expansion into the recently rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Town Branch drain, Snowdens pond and new outfall), Murphys Creek (Boyce Street stormwater diversion main), Blenheim west (Cameron's Creek capacity and environmental issues). Budget provision has been included for new/upgraded pump stations and channel upgrades.

Dam safety compliance

The recently enacted Building (Dam Safety) Regulations 2022 comes into effect in August 2024, raising compliance standards for Dam Owners and operators. For Council's Taylor Dam, this requires a higher standard of dam safety assurance, followed by a series of asset upgrades that will be put forward for funding in the 2027 LTP budget.

Peninsula Road

The primary stopbanks along Peninsula Road, Spring Creek, require repair and upgrade to ensure their ongoing security and that of the Spring Creek township that they protect. Design work is underway on this critical project with funding sought in this LTP to enable construction work to commence in July 2025.

Taylor & Lower Ōpaoa Rivers

The Taylor and Ōpaoa Rivers have aggraded significantly since 2013 in response to a mixture of high sediment loading, seismicity, aquatic vegetation, and large flood events. It is expected that this deposition of sediment will begin to affect the river channels capacity to convey for a 1% AEP (1 in 100yr ARI) flood event if allowed to continue beyond this next LTP period. Dredging work is being planned for FY24-25 and FY25-26 subject to budget approval.

Replacement weed-cutter boat

Council's replacement weed-cutter boat is well underway with final commissioning due in September 2024. Capex has been redistributed to deliver the project within existing budgets.

July 2021 Wairau River flood damage repairs

Work is now underway on the final stages of the flood recovery programme, with the remaining rock works scheduled for completion by July 2025 as a result of Pukaka Quarry coming back online in early 2024.

Stopbank upgrades

Ongoing stopbank upgrades are planned for the lower Ōpaoa River and lower Wairau River. The stopbank upgrades are to bring older sections of stopbank up to current structural standards and to provide agreed flood capacity. Likely climate change impacts will be included in upgrade designs where appropriate.

Renwick Lower Terrace flood protection

Flood investigation modelling is now completed for Renwick Lower Terrace following the July and August 2022 flood events. Preliminary design is now underway with several options that will be put forward to Council and affected parties for approval and progression to detailed design in late 2024.

Levels of Service 2024-34: Flood Protection and Control Works

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.6	≥ 6.6	≥ 7.0	≥ 7.0	≥ 7.5
Wairau River scheme - system and adequacy Maintain, repair and renew these major flood protection and control works to the standards defined in Rivers and Drainage Asset Management Plan (AMP).	% of floodway and tributary network inspected for condition and maintenance requirements.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	% of programmed maintenance and renewal works identified in the AMP practically completed.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	% of capital improvement works in the AMP achieved.	40%	≥ 50%	≥ 60%	≥ 65%	≥ 70%
	Time taken to provide a report to the Assets and Services Committee on the damage to the floodway network and potential problem areas following significant (generally exceeding a 1:2 year return) flood events - measured in months.	3 months post event	3 months post event	3 months post event	3 months post event	3 months post event
Wairau Plains Provide effective drainage to the lower Wairau plains.	% of drain network inspected at least once for condition and maintenance requirements.	100%	100%	100%	100%	100%
	% of drains weed sprayed.	90%	≥ 90%	≥ 90%	≥ 90%	≥ 90%
	% of drains mechanically cleared.	4%	≥ 4%	≥ 4%	≥ 4%	≥ 4%
Picton Floodways Monitor, maintain and upgrade key Picton floodways (Waitohi and Waikawa Rivers) to provide for a 1 in 50 year return period flood event.	% of floodway network inspected for condition and maintenance requirements.	100%	100%	100%	100%	100%
	% of programmed maintenance and renewal works as identified in the AMP practically completed.	100%	100%	100%	100%	100%
Blenheim Urban Upgrade and maintain key Blenheim stormwater outfalls.	% of programmed maintenance and renewal works as identified in the AMP practically completed.	100%	100%	100%	100%	100%
	% of capital improvement works in the AMP achieved.	50%	≥ 50%	≥ 60%	≥ 65%	≥ 70%
Provide sound flood hazard advice.	Number of liability consequences for Council arising from incorrect advice provided on flood hazards as part of the Resource Consent, Building Consent, PIMs and LIMs processes.	0	0	0	0	0

Funding Impact Statement for LTP 2024-34 for Flood Protection and Control Works

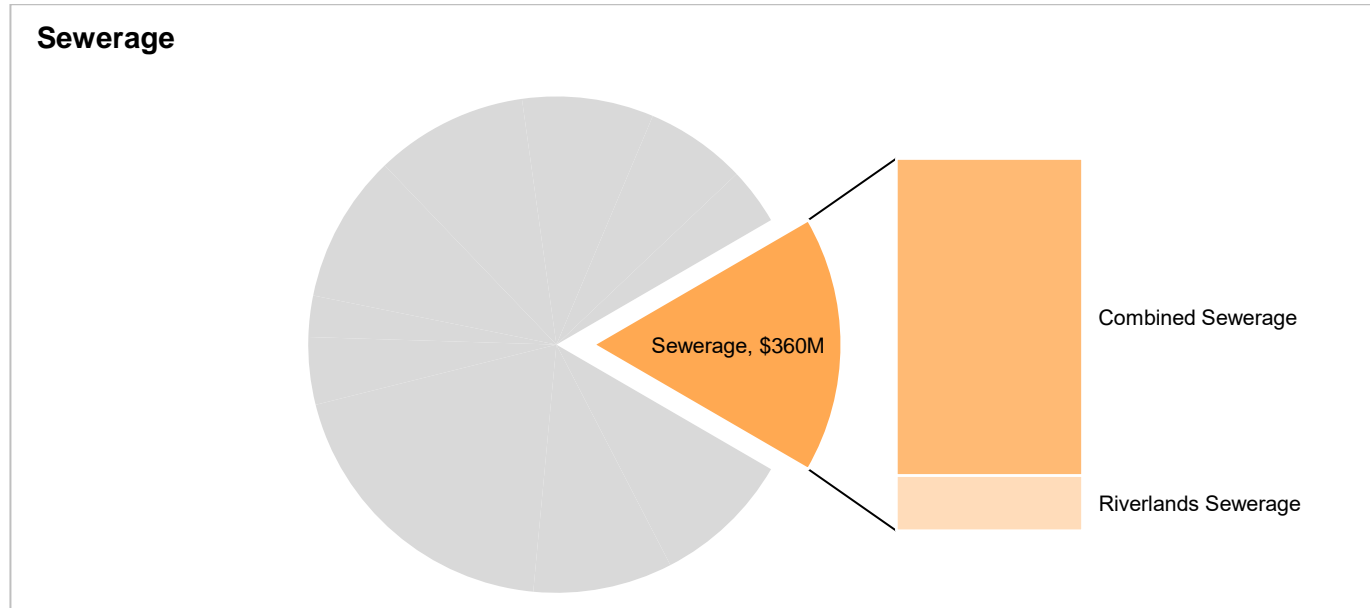
	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	298	307	326	340	350	357	362	334	314	307	313
Targeted rates	5,313	6,443	7,451	7,680	8,180	8,485	9,028	9,047	9,329	9,981	9,812
Fees and charges	704	703	719	738	754	772	789	861	880	900	919
Internal charges and overheads recovered	327	527	538	551	349	357	365	372	379	387	394
Fuel tax, fines, infringement fees and other receipts	5,956	3,980	4,021	4,554	5,270	5,358	5,435	5,499	6,031	6,775	7,230
Total operating funding	12,598	11,960	13,055	13,863	14,903	15,329	15,979	16,113	16,933	18,350	18,668
Applications of operating funding											
Payments to staff and suppliers	7,477	4,817	5,302	4,770	4,858	4,964	5,156	5,169	5,282	5,407	5,489
Finance costs	342	461	747	1,146	1,369	1,416	1,425	1,478	1,508	1,497	1,480
Internal charges and overheads applied	2,308	2,530	2,643	2,739	2,885	2,969	3,028	3,124	3,210	3,304	3,390
Other operating funding applications	34	38	38	39	40	41	42	43	44	45	46
Total applications of operating funding	10,161	7,846	8,730	8,694	9,152	9,390	9,651	9,814	10,044	10,253	10,405
Surplus (deficit) of operating funding	2,437	4,114	4,325	5,169	5,751	5,939	6,328	6,299	6,889	8,097	8,263
Sources of capital funding											
Increase (decrease) in debt	2,794	2,662	7,601	6,795	1,243	419	(123)	1,971	(890)	421	(1,070)
Total sources of capital funding	2,794	2,662	7,601	6,795	1,243	419	(123)	1,971	(890)	421	(1,070)
Applications of capital funding											
Capital expenditure to meet additional demand	560	610	410	1,368	702	221	396	232	414	242	432
Capital expenditure to improve the level of service	2,643	1,623	3,454	1,073	832	741	815	2,142	118	1,511	123
Capital expenditure to replace existing assets	1,570	1,285	5,649	5,525	1,987	996	498	1,008	284	266	296
Increase (decrease) in reserves	457	3,258	2,413	3,997	3,475	4,400	4,494	4,888	5,182	6,499	6,341
Total applications of capital funding	5,231	6,776	11,926	11,964	6,994	6,358	6,205	8,270	5,999	8,518	7,193
Surplus (deficit) of capital funding	(2,437)	(4,114)	(4,325)	(5,169)	(5,751)	(5,939)	(6,328)	(6,299)	(6,889)	(8,097)	(8,263)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

ACTIVITY GROUP: SEWERAGE INCLUDING TREATMENT AND DISPOSAL



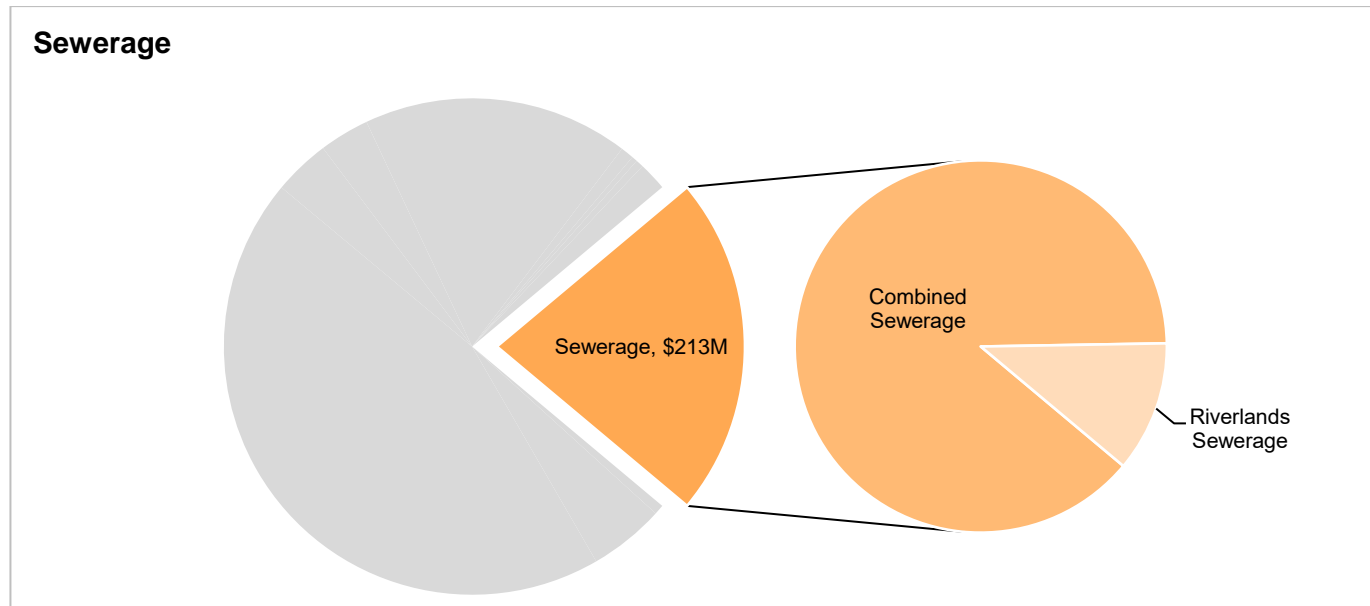
Operating costs

The operating costs for the Sewerage activity group represent \$360 million of total Council expenditure.



Capital projects

The capital expenditure for the Sewerage activity group represent \$213 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Area	Major Capital Projects	Inflated Value (Millions)
Blenheim	2025-27 Main terminal pump station, Alabama Road	\$ 15.1
	2024-26 Pipeline from main terminal pump station to treatment plant	\$ 2.0
	2024-26 Purkiss Street reticulation and pump station	\$ 4.5
	2027-29 Battys Road South pump station high flow storage to reduce sewage overflows	\$ 7.6
	2028-29 Battys Road South additional pump station	\$ 7.4
	2027-29 Burleigh sewer reticulation	\$ 2.7
	2025-28 St Andrews sewer reticulation	\$ 1.1
	2026-28 Reclaimed water reticulation	\$ 5.3
	2028-29 New high flow buffer pond to reduce overflows	\$ 2.5
	2028-29 Desludge domestic pond 2	\$ 5.0
Blenheim & Riverlands	2024-30 Sewage treatment plant (domestic and industrial) resource consent upgrading	\$ 37.0
	2024-26 Land application of effluent	\$ 7.2
Riverlands	2026-27 Sludge management and treatment capacity upgrades	\$ 9.5
Havelock	2024-27 New treatment plant, terminal pump station and pipelines	\$ 20.4
	2029-31 Land treatment system	\$ 6.9
Picton	2028-29 Overflow storage tank	\$ 2.6
	2027-29 Sewer pipeline replacement in Picton and Waikawa	\$ 3.8
	2028-29 Reclaimed water treatment plant	\$ 8.9
	2029-30 Upgrades to treatment process	\$ 2.4
	2030-31 Second aeration basin at treatment plant	\$ 7.8
Renwick	2029-30 High flow storage tank	\$ 1.8
Seddon	2024-27 New treatment plant with discharge to land (includes land purchase)	\$ 23.4

Rationale for the delivery of Sewerage Including Treatment and Disposal group of activities

It is mandatory that Sewerage Including Treatment and Disposal is an activity group.

Changes to Sewerage Including Treatment and Disposal activity group from the 2024-34 Annual Plan

There are no changes to this activity group.

Intended Changes to Levels of Service from the 2024-34 Annual Plan

There are no intended changes to the levels of service within the group from the levels of service displayed in the 2024-34 Annual Plan.

Variation between Long Term Plan and the Assessment of Water and Sanitary Services

There is no significant variation between the adopted Assessment of Water and Sanitary Services and this Plan.

Significant negative effects associated with this group of activities

This activity group may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Sewerage Including Treatment and Disposal

What is this activity about?

Collection, treatment and disposal of wastewater to provide sanitary living conditions, protect public health and avoid damaging discharges to the environment is an essential service that contributes to:

- the health of communities;
- minimisation of adverse environmental effects; and
- industrial and residential development.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by enabling high-value enterprises such as viticulture and aquaculture to sustainably manage their wastes. These services support sustainable use of resources and expansion of key industries. This activity also contributes to the community outcomes of Environment, Economy and Living as outlined below.

Outcome	Actions
Living	Collecting, treating and disposing of wastewater provides sanitary living conditions and protects public health.
Environment	Minimising damaging discharges to the environment through effective sewage treatment.
Economy	Enabling industry to achieve good effluent management supports a prosperous community and economy for all Marlburians.

What we do and where we do it

Council operates four wastewater schemes in Blenheim, Picton, Havelock and Seddon. The reticulation networks at Blenheim, Renwick, Grovetown, Spring Creek, Riverlands, Cloudy Bay, Marlborough Ridge and Woodbourne drain to the sewage treatment facility at Hardings Road, Blenheim.

The Blenheim plant has evolved over many years. The original oxidation ponds have been augmented with the treatment ponds which formerly served the PPCS meat processing plant. There have been major upgrades to the plant in recent years to meet the rapidly growing discharges from the wine industry. The most recent work was the construction of a major new wetland, tertiary treatment and outfall that will deliver improved effluent quality and facilitate irrigation to land (2015). A new outfall pipeline has been constructed into the Wairau River estuary. Additional aeration was added in 2022. Consultation and planning is underway to have the plants resource consent renewed.

Picton and Waikawa are served by an extended aeration treatment plant which was completed in 1999. The plant performs very well and produces an effluent of consistent high quality. An old outfall pipeline that used to be conspicuous along the shore of Kaipupu Point has been replaced by a new and improved underwater pipe, and the old pipeline has been removed. Traditional oxidation ponds are used to treat effluent in Havelock and Seddon.

Land has been purchased, discharge consents granted and design is planned to begin in 2024 for a new wastewater treatment plant for Havelock.

The resource consent for the Seddon wastewater treatment plant is being renewed. This will have emphasis on irrigation of treated effluent to land. Land is in the process of being purchased.

Approximately 85% of Marlborough’s population is connected to the reticulated wastewater system. Rural locations rely on individual on-site treatment/disposal systems or small community based reticulation and treatment. The initial cost of on-site treatment is often more affordable for small and dispersed settlements but requires suitable ground conditions for soakage of the treated effluent and a commitment to ongoing monitoring and maintenance. Permeable soils, a low residual water table and a reasonably flat topography are good attributes for an efficient on-site treatment system.

There are many areas of Marlborough where on-site sewage disposal occurs in difficult conditions. Failing treatment systems can cause insanitary living conditions and pollution of both local watercourses and groundwater, with subsequent health risks, loss of amenity and ecological deterioration.

A major upgrade of the trunk sewer between Waikawa and Picton commenced in 2017. The final stage of this was completed in 2022. Recent urban growth around Waikawa and infiltration of stormwater into the sewers had caused the existing infrastructure to be over-taxed and sewer overflows were not uncommon. Fixing this

problem required renewal of 3.2 km of trunk sewer and four pump stations. A treatment facility to provide partial treatment of a planned sewer overflow during very large storms was incorporated into the design. A pipe has been installed parallel to the trunk main to return treated wastewater which can be used for irrigation to land in future. The total cost of the project was approximately \$28M.

Why we provide these services

The levels of service for the wastewater service have been determined by the features of the Activity most valued by our customers.

Environmental Risks — the marine and aquatic environments are important commercial, recreational and cultural environments. Iwi have a deep cultural relationship with the natural environment, and fisheries, aquaculture, tourism, water sports and leisure activities depend on good quality water.

Effluent quality from the treatment plants is strictly controlled by resource consent. Sampling routines have been imposed to check the quality of the outfall discharge of each of the plants and on the shellfish ecology in the vicinity of two of the coastal plants.

Treatment plants can become overloaded by highly concentrated wastewater from intensive trade effluent. Vigilance is required to monitor tradewaste discharging into the networks, particularly to the smaller treatment plants which have less capacity to treat concentrated contaminant loads.

Excessive wastewater volumes can lead to inadequate treatment at the plants, and overflows from the reticulation. Most surcharging in the system occurs when rainwater enters the reticulation through inflow and infiltration during storms. An ongoing programme is in place to identify and remedy sources of leakage into the system. In the event of a sewer overflow the Assets & Services Department advises Council's Regulatory Department, Public Health and major stakeholders. A response plan is immediately implemented and environmental monitoring is undertaken to identify the extent of the contamination and to progress the clean-up.

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

Timely and responsive service — A constant and reliable wastewater service is often taken for granted, however all systems are likely to break down or fail from time to time. The Council operates a 24/7 emergency breakdown response service to remedy blockages and breakdowns as a matter of urgency.

Sewers may become partially blocked, causing considerable inconvenience and restricting the service as the wastewater slowly drains away. More severely blocked sewers can quickly backup and be at risk of sewage overflows. Many blockages occur on the laterals (the smaller pipes connecting the property to the mains in the road). Customer Services staff are trained to question customers reporting blockages, to try to establish whether the problem is on the customer's pipe within the property or is the Council's responsibility. Service requests are prioritised based on the severity and the number of customers affected, so that repair crews can be effectively dispatched to the most urgent work.

If the Council cannot restore toilet facilities within six hours of notification of a blockage, a temporary toilet or alternative facilities will be arranged.

Sustainable service — Routine maintenance is important for wastewater systems to ensure assets are clean and functioning correctly, and plant is serviced to prevent premature failure. Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and to avoid accumulating a legacy of decrepit assets. Decisions have to be made on when it is cost-effective to replace failing assets rather than continue to repair them.

Asset description

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

Area	Sub Area	Pipeline Length (km)	Number of Connections
Blenheim	Blenheim	210.4	10,281
	Renwick	15.1	846 (Included in Blenheim)
	Spring Creek	4.0	159 (Included in Blenheim)
	Riverlands	12.1	121 (Included in Blenheim)
	Grovetown	17	340 (Included in Blenheim)

Area	Sub Area	Pipeline Length (km)	Number of Connections
Picton		55.1	1,750
Havelock		9.8	296
Seddon		8.0	274
Total		331.5	14,067

There are four treatment plants, which are in Blenheim (Hardings Road), Havelock, Picton and Seddon. (The Spring Creek treatment plant has been decommissioned.) There are 62 sewer pump stations and 203 sewer grinder pumps. The asset base has grown considerably over the last 10 years to meet the growth in wastewater (domestic and industrial) and the higher standards expected by an increasingly environmentally conscious population.

The total asset value for the Sewerage Activity as at 30 June 2020 was \$265.5M million, and it depreciates at around \$4.5M per annum. Detailed information on these assets is provided in the Wastewater Asset Management Plan.

Emerging issues and expected changes

Reasons for the upcoming projects

- The current resource consents for the discharge of treated wastewater from the Blenheim wastewater treatment plant expire in mid-2025. Future resource consents for the plant may require greater discharge to land instead of to water.
- The Blenheim Main Outfall Pump Station (MOPS) at Riverlands requires replacement to provide the necessary hydraulic and seismic performance.
- Increasing treatment capacity at the Blenheim Sewage Treatment Plant (BSTP) is necessary to meet continuing growth in tradewaste.
- Infrastructure renewal is necessary across networks due to damage caused by the 2016 earthquakes and as pipelines near the end of their useful life.
- Installation of new pipelines or increasing the capacity of existing pipelines to meet residential and industrial growth to meet development demands.

Ongoing issues

- The management and control of rainfall derived inflow and groundwater infiltration into the wastewater reticulation.
- Failure of on-site wastewater treatment systems in townships and rural residential areas without municipal sewerage systems.

Levels of Service 2024-34: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Customer Satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.5	≥ 7.5	≥ 7.5	≥ 7.5	≥ 7.5
	The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system.	4.0	≤ 4.0	≤ 4.0	≤ 4.0	≤ 4.0
System and Adequacy Provide a level of service quality that minimises environmental risks.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.7	≤ 0.7	≤ 0.7	≤ 0.7	≤ 0.7
Discharge Compliance Provide a reliable wastewater service with adequate system capacity and performance.	Number of wet weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	0.6	≤ 0.6	≤ 0.6	≤ 0.6	≤ 0.6
	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions, received by the territorial authority in relation those resource consents.	0	0	0	0	0

Levels of Service 2024-34: Sewerage Including Treatment and Disposal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Fault Response Times Provide a service that is timely and responsive to customers' needs.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times (in hours) measured:					
	(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and					
	Blenheim	1 hrs	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Picton	1 hrs	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Riverlands	1 hrs	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Renwick	1 hrs	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Seddon	2 hrs	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Havelock	2 hrs	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	4 hrs	≤ 4 hours	≤ 4 hours	≤ 4 hours	≤ 4 hours

Funding Impact Statement for LTP 2024-34 for Sewerage											
	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
Targeted rates	9,375	10,597	11,483	14,615	16,552	18,498	20,254	22,579	24,291	25,981	27,442
Fuel tax, fines, infringement fees and other receipts	1,904	2,011	2,092	2,183	2,287	2,344	2,398	2,453	2,505	2,560	2,612
Total operating funding	11,279	12,608	13,575	16,798	18,839	20,842	22,652	25,032	26,796	28,541	30,054
Applications of operating funding											
Payments to staff and suppliers	3,769	5,630	5,275	6,148	6,459	6,592	6,698	6,878	6,985	7,185	7,299
Finance costs	2,321	2,687	3,322	4,528	5,889	6,484	6,514	6,526	6,380	6,178	5,961
Internal charges and overheads applied	3,196	3,607	3,821	3,981	4,092	4,225	4,360	4,486	4,614	4,767	4,886
Total applications of operating funding	9,286	11,924	12,418	14,657	16,440	17,301	17,572	17,890	17,979	18,130	18,146
Surplus (deficit) of operating funding	1,993	684	1,157	2,141	2,399	3,541	5,080	7,142	8,817	10,411	11,908
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	294	-	-	-	-	-	-	-	-
Development and financial contributions	2,185	2,651	2,776	2,906	3,043	3,186	3,335	3,492	3,656	3,828	4,008
Increase (decrease) in debt	1,310	7,238	15,606	27,766	21,337	32	868	(651)	(4,871)	(2,370)	(5,420)
Other dedicated capital funding	1,482	1,629	1,714	2,873	3,031	3,173	3,326	3,482	3,649	3,828	4,013
Total sources of capital funding	4,977	11,518	20,390	33,545	27,411	6,391	7,529	6,323	2,434	5,286	2,601
Applications of capital funding											
Capital expenditure to meet additional demand	3,641	1,372	3,438	5,641	4,904	12,977	7,564	4,766	2,458	2,511	1,206
Capital expenditure to improve the level of service	7,786	8,766	10,612	20,170	17,909	6,402	16,452	20,052	9,466	9,669	4,440
Capital expenditure to replace existing assets	5,293	3,188	7,952	8,704	6,207	11,506	879	1,484	287	233	213
Increase (decrease) in reserves	(9,750)	(1,126)	(454)	1,172	790	(20,953)	(12,285)	(12,837)	(958)	3,284	8,650
Total applications of capital funding	6,970	12,202	21,547	35,686	29,810	9,932	12,609	13,465	11,251	15,697	14,509
Surplus (deficit) of capital funding	(1,993)	(684)	(1,157)	(2,141)	(2,399)	(3,541)	(5,080)	(7,142)	(8,817)	(10,411)	(11,908)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

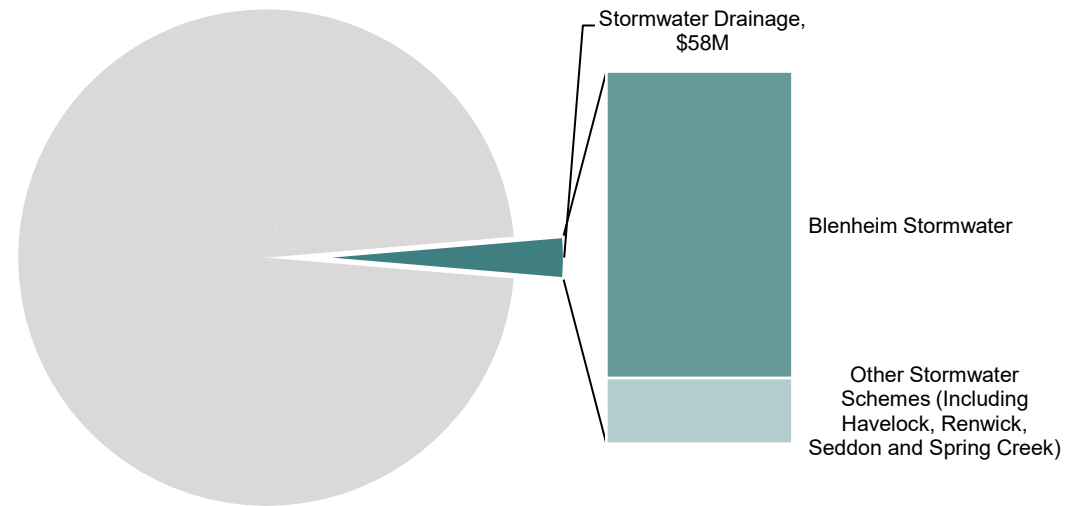
ACTIVITY GROUP: STORMWATER DRAINAGE



Operating costs

The operating costs for the Stormwater Drainage activity group represent \$58 million of total Council expenditure.

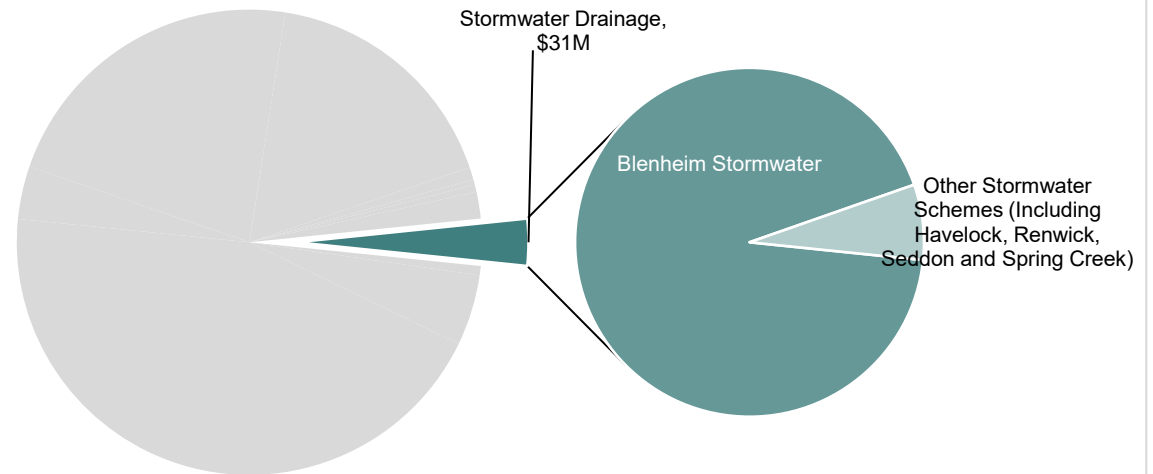
Stormwater Drainage



Capital projects

The capital expenditure for the Stormwater Drainage activity group represent \$31 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.

Stormwater Drainage



Area	Major Capital Projects	Inflated Value (Millions)
Blenheim	2027-29 Town Branch drain upgrade	\$ 11.0
	2024-25 Murphys Creek Pipeline	\$ 5.2
	2024-25 Redwood Street (Muller Road to Stephenson Street) pipe replacement	\$ 1.0
	2025-27 Stephenson to Stuart Street pipelines	\$ 1.0
	2026-28 Graham St/Stephenson St/Boys college/Francis St pipelines	\$ 2.7
	2024-34 Pipeline renewals	\$ 4.2

Rationale for the delivery of Stormwater Drainage group of activities

It is mandatory that Stormwater Drainage is an activity group.

Changes to Stormwater Drainage activity group from the 2023-24 Annual Plan

There are no changes to this activity group.

Intended changes to levels of service from the 2024-34 Annual Plan

There are no changes intended to the levels of service within the group from the levels of service displayed in the 2024-34 Annual Plan.

Variation between Long Term Plan and the Assessment of Water and Sanitary Services

There is no significant variation between the adopted Assessment of Water and Sanitary Services and this Plan.

Significant negative effects Associated with this group of activities

This activity group may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Stormwater Drainage

What is this activity about?

Council provides a stormwater drainage system to manage stormwater run-off from urban catchments. Collection and disposal of stormwater contributes to:

- minimising the incidence of flooding to protect the community from harm;
- minimising damage to properties from flooding;
- facilitating commercial and residential development;
- protecting the aquatic environment through the management of water quality from urban stormwater run-off; and
- reducing erosion.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by enhancing quality of life in urban locations and avoiding contamination of natural freshwater environments. It also contributes to the community outcomes of Environment, People and Economy as outlined below.

Outcome	Actions
Environment	Controlling stormwater and managing drainage provides major environmental, economic, and social benefits. Managing the quality of urban stormwater run-off prevents damage to the natural receiving environment.
People	Safeguarding residents and their property from the risks of stormwater flooding.
Economy	Enabling commercial and industrial activities to be carried out without disruption from flooding.

What we do and where we do it

Stormwater infrastructure is installed in areas where urban development has encroached onto natural drainage pathways. In areas where hard surfaces such as

roads and buildings have covered land there is less soakage of rainfall into the ground, and properties need to be protected from stormwater run-off.

Council's Rivers and Land Drainage Department provides flood protection from the main rivers for some rural buildings and land. Where the main rivers and drains pass close to the urban settlements, close liaison is required to ensure stormwater and river management practices are well coordinated. Rural locations frequently rely on natural channels and local experience to avoid flooding of dwellings and outbuildings.

The urban stormwater systems consist of natural components such as swales, channels and ponding areas as well as constructed assets — including inlet sumps, stormwater mains, manholes, pump stations, retention areas, secondary flow paths and soak holes. Over 90% of the stormwater assets in the Marlborough region are located in Picton and Blenheim (see the Asset Description table on the following page).

The local terrain can also determine the role of assets in the system. In Blenheim it is important to drain the flat valley bottom as quickly as possible, while the stormwater assets at the base of the Wither Hills have a role in detaining the water run-off to delay its concentration downstream and avoid flood accumulation on the valley floor. In some areas a degree of surface ponding can be tolerated and is even a desirable design feature. In other areas it is a sign the system is overloaded.

The settlements at Picton/Waikawa lie at the base of a number of steep natural catchments that quickly accumulate and concentrate stormwater into managed watercourses that run through the urban area. This topography poses a different set of challenges for land drainage.

Why we provide these services?

Environmental Risks — Council owned stormwater systems must take reasonable care to prevent the conveyance of pollutants into the natural environment. Rainwater falling on urban areas picks up and conveys all sorts of waste materials to watercourses and can also dissolve harmful substances. Pollution can occur through careless or accidental spillage of harmful materials or by reckless tipping of contaminants into the stormwater system. Council aims to control these risks through education, regulation and the installation of drainage infrastructure which provides a level of environmental protection.

Businesses which are considered to be carrying out high risk activities are required to install interceptors in their drains and to cover impermeable areas from rain. If a pollution event occurs Council will immediately respond to mitigate the effects and investigate the cause.

The quality of discharges from stormwater outfalls is regulated through resource consents. There is a legacy of many old and outdated consents throughout Marlborough. A major project to consolidate, rationalise and update this compliance framework is currently underway through the Blenheim Stormwater Strategy and is likely to be extended to other areas once it has been successfully implemented in Blenheim.

Reliable stormwater system — The efficacy of stormwater drainage can be difficult to assess as it is only required to perform at optimum capacity during relatively rare storm events. Mathematical models are used to model storms and their outcomes.

The outcome of rainfall events is complicated by changing land use patterns and run-off characteristics from the land, weather patterns and the public's changing expectations and living standards.

Provide a timely response — During severe storm events when flooding is predicted the Council will mobilise an Incident Management Centre to coordinate the response to emergency calls. All calls are assessed and prioritised. Those areas where there is a possibility of water entering either houses or commercial buildings are given the highest priority. Second priority is given to areas where there is a possibility of water entering garages or outbuildings, followed by areas where water may pond on garden areas and roads. In the worst storms there may be little that Council can do to manage the flood water as the infrastructure and natural waterways are overloaded. In these circumstances the response is to do whatever is possible to save life and reduce damage to property.

During an emergency event Council maintains a log of customer service requests to help prioritise and track the responses, identify clusters of particular concern and record events for debriefing and planning of future remedial works.

Sustainable stormwater — Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion and avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost-effective to continue to repair failing assets and to replace them instead.

Asset description

The table below provides a summary of the scale of stormwater reticulation in each area.

Area	Reticulation length (km)
Blenheim	148.0
Picton/Waikawa	31.5
Renwick	5.9
Okiwi Bay	0.9
Riverlands	7.1
Spring Creek	3.7
Seddon/Grovetown/Anakiwa	2.7
Havelock	2.7
Total	202.5

The total asset value for the Stormwater Drainage Activity at 30 June 2023 was \$218.97M. Depreciation is estimated as \$3.3M per annum. Detailed information on these assets, including information on levels of service performance, is provided in the Stormwater Asset Management Plan.

Urban populations are required to site their building platforms at an elevation that provides them with a level of flood protection whilst the stormwater infrastructure is designed and sized to drain the water to natural or man-made water courses. Buried pipes and open channels are expensive to build and maintain and it is often expedient to use a combination of reticulation and road surfaces as secondary flow paths to divert high rain flows. As a result, customers can become concerned about stormwater flows and ponding on local roads.

The stormwater system is managed in close cooperation with the Rivers and Land Drainage networks. Planning of future stormwater infrastructure must ensure the downstream watercourse has sufficient capacity for the proposed development.

Emerging issues and expected changes

The following issues are emerging within this activity:

- Implementation of the Blenheim Stormwater Strategy and extension of strategic goals to other townships.
- Establishment of effective Stormwater Management Area Plans in Blenheim and other areas.
- Review and consolidation of existing stormwater discharge consents.
- Urban growth in Blenheim is largely to the north and west of the town – ensuring downstream upgrades are provided in a timely manner.
- Ensuring good stormwater design is incorporated into the design of new sub-divisions.
- Upgrades of the Town Branch drainage system to improve its efficiency and to enable capacity improvements to the Redwood Street urban stormwater network.
- Evaluate and install effective stormwater quality control techniques for new sub-divisions and retro-fit to existing reticulation where required.
- Adaption to climate change.

Levels of Service 2024-34: Stormwater Drainage

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.4	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	1.0	≤1.0	≤1.0	≤1.0	≤1.0
System adequacy Provide a reliable stormwater service.	The number of flooding events that occur in a territorial authority district.	Actual number to be reported	Actual number to be reported	Actual number to be reported	Actual number to be reported	Actual number to be reported
	For each flooding event, the number of habitable floors affected, expressed per 1000 properties connected to the territorial authority's stormwater system.	2.6	≤2.6	≤2.6	≤2.6	≤2.6
Discharge compliance Minimise the environmental risks of stormwater discharge.	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:	0	0	0	0	0
	(a) abatement notices					
	(b) infringement notices					
	(c) enforcement orders, and					
	(d) convictions,					
received by the territorial authority in relation those resource consents.						
Response times Provide a service that is timely and responsive to customers' needs.	The median* response time (in hours) to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (*The statistical median is the time in which half of calls are responded to in less time and half in more time.)	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour

Funding Impact Statement for LTP 2024-34 for Stormwater Drainage

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,728	3,150	3,526	3,788	4,187	5,000	5,393	5,628	5,867	6,118	6,338
Fuel tax, fines, infringement fees and other receipts	412	349	251	195	207	241	242	256	263	273	287
Total operating funding	3,140	3,499	3,777	3,983	4,394	5,241	5,635	5,884	6,130	6,391	6,625
Applications of operating funding											
Payments to staff and suppliers	580	845	940	866	931	959	972	988	1,003	1,032	1,048
Finance costs	22	3	11	19	111	352	493	478	461	444	426
Internal charges and overheads applied	427	485	514	535	550	568	586	603	620	640	656
Total applications of operating funding	1,029	1,333	1,465	1,420	1,592	1,879	2,051	2,069	2,084	2,116	2,130
Surplus (deficit) of operating funding	2,111	2,166	2,312	2,563	2,802	3,362	3,584	3,815	4,046	4,275	4,495
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	159	-	-	-	-	-	-	-	-
Development and financial contributions	911	664	695	727	762	797	835	874	915	958	1,003
Increase (decrease) in debt	(47)	(37)	330	(16)	3,296	5,400	(279)	(295)	(311)	(329)	(347)
Other dedicated capital funding	58	58	59	61	62	64	65	67	68	70	71
Total sources of capital funding	922	685	1,243	772	4,120	6,261	621	646	672	699	727
Applications of capital funding											
Capital expenditure to meet additional demand	643	2,144	725	1,429	5,516	5,652	65	67	68	70	71
Capital expenditure to improve the level of service	411	1,174	892	1,284	22	22	23	23	24	24	25
Capital expenditure to replace existing assets	819	2,719	1,409	1,125	1,694	574	588	456	466	23	640
Increase (decrease) in reserves	1,161	(3,187)	531	(503)	(310)	3,374	3,529	3,915	4,160	4,857	4,487
Total applications of capital funding	3,033	2,851	3,555	3,335	6,922	9,623	4,205	4,461	4,718	4,974	5,222
Surplus (deficit) of capital funding	(2,111)	(2,166)	(2,312)	(2,563)	(2,802)	(3,362)	(3,584)	(3,815)	(4,046)	(4,275)	(4,495)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

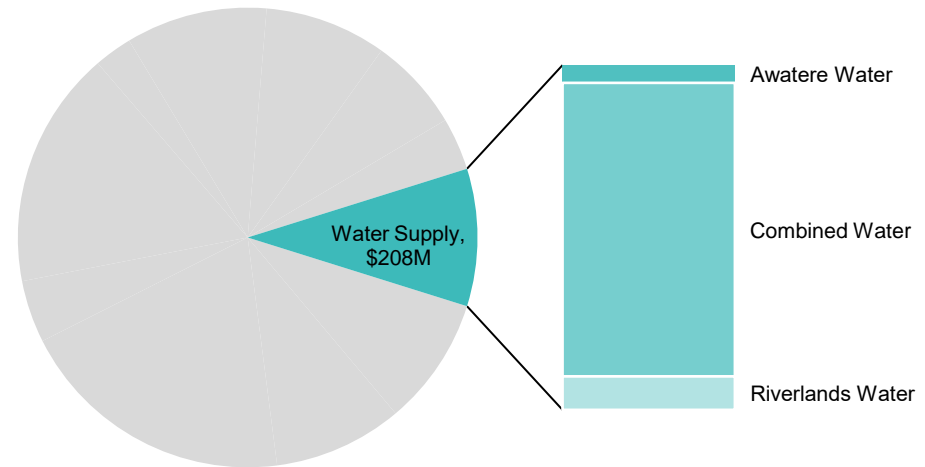
ACTIVITY GROUP: WATER SUPPLY



Operating costs

The operating costs for the Water Supply activity group represent \$208 million of total Council expenditure.

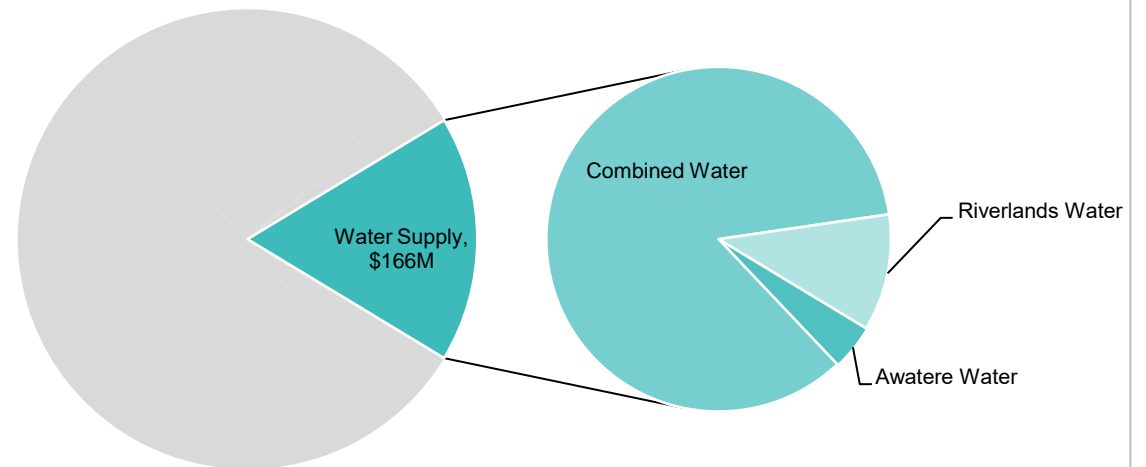
Water Supply



Capital projects

Capital expenditure for the Water Supply activity group represent \$166 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.

Water Supply



Area	Major Capital Projects	Inflated Value (Millions)
Blenheim	2030-32 Pipeline from new wells to Treatment plant	\$ 11.4
	2028-30 Universal water metering (demand management)	\$ 19.8
	2024-32 New wells to the north of Blenheim	\$ 2.6
	2024-25 Chlorination and other treatment improvements	\$ 4.1
	2032-33 Treatment of new wells	\$ 9.1
	2027-29 Wither booster pump station replacement	\$ 2.6
	2024-31 Pipeline capacity upgrades	\$ 3.6
Havelock	2024-26 New water treatment plant	\$ 9.2
	2032-33 Additional water source and treatment	\$ 15.2
Picton	2024-25 Speeds Road additional wells, pumps, pipelines and additional treatment	\$ 1.5
	2027-28 Universal water metering (demand management)	\$ 2.9
	2028-29 Relining of Essons Valley supply pipeline	\$ 1.3
	2033-34 Additional water source and treatment	\$ 23.8
Renwick	2024-25 Replacement of asbestos cement (AC) pipelines	\$ 2.1
Awatere Rural	2024-25 Point of entry treatment for rural properties	\$ 2.1
	2024-25 Replacement Lions Back water reservoir	\$ 1.3
	2027-29 Dashwood reservoir	\$ 0.7
	2025-34 Pipeline capacity upgrades	\$ 1.2
Seddon	2025-26 Pipeline capacity upgrades	\$ 0.3
	2032-33 Additional reservoir	\$ 1.5
Riverlands	2024-26 New water treatment plant and pipelines	\$ 16.0
Wairau Valley	2025-26 New pipeline to service properties on southeast side of highway	\$ 0.4

Rationale for the delivery of Water Supply group of activities

It is mandatory that Water Supply is an activity group.

Changes to Water Supply activity group from the 2024-34 Annual Plan

There are no changes to this activity group.

Intended changes to Levels of Service from the 2024-34 Annual Plan

There are no intended changes to the levels of service from the 2023-24 Annual Plan.

Variation between Long Term Plan and the Assessment of Water and Sanitary Services

There is no significant variation between the adopted Assessment of Water and Sanitary Services and this Plan.

Significant negative effects Associated with this group of activities

This activity group may involve the potential for public health and environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Water Supply

What is this activity about?

Council drinking water supplies are necessary so that larger communities can receive an adequate supply of potable (drinking) water which cost-effectively contributes to:

- the health of the community;
- minimisation of adverse environmental effects;
- community safety through providing for the firefighting capability of the water supply system; and
- industrial and residential development.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by providing high quality, safe water to the community and to support high-value enterprises. It also contributes to the community outcomes of Environment, Economy and Living as outlined below.

Outcome	Actions
Environment	Providing efficient water reticulation helps ensure a scarce resource can be sustainably managed.
Economy	Providing good quality drinking water is critical to the health of the community and is essential for much of Marlborough's economy. It is also a key factor in housing development.
Living	Ensuring there is sufficient water available to fight fires contributes to community safety.

What we do and where we do it

Council operates seven drinking water supply schemes in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere/Seddon. Council also operates a piped irrigation scheme for the Southern Valleys area (see Regional Development Activity Group) of the Wairau Plains and provides a small irrigation supply to the Riverlands area. Providing a reticulated irrigation supply enables a wider range of land uses and contributes to the economic well-being of the community.

Around 82% of the Marlborough population has access to the Council's reticulated water supplies. Underground water reticulation systems are expensive to install and maintain, so are only cost-effective with a certain level of population density. For example, the Awatere (Black Birch) water supply scheme was initiated as a rural water scheme, predominantly to provide water for stock. It has a similar length of reticulation as Blenheim but only 7% of the population. Funding upgrades (particularly to meet the New Zealand Drinking Water Standards and depreciation) has been a challenge but this has been partially resolved by the introduction of the Combined Water Scheme Charges Policy in 2017.

Many of the smaller Marlborough settlements rely on individual private bores, springs, surface water abstraction, rainwater harvesting, or are part of a small community-run scheme.

Drinking Water	Source	Reticulation Length (kms)	Service connections	Current Treatment	Current Compliance with DWSNZ
Awatere Rural	Black Birch Stream	146.5	556 (Approx. 280 dwellings)	MIOX (chlorine) disinfection	No
Seddon	Black Birch Stream	9.4	300	Membrane filtration, Advanced Oxidation, pH correction and chlorination.	Yes
Blenheim	Grove Road (4), Bomford Street, Auckland Street, and Middle Renwick Road bores (3)	213.6	12,009	UV disinfection and pH correction at Middle Renwick Road and Central Water Treatment Plant.	Yes
Picton	Speeds Road bores(3) Barnes Dam (river)	62.7	2,350	Both plants: UV, chlorination and pH correction. Barnes also has filtration	Yes
Havelock	Kaituna bores (2)	9.3	362	Chlorination	No
Renwick	Terrace Road bores (3)	18.4	994	Chlorination (New plant to be commissioned April 2024)	No
Riverlands	Malthouse Rd and Hardings Rd bores	12.3	162	-	No
Wairau Valley	Bores	3.5	67	Filtration, Chlorination and pH correction	Yes

Why we provide these services?

Water quality — Possibly the greatest threat to public health is the microbiological infection of the drinking water supply. Since the introduction of the Health (Amendment) Act 2007 water suppliers have been required to plan to meet the Drinking Water Standards for New Zealand (DWSNZ). Compliance is phased over a number of years depending on the population each scheme serves. The target dates in the Act have not been met in Marlborough, but the design, consultation and funding challenges have now been resolved and the required changes are planned or underway. Major upgrades to the treatment plants serving Blenheim, Picton, Seddon and Wairau Valley were completed in 2012, 2017, 2019 and 2023 respectively and the standards are now being met in these areas.

The DWSNZ requirements are very detailed, and include bacteriological, protozoal, chemical, radiological and physical parameters. A thorough sampling regime for the source water, treatment plant and the distribution network are also required under the standard.

The detection of E.coli bacteria is a reliable and readily detected indicator of bacteriological contamination. E.coli is a bacteria found in the gut of all warm blooded animals. Scrupulous sampling techniques are required to ensure representative samples are collected from the treatment plants and the distribution network. Council takes more than 2,000 water samples every year to monitor the water quality. Early detection of E.coli immediately triggers an investigative sampling programme of the area of supply to verify the initial result and the extent of the contamination. If contamination is confirmed, an emergency disinfection and flushing programme is initiated to clear the supply, and an advisory 'Boil Water Notice' is issued to all affected customers. The procedures are maintained until three consecutive days of negative samples indicate the problem has been resolved.

Construction of a water treatment plant for Seddon was completed in 2019 and Wairau Valley in 2023. Construction of a new water treatment plant is underway at Renwick, with completion expected in mid-2024. Plans are progressing with the design of upgrades to the Havelock and Riverlands water treatment plants. Properties in Rural Awatere are likely to be fitted with small treatment devices at the point of entry of each household.

In August 2016 the public drinking water supply in Havelock North was contaminated by sheep faeces entering the underground aquifer. Gastroenteritis affected over 5,000 people. There were three deaths directly related to the contamination as well as many severe and enduring illnesses. The public inquiry into the contamination reported in December 2017. The recommendations from the Inquiry that may impact the

operation of this activity include the establishment of an independent drinking water regulator (Tamata Arowai) with consolidated powers, and the abolition of 'secure bore supply' status from the DWSNZ. Increased monitoring and training for operatives and the chlorination of all supplies has been implemented through the introduction of the Water Services Act 2021.

The Non-financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005. These standards have been superseded by the Water Services (Drinking Water Services for New Zealand) Regulations 2022 (the regulations) and therefore Council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.

Flow and pressure — Customers value an unlimited supply of water at a desirable pressure for showers, domestic irrigation and multiple household uses. The NZ Fire Service Firefighting Water Supplies Code of Practice also recommends minimum flows and pressures from hydrants to facilitate firefighting. The pressure of the delivered water decreases as demand increases. Pumps and pipes are therefore sized to deliver the minimum levels on peak demand days. Due to either recent rapid growth or a legacy of undersized pipework, there are small areas in Blenheim, Picton, Renwick and Havelock in which the water supply does not meet the minimum standard during the peak days of summer. Pipe upgrades will be required to alleviate these occasional problems. Achievement of the minimum pressures can be monitored through advanced mathematical models of the distribution network. The Awatere/Seddon and Wairau Valley networks were not designed to meet the Firefighting Code and are not included in this metric.

High pressure can also be problematic on the steep hills around Picton and Havelock. In order to achieve the minimum pressure at the top of the hills the properties at the bottom of the valley would receive high pressure water. This can cause problems with domestic plumbing, increased leakage and wear and tear on fittings. Pressure zone management is one of the options to be considered in order to manage water demand.

Continuity and reliability — A constant and reliable water supply is often taken for granted, however all systems are likely to break down or fail from time to time. The Council cannot guarantee a 24/7 water supply but does endeavour to remedy faults as quickly as possible. All requests for service are prioritised based on the severity and impact.

Customers occasionally suffer from leaks inside their property and rely on the Council to turn off the water. The Council does not routinely maintain tobies and cannot

guarantee their serviceability. Customers should have a control valve fitted at the point of entry into the property for such emergencies, however Council makes best endeavours to assist when such calls are received.

Sustainable asset management — Responsible stewardship of major infrastructure requires the Council to repair, renew and upgrade the assets in a timely fashion to avoid accumulating a legacy of decrepit assets. Decisions have to be made as to when it is no longer cost-effective to repair failing assets and to replace them instead. The decision-making process is influenced by the need for additional capacity, higher quality or greater security.

In 2016 the Council adopted national performance measures which included an assessment of the amount of water used by customers and the level of leakage from the supply. Customer consumption and leakage have both been estimated as relatively high in most networks. High quality source waters have been relatively cheap to treat, and hot sunny weather encourages high domestic irrigation. Some areas, notably Renwick and Havelock, are facing high costs to develop new water sources as demand begins to outstrip the capacity of the existing supply. Water demand management techniques such as universal metering of all properties, and active leak detection programmes are being implemented to help suppress demand and delay the need for expensive new infrastructure.

Asset description

The asset base has grown considerably over the last 10 years partly to meet the growth in demand (domestic and industrial) and more recently through the addition of water treatment plants to meet the drinking water standards required by the Health (Drinking Water) Amendment Act 2007. The total value of the assets on 30 June 2020 was assessed at \$400.6 million and is depreciating at a rate of more than \$4.7 million/year.

Emerging issues and expected changes

Compliance with the DWSNZ

Compliance with DWSNZ continues to require significant capital expenditure. The affordability issues for smaller communities (Awatere, Renwick, Wairau Valley, and Havelock) have largely been resolved with the adoption of the Combined Water Schemes Charging Policy in 2017. Upgrades to treatment plants to meet DWSNZ have been delayed beyond the target dates in the Health Amendment Act (2007) and Water Services Act 2021.

The Seddon water treatment plant was completed in 2019.

A new reservoir was completed for Renwick in 2020 providing a threefold increase in storage capacity. Upgrading of the water treatment plant is underway and planned to be completed in mid-2024.

A new water treatment plant is being developed for Havelock with construction planned to be completed in 2026. A second reservoir was completed for Havelock in 2022 providing a twofold increase in storage capacity.

An upgrade of the Wairau Valley water treatment plant was +completed in August 2023.

A new water treatment plant is being developed for the Riverlands water supply. Construction is planned to be completed in 2026.

Planning is underway to have point of entry treatment devices installed at each household on the Rural Awatere supply. This is planned to be completed during 2024/25.

When these water treatment plant upgrades are complete all Council water supplies will be compliant with the Water Services Act 2021.

Fluoridation

The Health (Fluoridation of Drinking Water) Amendment Bill passed its final reading in November 2021. The new legislation gives the Director General of Health the power to issue a direction to local authority water suppliers to fluoridate a public water supply.

Renewal of infrastructure

Infrastructure renewal is becoming necessary across all networks as pipelines near the end of their useful life, particularly for older networks such as the Awatere and for asbestos cement piping across all networks.

Demand management

Growth in demand for water in Picton is causing supply capacity issues. Water metering is being considered, together with other demand management techniques such as pressure zone management and leakage control which are being implemented where practicable.

Levels of Service 2024-34: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Customer satisfaction Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.5	≥ 7.5	≥ 7.7	≥ 7.7	≥ 7.7
	The total number of complaints received by the local authority about any of the following:					
	(a) drinking water clarity	0.60	≤ 0.60	≤ 0.60	≤ 0.60	≤ 0.60
	(b) drinking water taste	0.25	≤ 0.25	≤ 0.25	≤ 0.25	≤ 0.25
	(c) drinking water odour	0.25	≤ 0.25	≤ 0.25	≤ 0.25	≤ 0.25
	(d) drinking water pressure or flow	0.85	≤ 0.85	≤ 0.85	≤ 0.85	≤ 0.85
	(e) continuity of supply	0.70	≤ 0.70	≤ 0.70	≤ 0.70	≤ 0.70
	(f) the local authority's response to any of these issues	0.25	≤ 0.25	≤ 0.25	≤ 0.25	≤ 0.25
	Expressed per 1000 connections to the local authority's networked reticulation system. ⁶					
Safety of drinking water Provide a level of water quality that meets community needs and is appropriate to the degree of public health risk.	To 20 August 2024					
	The extent to which the local authority's drinking water supply complies with:					
	(a) The extent to which the drinking water supplies comply with Drinking Water Quality Assurance Rules in respect of Bacteria, and					
	(b) The extent to which the drinking water supplies comply with Drinking Water Quality Assurance Rules in respect of Protozoa. ⁷					
	Blenheim	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	Picton	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	Havelock	a)Y b)N	a)Y b)N	a)Y b)N	a)Y b)Y	a)Y b)Y
	Renwick	a)Y b)N	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
Riverlands	a)Y b)N	a)Y b)N	a)Y b)Y	a)Y b)Y	a)Y b)Y	
Awatere - Rural	a)N b)N	a)N b)N	a)Y b)Y	a)Y b)Y	a)Y b)Y	
Seddon	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	

⁶ Assumes 17,271 connections. Estimated in accordance with DIA recommended option 2. Minimum Night Flow Analysis. Riverlands not included as industrial night consumption volumes not available.

⁷ The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005.

These standards have been superseded by the Water Standards (Drinking Water Standard for New Zealand) Regulations 2022 (the regulations) and therefore Council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.

Levels of Service 2024-34: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
	Wairau Valley	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y	a)Y b)Y
	From 21 August 2024					
	The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules:					
	(a) 4.4 T1 Treatment Rules; (b) 4.5 D1.1 Distribution System Rule; (c) 4.7.1 T2 Treatment Monitoring Rules; (d) 4.7.2 T2 Filtration Rules; (e) 4.7.3 T2 UV Rules; (f) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rule; (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule.	New Measure	Comply	Comply	Comply	Comply
Maintenance of the reticulation network	The percentage of real water loss from the local authority's networked reticulation system. ⁸					
	Blenheim	40%	≤ 40%	≤ 40%	≤ 40%	≤ 40%
	Picton	30%	≤ 30%	≤ 30%	≤ 30%	≤ 30%
	Havelock	25%	≤ 25%	≤ 25%	≤ 25%	≤ 25%
	Renwick	20%	≤ 20%	≤ 20%	≤ 20%	≤ 20%
	Awatere	30%	≤ 30%	≤ 30%	≤ 30%	≤ 30%
	Wairau Valley	20%	≤ 20%	≤ 20%	≤ 20%	≤ 20%
Fault response times Provide a service that is timely and responsive to customers' needs	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:					

⁸ The Non-Financial Performance Measures Rules 2013 required local authorities to report their compliance with the bacterial and protozoal contamination criteria of the New Zealand Drinking Water Standards 2005.

These standards have been superseded by the Water Standards (Drinking Water Standard for New Zealand) Regulations 2022 (the regulations) and therefore the council is reporting against these measures relying upon the relevant incorporation by reference provisions in New Zealand law.

Levels of Service 2024-34: Water Supply

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
(The target figures are the 'median' time ie half of all call-outs will be responded to/resolved in less time, half will be greater)	(a) attendance for urgent call-outs (in hours): from the time that the local authority receives notification to the time that service personnel reach the site, and					
	Blenheim	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Picton	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Riverlands	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Renwick	1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour	≤ 1 hour
	Awatere	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Havelock	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	Wairau Valley	2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours	≤ 2 hours
	(b) resolution of urgent call-outs (in hours): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	7 hours	≤ 7 hours	≤ 7 hours	≤ 7 hours	≤ 7 hours
	(c) attendance for non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel reach the site, and	1 days	≤ 1 days	≤ 1 days	≤ 1 days	≤ 1 days
	(d) resolution of non-urgent call-outs (in working days): from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	1.5 days	≤ 1.5 days	≤ 1.5 days	≤ 1.5 days	≤ 1.5 days
Demand management Provide a reliable water supply service	The average consumption (in litres) of drinking water per day per resident within the territorial authority district.	430 litres	≤ 430 litres	≤ 430 litres	≤ 430 litres	≤ 430 litres

Funding Impact Statement for LTP 2024-34 for Water Supply

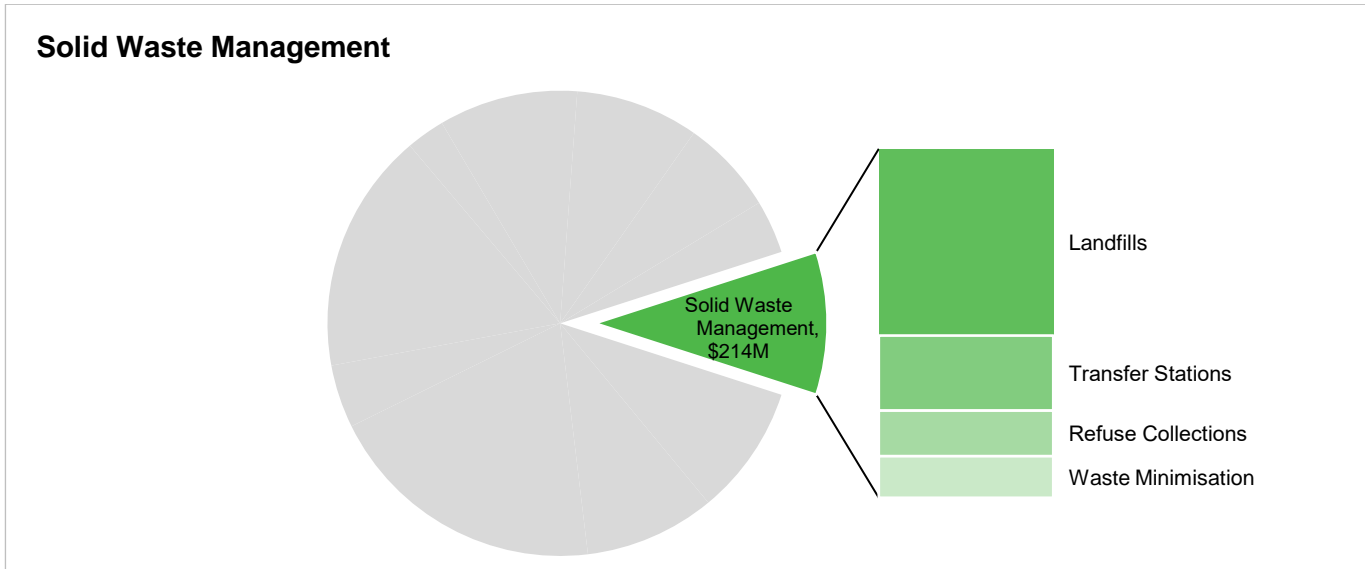
	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
Targeted rates	11,525	12,728	14,514	15,926	16,454	17,017	17,803	18,715	19,366	20,446	21,810
Fees and charges	341	341	349	358	368	377	386	394	403	412	420
Total operating funding	11,866	13,069	14,863	16,284	16,822	17,394	18,189	19,109	19,769	20,858	22,230
Applications of operating funding											
Payments to staff and suppliers	4,448	4,943	5,586	5,994	6,116	6,273	6,435	6,586	6,718	6,900	7,043
Finance costs	1,415	1,679	2,380	2,881	3,121	3,245	3,723	4,210	4,307	4,826	5,823
Internal charges and overheads applied	2,035	2,319	2,454	2,555	2,627	2,711	2,796	2,875	2,957	3,053	3,130
Other operating funding applications	40	48	49	51	52	53	55	56	57	58	60
Total applications of operating funding	7,938	8,989	10,469	11,481	11,916	12,282	13,009	13,727	14,039	14,837	16,056
Surplus (deficit) of operating funding	3,928	4,080	4,394	4,803	4,906	5,112	5,180	5,382	5,730	6,021	6,174
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	129	-	-	-	-	-	-	-	-
Development and financial contributions	912	1,076	1,126	1,179	1,235	1,293	1,353	1,417	1,484	1,553	1,626
Increase (decrease) in debt	8,820	11,922	13,295	4,749	3,816	585	16,786	997	2,410	16,100	19,650
Other dedicated capital funding	133	133	137	140	144	148	151	154	158	161	164
Total sources of capital funding	9,865	13,131	14,687	6,068	5,195	2,026	18,290	2,568	4,052	17,814	21,440
Applications of capital funding											
Capital expenditure to meet additional demand	3,066	2,236	3,844	1,869	1,738	829	6,466	1,230	771	7,280	24,040
Capital expenditure to improve the level of service	11,289	13,460	12,614	6,303	6,341	4,171	15,356	4,053	4,330	12,721	4
Capital expenditure to replace existing assets	5,216	7,565	1,717	1,876	2,553	3,257	1,882	1,875	3,167	8,025	2,268
Increase (decrease) in reserves	(5,777)	(6,049)	906	823	(531)	(1,121)	(234)	794	1,514	(4,192)	1,303
Total applications of capital funding	13,793	17,211	19,081	10,871	10,101	7,138	23,470	7,950	9,782	23,835	27,614
Surplus (deficit) of capital funding	(3,928)	(4,080)	(4,394)	(4,803)	(4,906)	(5,112)	(5,180)	(5,382)	(5,730)	(6,021)	(6,174)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

ACTIVITY GROUP: SOLID WASTE MANAGEMENT



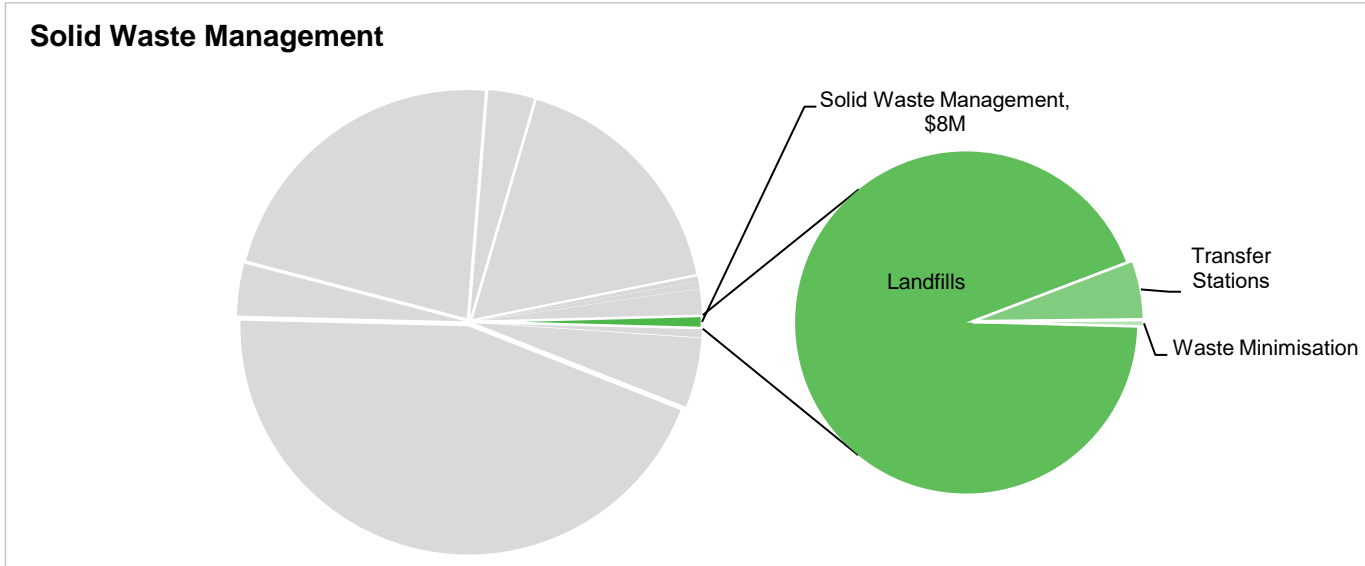
Operating costs

The operating costs for the Solid Waste Management activity group represent \$214 million of total Council expenditure.



Capital projects

Capital expenditure for the Solid Waste Management activity group represent \$8 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.



Areas	Major Capital Projects	Inflated Value (Millions)
Blenheim	2024-34 Bluegums regional landfill development (stage 10, 2029-31)	\$ 7.7
Regional	2024-25 Remote Transfer station construction	\$ 0.5

Rationale for the delivery of Solid Waste Management group of activities

Solid Waste Management comprises of the full range of activities to manage solid waste and is of sufficient size to be an activity group.

Changes to Solid Waste Management activity group from the 2024-34 Annual Plan

There are no changes to this activity group.

Intended changes to levels of service from the 2023-24 Annual Plan

There are no intended changes to the levels of service from the 2023-24 Annual Plan.

Variation between Long Term Plan and the Waste Management and Minimisation Plan (WMMP)

The WMMP 2021-27 was adopted in May 2021 Funding for the proposals contained within the WMMP 2021-27 are not included in this Statement of Proposal.

There is no variation between the 2024-34 Long Term Plan and the draft WMMP 2021-27.

Significant negative effects associated with this group of activities

This activity group may involve the potential for environmental impact or the operation of noisy machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities, controls are imposed as appropriate.

Activity: Solid Waste Management

What is this activity about?

Marlborough District Council is bound by legislation to ensure that our solid waste is managed in an effective and efficient manner, reducing any potential environmental impact, and protecting public health. Council is the main source of waste management infrastructure for the district, owning the infrastructure contracting out the operation of the network of five transfer stations, a central landfill, waste sorting centre, resource recovery centre, reuse centre, e-waste collection facility, hazardous waste centre, ten remote transfer stations, Greenwaste acceptance facility and salvage yard.

These facilities are designed and operated to ensure the minimum impact on people's amenity and the environment. By promoting the reduction, reuse, and recycling of waste we will reduce our reliance on landfill for disposal and could influence the direction of our waste management and minimisation planning. The Council also collects refuse and recyclables from the kerbside in Blenheim, Grovetown, Picton, Rarangi, Renwick, Seddon, Spring Creek, and Tua Marina, through a contract.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by enabling the community, including industries, to take a progressive approach to waste management and to contribute to a healthy natural environment. It also contributes to the community outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Enabling communities to be involved with Council projects that impact on them, such as infrastructure development and regulatory issues.
Environment	Promoting effective and efficient waste management systems across the district.
People	Protecting public health and reducing environmental impacts from waste.

Outcome	Actions
Economy	Providing key infrastructure for waste and recycling services to support our economy.
Connectivity	Providing effective and accessible reuse and recycling facilities that encourage and improve waste diversion.
Living	Planning for and investing in infrastructure to provide for the social and economic well-being and the health and safety of Marlborough's communities.

Asset description

The Council's principal assets supporting this activity are the regional landfill facility, the network of transfer stations, waste sorting centre, hazardous waste and repurposing centre, remote transfer stations, and the resource recovery centre/re-use shop facility.

Emerging issues and expected changes

Waste management and minimisation plan

As the territorial authority for the Marlborough District Council is required to develop, adopt, maintain and review a waste management and minimisation plan (WMMP). Council will need to align its plan with the newly released Aotearoa New Zealand Waste Strategy.

Household waste to landfill reduction targets

Council is required by legislation to meet the following targets for reducing household waste to landfill.

- 30 per cent by 2026
- 40 per cent by 2028
- 50 per cent by 2030.

The Council is required to have kerbside organic/food waste collection operating by 2030.

Alternatives to landfill

There are several companies that have expressed an interest in setting up production in Marlborough to divert considerable waste, including organics from landfill. If we can divert organics, construction waste (organic products), and the organic winery waste, we can achieve a 50% reduction of waste to landfill. The benefits to Council are:

- Extending the projected life of Bluegums landfill to 48 years (currently 24 years).
- Reducing the greenhouse gas emissions by almost 100%, which reduces the financial liability.
- Spreads the projected constructions costs of the new stages over 48years, not the current 24 years. An annual saving of 50 per cent.

There are potentially savings of more than \$1.5M annually if we can reach a 50% reduction in waste to landfill.

New Waste Bylaw

The current Waste Bylaw 2017 is now outdated because of legislation changes, new recycling opportunities and the changes to kerbside collection (wheelie bins). The current bylaw restricts the Council's ability to control the new kerbside collection of household waste and has no way of controlling several new or future initiatives.

A new Bylaw is pivotal in Council being able to hit a 50% reduction of waste to landfill. It will ensure Council has control over these initiatives and allow the Council to direct the changes required to achieve this target.

A new Bylaw will reduce risk to Council.

Waste Management Minimisation Plan 2011-27

This plan is due for review and updating as several points are not relevant with the new wheelie bin role out. It is also a timely time to review this plan with the new Bylaw, as a number of new items can be included in the plan

Product stewardship schemes

The introduction of Product Stewardship schemes could have a significant impact on how waste and recycling services and infrastructure are funded in the future. Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimising the

product's environmental impact throughout all stages of the product's life cycle, including end of life management.

There are two types of product stewardship schemes, voluntary and mandatory. To date the approach has focused on voluntary schemes set up by interested parties. In future the focus will be on mandatory schemes through the Government's declaration of 'priority products.'

Council supports the costs associated with managing waste products being redistributed to the producer/consumer and away from the ratepayer. We will continue to participate in policy discussions and development of product stewardship at a national level as a means of achieving this.

Contract renewals

The main waste and recycling contracts were tendered in 2022 and 2023.

The new contract for the landfill has been in operation since 1 July 2023. This was won by the incumbent, Roding and Asphalt Limited.

The Waste Management and Minimisation Service Contract (2021-077) was awarded, to Waste Management (NZ) Limited. This contract covers the kerbside collection service, the transfer station service, the resource recovery centre and the greenwaste facility. The contract introduces a change to levels of waste services including the introduction of wheelie bins onto the kerbside collection routes, the expansion of the kerbside collection area and the introduction of remote transfer stations to replace the existing coin skips and rural community recycling bins. These changes to levels of wastes services were subject to community consultation in November 2022 and a series of Hearing Panel Meetings in December 2022. As a result of the consultation, it was decided that an option of a range of wheelie bin sizes to reflect the needs of different households. The kerbside collection was expanded to include all townships within the district excluding Ward and the Wairau Valley. The new contract and commenced on 1 July 2024.

The Reuse Centre Services Contract (2021-159) was awarded to JBL Environmental Limited and commenced on 1 July 2024. This new contract framework covers the operation of the reuse centre, the repurposing of unwanted household goods service, the supply and operation of a collection and delivery vehicle and the provision of four community repurposing programmes.

Waste Disposal Levy increases

The Waste Disposal Levy is applied to all waste entering the Bluegums Landfill site. The current levy rate has increased from \$20 to \$60 per tonne (GST exclusive). From July 2023 other classes of landfill will also be subject to the Waste Disposal Levy. The summary of the Waste Disposal Levy charges and future increases is shown in the following table. Currently the Council only operates the one landfill being Bluegums Landfill (class 1).

The Waste Disposal Levy is applied to all waste entering the Bluegums Landfill site. The current levy rate has increased from \$20 to \$60 per tonne (GST exclusive). From July 2023 other classes of landfill will also be subject to the Waste Disposal Levy. The summary of the Waste Disposal Levy charges and future increases is shown in the following table. Currently the Council only operates the one landfill being Bluegums Landfill (class 1).

For the 2024/25 period the anticipated levy income for Council is in the region of \$600k to \$990k. Council have agreed to allocate the received share of the Waste Disposal Levy as follows:

- reduction projects 20%;
- reuse projects 15%;
- recovery projects 50%; and
- recycling projects 15%.

The outcomes of this spending allocation will be reported and reviewed annually.

Landfill Class	1 July 2021	1 July 2022	1 July 2023	1 July 2024
Municipal landfill (class 1)	\$20	\$30	\$50	\$60
Construction and demolition fill (class 2)		\$20	\$20	\$30
Managed fill (class 3)			\$10	\$10
Controlled fill (class 4)			\$10	\$10

Levels of Service 2024-34: Solid Waste Management

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.6	≥ 6.0	≥ 7.0	≥ 7.0	≥ 7.0
Continue to reduce the amount of waste sent to the landfill by providing and promoting diversion processing.	Tonnage processed at the Resource Recovery Centre.	4,000	≥ 4,500	≥ 4,750	≥ 5,000	≥ 5,000
	\$value of sales at the Reuse Shop.	\$300,000	≥ \$300,000	≥ \$320,000	≥ \$340,000	≥ \$350,000
	Tonnage diverted at the Waste Sorting Centre.	2,200	≥ 2,250	≥ 2,500	≥ 2,500	≥ 2,500
	Tonnage throughput at the Greenwaste Acceptance Facility.	5,200	≥ 5,200	≥ 7,800	≥ 9,100	≥ 9,100
Operate effective waste management and minimisation services.	Number of resident's complaints in regard to Bluegums Landfill operations.	6	≤ 6	≤ 6	≤ 6	≤ 6
	Kerbside Refuse and Recycling Collection Service complaints/missed lifts as a percentage of serviced households.	1.00%	≤ 5.0%	≤ 1.0%	≤ 0.05%	≤ 0.05%
	Number of resident's complaints in regard to the transfer stations, reuse centre, resource centre, e-waste facility, RTS and salvage yard.	38	≤ 38	≤ 30	≤ 20	≤ 20

Funding Impact Statement for LTP 2024-34 for Solid Waste Management

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,937	2,139	2,303	2,431	2,492	2,565	2,622	2,680	2,757	2,837	2,914
Targeted rates	1,733	2,333	2,405	2,478	2,548	2,616	2,683	2,749	2,813	2,882	2,946
Subsidies and grants for operating purposes	825	990	990	990	990	990	990	990	990	990	990
Fees and charges	12,984	13,221	13,549	13,914	14,278	14,631	14,971	15,311	15,639	15,980	16,308
Fuel tax, fines, infringement fees and other receipts	501	452	386	354	361	368	386	405	412	421	432
Total operating funding	17,980	19,135	19,633	20,167	20,669	21,170	21,652	22,135	22,611	23,110	23,590
Applications of operating funding											
Payments to staff and suppliers	9,042	9,609	9,778	10,041	10,304	10,559	10,806	11,050	11,286	11,532	11,769
Finance costs	263	264	237	209	180	153	135	119	105	90	74
Internal charges and overheads applied	2,185	2,393	2,531	2,634	2,709	2,790	2,874	2,951	3,036	3,129	3,213
Other operating funding applications	3,321	3,986	4,063	4,144	4,229	4,313	4,398	4,486	4,575	4,667	4,759
Total applications of operating funding	14,811	16,252	16,609	17,028	17,422	17,815	18,213	18,606	19,002	19,418	19,815
Surplus (deficit) of operating funding	3,169	2,883	3,024	3,139	3,247	3,355	3,439	3,529	3,609	3,692	3,775
Sources of capital funding											
Increase (decrease) in debt	(563)	(484)	(509)	(516)	(508)	(387)	(278)	(268)	(266)	(281)	(296)
Total sources of capital funding	(563)	(484)	(509)	(516)	(508)	(387)	(278)	(268)	(266)	(281)	(296)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	461	-	-	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	3,642	600	461	105	108	398	2,729	2,803	213	169	173
Increase (decrease) in reserves	(1,038)	1,338	2,054	2,517	2,632	2,569	432	459	3,130	3,241	3,304
Total applications of capital funding	2,606	2,399	2,515	2,623	2,739	2,968	3,161	3,261	3,343	3,411	3,479
Surplus (deficit) of capital funding	(3,169)	(2,883)	(3,024)	(3,139)	(3,247)	(3,355)	(3,439)	(3,529)	(3,609)	(3,692)	(3,775)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

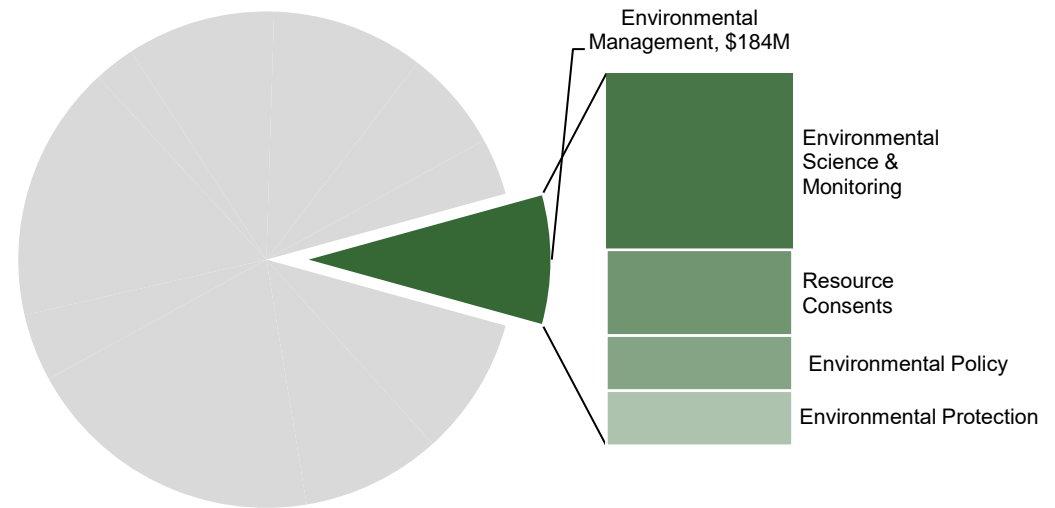
ACTIVITY GROUP: ENVIRONMENTAL MANAGEMENT



Operating costs

The operating costs for the Environmental Management group of activities over the next 10 years represent \$184 million of total Council expenditure.

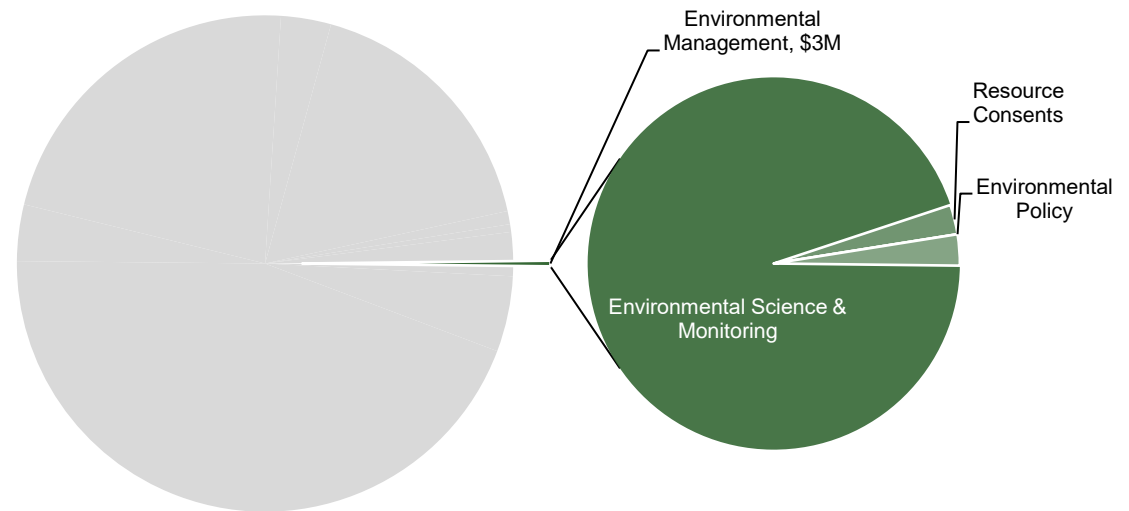
Environmental Management



Capital projects

Capital expenditure for the Environmental Management group of activities represent \$3 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective Activities sections.

Environmental Management



Activity	Major Capital Projects	Inflated value (Millions)
Environmental Science and Monitoring	2024-34 telemetry field equipment.	\$1.9

Rationale for delivery of this Group of Activities

Marlborough’s social and economic wellbeing relies on the use, development and protection of natural and physical resources. The Environmental Management activity group is responsible for enabling appropriate use of land, water, air, indigenous ecosystems and the built environment, while protecting the environment within which resource use occurs. This service is delivered through the implementation of the Resource Management Act (RMA) requirements.

Each activity delivers separate services under the RMA, but each of these services plays an integral role in a wider system of environmental management. This system can be described as the Plan-Do-Monitor-Review cycle and is represented by the following diagram:



The role of the Environmental Policy Activity is to develop, maintain and review a resource management framework consisting of a Regional Policy Statement (RPS), a Regional Coastal Plan, Regional Plans and a District Plan. Note that the Council has combined these plans into a single, integrated Resource Management Plan (RMP). The planning documents play an important role in strategically guiding the use,

development and protection of natural and physical resources by enabling appropriate resource use (through the use of permitted activity rules and through the allocation of public resources) and by identifying the circumstances under which resource consent is required.

The resource management framework is implemented by the Resource Consent Activity through the processing of resource consent and certificate of compliance applications and through the provision of planning information. The processing of resource consent applications utilises the guidance provided by the planning documents to ensure that any adverse effects of resource use are appropriately managed. Non regulatory methods specified in the planning documents are also being implemented by various parts of the Council. This is the “Do” part of the cycle.

The Council monitors the effect of implementing regulatory and non-regulatory methods by monitoring compliance with the conditions of permitted activity rules and resource consents, and by monitoring the state of the Marlborough environment. This monitoring is undertaken by the Environmental Protection and the Environmental Science and Monitoring Activities respectively. The results of the monitoring allow conclusions to be drawn about the efficiency and effectiveness of the resource management framework. This is the “Review” part of the cycle.

If the objectives established in the planning documents are not being achieved, then this signals the need to adjust or change the planning provisions through further planning, completing the Plan-Do-Monitor-Review cycle.

It is important to note that as a unitary authority, the Council has the functions of both a regional Council and a territorial authority. This influences the way in which the Environmental Management activity group delivers its services. It means that the full suite of planning documents required under the RMA must be prepared and that all resource consents required under the planning documents are processed by one consent authority. This allows the Group to integrate the management of land use (for which territorial authorities are generally responsible for) with the management of other natural resources (for which regional councils are responsible for), leading to reduced costs to resource users and improved environmental outcomes.

Proposed Marlborough Environment Plan (PMEP)

The Council has taken the opportunity presented by Section 80 of the RMA to combine all plan provisions required under the RMA into a single planning document for Marlborough – The Proposed Marlborough Environment Plan (PMEP). This provides for more effective integrated management of Marlborough’s natural and physical resources, and greater clarity for resource users and the community in a unitary authority setting.

The rebuilding of the resource management framework provided the opportunity to ensure that the framework reflects Council’s and the community’s aspirations for the District, its new functions and to ensure that the framework addresses current and emerging issues.

Decisions on the PMEP were publicly notified in February 2020 and a significant task for the Environmental Policy Activity since has been resolving appeals to the PMEP decision. That process has advanced to a point whereby parts of the PMEP will be able to be made operative in the 2024 calendar year. At that point, the equivalent provisions in the current operative resource management framework will become inoperative, reducing the complexity of the task faced by the Resource Consents Group and the Compliance Group in administering dual planning documents.

Responding to national direction

Council is required to give effect to national policy statements and implement national environmental standards gazetted by central government.

There are currently eight operative national policy statements in effect (including the compulsory NZ Coastal Policy Statement). Council’s resource management framework has to give effect to any national policy statement. To do so may necessitate changes to the current provisions of Council’s planning documents. However, the recently completed review allowed Council to give effect to the national policy statements through the MEP.

There are currently 10 national environmental standards in effect. The standards have the effect of regulations. This means that the standards have effect irrespective of the rules within the resource management plans. Council must amend any plan or proposed plan to remove duplication or conflict with the regulations of a national environmental standard. It must do so without using the First Schedule process. The exception is where the national environmental standard explicitly allows plan rules to be more lenient or more stringent.

The coalition agreements of a newly elected government in 2023 have created uncertainty with respect to Council’s obligations under the existing national direction. Of particular note are the National Policy Statement for Freshwater Management 2020 (NPSFM) and the National Policy Statement for Indigenous Biodiversity 2023 (NPSIB). Both NPS’s contain extensive new requirements for Council to implement that are also time bound. The timeframe for implementing the NPSFM has already been extended by the new government from December 2024 to December 2027. At the time of preparing this LTP there was also a proposal to extend the timeframe for implementing the Significant Natural Areas requirements of the NPSIB by three years. In both cases, the extension to timeframes are for the purpose of reviewing, and potentially, replacing the current requirements. As a consequence there is uncertainty regarding the nature of the requirements Council will be required to implement and enforce going forward. Any changes in national direction will have implications on the Environmental Management Activity.

In addition to the above instruments of national direction, the Government has an ongoing programme of reform of the RMA. It is expected that legislation to replace the RMA will be introduced within the current parliamentary term. It is inevitable that the replacement legislation will have implications for the Environmental Management Group of activities. However, the nature of those changes is unknown until the legislation is introduced to the House and follows parliamentary process. It is expected that any changes required to the Environmental Management Group of activities will be addressed through the next LTP.

More information on RMA reform, national policy statements and national environmental standards is available from the Ministry for the Environment website: [the Ministry of the Environment Website https://www.mfe.govt.nz/rma](https://www.mfe.govt.nz/rma)

Measuring success

Monitoring the state of the Marlborough environment is a statutory requirement under the RMA. The data Council collects is reported on an annual basis.

The data is also used to monitor the effectiveness and efficiency of the policies and methods included in the resource management framework. This monitoring is also a statutory requirement under the RMA. The planning documents set environmental results anticipated as a result of the implementation of the policies and methods.

The State of the Environment Report data is used to assess whether the specified results have been achieved and, as a result, whether the provisions are effective or efficient in resolving or managing the environmental issue they are addressing. The results of this monitoring must be reported at intervals of not more than five years.

Changes to Environmental Management activity group from the 2023-24 Annual Plan

There are no changes to this activity group.

Intended changes to levels of service from the 2023-24 Annual Plan

This table describes intended changes to the levels of service within the group from the levels of service displayed in the 2023-24 Annual Plan. The reasons for the intended changes are also described.

2024-34 LTP	Reason for changes
Added measures in relation to "NPSFM, NPSIB"	To better reflect the timeline for Council adoption of the strategy and the public notice of variation change to the PMEPE.
Removed "Number of sites classified as Significant Natural Areas on private land that are either protected by management interventions or legal covenants."	This measure has little relation with how well Council staff operates the business.
% of resource consents processed within statutory timeframes.	Change in % of resource consents processed within statutory timeframes from 100% to 95% provides for resourcing and special circumstances which make 100% unachievable.
% of applications rejected under s88 of the RMA.	Change in % of application rejected reflects an improvement in the quality of application received through education and assistance provided to consultants and applicants in recent years.
Residence satisfaction ≥ 5.5 for Resource Consents	Change in residence satisfaction from ≥ 6.0 to ≥ 5.5 , is a more representative acceptable satisfaction level for a regulatory function.

2024-34 LTP	Reason for changes
Residence satisfaction ≥ 5.5 for Environmental Protection	Change in residence satisfaction from ≥ 6.0 to ≥ 5.5 , is a more representative acceptable satisfaction level for a regulatory function.
Annual Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consent conditions.	Change from two measures to one.
Annual report on waste from wineries for compliance with resource consent conditions (wastewater and grape marc).	Change from two measures to one.
Annual report on water monitoring for compliance with resource consent conditions, pMEP and Resource Management (Measurement and Reporting of water takes) Regulations 2010	Change from two measures to one.
Annual report on resource consents and permitted activity for forestry in the district.	Change from two measures to one.

Significant negative effects in this group

Potential negative effects in terms of sustainable management of our physical and natural resources may result through ineffective monitoring of the environment and/or inadequate resource management policy with potential flow-on social and economic impacts on the community.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the activity group.

Funding Impact Statement for LTP 2024-34 for Environmental Management											
	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	9,599	10,362	11,707	12,345	13,218	13,348	13,849	13,878	14,202	14,610	14,998
Subsidies and grants for operating purposes	3,790	5,304	558	397	-	-	-	-	-	-	-
Fees and charges	3,100	3,378	3,491	3,572	3,646	3,722	3,793	3,864	3,937	4,009	4,080
Internal charges and overheads recovered	180	173	176	181	184	189	192	197	200	204	207
Fuel tax, fines, infringement fees and other receipts	1,464	1,160	848	650	668	657	636	646	652	667	695
Total operating funding	18,133	20,377	16,780	17,145	17,716	17,916	18,470	18,585	18,991	19,490	19,980
Applications of operating funding											
Payments to staff and suppliers	13,291	15,231	11,718	11,997	12,457	12,796	13,233	13,575	14,031	14,387	14,797
Finance costs	15	16	15	14	13	11	10	9	7	6	4
Internal charges and overheads applied	3,869	4,209	3,883	3,952	4,052	4,143	4,276	4,377	4,491	4,635	4,745
Other operating funding applications	112	139	139	139	139	139	139	139	139	139	139
Total applications of operating funding	17,287	19,595	15,755	16,102	16,661	17,089	17,658	18,100	18,668	19,167	19,685
Surplus (deficit) of operating funding	846	782	1,025	1,043	1,055	827	812	485	323	323	295
Sources of capital funding											
Subsidies and grants for capital expenditure	270	15	15	15	-	-	-	-	-	-	-
Increase (decrease) in debt	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(26)	(27)	(29)	(30)
Gross proceeds from sales of assets	-	-	87	-	-	-	-	4	-	80	-
Total sources of capital funding	252	(4)	82	(6)	(22)	(23)	(24)	(22)	(27)	51	(30)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	250	250	255	261	-	-	-	-	-	-	-
Capital expenditure to replace existing assets	472	240	467	174	204	279	170	234	177	529	247
Increase (decrease) in reserves	374	290	387	604	832	523	618	228	117	(154)	17
Total applications of capital funding	1,098	778	1,107	1,037	1,033	804	788	463	296	374	265
Surplus (deficit) of capital funding	(846)	(782)	(1,025)	(1,043)	(1,055)	(827)	(812)	(485)	(323)	(323)	(295)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Environmental Policy

What is this activity about?

This activity is the first of the “Plan-Do-Monitor Review” cycle of activities that play an integral role in a wider system of environmental management.

The Environmental Policy Activity involves the development and review of planning provisions under the Resource Management Act (RMA) in response to resource management issues for Marlborough. These provisions are aimed at the sustainable use, development and protection of Marlborough’s natural and physical resources including land, water, air, indigenous ecosystems and the built environment. Many of the provisions are mandatory under the RMA.

Council’s four core RMA policy and planning documents are:

- Marlborough Regional Policy Statement (RPS);
- Marlborough Sounds Resource Management Plan (MSRMP);
- Wairau/Awatere Resource Management Plan (WARMP); and
- Proposed Marlborough Environment Plan (PMEP).

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by planning for urban development/infrastructure and a healthy environment. This activity also contributes to the community outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	Taking a collaborative approach to resource management policy development, which involves the community and tangata whenua iwi in the process, ensures that the policy and planning provisions remain current and reflect the aspirations of the Marlborough community.
Environment	Including provisions in the PMEP to sustain the potential of natural and physical resources to meet the reasonably

Outcome	Actions
	<p>foreseeable needs of future generations and to safeguard the life-supporting capacity of air, water, soil and ecosystems. This includes limits on resource use and environmental standards but also the use of a range of non-regulatory methods.</p> <p>Seeking to avoid, remedy or mitigate the adverse effects of activities, especially where there is potential for conflict between different resource uses and users.</p> <p>The results of state of the environment monitoring indicate where current policy and planning provisions are not maintaining or enhancing the state of the Marlborough environment, allowing adjustments in management to be made through review processes. This monitoring also identifies new and emerging issues to be addressed.</p>
People	Developing and maintaining the resource management framework in a way that recognises the kaitiaki role of tangata whenua iwi.
Economy	<p>Strategically guiding appropriate use, development and protection of Marlborough’s natural and physical resources, including land, water, air, indigenous ecosystems and the built environment.</p> <p>Ensuring adequate and appropriate land is zoned to meet business and housing demand.</p>
Connectivity	Protecting infrastructure from the adverse effects of other activities and enabling the efficient and effective operation of the infrastructure.
Living	<p>Making provision for housing, employment and recreation in the PMEP.</p> <p>Providing recreational space and guidelines for the form of residential development encourages social cohesion.</p> <p>Avoiding, remedying or mitigating the adverse effects of other activities on reasonable residential amenity expectations.</p> <p>Identifying and protecting Marlborough’s cultural heritage.</p>

Asset description

Although not an asset in the conventional sense, the RPS, MSRMP, WARMP and PMEP are assets the Council and the community rely on to guide development within Marlborough. They identify the status of resource use activities occurring within the environment (i.e., whether an activity requires a resource consent), allocate public resources (such as water and coastal space) and contain policies to guide the determination of resource consent applications.

Given the above, it is important that the currency and accuracy of the planning documents are maintained at all times. The Environmental Policy Group has a Quality Management System to ensure that the correct version of the plans is being used internally and are available externally.

Emerging issues and expected changes

PMEP implementation

A significant part of the Environmental Policy Group work programme since 2020 has been the process of resolving the 51 appeals on the PMEP decision.

On resolution of appeals to the PMEP, the plan provisions become operative and the current operative resource management framework will become inoperative. This means that the RPS, the MSRMP and the WARMP will cease to have effect. This will, in turn, simplify the task of other activities, particularly Resource Consents and Environmental Protection.

Environment Court mediation for the appeals was completed in May 2023. Most appeals have been successfully resolved. Although there are still appeal points to resolve through further mediation or Court hearing, including appeals on the Council's decision on Variation 1 (Marine Farming), it is possible that the Council will seek to make the PMEP operative, at least in part, in the 24/25 year.

PMEP maintenance

Over the course of the LTP there will be a need to maintain the currency of the PMEP. New issues could emerge, and Council could be given new functions through national direction (see below). From time to time, there could therefore be the need to notify variations and, on making the PMEP operative, plan changes. The preparation of any variation is approved by the Environment and Planning Committee. There are currently two variations proceeding through the First Schedule process, covering heritage sites and ecologically significant marine sites. Further variations are anticipated to be publicly notified over the life of the LTP.

Central government initiatives

Government initiatives (such as legislative change or the introduction of national policy statements or national environmental standards) can influence the nature, scope and timing of the Environmental Policy work programme. In particular, Council is required to give effect to the provisions of national policy statements, while the provisions of Council's resource management framework cannot duplicate or conflict with national environmental standards.

RMA reform

The Spatial Planning Act and the Natural and Built Environment Act, the outcome of the previous Government's RMA reform process, were repealed by a new coalition Government in December 2023. Resource management planning therefore continues under the RMA.

The coalition agreements used as a basis of forming the new Government do signal further RMA reform process. Council will consider the implications of any reform, including on the Environmental Policy Activity, on an as and when needed basis.

National direction

There are currently eight national policy statements and ten national environmental standards. In most cases these were given effect to or implemented through the PMEP. However, five national policy statements have been gazetted post the notification of the PMEP, the National Policy Statement Urban Development 2020 (NPSUD), the National Policy Statement for Freshwater Management 2020 (NPSFM), the National Policy Statement for Highly Productive Land 2022, the National Policy Statement for Greenhouse Gas Emissions from Industrial Process 2023 and the National Policy Statement for Indigenous Biodiversity 2023 (NPSIB).

In the case of the NPSUD, Council is required to monitor a range of indicators for housing and business development capacity for Blenheim on a quarterly basis and report the results of monitoring annually. There is also a requirement to respond to the results of monitoring to ensure that there is sufficient development capacity provided for in the PMEP.

Council is aware of landowners that wish to request the rezoning of rurally zoned land on the periphery of Blenheim. It is possible that Council will be considering these requests during the life of this LTP as a means of ensuring there is sufficient development capacity in and around Blenheim.

The NPSFM sets out direction for the way regional councils and unitary authorities manage freshwater and the activities that can adversely affect water. Council was required to give effect to this direction through the provisions of the PMEP by December 2024. A work programme to give effect to the National Policy Statement for Freshwater Management 2020 was adopted by Council in 2022. Implementation of the work programme to establish a community vision with respect to freshwater and to implement Te Mana o te Wai in a Top of the South context has formed a significant part of the Environmental Policy Group work programme. The Government recently changed the date for compliance to December 2027, but has also signalled further changes to the substance of the NPSFM. The work programme will need to adapt to both the new timeframe and any potentially change in direction.

The NPSIB applies to the indigenous biodiversity in terrestrial environments and introduces new requirements for maintaining that indigenous biodiversity. Council is required to make changes to the PMEP provisions to identify and manage Significant Natural Areas by August 2028. Further changes to the PMEP are required to give effect to management of taonga species, highly mobile species, restoration and increasing vegetation cover by August 2031. Finally, the preparation of a regional biodiversity strategy for Marlborough must commence by August 2026 and must be completed by August 2031. These requirements all fall within the life of this LTP. The scoping and development of a work programme to give effect to these substantive new requirements will be a priority for the Environmental Policy Activity.

Levels of Service 2024-34: Environmental Policy

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Create a second generation resource management framework for Marlborough.	PMEP ⁹ made operative, including resolution of appeals on MEP decisions.	N/A	31/12/2024	N/A	N/A	N/A
	Resolution of appeals on Variation 1 (Marine Farming).	N/A	N/A	31/12/2025	N/A	N/A
Review the effective operation of the second generation resource management framework.	Efficiency and effectiveness report completed.	N/A	N/A	N/A	N/A	30/06/2028
Compliance with national direction.	NPSFM ¹⁰ given effect to.	N/A	N/A	N/A	N/A	31/12/2027
	NPSIB ¹¹ given effect to - regional biodiversity strategy	N/A	N/A	N/A	Commences by 04/08/2026	Completed by 04/08/2028
	NPSIB given effect to - PMEP changes	N/A	N/A	N/A	N/A	Completed by 04/08/2031

⁹ Proposed Marlborough Environment Plan (PMEP)

¹⁰ National Policy Statement for Freshwater Management 2020 (NPSFM)

¹¹ National Policy Statement for Indigenous Biodiversity 2023 (NPSIB)

Activity: Environmental Science and Monitoring

What is this activity about?

The activity involves establishing and maintaining an efficient environmental resource information base to allow Council to properly discharge its resource management functions and to provide advice to the community on environmental resources and on issues affecting the resources of the district. The activity includes investigations, state of the environment monitoring including measuring Marlborough Environment Plan effectiveness and analysis of the district's natural and physical resources, (e.g. land, air, fresh water and biodiversity). In addition, the activity provides coordination with the primary sector aligning Council responsibilities with the implementation of the Fresh Water Farm Plan Regulations.

This activity is also responsible for implementing a non-regulatory resource management methods and programmes to promote the sustainable management of our natural and physical resources. This includes the Significant Nature Area programme, Environmental Grant and Awards Scheme, catchment advisory and support for flood and other emergency responses.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by ensuring the natural environment is healthy. It also contributes to the community outcomes of Governance, Environment, Economy, People and Living as outlined below.

Outcome	Actions
Environment	Monitoring the state and condition of our natural resources, investigating environmental issues, helping to create solutions and implementing programmes to protect and enhance resources (fresh water, land, biodiversity, marine and air).
Economy	Helping with the allocation and informed use of resources to enable productivity within set environmental bottom lines.
People	Helping the community and resource users to better understand our natural resources through participative processes, and the provision of environmental information.

Outcome	Actions
Living	Providing assurance that our natural resources and special places are protected and in a condition suitable to maintain our lifestyle and general well-being, for example recreation and food gathering from our rivers and coastal waters.
Governance	Understanding environmental issues and the condition of our natural resources to enable strategic and transparent decision making.

Asset description

Council operates ninety-nine automated real time monitoring stations that measure several environmental parameters to support a range of state of the environment monitoring programs and for emergency response. Monitoring measures a range of environmental parameters from water level, flow, water quality, rainfall to air quality.

The Council has four key information management systems that house environmental data that include hydrology, water quality and soil data, ecological information, wells / sediments, and regional wide contaminated land sites.

Emerging issues and expected changes

The challenges for this Activity centre on the need to adequately respond to legislative drivers and other changes. The Proposed Marlborough Environment Plan (PMEP) sets the direction and resourcing for State of Environment (SoE) monitoring and resource investigations in the district.

Increasingly the government is directing Council services through legislative change consisting of a number of National Policy Statements and National Environmental standards e.g., the National Policy Statement for Freshwater Management, impact on the levels of service for setting of catchment-based limits, monitoring and reporting on the performance of our freshwater systems.

Additionally, the Fresh Water Farm Plan Regulations impose a responsibility for managing systems and providing catchment-based context to the community to

enable the development of Fresh Water Farm Plans. The National Policy Statement for indigenous biodiversity has been gazetted however under review.

Council is prioritising investment in the following areas:

- Resources and systems for environmental monitoring of freshwater, biodiversity, ecosystem health, land resources and the implementation of the National Policy Statement for Freshwater Management.
- Building capability and capacity working with stakeholders to align the Freshwater Farm Plan/Catchment enhancement plan framework across the District to meet our regulatory and PMEP requirements.
- Continuation of a collaborative project with the Kaikaiāwaro Charitable Trust for the implementation of the Te Hoire/Pelorus restoration project, including the development of a business case for future investment post June 2025.

Environmental information

There is an expectation from Government and the community that resource information will be readily available in an open digital format. Processes continue to ensure our data is of the highest quality and to improve access to environmental data.

Climate change

The longer-term consequence of climate variability will need to be better understood, including establishing what the impacts are on the natural environment and a coordinated response across Council.

Levels of Service 2024-34: Environmental Science and Monitoring

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Monitor, investigate, gather and analyse information and report on the state of Marlborough's natural resources including: Fresh Water, Land, and Air.	Timeliness of completion data integrity audits and quality coding (In accordance with National Environmental Monitoring Standards).	30-Jun	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun
	Number of technical SoE monitoring report cards completed.*	6	≥ 6	≥ 6	≥ 6	≥ 6
	% of recreational water site monitored graded at least Fair. (the grades are: Very Good, Good, Fair, Poor, Very Poor, not graded)	65%	≥ 65%	≥ 65%	≥ 65%	≥ 65%
	Monthly monitoring of the state of at least 52 representative river quality monitoring sites as required by the Marlborough Environment Plan and national legislation.	100%	100%	100%	100%	100%
Operate an effective real time environmental monitoring network.	Percentage availability of the environmental monitoring network.	99%	≥ 99%	≥ 99%	≥ 99%	≥ 99%
Encourage and enable the community and industry to enhance and protect the environment through education, advocacy and guidance.	Marlborough Environment Awards held biennially.	biennially	Held	N/A	Held	2028/29 and biennially there after
	Number of planned outreach events with Industry/Community sector groups annually.	20	≥ 20	≥ 20	≥ 20	≥ 20

*Note: Three areas (freshwater, air quality/PM10 and coastal) what auditors identified has been included in the SoE reports. Please note that these areas are influenced by factors beyond Council's control.

Activity: Resource Consents

What is this activity about?

This activity involves discharging Council’s statutory obligations under the Resource Management Act 1991 (RMA). The RMA sets out a range of powers, duties and functions, and the statutory processes that must be followed when processing and determining applications for a resource consent. Consistent with the RMA purpose, this Activity is about the promotion of the sustainable management of natural and physical resources and the administration of the Marlborough Sounds, Wairau/Awatere Resource Management Plans and Proposed Marlborough Environment Plan.

Specifically, this activity processes five different types of resource consents:

- land use consents;
- water permits;
- discharge permits;
- subdivision consents; and
- coastal permits.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by ensuring natural resources are used in a smart, sustainable way that enhances environmental well-being. It also contributes to the community outcomes of Governance, Environment, People, Economy and Living as outlined below.

Outcome	Actions
	Supporting community and industry forums in our region to communicate challenges and successes.
Environment	Ensuring consent approvals for the development and use of the environment in Marlborough promote sustainable management of natural and physical resources. Where necessary conditions are imposed (and monitored) that regulate activities which might otherwise degrade the environment or place resources under pressure.
People	Protecting Marlborough’s natural and physical resources for community and industry use and enjoyment.
Economy	<p>Enabling appropriate use of natural resources for economic well-being through Council’s resource management framework.</p> <p>Actively encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</p> <p>We support other areas of Council to meet this outcome by having in place effective resource planning processes which ensure infrastructure provision is appropriate, efficient, and available to meet the demands of the community.</p> <p>Educating applicants, submitters and other interested parties on the RMA and the resource consent process to assist sustainable development.</p> <p>Providing information to potential applicants, interest groups and the general public on all resource management matters.</p>
Living	Managing the physical and built environment through the administration of the resource consenting process in a manner that safeguards the community’s health and wellbeing, and which ensures resource use and human activities affecting resources do not adversely affect quality of life.

Outcome	Actions
Governance	<p>Ensuring the Council meets its statutory obligations under the Resource Management Act 1991 (RMA).</p> <p>Publishing policy consultation documents and making participation in the consultation process easy and accessible.</p> <p>Enabling public interaction and targeted engagement in consenting processes through customer surveys.</p>

Emerging issues and expected changes

Legislative and plan changes

The challenges for this activity centre on the need to adequately respond to legislative and other changes whilst meeting statutory timeframes for the processing of consents; providing a fair, cost effective and consistent service to the community and meeting customer expectations. As a unitary authority, Council is responsible for processing a constantly fluctuating workflow, including applications of a complicated nature, and public resources including water and coastal space.

Changes in legislation and planning policy and practice contribute to additional demand on the resource consent processing functions. These can be driven by Government legislation or policy changes and/or Council policy changes.

By combining the various resource management policy statements and plans required by the Resource Management Act, Marlborough now has a single planning document enabling the integrated management of all the region's natural and physical resources. The Proposed Marlborough Environment Plan was notified on 9 June 2016. The current version of the Proposed Marlborough Environment Plan is the "Appeals Version". This version is being actively maintained as appeals are resolved.

In addition to the Acts and the Plans there are national environmental standards and national policy statements which also influence resource consent processes.

Council constantly reviews its processes and procedures to ensure adherence with current best practices and statutory requirements.

Levels of Service 2024-34: Resource Consents

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.6	≥ 5.5	≥ 5.5	≥ 5.5	≥ 5.5
Provide a consent service that is fair, consistent, cost effective, timely and responsive to customers' needs.	% of resource consent applications processed within statutory timeframes ¹² .	95%	≥95%	≥95%	≥95%	≥95%
	% of objections under section 357(b) compared to total number of applications processed ¹³ .	0.20%	≤ 0.2%	≤ 0.2%	≤ 0.2%	≤ 0.2%

¹² Statutory timeframes are different depending on notification and process.

Non-notified no hearing 20 working days
 Non-notified with hearing 50 working days
 Limited notified no hearing 60 working days
 Limited notified with hearing 100 days
 Publicly notified no hearing 60 days
 Publicly notified with hearing 130 days.

The performance measure we have is based on percentage within "statutory timeframes" as opposed to a using a specified working days measure, the measure we have therefore captures all the above timeframe scenarios.

Council aims to achieve full compliance with statutory timeframes associated with resource consents. However, there are circumstances outside of Councils control that might lead to timeframes not being met, such as large volumes of consent applications ahead of changing regulations. In such circumstances where available resources are exceeded, Council will first turn to external contractors to support, and over time continually review resource allocated to the activities. Notwithstanding this, Council still sets a minimum target of 95% of resource consents to be achieved within statutory timeframes.

¹³ RMA, Section 357(b) – Right of objection in relation to imposition of additional charges and recovery costs.

Levels of Service 2024-34: Resource Consents

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide consistent, appropriate and timely information to applicants and the public on the RMA, resource consent and approval process.	% of incomplete applications rejected under the requirements of section 88 of the RMA.	2%	≤ 2%	≤ 2%	≤ 2%	≤ 2%

Activity: Environmental Protection

What is this activity about?

The primary purpose of this section is to implement statutory responsibilities under section 35 of the Resource Management Act 1991 (RMA) which contribute towards the sustainable management of our natural and physical resources. This includes the monitoring and enforcement of activities within the district.

Council monitors the effectiveness of implementing its resource management plans by monitoring compliance with the conditions of resource consent conditions and permitted activity standards.

The key objectives for the activity are:

- to provide an active compliance monitoring and enforcement regime to sustainably manage Marlborough’s natural and physical resources.
- to provide feedback and information on resource use and sufficient environmental information to enable other objectives to be met; and
- to integrate programmes with Environmental Science & Monitoring and align with anticipated environmental outcomes set in the Proposed Marlborough Environment Plan (PMEP).

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by ensuring the community’s activities are not adversely impacting on the natural environment. It also contributes to the community outcomes of Governance, Environment, People and Economy as outlined below.

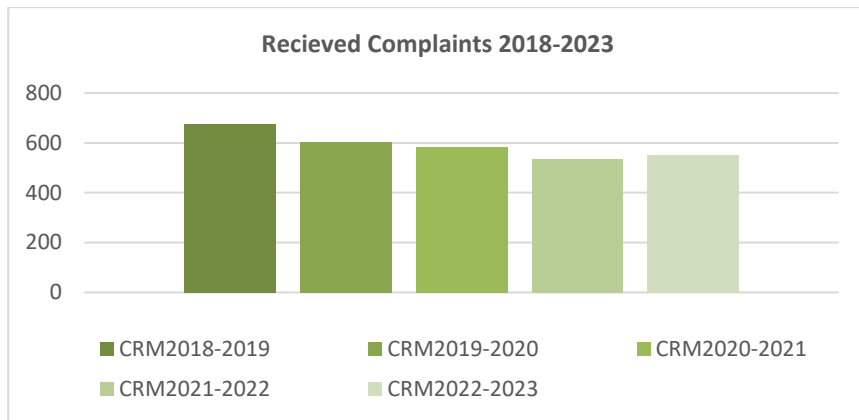
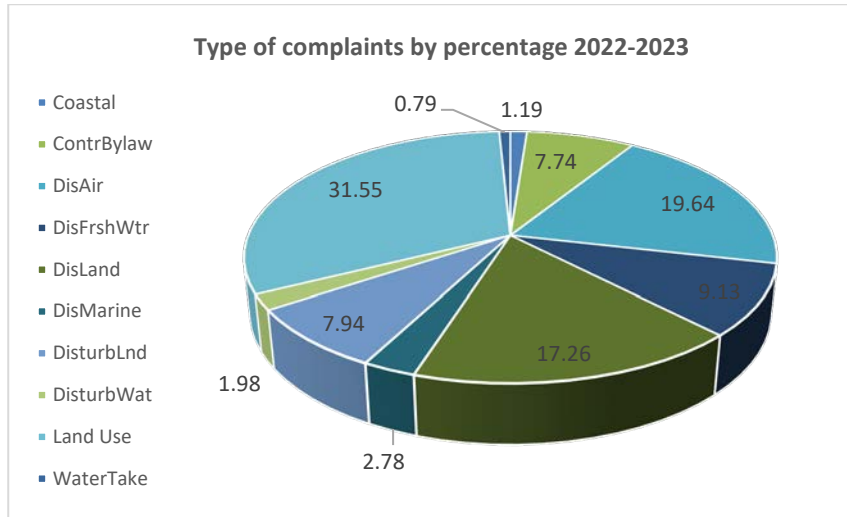
Outcome	Actions
Environment	<p>Ensuring the sustainable management of Marlborough's natural and physical resources.</p> <p>Investing in the sustainable use of the Marlborough environment through a mix of regulatory and non-regulatory methods.</p> <p>Promoting and encouraging collaborative actions to enable the protection and restoration of Marlborough’s natural resources.</p> <p>Providing an active compliance monitoring, education, and enforcement regime to prevent and mitigate adverse effects on Marlborough’s natural and physical resources.</p> <p>Provide feedback to the Policy, Resource Consents and Science & Monitoring groups.</p>
People	<p>Protecting Marlborough’s natural and physical resources for community and industry use and enjoyment.</p> <p>By educating people and providing them with information to enable them to live more sustainably and to be more resilient.</p>
Economy	<p>Enabling appropriate use of natural resources for economic well-being through Council’s resource management framework.</p> <p>Actively encourage people to adopt best practice in relation to their use of resources such as land, water, air, and the coast.</p>

Activity levels

During 2022–23 year the Council:

- received 536 Resource Management Act and Bylaw related complaints.
- enforcement actions taken, included 38 abatement notices, and 21 infringement notices.

Outcome	Actions
Governance	<p>Ensuring the Council meets its statutory obligations under the Resource Management Act 1991 (RMA).</p> <p>Publishing clear, timely and informative monitoring and compliance reports.</p> <p>Enabling public interaction and targeted engagement in Council monitoring activities through customer surveys.</p> <p>Supporting community and industry forums in our region by communicating environmental monitoring and compliance challenges and success.</p>



Emerging issues and expected changes

Resource consent numbers

An on-going challenge for the group is the volume of resource consents - there are more than 40,000 current resource consents. Several monitoring programmes are undertaken of activities which have been prioritised based on risk. The number of monitoring programmes which can be delivered is restricted by the team's resources.

Proposed Marlborough Environment Plan

As a result of the notification of the Proposed Marlborough Environment Plan (PMEP), the status and rules relating to many activities have changed — and the team's monitoring programmes are under continual review to reflect these changes as and when they have legal effect or become operative.

Water

Water is a valuable commodity in Marlborough, both environmentally and economically. Increasing water takes are putting pressure on Marlborough's aquifers and waterways. The introduction and transition of water takes to the Resource Management (Measurement and Reporting of Water Takes) Amendment Regulations 2020 and the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 has placed increased functions and responsibilities on both Council and the holders of water permits. Active monitoring of water takes is critical to the sustainability of Marlborough's aquifers and waterways.

Farm plans

Introduction of the Resource management (Freshwater Farm Plans) Regulations 2023 and Resource Management (Stock Exclusion) Regulations 2020, introduces additional statutory responsibilities on Council, and obligations on farm operators.

National direction

Legislative change or the introduction of renewed or additional national environmental standards can influence the nature, scope, and timing of the team's work programme. Any increased statutory functions and responsibilities place increased demands on the team's resources e.g. the introduction of the Resource Management (National Environmental Standards for Commercial Forestry) Amendment Regulations 2023, Resource Management (Stock Exclusion) Regulations 2020, Resource Management (National Environmental Standards for Freshwater) Amendment Regulations 2022 and Resource Management (Freshwater Farm Plans) Regulations 2023.

Database

Current database functionality impacts on the efficiency of the team's activities and reporting for monitoring and compliance activities. Development plans and a preliminary budget are in place for a replacement system.

Levels of Service 2024-34: Environmental Protection

Performance Targets (for the financial year)

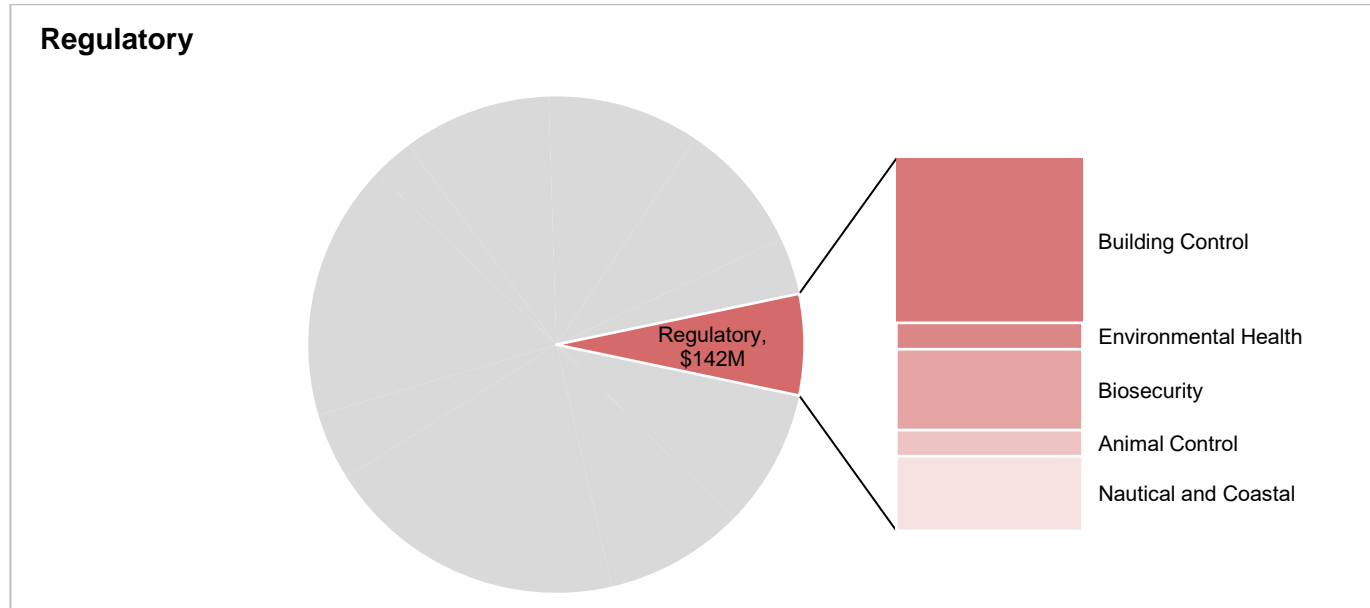
Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.6	≥5.5	≥5.5	≥5.5	≥5.5
Monitor activities that: <ul style="list-style-type: none"> • have a greater environmental impact warranting special consideration • generate community concern, or are related to trends highlighted through the State of the Environment Report. 	Report on dairy farm effluent systems and stream crossings for compliance with permitted activity standards or Resource Management Plans and consent conditions.	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level
	Report on waste from wineries for compliance with resource consent conditions (wastewater and grape marc).	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level
	Report on water monitoring for compliance with resource consent conditions, PMEP and Resource Management (Measurement and Reporting of water takes) Regulations 2010.	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level
	Report on resource consents and permitted activity for forestry in the district.	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level	Improved or maintained compliance level
Investigate alleged breaches of the RMA, RMP and Consents.	% of complaints assessed within one working day.	90%	≥90%	≥90%	≥90%	≥90%

ACTIVITY GROUP: REGULATORY



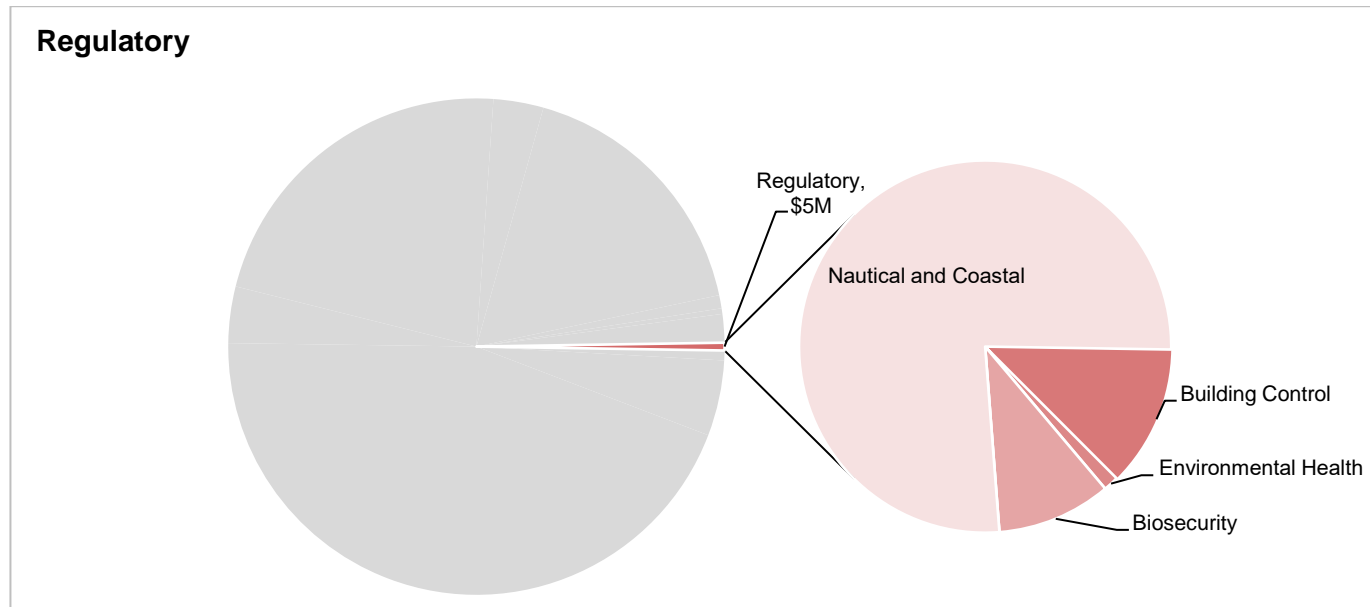
Operating costs

The operating costs for the Regulatory group of activities represent \$142 million of total Council expenditure.



Capital projects

Capital expenditure for the Regulatory group of activities represent \$5 million of total Council expenditure over the next 10 years. Information about the major budgeted capital projects is included under the respective activity sections.



Activity	Major Capital Projects	Inflated Value (Millions)
Harbour: Control	2024-34 Instrumentation.	\$ 1.3
	2024-34 Navigation equipment, boat, sundry plants etc.	\$ 1.6
Harbour: Nautical and Coastal Science	2024-27 Multi beam data analysis and ship wake monitoring system	\$ 1.1

Rationale for delivery of activities in this group

Council is charged with carrying out a number of statutory functions, on behalf of Central Government. The Regulatory activity group is responsible for the provision of advice and discharging of statutory functions in the areas of public health, building, environmental health (including Alcohol licensing, food safety), hazardous substances, animal control, biosecurity and maritime safety.

Each activity delivers separate services in the discharge of statutory functions under various statutes and regulations and plays an integral role in the provision and protection of public health, safety and well-being of the Marlborough community, tourism and productive land uses.

Our communities' health and well-being are safeguarded through the delivery of the activity by ensuring standards of construction, food safety, hazardous substances, animal control, biosecurity, and maritime safety do not adversely affect quality of life.

Respond to legislative change and statutory functions

The Council is required to respond to legislative change and deliver statutory functions which Council is directed to fulfill by central government. Including:

- Health Act 1956
- Food Act 2014
- Sale and Supply of Alcohol Act 2012
- Hazardous Substances and New Organisms Act 1996
- Resource Management Act 1991
- Gambling Act 2003
- Local Government Act 2002
- Building Act 2004
- Dog control Act 1996
- Impounding Act 1955
- Biosecurity Act 1993
- Maritime Transport Act 1994

Changes to Regulatory activity group from the 2023-24 Annual Plan

There are no changes to this activity group.

Intended changes to levels of service from the 2023-24 Annual Plan

The table describes intended changes to the levels of service within the group from the levels of service displayed in the 2023-24 Annual Plan. The reasons for the intended changes are also described.

2024-34 LTP	Reason for changes
Number of annual inspections of markets and events with food stalls.	Slight change in wording of Level of service to reflect that some markets/events that have less than 12 food stalls are still inspected.
% of businesses registered in Food Control Plans and National Programmes - of those that are required to be registered under Food Act 2014.	Deletion of performance measure, unable to accurately measure if unregistered business operating that Council is not aware of.
% of registered business verified as scheduled in the Food Act 2014 and Regulations.	Change in measure, to reflect delays in scheduling verification due to matter outside of the groups control e.g. operator overseas.
Timely provision of a report on performance of noise control contract.	Deletion of measure: The Auditor General has been advocating a rationalization of performance measures. The removal of this process or minor measures is in line with the Auditor General's advice.

Significant negative effects associated with this group of activities

Potential negative effects in terms of community well-being may result through ineffective registration, inspection and monitoring of buildings, premises, animals, hazardous substances and maritime risk and safety, with potential flow-on social, economic and well-being impacts on the community.

Activity Group Funding Impact Statement

The following Funding Impact Statement (FIS) is for the activity group.

Funding Impact Statement for LTP 2024-34 for											
Regulatory	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,366	4,814	5,624	5,885	6,268	6,526	6,816	6,996	7,211	7,460	7,722
Targeted rates	-	111	113	115	118	120	123	125	128	130	133
Subsidies and grants for operating purposes	-	1,256	1,256	1,256	1,256	1,256	1,256	-	-	-	-
Fees and charges	5,484	5,630	5,734	5,859	5,981	6,102	6,220	6,337	6,460	6,577	6,696
Internal charges and overheads recovered	50	140	143	146	150	153	156	159	162	165	168
Fuel tax, fines, infringement fees and other receipts	1,653	842	711	620	633	643	643	660	672	688	711
Total operating funding	11,553	12,793	13,581	13,881	14,406	14,800	15,214	14,277	14,633	15,020	15,430
Applications of operating funding											
Payments to staff and suppliers	8,424	9,236	9,543	9,777	10,223	10,489	10,780	9,762	10,070	10,315	10,622
Finance costs	41	63	76	89	88	81	79	77	71	69	65
Internal charges and overheads applied	2,743	3,084	3,279	3,428	3,513	3,607	3,709	3,796	3,894	4,010	4,106
Other operating funding applications	86	86	86	87	87	89	89	90	90	90	91
Total applications of operating funding	11,294	12,469	12,984	13,381	13,911	14,266	14,657	13,725	14,125	14,484	14,884
Surplus (deficit) of operating funding	259	324	597	500	495	534	557	552	508	536	546
Sources of capital funding											
Increase (decrease) in debt	12	40	426	56	(111)	(117)	38	(113)	(92)	(7)	(105)
Gross proceeds from sales of assets	-	29	191	-	-	1	-	21	-	125	-
Total sources of capital funding	12	69	617	56	(111)	(116)	38	(92)	(92)	118	(105)
Applications of capital funding											
Capital expenditure to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure to improve the level of service	-	-	71	-	479	76	-	-	92	-	-
Capital expenditure to replace existing assets	253	270	1,321	319	166	268	338	231	179	818	185
Increase (decrease) in reserves	18	125	(177)	238	(263)	77	255	229	145	(164)	255
Total applications of capital funding	271	393	1,214	556	384	418	595	460	416	654	441
Surplus (deficit) of capital funding	(259)	(324)	(597)	(500)	(495)	(534)	(557)	(552)	(508)	(536)	(546)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Activity: Biosecurity

What is this activity about?

Under the Biosecurity Act 1993 the Council has leadership responsibilities to prevent, reduce, or eliminate adverse effects from harmful organisms which are in New Zealand but not Marlborough, or are present in the region and are a significant threat. Marlborough has a long history of pests impacting on our economy and the environment, and the potential of new pest threats is ongoing and requires an active regime to understand and manage those threats.

The guiding framework and principles for biosecurity are outlined in the Marlborough District Council Biosecurity Strategy. A key component in the Strategy is the use of a Regional Pest Management Plan (RPMP). The RPMP highlights the priority programmes and sets clear, achievable objectives for specific harmful organisms.

The RPMP defines programmes for a number of invasive species. These organisms are declared pests in accordance with the Biosecurity Act 1993. The programme for each species is clearly outlined and has both objectives and outcomes that align with the National Policy Direction for Pest Management.

Council also provides a range of non-regulatory biosecurity services through the facilitation of community partnerships, conducting research, supporting biological control initiatives and promoting voluntary control of a range of other harmful organisms.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by managing invasive species threats and impacts on high-value enterprises and natural ecosystems. It also contributes to the community outcomes of Environment, Economy, People and Living as outlined below.

Outcome	Actions
Environment	Monitoring and managing invasive species that pose a threat to our indigenous ecosystems.
Economy	Monitoring and managing invasive species that pose a threat to primary industry production and economic well-being. These services promote innovation for improved pest management

Outcome	Actions
	systems.
People	Helping to create solutions with the community through information, discussions and research.
Living	Helping to protect our lifestyle and general well-being from the threat of invasive species which degrade recreational areas (e.g. invasive marine pests).

Emerging issues and expected changes

Issues relating to biosecurity and invasive species management are outlined generally in more detail within Council's Biosecurity Strategy.

For the strategic invasive species programmes that are the priority for the Biosecurity Activity, the threat from Chilean needle grass, marine pest such as Mediterranean fanworm and wilding conifers continue to prove the most challenging. In particular, funding available from central government for the National Widing Conifer programme is limited to only priority monitoring programmes, meaning regional objectives and outcomes are unsustainable. The level of maritime activity, including the increases in marina infrastructure, does put more pressure on marine pest surveillance activities.

Investigations continue to identify new invasive species that will likely require strategic management in the future, or other low incidence species such as Woolly nightshade that are found in new areas of the region. Given the need to address these issues are often additive, not a replacement of existing services, this puts increasing pressure on resource and capacity.

Levels of Service 2024-34: Biosecurity

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.3	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
Implement the Regional Pest Management Plan (RPMP).	% of Operational Plan targets relating to the RPMP met.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Deliver non-RPMP biosecurity services and/or initiatives.	% of Operational Plan targets relating to non-RPMP biosecurity services and/or initiatives met.	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Prepare an annual report on the Operational Plan in accordance with statutory requirements.	Date the annual report on the Operational Plan is tabled with the Environment & Planning Committee.	30-Nov	30-Nov-24	30-Nov-25	30-Nov-26	30-Nov each year

Activity: Building Control

What is this activity about?

This activity is important for the health and safety of the residents, workers and visitors to the Marlborough District because the main purpose of the Building Act and Regulations is the health and safety of building users. The efficient processing of building consents is a key focus of this activity to ensure we are responsive to customer needs.

This Activity involves giving effect to the Building Act 2004. This Act charges Council with several responsibilities which are set out in two separate categories: as a Territorial Authority (TA) and as a Building Consent Authority (BCA). Council's role is to ensure compliance and to meet the requirements of the relevant Acts and Regulations.

The most significant component of this activity is to receive, process, grant, and issue Building Consent applications, followed by inspecting work for compliance and issuing Code Compliance Certificates. The standard of compliance required is set out in the Building Regulations and means of compliance are outlined in the New Zealand Building Code. Council has obtained Building Consent Authority re-accreditation as at 21 September 2022 and it will remain valid until May 2024.

This activity also involves other functions under separate legislation including:

- monitoring swimming pool fencing under the Building (Pools) Amendment Act 2016;
- investigating building related complaints under the Local Government Act 2002 and the Building Act 2004;
- administering the requirements in the Earthquake Prone Buildings Amendment Act 2016;
- issuing Compliance Schedules and administering Building Warrant of Fitness regime under Building Act 2004;
- development of policies for dangerous, affected and insanitary buildings and responding to dangerous or insanitary building issues;
- development of policies for dangerous dams, earthquake-prone dams and flood-prone dams and responding to dangerous dams issues;
- administering the Building (Dam Safety) Regulations 2022;

- responding to emergency responses under the Civil Defence Emergency Management Act 2002.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by ensuring building works support quality lifestyles and community well-being. It also contributes to the community outcomes of Governance, Economy, People and Living as outlined below.

Outcome	Actions
Governance	<p>Supporting community and industry forums in our region by communicating building control challenges and success.</p> <p>Ensuring the Council meets its statutory obligations under the Building Act 2004.</p> <p>We advocate to central government and other public agencies where their actions will impact on the interests of the Marlborough District.</p>
Economy	<p>Providing assurance that the buildings people live and work in comply with the Building Code, are structurally sound, weather-tight and meet fire protection requirements.</p> <p>Helping people to understand the requirements and processes of the Building Code when carrying out development.</p> <p>Good regulatory practices contribute to economic well-being in the community.</p>
People	<p>The activity ensures that living environments are safe, and that the activities of others do not negatively impact on citizen's lives.</p> <p>By ensuring buildings are well constructed, safe and weather-tight, the activity contributes to the development of the district, and protection of assets in the community.</p>

Outcome	Actions
Living	Enabling events to take place with an effective inspection regime to ensure safety.

Emerging issues and expected changes

IANZ accreditation

The Group's Building Consent Authority (BCA) accreditation status is audited by IANZ. Currently IANZ audits occur biennially based on the BCA's resourcing and performance. The BCA received its last re-accreditation in 2022 and the next audit round will occur May 2024. To maintain our accredited BCA status, the Council is required amongst other things to demonstrate that it has a system in place to ensure that it has sufficient numbers of technically capable people, either on staff or contracted, to fulfil the role of a BCA. This requires the organization to maintain a commitment of sufficient financial resources to achieve this.

Digital development

The Building Control Group continues to develop and implement digital systems to provide efficiencies and improved services to the public. The latest technology to be utilized by the team is a remote/virtual inspection tool called Artisan developed by BRANZ. The objective of this remote inspection tool is to reduce the cost of building consents and reduce waiting times for building inspections. Building Control is now looking at fully resourcing the team's ability to undertake inspections using Artisan technology having had its pilot phase completed.

Building (Dam Safety) Regulations 2022

The Building (Dam Safety) Regulations 2022 (the Regulations) were published on 09 May 2022 and will come into force on 13 May 2024. Over the last two years Building Control has spent significant resources in preparation for implementation of the processes, procedures and digital infrastructure required to administer the Regulations. With the recent change in government there may be some changes proposed to these regulations, this creates a degree of uncertainty for forward planning and deliver required services.

Industry education

Continuing education services are required to be provided to the regions building industry because of continuing legislative and building code changes.

Succession planning

There have been significant changes within the building control team staffing levels because of experienced staff departure and challenges posed with new staff recruitment. An increasing number of team members are reaching retirement age. There is a need to maintain its service delivery at current level, and plan ahead to ensure adequate numbers of trained staff are available to meet industry demands and the requirements of the Building (Accreditation of Building Consent Authorities) Regulations Act 2006. Allowance was made in previous year's budget to provide for training as new staff members are employed when retirements occur, and this needs to be carried over to the 2024-25 year as new staff are employed to address staffing challenges.

Any new employed Building Control Officers require under Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006 to either have relevant qualification or complete a two year NZQA diploma (Level 6). To achieve this qualification, new staff members will be required to undertake training with external service providers. This training comes with a cost and requires budget provision to be made.

TA assessments

MBIE previously carried out a high-level monitoring audits of the TA functions of Building Warrant of Fitness and Swimming Pool Compliance to ensure that the TA functions were carried out as required by the Building Act requirements. As a result of this assessment certain recommendations were made and subsequently have been implemented and accepted by MBIE. It has been confirmed that MBIE will also continue to carry out performance monitoring assessments of TA functions for Dangerous, Affected, or Insanitary Buildings and Certificate of Public Use functions administered by TA. The assessments will further result in additional workloads and resourcing implications. Note: This is additional to the IANZ accreditation process and deals with activities of the Territorial Authority, not the BCA.

Levels of Service 2024-34: Building Control

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	5.3	≥ 5.3	≥ 5.5	≥ 5.5	≥ 5.5
Provide a service that is responsive to customer needs and minimises risks to public safety.	% of Building Consents applications granted within 20 working days of receipt of the application. ¹⁴	95%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
	% of Code Compliance Certificates issued within 20 working days of receipt of application. ¹⁴	97%	≥ 97%	≥ 97%	≥ 97%	≥ 97%
	% of swimming pools inspected annually.	33.3%	≥ 33.3%	≥ 33.3%	≥ 33.3%	≥ 33.3%
	% of Building Warrants of Fitness audited annually.	10%	≥ 10%	≥ 10%	≥ 15%	≥ 20%
Provide a service that is responsive to customer needs and minimise risk to public safety.	% of CRM's (Customer Complaints -Building Act 2004) responded to in 72 hours	100%	100%	100%	100%	100%

¹⁴ Council will aim to achieve full compliance with statutory timeframes associated with building consents, and the issuing of Code Compliance Certificates. However, there are circumstances outside of Council's control that might lead to timeframes not being met, such as large volumes of consent applications ahead of changing regulations, where developers submit mass consent applications at once, or where a large volume of code compliance requests are lodged. In such circumstances where available resources are exceeded, Council will first turn to external contractors to support, and over time continually review resource allocated to the activities. Notwithstanding this, Council still sets a minimum target of 95% of building consents, and 97% of code compliance certificates to be achieved within statutory timeframes.

Activity: Environmental Health

What is this activity about?

This activity protects public health through registration, inspection and verification of food business operators, and the investigation of complaints, as required by the Health Act 1956 and Food Act 2014. The activity also promotes public health and food safety by undertaking education activities and providing written information to the public.

The Environmental Health group also administer the Sale and Supply of Alcohol Act 2012, which requires the issuing of alcohol licences, monitoring of compliance with licence conditions, and licensing of Class 4 venues under the Gambling Act 2003. Staff also investigate nuisance complaints such as noise, smoke, odours, pests, poor living conditions and hazardous substances.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by promoting quality lifestyles and well-being. It also contributes to the community outcomes of Governance, People, Economy, and Living as outlined below.

Outcome	Action
	<p>nuisances do not adversely affect quality of life and ensure public health.</p> <p>Engaging with individuals, community groups and industry to educate them on issues relating to food safety and public health.</p>
Economy	<p>Enhancing and maintaining the confidence of locals and visitors in the region's public health.</p> <p>Good regulatory practices contribute to economic well-being in the community.</p>
Living	<p>Helping people feel more secure by applying CPTED (Crime Prevention Through Environmental Design) principles to alcohol licensing in the region.</p> <p>Providing an effective registration, inspection and enforcement regime of food and alcohol premises to ensure public health is maintained.</p> <p>Regularly inspecting premises to resolve nuisance issues.</p>

Outcome	Action
Governance	<p>Ensuring the Council meets its statutory obligations under applicable statutes.</p> <p>Publishing policy consultation documents and making participation in the consultation process easy and accessible.</p> <p>Enabling public interaction and targeted engagement in Council verification and registration processes through customer surveys.</p> <p>Supporting community and industry forums in our region to communicate challenges and successes.</p>
People	<p>Safeguarding the community's health and enhancing the well-being of people in the region through inspections and ensuring standards of food safety, alcohol sales and consumption and</p>

Emerging issues and expected changes

Industry education

Continuing education services are required for businesses to ensure they are aware of the requirements of legislation.

Electronic systems

The team continues to work towards making the majority of processes mobile, electronic and accessible. These improvements will provide increased functionality and access to information via web-based systems for licensees and the public.

Levels of Service 2024-34: Environmental Health

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Ensure the residents of Marlborough and visitors to the District have confidence that they live and stay in an environment that is safe.	% of registered premises inspected once a year.	100%	100%	100%	100%	100%
	Number of annual inspections of markets and events with food stalls.	13	≥ 13	≥ 13	≥ 13	≥ 13
	% of complaints of critical nature (e.g. food poisoning) actioned within one working day.	100%	100%	100%	100%	100%
	% of complaints of a non-critical nature assessed within seven working days.	100%	100%	100%	100%	100%
Administer Food Control Plans under the Food Act 2014.	% of registered business verified as scheduled in the Food Act 2014 and Regulations. ¹⁵	100%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Carryout the functions of Licensing Inspector controlling the sale and supply of alcohol to the public with the aim of contributing to the reduction of alcohol abuse.	% of "On Licences" ¹⁶ inspected once a year.	93%	≥ 93%	≥ 93%	≥ 93%	≥ 93%
Provide a service for investigation of noise complaints.	Assess complaints concerning unreasonable noise within one working day.	100%	≥ 90%	≥ 90%	≥ 90%	≥ 90%

¹⁵ Council aims to achieve 100% compliance of businesses verified in accordance with regulations, however there are circumstances outside Councils control that lead to timeframes not being met, such as team sickness or temporary increases in demand for verifications. Notwithsatnding this Council still sets a minimum target of 95% of verifications in accroadance with regulatory timeframes.

¹⁶ An "on-licence" allows the sale or supply of liquor to any person present on the premises, for consumption on the premises.

Activity: Animal Control

What is this activity about?

The objective for the activity is to encourage responsible dog ownership which allows owners to enjoy their dogs without infringing on the enjoyment and safety of others. This involves the promotion of responsible dog ownership and protection of the community from danger, distress and nuisance caused by dogs. The Dog Control Act 1996 (DCA) is the primary legislative tool used in this activity, together with related regulations including the Impounding Act 1955 and Council Dog Control Bylaws.

This activity also provides services in relation to wandering livestock on public land and roads.

Council's Animal Control function has been contracted out to Maataa Waka Ki Te Ihu Trust since 1998. Council retains the administration of the contract and makes decisions on classification of dogs and owners and objections to infringements. Council's Enforcement and Prosecution Panel makes decisions on undertaking prosecutions and hear any objections to classifications.

How this activity contributes to the Vision and related Community Outcomes

This activity helps to achieve the Vision by promoting quality lifestyles and well-being. It also contributes to the community outcomes of Governance, Environment, People, Connectivity and Living as outlined below.

Outcome	Activity
	safe environment for dog owners and the public.
People	Supporting and enhancing the well-being and quality of life of people by specifying dog exercise, restricted access and prohibited areas within our community. Providing information on animal control challenges and successes to individuals, schools, community groups and industries.
Connectivity	Ensuring our public roads and public places are kept safe and accessible by removing wandering dogs and livestock.
Living	Patrolling parks and reserves and taking appropriate dog control education and enforcement action to prevent public nuisance and to ensure public safety. Supporting the public to safely participate in sports and recreation in areas where there are dog friendly or restricted areas. Protecting public and individual safety by investigating complaints of dog nuisance and attacks and taking appropriate enforcement action.

Emerging issues and expected changes

Perceptions of dogs in the community and dog attacks

There has been ongoing media interest in dog attacks in recent years. This can create fear in the community. While serious dog attacks are rare, when serious incidents do occur these need to be investigated thoroughly and the likely cause of the attack assessed so that appropriate enforcement action can be taken.

Workload demands

More than 10,666 dogs are registered in the District and Council receives more than 2,000 dog associated complaints each year. This makes a significant resource demand on the Animal Control contractor and Council's Animal Control Contract

Outcome	Activity
Governance	Ensuring the Council meets its statutory obligations under applicable statutes. Publishing policy consultation documents and making participation in the consultation process easy and accessible. Enabling public interaction and targeted engagement in Council registration and dog control processes through various communication means and customer surveys.
Environment	Providing for a range of dog exercise, restricted and prohibited areas in the Council's Dog Control Policy and Bylaw to provide a

Manager.

Dog parks

Council completed construction of a dog park in Renwick on Foxs Island Road (off State Highway 6 and next to the SPCA) in 2019. The park is a dog exercise area where dogs may be off leash.

Council is progressing with a dog park in Blenheim. A site has been selected along Taylor River for a dog park and construction should commence during 2024-year period. Once this is completed a proposed site at Waitohi Domain. Picton will be

evaluated in the 2025/26 year. The funding these parks is proposed from the Dog Control budget reserves.

Policy and bylaw review

In 2021 Council completed a review of the Dog Control Policy and Dog Control Bylaw in accordance with the Dog Control Act 1996 and the Local Government Act 2002. The review is required to be undertaken every 10 years and looked at dog access to all public places and included new Council reserves which have been created since the previous bylaw review.

Levels of Service 2024-34: Animal Control

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	6.6	≥ 6.5	≥ 6.5	≥ 6.5	≥ 6.5
Provide an effective dog control service including registration that is in accordance with the Dog Control Act 1996 (DCA).	Level of compliance with the Animal Control contract.	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements	Compliance with contract specification and reporting requirements
	Annual report preparation and publicising.	30-Sep	30-Sep-24	30-Sep-25	30-Sep-26	30-Sep each year

Activity: Nautical and Coastal

What is this activity about?

The Nautical and Coastal activity combines the Harbours and Coastal Science activities. This is to ensure Council meets its statutory obligations as a Harbour Authority to ensure maritime safety in the region, and its RMA obligations to the Coastal Marine Area.

As provided for under the Maritime Transport Act, Council has appointed a Harbourmaster to meet its responsibility for maritime safety in the port and harbour.

The coastal scientists gather information, commission research and establish a coastal monitoring strategy to provide for Council's statutory obligations of the RMA 1991 within the coastal marine area (CMA).

In addition to maritime safety and coastal science, the Nautical and Coastal Activity is responsible for ensuring the region maintains an adequate Oil Spill Response Capability as required under the Maritime Transport Act 1994. As with maritime safety, this requires close collaboration with Maritime New Zealand.

How this activity contributes community outcomes

This activity contributes to the community outcomes of Governance, Environment, Economy, People, Connectivity and Living as outlined below.

Outcome	Activity
Governance	Fostering a system of governance that leads and defines best practice for the provision of safe and clean coastal waters.
Environment	Guiding the ongoing evolution of systems, activities and networks designed to protect our coastal waters from oil pollution and keep coastal environment healthy and safe.
Economy	Upholding a regulatory regime that supports sustainable economic activity and growth in the Marlborough maritime sector. Mitigating maritime risk in a strategic manner to ensure effective outcomes and value from our levels of service.

Outcome	Activity
People	Engaging with the people who live and work in the Marlborough Sounds so as to support and encourage activity which contributes to a safe and healthy coastal area for the benefit of all.
Connectivity	Upholding freedom of navigation in the Marlborough Harbour so that the waters of the region can be enjoyed without obstruction or exposure to undue risk.
Living	Understanding the significance and value of the Marlborough Harbour to people and providing a safe, clean and navigable harbour.

Emerging issues and expected changes

The Nautical and Coastal team

The Harbours activity and the Coastal activity have merged to form a Nautical and Coastal Science team. Details as to the levels of service for the Coastal Science are shown below.

Formation of a Nautical and Coastal team creates efficiencies in the delivery of both the Coastal Science and Harbours functions existing by enabling maritime resources and personnel to be shared and utilised in a manner that increases output across both activities. This reflects the fact that these two activities have a clear shared objective to understand, manage and influence human activity in the maritime space.

The Nautical and Coastal team will be dedicated to the pursuit of optimal integrated management practices within the Marlborough coastal marine area (CMA) and ensure Council is well positioned to meet future changes in the coastal space. Specific challenges include;

A changing harbour risk profile

The risk profile of the harbour changes continuously and is monitored by risk assessment. The risk assessment identifies factors that have or may have led to increased risk in the harbour and identifies the controls that need to be in place or

adjusted to ensure maritime safety and protection of the environment. The following sections describe the most significant risks and/or controls relevant to the Long Term Plan.

Tory Channel

The proposal to introduce new Cook Strait ferries triggered a review of navigation risk over the entire ferry route and in particular, the Tory Channel. Advice received by Council suggests that existing controls in place to manage risk in Tory Channel may not be sufficient to enable the safe transit of larger vessels. A process of collaborative risk assessment is underway to guide the identification and implementation of risk controls necessary to ensure the ongoing safe transit of ferries to and from Picton.

Marine farm lighting

The introduction of the Marlborough Environment Plan created opportunities to rationalise the marine farm lighting requirements in the Coastal Marine Area so as to enhance navigation safety and reduce light pollution. Lighting solutions to support safe navigation around marine farms will more fully consider the surrounding environment, achieve consistency across all aquaculture management areas and ensure alignment with national and international marine farm lighting.

Mooring management area

The proposed implementation of mooring management areas in Waikawa Bay and Picton/Waitohi aims to establish an optimal mooring layout and management system. The objectives to be achieved are; navigation safety, environmental enhancement and efficient use of water space. Achieving these objectives is essential to enable developments that lead to the enhancement of the harbour. The need for additional mooring management areas will be assessed following the establishment of the Waikawa and Waitohi mooring management areas.

Bylaws

A new navigation safety bylaw was approved by Council in late 2023. Further work is required for the recreational and commercial shipping spaces. These are anticipated to be put forward in 2024. Changes to the bylaw will take into account existing and expected risk in the harbour, the Marlborough Environment Plan and the need for enhanced risk management of Tory Channel. A mooring management bylaw will also likely be proposed.

Wrecks

An ageing fleet of recreational vessels is creating a near constant stream of wrecks and derelict craft most commonly wooden displacement launches and sailing vessels. Such vessels are typically abandoned or being used as live aboard by a person with limited alternative housing options. Such vessels can be costly to remove and can involve complex social issues. This problem is increasing.

Pelorus Sound

Pelorus Sound now has an approved pilotage training plan. As such the options to open the Pelorus Sound and Admiralty Bay pilotage areas is now possible. Further work is required in this space to establish this safely and determine the amount of demand on the area.

Digital technologies

Tracking the changes in the risk profile of the harbour over time is essential to ensure appropriate risk management strategies are in place. New technologies are enabling improved data capture, increasing understanding of risk and enhanced monitoring and control of harbour activity. This opens the door to a more robust and informed evidence-based approach to maritime risk management.

Ongoing areas of advancing digital innovations include cloud-based incident capture and management, advanced vessel traffic monitoring and alerting, improved app and web-based harbour user engagement tools, an expanding network of weather sensors, tide and current modelling, high density bathymetry and automated vessel wake and speed monitoring.

Mass Rescue Plan

A regional Mass Rescue Plan has been developed by Police to deal with an event such as the foundering of a cruise ship. In an event of this scale the initial local response will be critical. The Harbourmaster and Marlborough Emergency Group are aiming to establish drills and scenario training to ensure adequate regional response capability.

Rivers

Changes the Maritime Transport Act in 2017 created an obligation on Council to regulate navigation safety on the rivers of the region despite rivers having been excluded from the navigation safety bylaws. The Harbours Activity now actively manages risk on high-risk parts of the Wairau River and may expand risk management efforts on this river and/or extend regulatory activity to cover other rivers

in the region. Decisions as to the extent of effort to be applied in this area are guided by risk assessment.

Coastal Science

The Proposed Marlborough Environment Plan (PMEP) sets the future direction and resourcing for coastal and marine State of Environment (SoE) monitoring and resource investigations in the district.

The key emerging issues and expected changes are:

- **Climate change:** The symptoms of climate change are one of the biggest threats to the marine environment. Council’s state of the environment monitoring is documenting the wide-ranging impacts of climate change across multiple ecosystems in the Marlborough coastal marine area. These changes have the potential to interact cumulatively and combine with other stressors to have negative effects. Whilst climate change and its impacts are driven largely by forces outside the Marlborough region, we can increase the resilience of the coastal marine area to its impacts through state of the environment monitoring, protection and restoration.
- Central government reforms: in the immediate future central government reforms will lead to the inclusion of estuaries in the National Policy Statement for Freshwater Management. It is unclear what further reforms are coming in

the management of the marine environment, but it is likely there will be a requirement for more intensive monitoring of the marine environment.

Coastal water quality

Point source discharges, sediment runoff and a range of nutrient inputs continue to be the main human induced threats to water quality in the district. The combined effects of climate change ocean acidification, water temperature increases and sedimentation are immediate threats to coastal water quality.

Ship wake monitoring

The increased number and size of vessels within the CMA is leading to increased frequency and size of ship wakes. This is having unknown impacts on the shoreline ecology and morphology of the CMA.

Ecologically significant marine sites

There are over 140 ESMS identified in the PMEP. The enforcement of the policies around these sites is the biggest challenge facing the team.

Estuaries

Many of the estuary/intertidal areas in Marlborough’s CMA have been identified as under significant threat and stress from a variety of causes such as increased sedimentation from land use practices, foreshore armouring and sea level rise.

Levels of Service 2024-34: Nautical and Coastal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents’ expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	7.0	≥ 7.0	≥ 7.0	≥ 7.0	≥ 7.0
Provide a safe environment for all users through effective public education.	Number of Marlborough Safe Navigation and Tides brochures distributed.	7,000	≥ 7,000	≥ 7,000	≥ 7,000	≥ 7,000
	Number of targeted ‘no excuses’ enforcement days undertaken in high risk areas.	5	≥ 5	≥ 5	≥ 5	≥ 5

Levels of Service 2024-34: Nautical and Coastal

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Maintain compliance with the Harbours Maritime Transport Operators Plan (HTOP) as certified by Maritime New Zealand.	Annual review shows compliance with the HTOP.	Comply	Comply	Comply	Comply	Comply
Ensure that Port and Harbour Safety Code requirements are met.	Completion of self-assessment and review of the Safety Management System (SMS), Risk Assessment, General Direction, and Harbourmaster Notices.	Annually	Annually	Annually	Annually	Annually
	Number of risk review meetings undertake with Port Marlborough Marine Services.	7	≥ 7	≥ 7	≥ 7	≥ 7
	Safety Management System verified annually as compliant with the Code.	Comply	Comply	Comply	Comply	Comply
Audit Marine Farms.	Number of marine farm lighting audited each year.	120	≥ 120	≥ 120	≥ 120	≥ 120
	Audit mooring arrangements on all fin fish farms annually.	Annually	Annually	Annually	Annually	Annually
Regulate Pilotage activity.	Check of Pilot and PEC Master Currency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Provide navigation aids to International Light House Authority (IALA) standard.	% availability					
	Cat 1	99.9%	≥ 99.9%	≥ 99.9%	≥ 99.9%	≥ 99.9%
	Cat 2	99%	≥ 99.5%	≥ 99.5%	≥ 99.5%	≥ 99.5%
	Cat 3	99%	≥ 99.0%	≥ 99.0%	≥ 99.0%	≥ 99.0%
Maintain an Oil Spill Response capacity.	Meet all annual requirements as specified by the Maritime New Zealand Oil Spill Response Service.	Requirements Met	Requirements Met	Requirements Met	Requirements Met	Requirements Met
Monitor, investigate, gather and analyse information and report on the state of Marlborough's coastal environment.	Number of technical SoE monitoring report cards completed.	New measure	2	2	2	2

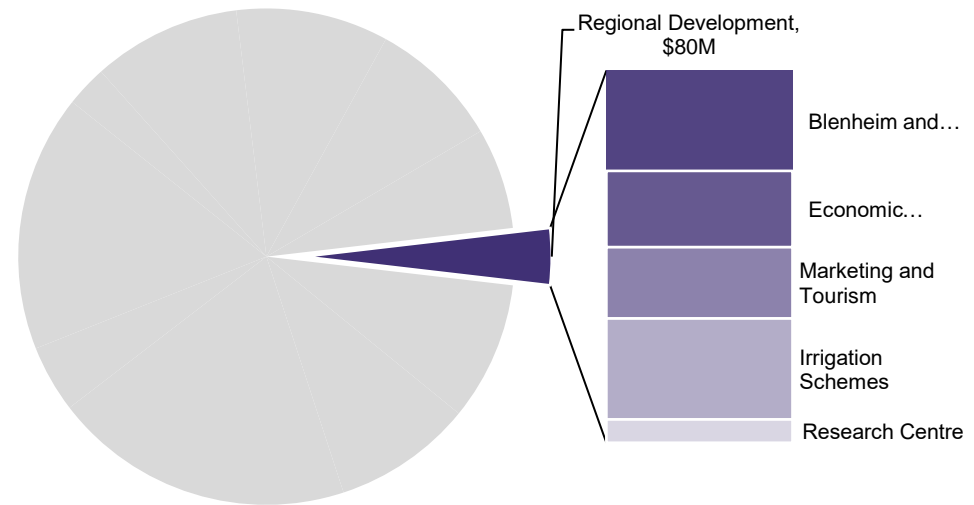
ACTIVITY GROUP: REGIONAL DEVELOPMENT



Operating costs

The operating costs for the Regional Development group of activities represents \$80 million of total Council expenditure.

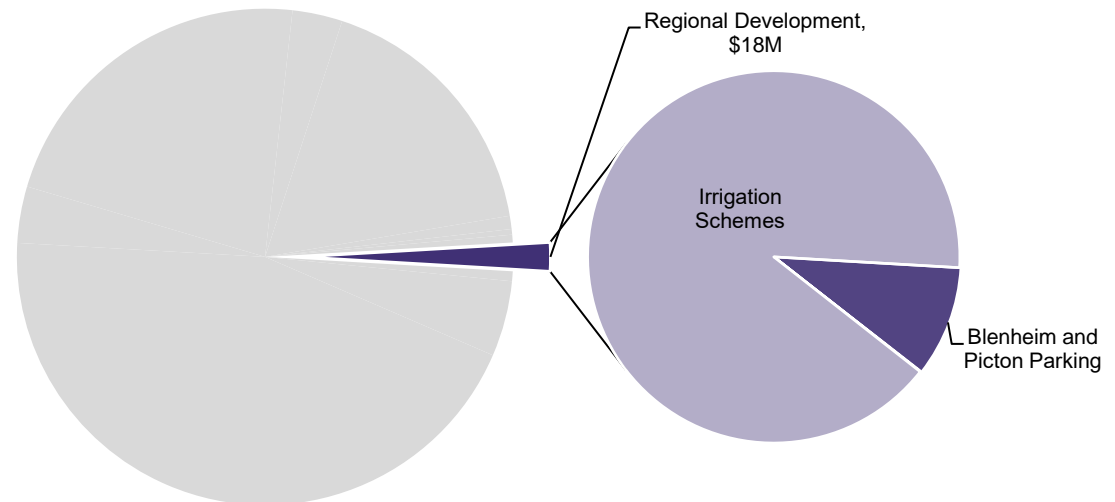
Regional Development



Capital projects

Capital expenditure for the Regional Development group of activities represent \$18 million of total Council expenditure over the next 10 years. Further information about the major budgeted capital projects is included in this section.

Regional Development



Rationale for the delivery of the Regional Development activity group

Council decisions and actions can significantly assist the development of the regional economy by encouraging local business initiatives, collaboration and innovation, attracting new investments, research and by presenting Marlborough as an attractive tourist destination. As a provider of infrastructure (such as roading, water, parking and irrigation), as a regulator of many business activities, Council is both a facilitator and encourager of development in the region.

Changes to Regional Development activity group from the 2023-24 Annual Plan

There are no changes to this activity group.

Intended changes to levels of service from the 2023-24 Annual Plan

There are no intended changes to the levels of service within the group from the levels of service displayed in the 2023-24 Annual Plan.

Significant negative effects associated with this group of activities

Unplanned development carries a variety of risks, chiefly associated with the sustainability of resource use. Council takes a sustainable development approach to planning for regional development, and endeavours to balance current and future needs of the community. The Irrigation activity may involve the potential for environmental impact or the operation of machinery, earthmoving or construction works, which may impact on the environment and can result in temporary disruptions to daily life. Where resource consents are required for these activities appropriate controls are applied.

Activity: Regional Development

What is this activity about?

This activity supports the regional economy to achieve long term economic growth for the benefit of the Marlborough community. It is about identifying where the direction of growth could be, how we could get there and what needs to be done. It is important to recognise that regional development is not just about supporting businesses, but also about ensuring people have the skills and knowledge to play their part in the development of Marlborough's economy and to benefit from the wealth created.

Local government makes long-term and strategic investment decisions that impact on the nature and structure of the local economy. It undertakes planning and manages regulatory functions, infrastructure and services that impact on business and investment decisions.

Council also directly provides some services for the benefit of the regional economy:

- Economic development, marketing and tourism.
- Regional Events.
- Marlborough Research Centre.
- Parking.
- Irrigation.

The Marlborough Economic Wellbeing Strategy (MEWS), Marlborough Regional Events Strategy (MRES) and Marlborough Destination Management Plans (MDMP) have been developed to guide the region in these areas.

How this activity contributes to the Vision and related community outcomes

This activity helps to achieve the Vision by supporting smart, progressive, high value enterprises and economic efficiency. It also contributes to the community outcomes of Governance, Environment, People, Economy, Connectivity and Living as outlined below.

Outcome	Actions
Governance	<p>Enabling and encouraging industry groups to develop and implement strategies and leadership groups.</p> <p>Using a participative approach to discuss the option of a community irrigation scheme with the Flaxbourne community. If the irrigation scheme proceeds it will create employment and increase the capital value of properties in that area.</p>
Environment	<p>Promoting environmental improvements are included in the MEWS, MRES and MDMP.</p> <p>Promoting the beauty of the Marlborough District. Destination Marlborough recognises the role of sustainable tourism in protection of the environment.</p>
People	<p>Regional Events promotes and supports events being run in Marlborough that benefit the local community.</p>
Economy	<p>Enabling individual industries to have a strong leadership group with broad representation and a strategic plan, and to work with other industries and communities.</p> <p>Encouraging connectivity between Marlborough businesses and national and international science and markets through the Marlborough Research Centre (MRC).</p> <p>Providing advice through Business Trust</p>

Outcome	Actions
	<p>Marlborough to support people starting and growing businesses (including new residents to the area).</p> <p>Providing services to support business development through international links, screen office, regional identity, resources and up to date information.</p> <p>Developing global links through Sister City and Sister Region initiatives.</p> <p>Growing Marlborough's capacity as a prime region for conferences and events, and as a diverse and attractive visitor destination.</p> <p>Providing key infrastructure that supports economic activity, such as parking and irrigation.</p>
Connectivity	<p>Providing parking in towns for locals and visitors to shop, work and access the many services located in the CBD.</p>
Living	<p>Promoting Marlborough as a destination for people to live, work, study and invest.</p> <p>Supporting commercial events via funding and implementation of the Regional Events Strategy and community events via funding. Organising and participating in events offers opportunities for people to meet and work with others in the community.</p> <p>Enabling our main townships to have a strong community led group with a strategic plan through the Smart and Connected programme.</p>

Emerging issues and expected changes

Economic development and regional events

The Tech Hub project will deliver key support for agri-tech and other start-up businesses and is expected to get underway in 2024.

Tourism

In 2024 Destination Marlborough will be undertaking a review of its structure and operations to ensure it continues to effectively deliver its key services into the future.

Destination Marlborough has completed its Destination Management plan and has embarked on implementation and has widened its focus to include product capability.

Marlborough Research Centre

Recent funding from the Government's Kānoa Fund to develop Te Pokapū Wāina o Aotearoa - the New Zealand Wine Centre at the Budge Street campus has set up Marlborough as the recognised National Centre for grape and wine research in New Zealand. The Bragato Research Institute Winery and the Experimental Future Vineyard at the Centre will be unique and attract international recognition and collaboration. The Centre will become a focal point for environmental research and new technologies for the wine sector and other primary production sectors.

Irrigation

Council support for the Flaxbourne Irrigation Scheme is subject to a number of conditions including resource consents and uptake by landowners. Council will continue to work with the community on these issues.

Parking

Council provides over 1,800 public car parks throughout the region. These car park types include time restricted, on-street and off-street parking. Data for these car parks shows increasing inner CBD occupancy levels of off-street car parks, particularly the Wynen Street all-day car park. Council continues to monitor occupancy levels and review parking parameters to mitigate any congestion levels.

Payment methods for parking tariffs are changing nationwide, with parkers now expecting multiple payment options to be available. Method of payment is moving from cash or coin to a cashless society, including credit cards, PayWave, mobile apps, QR codes and online e-permits. Council is committed to ensuring Marlborough's parking payment services continue to be modern and efficient for its users.

Levels of Service 2024-34 : Regional Development

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Provide an overall level of service that meets or exceeds residents' expectations.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).					
	Economic Development	5.6	≥ 5.6	≥ 5.6	≥ 5.6	≥ 5.7
	Tourism	6.3	≥ 6.3	≥ 6.3	≥ 6.3	≥ 6.4
	Parking	6.1	≥ 6.1	≥ 6.1	≥ 6.1	≥ 6.1
	Irrigation	6.2	≥ 6.2	≥ 6.2	≥ 6.2	≥ 6.2
Undertaking strategic interventions to achieve long term sustainable economic growth for Marlborough.	% funded projects achieved.	85%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Manage Marlborough Research Centre contract to ensure service quality and value.	% of MDC funded projects achieved.	85%	≥ 85%	≥ 85%	≥ 85%	≥ 85%
Effectively promote Marlborough as a visitor destination.	% of MDC funded projects from DM Annual Plan achieved.	80%	≥ 80%	≥ 80%	≥ 80%	≥ 80%
Provide convenient and affordable car parks to support CBD businesses.	Occupancy rates:					
	- On-street (Blenheim only)	70%	≥ 70%	≥ 70%	≥ 70%	≥ 70%
	- Off-street (Zone A only)	55%	≥ 55%	≥ 55%	≥ 55%	≥ 55%
	- Parking building	50%	≥ 50%	≥ 50%	≥ 50%	≥ 50%
	Regularly review the parking strategies for Blenheim and Picton. (five yearly)	Five yearly	N/A	Review	N/A	2030-31
Maintain the supply of irrigation water to support land based industries.	Number of events that cause a loss of supply during the season for more than 48 hours due to infrastructure breakdown.	1	≤ 1	≤ 1	≤ 1	≤ 1

Funding Impact Statement for LTP 2024-34 for Regional Development

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,343	2,660	2,864	3,020	3,095	3,171	3,251	3,267	3,275	3,334	3,406
Targeted rates	1,845	1,889	1,917	1,651	1,005	1,030	1,372	1,404	2,735	3,015	3,046
Subsidies and grants for operating purposes	40	20	20	20	-	-	-	-	-	-	-
Fees and charges	1,975	1,974	1,999	2,028	2,079	2,108	2,137	2,286	2,316	2,344	2,374
Internal charges and overheads recovered	36	36	37	38	38	39	40	41	42	43	43
Fuel tax, fines, infringement fees and other receipts	498	441	348	302	325	328	324	330	332	338	347
Total operating funding	6,737	7,020	7,185	7,059	6,542	6,676	7,124	7,328	8,700	9,074	9,216
Applications of operating funding											
Payments to staff and suppliers	3,863	4,327	4,416	4,506	4,407	4,689	4,798	4,903	5,015	5,124	5,234
Finance costs	465	415	347	289	364	719	960	914	1,079	1,256	1,237
Internal charges and overheads applied	872	972	1,030	1,062	1,095	1,117	1,154	1,172	1,209	1,232	1,268
Other operating funding applications	386	386	393	400	408	416	424	432	440	448	457
Total applications of operating funding	5,586	6,100	6,186	6,257	6,274	6,941	7,336	7,421	7,743	8,060	8,196
Surplus (deficit) of operating funding	1,151	920	999	802	268	(265)	(212)	(93)	957	1,014	1,020
Sources of capital funding											
Subsidies and grants for capital expenditure	-	458	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(289)	(1,297)	(1,179)	(455)	3,180	9,647	(834)	(659)	6,780	(310)	(348)
Total sources of capital funding	(289)	(839)	(1,179)	(455)	3,180	9,647	(834)	(659)	6,780	(310)	(348)
Applications of capital funding											
Capital expenditure to meet additional demand	95	553	107	110	112	115	117	119	122	124	127
Capital expenditure to improve the level of service	1,000	400	-	537	3,780	10,347	-	-	-	-	-
Capital expenditure to replace existing assets	109	140	135	148	130	168	139	169	189	174	155
Increase (decrease) in reserves	(341)	(1,013)	(422)	(449)	(575)	(1,246)	(1,300)	(1,040)	7,427	406	391
Total applications of capital funding	862	81	(180)	347	3,448	9,382	(1,046)	(752)	7,737	704	672
Surplus (deficit) of capital funding	(1,151)	(920)	(999)	(802)	(268)	265	212	93	(957)	(1,014)	(1,020)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

ACTIVITY GROUP: CORPORATE SERVICES



What is this activity about?

Corporate Services are the internal functions that do not have direct output to our communities, but help ensure we operate efficiently and effectively, meet our statutory obligations, and work towards the achievement of our community outcomes. Additionally, at Marlborough District Council, Corporate Services manages a small property portfolio that is held largely for strategic purposes.

Customer Services

Council provides services to Marlborough residents via the Customer Service Centre (CSC) (including the call centre) in Blenheim and the combined Customer Service Centre/Library in Picton. The CSCs aim to provide high quality, accurate information on all Council related services and are often the first port of call for our community in their interactions with Council.

Finance

The Finance team is responsible for providing financial advice and services to all our other activities. All operations have some financial aspect to them and require support in areas such as rates collection, capital funding, financial and tax obligations, investment management, obtaining and managing external debt for the Council group, including subsidiaries, cash flow management, monthly corporate reporting, annual reporting and long-term/annual planning.

Information Management

The Information Management team provides desktop and server technology, Software as a Service and other software solutions, phone systems as well as day-to-day information technology-related support for all staff. Records management, including the processing of inwards and outwards correspondence, and maintaining records. It also covers geographical information services that manage and provide spatial information and externally oriented services such as maps online.

Property Management

Marlborough District Council generally holds properties for strategic purposes with any revenue generated being used to offset holding costs. The main Council property portfolio is managed by an external contractor.

Other property revenue is also generated but is held and reported primarily through the Housing for Seniors and Flood Protection and Control Works Activities as these are the prime purpose for holding these properties.

People and Capability

The People and Capability team works in partnership with managers to ensure that employment legislation is followed, recruitment processes are robust and support Council's strategic priorities, staff / Councillors get paid accurately and on time, and PAYE is correctly accounted for. Other key aspects of People and Capabilities' role are fostering a sound relationship with the Unions on site as well as providing a framework to ensure robust capability management.

Health, Safety and Wellbeing

The Health Safety and Wellbeing team is in place to support all Council activities ensuring that health, safety and well-being objectives can be addressed and achieved as well as meeting legislative requirements. This activity underpins good management as well as developing and enhancing corporate culture.

Office and Secretarial Services

The Office Services team ensure staff have the appropriate resources and environment to carry out their roles effectively. This includes facility and fleet management, procurement, collating services and energy management.

The Secretarial team support Council through providing administration and secretarial services and travel management.

General Counsel

The General Counsel oversees the legal team and is responsible for providing a range of legal services to Council to enable compliance with Council's legal obligations, to support its organisational activity and projects, to anticipate, plan for and manage legal risk. Procurement and insurance contracts are also supported by the General Counsel and team.

Council Controlled Organisation

Marlborough District Council Holdings Ltd (MDCH) is the wholly owned commercial and investment arm of the Council. It wholly owns Port Marlborough New Zealand Ltd (PMNZ) and Marlborough Airport Ltd (MAL), provides the majority of funding and undertakes all governance activities, as well as monitoring and reporting on their performance.

Marlborough Regional Forestry (MRF)

Marlborough Regional Forestry is a Joint Operating Committee with Kaikōura District. Marlborough District Council owns 88.62% of the forestry estate and Kaikōura District

Council owns the remaining 11.38%. The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

As at 30 June 2023 the Marlborough Regional Forestry estate comprised 5,011 hectares of which 1,438 hectares is native forest managed for conservation purposes, with the balance being mostly pinus radiata planted in six forestry blocks.

Marlborough Event Centre (MEC)

Marlborough is a highly desirable place to hold a conference or large event. The Event Centre is flexibly designed with five main spaces that can be brought together in different formats to suit any event set up and all up can host 560 people. Council is responsible for the facility itself but day to day management is currently undertaken by a neighbouring facility, the ASB Theatre, as a natural fit.

How this activity contributes to the Vision and related community outcomes

Outcome	Actions
Governance	By ensuring transparent and responsible financial management, councils provide a stable foundation for governance. This includes budget allocation, financial reporting, and compliance with regulations, which are essential for maintaining public trust and making informed decisions that affect the community.
Environment	Information management systems help in monitoring environmental data, enabling Council to make evidence-based decisions to protect natural resources.
People	Support services contribute to community well-being by facilitating access to Council services and information, improving communication between Council and residents, and ensuring community needs are met efficiently. Information management makes Council's data and information available to the public as well as ensuring all essential services are available on Council's website.

Outcome	Actions
Economy	Financial management plays a crucial role in economic development by funding infrastructure projects, community programmes, and services that stimulate economic growth.

Emerging issues and expected changes

Finance

The major challenges facing the Finance team in the near future include:

- Historically there have been almost annual amendments to the Local Government Act which have placed increasing demands on Finance. With the new Government, the trend of numerous and complex changes to the Local Government Act is more likely to accelerate in the short term before optimistically slowing. Responding and submitting as appropriate to future legislative changes will be a first step before subsequent implementation of required changes. The new Government's Local Water Done Well policies are a contemporary example.
- Obtaining and managing external debt on favourable terms to Council as total debt levels increase, including Sounds Roding and maintaining a strong S&P Global credit rating.

Information management

- Transition of Technology One systems to CI Anywhere** – adds pressure on staff resource, maintaining the current environment and moving to the next environments. Ensuring staff time and financials are in place will help the successful management of these complex systems and integrations with other systems.
- Increasing expectations from the community** – to access information and navigate digitally through the website, and a growing demand for the use of Smart Maps and mobile services online. Ensuring all essential services are available online so if, for example, another COVID lockdown occurs, customers can conduct business as usual.
- Central government reforms and legislation changes that impact to IMs systems** – For instance, Resource Management Act reforms on resource consents, building consents, environmental monitoring (e.g., freshwater

quality and quantity), and climate change reforms. Ensuring systems are fit-for-purpose, current and can be used by a range of departments where possible will help us to adapt to the Central Government changes.

- **Increasing expectation for 24/7 services for customers** – Support for online services costs for maintaining new online products with an increase to contract support costs will provide efficient, reliable and consistent services for our customers.
- **Security risks and cyber threats** – Keep abreast of changes and to undertake independent audits to ensure Council has robust and secure infrastructure and online service environments.
- **Shared services** – Review opportunities that can reduce system purchase costs, licence fees and broaden resilience by sharing staff resources to support major systems.

General Counsel

An increasingly complex risk environment (climate change, government requirements of territorial authorities and more litigious community groups (class actions)), which is largely legally untested, will put more pressure on legal resourcing internally and externally.

Marlborough Regional Forestry (MRF)

Following large rainfall events in the East Coast North Island and the significant damage that resulted, there is a need for forestry to maintain its social license and use best practise to mitigate potential risks to those working within the community and the wider community.

Also, ideally steps will be taken to achieve a continuous level of operation over the entire 28-30 year harvest cycle. After recent purchases a small gap remains.

Marlborough Event Centre (MEC)

The events market is highly contestable especially as other centres complete new facilities. As a result, continued marketing and delivery of high-quality events from a facility perspective will be required to main activity levels.

Levels of Service 2024-34: Corporate

Performance Targets (for the financial year)

Level of Service	Indicator	Baseline	2024-25	2025-26	2026-27	2027-34
Overall satisfaction of residents who contacted Council Customer Service Centre directly in various methods.	Resident satisfaction with this service as measured by survey (10 = service delivered extremely well).	New Measure	≥ 6.4	≥ 6.4	≥ 6.4	≥ 6.4
We produce high quality, fit for purpose and accessible Long-Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR).	The LTP, AP and AR are prepared within statutory timeframes.	All LTP, AP and AR statutory timeframes are met	All LTP, AP and AR statutory timeframes are met	All LTP, AP and AR statutory timeframes are met	All LTP, AP and AR statutory timeframes are met	All LTP, AP and AR statutory timeframes are met
The financial ratios of MDCH in the light of projected cash flows and the performance of its subsidiaries.	The long-term return after tax (excluding revaluations) on opening shareholders' funds.	7%	≥ 7%	≥ 7%	≥ 7%	≥ 7%
Provide reliable Online Digital Services to customers.	Availability of MDC Website. ¹⁷	New Measure	≥ 99%	≥ 99%	≥ 99%	≥ 99%
Provision of Land Information Memoranda.	Number of claims made because of incomplete or inaccurate information supplied.	New Measure	≤ 3	≤ 3	≤ 3	≤ 3

¹⁷ Availability of the MDC website is determined based on reports from Datacom Solutions, our website vendor responsible for continuous monitoring.

Funding Impact Statement for LTP 2024-34 for

Corporate	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	315	1,653	1,662	2,166	2,666	3,167	3,667	4,167	4,667	5,168	5,667
Targeted rates	3	3	3	3	3	3	3	3	3	3	3
Subsidies and grants for operating purposes	455	200	225	150	-	-	-	-	-	-	-
Fees and charges	283	233	238	243	249	255	260	265	271	276	282
Internal charges and overheads recovered	33,346	37,143	38,623	40,076	41,198	42,346	43,551	44,646	45,842	47,204	48,358
Fuel tax, fines, infringement fees and other receipts	(5,712)	(4,468)	(2,008)	(699)	(596)	3,934	4,715	4,542	5,161	6,517	3,984
Total operating funding	28,690	34,764	38,743	41,939	43,520	49,705	52,196	53,623	55,944	59,168	58,294
Applications of operating funding											
Payments to staff and suppliers	29,757	33,102	34,621	35,328	36,422	39,480	40,619	41,671	43,007	43,994	45,682
Finance costs	12,262	12,814	16,403	20,012	24,407	26,683	28,366	27,969	26,943	24,864	23,585
Internal charges and overheads applied	6,749	7,643	7,995	8,292	8,273	8,483	8,693	8,881	9,089	9,334	9,536
Other operating funding applications	1,059	957	972	998	1,007	1,045	1,055	1,095	1,107	1,152	1,162
Total applications of operating funding	49,827	54,516	59,991	64,630	70,109	75,691	78,733	79,616	80,146	79,344	79,965
Surplus (deficit) of operating funding	(21,137)	(19,752)	(21,248)	(22,691)	(26,589)	(25,986)	(26,537)	(25,993)	(24,202)	(20,176)	(21,671)
Sources of capital funding											
Subsidies and grants for capital expenditure	500	30	(1,521)	65	-	-	-	-	-	-	-
Increase (decrease) in debt	76,104	38,384	23,853	22,267	17,906	24,226	(2,698)	(13,585)	(46,353)	(43,589)	(45,403)
Gross proceeds from sales of assets	-	3,080	10,351	11	48	81	64	65	15	267	-
Total sources of capital funding	76,604	41,494	32,683	22,343	17,954	24,307	(2,634)	(13,520)	(46,338)	(43,322)	(45,403)
Applications of capital funding											
Capital expenditure to meet additional demand	15	785	-	16	16	16	17	17	17	18	18
Capital expenditure to improve the level of service	730	1,865	419	657	250	255	260	265	270	275	280
Capital expenditure to replace existing assets	1,954	1,670	1,925	984	1,003	995	1,128	1,203	844	2,013	704
Increase (decrease) in reserves	(23,016)	(5,227)	(19,157)	(23,125)	(26,839)	(28,800)	(30,053)	(29,459)	(26,392)	(24,278)	(23,219)
Increase (decrease) in investments	75,783	22,652	28,249	21,121	16,935	25,852	(524)	(11,539)	(45,280)	(41,526)	(44,856)
Total applications of capital funding	55,467	21,742	11,435	(348)	(8,635)	(1,679)	(29,171)	(39,513)	(70,540)	(63,498)	(67,074)
Surplus (deficit) of capital funding	21,137	19,752	21,248	22,691	26,589	25,986	26,537	25,993	24,202	20,176	21,671
Funding balance	-	-	-	-	-	-	-	-	-	-	-

WĀHANGA 3
PART 3

Ngā Rautaki me ngā Tauākī Pūtea' Strategies and Financial Statements



FINANCIAL STRATEGY

Introduction

The financial strategy outlines our overall approach to managing our finances. It sets our limits on rates increases and debt, illustrates the overall financial impacts of decisions made in the Long Term Plan and is key in demonstrating prudent financial management.

Council key financial outcomes

Council aims to achieve the following financial outcomes over the next 10 years:

- Maintain a credit rating of at least AA (negative watch) from S&P Global.
- Generate sufficient funds to deliver the levels of service and undertake the capital investments within the 2024-2034 LTP, including the recovery of the storm damaged Marlborough Sounds roads.
- Minimise the impact on ratepayers through the appropriate use of reserves and debt, while ensuring intergenerational equity.
- Remain within a rates cap of the Local Government Cost Index plus 3%. The 3% comprises 1% for the cost of rising Government requirements and 2% for growth and improved levels of service.

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
LGCI	2.9	2.2	2.4	2.2	2.2	2.1	2	2	1.9	1.9
LGCI+3%	5.9	5.2	5.4	5.2	5.2	5.1	5	5.1	4.9	4.9

- Maintain a net debt cap whereby debt servicing costs are less than 15% of rates revenue.
- Maintain investments in MDC Holdings Ltd, Marlborough Regional Forestry, and the Local Government Funding Agency.
- Set aside easily accessible funds for emergencies whilst rebuilding the Emergency Events Reserve.
- Move progressively to return to a state of fully funding depreciation following the 2023 revaluation of Three Waters assets.

A balanced budget is essential to achieving these financial outcomes, and Council has considered how to balance:

- the levels of service to be provided and the cost of achieving and maintaining them during periods of growth;
- the priorities and timing of expenditure across all activities, especially expenditure of a capital nature and the link to the Infrastructure Strategy;
- the proposed levels of rates and charges across the full 10-year period of the LTP and their impact on the community;
- the proposed level of borrowing that current and future ratepayers will need to service;
- the funding required to rebuild the Emergency Events Reserve;
- the funding required to fund the increased value of Three Waters assets subject to revaluation.

Overall, Council considers that it has successfully balanced these six key elements in preparing the draft Long Term Plan 2024-2034. Community input is welcome on how the current result contained in this LTP can be improved.

Council must, under the Local Government Act 2002, manage its revenues, expenses, assets, liabilities and general financial dealings prudently and in a manner that sustainably promotes the current and future interests of the community.

Strategic direction of Council

Council's Vision is set out at the start of this plan and Community Outcomes are set out on pages 24-25 of this Plan. Each Activity in this Long Term Plan identifies the outcomes that it contributes to.

Outline of factors that are expected to have a significant impact on the Long Term Plan

1. Environment

Marlborough provides a unique lifestyle opportunity for residents and visitors with the full range of geological features from mountains to fertile plains, rivers and the

magnificent Marlborough Sounds, coupled with high sunshine hours and available water. These features support a wide range of business and leisure opportunities. Business opportunities have predominantly centred on "land and sea" based activities i.e. viticulture, forestry, horticulture, pastoral farming, aquaculture, tourism and the servicing sectors. The common thread for almost all these activities is having a quality environment with an emphasis on maintaining and possibly improving it. Availability of quality water is also a key factor.

2. Economy

The major industries identified above rely upon favourable international markets to provide a strong economic foundation for the District.

Source: Infometrics Quarterly Economic Monitor – December 2023

The Marlborough economy expanded by a modest 1.1% over the year to December 2023. Although GDP has declined slightly in the past two quarters, compared with the same quarters in the previous year, many of the economic indicators tracked reflect a resilient economy. Consumer spending was up 6.3% over the year to December 2023, which was above the inflation rate of 4.7%pa indicating an increase in the amount of goods households were consuming.

Marlborough's tourism sector is in relatively good shape reflecting the recovery of international visitor arrivals. Guest nights over the year to December 2023 were up 18%. The growth in tourism expenditure was less impressive, at 8.6%pa. The gloss is coming off New Zealand's tourism recovery as arrivals from key markets such as Australia and China stagnate and domestic tourism spending is starting to pull back, reflecting some households tightening their belts.

Marlborough's labour market is still very strong, despite the economic headwinds. Filled jobs for Marlborough residents increased 4.4% over the year to December 2023. Employment growth was broad-based across industries with agricultural support services, food and beverage manufacturing, health care, and accommodation and food services making the largest contribution. Strong employment growth has kept the average unemployment rate for the year to December 2023 at 2.3%, which is a post pandemic low.

3. Inflation projections

Council, along with the majority of other Councils in New Zealand, uses inflation projections provided by Business and Economic Research Ltd (BERL). These

projections are used to inflate Council's forecast operating and capital expenditure in years two to 10 of the Long Term Plan.

BERL prepares projections for road, property, water, energy, staff, earth-moving, pipe lines and private sector wages. These are consolidated into an overall Local Government Cost Index (LGCI). To generate its forecasts, BERL estimates relationships based on historic data between price indices and a set of driver economic variables (e.g. GDP, employment, oil prices, construction, investment and CPI).

With recent central government announcements regarding Three Waters once again coming back into local government control, the preparation of this LTP has been subject to uncertainty. With the decisions now made Council has prepared this LTP using BERL indices including Three Waters. This "Legacy LGCI" is comparable to prior years.

As the LTP was not adopted on 31 July 2024 as originally intended, interim 2024 cost adjusters have now been provided by BERL. These interim adjusters show inflation reducing at a slower rate than that forecast in in BERL's "Cost adjusters 2023 final update" released in October 2023.

There remains a risk that the local inflation rates may be higher or lower than the national averages forecast by BERL, against both the October 2023 adjusters and the recently released interim adjusters.

In October 2023 BERL released the following increases in its LGCI basket:

Forecast BERL Legacy LGCI*

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
23 Final	2.9	2.2	2.4	2.2	2.2	2.1	2.0	2.0	1.9	1.9
24 Interim	4.2	3.3	3.2	2.9	2.7	2.6	2.5	2.4	2.3	2.1

*Insurance is not explicitly included in these forecasts due to significant cost increases in premiums being experienced.

These increases make up a significant portion of the proposed rates increase over 10 years of the Long Term Plan contained on page 8 of this Strategy.

The potential impact of the updated adjusters are described on page 251 of this Long Term Plan.

A result of recent inflation trends is the significant revaluation of Three Waters assets undertaken for the end of the 2022-23 financial year. This revaluation was not accounted for in the Annual Report for that year and Council received a qualified audit opinion.

As a consequence of the revaluation, depreciation expense has increased significantly. Ordinarily Council would fully fund this depreciation expense but is not doing so in the interests of better understanding the potential impacts of the new government's Local Water Done Well initiative and containing rates increases in the short term before moving to progressively fund this over the remaining Long Term Plan.

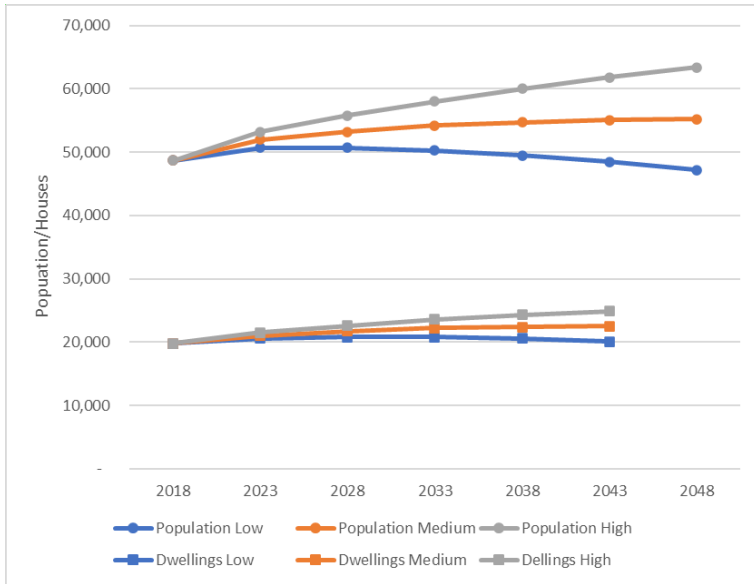
4. Growth and population composition

The number of people in the District, (both permanent residents and visitors), where they choose to live and the growth in economic activity directly affects the demand for land for development, infrastructure and other services Council provides. This growth underpins land use planning, infrastructure developments, where and when new services and facilities are required and their cost.

In June 2023, Marlborough's population was estimated at 52,200, an annual growth rate of 1.2% per annum over the 2022 population estimate of 51,600. More than 70% of the Marlborough population lives in Blenheim, with a further 14% in Picton and Renwick. Most population growth since 2006 has occurred in Blenheim and Renwick. Although Picton has recently seen an overall decline in usual resident population, there was strong growth in Waikawa. Prime building land in Waikawa is becoming less readily available and future growth in this area may be limited.

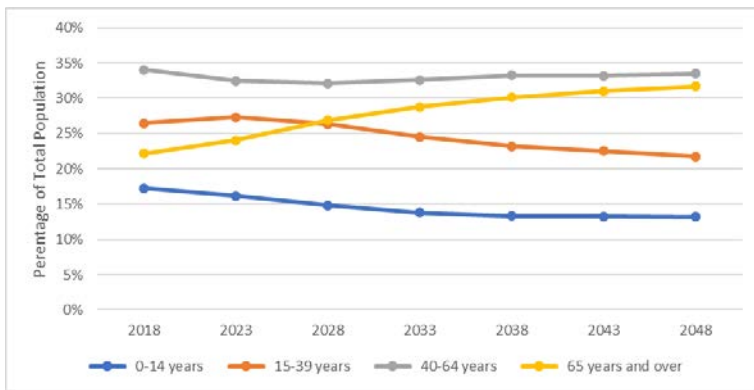
On 31 March 2021, Statistics New Zealand provided a range of population projections. These were updated for the latest numbers at the end of 2023. The low, medium and high growth scenarios for the Marlborough region for both population and houses are shown on the following graph. As the sunniest area in New Zealand, our climate, beautiful environments and healthy economy will continue to attract people to our area. This will help to counter balance the general trend for provincial New Zealand to lose population to the major centres.

Partly because of this uncertainty planners use the medium to high projection as a basis for planning future service provision in Marlborough. There are long lead-in times for major projects due to public consultation, land purchase negotiations, resource consent approval and construction. Planning conservatively for medium/high growth also provides some future proofing for assets that may have a useful life in excess of 80 years. This approach has proved sound with Marlborough's actual growth exceeding the "High" predictions.



(source: Statistics New Zealand 2018-2048 projections)

Marlborough has one of the highest proportion of older people in New Zealand, with 22.2% of our population aged 65 or more in 2018. By June 2023 that had increased to 23.5% (23.3% in 2021) and is forecast to increase further to almost 35% by 2048. The change in Marlborough's age distribution between now and 2048 is clearly shown in the graph below.



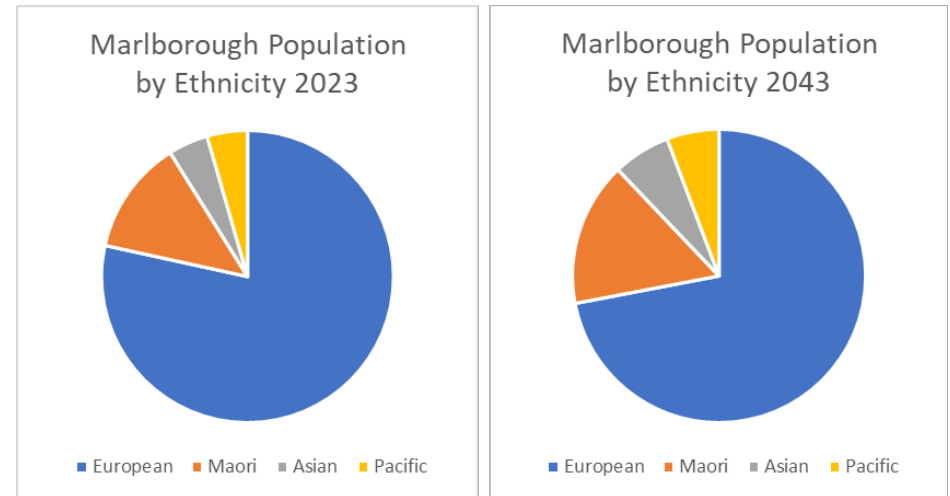
(source: Statistics New Zealand 2018-2048 projections, updated 2023)

The increasingly elderly population and fewer working age people needs to be taken into consideration in financial planning, particularly when setting rates as affordability issues could arise as a large percentage of this group are on relatively fixed incomes.

The trend for growing urban centres and fewer people living in rural areas is expected to continue, as older people generally prefer to live closer to the services provided in larger centres. The provision of infrastructure in smaller settlements and the method of funding may need to be considered in light of these projections. This may also result in new and/or different levels of services being requested.

Older people are also more likely to prefer smaller houses and units, near the urban centres. Providing for this market could lead to urban intensification through regeneration of the existing housing stock.

Marlborough is also becoming a more ethnically diverse community. The Māori population is forecast to increase from 7,380(14% of the total population) in 2023 to 10,550 (19%) by 2043. Increases in all other ethnic groups are also forecast to occur however proportions will change. For example, while NZ Europeans will still be making up the largest percentage of the population, it will marginally drop from 88% in 2023 to 87% in 2043.



(source: Statistics New Zealand ethnic population projections updated 2023)

Changes in the age of our population and increasing ethnic diversity could change the demand for different Council services.

Also changing are settlement patterns. The current urban settlement pattern consists of an average of 10-11 properties per hectare. The Development Contribution Policy helps to encourage urban infill by offering reduced charges for the subdivision of small residential sections. Urban intensification would help to reduce further urban spread and subsequent extension to the linear infrastructure. Costs per connection would decrease and improve the affordability of these services. According to historic Building Consent and Development Contribution information, growth is estimated to increase by 170 household equivalent units annually for the next ten years within Blenheim. This demand is expected to be much higher in the first few years, and drop off over time. Blenheim traditionally accounts for about 60% of all building consents for new dwellings, the remainder in the wider district.

Council believes that, as development increases the consumption of its current infrastructure capacity and accelerates the requirement for new infrastructure, developers should bear the cost of this increased demand.

Through the application of its Development Contributions Policy to fund the cost of this additional infrastructure, Council is seeking to achieve an appropriate balance between encouraging growth and reduce the potential for additional burden on the ratepayer.

Undertaking development in a planned, co-ordinated manner can reduce costs as infrastructure development is not responding to “ad hoc requests” for isolated, scattered, piecemeal development. Responding to ad hoc development can mean that parts of the infrastructure networks are replaced earlier in their life than optimum while allowing other parts of the network to remain comparatively underutilised.

5. Government requirements

Currently existing government requirements are having a significant impact on Council’s cost structures. Government requirements affect the whole of Council, with requirements ranging from the level of training required for staff, to traffic management requirements, to infrastructure standards to monitoring standards. The anticipated impact is of such significance that Council continues with its increased “Rates Cap”. In addition to previously known Government requirements, there are further National Environment Standards, Environmental Policy Statements, Resource Management Act reviews and the reverting to Council of the delivery of the Three Waters. Council has included into its budgets the anticipated costs of delivering Government’s requirements where they can be identified with some certainty.

Council has included the full cost of operating, maintaining and developing the Marlborough Three Waters assets in this LTP.

6. Emergency events, response and resilience

Emergency events and natural disasters are becoming more frequent. Storm events and flooding are causing damage to infrastructure and design limits to protect the community and these assets are being tested. This LTP sees a number of improvements to roading, water and flood protection infrastructure, debt funded with various debt servicing mechanisms through rates or reserves.

Council’s ability to respond to these events and create resilience is a fundamental requirement. Over the past few years Council’s reserves for responding to natural disasters and other emergencies have been depleted. Access to existing cash deposits and previously approved loan facilities enables rapid access to cash to fund response requirements but further improvement in the Emergency Events Reserve is a priority.

7. Climate Change

Apart from building resilience to and ability to recover from emergency events Council considers its impact in relation to climate change, and the impact of climate change, in various decisions it takes.

Council has a climate Change Sub Committee which manages a Climate Change Action Plan which has the following goals:

- Council contributes to NZ’s efforts to reduce greenhouse gas emissions (including net carbon emissions),
- Marlborough District becomes more resilient to the impacts of climate change,
- The Marlborough community is informed of climate change actions and options for response,
- Council shows clear leadership on climate change issues.

The sub committee meets on a regular basis to ensure progress is made against these goals.

Balancing the budget

Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses, i.e., Council must demonstrate financial prudence.

In assessing financial prudence consideration is to be given to:

- the estimated expenses and required revenue to achieve and maintain the predicted levels of service provision set out in the Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of the assets throughout their useful life;
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life;
- the funding and financing policies.

During the development of the 2024-34 Long Term Plan, the Council considered how to maintain its current levels of service, operating expenditure and capital expenditure needed to replace existing assets and provide new infrastructure and facilities to meet the levels of growth that are forecast within the 10 years of the Long Term Plan. The Long Term Plan as presented should, for the majority of activities, enable Council to maintain current levels of service.

Council is forecasting that expenditure will increase from \$183 million in 2023-24 to \$244 million in 2033-34, an increase of 33%. The increase is primarily due to investments in infrastructure including community facilities, improvements in levels of service, especially in solid waste management, the projected movement in the LGCI and additional central government requirements.

Borrowing over the period of the Long Term Plan will increase. Borrowings net of investments and debt raised on behalf of subsidiaries (Port Marlborough and Marlborough Airport) are proposed to increase from the \$119 million shown in the 2023-24 Annual Plan to peak at \$315 million in 2029-30 year, to fund a \$1 billion capital program. This falls to \$227 million by 2033-34. Based on the experience gained from Council's previous plans, actual requirements are likely to be less than currently forecast.

Much of the increase in debt has been driven by Council's need to invest in infrastructure. Investment is needed to renew assets that are reaching the end of their economic life, to meet new standards and resource consent conditions and growth.

Marlborough is currently experiencing higher levels of population growth than has been the case over the not too distant past. Higher levels of growth increases the demand for additional Council infrastructure and while the growth component is paid for via development contributions in the long term, Council must fund the cost upfront.

Development contributions have been reviewed accordingly to fund growth related expenditure. The "Financial Trends and Summaries" section of the report below provides the extent of capital works and the funding sources.

Embedded within the debt numbers and over the course of the Long Term Plan borrowing specifically related to the recovery of the storm damaged roads in the Marlborough Sounds grows to circa \$66 million. Council has developed a cost recovery strategy that sees costs shared amongst the communities affected as well as those ratepayers outside areas of direct impact. This methodology has resulted in an equitable distribution considering the social and economic benefits of the work being undertaken.

Under Section 101 of the Local Government Act 2002, Council considered its financial management responsibilities where it must manage revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Council also considered whether it was sustainable to undertake the level of capital expenditure proposed in the Long Term Plan together with increased operating costs associated with the higher debt level. If Council has too much debt then future ratepayers will subsidise current ratepayers. If population growth, which is expected to fund the growth portion of assets incorporated into the capital expenditure programme, does not occur or occurs at a slower rate this may either increase rates or slow the delivery of capital projects.

Council has previously had the policy of fully funding depreciation except for community assets which is considered an appropriate measure to ensure the concept of intergenerational equity is maintained. That is, current ratepayers will pay for its use and a share of its replacement cost in relation to the assets provided. This practice has largely been continued in this Long Term Plan although the funding of depreciation on the 2022-23 revaluation of Three Waters assets is being paused for 2024-25 and 2025-26 in order to gain a better understanding the potential impacts of the new government's Local Water Done Well initiative and contain rates increases in the short term. From 2026-27 Council is planning to progressively return to fully funding Three Waters Depreciation by 2033-34.

In summary, the rate movements have been affected as a result of:

- Price increases – cost adjustors (inflation) that have been applied to the estimates within the Long Term Plan.
- Price increases – in many cases, particularly for infrastructure assets, recent cost adjustors have not matched what Council is actually seeing in terms of cost increases.
- Growth – while development contributions fund much of the growth related capital expenditure, additional developed land and services need to be maintained and add to Council's operational expenditure. Generally the additional costs are met by the rates recovered from the extra ratepayers.
- Service levels increases – for some services, such as water supply, sewerage and environmental activities, a greater total rate take will be required.
- Depreciation and interest payments – the increased capital expenditure programme will mean that there will be a corresponding increase in depreciation and debt servicing costs that will be required to be met through fees and charges and rates. This includes the effect of increasing interest rates.
- Additional central government requirements.
- A programme funding a rebuild of the Emergency Events Reserve.
- A return to fully funding Three Waters Depreciation over the course of the Long Term Plan.

Rates, rates increases and rate increase limits

Council is very conscious of the impacts of rates increases in the community, the community's wish to maintain or enhance current levels of service and the underlying cost drivers that Council has limited ability to control. The underlying cost drivers particularly relate to the materials that go into building and maintaining infrastructural assets i.e., diesel, bitumen, pipes and other construction materials. Council has reviewed the capital expenditure programme and looked to defer projects where possible without significantly affecting levels of service.

Existing reserves and development contributions are the first sources for funding capital expenditure. The balance is generally funded by loans, predominantly on a 20 year table mortgage basis. Loans have a rating impact, but as their repayment is spread, they reduce the burden on current rates and spread the costs over those

future ratepayers who will also benefit from the asset being created. Increased operating and, in the longer term, maintenance costs also result.

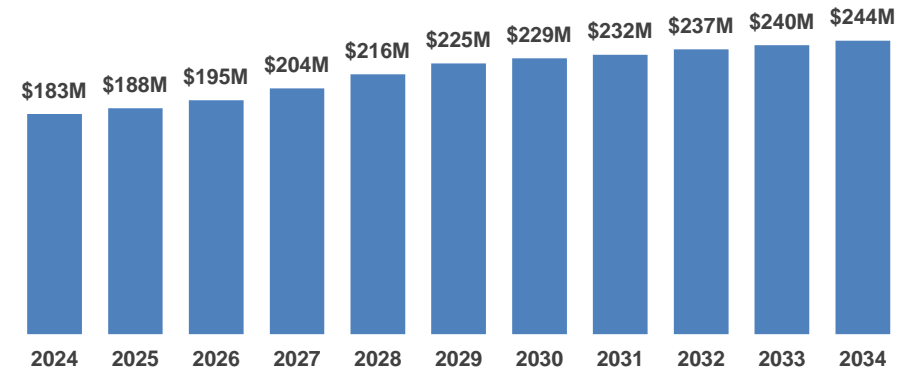
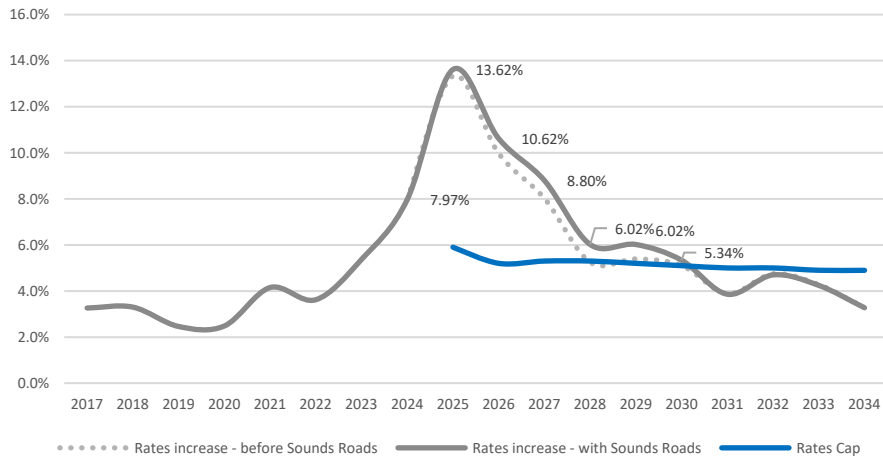
Because Council's costs are not the same as the costs faced by households e.g., food, housing, transportation, etc, as measured by the CPI, Council has decided to use the specifically developed LGCI as its inflation benchmark. It has further decided that it will aim to keep increases in total rates below the LGCI movement plus three percent. The following chart shows forecast rates increases, LGCI movements and the difference between the two showing where Council has exceeded the LGCI plus three percent stated above.

The impact of the voluntary targeted rates (clean heating and irrigation) has been removed as they only affect a relatively small number of ratepayers and are only incurred after voluntarily agreeing to receive the service.

In 2021 Council introduced the concept of the COVID Rates Relief Reserve which was to be funded by unallocated revenue from river leases and subsidiary dividends that would have become available had the previous Government's Three Waters reforms occurred. As the nature of water reform is now unclear Council needs to repay the ensuing funding deficit of \$12.8 million and is proposing to create a 20 year loan for this purpose, to be serviced by rates. Council has elected to spread the impact of the removal over three years, 2024-25 to 2026-27, by a phased partial sale of NZ Units, which Council holds, as majority partner in Marlborough Regional Forestry, as part of the New Zealand's Emissions Trading Scheme. Over the past few years Council's reserves for responding to natural disasters and other emergencies have been depleted. Access to existing cash deposits and previously approved loan facilities enables rapid access to cash to fund response requirements but further improvement in the Emergency Events Reserve is a priority.

Council is proposing to establish a general rate to help rebuild this reserve to the value of \$0.5 million in 2026-27, increasing by \$0.5 million per year to 2033-34 by which time the reserve will be in a better position to cope with any response to emergencies, subject to any draw downs in the meantime.

The following graph shows Council is outside its "Rates Cap" until 2031 following the decisions to pass on more of the recent inflationary pressures, make adjustments to ensure Council maintains a strong financial footing, and to address the significant infrastructure investment requirements. Debt is being used to spread the cost of this investment equitably across generations but higher than recent years rates increases are being projected.



Operating revenues

Total operating revenue (from the Funding Impact Statement) is forecast to rise from \$167 million in 2023-24 to \$249 million in 2033-34.

The following graph shows the sources of operating revenue throughout the Long Term Plan.

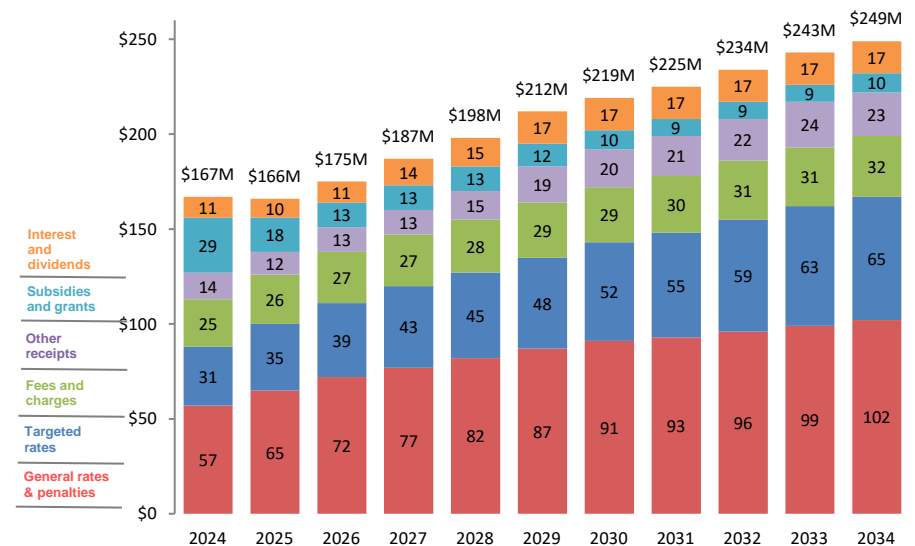
The amounts shown above are the total rates increases across the District and contrasts the increases in rates relating to core Council levels of service, the impact of funding the Emergency Events Reserve, a return to fully funding Three Waters Depreciation and the impact of the Marlborough Sounds roading recovery.

There will be properties that will pay less and others that will pay more, depending on the services that they receive. Samples for areas across the District are provided within the Long Term Plan Rates Movements section. The other point to note is that while this document sets out Council's plans for the next 10 years, each year it reviews its priorities and need to undertake capital projects with the objective of reducing rates.

Financial trends and summaries within the ten year plan

Operating expenditure

The following graph shows that total operating expenditure is forecast to increase from \$183 million in 2023-24 to \$244 million in 2033-34 an increase of 33%.



Capital expenditure

The Council currently has assets worth almost \$1.9 billion. During the next 10 years Council is planning to undertake capital expenditure of:

\$164 million to meet additional demand (including vested assets)

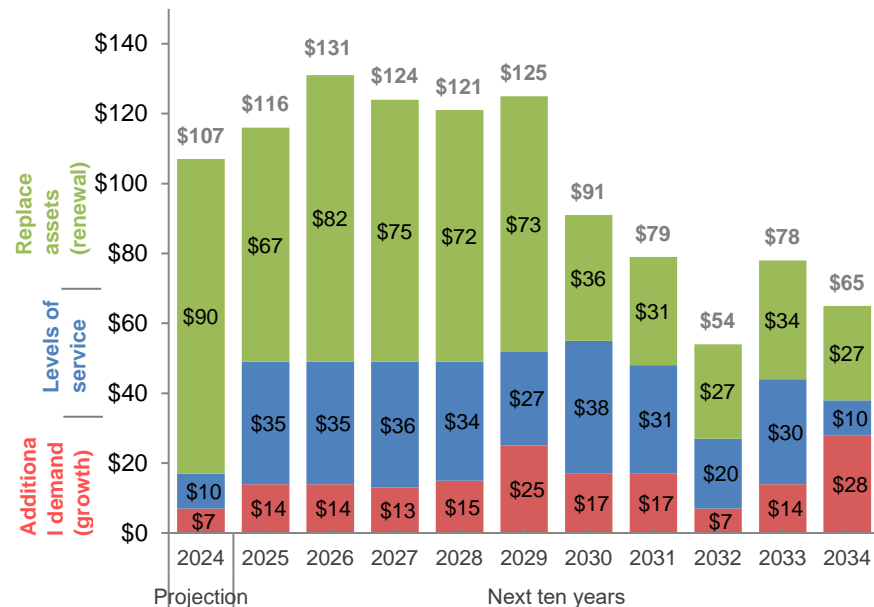
\$297 million to improve the levels of service

\$523 million to replace existing assets including the recovery of the roads in the Marlborough Sounds

\$984 million in total.

The following graph shows the amounts being spent on each capital expenditure category to meet community expectations (levels of service), replacement of existing assets and additional demand/growth over the Long Term Plan.

Capital Expenditure Drivers

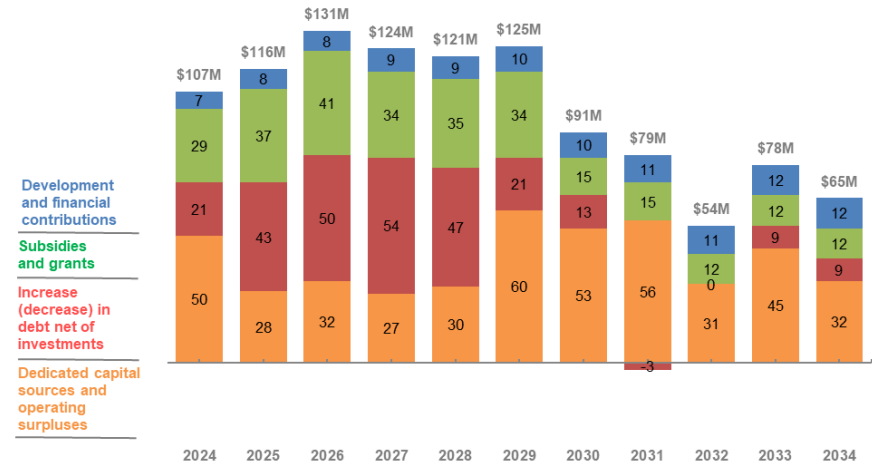


In each Activity section there is a list of major capital projects planned over the 10 years of the Long Term Plan. A number of these projects have been spread out to coincide with growth, need and/or affordability.

Capital funding sources

The following graph shows the capital funding sources planned to fund the capital expenditure.

Capital Funding Sources



External debt

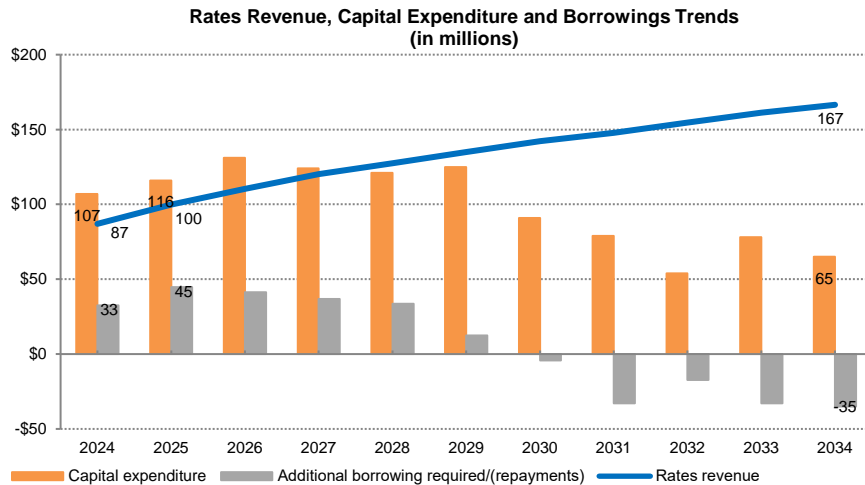
Council will continue to assess market interest rates and look to lock in longer term rates where possible and appropriate to do so.

External debt is only raised after development contributions, reserves and other funding sources have been used. Despite using external debt as a last resort, net borrowing is proposed to increase from the \$119 million shown in the 2023-24 Annual Plan to \$227 million in 2033-34 year, to fund the \$1 billion capital program. However, as stated earlier, in actuality this level of debt is very unlikely.

Note: these values are Net Debt, defined as total debt less liquid financial assets and investments. This means the borrowings made on behalf of the 100% owned MDC Holdings Ltd Group, which includes Port Marlborough NZ Ltd and Marlborough Airport Ltd are excluded

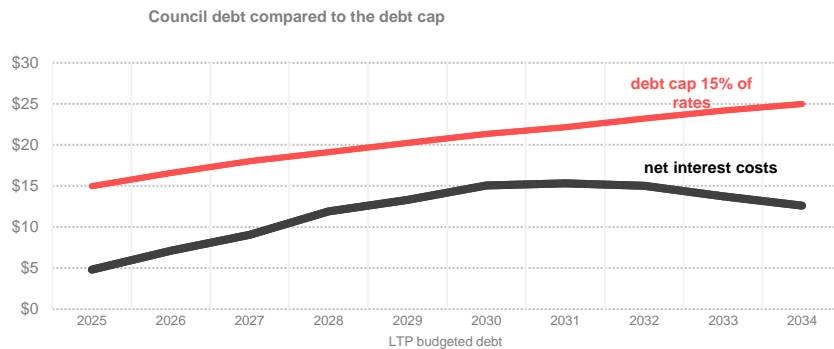
The following graph shows the trend over the Long Term Plan for Council's net debt and cumulative capital expenditure. This graph includes an allowance for price

movements based on the BERL forecasts. This graph clearly shows the capital expenditure programme in the initial years is linked to a corresponding movement in loans required to fund this work. In outer years depreciation on the increased asset base funds capital expenditure and there is a reduced reliance on debt.



Debt levels and interest costs

The Council Treasury Policy includes the Investment and Liability Management Policies. Council has established a net debt cap based on net interest being less than 15% of total rates. As identified in the following table Council remains well within this cap over the full LTP period.



Council is a shareholder and lender of the LGFA. This has enabled Council to achieve a lower cost of funding. Council comfortably meets all the covenants the LGFA has set for councils to borrow from it.

The table below identifies each covenant and how Council compares against each one.

FINANCIAL COVENANTS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Net debt / total revenue <280*%	69%	85%	102%	112%	120%	131%	126%	110%	99%	85%
Net interest / total revenue <20%	2%	3%	4%	5%	5%	6%	6%	6%	5%	5%
Net interest / annual rates income <30%	5%	6%	8%	9%	10%	11%	10%	10%	9%	8%
Liquidity >110%	118%	115%	113%	111%	110%	111%	111%	112%	114%	115%

*In 2025 only the LGFA alternative covenant of 285% applies.

Security on borrowing

Council generally does not offer assets, other than a charge over rates or rate revenue, as security for general borrowing programmes through its Debenture Trust Deed.

Limit on borrowing

Borrowing is a means by which those who pay the cost of providing an asset can be better matched with those who benefit from the use of these assets.

Current ratepayers may form the view that borrowing is the answer to reducing rates increases. However, borrowing is not without cost. The immediate cost is interest. The less obvious costs are:

1. The loss of flexibility Council would face if debt levels rose too high. At the extreme is when sovereign nations are directed to undertake certain actions by their bankers as happened in the GFC. In Council's case it would be by its Debenture Trustee.
2. Council and, as a consequence, ratepayers are impacted upon more severely by increases in interest rates.

As a result Council must also look to keep debt within acceptable levels. The best way of doing this is to constrain capital expenditure. Council has done this by managing its investment levels in capital projects.

There are a number of benchmarks that exist for evaluating if Council's proposed level of debt is too high. These include obtaining a credit rating and adopting the LGFA's parameters as set out above. Currently Council has AA negative watch credit rating from S&P Global Ratings (formerly Standard and Poors). As can be seen from the above table, Council easily meets the covenants outlined above.

The cap for net debt has been changed in this LTP to represent net interest being less than 15% of rates. For 2024-25 this represents a debt cap of approximately \$380 to \$390 million. The change to basing the cap on rates directly links the cost of servicing such debt to revenue we can influence, which is rates. In short, the cap reflects debt we can afford. In this LTP Council remains comfortably within this cap.

Interest rate risk

Council enters into swap arrangements to mitigate against interest rate risk. However, because of Council's comparatively low level of current debt, it is unable to fix the interest rates until the forecast increased level of debt is actually required. Council only debt is currently forecast to peak at approximately \$315 million in 2030. As a result, a 1% change in interest rates above the 5.5% forecast would result in changed interest costs of \$3.2 million.

Funding depreciation

Council intends to continue funding depreciation in accordance with its Revenue and Financing Policy. This requires the funding of depreciation for all assets, with some exceptions:

- Depreciation on the revaluation impact of Three Waters assets in the 2024-25 and 2025-26 years which is not being funded. From 2026-27 Council begins to progressively fund the depreciation impact and by 2034 we will be fully funding depreciation.
- Some community facilities (cemeteries, street trees, plots and berms, halls and reserves).
- Rivers, quarries, drains.
- Roading where depreciation is only half funded because of the NZTA financial assistance rate of 51%.
- Southern Valleys Irrigation Scheme.

The revenue collected to fund depreciation will initially be used to repay the debt and then to finance new and replacement assets. Any unused revenue from depreciation will be separately accounted for in the appropriate depreciation reserve.

Operating surpluses

Council also generates operating surpluses each year. These accounting surpluses shown in the Forecast Statement of Comprehensive Revenue and Expense are driven primarily by:

- the need for revenue to meet the principal repayments relating to increasing levels of debt that have arisen as a result of Council's significant capital expenditure programme; and
- generally accepted accounting practice requires vested assets and capital contributions, including development contributions, and NZTA financial assistance for roading capital works to be treated as operating revenue. These items are used to fund capital as compared to operating expenditure.

Any remaining surpluses will be used to defer the need for increasing debt. As a result of the significant recent expenditure on new assets, Council is currently in a period of low renewals. However, as these assets age, the need for renewals will increase, as shown in Council's Infrastructure Strategy, particularly in the years post this Plan. As a result, it is important for Council to retain a strong balance sheet and continue to fund depreciation.

Equity investments and other interests

Council holds investments in:

- MDC Holdings Ltd and its subsidiaries - Port Marlborough NZ Ltd and Marlborough Airport Ltd.
- Marlborough Regional Forestry.
- Investment bonds and term deposits.

MDC Holdings Limited

MDC Holdings Ltd was established to:

- separate Council's commercial trading activities from the other functions it carries out; and
- bring Council's main trading activities into one structure.

For the most part MDC Holdings Ltd is charged with operating in a completely commercial manner. As such the only significant target is to generate a tax paid return on shareholder's funds of at least 7.0%. This target is reviewed annually when Council considers the MDC Holdings Ltd's Statement of Intent.

In addition to the commercial returns received, Council through MDC Holdings Ltd's subsidiaries (Port Marlborough NZ Ltd and Marlborough Airport Ltd) promotes Regional Economic Development as it provides means for the arrival and departure of visitors and the import and export of goods.

Marlborough Regional Forestry (MRF)

Council has an 88.5% ownership interest in MRF, with Kaikōura District Council owning the remaining 11.5%. MRF, a Joint Operating Committee of both Councils, has approximately 5,200 hectares of commercial forest. This forest is managed on a rotation period of approximately 30 years with minor variations in this period based on market conditions. The forest had a value of \$35.2 million as at 30 June 2023. As a result of this holding Council is entitled to a share of 130,000 NZ Emission Trading Units (NZETUs) almost entirely from pre-1990 forest (current value circa \$6.7 million). The current intention is to replant the forest following harvest. Providing the replanting policy is maintained, MRF should not be required to surrender NZETUs to meet the obligations imposed by the Emissions Trading Scheme on harvest. Council has recently sold 28,459 units in order to fund the purchase of an additional forestry block and will sell further units to finance the purchase of a further block.

Council is not expecting to generate cash proceeds from its investment in MRF for the majority of the period covered by the LTP as there will be insufficient mature trees available for harvest to generate a profit. It is currently projected that harvesting will begin in 2028-29 and from this period onwards significant returns should be generated

depending on the internationally determined market price as the forest will be on its second rotation and not require expenditure on the development of roads and other infrastructure. Council also has significantly smaller holdings of trees in its own right, but these are held predominantly for river protection and not for financial return.

Investment bonds and term deposits

Council holds approximately \$13.0 million of investment bonds and term deposits as part of its Disaster Recovery Planning. It is expected that the rate of return received should be similar to the cost of Council's external debt.

LGFA

Council is a shareholder/member of the LGFA. The LGFA is a Council Controlled Trading Organisation (CCTO) set up by specific legislation. A key objective of the LGFA is to provide a funding vehicle that would enable local authorities to borrow at lower interest margins than would otherwise be available.

The LGFA is 'AAA - Stable' rated from S&P Global Ratings. This is the same as the New Zealand Government's domestic rating.

All local authorities are able to borrow from the LGFA. As at 30 June 2023 the LGFA had advanced \$16.3 billion to local authorities, generating an estimated saving of approximately 0.25% in interest costs.

The LGFA's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA cost of funds plus 2.00% over the medium term noting, however, that the payment of any dividend will be subject to the LGFA Board meeting its legal obligations and its views on appropriate capital structure.





INFRASTRUCTURE STRATEGY

Executive summary

Planning for change is an essential business practice — to identify potential risks and to ensure we are well placed to make the most of our opportunities.

The purpose of this strategy is to consider how our infrastructure assets will continue to support our community and our economy over the next 30 years. Changes over this time period are likely to include:

- population growth slightly above the midpoint of Statistics NZ Regional population projections based on recent development;
- opportunities to use technology and increasing automation to be even smarter and more connected;
- making our infrastructure more resilient to climate changes and natural disasters.

Our overall approach to asset management is to maintain flexibility wherever possible, enabling us to take action when circumstances change, our knowledge improves and as technology develops.

Council's major strategic priority for infrastructure is to:

- maintain our target levels of service and make improvements where required;
- extend our infrastructure as efficiently as possible to meet demand;
- access various funding sources and ultimately maintain debt at a sustainable level.

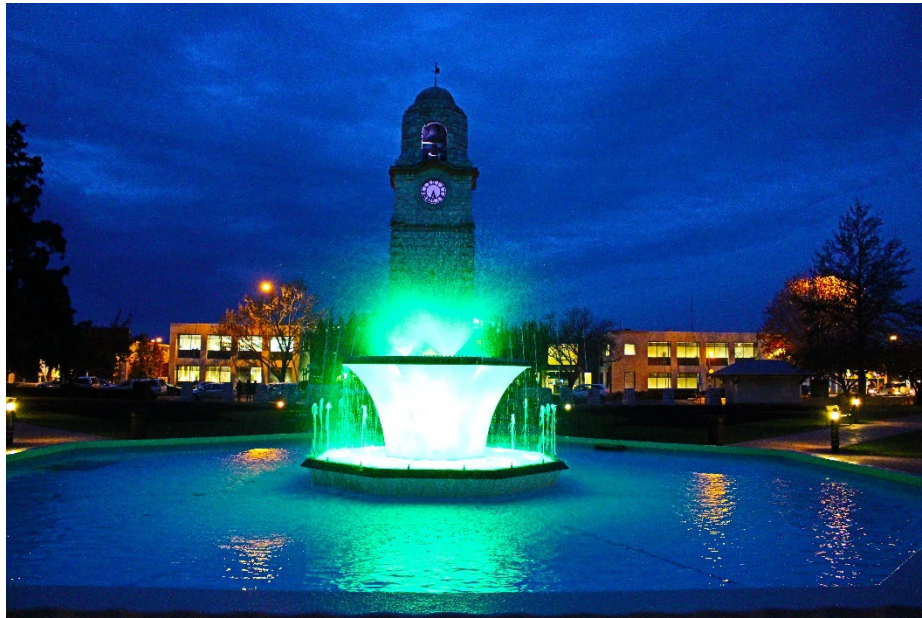
Infrastructure summary

Key infrastructure challenges

This strategy identifies critical challenges for our roads, wastewater, water supply, stormwater, rivers and land drainage and community facility assets over the next 30 years, and the options for responding to them.

The key infrastructure challenges remain:

- to respond to the changes in population growth, distribution and age profile;
- meet changes to customers' expectations;
- meet changes to legislative requirements;
- the need to replace infrastructure which has reached the end of its useful life;
- the need to build resilience to natural hazards (including the effects of climate change and earthquakes).



Implications for our assets

Significant asset management challenges for each asset type are summarised below.

Roads:

- Increasing frequency and intensity of adverse natural events are significantly damaging the network. Emergency responses result in resource re-allocation, affecting delivery of planned business-as-usual activity, let alone a pro-active work plan.
 - The recovery of the storm damaged roads in the Marlborough Sounds is a key infrastructure programme in this Long Term Plan, and has a significant influence on our overall roading programme.
- Intensive heavy vehicle movements associated with forestry, quarrying and other operations are causing damage to under-strength pavements and structures resulting in reduced asset lives and unacceptable safety and amenity issues.
- We are facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality.
- Rapidly rising construction costs and inflation results in a reduced programme of work.
- Existing roading infrastructure design does not promote safe multi-modal transport options.

Water

- Investment in new water treatment plants to comply with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022.
- The need for water demand management (particularly in Picton) to ensure the water sources can meet future demand.
- Continued development of a targeted and efficient renewal programme for up to \$79.5M of water network over the next 30 years.

Wastewater:

- Meet increasing national standards and cultural sensitivities of effluent discharges to the environment.
- Anticipated growth in wastewater flows particularly industrial effluents from the wine industry.
- Continued development of a targeted and efficient renewals programme for up to \$60.0 million of wastewater network over the next 30 years.
- Continuing to reduce the vulnerability of some older wastewater pipes to ground movement during an earthquake.
- Increasing likelihood of infiltration of stormwater into the wastewater network as a result of ageing pipe network and climate change.

Stormwater:

- The effects of urban growth and climate change on stormwater volumes.
- The need to improve the quality of stormwater discharges.
- Continued development of a targeted and efficient renewals programme for up to \$71.0 million of stormwater network over the next 30 years.

Rivers and land drainage:

- The need to meet levels of service in areas where land use has been changed and development is occurring.
- The impacts of climate change on coastal storm waves, sea level rise and flood flows on the effectiveness of the existing land drainage system.
- Managing gravel extraction to ensure sustainability of the resource and good river management.
- Continued development, and execution of, a remediation plan to address natural event damaged and ageing protection assets.

Community facilities:

- Can adapt to meet needs that inevitably change over time.
- Facilities meet an evidenced and identified need within the community.
- Facilities should be developed to maximise usage of assets by many groups to ensure sustainability.



Preferred options for responding to these challenges

Council's preferred options for address the challenges are summarised below.

Legislation

Changes in legislation particularly affect our water-related assets. We intend to complete existing water treatment plant upgrades for Renwick and Havelock and install treatment to Wairau Valley and Riverlands and point-of-entry treatment devices for each household in Awatere Rural to meet the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022.

National guidance on environmental standards will continue to be provided through the National Policy Statements. In particular the National Policy Statement for Freshwater Management, National Coastal Policy Statement and the National Policy Statement on Urban Development Capacity. Local implementation of the policies will be through the Marlborough Environment Plan.

A Housing Business Capacity Assessment carried out in 2021 noted a potential shortfall in residential land in the long term (11-30 years). As a result Council has commenced a review of the Urban Residential 1 zone to consider opportunities for urban intensification and has been working with landowners on the periphery of Blenheim to consider further opportunities for residential rezoning. Council also has ongoing discussions with land owners of undeveloped zoned land about their development aspirations. These discussions are ongoing.

Improving the quality and the quantities of water used and discharged back into the natural environment will require ongoing investment in our wastewater and stormwater assets. Actions include:

- progressive implementation of the Blenheim Stormwater Strategy and its extension to other urban areas in the region;
- upgrade of the Blenheim wastewater treatment plant to meet increasing volumes of wastewater particularly from the wine industry;
- upgrades across all wastewater treatment plants to comply with increasingly stringent standards for effluent discharge and to meet the cultural requirement to avoid or restrict the volume of waste returned to the aquatic environment;
- to deploy water demand management tools to promote more efficient water supply, reduce leakage and ensure water resources are sustained for future generations.

Renewals

Renewals investment is prioritised to balance levels of service and lowest cost of life for asset with an approach to progressively renew or restore assets that reach the end of their useful lives based on risk, asset performance, condition and economics. For all types of assets, the preferred option is to implement a proactive, planned renewals programme and invest in more condition assessment technology, field data collection and data management. This will enable informed decision-making on the most cost effective timing of renewals. Enhanced condition assessments will be particularly valuable for our underground assets.

Resilience to climate change and natural hazards

Ongoing investment in our resilience plan will ensure roads are reopened as soon as possible after a major natural event or other disruption. The Council's preferred option is to complete the response and recovery of the storm damaged roads across Marlborough.

Council will soon begin a review of the core Wairau River Floodway Management Plan. The review will examine the current level of service, customers' expectations and land use changes. It will also model flood flows under different conditions so that the range of effects that may result from climate change and sea-level rise can be more accurately predicted.

Building infrastructure to the latest standards and with the most suitable materials increases resilience to flood events, earthquakes and changes in the climate. We are also prioritising the replacement of pipework and other assets made of older materials that are susceptible to natural hazards or have deteriorated more quickly than anticipated.

Our financial planning is another way we will ensure we can recover as quickly as possible from emergency events. Ensuring we have reserves, flexible capital programmes and insurance to meet the expected losses. Our financial strategy addresses mechanisms to ensure access to sufficient funds in the event of an emergency.

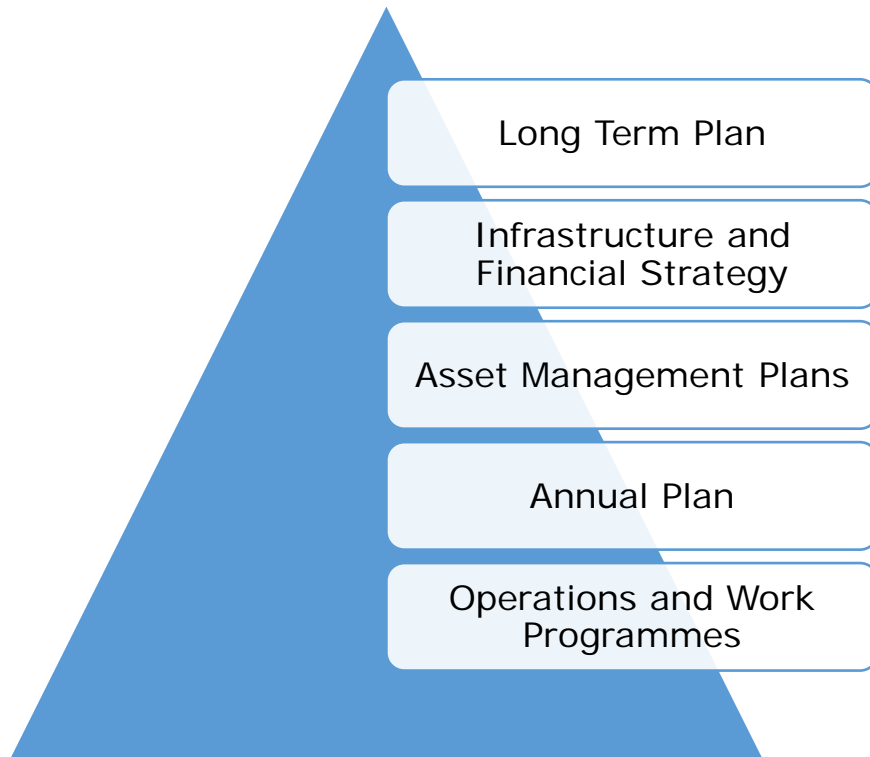


Strategic planning

There are a number of documents that make up the Asset Management System which enables the successful delivery of this strategy.

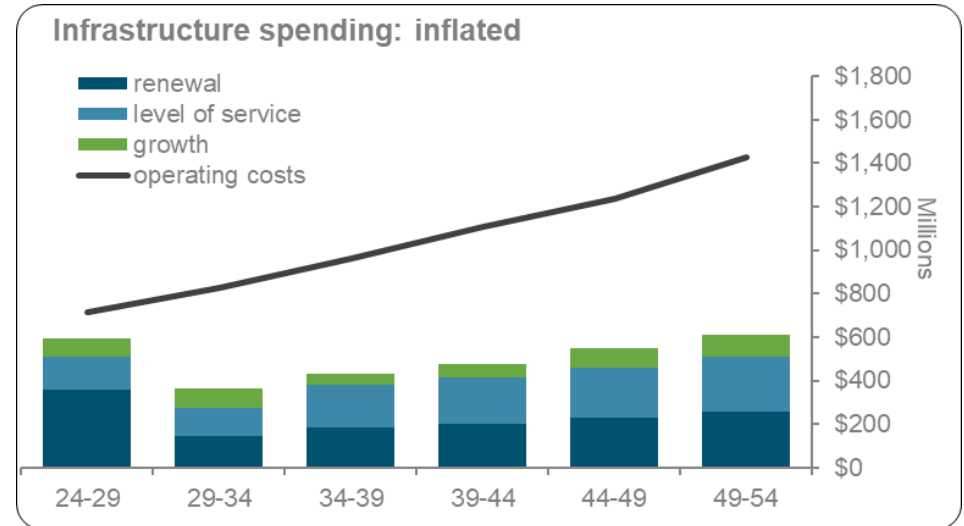
Engagement and significance policy

The following diagram demonstrates the hierarchy of this documentation:



Financial implications

This graph provides an overall picture of the proposed capital and operating expenditure for our infrastructure over the next 30 years.





Introduction

Why infrastructure matters

We often take for granted the infrastructure we rely on for the very basics of everyday life — clean water from the tap, a readily available flushing toilet and a safe drive to work or school. We tend not to think about how infrastructure works unless something goes wrong — roads are closed through land slips, homes or businesses are flooded, or there is a public health scare from contaminated water. That's when we realise how essential infrastructure is to all aspects of our lives.

This strategy covers the infrastructure owned and operated by Council that delivers the core services — roads, wastewater, water supply, rivers and land drainage, and urban stormwater drainage. Community facilities have also been included as they are important part of the fabric of the community.

An infrastructure strategy needs to answer three basic questions:

1. What are the significant infrastructure challenges over the next 30 years?
2. What are the main options for resolving those challenges and which of these is Marlborough District Council's preferred option?
3. What will it cost, and what does that mean for rates and debt?

In order to fully recognise the challenges faced by the region it is necessary to describe what Marlborough will look like in 30 years' time; consider the aspirations of the community and what we need to do differently to ensure infrastructure will still be meeting the needs of the people who will live here in 2054 and beyond.

We know the size and composition of the New Zealand population will be quite different. Climate change is almost certain to affect our daily lives. The massive advances of computer technology and automation will continue to change the way we work and live.

These questions will be answered in the three parts of this strategy as outlined below.

Part one – Context, opportunities and key challenges

In this section Marlborough's unique combination of people, economy and environment are examined. The region is a wonderful place to live and work. The Council aims to enhance and develop the potential of the region to ensure the community is prosperous, healthy and educated; the lifestyle is attractive; the natural environment is protected and enriched and society is resilient to the inevitable challenges of the future. However, we must consider recent changes to lifestyle, technology and the environment and identify trends that can be projected forward to try to understand what the region will look like in 30 years' time.

The economic environment will change as businesses prosper or decline. New employment opportunities will be created and different work patterns will emerge. Workers and their families will move in and out of the region in response to the opportunities. There will be many more elderly people who may, or may not, have retired from the workforce.

Both the ethnic composition and wealth distribution throughout the population will be different.

Lifestyles will change as computer based technology matures. Automated vehicles, Artificial Intelligence, 3D printers, robotic manufacture, and remote control through the 'internet of things' will almost certainly become commonplace.

Climate change will affect weather patterns, which will alter cultivation practices and the associated industries, building design, urban planning and many other aspects of daily life.

The fundamental Council infrastructure required to support the community — road transport, land drainage and water and wastewater services will need to adapt to the changing environment. In some cases the infrastructure will evolve and adapt in response to the changes but often it will need to be planned and implemented in advance to keep the community safe and facilitate the new developments.

Over the next 30 years technology will provide new opportunities that have strong potential to positively affect the management of infrastructure.

Part One concludes with an outline of the key challenges facing our region's infrastructure, including:

- the need to replace infrastructure which has reached the end of its useful life;
- changes to legislative requirements;
- the response to climate change predictions;
- preparation for a major earthquake.
- Spending and funding balance

Part two — Specific challenges, options and preferred solutions for each of our infrastructure assets

These chapters provide a more comprehensive summary of the significant asset management challenges for each asset type, the main options Council has to address these, and the implications of those options. Where possible, a preferred option is indicated.

The anticipated capital investment and the ongoing costs of operating infrastructure has been estimated. Financial information is provided in detail for each of the first ten years, and then in five year blocks after that. These forecasts also include the expected impact of price changes for projects over time expressed at current prices and adjusted for price inflation.

Part three — Financial summary

This section takes the financial information from Part Two and combines it to provide an overall picture of how much money needs to be invested over the next 30 years. A timeline for that spending is included.

Infrastructure is the biggest proportion of Council spending (61%) and this strategy informs, and is closely aligned with, Marlborough's Financial Strategy 2024-2034. This Infrastructure Strategy will also inform our long term plans, asset management plans and annual plans.



Part one — Context, opportunities and strategic challenges

Context and opportunities – what sets our region apart

Our vision is that over the next 30 years Marlborough will become a globally-connected district; known for progressive, high-value enterprise and economic efficiency. Residents will enjoy an enviable lifestyle and natural environment. The region will achieve a world-wide reputation as a visitor destination. Marlborough will be ‘smart and connected’.

Infrastructure has a key role to play in supporting this vision — including an abundant supply of drinking water direct from the tap; a clean, safe and sanitary environment; and the connectivity to safely link the region’s communities together and to the outside world.

Marlborough is regularly recorded as one of the sunniest places in New Zealand. The good weather combined with the beautiful Marlborough Sounds, the Wairau and Awatere Valleys, a gateway to the Nelson Lakes National Park and the welcome awaiting at the numerous winery cellar doors makes the region a very popular destination for both national and international tourists. After a hiatus during the COVID pandemic tourist numbers have been increasing rapidly. Cruise ships regularly visit Picton with more than 5000 passengers aboard.

The Marlborough economy has a number of significant industries — wine production, farming, forestry and aquaculture — and a booming tourism sector. The GDP generated by these activities in 2023 is shown below.

In September 2023 Waka Kotahi - New Zealand Transport Agency (NZTA) published its Long Term Strategic View - Arataki. Their projections for the South Island were that the current economic drivers will remain consistent, with a continued emphasis on primary production. However regionally wine production and tourism are forecast to be the key growth areas.

Longer term, economic growth will be reliant on adding value to the raw primary products through manufacturing processes. In this respect the wine industry is well ahead, turning their raw material into a high value product. Marlborough wine is marketed as a high quality product and has achieved a premium status in international marketplaces.

The gross domestic product in Marlborough in 2023 is represented by the following:

- There are opportunities for aquaculture to increase the value of fish and seafood. The pharmaceutical and nutraceutical industries are also finding new markets for seafood-based products.
- The timber industry has the opportunity to manufacture boards, milled timber, joinery and other timber products to lift the value of the logs that are currently exported.
- Marlborough has a well-established engineering industry and is a national centre for aircraft maintenance. The wine industry has attracted stainless steel fabrication, irrigation and wastewater processing and other production engineering.
- New industries using computers and the internet do not need to be located in close proximity to traditional markets in busy cities. Employees in these fields are choosing to work remotely and some are relocating to Marlborough to take advantage of the enviable lifestyle.

Viticulture and wine production

New Zealand's wine exports continue to grow strongly and reached the \$2.4 billion mark in 2023. This is significant for Marlborough as the region produces 81% of the New Zealand total output. Vineyards now occupy 29,654 hectares of land in the region and in 2023 produced 393,865 tonnes of grapes.

The statistics for 2023 show 1,511 people are employed in grape growing and another 1,355 in wine making. The industry continues to forecast an increase in future production which will create jobs for an even larger workforce.

There are a number of related infrastructure implications:

- Managing the additional liquid tradewaste from the wineries.
- Increased stormwater runoff from changing land use to vineyards.
- Managing freshwater resources as demand increases for process and drinking water.
- Increased demands for flood protection as the value of the crop increases.
- Road traffic increases to transport both product and workers related to the industry.

The wine industry employs a large and growing number of seasonal workers. Specialist residential accommodation is being provided and much of it is sited on the outskirts of Blenheim. This creates new demand at the edges of the water and wastewater distribution networks, which was not anticipated at the time the services were designed and installed.

Tourism

International and domestic visitors are a vital element of our economy due to the demand they create for local goods and services — accommodation, food and beverages, retail and transport. This sector has been expanding rapidly as Marlborough's unique climate and wonderful environment attract visitors from around the world.

Aquaculture, seafood and fishing

Aquaculture, seafood and fishing make a major contribution to the local economy. Marlborough salmon and green lipped mussels are a luxury product valued around the world. It is estimated that around 553 people work specifically in seafood processing, and another 2,091 work in other agriculture and fishing support services.

There may be some potential to increase the productivity of aquaculture in the Marlborough Sounds but there is growing concern over the negative environmental consequences of intensive fish farming. Further expansion is likely to meet with some resistance.

There is growing recognition of the health benefits of fish oil and fish-based products. There may be more opportunity to add value and open new markets through developing pharmaceutical and nutraceutical products than on increasing sales of the

traditional products. However, seafood processing typically uses large volumes of clean water and produces equivalent volumes of liquid waste. Meeting the additional demand for water supply and wastewater treatment may become a challenge.

Sheep and beef farming

Sheep and beef cattle farming continues to be a strong contributor to the regional economy, with an estimated 414 people working directly in stock farming. Many more workers are employed in the farm services sector, supplying everything from animal feed to tractor repairs to fencing services.

Remotely located farms rely on strong roads and bridges for access by heavy vehicles. Dairy farms are particularly reliant on constant road access to take the daily milk for processing.

Forestry

Forestry also contributes to the local economy and harvesting is expected to increase in the future. Maintaining roads and bridges in remote forestry areas which are strong enough to take the weight of larger, heavier vehicles is an infrastructure challenge for Marlborough.

As more tourists travel into the remote areas, maintaining safety for all the road users requires more consideration. Heavy vehicles travelling on unsealed roads also create large dust clouds. These can become both a hazard and a nuisance to other road users, visitors and the growing numbers of residents living on lifestyle blocks.

Population

In preparing the Long Term Plan Council has assumed population growth will occur at slightly above the Statistics New Zealand medium population growth projections. This estimate is based on better than national average economic forecasts and the actual regional growth that has occurred over recent years.

Many migrants are attracted to, and settle in, the larger cities. The elderly also tend to move to urban areas where social and medical services are more readily available. For both these reasons statisticians are predicting a general decline in rural provincial populations and growth in the major urban areas, especially Auckland.

As one of the sunniest area's in New Zealand, our climate, beautiful environments and healthy economy will continue to attract people to our area. This helps to counterbalance the general trend of slowing population growth in provincial New

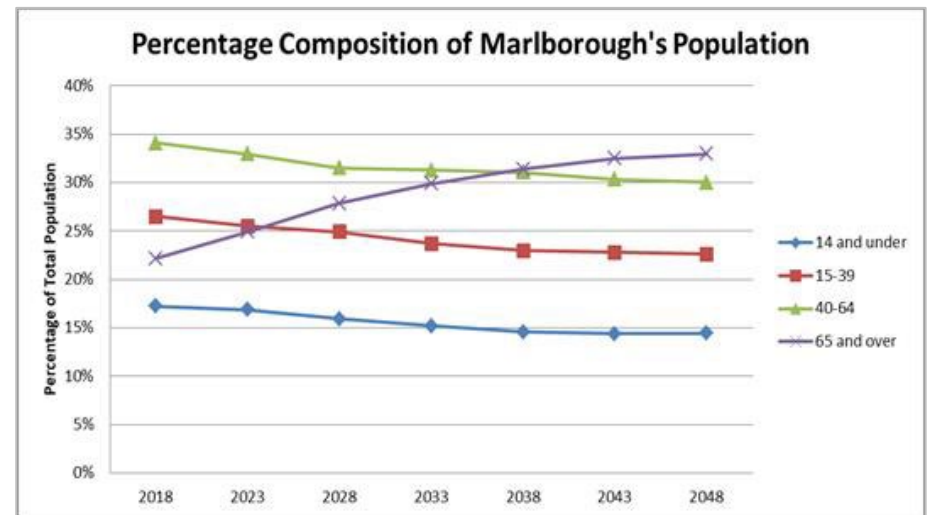
Zealand. Planners are taking a conservative approach to these contradictory trends and the medium to high projection as a basis for planning future service provision in Marlborough. There are long lead-in times for major projects with public consultation, land purchase negotiations, resource consent approval and construction. Planning conservatively for medium/high growth also provides some future proofing for assets designed to have a useful life in excess of 80 years.

Marlborough has had an average annual increase in population by 7.2% over the last five years compared to 6.6% pa in New Zealand. This population increase is in line with medium to high projection rates produced by Statistics NZ and is driven primarily through net migration into the region.

The forecast population projections for Marlborough indicate some population growth over the next 20 years. More than 70% of this population live in Blenheim and approximately 14% in Picton and Renwick.

Marlborough's population is ageing. The Marlborough population is expected to have a significantly larger number of residents aged 65 years and older with other age groups experiencing declines in population levels. This is similar to many parts of New Zealand (and the Western world).

The graph below highlights the population projections by age groups.



Population projections by age, 2018-2048

The increasing elderly population and fewer working people need to be taken into consideration in financial planning, particularly when setting rates.

The trend for growing urban centres and fewer people living in rural areas is expected to continue, as older people generally prefer to live closer to the services provided in larger centres. The provision of infrastructure in smaller settlements and the method of funding may need to be considered in light of these projections.

Older people are also more likely to prefer smaller houses and sections within the urban centres. Providing for this market could lead to urban intensification through regeneration of the existing housing stock.

The current urban settlement pattern consists of an average of 10-11 properties per hectare. The Development Contributions Policy helps to encourage urban infill by offering reduced charges for the subdivision of small residential sections. Urban intensification would help to reduce further urban spread and subsequent extension to the linear infrastructure. Costs per connection would decrease and improve the affordability of these services.

The Development Contribution Policy forecasts that an additional 170 household equivalent units will be developed annually. Blenheim traditionally accounts for about 60% of all building consents for new dwellings, the remainder in the wider district.

Technology

Technological developments have the potential to change many elements of infrastructure over the next 30 years, including:

- driverless cars, reducing the need for parking spaces in urban centres and improving road safety. This would help to reduce risks associated with drivers who are unfamiliar with our roads;
- car sharing of driverless electric cars is expected to be at 37% in the US by 2035. Private car ownership may become rare as driverless cars are shared in car pools, houses will not require garages and suburban streets will become single lane roads with passing spaces as computers control navigation and avoid other cars;
- micro-treatment and water recycling will become readily available;
- smart metering will enable people to use water and electricity more efficiently and suppliers can incentivise customers to reduce peaks in demand;

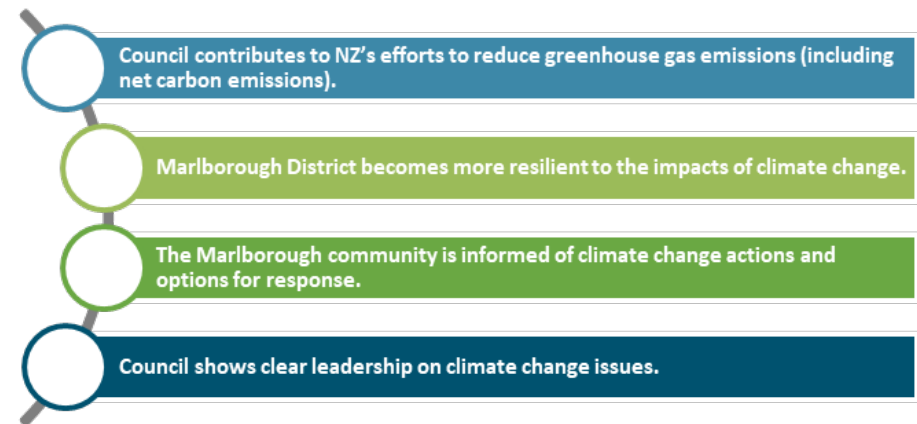
- infrastructure providers will have access to real time data to better understand their networks, including traffic flows and water use;
- 3-D printing will become commonplace changing retail and goods distribution industries;
- intelligent robotics will be used in underground inspections and works.

Climate change

The climate is changing and the impact of this is constantly measured, monitored and assessed for the future impact that it will have on our infrastructure assets.

While the climate change predictions remain mostly unchanged from the 2021 LTP, our consideration and investigation into the impact of these predictions has improved. A Climate Change Working Group was established across the Council and a Climate Change Action Plan was adopted by Council in March 2020.

The Climate Change Action Plan has four main goals:



Carbon emissions inventory reports have been produced to assess our current level of emissions, the resiliency of these methods to reduce emissions and identify opportunities for future reductions. NIWA were commissioned to provide an initial Climate Change Projections and Impacts for Marlborough which was presented to Council in 2023. NIWA have now been engaged to carry out more detailed analysis so that all future planning can be based on the same climate change predictions.

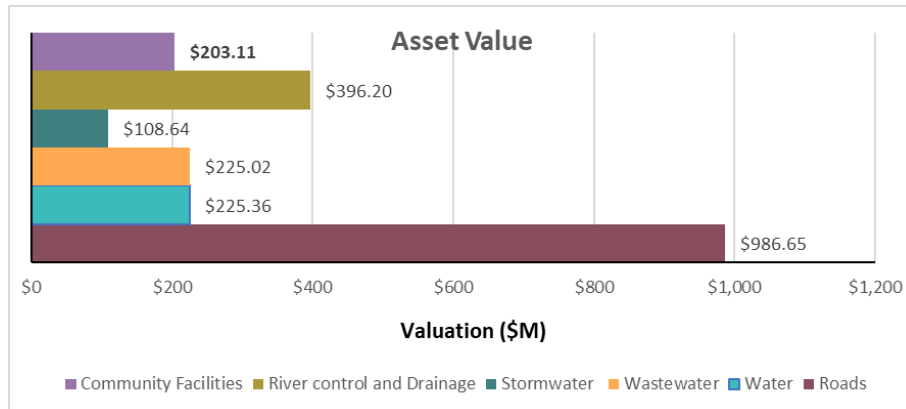
Climate change is a long-term influence that has been incorporated into the planning and design of long-life infrastructure. The effects and impacts climate change poses across the infrastructure assets are highlighted within this strategy.

The full Climate Change Action Plan forms the appendices for the Asset Management Plans.

Key infrastructure challenges

1. Infrastructure renewals

Marlborough District Council's water, wastewater, stormwater, roads, community facilities and flood protection assets have a combined net book value of around \$2,145 million. The value of each asset type is:



Many of these assets have long life expectancies, but ongoing investment is required to maintain and eventually replace them when they reach the end of their useful life.

Each year Council aims to collect the amount required to cover the full cost of both maintaining these assets and replacing them when they wear out (depreciate to the point of replacement). As a result of the significant uplift in Three Wasters assets values and annual depreciation following from the 30 June 2023 valuation, the Council have not forecast to fully fund depreciation for these assets in 2024-25 and 2025-26. From 2026-27 Council begins to progressively fund the depreciation impact and by 2034 Council will be fully funding depreciation. This step was undertaken in order to contain rates increases in the short term and to better understand the impacts of the

new government's Local Water Done Well initiative. Depreciation costs are a big proportion (43%) of the rates collected each year.

Renewals investment is prioritised to balance levels of service and lowest cost of life for asset with an approach to progressively renew or restore assets that reach the end of their useful lives. In addition, the following components are also considered in Council's maintenance and renewals strategy:

- Forecasting spending to align with what we can deliver.
- Focus on most critical assets and defer less critical assets based on condition and "whole of life cost".
- Carrying out maintenance and renewals to meet the agreed levels of service.
- Existing assets are maintained and networks are only extended in accordance with the Proposed Marlborough Environment Plan, Asset Management Plans or where Council resolves on a case by case basis.
- Progressively improve the accuracy of asset data used for decision making and operations.

Calculation of infrastructure depreciation is an accounting estimate for inclusion in the annual funding assessment. The rate of deterioration is a critical factor in the calculation but can be difficult to accurately predict. There are many influencing factors which often work in combination including: wear and tear, differential loads, the quality of workmanship during installation and maintenance, third party damage, weather and its effects on the networks, seismic activity, ground movement and technological change.

Investment in infrastructure tends to be lumpy and often result in a bow-wave of required renewals when assets approach end of life. Currently, the Council is facing a bow-wave of renewal need in asphalt surfacing and chip sealing. This will need to be addressed in order to avoid damage occurring to underlying pavement assets and to maintain ride quality. In addition, there are Three Waters assets that have approached end of life and are assumed to remain operational until they are replaced. The valuation expert has assigned a minimum remaining life of five years for water pipes and two years for other assets.

Good quality asset condition information is essential to accurately estimate how long the asset will remain serviceable. The buried pipe infrastructure and the sub-structure of roads present another challenge as they are not visible and therefore it is more difficult to assess their condition. For all types of assets, the Council's preferred option

is to invest in more condition assessment technology, field data collection and data management.

There is projected to be a large spike in water infrastructure renewal activity just beyond the 30 year planning horizon of this strategy (from 2053 –2063). This reflects the high level investment made circa 50 years ago when the region was growing rapidly. It is desirable to spread the cost in order to remove the peaks and create a smoother spending profile. Considerable efforts are being made to determine the accuracy of this projection so the renewal programme can be managed to meet this objective.

Similarly, there are many small bridges in Marlborough (often constructed of timber in rural areas) that were built as the road network was consolidated after the Second World War. Many were designed for lighter traffic and are reaching the end of their useful life. Speed and weight restrictions have been implemented to help extend their lives but a planned renewal programme is required.

It should also be noted that as more infrastructure is added to meet the demands of growth and higher levels of service, the cost of funding depreciation in future will increase and be reflected in ongoing rates collection. The costs of operations, maintenance, finance and insurance also increase.

Long term financial planning is based on asset data recorded in the central Asset Management Information System (AMIS). Unless there is clear evidence to the contrary assets are assigned a life expectancy based on industry standard life expectancies. The life expectancy of individual assets is adjusted if pipe condition grading suggests a more or less rapid rate of deterioration than expected.

Single observations can be misleading however as localised conditions can have an effect on small lengths of pipe that is not typical of the entire pipeline or material i.e., – interference or damage from other buried utilities, traffic point-loading, poor workmanship, isolated areas of wet or corrosive ground conditions, etc. It is therefore our practice to accumulate evidence and identify definite trends of pipe failure to ensure capital expenditure is efficiently targeted.

At Council we are also fortunate to have a very experienced and stable operational work force. They are often able to identify failure trends before they are evident in the data and allow specific targeted research and collection of corroborative evidence in order to build a business case for engineering intervention.

Greater vigilance is assigned to pipe mains considered to be critical. In general however, our urban water pipe networks have good inter-connections with adequate

isolation valving allowing failed pipes to be bypassed. We have 24/7 maintenance response crews to minimise customer disruption. Most deteriorating pipes can be tolerated until renewal or appropriate engineering interventions can be identified and implemented.

Because of the complexity of datasets and the multiple original sources, data quality is not always of a high standard. However, all assets have been assigned a conservative approximate installation date if the actual date is not known. The data is given a reliability grade which provides useful guidance when designing detailed investigation programmes.

Council recognises there is a level of uncertainty when estimating life expectancy of buried assets and subsequently planning an efficient pipe renewal programme. We aim to provide value for money for our ratepayers by ensuring the useful life of pipe assets is maximised within the limits of acceptable levels of service and to use industry standards of life expectancy to determine long term depreciation funding only.

2. *Legislative requirements*

Council's management of infrastructure needs to comply with national legislation, policies and standards. The following documents set the direction for delivering quality services.

- The Local Government Act 2002 requires the adoption of a 30 year infrastructure strategy every three years.
- The Resource Management Act 1991 (RMA), National Policy Statement on Freshwater Management (NPSFM) and the New Zealand Coastal Policy Statement (NZCPS) include requirements to sustainably manage water use and discharges to coastal and freshwater water.
- Taumata Arowai was established as Crown Entity in March 2021 and is responsible for monitoring of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022.
- The Government Policy Statement on Land Transport (GPS) includes a hierarchy of roads in order to work towards national consistency for each road type throughout New Zealand.
- The Civil Defence Emergency Management Act 2002 (CDEM Act) requires lifelines utilities (which includes providers of roads, water supplies, stormwater and wastewater services) to ensure these services function to the fullest possible extent during and after an emergency (section 60).

Legislative requirement - implications for our assets

Roads

- The Government Policy Statement, as it is regularly amended, may influence levels of service targets for Marlborough Roads.
- The changes in levels of service will influence the programme for maintenance and renewals through priority items and budgets.

Water

- Significant investment has been made in Blenheim, Picton, Seddon, Wairau Valley and Renwick and is being budgeted to upgrade the supplies to Awatere, Havelock and Riverlands to meet the current Water Services Act 2021.
- Meeting increased standards in the supply and delivery of drinking water in accordance with Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and the Drinking Water Quality Assurance Rules 2022, whilst currently planning to meet the DWSNZ across all supplies.
- The fluoridation of water supplies continues to be a political issue which may also result in additional costs to Council.
- New water quantity requirements in the NPSFM and the Marlborough Environment Plan will be reflected in future water permits for public water supplies. Council will need to demonstrate efficient use of water when it applies for its next urban water supply resource consent for Blenheim after the existing one expires in 2030.



Wastewater

- The NZCPS will again influence the outcomes of the 2023 and 2024 consent applications for the Seddon and Havelock sewage treatment plants. The resource consent for the Blenheim wastewater treatment plant is due for renewal in 2025. Capital upgrades to the plants are underway to meet the expected consent conditions.

Stormwater

- Consolidation and updating of the stormwater resource consents is a primary objective of the Blenheim Stormwater Strategy. The NPSFM and NZCPS requirements will be reflected in the resource consent conditions. Stormwater quality control measures are being installed on new sub-divisions and expenditure will be required to upgrade some existing discharges to freshwater and the coast. Stormwater Management Area Plans are being developed for each catchment, starting in Blenheim.

3. Climate change

The current advice from NIWA is outlined below.

Temperature: by 2040 temperatures are likely to be 0.5°C – 1.5°C warmer and by 2090 2.0°C – 5.0°C warmer compared to 1986-2005 temperatures. The number of days when the temperature exceeds 25°C is increasing and the number of frosts are decreasing. By the end of the 21st century these very hot days could rise 65 days per year and frosts could decrease by 1-60 days per year respectively.

Rainfall: by 2090 summer rainfall is likely to be 9% higher. The incidence of extreme rainfall events and also droughts are both likely to increase. However, there will be some regional variation. Precipitation in the winter is likely to fall as rain rather than snow. This may increase river flows during the winter with subsequent potential for flooding. Less snow melt could decrease river flows during spring, reducing the water available for abstraction.

Wind: by 2090 the number of extremely windy days is expected to have increased by 2-10%. These increases will be seen as westerly's in the winter and north easterly's in the summer.

Sea level rise: relative to the 1995-2014 average mean sea level, it is anticipated by 2050 there will be a rise of 330mm and by 2130, a rise of 1670mm. Average sea level rose by 1.62mm per year.

Climate change - implications for our assets

The effects and impacts of climate change on our infrastructure assets are summarised below.

EFFECTS/IMPACTS	Temperature	Rainfall	Wind	Sea Level Rise
Roads	Longer sealing season	Closures and reduced reliability Increased maintenance costs Upgrading of road drainage and bridges	Closures and reduced reliability Increased maintenance costs	Storm surge damage at risk roads Low level roads unusable
Water	Shift in demand profiles	Shift in demand profiles Increased pressure on water treatment and aquifers	Shift in demand profiles	Salt water intrusion of groundwater bores
Wastewater	Change to treatment process	Increase likelihood of wastewater overflows through inflow and infiltration into the network	Evaluation of effect on oxidation ponds in treatment and health and safety	Blenheim and Havelock treatment plants seriously impacted Inability to irrigate using wastewater
Stormwater		More pressure on flood protection and overland flow paths		Change in flow characteristics
River and Land Drainage	Less snow melt reducing river flows in spring reducing water available for extraction	Higher river flows increasing likelihood of flooding events		Resistance to rivers and drains discharging in tidal zones

Roads

- Some road drainage may need to be upgraded.
- Bridges and culverts will need to be designed to cope with the increased flows.
- Slips are likely to become more frequent after heavy rain. Additional resources will be needed for road clearance and the securing of unstable hillsides. We will also need to proactively regrade and secure steep roadsides.

Water Supply

- Increased frequency and duration of droughts will put strain on the water sources particularly where aquifers are shared between public water supply and production water.
- Increased droughts will place additional demands on water treatment and reticulation plant.

Wastewater

- Marlborough's wastewater treatment plants can continue to operate with a 330mm increase in sea level rise, as is predicted to occur over the next 30 years. However, the existing wastewater treatment plants will be seriously impacted by 700mm of sea level rise, which is predicted to occur by 2090.
- Rising water tables will affect Council's ability to continue irrigating land with treated wastewater from the Blenheim wastewater plant (when the land is too wet and/or the water table is high.)
- More frequent and intense storms will increase the risk of sewer overflows in urban areas via stormwater inflow and infiltration into the wastewater reticulation.

Stormwater

- More frequent high intensity rainfall events will place greater demands on the stormwater system. Urban drainage reticulation will be tested, detention areas will temporarily fill with stormwater and overland flow paths will need to be utilised.

Rivers and flood protection

- Council may need to dig larger drainage channels, increase the height of existing stop banks and provide added stopbank protection to cope with increased rainfall intensity.

As the sea level rises, pumped outfalls are also likely to be required to assist with drainage of flat, low-lying land on the Lower Wairau Plain where we can no longer rely on gravity to achieve discharges to the sea.

4. Earthquakes

A significant earthquake in the next 50 years (on the Alpine Fault) has a 75% likelihood of occurring, and an 85% likelihood of it being a magnitude 8. This event could be 10 times more powerful than the November 2016 event, with shaking lasting up to six minutes (compared to up to two minutes during the Kaikōura earthquake).

To prepare for such a large earthquake, new infrastructure is being built to high standards and emergency power generation is provided for new plants. Council has also assessed the impact of a significant earthquake on roads, riverbanks and stopbanks.

Fault lines will need to be avoided when developing land and installing infrastructure. Slumping and liquefaction are also becoming more significant considerations when planning future urban development.

In 2018, Council reviewed its assumptions and expectations regarding the maximum probable loss to infrastructural assets as a result of a large earthquake. Consultants were employed to undertake a study of probable losses to the three water services (water supply, wastewater and stormwater) and river defence assets due to an earthquake with a 1:500 and a 1:1000 year return period. An estimate of damage to roading, insurance excesses and losses of rates revenue was also considered. An event of this magnitude was estimated to result in a \$485 million loss to Council in 2018.

Currently central government meets 60% (above the excess) of infrastructure damage costs incurred from natural disasters. Local government is obliged to show prudent arrangements to meet the remaining 40% of costs. However, central government has indicated it is reluctant to continue this ongoing liability and may wish to pass greater responsibility to local authorities in future. The costs of additional risk mitigation could be considerable. Council holds \$13 million of investments and has a facility with Westpac to provide immediate funds in the event of a disaster.

Earthquake - implications for our assets

Roads

- Many roads particularly in the Sounds and rural areas are vulnerable to landslips.
- Major bridges have been surveyed and strengthened to resist earthquakes but may still be vulnerable to very large events.

Water

- The water treatment plants for Blenheim and Picton have been upgraded in the last ten years and are built to the latest standards for earthquake resistance. Emergency power generation is included. The treatment plants at Renwick and Havelock are less resistant until upgrade works are completed.
- New reservoirs have been built to be earthquake resistant and older reservoirs have been strengthened. Some damage from a very large event must be anticipated.

- There is 151kms of asbestos cement pipe with an estimated replacement cost of around \$57 million with a life expectancy of less than 40 years.

Wastewater

- The wastewater treatment plants at Blenheim and Havelock are located on the coastal plain. Tsunami inundation is a risk. As is ground movement and liquefaction on river/coastal soils.
- Many pump stations have been upgraded to resist the effects of ground shaking but significant damage could be expected from a very large event.
- Modern plastic pipe materials are more resistant to damage from ground shaking. Around 126kms of pipe (valued at approx. \$85 million) is over 50 years old.

Stormwater

- Around 26kms of stormwater reticulation with a combined replacement value of approximately \$13 million is of the older 'brittle' materials asbestos cement and earthenware.
- Ground movement may affect gravity pipelines laid to shallow gradients on the Wairau Plain.

Rivers and flood protection

- Many of the older stop-banks have not been constructed to modern engineering standards.
- The 2016 earthquake caused \$2.4 million damage to existing stop banks and river edge protection through lateral spread and slumping.

Community facilities

- Many of the local community halls are not constructed to modern earthquake resistance standards.
- Major memorials have been strengthened but some damage can be anticipated from a large event.

5. *Spending and funding balance*

One of the key infrastructure challenges is to address the tensions between spending and funding of core infrastructure.

The strategy is based on the following general principles:

- growth driven capital expenditure is funded by development contributions.
- capital expenditure to increase levels of service, e.g. improve quality of drinking water supply, is funded by borrowing.
- renewals capital expenditure is funded from revenue - rates and charges - set to recover depreciation expense and accumulated until spent. This funding source emphasises the importance to Council of continually fully funding depreciation on infrastructural assets.

The charts at the end of this strategy illustrate the levels of investment planned for each of the above categories. It is important to note that whilst Council categorises its spend into Growth, Levels of Service increases and Renewals do crossover between categories and is a regular occurrence. For example, a water treatment upgrade, which may be an increased level of service, will renew/replace existing assets as a matter of course.

Good practice would see Council planning for a level of investment in renewals that is roughly equivalent to its level of depreciation, but in Marlborough District Council's case consideration needs to be given to the total level of investment.

The detail of financial management is described in the Financial Strategy. The Infrastructure Strategy and Financial Strategy align with each other, and infrastructure spend is addressed in this strategy.

The timing of expenditure with funding availability is an important outcome of the planning process. It is critical to ensure adequate funding is available to prevent delays in programmed works but avoid excess cash that will incur unnecessary funding costs. An analysis of Council's capital spending has shown that over the period 2018-2023, \$55.5 million has been spent per annum. The strategy identifies major capital projects. The delivery of many of these projects will depend on a number of protracted processes – public consultation and agreement, resource consent approval, land-purchase and design and construction resource availability. In consideration of these constraints, Council is planning to provide capital funding of no more than \$85 million plus Sounds roading per annum for the first three years of the LTP.



Part two – Asset-specific chapters

Roads

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available.

Roading goals

- Increase delivery capability and capacity across the region.
- Improve safety and resilience of transport options.
- Build a sustainable transport system that is affordable.
- Implement the One Network Framework to support strategic and informed decisions-making.

Introduction

Council is responsible for the management of a transportation network that comprises 1532km of roads (916km sealed and 616km unsealed).

This is Council's largest infrastructure asset. The affordability of **renewals** is particularly an issue for roads, which have the highest replacement value (\$1,041 million). Approximately \$22 million has to be spent each year to address the effects of deterioration of the roads, bridges and associated assets. To achieve this, renewals are phased to ensure all areas are addressed on a cyclical basis based on the level of traffic they receive and technical review by engineering staff.

The Marlborough roads traverse some difficult terrain and this has influenced the design and character of the transport system. Of the 1531km, only 184km of that is urban, the rest is rural. Roads tend to be long and narrow, with few alternate options in many cases. Our roads are vulnerable to flooding and slips, as well as tidal inundation in the Sounds. As people and businesses become increasingly reliant on reliable transport links, building resilience against the uncertainties of **climate change** and large **earthquakes** will be a key challenge for this asset.

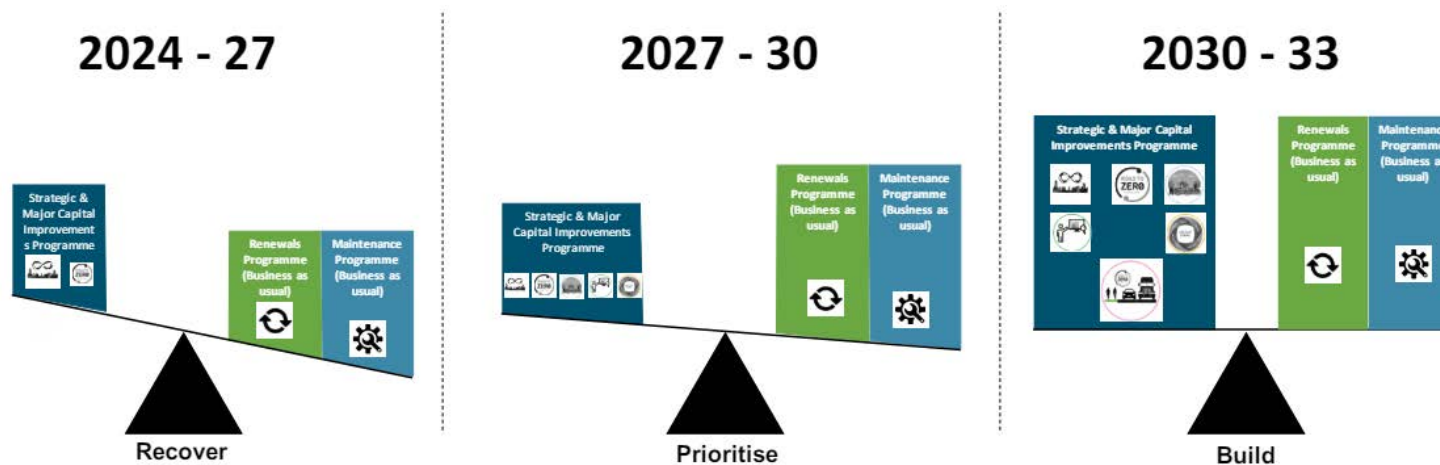
During the ten years of this Long Term Plan, Council will complete the response and recovery of the storm damaged roads across Marlborough.

In future years the rural population and smaller townships are projected to decline. Changing **demographics** mean there will be a larger number of older people within the population which will increase the demand for better access and dedicated routes for mobility scooters and spaces to park them. Nuisance from dust on unsealed rural

roads and waterway contamination at the numerous remaining fords are emerging challenges, along with the need for continuous improvement in road safety. The **level of service** for the roads and bridges will be adjusted to meet the new realities of road users.

There is an increasing demand for freight haulage. The success of Marlborough wines, timber production and the region's growing reputation as a tourist destination are all generating **growth** for road services.

While tourists and freight operators share the same network, they travel in different ways. Freight trips are often longer, time critical journeys while tourist journeys can be less time constrained with multiple stops. Both journey types need to be adequately provided for.



The above figure outlines roads strategy for infrastructure renewals and capital improvements over three distinct periods: 2024-27 focuses on recovering and stabilising infrastructure with significant capital improvements while maintaining regular renewals and maintenance; 2027-30 emphasises prioritizing critical projects, maintaining a balance of strategic improvements, and ongoing renewals and

maintenance; and 2030-33 marks a robust phase of building and expanding infrastructure, with continued attention to renewals and maintenance to support the growth. This phased approach ensures a strategic allocation of resources, balancing immediate needs with long-term infrastructure goals, and aligns with Council's broader objective of providing sustainable and reliable services to the community.

1. Specific challenges

1.1. Adverse natural events are damaging below par assets, making the road network unsafe

Marlborough has suffered multiple high intensity rainfall events over the last two years which have caused significant damage to the Marlborough Transport network. The largest event, in August 2022, caused over 2,750 faults and affected more than 500km of road.

The reinstatement of the network is a huge task and will take time and an outcome of these storm events has been a rethink on the levels of service across the Sounds network.

In December 2023 Council and NZTA endorsed the Marlborough Sounds Future Access Study Programme Business Case, which has formed the foundation of planning for the recovery of the Marlborough Sounds roads. This business case follows the NZTA approval of what is known as Tranche one and Tranche two of the Emergency response to the 2021 and 2022 storm events. An NZTA emergency funding rate of 95% was received for these initial two tranches of work.

Council, at its budget meeting of 24 February 2024, confirmed its support for the conceptual works programme and financial assistance rate assumptions, included in this Programme Business Case, as the basis for the Sounds Roving Access proposal to be consulted on as part of the Long Term Plan process. Consultation and subsequent Council deliberations confirmed the February decision with some modifications as described in the Consultation section of this document.

In summary, Council is proceeding with the development and execution of the work required to recover, build back and improve resilience of the roads in the five identified zones in the Marlborough Sounds. This work includes the initial funding of a study, of up to \$0.5 million, to further explore the Marine options identified in the Programme Business Case, which is in place of the full Marine programme recommended.

In arriving at this decision Council considered the option of not continuing the recovery programme post completion of Tranche one and Tranche two works as represented in the table below. It was determined that the reduced levels of service resulting would not be acceptable to the community therefore this option was ruled out.

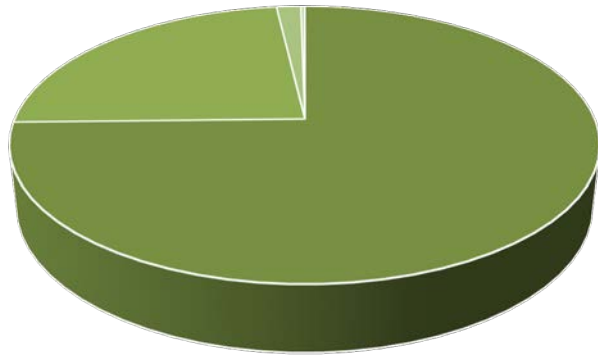
Issue	Options Considered	Decision Date	Delivery Timing	Costs over 10 years	Risks and Issues
Resilience and repair work required following significant weather events.	Do Minimum	2024	2024-25	Opex \$0 Capex \$0	Roads not repaired and access not returned to pre storm Levels of Service - a reduction in Levels of Service. The improved resilience of the roads would not occur. Future deterioration in the road network would accelerate.
Resilience and repair work required following significant weather events.	Repair and Improve Roads Road Studies Marine Studies Marine Improvements	2024	2024-2048	Opex \$20.2m Capex \$181.8m of which \$162m relates to the Sound Roads recovery and the remaining \$20m to Marine Improvements and studies	This option carries a significant burden on ratepayers. Access to NZTA funding at assumed levels of 71% for repairs, 51% for improvements and studies is not guaranteed at these levels.

This business case outlines a different design approach to the road repairs required than in the previous two funding phases with road sections categorised under the following recovery approach:

- Protect- Build Back Stronger
- Accommodate- Build Back with targeted Improvements.
- Accommodate/retreat- Build back with essential repairs only.

Council's preferred option is to repair and improve the roads and undertake an initial study to further refine the strategy and investment requirements for marine resilience improvements. This represents a reduction in proposed levels of service from second

option in the table above, with this proposed work being completed in 2043. Over the full period of recovery work, from 2025 to 2043, total capital expenditure of \$162.0 million is planned. NZTA funding of 71% for repairs, 51% for improvements and road studies and 0% for the marine study is assumed. It is important to note the future NZTA funding assistance rates for emergency works are under review. Refer to the assumptions for further information. The remainder is funded via rates from Marlborough ratepayers. The proportions for each category are identified in the below chart.

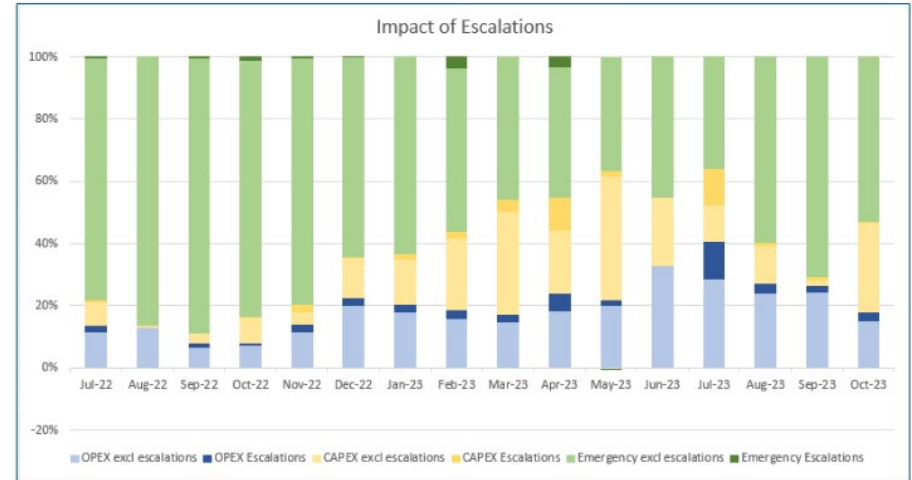


■ Repairs ■ Improvements ■ Road Studies ■ Marine Studies

1.2. Rapidly rising construction costs and inflation results in a reduced programme of work

The existing Network Outcomes Contract has seen an increase in cost fluctuations of 18% over of the first three years of the contract. The rapid increase in inflation has resulted in additional costs that have not been budgeted for previously. Future increases are currently predicted to be lower than what we have recently seen, however this still impacts on future budgets meaning an increase in costs for no change in level of service.

Council has chosen for this Long Term Plan to maintain, and increase in some cases, levels of service which has resulted in budget increases as described above. The alternative is to maintain the previous budget which results in an unacceptable degradation in the levels of service.



Over the past long-term plan period there has been a downwards trend of road condition as measured by the smoothness of the road. The impact of the severe weather events on resources and the rapidly rising construction costs have resulted in us getting less than what we planned for.

Issue	Options Considered	Decision Date	Delivery Timing	Costs over 3 years	Risks and Impacts
High cost of maintenance and renewals	Minimum	2024	Ongoing	Opex \$31.1m Capex \$38.9m	The overall condition of the network will deteriorate. Limited reactive maintenance budget if any at all. Minimal renewals = aging pavements and failing surfaces.
High cost of maintenance and renewals	Conservative	2024	Ongoing	Opex \$32.5m Capex \$57.2m	Maintain the current condition of the network. Increases in quantities of footpath and cycleway renewals. Increase in unsealed road metalling to

Issue	Options Considered	Decision Date	Delivery Timing	Costs over 3 years	Risks and Impacts
					<p>meet network demand.</p> <p>Small increase in surfacing renewals but not keeping up with aging surfaces.</p> <p>Small increase in drainage renewals to improve pavement life.</p> <p>Replace aging streetlight poles over three-year period.</p>
High cost of maintenance and renewals	Best Practice	2024	Ongoing	Opex \$35.8m Capex \$109.2m	<p>Improve the overall condition of the network.</p> <p>Follow best practice for Asset Management, sweat the non-critical assets where possible but invest in critical infrastructure and replace it as required.</p>

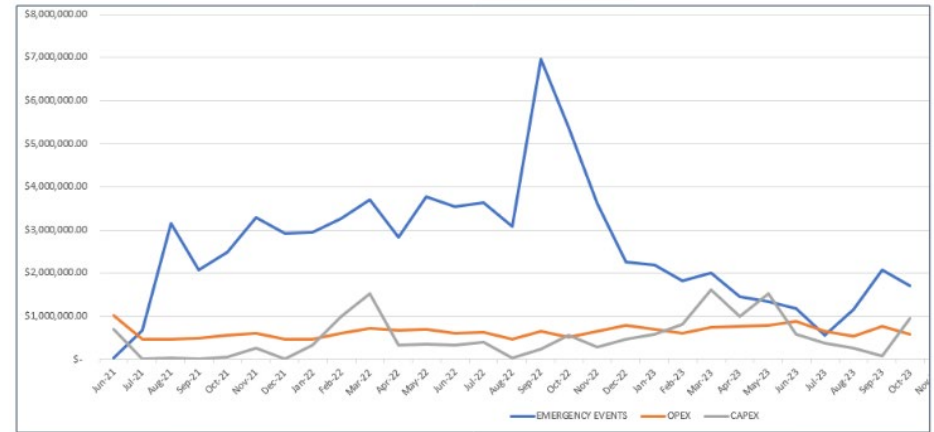
Council preferred option is a mix between Conservative and Best Practice.

1.3. Emergency response to natural events result in the re-allocation of resources, affecting delivery of planned activities

We must improve the safety and resilience of our transport assets to meet the unpredictable damage caused as a result of natural events. However, we do recognise this is going to take time and our approach going forward requires a longer-term focus.

An unintended consequence, however, due to the reallocation of staff means that we continue to fall short of meeting national/local demands and expectations associated with levels of service and embedding new ways of working to enable better decisions to be made. This is further compounded by rapidly rising construction costs, resulting in us getting less than we had planned for.

The chart below shows actual spending since June 2021 noting the peak in Emergency Events work in late 2022.



To respond to these challenges, we need to continue to put our focus into the recovery, renewal/maintenance work and address the strategic priorities. We have therefore developed our Land Transport Activity Management Plan (LTAMP) to reflect two programmes of work:

- Strategic and Major Capital Improvements
- Renewals and Maintenance

Council has chosen to continue with the above areas of focus because not doing so would result in reduced levels of service which community feedback clearly tells us this is not desired.

1.4. Existing roading infrastructure design does not promote safe multi modal transport options

Increasing environmental and social opportunities for people in the region is a defined benefit of our Investment Logic Map. To do this, we need to embed the One Network Framework and use this for strategic decision-making across the entire network.

The final priority will be to use the intelligence developed in initial Land Transport Activity Management Plan periods to seek the required funding to build a sustainable transport system. The work will commence in the 2031-2034 LTAMP period.

Council continues to support this direction because it supports the environmental and social benefits Council is striving to deliver.

Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Bridges	0	100	0							\$7.38M			
Cycle Facilities	100	0	0					\$2.67M					
External Vested Assets	0	100	0					\$6.87M					
Footpaths – concrete	50	50	0					\$1.90M					
Footpaths – sealed	0	0	100	\$0.90M									
Kerb and channel	50	50	0					\$0.99M					
Sealed pavement	0	100	0					\$1.50M					
Renewals Bridges	0	0	100					\$28.38M					
Renewals Drainage	0	0	100					\$19.61M					
Renewals Footpaths (sealed)	0	0	100					\$6.69M					
Renewals Pavement rehabilitation	0	0	100					\$22.64M					
Renewals Sealed Road Surfacing	0	0	100					\$68.25M					
Renewals Street Furniture	0	0	100					\$0.50M					
Renewals Structures component replacement	0	0	100					\$5.17M					
Renewals Traffic Services	0	0	100					\$9.11M					
Renewals Unsealed road metaling	0	0	100					\$27.83M					
Renewals Vehicle crossings	0	0	100					\$0.89M					
Renewals: Cycle Path	0	0	100					\$0.63M					
Renewals: Minor improvements	0	0	100					\$12.57M					
Renewals: Minor improvements	100	0	0	\$2.38M									
Renewals: Emergency Reinstatement	0	0	100		\$29.01M								
Renewals: Environment	0	0	100		\$0.08M								
Sealed pavement	0	0	100	\$0.17M									
Sealed pavement	100	0	0					\$1.20M					
Signs	50	50	0					\$0.50M					
Northwest Blenheim Extension	0	100	0					\$16.34M					
Sounds Roads Recovery	13	0	87					\$161.98M					
Streetlighting	0	50	50					\$0.44M					
Vehicle crossings	50	50	0					\$0.33M					
Wharves	0	0	100					\$0.88M					
Wharves	0	100	0					\$0.30M					

Water, wastewater and stormwater

Before breaking down water, wastewater and stormwater into its requisite elements, it is necessary to describe the vision Council has for its asset management and infrastructure practices.

Councils three waters assets carry a value of \$701 million as at 1 July 2023, which increased from \$462 million as at 30 June 2023 as a result of an independent valuation completed by WSP. This value is embedded with this Long Term Plan and its resulting depreciation expense increase is reflected in increased operational costs. Council has made the decision to not fully seek funding of depreciation from ratepayers for this uplift in depreciation until the 2026-27 financial year at which time a phased return to full funding begins. See more information in the Financial Strategy on page 167.

A Strategic Improvements Programme is being developed as a key element of the review of the Asset Management Plans currently underway. The chart on the following page describes the different elements of this plan and as much as we would like to deliver the improvements identified in the next three years, we do need to consider how we sustainably transition from the current to the future desired state. Available funding is constrained, and partnerships take time to develop.

The strategic responses across the 3-year AMP review cycles have been developed with dependencies established across the programmes. Strategic priorities have been considered and how best and when to implement these, notwithstanding that the combined water network needs to continue to deliver outcomes for the community.

The preferred way forward is a pragmatic and affordable approach to what we need to do over the next 10 years. The approach holds us accountable.

To assist with the accountability 3 separate visions have been developed for the 3-year review cycles. These are as follows:

2024 – 2027:

Integration and modernisation of a combined waters delivery operation to ensure a fit for purpose and resilient water network is provided to our communities.

2027 – 2031:

Partnering to ensure a fit for purpose, resilient and coordinated water network is provided to our communities.

2031 – 2034:

Maintain a fit for purpose, resilient and coordinated water network provided to our communities.

The vision described above, and in the chart, is intended to achieve the following outcomes:

1. Increase Knowledge, Understanding, and Integrated Culture:
 - a. Through consistent approaches, collaboration, and improved decision-making framework.
2. Improvement Approach to Operations and Delivery:
 - a. By ensuring timely completion of service delivery plans, enhanced reporting, and regular reviews.
3. Legislation and Regulatory Compliance:
 - a. Meeting drinking water standards, installing necessary treatment systems, and investing in advanced assessment technology.
4. Increased confidence to invest:
 - a. Through transparent and well-coordinated plans, achieving set milestones, and maintaining up-to-date operational and financial reconciliations.

Historically our asset management has been largely based on knowledge contained within a small group of skilled and experienced Council team members. Our knowledge of asset condition, which is a key determinate of investment timing, is low with an average of 20% of asset value condition known across three waters assets. This knowledge of condition having typically been gained through maintenance activities with minimal proactive condition assessments undertaken.

We need to improve our asset management maturity through the ideas described above and by improving the quality of our data in order to move to a more proactive management state. Each of the three waters programmes identifies options for improving renewals proactively, addressing any backlog and upcoming investment bow waves. In summary this is achieved through the implementation of a proactive, planned renewal programme and increased investment in condition assessment technology, field data collection and data management.



In the short term Council will carry additional risk but with our current resourcing which we have assessed as manageable. In order to avoid decreases in levels of service and increased maintenance costs of any significance, it is imperative that our maturity improves.

Whilst this Long Term Plan has over \$400 million of investment in three waters assets, future investment programmes will be constrained by capacity to design and deliver and by the ability to fund to the appropriate, higher, level. The good news is that with ratepayers increased contribution to three waters depreciation, from 2026-27 onwards, mean that much needed funding will be available to support the investments required. Targeting renewals close to levels of depreciation is good practice and, if depreciation is fully funded, represents a sustainable investment level. Refer charts in each of the programme sections.

Local Water Done Well

Local Water Done Well is a programme being initiated by the Central Government and requires councils to review and assess the future operations of water, wastewater and stormwater. The legislative process is underway at the time of writing.

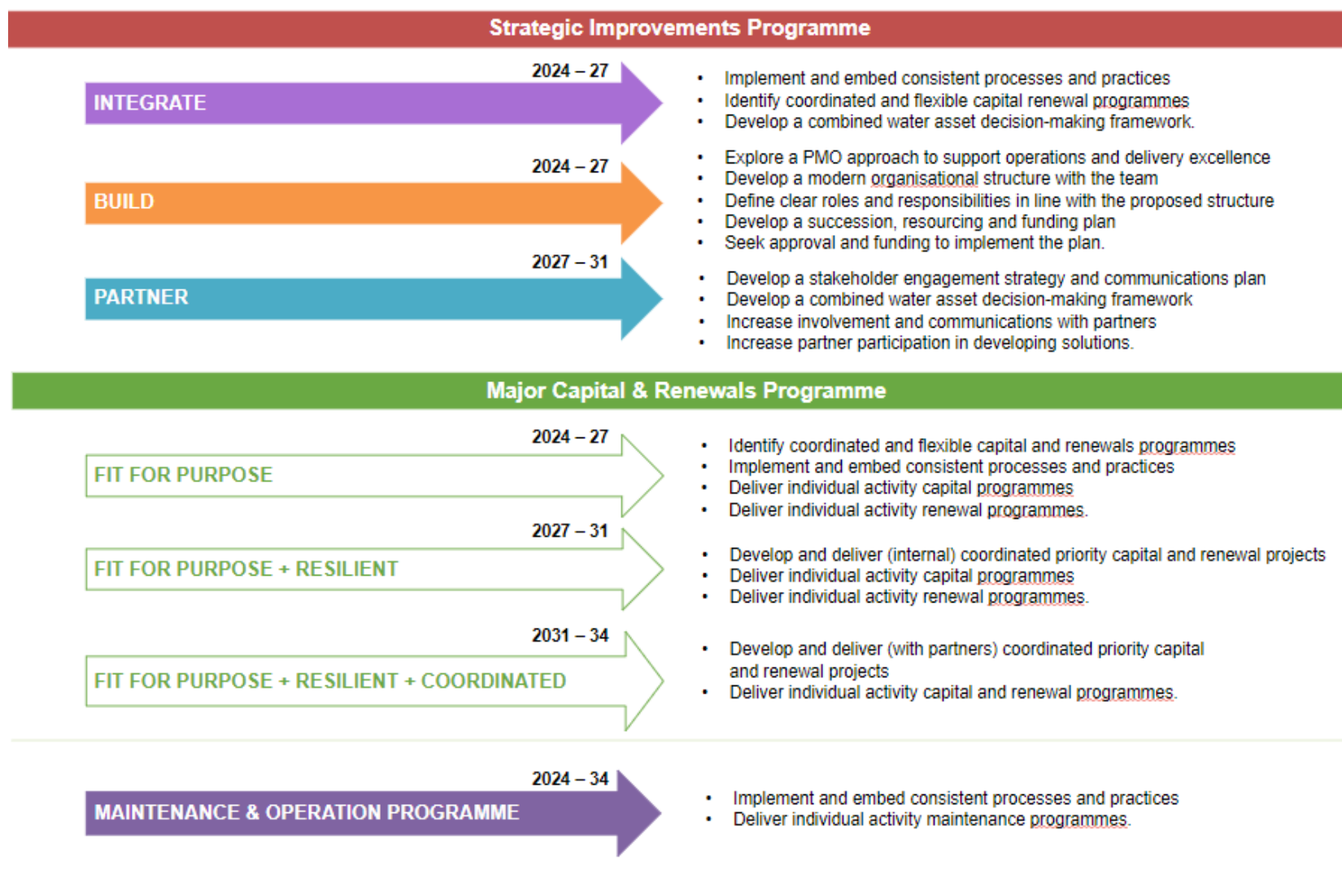
This introduces further uncertainty into our three waters management plans and in this Long Term Plan we have considered the status quo, Council manages its water assets and operations in the same way it has in the past. Options for future management of three waters assets and operations include:

- Maintain the status quo.
- Combine with other territorial authorities and amalgamate water, wastewater and with optional stormwater.
- Create a Council Controlled Organisation to undertake these activities, alone or combined with other territorial authorities.

Council is yet to begin the review in earnest but will be exploring these options in the 2024-25 financial year. We do know that the above options will need to be considered and assessed together with the completion of a Water Service Delivery Plan within 12-24 months.



Long-term investment solutions implemented over a decade



Water

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning, achievable and sustainable with the resources available.

Water supply goals

- The seven water supply schemes will comply with the quality standards of the Drinking Water Standards New Zealand.
- Flow and pressure of water supplied will meet the reasonable expectations of the community and be sufficient for fire-fighting purposes (except Awatere and Wairau Valley).
- As far as possible economic development will not be constrained from inadequate or unsuitable drinking water supply.
- The water supply will meet the statutory obligation under the Civil Defence Emergency Management Act to function as fully possible after an emergency event.

Introduction

Council owns and operates seven water supply schemes — in Blenheim, Picton, Havelock, Renwick, Riverlands, Wairau Valley and Awatere (Awatere is further divided into the Seddon and Awatere Rural supplies). Around 82% of Marlborough residents have access to water through these schemes.

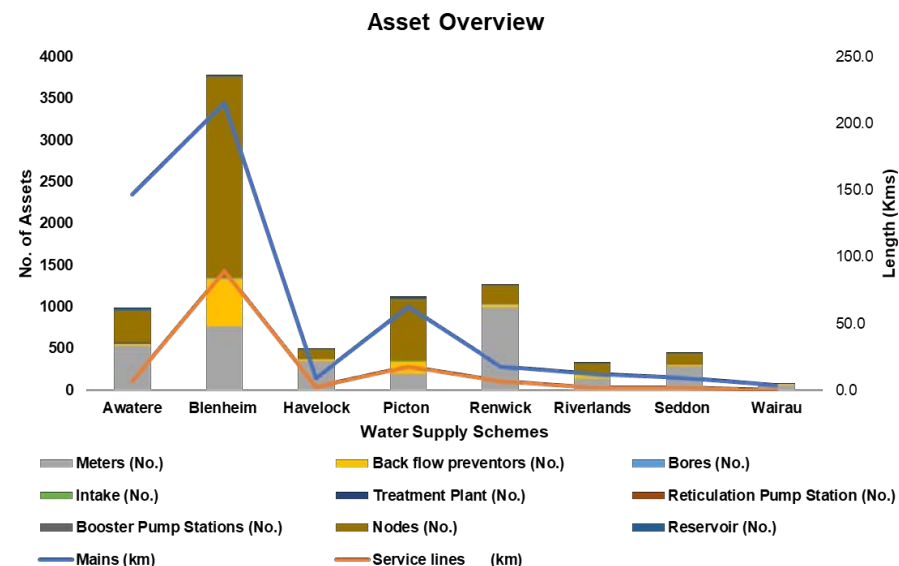
All of the key themes identified in Part One of this strategy are reflected in the water supply activity. **Growth** in demand for water, both for residential uses and for production (irrigation & processing water), has been steadily increasing. In particular, a predicted long-term 25% increase in wine production will increase demand for water.

There is a need to manage future growth in demand, particularly in relation to uncertainty about future **demographics** and **climate change**, to ensure the water sources remain at sustainable levels for all users. **Levels of service** have been set to ensure tap water from all Council supplies is safe for drinking. Building and running the treatment plants present **affordability** issues for small communities.

Much of the water reticulation infrastructure was installed during the 'baby boom' growth periods in the middle of the 20th century. These pipes will reach the end of their useful life over the next 30 years. The pipe materials used at that time are less resistant to ground shaking during earthquakes than the materials we have been using

more recently. Continuing to manage an efficient and effective **renewals** programme that improves the **resilience** of the networks will be a key challenge.

The following figure provides a summary of Council's water supply system:



1. Specific challenges for this asset

1.1. Drinking water standards

Upgrades

The Picton water supply was upgraded to meet the Drinking Water Standards in 2017 with the completion of the Speeds Road Water Treatment Plant and continues to meet the standards today. Seddon water supply was upgraded to meet the standards in 2018. Wairau Valley was upgraded in 2023 and completion of Renwick's upgrade is expected in mid-2024 to meet the standards.

Currently Blenheim water supply is not chlorinated and Council has received direction from Taumata Arowai to chlorinate this supply along with the Riverlands supply and Rural Awatere.

Taumata Arowai has also given direction to have protozoa barrier treatment installed for Rural Awatere, Riverlands and Havelock.

The Awatere Rural system has a long-piped reticulation network serving a relatively small number of, mainly rural, lifestyle blocks. Much of the water is used for livestock drinking water or irrigation. A small disinfection plant installed at the point of entry into every home has been proposed as an alternative to centralised treatment for this area.

Private water schemes

The remaining 18% of the population access water individually or through privately managed schemes. An assessment of private water supplies was undertaken in 2019 to assess the potential effects and impacts changes to the DWSNZ may have to these supplies and to Council should we need to take responsibility for these. There were

40 schemes identified, serving a population of over 1,700 people that are not supplied by Council.

1.2. Water availability and consumption

Partly due to the warm and sunny Marlborough weather, our region has some of the highest per capita water usage in the country. The current demand for water in Renwick and Havelock, and projected demand in Picton, is putting considerable strain on the groundwater aquifers from which the water is taken. The National Policy Statement on Freshwater Management (NPSFM) requires allocation limits to be set to protect the sustainability of natural water sources. It is unlikely that Council will be able to significantly increase its current water allocations in future consent applications and may even have further limitations imposed. The table below shows the designation of consents for water sources in the Marlborough Region.

Supply Areas	Source	Daily Consent Limit (m ³)	Peak Summer Daily Demand (m ³)	Average Winter Daily Demand (m ³)	Consent Expiry
Blenheim	Bomford St	43,500	36,400	14,500	1/12/2030
	Middle Renwick				
Riverlands	Malthouse	7,700	6,100	1,327	1/07/2029
	Hardings Road				1/08/2024 (applied for)
Renwick	Terrace Road	5,000	3,650	1380	1/11/2028
	Conders Bend				1/11/2028
Awatere	Black Birch Stream	8,000	2,820	1550	15/12/2029
Havelock	Kaituna River Catchment	2,000	1,150	500	1/07/2037
Picton	Speeds Road	7,900	6,210	2,970	1/10/2050
	Barnes Dam				30/09/2032
Wairau Valley	Wairau River	480	264	52	1/03/2048

Groundwater

Saltwater intrusion detected in the Havelock bores is also an indication that more water is being abstracted from these than can be immediately recharged from the aquifer.

The water aquifer on the Wairau Plain was, in theory, over-allocated. In practice, not all users are using their permitted allocations. Considerable effort is being made to devise a system of re-allocation to allow consented volumes to be distributed equitably to meet the demands of current users, including Council's public water supply requirements.

The water levels in the Renwick bores regularly drop during the summer peak demand period, as water is pumped out faster than it is replaced. Three new wells have been drilled at Conders Bend to support the upgraded Renwick water treatment plant.

Alternative water sources

Investigations have been undertaken to find alternative sources of water for Havelock. Abstraction from the Pelorus River Valley appears to have the most potential. For Picton, the nearest viable source is the Tuamarina aquifer. The costs of developing and piping water from these new sources to the settlements is high. Water demand management strategies will delay, and possibly avoid, the need for this investment. Universal metering is a proven method to reduce demand. Other techniques such as leakage control, pressure management, public education and new technologies are less certain but can also result in more efficient use of water.

Increasing wine production

The success of Marlborough wines around the world is hugely beneficial to the region. However, increasing production through additional vineyard hectares, or enhanced processing to add value to the primary product, will increase demand for water resources. A new source and water treatment plant is being established in St Andrews to support this and meet the DWSNZ.

Climate change

The eastern areas of Marlborough are predicted to experience longer periods of dry weather as a result of climate change. Water demand peaks during the dry spells as gardens are irrigated and swimming pools are topped up. Longer droughts will increase the frequency and duration of periods of high demand, with potential implications for both water sources and the water supply infrastructure.

Continuous sea level rise over the next 100 years is generally regarded as inevitable. This will affect the freshwater-saline balance in groundwater systems and may further restrict the capacity of the Havelock water bores to continue to supply freshwater to the community.

Demand management

Renwick and Havelock are leading the way with meters fitted to household supplies and volume-based charging for water that was implemented in 2021. This has helped to reduce volumes of water used for urban irrigation and other high use activities. In future, smart metering combined with advanced telecommunications and remote control of household appliances will allow customers to take advantage of lower tariffs for water and electricity during periods of low demand. Levelling out the times of high and low demand for water will help reduce the capacity requirements of future infrastructure and assist with more efficient designs. Following review of this works programme, it will be implemented across other water supply areas.

The introduction of rules through a local amendment to the Code of Practice for Subdivision could be used to encourage developers to install low water use plumbing apparatus and 'grey-water recycling' systems to new housing. This is a useful tool to manage demand for both water supply and wastewater services. However, it is difficult to implement retrospectively and it will take considerable time to yield results.

1.3. Ageing infrastructure

The average age of the water supply network is getting older, yet the reticulation pipework continues to perform well with little evidence of the increased maintenance or burst frequency that might be expected from ageing assets. However, in order to avoid a deterioration of the level of service and unacceptable leakage a pro-active renewals programme will be required.

In addition, pipe rehabilitation and renewal using 'low-dig' techniques can significantly reduce the costs and disruption involved in replacing worn out pipes.

Installation of smart meters will make it much easier to identify where leaks are occurring in the water pipes carrying water between the mains and individual households.

Currently the specialist skills and equipment required to undertake these works are not readily available locally but are becoming more widespread in New Zealand. They will become more competitively priced as the market develops. The costs of deploying national/international specialist companies to the region to undertake contract works

can be reduced by larger contracts, for example shared services contracts with other councils, or comprehensive contracts for one supplier.

There are water assets that have approached end of life and are assumed to remain operational until they are replaced. The valuation expert has assigned a minimum remaining life of five years for water pipes and two years for other assets. Before a decision is made to renew any assets, the Council will determine if the asset is still required and if so, if a like for like replacement is required or an upgrade. Renewals investment is prioritised to balance levels of service and lowest cost of life for asset with an approach to progressively renew or restore assets that reach the end of their useful lives based on risk, asset performance, condition and economics.

1.4. Earthquake risk

We know from Christchurch's experience that some of the older pipe materials (particularly asbestos cement and cast iron) do not perform well following earthquake ground shaking and liquefaction.

New pipe materials such as PVC, and particularly polyethylene, are more resistant to ground shaking and ground deformation than the older, more brittle, materials. There is a considerable legacy of asbestos cement and cast-iron pipes that may be regarded as less resistant. This is particularly the case for the Awatere water supply as the scheme was first installed in 1947 when asbestos cement was a popular pipe material.

All the new water infrastructure — treatment plants, reservoirs, pump stations and pipelines are being built to the latest design standards. These performed well in the November 2016 earthquake and other previous events.

Older reservoirs at the Cloudy Bay Business Park and Wither Hills have been strengthened to increase their resilience. The main reservoirs have been fitted with automatic valves which close when they detect significant ground movement and prevent water from leaking away through ruptured pipes.

Impacts of earthquakes

The new standards and materials will reduce the impacts of an earthquake. However, scientists are predicting the occurrence of a large event which will cause significant damage — partly because there is a legacy of older assets and partly because structures can be built to be earthquake resistant but cannot be made earthquake proof.

Insurance

Council constantly reviews its insurance strategy in the light of new scientific research, a changing infrastructure base and an ever-changing insurance market. Council prefers to avoid damage to the infrastructure through good engineering but there will always be a residual risk, and insurance can help to meet this financial liability.

2. Options to respond to each of these identified challenges, and implications of these options

2.1. Drinking water standards

Options	Implications
<p>PREFERRED OPTION</p> <p>Complete existing water treatment plant upgrades for Blenheim, Renwick, Riverlands, Wairau Valley and Havelock, and install treatment point-of-entry treatment for each property in Awatere Rural.</p>	<p>Benefits: All of the Council owned water supplies will meet the high standards for clean and safe drinking water.</p> <p>Costs: The combined capital costs of the water treatment plants for Blenheim, Renwick, Havelock, Riverland's, Rural Awatere and Wairau Valley is in excess of \$56.8 million.</p> <p>To ensure the point-of-entry systems for Awatere Rural are regularly serviced, Council will need to implement an annual service programme. Sending a service engineer to individual properties will be an ongoing operational cost.</p>
<p>Consider alternatives to full compliance with DWSNZ on the grounds of affordability. <i>Council is required to comply with DWSNZ so this option cannot be considered.</i></p>	<p>Benefits: Reduces the financial burden on small rural communities.</p> <p>Costs: Public health risks. Reputational risk particularly amongst tourists and foreign visitors.</p>

2.2. Water availability and consumption

Options	Implications
Do nothing. Respond to water shortage issues as they arise, by introducing water restrictions during peak demand periods.	<p>Benefits: This option defers capital investment and allows for future flexibility to respond to changes in population growth and to wait until we have more information about the impacts of climate change on the length and severity of droughts in Marlborough.</p> <p>Costs: Additional operational costs in implementing and enforcing water restrictions. Potential for adverse impacts on public health, the economy, levels of service and reputation. This approach does not promote efficient water usage, which is an objective of the NPSFM, and may become mandatory in future.</p>
PREFERRED OPTION Universal metering and other demand management techniques.	<p>Benefits: Water metering is a proven technique to reduce average water demand by approximately 25% and peak demand by around 30%. Other techniques (leakage control, pressure management, public education and use of new technologies) are less effective but can contribute to overall reduction in water use.</p> <p>Costs: The capital cost of installing meters in both Renwick and Havelock was \$0.73 million; and is \$2.7 million for Picton. The increased operational costs of meter reading and administration are approximately \$165k per annum.</p>
Amend the Code of Practice for Subdivision to include water saving techniques such as grey water recycling in all new homes.	<p>Benefits: New homes will be built with low use apparatus, grey water recycling and water conservation will become normal practice.</p> <p>Costs: Small additional costs to new house build costs but it will be a long time before sufficient houses are at the new standard to have a significant effect on communities' levels of water use. Retrofitting devices can be costly and difficult to implement.</p>
Access alternative sources of water for Picton and Havelock.	<p>Benefits: Increases certainty of water supply for Picton and Havelock residents. This option would ensure water supply is not a limiting factor for future growth.</p>

Options	Implications
	<p>Costs: Development of the Pelorus River abstraction piping and additional treatment is estimated to cost \$12.5 million.</p> <p>Note: These estimates exclude consent application costs as well as annual operation and maintenance costs.</p>

2.3. Ageing infrastructure

Option	Implications
Renew non-critical mains when failure rates become intolerable.	<p>Benefits: Ensures that only pipes that have reached the end of their useful life are replaced.</p> <p>Costs: Downstream customers will experience a deterioration in service as supply interruptions increase. Operation and maintenance costs will increase. Unpredictable renewals make budget and resource planning difficult. Unplanned work is more disruptive and expensive than a planned programme of renewals.</p>
PREFERRED OPTION Implement a proactive, planned pipe renewals programme based on criticality and invest more in condition assessment technology, field data collection and data management.	<p>Benefits: Avoids unacceptable deterioration of the level of service and allows efficient, targeted investment in planned renewals works. Pipes are replaced based on their criticality, e.g. critical pipes are replaced before the end of their useful lives, non-critical pipes are replaced at or beyond their useful lives.</p> <p>Costs: Additional costs of pipe sampling, analysis and data collection to improve pipe and asset condition assessments and ensure well targeted renewals and efficient investment.</p>

2.4. Earthquake risk

Option	Implications
<p>PREFERRED OPTION</p> <p>Prioritise replacement of asbestos cement and cast iron pipes in areas where they have deteriorated more quickly than anticipated.</p>	<p>Benefits: Will increase resilience to pipeline damage and assist with more rapid recovery following a large earthquake.</p> <p>Costs: The total value of the asbestos cement and cast iron water mains is around \$92.0 million. To replace all pipes of these materials in the next 30 years it will be necessary to bring forward the replacement of 52kms of pipe at an approximate cost of \$26 million.</p>
<p>Provide financial contingency to replace these pipes urgently if a significant earthquake occurs.</p>	<p>Benefits: Recognises damage from any particular earthquake is difficult to predict and saves money to use in response to damage following actual events.</p> <p>Costs: Disrupted water supplies and longer restoration times will increase public health risks and reduce levels of service following an earthquake. Materials and resources will be in short supply, which means premium costs would apply to undertake restoration works. Emergency repairs followed by renewals will duplicate costs in some instances.</p>

3. Most likely scenario

3.1. Drinking water standards

The most likely scenario is that the Council will complete the upgrade of water treatment plants to meet the requirements of the DWSNZ for all water supply areas. Havelock and Riverlands treatment plants are planned for completion in 2024-2026 for both at a cost of \$9.0 million and \$15.8 million respectively.

As an alternative to building a large treatment plant for the Awatere Rural supply to disinfect the water before it is distributed, it is more practical to install small treatment units to each dwelling at the point of entry of the supply pipe.

This approach will consist of around 280 small disinfection units. The installation cost of this has been estimated to be around \$2.2 million. However, each unit will need to be regularly serviced and the costs of ongoing maintenance will increase.

Increased monitoring of the water quality supplied is also likely to be required. This might include installing chlorine monitoring points on the distribution system and taking additional tap samples for laboratory analysis. These additional costs are included in the operational cost projections in the following section.

Council will wait for direction from central government on whether water fluoridation is required. In order to be prepared for that situation, Council will investigate the costs for installation of fluoridation dosing plant and the ongoing maintenance at all treatment plants. The overall costs are not likely to be very high.

3.2. Water availability and consumption

Universal metering has now been installed in Havelock and Renwick as a means of demand management. The most recent census has shown that growth in Picton has slowed significantly and a decision on metering can be delayed. It is probable that within the span of this strategy that metering will be adopted for all of Council's water supply schemes. Improving our knowledge on actual water usage and demand patterns will improve our understanding of our total leakage across our networks and to improve our water availability.

More active leakage detection, repairs and renewals are likely to be employed in all areas to reduce wastage and demonstrate efficient use of the resource.

Developments in technology in 'smart meters' and remote control of household appliances will allow customers to have more choices about how they manage their water consumption patterns. They will be able to understand their water usage and will be able to manage their use to reduce peak demands, allowing Council (and the community) to benefit from more efficient sizing of the supply infrastructure.

3.3. Ageing infrastructure

Critical pipes and materials that are expected to perform less well in an earthquake will be prioritised for replacement.

Data collection on asset condition and performance is improving and is building into a more accurate picture of where renewals works can be most effectively targeted. More resources will be allocated to pipe condition assessments to inform the renewals programme.

Long term financial planning is based on asset data recorded in the central Asset Management Information System (AMIS.) Unless there is clear evidence to the contrary assets are assigned a life expectancy based on industry standard life

expectancies. The life expectancy of individual assets is adjusted if pipe condition grading suggests a more or less rapid rate of deterioration than expected.

Single observations can be misleading however as localised conditions can have an effect on small lengths of pipe that is not typical of the entire pipeline or material i.e., – interference or damage from other buried utilities, traffic point-loading, poor workmanship, isolated areas of wet or corrosive ground conditions, etc. It is therefore our practice to accumulate evidence and identify definite trends of pipe failure to ensure capital expenditure is efficiently targeted.

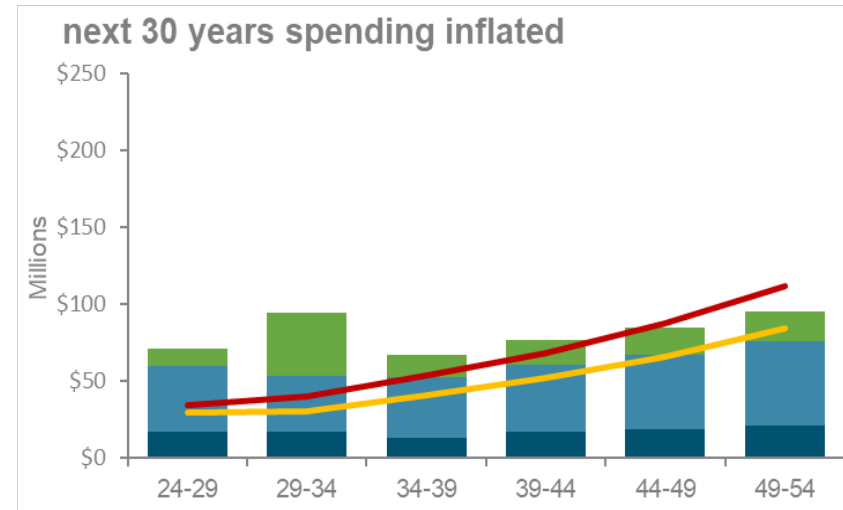
Renewals expenditure, represented by the dark blue in the chart below, is planned at a consistent value over 30 years, falling well short of the yellow line representing depreciation on existing assets. However, by considering the level of “levels of Service” increases in light blue, the picture is improved.

Renewals decisions are complex across the Council's infrastructure due to varying asset lives requiring coordination for optimisation of investment, where the level of investment for renewals is balanced with economics, asset consumption and the Council's levels of service.

Potential implications of not appropriately investing in renewals include:

- a decrease in levels of service (for example, more assets breaking or failing).
- an increase in maintenance forecasts to repair failing assets;
- an increase in the cost of assets written off because they are proactively replaced before the end of their useful lives; and
- an increase in reactive renewals to replace failed assets that cannot be repaired.

The Council plan to manage these risks through ensuring that within different activity classes, renewals are prioritised based on criticality and asset condition and performance when known while also prioritising safety and resilience.



We complement this approach for Water by monitoring water demand and modelling unaccounted for water consumption. We also monitor maintenance expenditure and repair work orders to look for trends of increased failure. Indications of a general failure trend are investigated with targeted pipe sampling and laboratory analysis. This approach recently instigated a proactive asbestos cement mains replacement programme in Renwick.

3.4. Earthquake risk

Major new assets will be built to the current high standards of earthquake resistance. Networks will be designed with increased inter-connections to allow flexibility of supply in the event of earthquake damage. Additional strengthening will be retrofitted for critical assets and less resistant pipe materials will be replaced as part of the renewals programme. The residual risk will be mitigated with financial contingencies to meet the realistic costs of repair. The insurance sector has helped Council to calculate the ‘maximum probable loss’ from the most recent experience around the country and is assisting Council with its risk management plans.

4. Table of major projects for this activity

A brief summary of upcoming projects for this asset is shown below and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

The key 'drivers' of investment are:

- Growth — investment to provide additional capacity to cope with increased demand for the service due to population growth or increased usage.
- Levels of service — investment to improve the service customers receive.
- Renewals — investment to replace worn out or inefficient assets.

*Costs exclude overheads and financing.

Asset Type	Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Awatere Rural														
Treatment Plant	Rural Point of Entry treatment	87	3	10	\$2.48M									
Storage	Reservoir Renewals, Replacements and Upgrades	40	13	47	\$1.27M			\$0.69M						
Pipelines	Pipeline Renewals, Replacements and Upgrades	2	17	81	\$2.45M									
Blenheim														
Land	Land purchase for Chlorination	100			\$0.50M									
Pipelines	New Pipes to Treatment	70	10	20	\$12.26M									
Pipelines	Pipelines Fire/Capacity upgrade	11	42	47	\$2.00M			\$1.61M						
Pipelines	Pipelines Meters and air valves Upgrade	70	30						\$19.67M			\$0.09M		
Pump Stations	New Pump Station and wells Upgrade	70	10	20	\$0.02M		\$2.63M							
Pump Stations	Pump Station Andrew St & Middle Rd Generator Upgrade	100				\$0.07M			\$0.24M					
Pump Stations	Pump Stations Wither Booster Upgrade	66	10	24				\$2.56M						
Renewals Pipelines	Colemans Rd & Fulton St & Lakings Rd & Mowat St & Ward St Renewal			100	\$5.40M									
Treatment Plant	Treatment of New Wells Upgrade	70	20	10	\$10.53M									
Treatment Plant	Bomford and MRR	100			\$3.41M									
Water Meters	New Metering			100	\$0.31M									
External Vested Asset	External Vested Assets		100		\$2.18M									

Asset Type	Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Havelock														
Treatment	Treatment Plant Upgrades	63	29	8	\$9.23M								\$8.45M	
Pipelines	Pipeline Renewals, Replacements and Upgrades	43	37	20		\$0.46M						\$6.90M		
Picton														
Pipelines	Pipeline Essons Barnes Upgrade	100			\$0.28M				\$1.33M					
Pipelines	Pipeline Mainline and Press Upgrade	2	98				\$0.53M							\$16.40M
Pipelines	Pipeline Speeds Upgrade	91	9		\$0.35M									
Pump Stations	Pump Station Booster Upgrade	91	9		\$0.45M									
Treatment	Renewal Connections, Pipelines and Pump Stations			100	\$0.99M									
Storage	Reservoir Renewals, Replacements and Upgrades	70	30					\$0.92M						
Treatment Plant	Speeds Water Treatment Plants Upgrade		100		\$0.70M	\$0.16M								\$7.40M
Water Meters	Universal Water Metering Upgrade	88		12				\$2.94M						
Renwick														
Renewals Pipelines	Renewals Pipelines			100	\$2.60M									
Riverlands														
Pipelines	Pipeline from new wells Upgrade	80	20		\$5.56M				\$1.62M					
Treatment	Treatment Plant Upgrade	80	20		\$10.92M				\$0.09M					
Seddon														
Pipelines	Pipelines Upgrade	10	70	20	\$0.56M						\$0.14M			
Reservoirs	Second Seddon tank	20	10	70									\$1.53M	
Southern Valleys														
Water Meters	New Metering			100	\$0.10M	\$0.10M	\$0.11M	\$0.11M	\$0.11M	\$0.11M	\$0.12M	\$0.12M	\$0.12M	\$0.12M
Wairau Valley														
Pipelines	Pipelines Upgrade		100		\$0.44M									
Flaxbourne Irrigation														
Pipelines	Irrigation scheme	100					\$0.53M	\$3.78M	\$10.35M					

Wastewater

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available.

Wastewater goals

- Wastewater treatment plants will fully comply with current and anticipated discharge standards.
- Wet weather sewer overflows will not occur from storm events with a frequency of less 10-year ARI.
- Future treatment plant upgrades will be designed to avoid cultural offence by removing or reducing effluent discharges to the aquatic environment.
- The wastewater network will meet the statutory obligation under the Civil Defence Emergency Management Act to function as fully possible after an emergency event.

Introduction

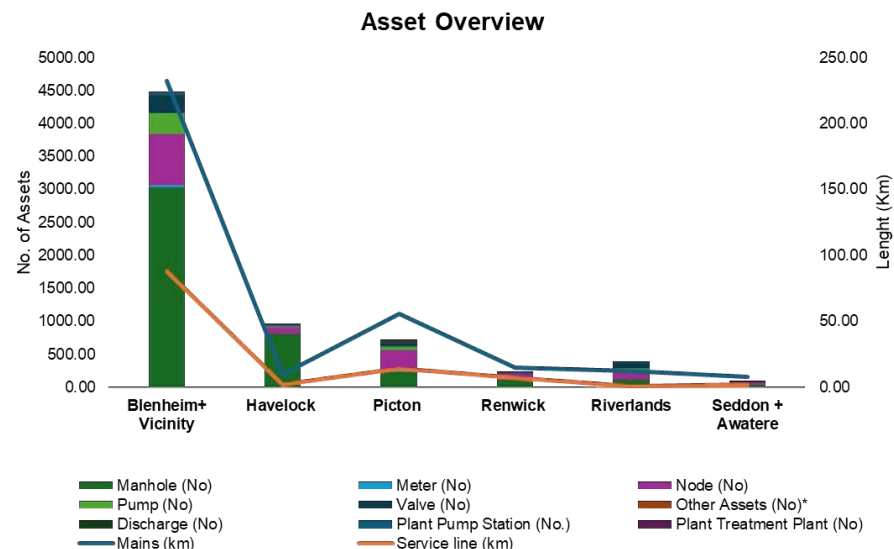
With an asset value of \$647 million, wastewater is the second largest asset group owned by Council.

The huge success of the Marlborough wine industry has created challenges for Council. During vintage there is a ten-fold increase in the discharge of trade effluent from the wineries. The total load on the Blenheim wastewater treatment plant is five times as much as normal. For a few weeks between March and May each year the wastewater treatment plant is required to process a load equivalent to the wastewater produced by 250,000 people. In terms of wastewater, Blenheim becomes the fifth largest city in New Zealand.

To meet this demand the treatment plant has undergone a number of upgrades. Capacity was significantly increased in 2009 with the addition of an advanced dissolved air flotation (DAF) treatment plant. Tertiary treatment wetland ponds (established in 2013/14) improve the quality of the final discharge and allows a portion of the final effluent to be returned to irrigate the land. Council will continue to collaborate closely with the wine industry to ensure additional wastewater processing capacity is available as production grows.

The discharge of human waste to the aquatic environment is a cause of cultural offence to the indigenous iwi. Council is working with local iwi to remove or minimise the discharges from treatment plants.

The following figure provides a summary of Council's wastewater systems.



The wastewater system collects and treats the wastewater from both domestic and industrial properties. Currently the treatment plants at Blenheim and Havelock are on a low lying coastal plain that is vulnerable to liquefaction associated with earthquake shaking and tsunamis. The design of treatment plants needs to be **resilient** to sea level rise and storm surges that may result from **climate change**. The Havelock wastewater treatment plant is currently in the process of being relocated to remove this risk.

As the wastewater reticulation ages, stormwater is able to seep into leaky joints. The **levels of service** are challenged when the ingress of stormwater into the wastewater system causes wastewater overflows during severe storms, with subsequent insanitary conditions and pollution of waterways. Reduction of stormwater infiltration and improved resilience of the pipe network to earthquake damage are two major benefits from a well targeted **renewals** programme.

1. *Specific challenges*

1.1. *Growth in demand related to tradewaste and urban development*

There are a number of growth-related challenges for wastewater treatment.

Certain industries create large volumes of liquid waste with high organic content. These require far more treatment than normal domestic sewage and can quickly overwhelm the treatment capacity of a plant designed for an urban population. Blenheim wastewater treatment plant has undergone several major upgrades in recent years to cope with the demand from the wine industry. The upgrades have been planned and funded by the wineries. As growth continues, further upgrades are likely.

Council is committed to ongoing communications with industry representatives and individual businesses to ensure infrastructure is provided to meet demand and to overcome uncertainties about the required timing of upgrades, given that the popularity of Marlborough wines in the world market has led to very rapid growth in volumes. The funding methodology will be agreed at this time.

The smaller treatment plants at Havelock and Picton have limited capacity to deal with additional tradewaste growth. This can be an issue for industries such as seafood and meat processing. Processing can add value to exports and create jobs, but early consideration needs to be given to the treatment of the associated liquid wastes.

The Marlborough Urban Growth Strategy has identified land for future growth pockets in each settlement. The land is often on the periphery of the existing settlements and requires new pipework and upgrades to the existing reticulation to accommodate the additional flows. For example, development to the west and north of Blenheim and further development in Waikawa requires careful design as these areas are a considerable distance from the treatment plants. These projects are currently in progress. Sequencing the order of development will assist in construction and ensure the system is installed in an efficient manner. Council's Development Contributions Policy has been updated to reflect these costs.

1.2. *Renewals*

Work is constantly being undertaken to assess the condition of pipes using CCTV and during reactive and planned maintenance tasks. Assumptions on life expectancy are reviewed annually during the valuation process based on specific network knowledge and national and international data that is available. There are assets that have approached end of life and are assumed to remain operational until they are replaced. The valuation expert has assigned a minimum remaining life of five years for water pipes and two years for other assets. Before a decision is made to renew any assets, the Council will determine if the asset is still required and if so, if a like for like replacement is required or an upgrade. Renewals investment is prioritised to balance levels of service and lowest cost of life for asset with an approach to progressively renew or restore assets that reach the end of their useful lives based on risk, asset performance, condition and economics.

Council has implemented a proactive, planned renewals programme and have invested more in condition assessment technology, field data collection and data management to address the renewal challenges, which are described in more detail below. New installation and pipe rehabilitation techniques are becoming more commonplace, reducing the costs and disruption of renewal upgrades.

Long term financial planning is based on asset data recorded in the central Asset Management Information System (AMIS). Unless there is clear evidence to the contrary assets are assigned a life expectancy based on industry standard life expectancies. The life expectancy of individual assets is adjusted if pipe condition grading suggests a more or less rapid rate of deterioration than expected.

Single observations can be misleading however as localised conditions can have an effect on small lengths of pipe that is not typical of the entire pipeline or material, i.e. – interference or damage from other buried utilities, traffic point-loading, poor workmanship, isolated areas of wet or corrosive ground conditions, etc. It is therefore our practice to accumulate evidence and identify definite trends of pipe failure to ensure capital expenditure is efficiently targeted.

We complement this approach for Wastewater – modelling inflow and infiltration rates compared with actual flows experienced. A significant variation from the expected will result in CCTV inspection and investigation of maintenance records. Major pipe relining projects are currently being undertaken in Blenheim and Picton to rectify under-performing pipe lines in these areas.

Earthquakes

The Blenheim and Havelock wastewater treatment plants are built on coastal plains. The areas are flat and low-lying and vulnerable to tsunami inundation. The land is also prone to liquefaction and ground deformation which could have important consequences, as the flows through the plant rely on gravity flows along a shallow gradient. For this reason, the Havelock wastewater treatment plant is being relocated to a new site with less risk of damage. The new treatment plant should be commissioned by 2028.

Earthenware pipes are particularly vulnerable to ground movement. Asbestos cement and the older concrete pipes also perform less well. PVC plastic mains perform better. Polyethylene mains perform best of all, but these pipes do attract grease and fat which sticks to them, so they need to be cleaned more regularly.

Climate change

Stormwater infiltration into the wastewater network becomes a more significant problem during storms and when groundwater levels are high. Climate change is likely to make this problem worse as storms are predicted to become more intense and frequent.

Hotter drier summers will have an impact on the bacteria and algae used in the wastewater treatment process, because they require dissolved oxygen in the wastewater to effectively process the waste into treated effluent. Dissolved oxygen decreases as the temperature of the ponds increases. Additional aeration plant may be required to increase the oxygen in the treatment ponds.

The Seddon wastewater treatment plant discharges to the Starborough Creek which can have very low natural flows. The impact of the discharge may be affected by a change in the volume and temperature of the receiving water.

The Blenheim wastewater treatment plant includes a facility to recycle a portion of the treated effluent to irrigate land. This is only permitted when the soil requires additional moisture and when the groundwater levels are low enough to prevent surface ponding. Longer, drier summers may prolong the irrigation season but rising sea levels may raise the groundwater levels, preventing irrigation.

Cultural values

Iwi have a strong cultural relationship with the environment, and the disposal of human waste into the aquatic environment is of concern to them. Council is working with iwi on an Iwi Engagement Plan, and will continue to work with iwi on mutually acceptable solutions to wastewater management. A pipeline has been installed alongside the

Picton Trunk Main upgrade. It will facilitate the recycling of treated effluent for irrigation at a later date. Further improved practices can be expected over time.

Infiltration and inflow

The capacity of the wastewater system can be put under strain from the additional flow due to the ingress of stormwater through inflow or infiltration. Leaky joints in pipes and manholes, and accidental connections between stormwater and wastewater pipes, all contribute to the problem.

Finding the source of ingress can be time consuming and expensive. Progress is often frustrated as fixing one area is quickly replaced by infiltration from another area. It can also be difficult to identify if the leak is on the public pipework or within private property. Pipe renewal can be a more sustained solution than repairing individual leaks.

New technologies

Similar to water supply assets, the adoption of new 'smart' technologies by residents will give them more choices about how they use water, and this is likely to smooth the peaks and troughs of wastewater flows, allowing for more economic designs. Grey water recycling and water-efficient appliances will counterbalance the increase in growth.

New treatment processes are being developed and high quality treated effluent discharges are becoming easier to achieve consistently. Many new treatment technologies are becoming 'scalable'. It may become efficient for small businesses, and even domestic properties, to treat their wastewater. This will reduce both the strength and the volume discharged to sewer and enable recycling of a portion of the 'grey water' for use as irrigation or other low-quality uses.

2. Options and implication

2.1. Increased demand related to tradewaste

Options to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Ongoing communications with industry representatives and individual businesses to ensure infrastructure is provided to meet demand.</p>	<p>Benefits: Local economy allowed to grow to meet the market and support local jobs and prosperity.</p> <p>Costs: Approximately \$30.0 million upgrade to industrial part of the Blenheim wastewater treatment plant by 2030 based at its current location. Ensure equitable funding mechanism is agreed with industries in advance, and ensure land availability, resource consent and cultural sensitivities are addressed at an early stage.</p>
<p>Do nothing. Cap effluent discharges once existing treatment capacity is reached.</p>	<p>Benefits: No further investment in infrastructure required and certainty that levels of service can be maintained for existing customers.</p> <p>Costs: Economic development restricted, requiring industries to relocate.</p>
<p>Assist industries to develop on-site alternatives to disposal to the wastewater system.</p>	<p>Benefits: Industrial development is not restricted by wastewater reticulation and treatment capacity. The costs of wastewater are borne by those responsible.</p> <p>Costs: Efficiencies of scale are lost and businesses could become less viable or relocate. Increased costs in monitoring.</p>

2.2. Increased demand related to urban growth

Options to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Install conventional sewerage system on new sub-divisions and upgrade downstream infrastructure as necessary.</p>	<p>Benefits: Wastewater disposal was considered at the outset of the Urban Growth Strategy and selection of growth pockets. Relatively minor downstream upgrades required. Downstream upgrades will help to resolve some levels of service issues with inflow and infiltration.</p> <p>Costs: Some upgrades will lead to premature replacement of functioning assets.</p>
<p>Install non-conventional vacuum or grinder pump system.</p>	<p>Benefits: Lower flow volumes as less susceptible to inflow and infiltration consequently smaller diameter reticulation and reduced installation costs. Lower impact on downstream infrastructure.</p> <p>Costs: Increased mechanical infrastructure with subsequent on-going maintenance costs. Unproven modern technology.</p>

2.3. Renewals

Asset renewals will assist Council to address the challenges associated with infiltration/inflow, climate change, earthquake risk and cultural values and the opportunities of new technologies.

Options to address it	Implications of the options (financial and non-financial)
Do nothing. Renew pipes as and when they fail.	<p>Benefits: Certainty of targeting pipes at the end of their useful life. Investment delayed as long as possible.</p> <p>Costs: Increased overflows and insanitary conditions. Older pipes remain vulnerable to earthquake damage. Costs of increased maintenance and unplanned works. Increased pumping and treatment of infiltration and inflow.</p>
<p>PREFERRED OPTION</p> <p>Implement a proactive, planned renewals programme and invest more in condition assessment technology, field data collection and data management.</p>	<p>Benefits: Avoids unacceptable deterioration of the level of service. Prevents damage to the environment and public health risks from sewage overflows. Allows efficient, targeted investment in planned renewals works. Comprehensive condition grading will allow targeted renewals and an opportunity to 'smooth' the renewal expenditure.</p> <p>Costs: Additional costs of CCTV surveying, pipe sampling, analysis and data collection to improve pipe and asset condition assessments and ensure well targeted renewals and efficient investment.</p>
Implement a pipe rehabilitation programme using a variety of rehabilitation techniques – patching, relining and renewals	<p>Benefits: Rehabilitation can be targeted at specific pipes or sections of pipe avoiding wholesale renewal costs.</p> <p>Costs: Very high-quality condition data required. Specialist techniques and skills may not be available locally and incur additional establishment costs. Many rehabilitation techniques are relatively recent and have not been tested over a prolonged time and have unproven durability.</p>

3. Most likely scenario

This section provides an overview of the preferred options, and what this means for levels of service, and for costs.

3.1. Growth related to urban growth

The provision of wastewater services was considered during the development of the Urban Growth Strategy and the Housing Assessment being undertaken at the time of writing this LTP. Servicing the identified growth pockets will be achievable with some downstream upgrades some of which are currently in progress.

On-site wastewater will be installed by the developer to an agreed services plan. Council will collect and distribute development levies to fairly allocate the costs of over-sized infrastructure that a developer may incur for the benefit of subsequent development.

The costs of downstream upgrades have been estimated and added included in a revised developer contributions model.

Conventional gravity wastewater with pump stations is preferred. Modern materials and installation quality will minimise inflow and infiltration problems.

Growth related to tradewaste

The continued success of Marlborough wines in national and international markets will drive up demand for increased grape processing capacity. The wine industry is rapidly becoming the dominant industry in the region and facilitating growth by the provision of wastewater treatment will contribute to the continued development and prosperity.

Close monitoring of effluent volumes and strengths is undertaken each year during the vintage. Liaison with representatives of the industry will assist with anticipating the timing of future upgrades to agree a funding mechanism from each of the contributory wineries in advance.

Feasibility studies have been undertaken to upgrade the processing capacity of the Blenheim wastewater treatment plant to meet the projected peak demand periods between March to May each year. An outline of treatment plant upgrades has been prepared. Detailed design and construction will be planned to meet the growth in demand.

3.2. Renewals

The useful service lives of infrastructure assets are considered annually during the valuation process. Condition data collected through CCTV, planned and reactive maintenance across the network validates this data.

Additional resources will be allocated for pipe condition surveys through CCTV in targeted areas and pipe sampling where maintenance takes place. Data is continually gathered to enhance the targeted renewals programme. Plans will be developed to manage the predicted peak in renewals from 2048 to smooth the peak once a prioritised assessment has been completed.

Modern 'low-dig' renewal and rehabilitation techniques will be assessed if they can be efficiently deployed and have a proven track record.

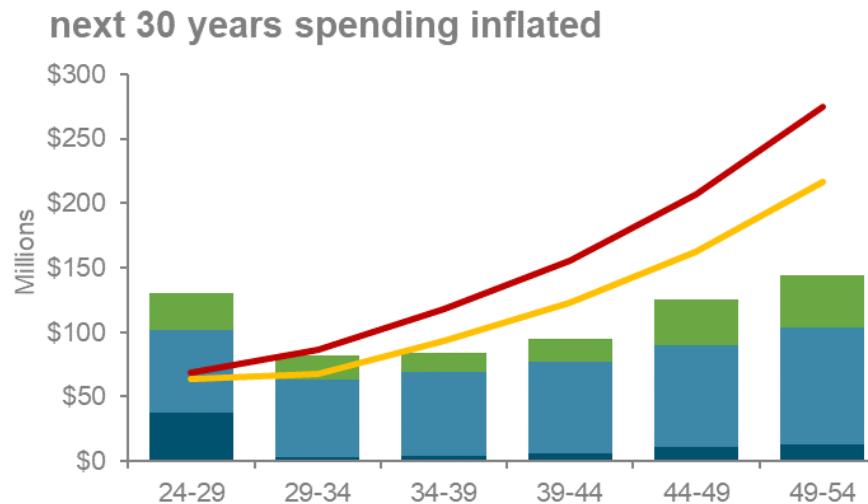
Renewals expenditure, represented by the dark blue in the chart below, is focussed on the early part of the 30 years, and falls short of the yellow line representing depreciation on existing assets. Improvements in asset condition data and a proactive renewal programme will provide the evidence needed to more accurately predict the level of investment required.

Renewals decisions are complex across the Council's infrastructure due to varying asset lives requiring coordination for optimisation of investment, where the level of investment for renewals is balanced with economics, asset consumption and the Council's levels of service.

Potential implications of not appropriately investing in renewals include:

- a decrease in levels of service (for example, more assets breaking or failing).
- an increase in maintenance forecasts to repair failing assets;
- an increase in the cost of assets written off because they are proactively replaced before the end of their useful lives; and
- an increase in reactive renewals to replace failed assets that cannot be repaired.

The Council plan to manage these risks through ensuring that within different activity classes, renewals are prioritised based on criticality and asset condition and performance when known while also prioritising safety and resilience.



4. Major projects for this activity

A brief summary of upcoming projects for this asset and to explain the reasons for these choices, which expand on the categories of growth, renewal and levels of service in the table.

Asset Type	Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
Blenheim															
Pipelines	Alabama to Taylor/Dillions/Fulton/Purkiss/Burleigh Pipelines Upgrade	60	15	25	\$5.12M										
Pipelines	Murphy/Adams/Coleman/Cherry Pipeline Upgrade	8	59	33	\$0.76M										
Pipelines	Main Outfall Pump Station to Blenheim Sewage Treatment Plant 600 Concrete Upgrade	20	80		\$2.02M										
Pipelines	Reclaimed Water Reticulation	80	20				\$5.34M								
Pipelines	St Andrews Pipeline Upgrade	86	14		\$0.92M		\$0.16M								
Pipelines	Blenheim Pipeline Renewals incl EQ Repairs		10	90	\$3.98M										
Pump Stations	Renewal and Upgrade Purkiss N Kingwell Moorings/Houldsworth/Clearwater Budge E Overflow/Burleigh Pump Stations	36	25	39	\$4.88M										
Pump Stations	Battys Rd Sth 3000m3 chamber/Battys Rd Sth Pump Stations Upgrades	20	80					\$14.96M							
Pump Stations	Main Outfall Pump Station Pump Stations Renewal and Upgrades	25	25	50	\$15.32M										
Pump Stations	Renewals Pump Stations			100											
Pump Stations	Seismic Generators/storage	100					\$0.32M					\$0.34M			
Treatment Plant	Blenheim Sewage Treatment Domestic Upgrade	79	21		\$30.99M										
Treatment Plant	Blenheim Sewerage Treatment Plant Domestic Consenting Upgrade	71	29		\$1.87M										
Treatment Plant	Blenheim Sewerage Treatment Plant desludge	100						\$4.98M							
Vested Assets	External Vested Assets		100		\$1.34M										
Havelock															
Pipelines	Havelock Sewer Pipe Upgrade	80	20		\$2.54M										
Pump Stations	Havelock Pump Station Upgrade	79	20	1	\$1.93M										
Treatment Plant	Treatment Plant Upgrade	81	19		\$15.94M						\$6.94M				
Picton															
Pipelines	Pipelines Renewal and Upgrade	45	10	45	\$3.40M										
Pump Stations	Picton Pump Stations Upgrade	35	30	35				\$2.56M							
Treatment Plant	Picton Wastewater Treatment Plant Upgrades	56	43	1	\$0.65M					\$19.11M					
Renwick															
Pump Stations	Renwick Pump Station Upgrade		100		\$0.15M					\$1.81M					
Riverlands															
Treatment Plant	Blenheim Sewage Treatment Plant Industrial Upgrade	80	20		\$21.83M										
Treatment Plant	Blenheim Sewage Treatment Plant Industrial Consenting	80	20		\$1.46M										
Seddon															
Land	Land purchase for treatment	90	10		\$21.59M										
Treatment Plant	Treatment Plant Upgrade	90	10		\$1.82M										
Combined															
Connections	New connections across Region		100		\$0.85M										

Stormwater

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning; achievable and sustainable with the resources available.

Stormwater goals

- The habitable floors of all properties within urban stormwater areas will not experience flooding from storms that, on average, will occur once in 50 years or less.
- All properties within urban stormwater areas will not experience flood water from storms that, on average, will occur once in 10 years or less.
- Discharges of urban stormwater will not cause a deterioration in the quality of the receiving water beyond the standards of the time.

Introduction

The stormwater infrastructure is a reticulated network of pipes, channels, pump stations and associated apparatus required to drain rainwater from residential, commercial and industrial properties and surrounding land. The service is predominantly focused on the urban areas where buildings and other structures disrupt the natural flow paths of surface water drainage and hard surfaces, such as roofs and roads, prevent rainwater from being absorbed into the ground.

Stormwater drainage relies on discharging rainwater to rivers and streams as well as man-made channels. As a unitary authority (with both regional and district council responsibilities), Council manages both the man-made stormwater pipes, drains and natural water courses. Close, coordinated management between stormwater management staff and rivers and land drainage staff is essential to achieve an effective and efficient drainage of surface waters. This arrangement was incorporated in the Blenheim Stormwater Strategy, which was adopted in 2012. The strategy provides an integrated and holistic approach to stormwater management with clearly defined objectives to manage the quantity and quality of stormwater across Blenheim.

The Stormwater Action Group (SAG) is a collaborative working relationship between Council's Rivers and Land Drainage, Stormwater and Operations departments and is proving to be an effective mechanism for implementing the stormwater strategy. The strategy is a detailed analysis of the stormwater issues for the town and is a fundamental element of infrastructure planning. The strategy groups many small drainage catchments throughout Blenheim into 11 Stormwater Management Areas (SMAs). Detailed, integrated action plans are being developed for each SMA which will meet the future requirements for growth in stormwater flows and quality standards.



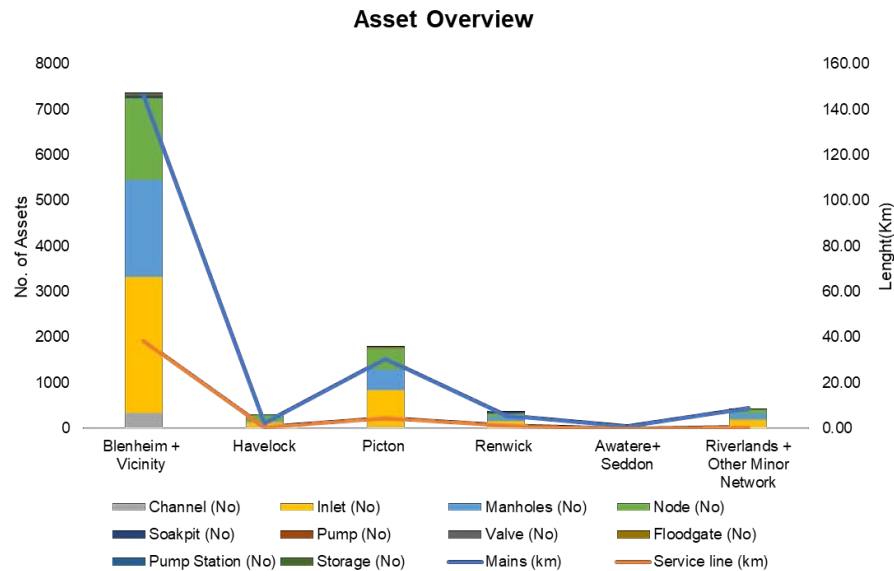
The urban **growth** pockets identified to the north-west of Blenheim are in the headwaters of many local creeks. Development of these areas, coupled with increased rainfall from climate change, needs to be managed carefully to prevent negative consequences downstream. The Springlands Stormwater Management Area Plan (SMAP) has been developed and links all of the work done in this area.

Many of the spring-fed creeks passing through Blenheim, and upland streams passing through the smaller settlements, have high quality water and pristine aquatic habitats. Increased public concern over the quality of New Zealand waterways has been recognised through the National Policy Statement for Freshwater Management (NPSFM). New developments include low impact design techniques for on-site treatment of stormwater. Infrastructure may need to be retrofitted to ensure existing stormwater discharges meet the new **level of service** standards.

The expectation of more intense storms as a result of **climate change** must be accommodated through a combination of larger pipes, channels and pump stations, overland secondary flow paths and specially designed detention areas that will hold back the peak flows, preventing downstream flooding.

Similar to water and wastewater assets, much of the underground stormwater reticulation is reaching the end of its useful life and will need to be renewed. A very significant peak of around a third of the total asset value (of \$86.0 million) is anticipated from around 2050 – just at the edge of the planning horizon of this strategy.

The following figure provides a summary of Council's stormwater systems.



1. Specific challenges for this asset

1.1. Stormwater quantity

Urban growth

The Marlborough Urban Growth Strategy has identified pockets of land to accommodate the expected demand for housing in the future. For Blenheim a land area of around 160ha was identified to the north and west of the existing town. The natural drainage for these areas is from west to east meaning that the stormwater will feed into streams that pass through the existing urban area and to some extent are part of the urban drainage infrastructure. Development in the headwaters of these catchments requires careful design to ensure there are no adverse effects downstream.

This became very apparent with the development of a large retail park and proposed residential development in an area that drains to Murphy's Creek. The downstream residents were very concerned over the increased input of stormwater and the potential for both flooding and deterioration of water quality. An independent arbitrator worked with Council and residents to resolve these concerns using a structured decision-making process. Over the course of 18 months a mutually acceptable solution was reached.

The solution included many features that may be expected to be included in future stormwater designs. Land within the new development has been assigned for stormwater detention. This will detain part of the run-off and help reduce the peak flow. Dished, grass swales will provide a flow path for stormwater whilst at the same time increasing infiltration into groundwater. This natural process will provide primary treatment by removing some of the suspended solids and other contaminants from the run-off. A regulated portion of the flow will be directed into the existing Murphy's Creek and the remainder directed to the Taylor River through a new stormwater pipe. Development of the Stormwater Management Area Plan for Springlands in 2020 also assisted in a collaborative approach across Council and local residents to managing stormwater in this area, monitoring it and setting a benchmark to achieve.

Climate change

Strategies to manage the effects of more intense storms are considered in all future infrastructure assessments. Building bigger infrastructure and ensuring renewed pipes are sized to meet the new standards will be important. Advanced mathematical models are used to project future stormwater flow patterns and ensure infrastructure is designed with sufficient contingency to accommodate the current uncertainties. A good understanding of historic rainfall patterns and the powerful hydraulic models

allow different combinations of factors to be simulated. Non-infrastructure alternatives can be modelled and the engineering solutions adjusted.

The use of overland flow paths along roads can avoid the expense of installing additional stormwater infrastructure, but roads and adjacent properties need to be designed appropriately to provide this function. Stormwater detention areas can make an important contribution to stormwater management by removing the peak flows and allowing stormwater to drain away once the peak flood waters have receded. Maximising the potential for soakage into the ground is useful, as are roof water collection tanks. The code of practice for subdivision could be amended to encourage greater stormwater management for new developments.

1.2. Stormwater quality

Rainfall landing on urban areas will mobilise a wide range of contaminants — oils and greases from roads and parking areas, litter and urban waste, tiny but significant amounts of metals from roofs and spouting, and an assortment of chemicals and organic matter that wash off hard, impervious surfaces. If the stormwater cannot soak into the ground within a property, it is piped and channelled to the nearest waterway. This could lead to significant deterioration in the quality of the natural waterway. Stormwater from industrial areas can be a particular hazard, but accidental and sometimes deliberate spillages from residential areas can also cause acute pollution problems.

Stormwater and wastewater pipes are often laid underground in close proximity to each other. The potential for both systems to leak, and for stormwater to become contaminated with sewage, is high. This is particularly the case following an earthquake, as both systems can be damaged by ground movement. Regular monitoring of stormwater outfalls provides useful information on the integrity of both systems.

In 2017 a government supported project was initiated by Council's Environmental Science and Monitoring Department to monitor the water quality of the Taylor River as it passes through Blenheim. The Assets and Services Department opted to undertake a complementary sampling programme of the stormwater outfalls to the river. The outcome of the project helps to guide future decisions on pipe rehabilitation and stormwater treatment.

Many of the existing stormwater outfalls are managed under a range of different resource consents. The Blenheim Stormwater Strategy includes a proposal to consolidate the legacy of consents into a new consent structure that meets both the current and foreseeable standards and reflects the land use plans for the town. This

process has taken place for Springlands SMAP and will continue for the remaining 10 stormwater areas in Blenheim and then for the rest of Marlborough.

The most recent sub-divisions on the periphery of Blenheim have included specially designed swales (shallow dished drainage channels), porous water courses and a wetland to provide treatment of urban run-off through filtration and entrapment of particulate matter. The cost of installation resides with the developer as a condition of resource consent, however maintenance, renewal and monitoring will become an on-going operational cost to Council and will be included in future budgets. As we gather information and technology in stormwater treatment and retention improves, we are flexible in taking a case-by-case approach in areas of development to ensure our stormwater runoff is not having a negative impact on the mauri of the water.

There are numerous patented treatment systems that can be installed on the reticulation system to intercept contaminants in the urban stormwater. Due to their compact nature they can be an effective treatment for particulate matter to retrofit to existing outfalls.

1.3. Ageing Infrastructure

Around 48kms of predominantly concrete mains were laid in the 1960s and 70s and these will be reaching the end of their useful life around 2050/60, just on the edge of this planning horizon. This spike has been smoothed within the 30 year planning period. In reality, many of these pipes are not critical and will be able to sustain their useful lives being extended and still meeting level of service requirements.

These predictions are based mainly on the current knowledge of pipe condition and the expected rate of deterioration. As discussed previously, many factors influence the life expectancy of pipes. It will be important to gain more knowledge of the pipe condition over the life of this strategy, so the projections can be refined and plans developed for the replacement in a manageable renewals programme. A programme to CCTV survey wastewater and stormwater pipes was instigated following the 2016 earthquake. The survey has been targeted towards pipes considered to be most affected (mainly earthenware and vitreous clay) in the areas where most damage is expected (Blenheim) and the pipes that will have the most severe consequence of failure (generally wastewater).

There are assets that have approached end of life and are assumed to remain operational until they are replaced. The valuation expert has assigned a minimum remaining life of five years for water pipes and two years for other assets. Before a decision is made to renew any assets, the Council will determine if the asset is still required and if so, if a like for like replacement is required or an upgrade. Renewals

investment is prioritised to balance levels of service and lowest cost of life for asset with an approach to progressively renew or restore assets that reach the end of their useful lives based on risk, asset performance, condition and economics.

Long term financial planning is based on asset data recorded in the central Asset Management Information System (AMIS). Unless there is clear evidence to the contrary assets are assigned a life expectancy based on industry standard life expectancies. The life expectancy of individual assets is adjusted if pipe condition grading suggests a more or less rapid rate of deterioration than expected.

Single observations can be misleading however as localised conditions can have an effect on small lengths of pipe that is not typical of the entire pipeline or material, i.e. – interference or damage from other buried utilities, traffic point-loading, poor workmanship, isolated areas of wet or corrosive ground conditions, etc. It is therefore our practice to accumulate evidence and identify definite trends of pipe failure to ensure capital expenditure is efficiently targeted.

We complement this approach for Stormwater – monitoring stormwater quality can often alert staff to infiltration of contaminated wastewater entering the stormwater network. This technique helped staff to identify stormwater pipes that were damaged during the 2016 Kaikōura earthquake. A programme to renew and reline damage pipes was instigated as a result.

2. Options to respond to each of these identified challenges, and implications of these options

2.1. **STORMWATER QUANTITY** - Increased stormwater volumes from subdivision development and climate change

Option	Implications
Upsize infrastructure to accept maximum anticipated flows at the developers' cost.	<p>Benefits: Certainty of outcome. Follows the principle of “user pays”.</p> <p>Costs: Disruption during the installation and escalating costs of development.</p> <p>Downstream consequences as the receiving waters reach capacity and also require infrastructure upgrades.</p>
Upsize infrastructure to accept maximum anticipated flows and devise funding formula to spread costs.	<p>Benefits: Certainty of outcome. Development costs are shared to assist with affordable housing.</p> <p>Costs: Disruption during the installation. Inequity as ratepayers fund private developments. Downstream consequences as the receiving waters reach capacity and also require infrastructure upgrades.</p>
<p>PREFERRED OPTION</p> <p>Implement a combination of engineering interventions as part of an integrated Stormwater Management Area Plan.</p>	<p>Benefits: Total and peak discharge volumes are optimised. Minimises infrastructure upgrades and impacts on downstream drainage. Good coordination between urban stormwater and the receiving waters. Forms part of a coordinated river catchment strategy.</p> <p>Costs: Potentially requires set-aside land for stormwater detention. Significant planning, modelling and engineering design require in advance of development.</p>

2.2. **STORMWATER QUALITY** – Ensuring discharge quality of all stormwater is not detrimental to existing water bodies

Option	Implications
<p>REQUIRED</p> <p>Meet the requirements of the National Policy Statement for Freshwater Management.</p>	<p>Council will continue to identify best practice from around NZ and implement these practices to ensure new developments are 'future-proofed' to meet current and anticipated standards.</p> <p>This work will include monitoring current discharge quality and catchment risks and preparing plans for preventative and remedial works.</p>
<p>Status quo. Pro-actively manage potential pollution sources within catchments and respond to pollution incidents as they occur.</p>	<p>Benefits: No additional costs.</p> <p>Costs: Derogation of responsibilities under the NPSFW. Fails to address long term low-level contamination from urban run-off. Unable to adequately monitor stormwater impact on the receiving waters.</p>
<p>PREFERED OPTION</p> <p>Continue to implement a comprehensive Stormwater Management Area Plan including comprehensive stormwater monitoring regime.</p> <p>Install water quality treatment on new developments and retro-fit treatment to existing stormwater reticulation.</p>	<p>Benefits: Provides good information on the catchment and infrastructure integrity and allows planned remedial works. Proactively protects the receiving water from chronic contamination. Fits with the aims of the Blenheim Stormwater Strategy.</p> <p>Costs: Additional costs to new developments. Capital investment in retro-fit treatment. Additional operational and maintenance costs of treatment apparatus. Costs of sampling, laboratory analysis and data interpretation of stormwater outfalls.</p>

2.3. **AGEING INFRASTRUCTURE** – Strategy to renew stormwater networks

Option	Implications
<p>Renew non-critical mains when failure rates become intolerable.</p>	<p>Benefits: Ensures that only pipes that have reached the end of their useful life are replaced.</p> <p>Costs: Pipe failure will become apparent during storm events and during likely increases of property flooding. Operation and maintenance costs will increase. Unpredictable renewals make budget and resource planning difficult. Unplanned work is more disruptive and expensive than a planned programme of renewals.</p>
<p>PREFERRED OPTION</p> <p>Implement a proactive, planned pipe renewals programme and invest more in both condition assessment technology, field data collection and data management.</p>	<p>Benefits: Targeted investment in planned renewals works. Smooths the renewals investment profile. Avoids unacceptable deterioration of the level of service.</p> <p>Costs: Additional costs of pipe surveying, analysis and data collection to improve pipe and asset condition assessments, to ensure well targeted renewals and efficient investment. Smoothing the renewals profile may accelerate the investment programme if works cannot be deferred.</p>

3. Most likely scenario

The most likely scenario is that the Blenheim Stormwater Strategy will continue to be implemented through the progressive implementation of Stormwater Management Area Plans for the remaining ten management areas. The solutions implemented will be multi-dimensional to the benefit of the urban drainage and receiving waters. The strategic approach will be extended to the other urban settlements (Picton, Havelock, Renwick, Seddon, Spring Creek and other smaller settlements). The aims and objectives of the strategy, and the holistic approach to catchment management, remains a strong framework for future stormwater management.

3.1. and 3.2 Stormwater quantity and quality

It is likely there will be an increasing focus on urban stormwater quality and the impact on the natural receiving waters. As a result, there will be a regular stormwater monitoring programme and a programme of remedial works as Stormwater Management Area Plans are developed. It is likely that the remedial works will include:

- increased management of potential contamination sources such as factories, businesses and commercial sites;
- retrofitting treatment devices into stormwater pipelines;
- stormwater treatment to be built into all new development; and
- increased efforts to raise public awareness and education.

3.3 Ageing infrastructure

The useful service lives of infrastructure assets are considered annually during the valuation process. Condition data collected through CCTV, planned and reactive maintenance across the network validates this data.

Additional resources will be allocated for pipe condition surveys through CCTV in targeted areas and pipe sampling where maintenance takes place. Data is continually gathered to enhance the targeted renewals programme. It is likely that a small but growing pipe renewals programme will be instigated over the next three years, with accelerated growth in the following years, as more information is gained on pipe condition and life expectancy. Plans will be developed to manage the predicted peak in renewals from 2050.

Renewals expenditure, represented by the dark blue in the chart below, dips in the middle part of the 30 year strategy, but falls short of the yellow line representing

depreciation on existing assets. Whilst plans for a spike in renewals post 2050 are to be developed improvements in asset condition data and the proactive renewal programme will provide the evidence needed to more accurately predict the level of investment required.

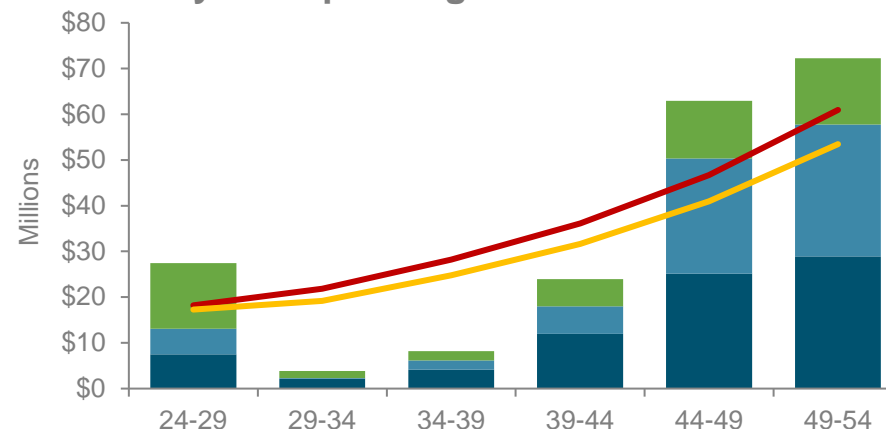
Renewals decisions are complex across the Council's infrastructure due to varying asset lives requiring coordination for optimisation of investment, where the level of investment for renewals is balanced with economics, asset consumption and the Council's levels of service.

Potential implications of not appropriately investing in renewals include:

- a decrease in levels of service (for example, more assets breaking or failing).
- an increase in maintenance forecasts to repair failing assets;
- an increase in the cost of assets written off because they are proactively replaced before the end of their useful lives; and
- an increase in reactive renewals to replace failed assets that cannot be repaired.

The Council plan to manage these risks through ensuring that within different activity classes, renewals are prioritised based on criticality and asset condition and performance when known while also prioritising safety and resilience.

next 30 years spending inflated



4. Table of major projects for this activity

A brief summary of upcoming projects for this asset is shown below and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

The key 'drivers' of investment are:

- Growth — investment to provide additional capacity to cope with increased demand for the service due to population growth or increased usage.
- Levels of service — investment to improve the service customers receive.
- Renewals — investment to replace worn out or inefficient assets.
- Discharge Quality –NPS for Freshwater Management and also the Marlborough Environment Plan have requirements for improved discharge quality.

Asset Type	Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Combined														
External Vested Assets					\$2.24M									
Connections	New connections across Region		100%		\$0.64M									
Blenheim														
Pipelines	Murphys Creek Pipeline Upgrades	35%	65%		\$5.21M									
Pipelines	Redwood St – Muller to Stephenson Renewal			100%	\$1.00M									
Pipelines	Stephenson to Stuart St Upgrades	100%				\$1.04M								
Pipelines	Graham St – Stephenson – Boys College			100%			\$2.67M							
Pipelines	Renewals Pipelines			100%	\$1.62M									
Renewals Pipelines	Chinamans Drain			100%					\$1.12M					
Renewals Pipelines	Behind Whitney Street School			100%							\$0.88M			
Pump Stations	Town Branch Drain Upgrade	80%	20%					\$11.04M						
Picton														
Pipelines	Pipelines Renewals and Upgrades			100%	\$1.37M									
Seddon, Spring Creek & Renwick														
Pipelines	Renewals Pipelines			100%	\$0.67M									

Rivers and flood protection

For Marlborough to achieve its vision for the future, the infrastructure must be sufficient and functioning, achievable and sustainable with the resources available.

Flood protection goals

- To manage flood hazard and drainage occurring in more developed areas of Marlborough.
- Requirements in different areas have developed according to the history of flood risks, development of drainage improvements and more recently from development due to land use changes.

Introduction

This chapter covers three activities:

- Controlling flood waters from major rivers.
- Management of drains and small streams which receive the stormwater flowing from the urban stormwater network in Blenheim, Picton and other settlements.
- Land drainage, which is the steady, longer term removal of water from low-lying rural land.

Since 2010 significant flood events have occurred in most of the region's rivers and streams including the Rai/Pelorus/Wakamarina catchments, outer Sounds catchments, in the wider Picton/Waikawa/Koromiko area, Wither Hills and Southern Valleys and the main Wairau River and lower Wairau flood plain. The existing flood systems have generally coped well with these events.

The Wairau flood plain's major rivers and stop-banked floodways cover 20,000 hectares of fertile land around Blenheim and is Council's major river control and drainage activity. A review of the Wairau River Floodways Management Scheme is programmed to commence in mid-2024 and expected to take 3.5 years to complete. The work will include updated hydrological and hydraulic assessments, a comprehensive review of existing and historic assets, multi-dimensional risk assessment, scheme development, and financial modelling. The outcome sought is a comprehensive review of the current flood scheme, its future needs in the face of climate change, and development of a strategic plan for its implementation, shaping Council's Infrastructure Strategy.

Expectations of higher standards for flood protection and environmental values

There is a trend for ratepayers to expect that Council will provide a high standard of flood control and drainage throughout Marlborough. The Building Act 2004 and the Resource Management Act 1991 (RMA) also oblige councils to take a more active role in managing flood risks than was required under earlier legislation.

New river control assets may be required for several reasons:

- Areas that would like to benefit from flood protection and are prepared to meet the costs can request this service from Council.
- Land development increases the flood run-off from the land.
- Increased awareness of flood risks as a result of climate change and/or better hydrological flood records.

The long history of flood control and drainage on the lower Wairau flood plain initially had an emphasis on risk management and affordability. However, over recent years the issues involved in river control and drainage have become more complex. Much more regard must now be given to maintaining and enhancing ecological values to meet the requirements of the Resource Management Act (RMA), the National Policy Statement on Freshwater Management (NPSFM) and the New Zealand Coastal Policy Statement (NZCPS).

Council is committed to maintaining high environmental standards for its flood protection activities, particularly as there are many valuable and sensitive ecological sites in the region. Maintaining and enhancing riparian ecological habitats, including whitebait spawning areas and bird nesting habitat, is also necessary.

1. Specific challenges

1.1. Levels of service and increasing demand for flood protection

Blenheim stormwater outfall upgrades

Ongoing development of Blenheim including infill housing and expansion into the recently rezoned areas to the north and west requires upgrade of the stormwater system, including the outfall channels and pump stations.

Work continues on the design and construction of upgrades for the Redwood Street catchment (Town Branch drain, Redwood Street and Snowdens Pond and additional pumping), Murphys Creek and Fultons Creek upgrades (Boyce Street stormwater diversion main, Parker Street stopbanking), Blenheim West (Camerons Creek capacity and environmental issues).

Maintaining the Wairau River alignment

The stopbanked reach of the Wairau River downstream from the Waihōpai confluence has very powerful and erosive river flows. Bank protection in the form of rock rip-rap armouring and tree planting is required to protect the stopbanks from erosion, especially as a result of floods.

Regular asset inspections have confirmed the need for continued investment in new works and regular maintenance of existing works to ensure a robust flood protection system is in place. Ongoing maintenance and upgrade work is required downstream to both the Diversion and Wairau River mouths.

A key project for this plan is completion of the Upper Condors programme of works, including stopbank realignment, groyne retreats, intermediate groynes and stopbank raising. The aim of this work is to maintain the river alignment and so ensure the security of the adjacent stopbank and irrigation intake infrastructure.

Stopbank upgrades

The primary stopbanks along Peninsula Road, Spring Creek, require repair and upgrade to ensure their ongoing security and that of the Spring Creek township that they protect. Design work is underway on this critical project with construction work to commence in July 2025, and completion in FY2026-27, subject to funding.

Ongoing stopbank upgrades are planned for the Taylor River through Blenheim, lower -Ōpaoa River and lower Wairau River. The stopbank upgrades are to bring older sections of stopbank to current structural standards, to provide agreed flood capacity and through Blenheim where possible shift sections of stopbank from private property into the Taylor River reserve. Likely climate change impacts will be included in upgrade designs where appropriate.

Stormwater flows in Blenheim and Picton and the effects of new urban development

The Building Act 2004 requires the floors of new buildings to be protected in a 1-in-50 year return period flood event. The main challenge related to urban areas is to ensure that the system of drains, natural watercourses, pumping stations, and floodgates can adequately cope with the stormwater runoff that occurs in a 1-in-50 year return period flood.

This level of protection from stormwater flows is being achieved for many, but not all of the dozen watercourses in Blenheim and Picton.

Residential, industrial and commercial development is resulting in more impermeable (hard) surfaces, which reduces absorption of rain by land and increases the amount of rainfall runoff into the small rivers, streams and drains via stormwater pipes. This is occurring in all urban areas, especially Blenheim, Picton and Renwick. The Riverland's industrial area is also expanding rapidly and includes the conversion of rural land (zoned industrial) to industrial land.

Wairau land drainage areas and land use changes

The Wairau drainage area covers 8,000 hectares of low lying floodplain, which is drained by 200km of minor watercourses and 18 pumping stations. This land is to the east of Blenheim and O'Dwyers Road. Council is committed to avoiding more than 2-3 days of ponding occurring in paddocks in these drainage areas.

The drainage system consists of a mix of deliberately excavated drains and natural watercourses with flood gated culverts into the major rivers and a series of pumping stations.

The current drainage network was last formally reviewed in 2015 and will be reassessed as part of the Wairau River Floodways Management Scheme review. This 2015 review recognised there has been significant intensification of land use and subdivision, a trend towards viticulture and an expectation of a generally high level of service since the Wairau Scheme was established in 1960.

An extra 15.3km was included in the managed network of drains following the 2015 review. This provides a drainage outfall to all rural land parcels greater than one hectare within the Lower Wairau Drainage Scheme area.

Sixty percent of the land within the Lower Wairau designated floodway is owned by Council while 40% remains in private ownership. Private landowners are required to use the land in ways that are compatible with floodway management. As viticulture land becomes more scarce, there are likely to be further requests to plant private land within key Wairau floodways (especially the Ōpaoa, Wairau and Taylor River floodways), and requests for inclusion of these areas within the 1-in-100 year standard of the Wairau flood plain. Where 'compatibility' cannot be agreed there is a land purchase budget each year for acquisition of private land. The budget has not increased.

Viticulture is progressing westwards up the Wairau Valley. Land above the Waihōpai confluence has a lower standard of flood protection. A rate review within the term of

the Infrastructure Strategy may see further requests for an increased level of service in the upper Wairau Valley. The strategy assumes that the current level of service remains materially unchanged and the rate review will align the funding and service levels.

Most adjacent vineyard owners above the Waihopai confluence have now recognised that it is in their interest to leave an adequate fairway to provide for flood capacity and to undertake edge protection works, which are typically some combination of rock and willow planting to provide a good buffer between the active channel and productive vineyards. Council continues to assist some property owners with the design and construction of new works, where the works are to be owned by the landowner.

Vineyard developments also appear to be causing increased runoff on the gently sloping, moderately impermeable land of the southern valleys to the south of New Renwick Road and State Highway 63 to the west of Renwick. This will need to be managed with larger culvert sizes and increased maintenance of the drainage channels.

1.2. Environmental expectations

Weed control

The blocking of drainage and stormwater channels by thick aquatic and terrestrial weeds is a major maintenance issue. Weed growth can reduce the hydraulic performance of the channels by a factor of 10, reducing the drainage efficiency and increasing the flood risk to nearby properties. Regular annual removal using herbicide or by excavation is essential.

The spread and extent of weed is increasing and new weeds regularly arrive in Marlborough. Conversely, there is an increasing expectation from the public of more weed removal and there is generally increasing environmental (resource consent) constraints on the manner in which aquatic weed removal is carried out.

The use of herbicides is a key tool for maintaining both the drainage network and a number of key streams infested with aquatic weed. In addition, Council's weed-cutter boat is being replaced in September 2024 following its successful commissioning.

Impacts of flood gates on fish migration

A total of 249 gravity outlets have been installed under river stopbanks. Simple floodgates (or flap valves) are constructed on the outlet of these culverts to prevent water flowing back from the river. These floodgates, while essential for preventing the backflow of floodwater, adversely affect movement of whitebait and other fish into the drainage network.

Pukaka Quarry extension

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

With the quarry extension now complete, planning work will begin in the FY2025-26 for future development needs of this strategic asset.

1.3. Climate change

Managing the impact of coastal storm waves and sea level rise on drainage

The lower Wairau flood plain includes several thousand hectares which are less than 2 metres above sea level.

Sea level rise will impact on coastal erosion and drainage of this low-lying farm land. The effects and consequences of sea level rise will be factored into the Wairau River Floodways Management Scheme review to ensure the system is resilient in the face of future uncertainty.

The marine storm wave forces are a very important factor. In the past they have formed a sand bar, typically extending a kilometre to the north. The bar is formed by a combination of marine forces, tidal flows into the Vernon Lagoons and river flows from the lower Wairau, and to a lesser extent the lower Ōpaoa. A training groyne at the mouth of the Wairau River has helped to maintain an open channel to the sea and scour any sand accumulation. There is some evidence of increased accretion at the mouth of the Lower Ōpaoa. The situation continues to be monitored and may require additional dredging. If required, dredging will be a significant maintenance cost.

Potential impacts of climate change on flood flows

Climate change will also alter the frequency and severity of flood events. Current advice to Council is that by 2050 a given 100 year or 1% AEP flood will increase in size by 10 – 15%. That means the current 5500 cubic metres per second (cumecs) Wairau flood could increase to over 6000 cumecs. However, flood flows are likely to be variable — in some catchments they may actually decrease, while increasing in other areas.

The various scenarios will be factored into the Wairau River Floodways Management Scheme review to ensure the system is resilient in the face of future uncertainty.

1.4. Legislation

Dam upgrades

The recently enacted Building (Dam Safety) Regulations 2022 comes into effect in August 2024, raising compliance standards for dam owners and operators. For Council's Taylor Dam, this requires a higher standard of dam safety assurance followed by a series of asset upgrades that will be put forward for funding in the 2027 LTP budget.

2. Options and implication

2.1. Levels of service and increasing demand for flood protection

Level of flood protection for the Wairau floodplains

Option to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Maintain and upgrade the floodways passing across the main Wairau flood plain to provide a capacity for flood sizes of up to a 1-in-100 year return period for the Wairau River and other major flood plain rivers of the Lower Wairau, Wairau Diversion, Ōpaoa, Taylor, Omaka, Riverlands Co-op and others.</p>	<p>Benefits: Recognises agreements reached through the Wairau Rivers Floodway Management Plan in 1994.</p> <p>Certainty that building and land use planning can proceed to an agreed standard.</p> <p>Costs: Financial costs of ongoing upgrades outline budget to 2034 of \$20.8M.</p> <p>Environmental impacts of river control works.</p>
<p>Maintain the existing level of protection, but do not increase the level of protection to meet a 1-in-100 year return period if the magnitude of floods increases as a result of climate change.</p>	<p>Benefits: Avoids the need for flood protection upgrade works.</p> <p>Costs: Community consultation and consent required.</p> <p>Uncertainty as to level of flood protection and risks.</p> <p>Damage to property and crops.</p> <p>Possible reputational damage.</p>

Wairau land drainage areas and land use changes

Options to address it	Implications of the options (financial and non-financial)
<p>Further extend the land drainage areas on an adhoc basis when requested to do so by landowners.</p>	<p>Benefits: Responds to land use changes in a timely way.</p> <p>Costs: Does not provide for integrated solutions within a catchment.</p> <p>Difficult to implement a fair cost recovery plan.</p>
<p>PREFERRED OPTION</p> <p>Scheduled land drainage reviews, to consider extensions of the land drainage area integrated with rate review.</p>	<p>Benefits: Managed and cost-effective approach for Council.</p> <p>Increased land productivity and subsequent indirect benefits to the region from greater flood protection.</p> <p>Costs: All costs to be borne by benefitting properties through the classified rate.</p>

2.2. Environmental expectations

Weed control

Options to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Use of herbicide</p>	<p>Benefits: Cost-effective. Manual clearance is between 6 and 10 times more expensive than herbicide. Costs are likely to increase as landowners demand improved disposal of cleared weeds. Gradual die-back of targeted weeds has less impact on native flora and fauna.</p> <p>Costs: Additional cost of environmental impact monitoring of herbicides on aquatic life. Ensure safe working practices are employed. Possible but unknown environmental effects of chemical residues.</p>
Manual clearance	<p>Benefits: A conventional mechanical removal system with known environmental impacts.</p> <p>Costs: Disturbance of river and stream beds and impacts from sedimentation. More expensive. Damage to stream profile leading to increased 'canalisation'.</p>

2.3. Climate change

Potential impacts of climate change on flood flows

Options to address it	Implications of the options (financial and non-financial)
<p>PREFERRED OPTION</p> <p>Undertake a comprehensive review of the Lower Wairau Flood Protection Scheme including climate change scenarios and to consult with the community on both the desired levels of flood</p>	<p>Benefits: Community involvement in decision-making. Retains ability to adapt to changes over time. Include the most recent climate change projections and high quality hydraulic modelling. Decision-making using high quality information.</p> <p>Costs: Consultancy costs to perform analysis and modelling. Potential delay in decision-making. Financial and practical resources will be required for</p>

Options to address it	Implications of the options (financial and non-financial)
protection and their willingness to pay.	monitoring and for adaptation to changing flood flows and frequencies of flood events.
Accept lower levels of flood protection over time in areas where climate change increases the magnitude and frequency of flood events.	<p>Benefits: Recognises ongoing and increasing nature of climate change.</p> <p>Costs: Flood damage to private property and public infrastructure. Loss of some existing land uses over time. Costs of managed retreat. Possible reputational damage from flood damage.</p>

3. Most likely scenario

Council will review the core Wairau River Floodway Management Plan and take climate change into account as well as the 25 plus years of additional flow data records collected since the plan was originally prepared. Once the flood risk data has been updated Council will undertake a major public consultation exercise with the key stakeholders on an updated plan for the key Wairau works through to 2050. The objective is to gain more understanding of the desired level of service and willingness to pay for future flood protection works.

Current thinking is that relatively minor upgrades will be required to preserve existing levels of service to about 2050 but after that time other options, including accepting increased flood risk or retreat from some very low lying areas, may need to be considered.

This plan is likely to be implemented through a range of activities including building and maintaining stopbanks, river diversions, detention dams, stopbank erosion protection (rock and trees), river channel clearing, channel excavation, channel training, and use of flow control gates.

A climate change allowance is already built into all current Blenheim stormwater design and planning.

Over the longer term, further investigation of upgrading costs and also of possible funding sources for these upgrades is required as a part of the planned review of the Wairau River Floodway Management Plan followed by discussion with the affected community.

4. Major projects for this activity

A brief summary of upcoming projects for this asset is shown below and includes an indication of the main reasons for the projects. Many of these have multiple drivers that span the challenges identified in the earlier sections of this chapter.

Asset Type	Project	LoS %	Growth %	Renewal %	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Wairau														
Rock & Gabion Protection	Edge works			100	\$0.10M		\$0.11M		\$0.11M		\$0.12M		\$0.12M	
Rock & Gabion Protection	Diversion edge works			100		\$0.41M			\$0.22M					
Rock & Gabion Protection	Edge works	100					\$2.15M				\$2.08M		\$1.45M	
Stopbanks	Lower Warau stopbanks			100				\$0.22M		\$0.57M				
Stopbanks	Delays			100				\$0.97M						
Stopbanks	Peninsula Road repair & upgrade			100		\$9.02M								
Ruakanakana Creek														
Drainage Channels	Gibson Creek		100				\$1.16M							
Culverts, Gates, Concrete Walls	Gibson Creek			100		\$0.43M								
Omaka														
Rock & Gabion Protection	Edge works			100	\$0.40M				\$0.11M					
Stopbanks	Stopbank upgrades			100			\$0.42M		\$0.22M		\$0.23M			
Opaoa														
Boat	Weedcutter boat replacement			100	\$0.24M									
Stopbanks	Waipuna St			100				\$0.71M			\$0.17M			
Rock & Gabion Protection	Edge protection works - \$40k deferred			100	\$0.08M			\$0.04M		\$0.05M		\$0.05M		\$0.05M
Rock & Gabion Protection	Edge works			100		\$0.02M		\$0.02M		\$0.02M		\$0.02M		\$0.02M
Stopbanks	Stopbanks	100				\$0.33M				\$0.72M				
Culverts, Gates, Concrete Walls	Floodgate/Outlet replacement			100	\$0.03M		\$0.03M		\$0.03M					
Drainage Channels	Dungeys Gully upgrades	56		44		\$0.10M								
Waihopai														
Rock & Gabion Protection	Below SH 63 Bridge			100			\$0.53M							
Land	Land purchases		100						\$2.24M					
Wither Hills														
Drainage Channels	Wither soil conservation works			100					\$0.45M					
Drainage Channels	Sthern streams east of Taylor (inc. Co-Op drain			100			\$0.02M		\$0.02M		\$0.02M		\$0.02M	
Picton/Waikawa														
Rock & Gabion Protection	Rock and gabion protection	100							\$0.30M					
Blenheim														
Pump Stations	New pump stations		100		\$0.61M			\$0.16M		\$0.17M		\$0.18M		\$0.19M
Drainage Channels	Town Branch drain upgrades downstream	100			\$3.55M									
Drainage Channels	Fultons Creek	100					\$0.32M							
Drainage Channels	Fairall/Camerons Creek	100				\$0.05M		\$0.05M		\$0.06M		\$0.06M		\$0.06M
Drainage Channels	Town Branch drain upgrade			100		\$0.00M		\$0.32M		\$0.00M				
Rural														
Drainage Channels	Drains: Rural Zone A			100					\$0.27M					
Pump Stations	Pump stations	100							\$1.16M					

Community facilities

For Marlborough to achieve its vision for the future the infrastructure must be sufficient and functioning at the same time as being achievable and sustainable with the resources available.

Community facility goals

- Enhance the quality of the environment through the establishment and maintenance of reserves, parks, open spaces, libraries, museums, cemeteries, public conveniences, halls, trees etc.
- Promote quality lifestyles and the desirability of Marlborough as a place to live and visit.
- Provide a wide range of opportunities and facilities for recreation from passive through to active.
- Invest in, and planning for, infrastructure to meet social and economic wellbeing and health of our communities.

Introduction

Council has included Community Facilities within the Infrastructure Strategy. There is no statutory requirement to do so in the Local Government Amendment Act of 2014. However the infrastructure that contributes to Community Facilities has been included as it has a reasonably significant value both in terms of their financial value and their contribution to community wellbeing. There are also many smaller assets that individually are less valuable but when grouped together are significant. The asset groups included are sports stadia, community halls, libraries, cemeteries and memorials, playgrounds and public conveniences.

The assets included in Community Facilities are quite diverse in the nature of the service they provide and spatial location around the region. Whilst they are subject to many of the key themes of the strategy some services provided are of a more discretionary nature.

Marlborough has an increasingly ageing population while at the same time becoming more ethnically diverse. As a population ages, sporting participation preferences are likely to change. Generally speaking, older residents do not participate in higher levels of moderate to vigorous physical activity. Another significant change is many older adults have the ability to recreate during week days, which is often a period of time where sporting facilities are under-utilised. The increasingly ethnic diverse profile of Marlborough also brings opportunities for residents to participate in a more diverse

range of activities. This diversity may place additional pressure on Council to provide facilities for a wider range of activities as they emerge.

The **affordability of renewals** may also be a challenge for some groups of assets, particularly if there is a demand for an improved **level of service** from the replacement. Although there are some newer facilities in the district, the network of sporting facilities is generally ageing. Council has looked at increased investment in the network recently, including the development of the Endeavour Sports Hub and the hard courts and sports hub at Lansdowne Park. The Picton Library and the recently completed Blenheim Library include a degree of upgrade to meet an increased level of service demanded by customers.

Demand for public services can also decline over time. Technological changes, changing trends and personal choices about activities people take part in, and how they take part in can result in facilities being under-utilised. Similarly it has been assumed that the various community halls will not be replaced when they reach the end of their useful life. Money has not been collected to fund their depreciation and renewal affordability could be a challenge. It is, therefore, important that facilities can adapt to meet changing needs and are sustainable, including financially.

Climate change and resilience to natural hazards may also impact on some of the groups of Community Facilities. For example coastal tracks and coastal reserves may be subject to increased storms, rising sea-level and the effects of tsunamis. There will need to be some modifications to sports facilities to maintain them through more severe weather events – drought resistant turf, irrigation and improved drainage. These are likely to be resolved through incremental changes that can be incorporated into operational management plans with lower financial impact.

Recreational facilities

The underlying story for sports and recreational facilities, parks and reserves is that the major influences of change over the next thirty years are not likely to have a shock impact that will require major capital investment. Change is likely to be gradual and at least partially compensated by other contemporary changes. The other prevailing trend is that while levels of service may alter with changing community demands and operating environment, the overall standards are unlikely to decline. If this projection is correct, the operational and maintenance costs will be at least comparable with current expenditure.

The major sports stadia in Marlborough - Stadium 2000 and Regional Aquatic Centre, the BDO Spicers Renwick Sports and Events Centre, Picton Endeavour Park Pavilion

and the Lansdowne Park Sports Hub in Blenheim have a combined insurance value of \$95 million. For the other Pavilions the total value is \$12.9 million. The major stadia are relatively new and have a long-life expectancy. The Sports Facilities Strategic Plan 2021 has been developed to understand the current and future facility needs and aspirations of sporting codes in Marlborough. The plan identifies what changes, updates or additions could be made to the Council's sports facilities network over the next ten years. To date, sharing of common facilities and synergies between codes helps to promote sports, save costs and future-proof the facilities to meet changes in community demand.

Stadium 2000 has undergone strengthening works to improve its resilience to earthquake as have other of Council's community facilities. It is important to note that the main aim of building strengthening is to prevent catastrophic failure and to allow people to escape. It does not mean the facility will be serviceable after a large earthquake. Council has insurance to help manage the risk but the insurance excess can still be considerable.

Community halls

There are around 16 community halls, managed by Council, located in many of the small settlements from D'Urville Island to Ward. Many of them are old but are still a significant focus for the community with a high number in rural locations predicted to have declining populations in the future.

The halls have an important role to play with many being the only public facility available in isolated communities. They may have limited use but they have strong cultural and nostalgic linkages to the community. Some are more valued for their heritage and future potential as much as their current practical utility. Six have been identified as Civil Defence Community Response Centres.

Council policy is not to fund depreciation of the community halls and an assortment of management practices have evolved by individual communities. Not all structures have been assessed for earthquake resilience. Strengthening works would need to be incorporated into a cohesive management plan.

Parks and reserves

Council has three premier parks (Pollard Park, Seymour Square and Picton Foreshore) and 220 parks and reserves with 81 neighbourhood parks. The premier parks not only provide a service for the local community but, increasingly, an attraction for visitors. Neighbourhood parks provide playground areas which are likely to become more frequented as property section sizes decrease. For these reasons the level of service for these assets is likely to be maintained into the foreseeable future.

Other facilities

Walkways and Cycleways - Similarly, walkways and cycleways are increasingly used by visitors to the area. Tourism is an important and growing part of the economy. There will be continuing demand to expand and upgrade the facilities provided and maintain a high level of service for the benefit of local community and visitors. A recent example is the Whale Trail network.

Public conveniences - Council maintains 71 public toilet facilities across the district with sixteen of those facilities receiving significant refurbishments since 2018. The upgraded facilities have been in areas with highest demand based on user numbers and the proximity to state highways. Smart technology has also been installed as part of these upgrades to support more efficiency with maintenance and wastewater systems and providing accurate user data and trends.

The infrastructure across many of the smaller more rurally located sites while basic, is meeting current levels of services. These sites have also received upgrades and modernisations to ensure they continue to meet user demand.

The community expects public conveniences to be maintained to a high level and any change in this level of service may not be acceptable.

Libraries

The new libraries in Picton and Blenheim are modern buildings designed to the latest standards with updated fittings and facilities. The main infrastructure is designed and built to last beyond the 30 year strategy but advances in technology may make some of the facilities obsolete or require significant re-investment. It is difficult to predict the implications of new technology but the strategy ensures the new structures are as flexible as possible to adapt to changing service requirements in a way that will allow the long term durability of the assets.

Museums and cultural facilities

The main Marlborough museum is located at Brayshaw Park and several smaller museums and art galleries at Havelock, Renwick, Picton, etc. A new art gallery will also form part of the new Blenheim Library complex. There is unlikely to be a major shift in the strategic management of these facilities. However, a change in level of service may be anticipated to embrace modern technology. Museum visitors now expect inter-active displays and high quality presentation materials. Conversion of archive material to digital formats and other operational costs can be expected. The smaller facilities may face premature technical obsolescence or expensive upgrade.

The cultural significance of the Wairau Bar settlement in New Zealand history is becoming more apparent as more archaeological evidence is discovered. There may be increasing pressure for investment in a permanent facility to recognise and display the artefacts for the site.

Cemeteries and memorials

The Council administers eight cemeteries with a combined area of around 26 hectares. Population projections show the proportion of the population over 65 is likely to increase from its current level of around 20% to 35%. Increased demand for burial space may require additional land purchases and development investment and operational costs. However, there is evidence of a trend towards greater cremation. The introduction of the Cemeteries Bylaw in 2017 has provided the option to pre-purchase up to two cemetery plots per application. Management plans have been developed for all of the cemeteries to assist future planning. Changes are expected to

be accommodated without significant investment aside from a need to consider the purchase of additional land.

The community expect cemeteries and memorials to be maintained to a high standard. Deterioration to this level of service is unlikely to be acceptable.

Options and implications

An options and implications table has not been included for Community Facilities.

Relatively small changes will be gradually deployed to implement further upgrades and meet changes in demand. The new infrastructure that has recently been completed or is under construction, libraries and sports hubs, has been deliberately designed to be as flexible as possible. Changing demand patterns, demographics of the community and new technologies can be accommodated in the structures that are planned or have been completed.

Project title	Approximate date required	Estimated cost \$M	Reason for project (% weighting)		
			Growth	Level of Service	Renewal
Blenheim A&P Park Pavilion	2025/2028	\$5.9M	0	50%	50%

General assumptions and risks

Made in preparing financial information (generally up to years 11 to 30):

1. Capitalised overheads have been added to capital spending in years 11 to 30 at the average rate they are applied in the budget ten years, by Activity.
2. The capital inflation rate applied to years 11 to 30 is BERL's Final 2023 forecast LGCI for the year ending June 2034, i.e. 2.0%. As identified in the assumptions section on page 244 updated BERL adjusters have been provided in August 2024. Refer to this section for further commentary on potential inflation impacts.
3. Additional operating costs, including insurance and depreciation, have been estimated in relation to growth and level of service related capital projects in years 11 to 30.
4. For renewals capital expenditure in years 11 to 30 it has been assumed that any additional costs will be more than offset by a reduction in related

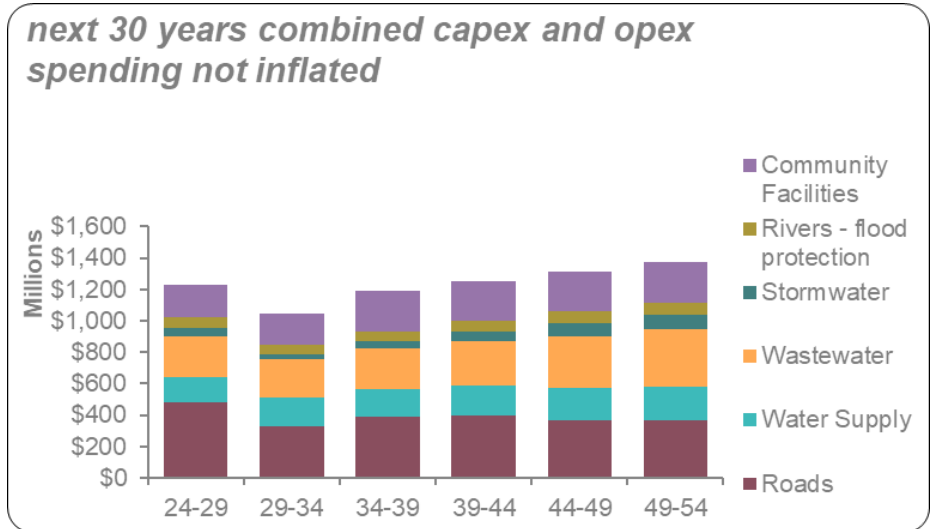
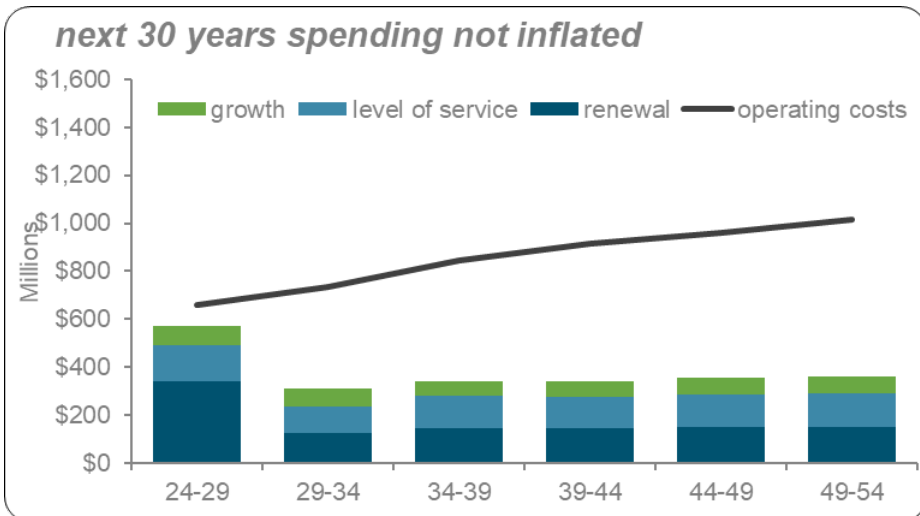
maintenance and no operating costs adjustment has been made; this may lead to an immaterial overstatement of operating costs towards the end of the planning horizon.

5. For existing assets expected renewals have been based on the estimated useful life and condition where it is known; planned new assets have been forecast to utilise availability of operational and financial resources; renewals have generally not been forecast earlier than the expected engineering trigger point.
6. Where this data is not available prior failure rates and investment levels are used to predict future spending.



Part three — Financial summary

The capital work presented in section two represents total infrastructural capital spending of \$2.28 billion over the next 30 years; with associated operating expenditure totalling \$5.32 billion – to operate and maintain existing and new infrastructural assets. The operating expenditure is spread fairly evenly across the years whereas the capital expenditure is more concentrated in the early years.

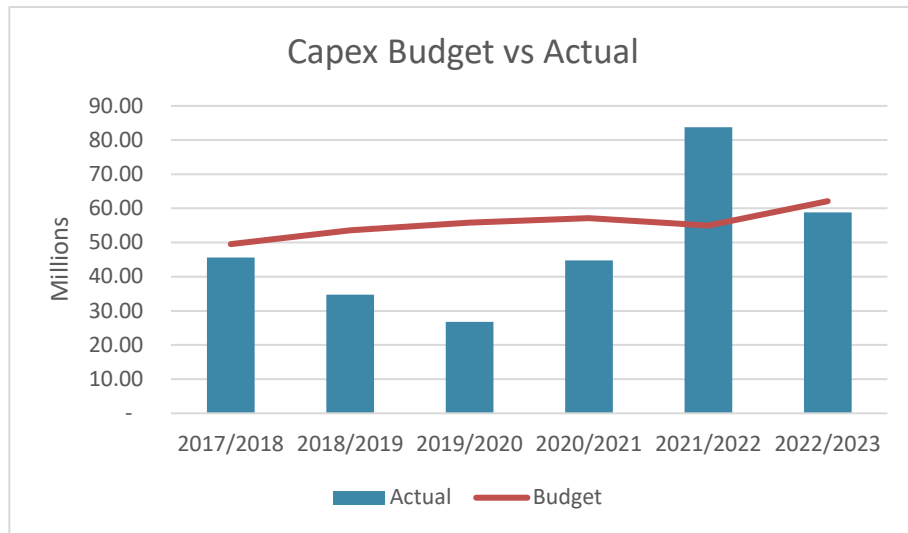


The preceding chart shows the total infrastructural spending (capital and operating combined) by Activity Group.

Given the constant challenge to provide the required services in an affordable manner, and the demand on internal and external project management and construction resources, the renewals expenditure based on expected useful life has been budgeted to “fill the gaps” between the major projects.

In preparing its LTP, Council has to inflate the project cost estimates, also added into the budget are approximately \$1.8 million of planning and development costs which will be capitalised. The same methodology has been applied throughout the thirty years of this financial summary.

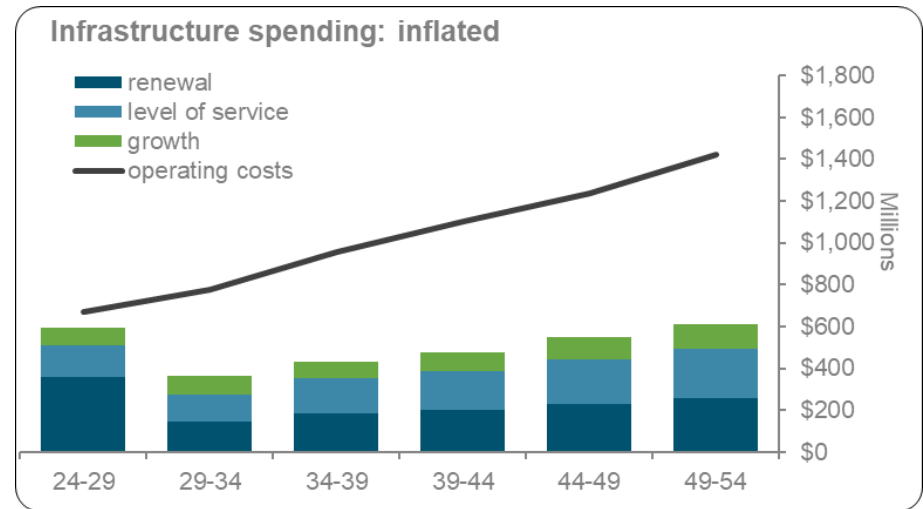
Preparing the LTP and this financial summary also involved consideration of factors which may delay the proposed timing of projects and have a significant impact on the overall capital programme.



As described throughout the strategy there are many projects and some demand for improved services from all of the core activities. However, it is unlikely that projects will rapidly overcome the obstacles described and accelerate much beyond an annual expenditure of \$85 million. It has therefore been decided to limit capital financing to \$85 million plus Sounds roading per annum for the first three years of the LTP.

Over the past five years actual capital expenditure has ranged from \$34.71 million in 2018/19 to \$83.8 million in 2021/22 with an average of \$49.10 million; the projection for 2023/2024 is over \$74 million. In all but 2021/22, the actual spending was below budget, often significantly. Capital project timing has been delayed due to:

- finalising community consultation;
- obtaining land access;
- obtaining resource consents;
- the availability of external professional expertise;
- receiving acceptable contract price and contractor availability.



The resulting “inflated” budget is for total capital expenditure of \$3.034 billion and operating expenditure totalling \$6.2 billion, over the 30 years of this strategy. The inflated capital spending is:

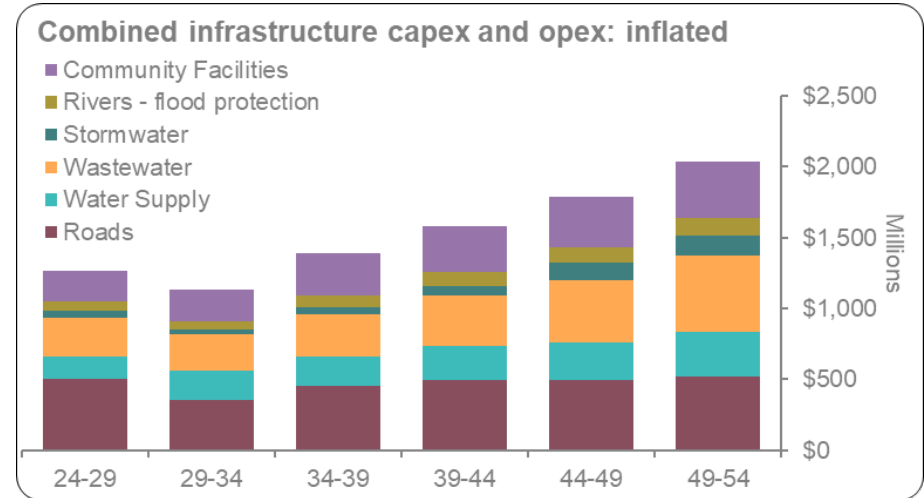
- 18.7% to service forecast growth;
- 35.9% to improve levels of service (strongly influenced by wastewater and also by water supply);
- 45.3% to renew assets as they reach the end of their lives.

Council's Financial Strategy sets out the strategic financial direction; the external and internal factors expected to have a significant impact (in particular over the next ten years), and the approaches used to fund this scenario in a prudent manner.

The strategy identifies that in general:

- growth driven capital expenditure is funded by development contributions;
- capital expenditure to increase levels of service, e.g. improve quality of drinking water supply, is funded by borrowing;
- renewals capital expenditure is funded from revenue - rates and charges - set to recover depreciation expense and accumulated until spent. This funding source emphasises the importance to Council of continually fully funding depreciation on infrastructural assets. As a result of the significant uplift in Three Waters assets values and annual depreciation following from the 30 June 2023 valuation, the Council have not forecast to fully fund depreciation for these assets in 2024-25 and 2025-26. From 2026-27 Council begins to progressively fund the depreciation impact and by 2034 Council will be fully funding depreciation. This step was undertaken in order to contain rates increases in the short term and to better understand the impacts of the new government's Local Water Done Well initiative.

In practice any funds available are used before new loans are drawn down, to avoid paying interest unnecessarily; excepting development contributions which are only ever used to fund growth projects.



Activity graphs

The following graphs show, for each Activity:

Budgeted expenditure over the next ten years, i.e. as included in the LTP, year by year:

- inflated
- not inflated

with the same scale for both graphs.


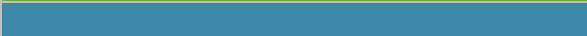




Forecast expenditure over the next thirty years, taking the first ten years from the LTP and showing spending in five year blocks:

- inflated
- not inflated

with the same scale for both graphs.

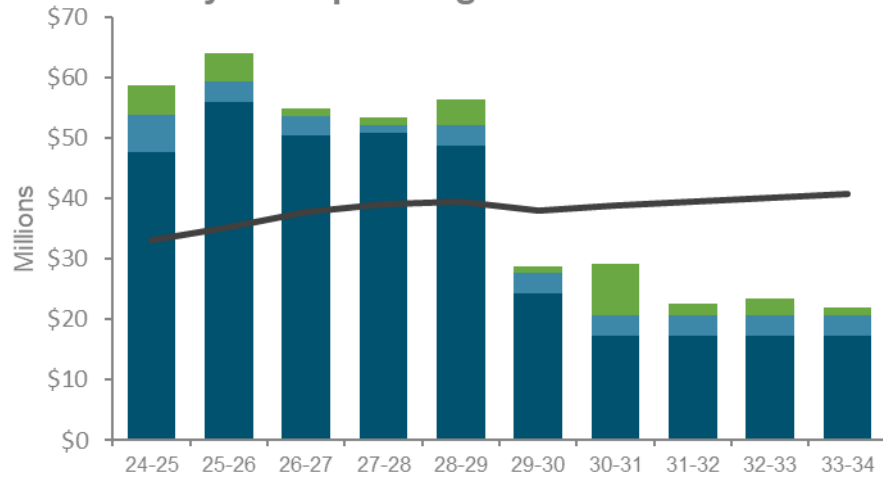
All graphs show:

- total operating expenditure
- capital expenditure separately identifying renewals, growth driven and level of service driven expenditure.

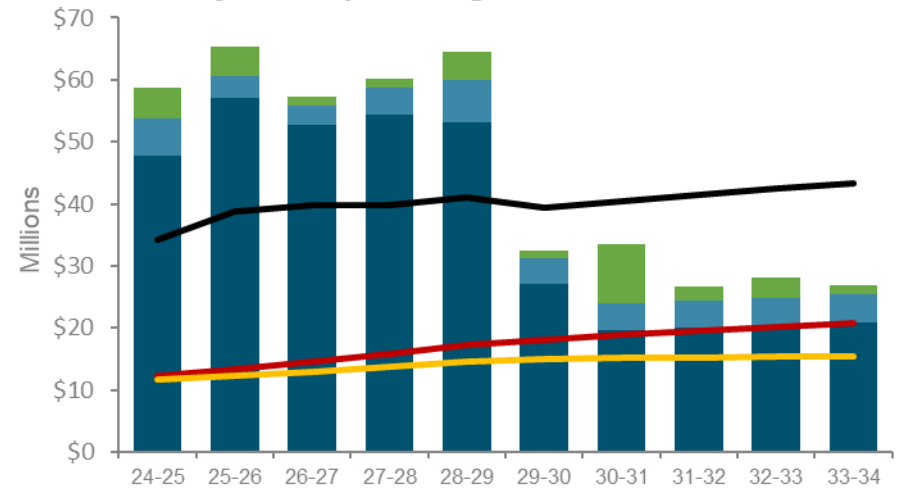
Key:	
Capex to:	
cater for growth	
increase level of service	
renew existing assets	
Total operating expenditure	
Depreciation	
Existing assets depreciation	

Roading

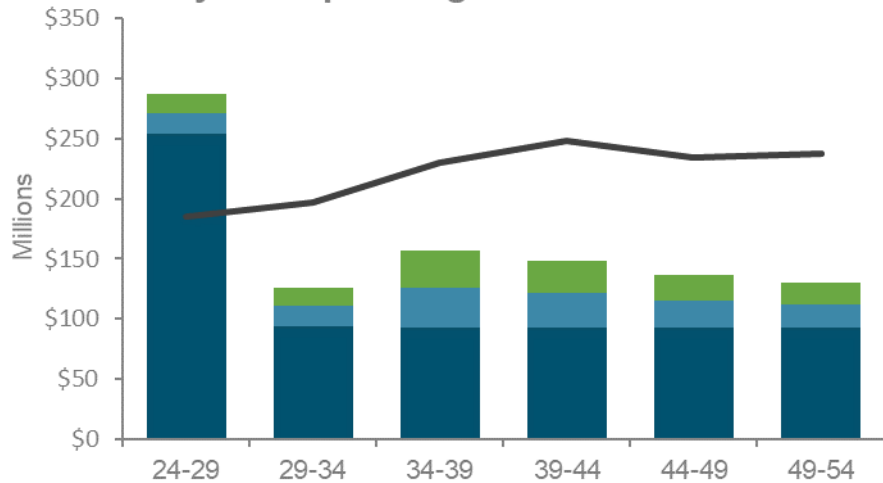
next ten years spending not inflated



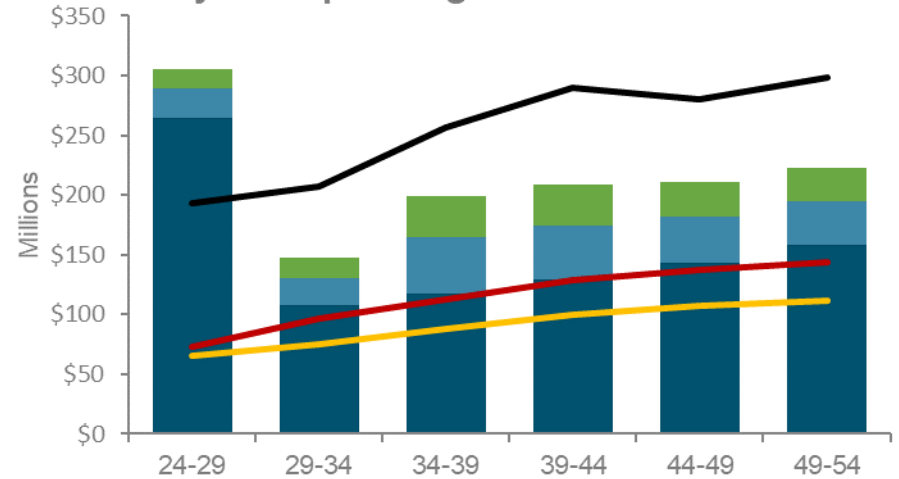
next ten years spending inflated



next 30 years spending not inflated

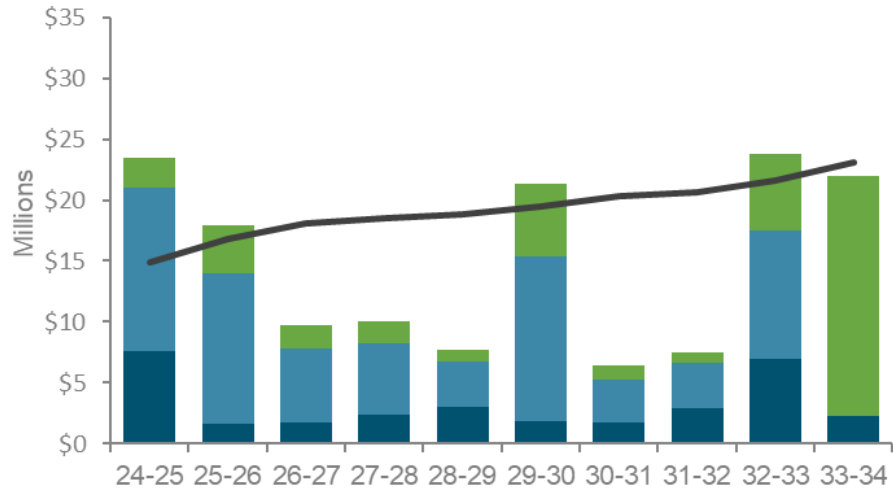


next 30 years spending inflated

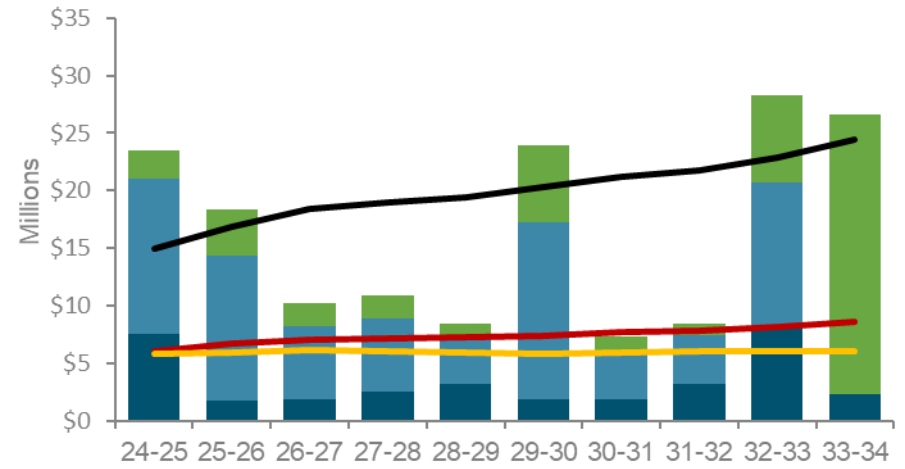


Water supply

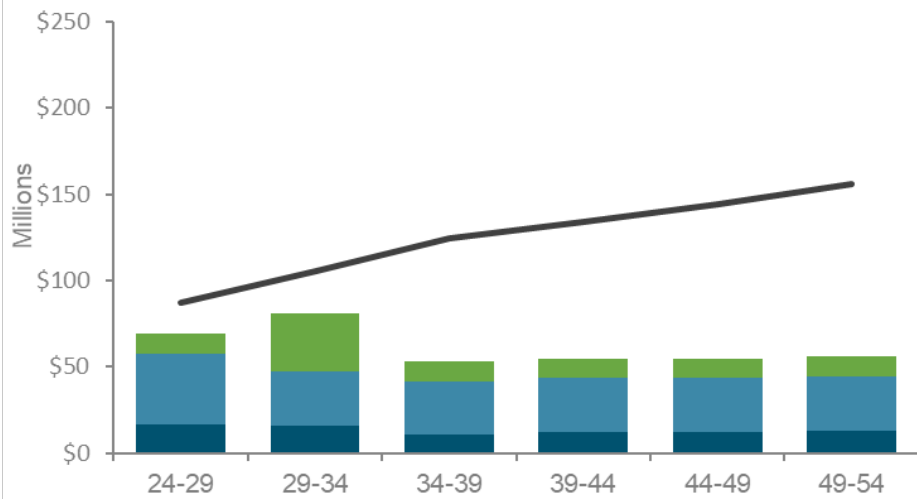
next ten years spending not inflated



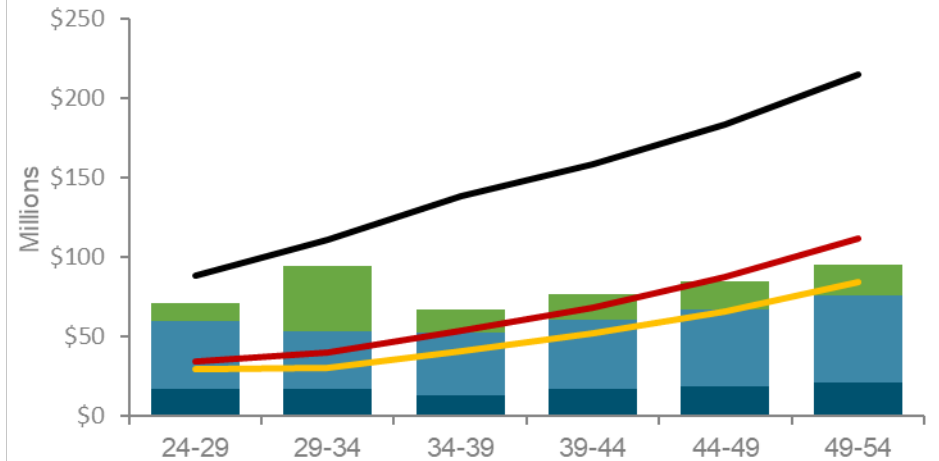
next ten years spending inflated



next 30 years spending not inflated

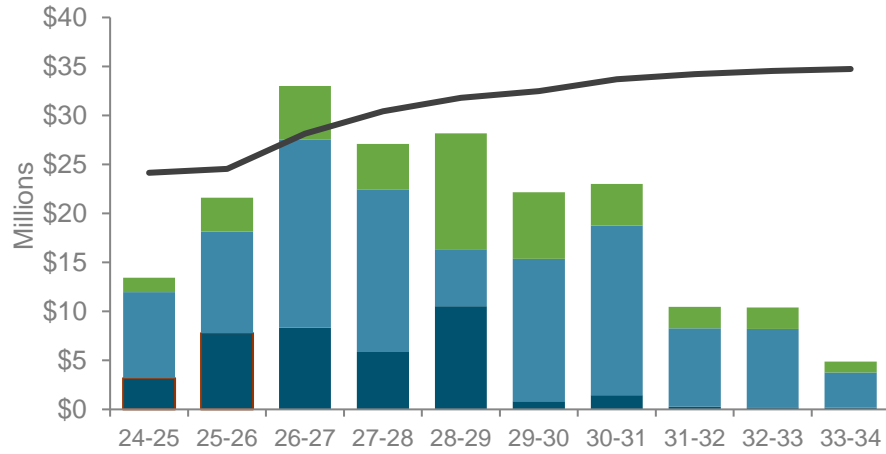


next 30 years spending inflated

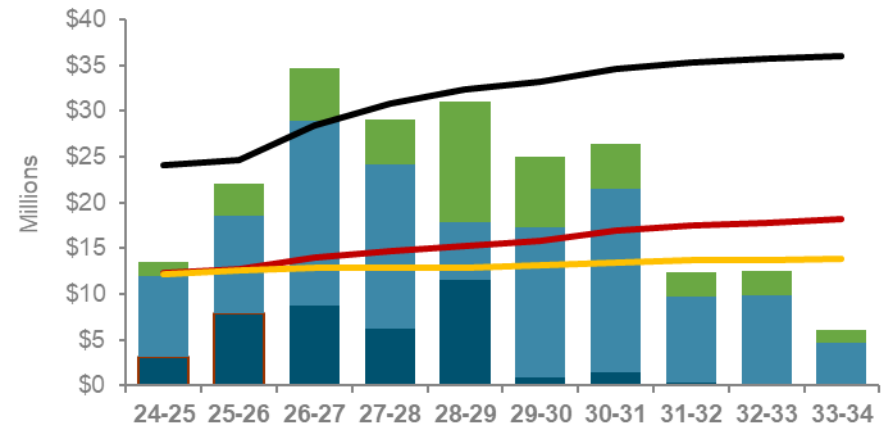


Wastewater

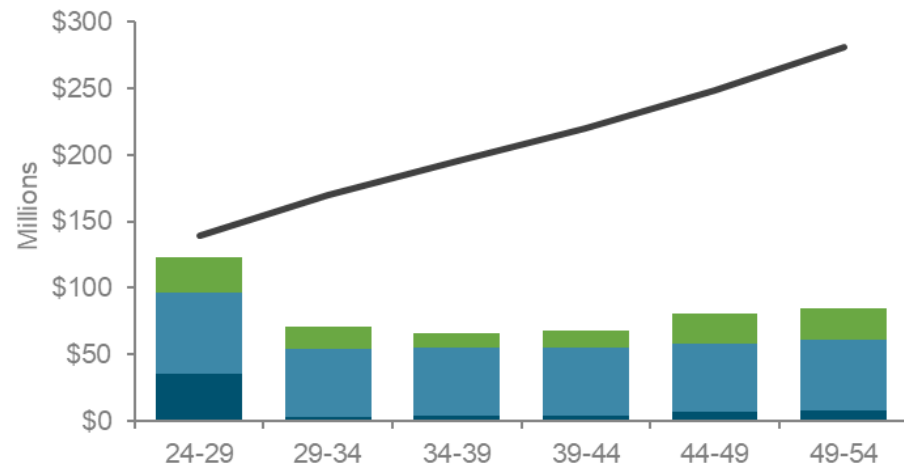
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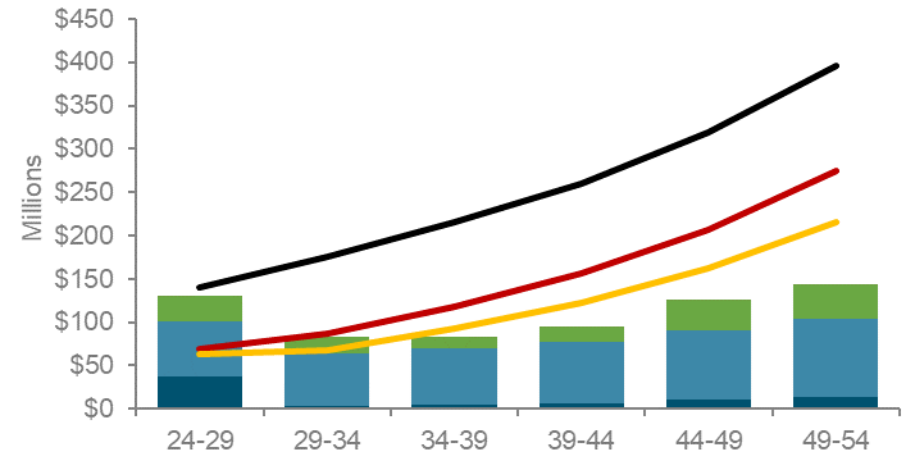
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next 30 years spending not inflated

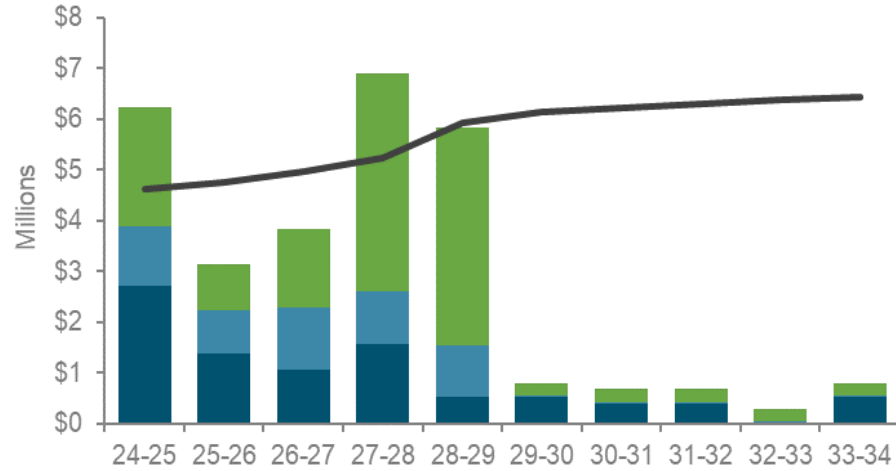


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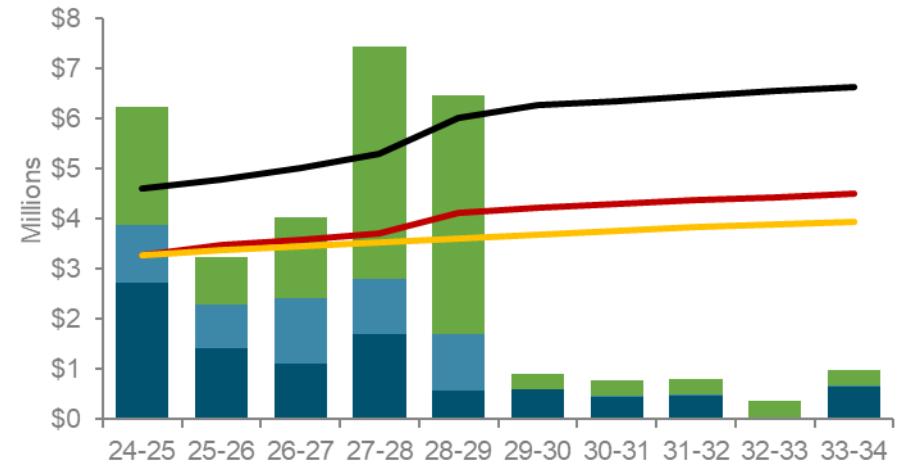


Stormwater

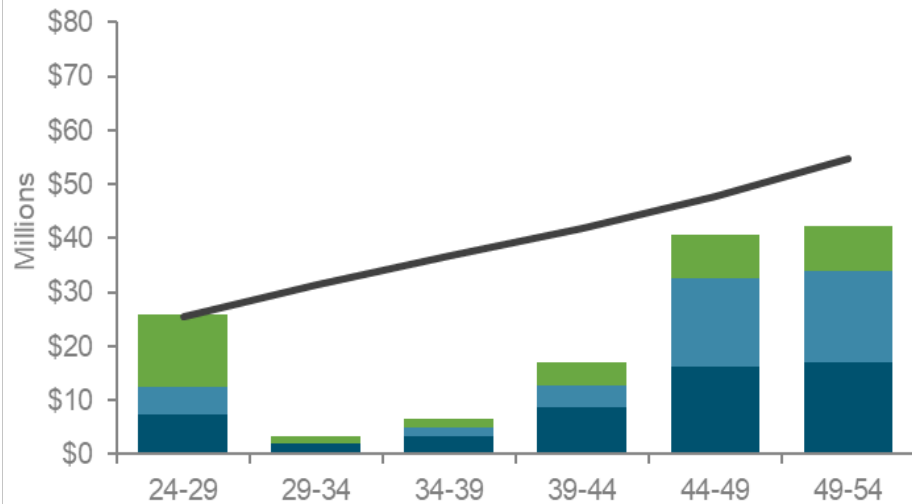
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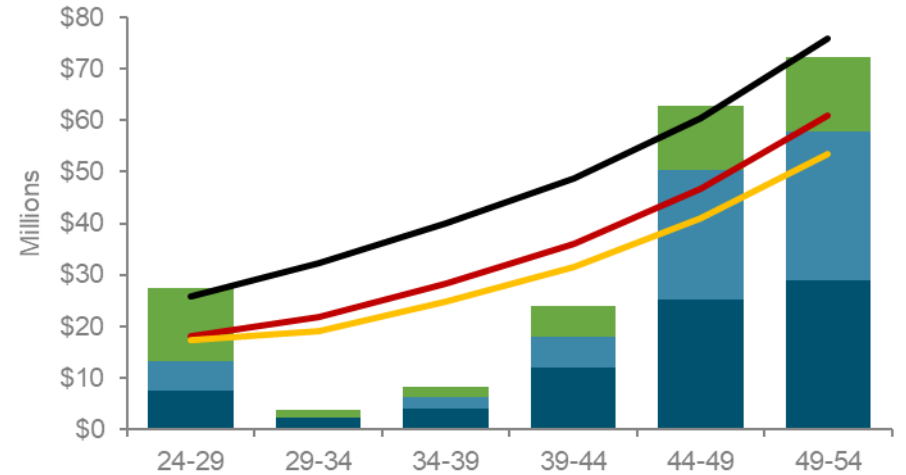
next ten years spending inflated



next 30 years spending not inflated

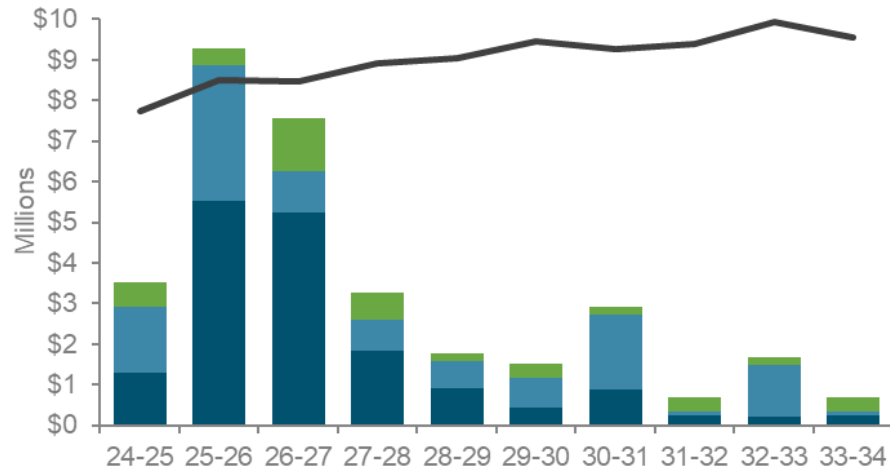


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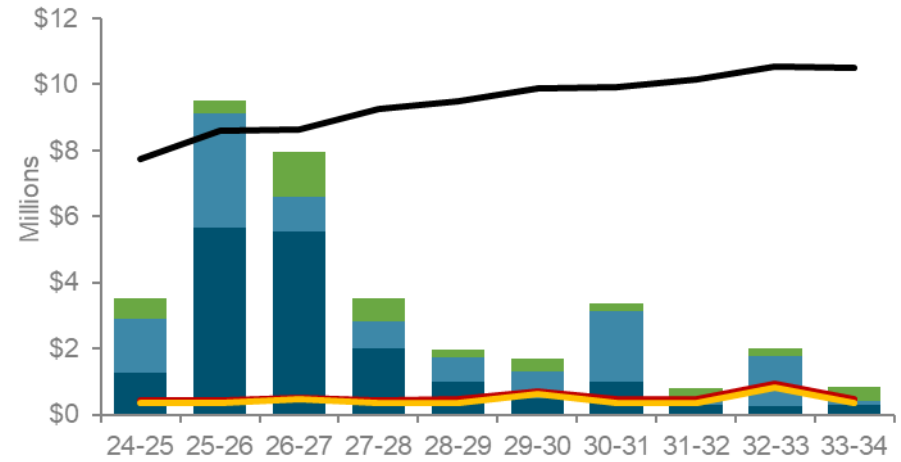


Flood protection

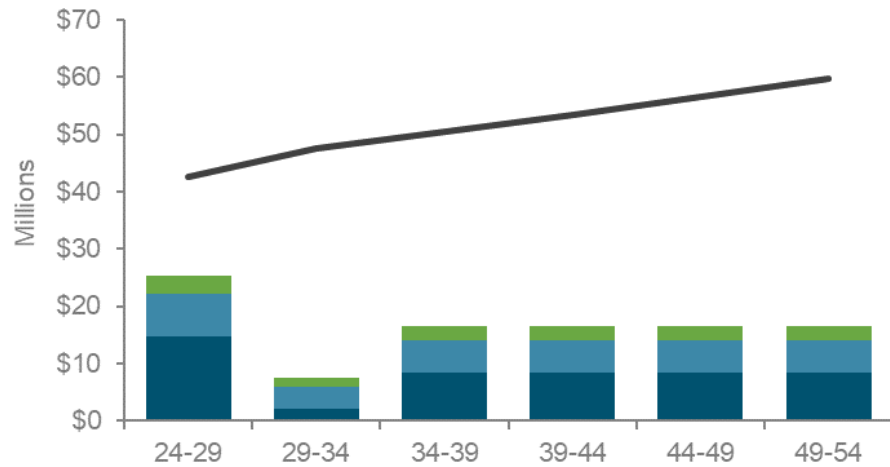
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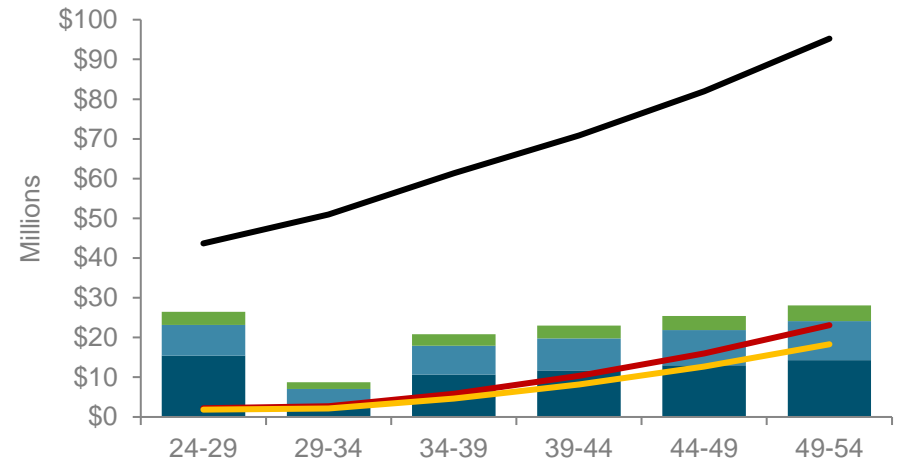
next ten years spending inflated



next 30 years spending not inflated

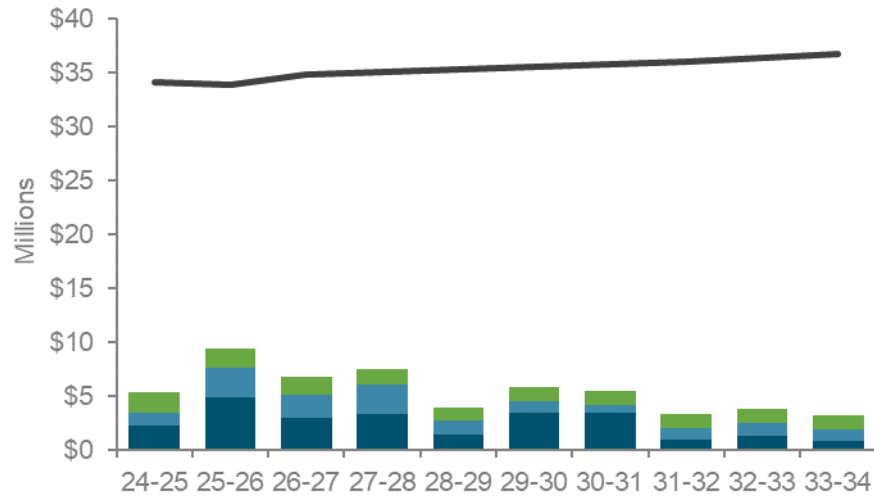


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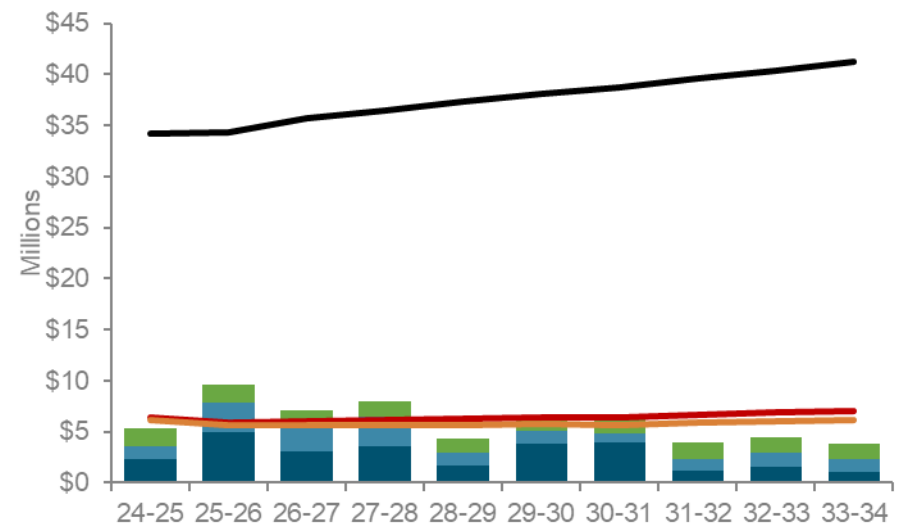


Community facilities

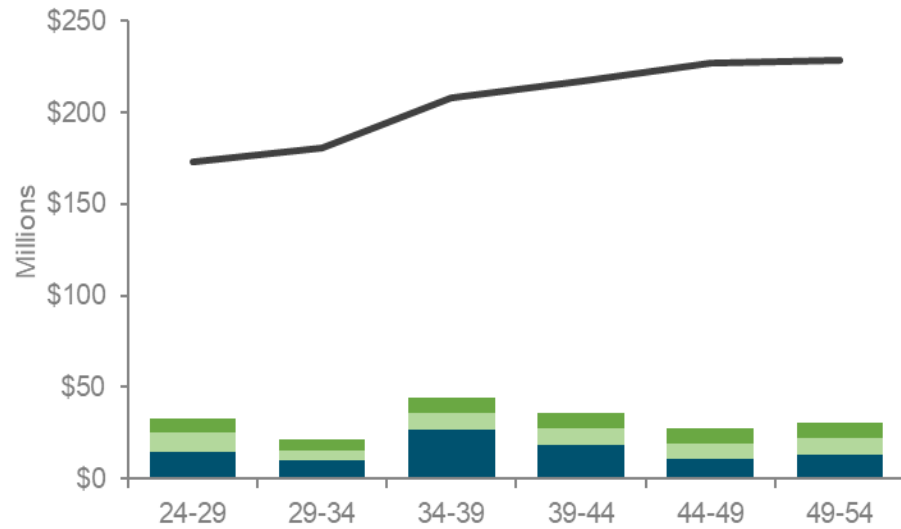
next ten years spending not inflated



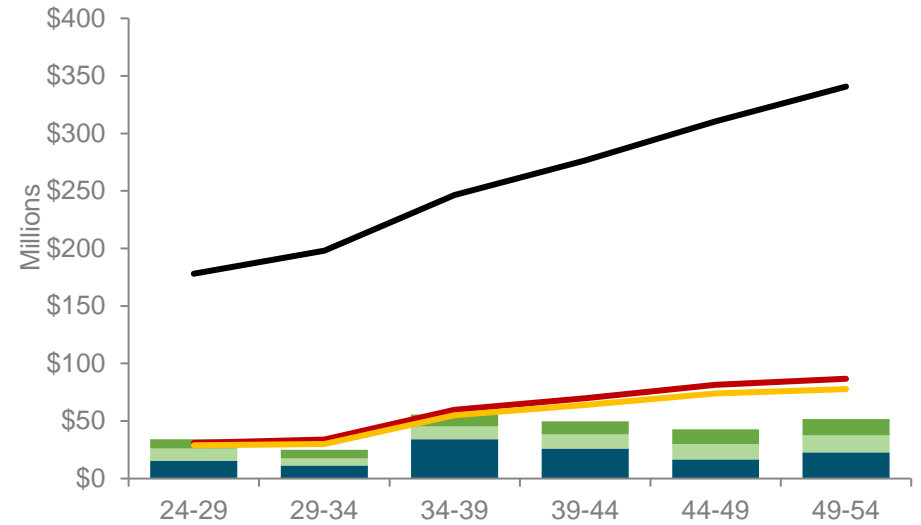
next ten years spending inflated



next 30 years spending not inflated



next 30 years spending inflated





ASSUMPTIONS, DISCLOSURE AND COMPLIANCE

Assumptions

With any financial forecasting, several assumptions must be made. The following assumptions have been made in the preparation of this document. Also presented for each assumption is the “Level of uncertainty”, “Risk” and “Financial impact” for each. Assumptions have been made on the following:

- Legislation
- Inflation
- Interest rate on Council borrowings
- Population growth
- COVID -19
- Subsidy rates and NZTA funding
- Natural disasters
- Taxation framework
- Asset ownership and valuation
- Sources of funds for capital expenditure
- Climate change
- Resource consents
- Capital Expenditure delivery
- Economic life of assets
- Emissions trading scheme
- Port Marlborough NZ Ltd dividends
- Waitohi Picton Ferry Precinct Redevelopment
- Capital/Operational split of roading reinstatement

Legislation

Assumption

Local Government could be significantly affected by changes in legislation as a result of the new National Party led Government being elected in October 2023. As a result, it is likely that changes in direction will occur, especially in the areas of the environment and RMA reform and the delivery of the Three Waters. However, there are high levels of uncertainty on the exact path government will take and the implementation requirements and impacts on Council. As a result of this uncertainty, the consequential Financial impacts on Council cannot be quantified with certainty yet. Therefore, it is assumed that legislative and Government Policy changes will not significantly impact upon Council's current responsibilities and activities for the purposes of this LTP as suggested in guidance from Government and the Taituarā (formerly the Society of Local Government Managers - SOLGM), especially in regard to the Three Waters.

The potential changes in direction by Government may provide an opportunity for Council to undertake a slight pause, while the new Government finalises its direction, as the pace of reform under the previous Government was very high.

Level of uncertainty

High.

Risk

It is highly likely that the new Government will want to advance its agenda. As a result of local government having a very broad range of activities it is also very probable the cumulative effect on Council will be significant.

Financial impact

To date Government's reforms have not reduced legislative obligations, costs or the impact on the ratepayer. It is too early to assess the likely financial impact of the Government's expected policy announcements. However, it is expected that there will be specific requirements resulting from National Policy Statements and legislative change, to undo the currently legislated changes including for delivering the "three waters" in response to the Havelock North Water Quality Inquiry. It should be noted that Council has already moved to address many of the recommendations of the Havelock North Inquiry in its infrastructure planning.

Infrastructure impact

Upon recommendation from Central Government, whilst changes will occur with the impending Local Water Done Well reform, we are continuing to do all Long Term Planning as per the status quo.

Civil engineering labour, plant and materials have already been in high demand in New Zealand. Current procurement costs are already high and timing on projects is somewhat dictated by the availability of contractors.

Significant changes in national standards or deadlines for compliance with statutory requirements may accelerate the delivery of specific capital projects accordingly.

Inflation

Assumption

The costs, revenues and asset values reflected in this plan reflect the following "Forecasts of Price Level Change Adjustors to 2034" produced by Business Economic Research Limited (BERL) in October 2023 for the Society of Local Government Managers. Normally only the years relating to the current LTP are included in the table below, in this LTP the previous three years have also been included to high light the recent high inflation.

Label Year Ending	Planning and Regulation	Roading	Salary & Wages L/Govt	Community Activities	Water and Environmental
% change on year earlier					
June 2020	1.3	1.1	2.1	1.5	2.3
June 2021	2.5	1.0	1.1	1.6	2.8
June 2022	7.3	7.6	3.3	6.5	9.3
June 2023	5.0	4.8	5.1	4.3	5.5
June 2024	3.4	3.8	2.8	3.5	5.0

Label Year Ending	Planning and Regulation	Roading	Salary & Wages L/Govt	Community Activities	Water and Environmental
% change on year earlier					
June 2025	2.6	2.9	2.4	2.7	3.6
June 2026	2.1	2.0	2.2	2.0	2.5
June 2027	2.2	2.3	2.1	2.2	2.7
June 2028	2.1	2.3	2.1	2.2	2.6
June 2029	2.0	2.2	2.0	2.1	2.5
June 2030	1.9	2.1	1.9	2.0	2.3
June 2031	1.9	2.0	1.9	1.9	2.3
June 2032	1.9	2.0	1.9	1.9	2.2
June 2033	1.8	2.0	1.8	1.9	2.1
June 2034	1.8	1.9	1.8	1.8	2.1
20 year average % pa	2.4	2.6	2.2	2.4	3.1

BERL also consolidates the above adjusters into a consolidated Local Government Cost Index (LGCI) which is further split between operating and capital expenditure.

Year ending	OPEX	CAPEX	TOTAL
annual average % change			
June 2020	1.5	1.6	1.6
June 2021	2.3	2.3	2.3
June 2022	7.6	7.8	7.7
June 2023	4.9	5.0	5.0
June 2024	3.8	4.0	3.9

Year ending	OPEX	CAPEX	TOTAL
annual average % change			
June 2025	2.9	3.0	2.9
June 2026	2.2	2.2	2.2
June 2027	2.3	2.4	2.3
June 2028	2.3	2.3	2.3
June 2029	2.2	2.2	2.2
June 2030	2.1	2.1	2.1
June 2031	2.0	2.1	2.0
June 2032	2.0	2.0	2.0
June 2033	1.9	2.0	1.9
June 2034	1.9	1.9	1.9
20 year average % pa	2.6	2.7	2.6

Level of uncertainty

High.

Risk

As the LTP was not adopted on 31 July 2024 as originally intended, Interim 2024 cost adjusters have now been provided by BERL. These interim adjusters show inflation reducing at a slower rate than that forecast in in BERL's "Cost adjusters 2023 final update" released in October 2023.

There remains a risk that the local inflation rates may be higher or lower than the national averages forecast by BERL, against both the October 2023 adjusters and the recently released interim adjusters.

Financial impact

If inflation is higher than that predicted by BERL, it will increase the costs of maintaining existing Levels of Service and the cost of capital projects which will place

pressure on rates. It will also increase debt and potentially put pressure on Council credit rating, unless capital projects are deferred.

Further commentary on the potential impact of these recently released interim adjusters is shown below.

Infrastructure impact

Deferral of capital projects which may impact upon the level of service that can be provided.

Potential Impact of adjustments to the LTP to reflect BERL's Interim Adjusters

For the 2024-25 year budgets have been set by Council based on the expected costs of services, contracts and purchases and include an assessment of the specific inflation related adjustments. In this first year of the LTP BERL adjusters are not typically applied across the board as we rely on these more detailed assessments.

The overall level of budget changes is reviewed by Council at the annual budget meeting which this year occurred in February. An example of a contract with a specifically considered, and approved, increase is the Open Spaces Contract which attracted an increase of 40% (\$249k).

Major areas where cost escalation has been specifically considered include Personnel Costs, Electricity, Insurance, Professional Fees and Contracts. These costs can affect either operating or capital expenditure.

The following table shows the changes between BERL's 2023 final update (which is used throughout the LTP) and 2024 Interim Update and the cumulative impact. The series used in this table is the Legacy Series Aggregate Adjusters average of Opex and Capex. For the financial impacts calculation the separate rates for Opex and Capex have been used.

Over the course of the LTP, for this analysis, we have assumed the NZTA portion of the General Roding budget of \$165 million is not subject to inflation. We do not assume NZTA will provide further funding over and above what is already included in the LTP, and Council would reduce the overall work programme to the planned level of subsidy. If costs inflate in excess of the current budget assumption Levels of Service may be impacted.

BERL Legacy Series

	Financial Strategy	2024 Interim Update	Change	Cumulative Financial Strategy	Cumulative 2024 Interim Update	Change
2025	2.9%	4.2%	1.3%	2.9%	4.2%	1.3%
2026	2.2%	3.3%	1.1%	5.2%	7.6%	2.5%
2027	2.3%	3.2%	0.9%	7.6%	11.1%	3.5%
2028	2.3%	2.9%	0.6%	10.1%	14.3%	4.2%
2029	2.2%	2.7%	0.5%	12.5%	17.4%	4.9%
2030	2.1%	2.6%	0.5%	14.8%	20.4%	5.6%
2031	2.0%	2.5%	0.5%	17.1%	23.5%	6.3%
2032	2.0%	2.4%	0.4%	19.5%	26.4%	6.9%
2033	1.9%	2.3%	0.4%	21.7%	29.3%	7.6%
2034	1.9%	2.1%	0.2%	24.1%	32.0%	8.0%

Ordinarily Council would update its financials for the latest information available, but this time will not be doing so, for the following reasons:

1. BERL's forecasts are interim and, as been shown previously, significant variations between the interim and final reports can occur,
2. Economic forecasts are known to have a high level of uncertainty especially in later years, because New Zealand inflation can be impacted by events beyond New Zealand's control,
3. 2024-25 is not impacted because the BERL adjusters are not applied in the first year of the LTP which is used to set Rates,
4. Inflation adjusters will be updated when Council prepares its Annual Plan for the 2025-26 year.

The following potential financial impacts have been assessed over the course of the LTP. In summary:

- An additional \$46 million of Capital Expenditure may be required over the course of the LTP, 1.6% of the currently forecast average Fixed Asset value.
- An estimated \$41 million of additional Debt may result at the end of the LTP period, which is an average of 8.5% of the currently forecast Borrowings.

- An additional \$96 million of Operating Expenditure which is equivalent to 4.7% of the existing Operating Expenditure forecast.
- An extra \$13 million of interest, resulting from inflated Capital Expenditure, or 0.6% of existing Operating Expenditure forecast.
- \$35 million of Revenue estimated over the LTP period, which is 1.5% of the current forecast Revenue, including Rates.
- If we were to flow these changes through to Rates over the LTP period an average 6.3% increase would be required, reflecting the full recovery of additional costs and additional debt servicing.

Full Year Impact of Change in BERL Adjusters - 2023 Final to 2024 Interim											
\$,000's	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total LTP
Forecast Statement of Financial Position	Year 1 not included - refer commentary										
FY Capex		3,293	4,368	5,330	6,506	5,503	5,262	3,995	6,355	5,669	46,281
<i>Percentage of Current PPE Balance</i>		0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	1.6%
YE Borrowing		-4,645	-8,755	-13,678	-19,596	-24,356	-28,727	-31,721	-36,896	-41,226	-41,226
<i>Percentage of Current Borrowings Balance</i>		1.3%	2.0%	2.7%	3.6%	4.3%	5.2%	6.3%	7.8%	9.5%	8.5%
Forecast Statement of Comprehensive Revenue and Expense											
FY Opex excl Interest		4,071	6,023	7,432	9,361	10,986	12,329	13,626	15,248	16,431	95,508
FY Interest on Capex		265	505	799	1,156	1,459	1,748	1,968	2,318	2,630	12,849
FY Revenue		-1,429	-2,143	-2,596	-3,332	-3,974	-4,453	-5,024	-5,807	-6,124	-34,882
Net Impact on Surplus/Deficit	2,907	4,385	5,635	7,186	8,471	9,624	10,571	11,760	12,937	73,475	
Potential Impact on Rates	3,042	4,643	6,042	7,774	9,213	10,514	11,573	12,940	14,275	80,059	
<i>FY Opex Percentage of Operating Expenditure</i>		2.1%	2.9%	3.4%	4.2%	4.8%	5.3%	5.7%	6.3%	6.7%	4.7%
<i>FY Interest Percentage of Operating Expenditure</i>		0.1%	0.2%	0.4%	0.5%	0.6%	0.8%	0.8%	1.0%	1.1%	0.6%
<i>FY Revenue Percentage of Revenue</i>		0.6%	0.9%	1.0%	1.3%	1.6%	1.7%	1.9%	2.1%	2.2%	1.5%
<i>FY Rates % of Rates Income</i>		2.8%	3.9%	4.7%	5.8%	6.5%	7.1%	7.5%	8.0%	8.6%	6.3%

Interest rate on Council borrowings

Assumption

Council has assumed a long term interest rate on internal loans of 5.5% for the entire 10 years covered by the Long Term Plan.

However, the actual external interest rates incurred by Council on external borrowings vary depending on the prevailing market conditions. Existing external borrowings have interest rates ranging from 2.8% to 5.8%. It is assumed that when existing borrowings mature or new borrowings are undertaken the interest rates will be between 4.2% and 5.5%.

Level of uncertainty

Medium.

Risk

As a result of continuing high inflation in New Zealand and internationally and the high interest rates used by Central Banks to bring it under control, the expectation higher interest rates for longer remains.

However, there are signs that Central Banks are “winning” the war on inflation with the signalling further increases reducing in terms of frequency and quantum. Council has adopted a conservative position compared to current market rates to mitigate the risk associated with interest rate movements. Council has also mitigated the impact of interest rate rises with a prudent hedging programme that operates in accordance with its Treasury Policy.

Financial impact

Increases in internal interest rates above 5.5% will result in higher debt servicing costs and rates funding requirements.

Changes in the external interest rate without a corresponding change in internal interest rates will result in an increase in Council's emergency events reserve or a decrease in rates.

Council only debt is currently forecast to peak at approximately \$353 million in 2030. As a result a 1% change in interest rates would result in changed interest costs of \$3.5 million.

Infrastructure impact

Deferral of capital projects which may impact upon the level of service that can be provided.

Population growth

Assumption

In preparing the Long Term Plan Council has assumed based on actual results that population growth will occur above the 31 March 2021 Statistics New Zealand medium population growth projections. Population growth is further discussed in the Key Issues and Financial and Infrastructure Strategy sections of the Long Term Plan.

Level of uncertainty

Low.

Risks

If population growth occurs at a slower rate than forecast, then the level of development contributions received will be lower than expected. However, there is the opportunity to mitigate the financial impact by slowing the capital expenditure programme. It is not expected that levels of service will be impacted upon significantly.

Financial impact

If population growth occurs at a slower rate than forecast, then the level of development contributions received will be lower than expected. However, there is the opportunity to mitigate the financial impact by slowing the Capital Expenditure programme. It is not expected that levels of service will be impacted upon significantly.

Infrastructure impact

If the population declines, meeting the fixed costs (including operation and maintenance, depreciation, financing and insurance) of the infrastructure could place a significant burden on the remaining residents and businesses.

COVID-19

Assumption

That while the disease itself remains serious, it is assumed that through a combination of measures including awareness, vaccination and other preventative measures, COVID-19 will not have a significant on Marlborough.

Level of uncertainty

Low.

Risk

In the unlikely event that COVID-19 re-enters the community, the potential impact/risks for Marlborough are threefold, including:

1. the reinstatement of either Level 3 or 4. Reinstatement of level 3 or 4 could have significant impact on Marlborough's retail, tourism and hospitality sectors. Also, it could delay the completion of capital projects and Council's ability to deliver services.
2. Government closing the borders with the result that Marlborough's industries are unable to recruit the labour they need at critical times during the year. The consequence is that these industries are unable to produce their normal quantities of product.
3. The economies of Marlborough's trading partners suffer a significant down turn, resulting in a diminished market for Marlborough's product.

Financial impact

Should the above risks manifest, this will have a significant impact on Marlborough's economy, resulting in reduced revenue to Council and the probability that Council will be called upon to provide support to the Community. The likelihood is that this will result in increased Council debt.

Infrastructure impact

Delays in capital works projects due to future lockdowns are unknown but provided they are short in duration, cause little upset to the final delivery schedule. The delays in receiving parts and equipment from overseas however does have a significant impact on delivery. Large lead times on specific infrastructure can be overcome with suitable planning, however this also changes the procurement process on specific

projects therefore reducing opportunities for innovation and removing a degree of competition in the tendering the process.

Aside from these delays affecting the capital programme, should unforeseen asset failure occur prior to the planning for replacement, there is also the risk of reduction to the level of service should asset failure occur before parts and equipment can be received.

Subsidy rates and NZTA funding

Assumption

It is assumed that Council will retain, for the period of the Plan, its current subsidy rate of 51% for the general road maintenance and construction works program.

For qualifying emergency works a subsidy rate of 51%, 71% or 95% will be applied as agreed in principle by NZTA for re-instatement and resilience works resulting from prior weather events. A subsidy rate of 71% has been indicated for the repairs of the Marlborough Sounds Roads.

It is assumed that the Sounds Rooding Recovery work will occur as it is phased in the plan. That is the reinstatement works will be completed within the first two three year National Land Transport Programme periods. There is some uncertainty as to which years within this period the works will occur and be funded.

Level of uncertainty

High.

Risk

Waka Kotahi will require the works to be completed in different years than we have assumed in the plan.

Financial impact

As a result of the Sounds Roads Recovery subsidy levels are expected to peak in 2025-26 at \$51 Million, before returning to a level of circa \$20 Million per annum. A 1% reduction on the FAR has an impact on annual revenue of between -\$1.6 Million to -\$4.0 Million over the ten years of the LTP. Rates impacts are lower than this, between \$0.1 Million and \$1.5 Million over the LTP period, because Councils investment is loan funded and rates repay the loan over 20 years.

If the timing were to change, the debt and debt servicing cost timing would change. A \$1 Million movement in cost for a year would result in an annual \$0.08 Million delayed or brought forward impact on debt servicing and rates.

Infrastructure impact

If the timing of works is changed, either a reduction or improvement in the level of service may occur. The level of service at the end of the reinstatement works would remain the same.



Photo courtesy of Destination Marlborough

Natural disasters

Assumption

Should a major natural disaster occur the District could be faced with significant repair and reconstruction costs. In 2017 Council estimated the maximum probable loss (MPL) cost as a result of a major earthquake, flood or tsunami at approximately \$485 million, following a joint Treasury supported exercise with AON and Tonkin and Taylor. Inflation adjusted this figure would now be approximately \$548 million (2021-22: \$535 million) at 30 June 2023.

Council has engaged Gallagher Re to update its catastrophe modelling, as part of a joint study with Nelson City and Tasman District Councils.

It is assumed that the resulting forecast will be accurate. It is also assumed that:

- Not all assets are likely to be impacted on one event, given their diverse nature and location.
- Immediate replacement of all damaged assets will not be required, immediately following an event.
- The forecast contributions from the Local Authority Protection Programme (LAPP), insurance, Government and Waka Kotahi will be received.
- Through a combination of Council's reserves, investment realisation, credit facilities and rescheduling capital and other works, Council can meet the remaining costs associated with a major disaster over a ten year period.
- As a result of a second earthquake occurring in Christchurch, Council has also modelled the Financial impact of second significant event. Through the use of the same mechanisms identified in the two bullet points above, Council could meet the remaining costs associated with a second major disaster over a ten-year period post the second event.

The LAPP fund is a mutual pool set up to assist Councils cover their share of damage to "below ground" and river protection assets resulting from a significant natural event. At the time the fund was formed commercial insurance alternatives for these assets was not available. There was also a clear requirement from Central Government, and still is, that any assistance given to rebuild infrastructure following a disaster will only be made available if Council has made adequate financial provisions to cover its own repair obligations.

Above ground assets are insured through commercial insurance. These costs are in addition to LAPP contributions. Insurance costs have increased over recent years as a direct result of national and international disasters. Council has mitigated the effect by joining with Nelson City and Tasman District Councils.

Level of uncertainty

Medium.

Risks

The actual costs of recovery from a major natural disaster are higher than the forecast Maximum Probable Loss (MPL) of approximately \$520 million.

Financial impact

Should Council's current estimate of MPL and existing arrangements prove inadequate, either an increase in debt and corresponding increase in rates or a slowing in the rebuild would need to occur.

Infrastructure impact

Significant disruption of service immediately and reduction in the level of service able to be provided for a reasonable length of time following an event dependant on the damage and extent of the event. High costs of emergency response, combined with the lead times and costs for parts and equipment from overseas exacerbate the situation.

Taxation framework

Assumption

Council has assumed that the existing taxation framework for the Marlborough District Council group will continue for the period of the Long Term Plan.

Level of uncertainty

Low.

Risks

That the Inland Revenue Department takes the view that Council has used an incorrect tax treatment for any of its activities. Council while being generally exempt from

Income Tax, is taxable on income received from subsidiaries. Council also has to account for GST, FBT, Withholding Tax and PAYE.

To mitigate this risk, Council seeks advice from PricewaterhouseCoopers (PWC) and obtains legal opinions and IRD Binding Rulings where appropriate. Every three years Council also requests PWC to undertake a review of its taxation activities. The last review was in December 2023 with the resulting recommendations implemented.

Financial impact

The likely financial impact is low, because of the steps Council takes to mitigate its risks.

Asset ownership and valuation

Assumption

In the preparation of the Long Term Plan it has been assumed that Council will retain:

- Ownership of its core assets, i.e roads, water, sewerage, stormwater, river protection, community facilities and senior housing
- Ownership of MDC Holdings Limited and its subsidiaries; and
- Its ownership share (88.5%) in Marlborough Regional Forestry, with Kaikoura District Council owning the remaining 11.5%.

It has also been assumed that Council will either revalue, or fair value adjust its major assets annually.

Level of uncertainty

Low to medium

Risk

The asset values shown in the Long Term Plan have been adjusted based on the BERL indices. The risk is that the results of actual revaluations may be higher or lower than those disclosed in the Long Term Plan. To mitigate this risk, Council has recently completed external valuations for its core assets, roads, water, sewerage, storm water and river protection.

Financial impact

The external valuations for the three waters assets increased asset values by \$239M and required depreciation by \$9.4M. Council is proposing to fully this additional depreciation by a progressive increase in rates of \$1.4M plus inflation per year over the 2026-27 to 2033-34 period. It is considered that the latest external valuations are at the higher end of the range and that future uplifts of valuations of this magnitude are unlikely. However, if that view proves incorrect, Council will most likely look to phase in any depreciation increase.

Infrastructure impact

Upon recommendation from Taituara, whilst changes will occur with the impending Three Waters Reform, we are continuing to do all Long Term Planning as per the status quo. With this in mind, should the valuation increase occur due to higher than anticipated replacement rates, the increased cost in delivery of the capital budget may require projects to be deferred and non-critical assets to be 'sweated' from longer than intended.

Sources of funds for capital expenditure

Page 175 of the Financial Strategy identifies the expected sources of funds for Council's Capital Expenditure programme. It has been assumed that the funds identified for each of these sources will be received.

Level of uncertainty

Low.

Risk

That the forecast funding will not be received as forecast.

Financial impact

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

Infrastructure impact

With a reduced level of funding, the capital projects may be required to be deferred and non-critical assets would be made to 'sweat' for longer than intended.

Climate change

Council has assumed that the climate changes in relation to rainfall, temperature and sea level will occur as predicted. It has been further assumed that climate change will have minimal impact over the period of the 2024-2034 Long Term Plan. This topic is considered in greater depth in Council's Infrastructure Strategy. This is appropriate given this Strategy covers a longer 30 year period.

Level of uncertainty

Medium.

Risk

That asset and hazard planning has not adequately assessed climate change. However, to mitigate this risk, the impact of climate change is constantly measured and monitored.

Financial impact

For the period of the Long Term Plan, the Financial impact is assessed as medium as climate change on the whole is occurring very slowly, providing extended lead times for mitigation measures if required.

Where the need to undertake mitigation has already been identified, the financial impact has already been incorporated into budgets.

Infrastructure impact

Remedial programmes may need to be accelerated and lower levels of service tolerated until works can be completed.

As understanding of the effects of climate change on infrastructure in Marlborough improves, all capital projects will give consideration of the effects of climate change in their regards to their priority and their design. The effects of climate change on demand, sustainability, future level of service and resiliency of infrastructure assets will be considered in operational and capital planning and expenditure.

High impact on flood risk if the rate of change is much faster than what is currently predicted, 0.3m by 2050 and a 1% AEP flood will increase in size by 10-15%.

Council has commissioned further studies on this topic so it can better understand the likely impact and timing of climate change. An example of one such report NIWA were commissioned to provide an initial Climate Change Projections and Impacts for Marlborough which was presented to Council in 2023. NIWA have now been engaged to carry out more detailed analysis so that all future planning can be based on the same climate change predictions.

Resource consents

Council has assumed that it will continue to hold and comply with appropriate resource consents to enable it to continue its activities, especially in relation to water, sewerage and stormwater.

Level of uncertainty

Low.

Risk

Appropriate consents are either not renewed or require improvements in level of service before being granted. The trends in Resource Consent requirements are covered more fully in the Infrastructure Strategy.

Financial impact

The main financial impact could occur if levels of service require improvement before a resource consent renewal is granted. The resulting increase in costs will likely require an increase in borrowing which in turn will impact on rates.

Infrastructure impact

Delays in approval of future resource consents due to factors beyond our reasonable control e.g. time extension for consultation, puts us at risk of not meeting our legislative requirements and incurring unnecessary costs and damage to our reputation. Any failure to meet the requirements of existing resource consents is also potentially damaging to the environment and our reputation. Working with the Regulatory Department to ensure compliance is met and improving the software in which we record and report on compliance will minimize the risk of failures.

Capital expenditure

Assumption

In preparing this Long Term Plan, Council assumed that capital expenditure as budgeted will occur.

Level of uncertainty

Moderate.

Risk

Capital expenditure can be impacted upon for many reasons including finalising community consultation, obtaining land access, obtaining resource consents, the availability of external professional expertise and receiving an acceptable contract price and contractor availability. Council in its budgetary process recognises these potential impacts in programming the timing of individual projects. Council further recognises that unforeseen events may still occur and has made global budget reductions. The result has been that over recent years capital expenditure has been largely in accord with the funding provided.

Financial impact

Based recent years' experience, the potential financial impact should be low. If capital expenditure was to vary by \$1 million, operating expenditure would increase by \$55,000 due to the resulting increase or decrease in annual interest expense, assuming a 5.5% external borrowing rate.

Infrastructure impact

The impact on infrastructure should again be minimal, because with a programme of work greater than the available budget, project managers can reprioritise projects and accelerate another project if delays occur.

Economic life of assets

Assumption

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is shown in the Statement of Accounting Policies. The useful lives are consistent with Council's experience with respect to its ongoing replacement programme. It is assumed that assets will be replaced at the end of their

useful life, with the plan to do this progressively over the Long Term Plan. This is because Investment in infrastructure tends to be lumpy resulting in a bow-wave of required renewals when assets approach end of life. Renewals investment is prioritised to balance levels of service and lowest cost of life for asset

Level of uncertainty

Low - above ground.

Medium – below ground.

Risk

Assets either wear out or become technically obsolescent and need to be replaced earlier than anticipated.

Financial impact

Depreciation and borrowing costs would increase if replacement Capital Expenditure was required earlier than anticipated. However, these impacts could be mitigated in part by reprioritising the Capital Expenditure programme. There may also be an increase in maintenance costs to keep the asset operational until it is decided to proceed with replacement. With the ability to reprioritise the financial impact should be minimal.

Infrastructure impact

If useful lives of assets are shorter than what is assumed, forward works programmes need to be reprioritised and non-critical assets will be 'sweated' for a longer period to allow for the required change in programme which mean that the Council will likely need to accept some asset failures. Some assets may need to be closed, replaced and/or decommissioned as a result. Assets that cannot be decommissioned will need to be repaired to keep operational which can increase maintenance forecasts. Should useful lives of assets be found to be longer than assumed, forward works programmes can be adjusted and renewal programmes can be deferred as appropriate.

Emissions Trading Scheme (ETS)

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

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

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

Level of uncertainty

Low.

Risk

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

Financial impact

Council will face increased compliance and operating costs, which if significant enough, may require higher fees and charges or increased rating requirements to fund them. However, Council had already taken steps to reduce the landfill liability and fix the price of the Emission Trading Units that will be required to be surrendered during the scheme's operation.

Infrastructure impact

Consideration is given to sustainability and emissions in the planning of maintaining, replacing, upgrading and extending all infrastructure. A cost benefit analysis will be applied where proven products, practices and principles exist.

Port Marlborough NZ Ltd dividends

Assumption

That forecast dividends from Port Marlborough NZ Ltd (PMNZ) will be received.

Level of uncertainty

Low.

Risk

The risk is that the forecast dividends from PMNZ may not be received. The probability of this occurring is seen as low because of the following reasons:

- PMNZ is largely located in Picton, the gateway to the South Island;
- PMNZ has a very diversified revenue stream with income from ferry operations, logs and general freight, three large marinas, commercial property, cruise ships and aquaculture. As a result of this diversification even when COVID prevented cruise ships coming to Picton other revenue streams picked up to compensate.
- PMNZ has delivered dividends ahead of budget for a significant majority of the last 10 years.

Financial impact

The potential financial impact is seen as low, as dividends are credited to Infrastructure Upgrade Reserve, which has a healthy balance so any impact would not be felt immediately. A 1% reduction in dividends is approximately \$40,000.

Waitohi Picton ferry precinct redevelopment

Assumption

The proposed Waitohi Picton Ferry Precinct Redevelopment as originally proposed has been stopped by Government, pending a review by a Ministerial Advisory Group. Port Marlborough has, however, budgeted for the replacement of the Ferry Terminal wharf structure over the four-year period ending in June 2029.

Level of uncertainty

Low to medium because we have budgeted for a normal replacement.

Risk

The Ministerial Advisory Group recommends a significant variation in ship size than what has been anticipated. Very early indications are that ship size will be smaller than that contemplated under the IREX project, thereby reducing risk.

Financial impact

The financial impact should be minimal as the budget is within the dollar value previously consulted upon as part of iReX development.

Infrastructure impact

Again, this should not be high as Port Marlborough is working on normal wharf redevelopment with an extended programme build timetable to allow for any potential delays.

Capital/Operational expenditure split of roading reinstatement

Assumption

Any reinstatement expenditure for the roading network will be split 90% capital expenditure because the road has already been impaired and 10% operational expenditure.

Level of uncertainty

Medium.

Risk

The risk is that the actual split between capital and operational expenditure is different from the assumption.

Financial impact

The financial impact should be minimal as the value of the impairment of the roading network is fully reversed once the reinstatement is complete regardless of the split.

Infrastructure impact

There is no infrastructure impact if the actual split between capital and operational expenditure is different from the assumption.



FINANCIAL STATEMENTS

Forecast statement of Comprehensive Revenue and Expense

for the year ending 30 June:

	Notes	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Revenue:												
Rates, excluding targeted water rates	2	82,810	95,829	106,083	115,400	122,051	129,268	136,299	141,629	148,469	154,947	160,131
Targeted rates for metered water supply	2	4,367	3,995	4,339	4,736	5,317	5,766	5,941	6,100	6,202	6,288	6,381
Subsidies and grants	4	57,839	54,646	54,019	47,212	47,759	46,066	25,267	24,185	20,808	21,210	21,609
Interest revenue	3	7,178	6,705	7,998	9,728	11,350	12,280	12,276	11,713	11,064	10,344	10,295
Development and financial contributions	4	7,419	8,024	8,399	8,790	9,201	9,742	10,198	10,672	11,170	11,694	12,238
Other revenue	4	46,844	45,071	46,061	49,443	51,301	57,438	59,998	61,605	64,321	67,988	67,433
Gains	4	1,167	3,962	5,565	1,051	1,121	1,185	1,121	1,063	883	1,197	558
Total revenue	1,12	207,624	218,232	232,464	236,360	248,100	261,745	251,100	256,967	262,917	273,668	278,645
Expenditure by function:												
People		16,549	17,865	18,381	18,791	18,886	19,516	19,851	20,039	20,690	21,083	21,342
Community Facilities*		15,745	17,351	17,691	18,754	19,252	19,691	20,082	20,452	20,700	21,036	21,465
Roads and Footpaths*		46,292	31,147	34,947	35,807	39,798	40,324	38,757	39,813	40,850	41,867	42,683
Flood Protection and Control Works		10,068	7,733	8,613	8,665	9,243	9,484	9,997	9,917	10,146	10,796	10,489
Sewerage		13,606	24,234	24,831	28,603	31,085	32,599	33,436	34,815	35,472	35,958	36,308
Stormwater Drainage		3,141	4,621	4,785	5,018	5,299	6,014	6,267	6,365	6,455	6,555	6,636
Water Supply		12,285	15,000	17,076	18,566	19,101	19,598	20,446	21,411	21,916	23,037	24,687
Solid Waste Management		18,079	19,892	19,732	20,190	20,626	21,065	21,476	21,869	22,524	23,084	23,524
Environmental Management		18,103	20,493	16,693	17,051	17,618	17,810	18,360	18,472	18,870	19,364	19,849
Regulatory		11,719	12,837	13,318	13,638	14,149	14,534	14,928	14,012	14,382	14,758	15,158
Regional Development		6,382	6,919	6,997	7,052	7,097	7,934	8,325	8,412	8,762	9,108	9,273
Corporate		7,122	8,000	8,279	8,189	8,072	10,182	10,239	10,321	10,588	10,421	11,042
	5	179,091	186,092	191,343	200,324	210,226	218,751	222,164	225,898	231,355	237,067	242,456
Internal interest eliminated	3	3,903	1,798	3,222	4,102	5,902	6,381	7,149	6,521	5,646	3,384	1,683
Total expenditure by function		182,994	187,890	194,565	204,426	216,128	225,132	229,313	232,419	237,001	240,451	244,139
Surplus		24,630	30,342	37,899	31,934	31,972	36,613	21,787	24,548	25,916	33,217	34,506

* The activity Small Townships has been reclassified from Roads and Footpaths to Community Facilities throughout these financial statements and notes.

Forecast Statement of Other Comprehensive Revenue and Expense

for the year ending 30 June:

	Note	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Surplus for the year		24,630	30,342	37,899	31,934	31,972	36,613	21,787	24,548	25,916	33,217	34,506
Other comprehensive revenue:												
Gain on property revaluations	8	89,266	59,633	70,854	50,506	51,643	71,384	51,252	50,997	72,214	51,947	53,816
Total other comprehensive revenue and expense		89,266	59,633	70,854	50,506	51,643	71,384	51,252	50,997	72,214	51,947	53,816
Total comprehensive revenue and expense		113,896	89,975	108,753	82,440	83,615	107,997	73,039	75,545	98,130	85,164	88,322

Forecast Statement of Changes in Net Assets/Equity

for the year ending 30 June:

	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Balance at 1 July	2,011,524	2,135,441	2,225,416	2,334,169	2,416,609	2,500,224	2,608,221	2,681,260	2,756,805	2,854,935	2,940,099
Total comprehensive revenue and expense for the year	113,896	89,975	108,753	82,440	83,615	107,997	73,039	75,545	98,130	85,164	88,322
Balance at 30 June	2,125,420	2,225,416	2,334,169	2,416,609	2,500,224	2,608,221	2,681,260	2,756,805	2,854,935	2,940,099	3,028,421

Forecast Statement of Financial Position

as at 30 June:

	Notes	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Assets:												
Non-current assets:												
Property, plant and equipment	8	2,204,206	2,336,981	2,489,778	2,613,102	2,733,624	2,875,227	2,960,644	3,031,980	3,097,336	3,165,382	3,221,075
Intangible assets	8	13,684	11,645	11,920	11,986	11,326	10,900	10,482	10,074	9,673	9,334	9,032
Forestry assets		17,777	19,581	20,575	21,619	22,716	23,869	24,976	26,023	26,895	27,604	28,162
Other financial assets	7											
- Investments in subsidiaries		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
- Other		146,706	115,790	144,790	175,790	201,790	214,790	212,290	200,790	186,790	169,790	165,600
Derivative financial instruments			5,045	5,045	5,045	5,045	5,045	5,045	5,045	5,045	5,045	5,045
Investment property	11	11,500	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450
Total non-current assets		2,399,873	2,509,492	2,692,558	2,847,992	2,994,951	3,150,281	3,233,887	3,294,362	3,346,189	3,397,605	3,449,364
Current assets:												
Cash and cash equivalents		340	4,015	4,194	5,030	5,162	5,069	6,085	6,097	6,155	7,087	7,102
Debtors and other receivables	6	14,826	13,512	13,803	14,132	14,448	14,764	15,067	15,370	15,686	15,989	16,292
Other financial assets	7	12,620	28,048	29,138	30,255	31,413	32,615	33,862	35,156	36,498	37,891	39,336
Inventory		328	405	414	424	433	442	451	460	469	478	487
Total current assets		28,114	45,980	47,549	49,841	51,456	52,890	55,465	57,083	58,808	61,445	63,217
Total assets		2,427,987	2,555,472	2,740,107	2,897,833	3,046,407	3,203,171	3,289,352	3,351,445	3,404,997	3,459,050	3,512,581

	Notes	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Liabilities:												
Non-current liabilities:												
Borrowings**	10	275,285	211,366	265,982	320,088	366,694	401,503	410,388	399,901	366,768	343,465	317,475
Provisions		1,449	6,014	6,170	6,333	6,502	6,678	6,861	7,052	7,183	7,314	7,455
Employee entitlements		266	227	232	238	243	248	253	258	263	268	273
Total non-current liabilities		277,000	217,607	272,384	326,659	373,439	408,429	417,502	407,211	374,214	351,047	325,203
Current liabilities:												
Creditors and other payables	9	23,014	30,615	31,274	32,019	32,735	33,451	34,138	34,825	35,541	36,228	36,915
Employee entitlements		2,553	2,949	3,012	3,084	3,153	3,222	3,288	3,354	3,423	3,489	3,555
Borrowings**	10	-	78,885	99,268	119,462	136,856	149,848	153,164	149,250	136,884	128,187	118,487
Total current liabilities		25,567	112,449	133,554	154,565	172,744	186,521	190,590	187,429	175,848	167,904	158,957
Total liabilities		302,567	330,056	405,938	481,224	546,183	594,950	608,092	594,640	550,062	518,951	484,160
Net assets		2,125,420	2,225,416	2,334,169	2,416,609	2,500,224	2,608,221	2,681,260	2,756,805	2,854,935	2,940,099	3,028,421
Equity												
Accumulated funds		789,243	767,264	796,238	814,464	833,996	880,148	899,441	920,471	911,705	916,175	906,786
Asset revaluation reserves		1,315,483	1,429,294	1,500,148	1,550,654	1,602,297	1,673,681	1,724,933	1,775,930	1,848,144	1,900,091	1,953,907
Other reserves	13	20,694	28,858	37,693	51,491	63,931	54,392	56,886	60,404	95,086	123,833	167,728
Total Equity		2,125,420	2,225,416	2,334,169	2,416,609	2,500,224	2,608,221	2,681,260	2,756,805	2,854,935	2,940,099	3,028,421

**Council's debt is linked to different value fixed or floating instruments that have a set maturity date. Technically any debt maturing in the following 12 months is classified as current. However Council maintains a portfolio of debt on a rolling requirement basis.

Forecast Statement of Cash Flows

as at 30 June:

	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cash flows from operating activities:											
Receipts from rates revenue	87,177	99,824	110,422	120,137	127,368	135,034	142,240	147,729	154,672	161,235	166,512
Receipts from other revenue	104,447	102,906	103,802	100,070	102,935	107,400	88,740	89,269	88,533	92,644	92,639
Interest received	7,178	6,705	7,998	9,728	11,350	12,280	12,276	11,713	11,064	10,344	10,295
Payments to suppliers and employees	(133,560)	(128,913)	(135,137)	(133,033)	(137,961)	(144,529)	(143,094)	(144,218)	(146,654)	(151,129)	(155,395)
Interest paid	(11,709)	(11,512)	(15,119)	(18,790)	(23,250)	(25,595)	(27,351)	(27,031)	(26,085)	(24,092)	(22,903)
Net cash flow from operating activities	53,533	69,010	71,966	78,112	80,442	84,590	72,811	77,462	81,530	89,002	91,148
Cash flows from investing activities:											
Receipts from sale of property, plant and equipment	3,500	3,118	12,542	12	48	81	64	96	15	488	-
Movement in investments	(60,345)	(25,332)	(30,701)	(32,023)	(27,249)	(11,726)	1,789	10,023	11,104	15,134	2,742
Dividends received	3,916	3,371	3,223	3,855	3,789	4,280	5,141	5,585	6,119	6,585	6,953
Purchase of property, plant and equipment	(93,875)	(116,482)	(131,851)	(123,420)	(120,898)	(125,118)	(90,989)	(78,754)	(53,210)	(78,277)	(65,138)
Net cash flow from investing activities	(146,804)	(135,325)	(146,787)	(151,576)	(144,310)	(132,483)	(83,995)	(63,050)	(35,972)	(56,070)	(55,443)
Cash flows from financing activities:											
Proceeds from borrowings	93,401	127,166	153,885	173,569	183,462	184,657	162,048	138,764	103,750	104,884	92,497
Repayment of borrowings		(60,866)	(78,885)	(99,269)	(119,462)	(136,857)	(149,848)	(153,164)	(149,250)	(136,884)	(128,187)
Net cash flow from financing activities	93,401	66,300	75,000	74,300	64,000	47,800	12,200	(14,400)	(45,500)	(32,000)	(35,690)
Net increase / (decrease)	130	(15)	179	836	132	(93)	1,016	12	58	932	15
Cash, cash equivalents and bank overdrafts:											
At the beginning of the year	210	4,030	4,015	4,194	5,030	5,162	5,069	6,085	6,097	6,155	7,087
At the end of the year	340	4,015	4,194	5,030	5,162	5,069	6,085	6,097	6,155	7,087	7,102

Statement of accounting policies

Marlborough District Council (Council) is a unitary authority located in New Zealand that is governed by the Local Government Act 2002 (LGA). The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

These prospective financial statements of Council are for the 10 years commencing 1 July 2024 and ending on 30 June 2034.

These prospective financial statements were authorised for issue by Council on 2 September 2024.

1. Reporting entity

The main purpose of these statements is to provide users with information about the core services that Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The level of rate funding required is not affected by Council's subsidiaries except to the extent that Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements. Therefore Council is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users.

These prospective financial statements therefore reflect the activities and position of Council plus Council's 88.5% share in the joint committee Marlborough Regional Forestry.

The primary objective of Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself as public benefit entity (PBE).

2. Basis of preparation

These prospective financial statements have been prepared in accordance with Tier 1 PBE Accounting Standards.

(i) **Statement of compliance**

The prospective financial statements of the Council have been prepared in accordance with Tier 1 PBE Accounting Standards and the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The prospective financial statements comply with PBE FRS 42 Prospective Financial Statements. The information in these prospective financial statements have been prepared using the best information available at the time they were prepared and may not be appropriate for purposes other than those described.

The Council is responsible for the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures.

(ii) **Measurement base**

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets.

(iii) **Goods and services tax**

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are presented on a GST-inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable paid to, the Inland Revenue (IR) is included as part of receivables or payables.

The net GST paid to, or received from the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

(iv) **Cost allocation**

The costs of providing support services for each Council activity are allocated to each activity using direct and indirect cost allocations:

Direct costs

Direct costs are those costs directly attributable and charged to an activity.

Indirect costs

Indirect costs are those costs that cannot be identified in an economical feasible manner with a specific activity and are charged to the activities using cost drivers such as actual usage, staff numbers and floor area.

(v) **Annual Plan figures**

The comparative 2023-24 figures are those approved by the Council in its 2023-24 Annual Plan. They have been prepared in accordance with NZ GAAP, using

accounting policies that are consistent with those adopted in preparing these prospective financial statements. Some classification changes have been made to align with classification in the Long Term Plan.

(vi) Functional and presentational currency

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

(vii) Changes in accounting policies

There have been no significant changes in the accounting policies to those applied in the preparation of the financial statements for the year ended 30 June 2023.

(viii) Accounting estimates and assumptions and critical judgments in applying accounting policies

In preparing these prospective financial statements Council has made estimates and assumptions concerning the future.

The actual results achieved are likely to vary from the information presented and the variations may be material.

3. Significant accounting policies

(i) Revenue

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

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

Revenue from non-exchange transactions

Rates revenue

Rates revenue is a non-exchange revenue and is set annually by a resolution of Council and relate to a financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Revenue is measured at the fair value of consideration received or receivable. Rates revenue is recognised by Council as being revenue when the Council has set the rates and provided the rates assessment.

Subsidies and grants

New Zealand Transport Agency roading subsidies (received for maintaining and constructing the roading infrastructure) and other government grants/subsidies are recognised as non-exchange revenue upon entitlement ie; when conditions

relating to eligible expenditure have been fulfilled. This revenue is shown as subsidy revenue.

Other Donations and Grants include contributions received towards the upkeep of Returned Servicemen Association cemetery plots, community housing, community safety, environmental control, Better Off Funding and Shovel Ready Projects.

Provision of services partial cost recovery/subsidised

Revenue from a subsidised sale of services is recognised as non-exchange revenue. Revenue from a contract to provide services is recognised by reference to the outstanding obligations of the contract at reporting date at reporting date.

Vested assets

Assets vested in Council, with or without conditions, are recognised as non-exchange revenue, at fair value, when control over the assets is obtained.

Revenue from exchange transactions

Development and Financial contributions

Development and Financial contributions are recognised as exchange revenue when received. Otherwise, Development contributions are allocated to the appropriate Reserve until Council provides, or is able to provide, the service.

Water Billing revenue

Water Billing is recognised as exchange revenue on an accrual basis.

Provision of services full cost recovery

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

Sales of goods

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

Interest and Dividends

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend revenue from investments is recognised when the shareholders' rights to receive payment have been established.

(ii) Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

(iii) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. All operating lease contracts contain review clauses in the event that MDC exercises its option to renew. The lessee does not have an option to purchase the property at expiry of the lease period.

Rentals payable under operating leases are charged to revenue on a straight-line basis over the term of the relevant lease.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, other short-term highly liquid investments with maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(v) Debtors and other Receivables

Short-term receivables are recorded at the amount due, less any allowance for expected credit loss.

Rates receivables are written off when remitted in accordance with Council's rates remission policy and in accordance with write-off criteria of sections 90A and 90B of the Local Government (Rating) Act 2002. Other receivables are written-off when there is no reasonable expectation of recovery.

(vi) Term deposits, bonds and Loans to subsidiaries and community organisations

These are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

These investments are measured at their amortised cost, using the effective interest method less any expected credit loss. Where applicable, interest accrued is added to the investment balance. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

(vii) LGFA borrower notes and other unlisted shares

These are initially measured at fair value and are then subsequently remeasured with gains and losses recognised through other comprehensive income except for expected credit losses and foreign exchange gains which are recognised in surplus or deficit. When sold the cumulative gain or loss previously recognised in other comprehensive revenue or expense is reclassified to surplus or deficit.

(viii) Expected credit loss

Financial assets (other than those classified as FVTSD) are assessed for expected credit loss each balance day. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

(ix) Investments in subsidiaries

Investments in subsidiaries are recorded in the parent entity's financial statements at cost less any expected credit loss.

(x) Interests in joint committees

Forest assets are predominantly owned and managed by Marlborough Regional Forest. The forestry estate is managed through a joint committee between Council *88.5%) and Kaikoura District Council (KDC) (11.5%).

Council's share of jointly controlled assets and any liabilities incurred jointly with KDC are recognised in Council's financial statements on a proportionate basis and classified according to their nature.

Where Council transacts with the joint committee, unrealised profits and losses are eliminated to the extent of Council's share in the joint venture, except to the extent that unrealised losses provide evidence of impairment of the asset.

(xi) Derivative financial instruments

Council enters into interest rate swaps to manage interest rate risk. Council does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value and subsequently re-measured to their fair value. Derivative instruments entered into by Council do not qualify for hedge accounting. Changes in the fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised in the surplus or deficit.

(xii) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision has been made for obsolescence for inventories held for maintenance purposes, where applicable.

(xiii) Non-current assets held for sale

Non-current assets (or disposal groups) classified as held for sale are stated in the Statement of Financial Position at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

(xiv) Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and any impairment losses.

Council has the following classes of property, plant and equipment:

- **Infrastructural assets** - these are fixed utility systems such as road networks, sewer systems and water systems.
- **Operational assets** - these assets enable the ongoing operations. These include land, buildings, landfill, library books, plant and equipment and motor vehicles.
- **Restricted assets** – These are mainly reserves that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Additions

Additions in the periods between valuations are recorded at cost, except for vested assets. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended use. Certain infrastructural assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land

has been initially recognised at the most recent appropriately certified government valuation which is their deemed cost. Vested infrastructural assets are initially valued based on the actual quantities of infrastructural components vested and the current “in the ground” cost of providing identical services and this is their deemed cost.

Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the surplus or deficit.

When revalued assets are sold the amounts included in the revaluation reserve in relation to those assets is transferred to accumulated funds.

Revaluation of property, plant and equipment is accounted for on a class of asset basis. Land and buildings and infrastructural assets are revalued with sufficient regularity that the carrying amount does not differ materially from that which would be determined using fair values at balance date, generally every year.

The net revaluation results are included in other comprehensive revenue and expense and are accumulated to the asset revaluation reserve in equity for that class of asset. When the revaluation decrease exceeds the asset revaluation reserve balance this decrease is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land, at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Depreciation of these assets commences when the assets are ready for their intended use. Depreciation rates and useful lives are reviewed annually. Depreciation on assets is charged to the surplus or deficit.

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

Infrastructural assets	Life (in years)	Rate
Flood protection and controlled works (pump stations, dams)	1 - 100	1 - 100%
Roads and footpaths	1 – 110	0.9 – 100%
Sewerage network including treatment	2.5 - 100	1 – 40%

Infrastructural assets	Life (in years)	Rate
Stormwater drainage schemes	1 - 100	1 – 100%
Water supply schemes - other	1 -100	1 – 100%
Water treatment and facilities	1 -100	1 - 100%
Operational assets		
Buildings	1 - 100	1 – 100%
Landfill	3.68 – 40	2.5 - 27.2%
Library books including audiobooks	5 - 13.34	7.5 - 20%
Other structures and improvements	3.23 – 100	1 - 31%
Office equipment, furniture and fittings	3.01 – 13.33	7.5 – 33.2%
Plant, machinery and equipment	2.23 - 100 years	1 - 45%
Restricted assets		
Buildings	5 - 100 years	1 – 20%

Assets not depreciated

The following assets are not depreciated in line with Council's depreciation policy:

Infrastructural assets - Assets under construction, infrastructure land, sewerage oxidation ponds and roading infrastructure including land under roads, roads and carpark formation, sealed roads subbase and street berms. Flood protection and control works including stopbanks, rock work and plantings.

Operational assets - Assets under construction, forest crops, land, artwork and landfill capping.

Restricted assets - Land.

(xv) **Intangible assets**

Software acquisition and development

Software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of computer software, the major class of intangible assets, is 5 to 10 years 10% to 20%.

(xvi) **Impairment of property, plant and equipment and intangible assets**

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Intangible assets that have an indefinite useful life, or are not yet available for use are tested annually for impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. When the impairment loss exceeds the balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

Forestry assets

Forestry assets are owned and managed by Marlborough Regional Forestry.

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred. Council owns and manage some trees for soil conservation purposes. These are revalued as per Council's policy on property, plant and equipment.

(xvii) Investment property

Investment property is property held primarily to earn rentals and/or for capital appreciation. Investment property is initially measured at cost and subsequently measured at fair value at each reporting date.

Investment properties are valued individually and not depreciated. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

(xviii) Creditors and other payables

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

(xix) Borrowings and associated costs

All loans and borrowings are initially recognised at fair value of the consideration received net of issue costs associated with the borrowing.

Interest rate swaps are measured at fair value with gains or losses on re-measurement recognised through the surplus or deficit.

All borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using effective interest method.

(xx) Employee entitlements

Provision is made in respect of Council's liability for retiring gratuity allowances, annual and long service leave, and sick leave.

The retiring gratuity liability and long service leave liability are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value using an interpolated 10 year government bond rate.

Liabilities for accumulating short-term compensated absences (eg; annual and sick leave) are measured as the additional amount of unused entitlement accumulated at the balance sheet date.

A sick leave gifting policy was adopted by Council in August 2018. The value of Council's sick leave gifting has been accessed but no material impact or changes have been made to the current level of provision.

(xxi) Provisions

Sick leave, annual leave, vested long service leave and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. Employer contributions to Kiwi Saver and the National Provident Fund are defined contribution superannuation schemes and are expensed.

Provisions are recognised when Council has a present obligation as a result of a past event, a reliable estimate can be made for the amount of the obligation and it is probable that Council will be required to settle that obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at balance date and are discounted to present value where the effect is material.

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

(xxii) Contingent liabilities

New Zealand Local Government Funding Agency Ltd (LGFA)

Council is one of 77 Local Authority Councils participating of the LGFA.

Council is a shareholder and guarantor of the LGFA's borrowings. This is based on Council's rates as a proportion of the total rates for all guaranteeing Local Authorities. At 30 June 2023 LGFA had borrowings totalling \$17.7 billion (2021-22: \$15.8 billion).

Financial reporting standards require Council to recognise the guarantee liability at fair value. Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low and has not recognised a liability for this amount.

Financial guarantees

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Council is serving as a guarantor for a loan facility of \$2.8 million for the Marlborough Research Centre (MRC) to enable it to build the new Bragato Research Institute building. At 30 June 2023 Council expects it will not be called upon by the bank for this financial guarantee and the possibility of a call is remote.

(xxiii) Equity

The LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

Equity is the community's interest in MDC and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of Reserves to enable clearer identification of the special uses that Council intends to make of its accumulated surpluses.

The components of equity are:

Accumulated funds – these are the capital fund made up of accumulated surpluses and deficit. A surplus in any year is added to the fund and a deficit in any year and deducted from the fund.

Ordinary reserves - these are reserves created by Council decision. Council may alter the purpose of a reserve without reference to a third party or the Courts. Transfers to and from these reserves is at the discretion of Council.

Restricted reserves - these are reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfer from these reserves can be made by certain specified purposes or when certain specified conditions are met.

Property revaluation reserves - these relate to the revaluation of property, plant and equipment to fair value.



Notes to Financial Statements

1. Revenue by Group of Activity

for the year ending 30 June:

	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Revenue:											
People	16,164	17,590	18,148	18,562	18,647	19,281	19,627	19,827	20,512	20,914	21,189
Community Facilities	20,802	19,223	20,241	21,134	21,877	22,586	23,184	23,823	24,335	24,952	25,618
The Provision of Roads and Footpaths	63,481	62,943	62,911	63,394	66,587	66,914	47,295	48,201	45,583	46,671	47,594
Flood Protection and Control Works	12,271	11,433	12,517	13,312	14,555	14,972	15,614	15,740	16,553	17,963	18,273
Sewerage	15,066	17,007	18,188	22,704	25,043	27,333	29,450	32,145	34,244	36,342	38,224
Stormwater Drainage	4,309	4,421	4,737	4,982	5,434	6,323	6,762	7,056	7,350	7,661	7,946
Water Supply	13,106	14,473	16,326	17,809	18,411	19,050	19,914	20,907	21,641	22,807	24,262
Solid Waste Management	17,979	19,135	19,634	20,167	20,669	21,170	21,651	22,136	22,611	23,110	23,589
Environmental Management	18,223	20,221	16,631	16,980	17,533	17,726	18,278	18,387	18,790	19,365	19,772
Regulatory	11,503	12,655	13,508	13,736	14,257	14,649	15,057	14,118	14,470	14,980	15,262
Regional Development	6,702	7,441	7,148	7,020	6,503	6,637	7,084	7,287	8,658	9,031	9,173
Corporate	8,017	11,690	22,475	16,562	18,582	25,104	27,184	27,339	28,169	29,870	27,743
Total activity revenue	207,624	218,232	232,464	236,360	248,100	261,745	251,100	256,967	262,917	273,668	278,645

2. Rates revenue

for the year ending 30 June:

	2024 (AP) '\$000s	2025 '\$000s	2026 '\$000s	2027 '\$000s	2028 '\$000s	2029 '\$000s	2030 '\$000s	2031 '\$000s	2032 '\$000s	2033 '\$000s	2034 '\$000s
People	11,465	12,957	14,014	14,606	14,687	15,221	15,485	15,538	16,095	16,333	16,447
Community Facilities	12,426	14,000	15,279	16,215	16,796	17,326	17,778	18,199	18,510	18,905	19,323
The Provision of Roads and Footpaths	12,223	14,044	15,596	17,238	19,113	20,950	22,115	22,786	23,472	24,092	24,556
Flood Protection and Control Works	5,611	6,750	7,777	8,020	8,530	8,842	9,390	9,381	9,643	10,288	10,125
Sewerage	9,375	10,597	11,483	14,615	16,552	18,498	20,254	22,579	24,291	25,981	27,442
Stormwater Drainage	2,728	3,150	3,526	3,788	4,187	5,000	5,393	5,628	5,867	6,118	6,338
Water Supply	11,525	12,728	14,514	15,926	16,454	17,017	17,803	18,715	19,366	20,446	21,810
Solid Waste Management	3,670	4,472	4,708	4,909	5,040	5,181	5,305	5,429	5,570	5,719	5,860
Environmental Management	9,599	10,362	11,707	12,345	13,218	13,348	13,849	13,878	14,202	14,610	14,998
Regulatory	4,366	4,925	5,737	6,000	6,386	6,646	6,939	7,121	7,339	7,590	7,855
Regional Development	4,188	4,549	4,781	4,671	4,100	4,201	4,623	4,671	6,010	6,349	6,452
Corporate	3	1,291	1,299	1,803	2,304	2,804	3,305	3,805	4,305	4,805	5,305
Total activity rates	87,180	99,824	110,422	120,136	127,368	135,034	142,240	147,729	154,671	161,235	166,512
less rates remissions	(540)	(689)	(690)	(691)	(693)	(694)	(695)	(697)	(698)	(699)	(700)
Rates revenue net of remissions	86,637	99,135	109,731	119,445	126,675	134,340	141,545	147,033	153,974	160,536	165,812

3. Finance revenue and finance costs

for the year ending 30 June:

	2024 (AP) '\$000s	2025 '\$000s	2026 '\$000s	2027 '\$000s	2028 '\$000s	2029 '\$000s	2030 '\$000s	2031 '\$000s	2032 '\$000s	2033 '\$000s	2034 '\$000s
Finance revenue - interest revenue:											
Term deposits and investments	7,178	6,705	7,998	9,728	11,350	12,280	12,276	11,713	11,064	10,344	10,295
Total finance revenue	7,178	6,705	7,998	9,728	11,350	12,280	12,276	11,713	11,064	10,344	10,295
Finance costs - interest expense:											
Total activity related interest expense	7,882	9,787	11,971	14,762	17,422	19,288	20,277	20,584	20,514	20,783	21,295
(less)/plus net external interest	3,903	1,798	3,222	4,102	5,902	6,381	7,149	6,521	5,646	3,384	1,683
Total finance costs	11,785	11,585	15,193	18,864	23,323	25,669	27,426	27,104	26,160	24,167	22,978
Bank charges on borrowings	76	73	73	74	74	74	74	75	75	75	76
Net finance costs	4,531	4,808	7,122	9,062	11,900	13,316	15,076	15,317	15,022	13,747	12,608

4. Other revenue including gains

for the year ending 30 June:

	2024 (AP) '\$000s	2025 '\$000s	2026 '\$000s	2027 '\$000s	2028 '\$000s	2029 '\$000s	2030 '\$000s	2031 '\$000s	2032 '\$000s	2033 '\$000s	2034 '\$000s
Other revenue:											
User charges	28,619	29,988	31,216	33,838	35,526	36,424	37,347	38,376	39,785	41,344	42,627
Regulatory revenues	6,150	6,182	6,149	6,176	6,304	6,430	6,538	6,668	6,795	6,923	7,058
Infringements and fines	1,030	1,038	1,051	1,074	1,099	1,123	1,146	1,169	1,193	1,216	1,240
Vested assets	1,139	1,139	1,164	1,192	1,222	1,250	1,277	1,304	1,332	1,359	1,386
Rental income from investment properties	742	696	757	774	790	806	822	837	853	869	884
Marlborough Regional Forestry distribution	-	-	-	-	-	4,522	5,087	4,987	4,970	4,970	4,053
Subdivisional Works	50	300	51	52	53	54	56	57	58	59	60
Other revenue	9,113	5,728	5,673	6,337	6,307	6,830	7,726	8,207	9,335	11,248	10,124
Total other revenue	46,844	45,071	46,061	49,443	51,301	57,438	59,998	61,605	64,321	67,988	67,433
Subsidies and grants:											
Waka Kotahi roading subsidy	47,959	46,037	50,754	44,213	45,502	43,808	23,009	23,183	19,805	20,207	20,606
Other donations and grants	9,880	8,609	3,265	2,999	2,257	2,258	2,258	1,002	1,002	1,003	1,003
Total subsidies and grants	57,839	54,646	54,019	47,212	47,759	46,066	25,267	24,185	20,808	21,210	21,609
Development and financial contributions:											
Development Contributions including Land Subdivision revenues	7,319	7,924	8,297	8,686	9,094	9,633	10,087	10,559	11,054	11,576	12,118
Development impact levies	100	100	102	104	107	109	111	113	116	118	120
Total development and financial contributions	7,419	8,024	8,399	8,790	9,201	9,742	10,198	10,672	11,170	11,694	12,238
Gains											
Gain on sale of fixed assets	89	3,016	4,571	7	24	32	14	16	11	488	-
Forestry revaluation gain	1,078	946	994	1,044	1,097	1,153	1,107	1,047	872	709	558
Total gains	1,167	3,962	5,565	1,051	1,121	1,185	1,121	1,063	883	1,197	558

5. Expenditure
for the year ending 30 June:

:	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Expenditure disclosures:											
Total expenditure in the Statement of Comprehensive Revenue and Expense includes the following amounts which are required to be disclosed separately:											
Fees to principal Auditor:											
Audit fees for the Annual Report	167	316	323	330	337	344	350	357	364	370	377
Audit fees for the LTP	120	-	-	208	-	-	221	-	-	234	-
Depreciation	35,688	45,601	47,688	51,042	53,221	56,093	58,057	59,633	61,401	63,536	64,646
Amortisation	688	646	742	677	660	426	418	408	401	339	302
Personnel costs	33,650	37,238	38,544	39,948	41,369	42,850	44,304	45,815	47,371	48,958	50,547
Grants and donations	3,301	3,848	3,739	3,766	3,798	3,801	3,829	3,882	3,886	3,916	3,974
Insurance premiums	4,460	6,007	6,857	7,003	7,047	7,235	7,313	7,398	7,461	7,701	7,784
Councillors remuneration	760	800	817	835	852	869	886	903	920	936	953
Operating leases payments	180	249	255	264	268	272	276	280	284	288	292
Loss on disposal of fixed assets	-	1	14	0	5	28	22	12	-	-	-
Investment properties direct operating expenses	291	68	68	72	76	80	85	90	95	98	100
Other operating expenses	102,940	92,194	94,732	99,549	107,679	110,321	110,679	110,698	111,723	111,062	111,523
Marlborough Regional Forestry	748	921	787	733	816	2,812	2,873	2,944	3,095	3,014	3,642
Total expenditure disclosures	182,993	187,890	194,565	204,426	216,128	225,132	229,313	232,419	237,001	240,451	244,139

6. Debtors and other receivables
as at 30 June:

	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Non-exchange receivables:											
Rates receivables	1,291	1,491	1,523	1,559	1,594	1,629	1,662	1,696	1,731	1,764	1,798
Other	296	309	316	323	330	338	345	352	359	366	373
GST (net)	2,358	1,992	2,035	2,083	2,130	2,176	2,221	2,266	2,312	2,357	2,402
Total non-exchange receivables	3,945	3,792	3,873	3,965	4,054	4,143	4,228	4,313	4,402	4,487	4,572

	2024 (AP) \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s	2033 \$000s	2034 \$000s
Exchange receivables:											
Trade receivables	4,086	4,297	4,390	4,494	4,595	4,695	4,792	4,888	4,989	5,085	5,182
Other	5,728	4,501	4,598	4,708	4,813	4,919	5,019	5,120	5,225	5,326	5,426
Prepayments	1,100	922	942	964	986	1,007	1,028	1,049	1,070	1,091	1,112
Total exchange receivables	10,914	9,720	9,929	10,167	10,394	10,621	10,839	11,057	11,284	11,503	11,720
Less provision for impairment	(33)	-	-	-	-	-	-	-	-	-	-
Total debtors and other receivables	14,826	13,512	13,803	14,132	14,448	14,764	15,067	15,370	15,686	15,989	16,292

7. Other financial assets

as at 30 June:

	2024 (AP) \$'000s	2025 \$'000s	2026 \$'000s	2027 \$'000s	2028 \$'000s	2029 \$'000s	2030 \$'000s	2031 \$'000s	2032 \$'000s	2033 \$'000s	2034 \$'000s
Current portion:											
Term deposits and bonds with maturities of 4-12 months	12,620	28,048	29,138	30,255	31,413	32,615	33,862	35,156	36,498	37,891	39,336
Total current portion	12,620	28,048	29,138	30,255	31,413	32,615	33,862	35,156	36,498	37,891	39,336
Non-current portion:											
Term deposits and bonds and community loans with maturities 12 months plus	418	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126	1,126
Community loans	2	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Loan to joint venture Marlborough Regional Forestry	1,416	-	-	-	-	-	-	-	-	-	-
Advance to MDCH	142,408	111,270	140,270	171,270	197,270	210,270	207,770	196,270	182,270	165,270	161,080
Unlisted shares in subsidiaries	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
LGFA borrower notes	2,461	3,108	3,108	3,108	3,108	3,108	3,108	3,108	3,108	3,108	3,108
Other unlisted shares	1	286	286	286	286	286	286	286	286	286	286
Total non-current portion	152,706	121,790	150,790	181,790	207,790	220,790	218,290	206,790	192,790	175,790	171,600
Total other financial assets	165,326	149,837	179,927	212,045	239,202	253,404	252,151	241,945	229,287	213,680	210,936

8. Property, plant and equipment and Intangible assets

as at 30 June:

	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2,034
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Capital additions by activity:											
Opening value	2,071,412	2,217,718	2,348,626	2,501,698	2,625,088	2,744,950	2,886,127	2,971,126	3,042,055	3,107,009	3,174,716
People	3,510	649	449	641	439	712	472	776	505	977	523
Community Facilities	15,963	4,394	8,792	6,533	7,416	3,461	3,362	3,071	3,202	3,692	3,216
Roads and Footpaths	34,133	58,690	65,364	57,212	57,060	61,351	31,972	33,180	26,273	27,648	26,502
Flood Protection and Control Works	4,773	3,518	9,512	7,967	3,521	1,959	1,710	3,382	816	2,018	851
Sewerage	16,840	13,446	22,124	34,641	29,149	31,018	25,031	26,441	12,353	12,558	6,007
Stormwater Drainage	2,073	6,237	3,230	4,048	7,448	6,470	902	778	794	359	983
Water Supply	19,766	23,455	18,375	10,254	10,842	8,473	23,926	7,384	8,498	28,262	26,553
Solid Waste Management	3,642	1,061	461	105	108	398	2,729	2,803	213	169	173
Environmental Management	722	490	723	437	204	279	170	234	177	530	247
Regulatory	253	269	1,392	319	645	344	338	231	271	818	185
Regional Development	1,204	1,093	242	794	4,022	10,629	256	289	311	298	282
Corporate	2,699	4,320	2,348	1,657	1,269	1,267	1,404	1,485	1,132	2,306	1,002
Total capital expenditure	105,579	117,624	133,013	124,608	122,124	126,361	92,273	80,052	54,546	79,635	66,523
Disposal	(3,411)	(102)	(2,366)	(5)	(24)	(49)	(50)	(80)	(4)	0	-
(Less)/plus carryovers movement	(8,580)	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation by activity:											
People	(1,426)	(1,819)	(1,836)	(1,864)	(1,893)	(1,910)	(1,940)	(1,973)	(1,991)	(2,077)	(2,161)
Community Facilities	(2,874)	(3,345)	(3,442)	(3,564)	(3,682)	(3,763)	(3,855)	(3,874)	(3,952)	(3,984)	(4,083)
Roads and Footpaths	(14,514)	(12,268)	(13,355)	(14,689)	(15,877)	(17,219)	(18,086)	(18,805)	(19,511)	(20,135)	(20,671)
Flood Protection and Control Works	(233)	(414)	(420)	(522)	(440)	(451)	(710)	(475)	(481)	(930)	(478)
Sewerage	(4,321)	(12,309)	(12,707)	(13,947)	(14,645)	(15,298)	(15,864)	(16,925)	(17,494)	(17,827)	(18,161)
Stormwater Drainage	(2,113)	(3,287)	(3,479)	(3,598)	(3,707)	(4,135)	(4,215)	(4,296)	(4,371)	(4,439)	(4,505)
Water Supply	(4,348)	(6,011)	(6,736)	(7,086)	(7,186)	(7,315)	(7,438)	(7,685)	(7,877)	(8,199)	(8,631)
Solid Waste Management	(1,819)	(2,145)	(1,589)	(1,585)	(1,583)	(1,585)	(1,557)	(1,515)	(1,800)	(1,904)	(1,909)
Environmental Management	(995)	(1,070)	(1,113)	(1,130)	(1,143)	(909)	(895)	(565)	(401)	(403)	(371)
Regulatory	(476)	(509)	(475)	(403)	(386)	(423)	(426)	(444)	(418)	(437)	(442)
Regional Development	(833)	(859)	(851)	(836)	(864)	(1,037)	(1,033)	(1,036)	(1,065)	(1,095)	(1,124)
Corporate	(2,424)	(2,211)	(2,427)	(2,496)	(2,477)	(2,474)	(2,456)	(2,448)	(2,441)	(2,445)	(2,410)
Revaluation	89,266	59,633	70,854	50,506	51,643	71,384	51,252	50,997	72,214	51,947	53,816
Closing value	2,217,889	2,348,626	2,501,698	2,625,088	2,744,950	2,886,127	2,971,126	3,042,055	3,107,009	3,174,716	3,230,107

9. Creditors and other payables

as at 30 June:

	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
Trade payables	10,528	16,714	17,074	17,480	17,871	18,262	18,637	19,012	19,403	19,778	20,154
Accrued expenses	3,477	3,670	3,749	3,838	3,925	4,011	4,092	4,175	4,261	4,343	4,424
Income in advance	3,840	5,324	5,439	5,568	5,693	5,817	5,937	6,057	6,181	6,301	6,420
Deposit	1,313	1,534	1,567	1,604	1,640	1,676	1,711	1,745	1,781	1,815	1,850
Related party payables	3,857	3,373	3,445	3,527	3,606	3,685	3,761	3,836	3,915	3,991	4,067
Total creditors and other payables	23,014	30,615	31,274	32,019	32,735	33,451	34,138	34,825	35,541	36,228	36,915

10. Borrowings

as at 30 June:

	2024 (AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2,034
	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s	'\$000s
People	5,089	8,075	7,737	7,380	7,002	6,604	6,184	5,740	5,271	4,777	4,254
Community Facilities	29,968	27,218	31,948	33,335	35,654	34,780	33,853	32,612	31,470	30,776	29,521
The Provision of Roads and Footpaths	18,040	21,999	33,203	45,849	57,769	67,058	67,149	67,062	66,793	66,376	65,833
Flood Protection and Control Works	8,166	9,626	17,228	24,023	25,266	25,685	25,562	27,534	26,643	27,064	25,994
Sewerage	46,268	51,659	67,265	95,031	116,368	116,400	117,268	116,618	111,747	109,377	103,957
Stormwater Drainage	398	28	359	343	3,639	9,039	8,760	8,465	8,154	7,825	7,478
Water Supply	32,167	35,892	49,187	53,936	57,752	58,337	75,122	76,119	78,529	94,629	114,279
Solid Waste Management	4,838	4,435	3,926	3,410	2,902	2,515	2,237	1,969	1,703	1,423	1,126
Environmental Management	295	277	257	236	214	191	167	141	114	85	55
Regulatory	1,125	1,138	1,564	1,619	1,508	1,391	1,429	1,316	1,224	1,217	1,112
Regional Development	9,169	6,902	5,723	5,267	8,448	18,095	17,261	16,602	23,382	23,072	22,724
Corporate	154,027	137,097	165,783	196,319	221,878	231,890	225,798	210,806	194,788	176,165	170,294
Total loans	309,551	304,346	384,179	466,748	538,400	571,985	580,791	564,983	549,819	542,785	546,627
less internal loans	(34,265)	(14,096)	(18,929)	(27,198)	(34,850)	(20,634)	(17,239)	(15,832)	(46,167)	(71,133)	(110,665)
Total borrowings (external loans)	275,285	290,251	365,250	439,550	503,550	551,351	563,552	549,151	503,652	471,652	435,962

11. Investment property

as at 30 June:

	2024 (AP) '\$000s	2025 '\$000s	2026 '\$000s	2027 '\$000s	2028 '\$000s	2029 '\$000s	2030 '\$000s	2031 '\$000s	2032 '\$000s	2033 '\$000s	2,034 '\$000s
Balance at 1 July	11,500	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450
Balance at 30 June	11,500	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450

12. Exchange and non-exchange revenue

for the year ending 30 June:

	2024 (AP) '\$000s	2025 '\$000s	2026 '\$000s	2027 '\$000s	2028 '\$000s	2029 '\$000s	2030 '\$000s	2031 '\$000s	2032 '\$000s	2033 '\$000s	2034 '\$000s
Non-exchange revenue:											
General rates and charges	82,810	95,829	106,082	115,401	122,051	129,268	136,299	141,629	148,470	154,947	160,131
Donations, subsidies and grants	57,839	54,646	54,019	47,212	47,759	46,066	25,267	24,185	20,808	21,210	21,609
Fees and charges	25,091	25,736	26,391	27,083	27,736	28,354	28,950	29,721	30,316	30,916	31,503
Other revenue	18,738	20,234	21,862	19,402	20,357	21,294	21,828	22,644	23,861	26,441	25,258
Total non-exchange revenue	184,477	196,445	208,355	209,098	217,903	224,983	212,344	218,179	223,454	233,513	238,501
Exchange revenue:											
Metered water	4,367	3,995	4,340	4,736	5,317	5,766	5,941	6,101	6,202	6,288	6,381
Rentals and leases	7,686	8,111	8,549	9,287	10,220	10,458	10,718	10,924	11,677	12,561	13,186
Marlborough Regional Forestry distribution	-	-	-	-	-	4,522	5,087	4,987	4,970	4,970	4,053
Interest and dividends	11,094	9,682	11,221	13,240	14,660	16,016	17,011	16,775	16,614	16,335	16,524
Total exchange revenue	23,147	21,788	24,109	27,263	30,197	36,762	38,756	38,787	39,463	40,154	40,144
Total revenue	207,624	218,232	232,464	236,360	248,100	261,745	251,100	256,967	262,917	273,668	278,645

13. Other reserves

as at 30 June:

13.1 Reserve funds – Council wide

Emergency Events Reserve

Purpose: Council's Emergency Events Reserve, which is part of Council's risk management strategy, exists to:

- protect Council's infrastructural assets;
- make a provision for restoration of Council's roading network in the event of extraordinary flood damage; and
- provide for the restoration of Council's Wairau floodplain river protection assets;

Activities to which it relates: Infrastructural Assets including the roading network and rivers.

Opening balance	6,284	3,467	2,302	1,459	1,990	2,966	5,226	7,021	9,376	11,952	16,563
Transfer to reserve	386	883	664	2,081	2,576	3,901	3,468	4,078	4,348	6,428	8,520
Transfer from reserve	(2,745)	(1,548)	(1,506)	(1,550)	(1,600)	(1,641)	(1,673)	(1,723)	(1,772)	(1,816)	(1,860)
Capex transfer from reserve	(1,612)	(500)	-	-	-	-	-	-	-	-	-
Closing balance	2,313	2,302	1,459	1,990	2,966	5,226	7,021	9,376	11,952	16,563	23,223

COVID-19 Rates Relief Reserve

Purpose: The reserve was created in 2021-31 to provide rates relief for the period of three years as part of Council's COVID-19 recovery strategy.

Activities to which it relates: Any Activity rated by Council.

Opening balance	(8,300)	(12,800)	-	-	-	-	-	-	-	-	-
Transfer to reserve	-	12,800	-	-	-	-	-	-	-	-	-
Transfer from reserve	(4,500)	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	(12,800)	-	-	-	-	-	-	-	-	-	-

Forestry and Land Development Reserve

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

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

Opening balance	6,130	5,211	2,055	1,626	979	720	472	228	(25)	1,167	2,912
Transfer to reserve	-	-	1,028	-	-	2	5	8	1,412	1,965	419
Transfer from reserve	(890)	(501)	(34)	(32)	(40)	(29)	(30)	(40)	-	-	-
Capex transfer from reserve	(1,724)	(2,656)	(1,423)	(615)	(220)	(220)	(220)	(220)	(220)	(220)	(220)
Closing balance	3,516	2,055	1,626	979	720	472	228	(25)	1,167	2,912	3,112

Infrastructure Upgrade Reserve

Purpose: To be used for essential infrastructure; to assist funding of new assets (up to a maximum of 50%), and to assist the funding of significant capital upgrades which will increase the targeted level of service supplied to the community.

Activities to which it relates: Infrastructure such as Water and Sewerage etc, and other Activities as determined by Council from time to time.

Opening balance	14,795	15,852	15,599	14,659	13,440	11,575	9,335	7,942	6,637	6,312	6,952
Transfer to reserve	6,025	5,536	5,782	6,544	6,956	7,382	8,381	8,708	9,638	10,671	11,258
Transfer from reserve	(4,948)	(5,789)	(6,722)	(7,762)	(8,822)	(9,622)	(9,774)	(10,013)	(9,963)	(10,032)	(10,595)
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	15,872	15,599	14,659	13,440	11,575	9,335	7,942	6,637	6,312	6,952	7,615

Land Subdivision Reserve

Purpose: To provide for Development Contributions and their utilisation in accordance with the provisions of the Local Government Act 2002.

Activities to which it relates: Community Facilities including Reserves, Halls, Swimming Pools.

Opening balance	4,379	2,570	3,400	5,140	5,253	5,779	7,386	9,329	11,459	13,741	16,182
Transfer to reserve	2,462	3,006	3,570	3,295	3,450	3,612	3,782	3,960	4,146	4,341	4,545
Transfer from reserve	(10)	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(4,524)	(2,177)	(1,829)	(3,183)	(2,924)	(2,005)	(1,838)	(1,829)	(1,864)	(1,899)	(1,933)
Closing balance	2,307	3,400	5,140	5,253	5,779	7,386	9,329	11,459	13,741	16,182	18,794

Port Marlborough NZ Ltd Special Dividend Reserve

Purpose: Defined amounts to be available to the Blenheim Vicinity, Picton Vicinity and General Rural geographic rating areas, or the interest on any unspent balance to be used to subsidise General rates in those areas.

Activities to which it relates: Various.

Opening balance	3,704	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504
Transfer to reserve	185	204	204	204	204	204	204	204	204	204	204
Transfer from reserve	(185)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)	(204)
Capex transfer from reserve	(200)	-	-	-	-	-	-	-	-	-	-
Closing balance	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504	3,504

Wairau Rivers Reserve

Purpose: Accumulates each year-end surplus or deficit from the Wairau Valley River Works rates.

Activities to which it relates: Rivers and Land Drainage on the Wairau Plain.

Opening balance	(841)	(1,785)	(1,517)	(2,135)	(1,671)	(1,995)	(1,145)	(366)	699	1,744	3,142
Transfer to reserve	1,118	1,236	1,287	1,340	1,448	1,543	1,620	1,674	1,837	1,993	2,196
Transfer from reserve	(489)	(548)	(533)	(567)	(542)	(559)	(513)	(470)	(450)	(450)	(450)
Capex transfer from reserve	(1,610)	(420)	(1,372)	(309)	(1,231)	(133)	(328)	(139)	(343)	(145)	(358)
Closing balance	(1,822)	(1,517)	(2,135)	(1,671)	(1,995)	(1,145)	(366)	699	1,744	3,142	4,531

13.2 Reserve funds – Activity specific

These reserves are "owned" by a specific activity or individual scheme etc and exist for the following purposes:

General Reserve: to accumulate targeted rates or other revenue for use in subsequent years.

Depreciation Reserve: to accumulate rates levied to fund depreciation expense, may be used to fund capital expenditure or repayment of debt raised to fund capital expenditure.

Landfill Aftercare Reserve: to accumulate "dump fees" charged from the operation of the landfill (or of a stage) required to fund its closure and management once it is fully utilised.

Development Contribution Reserve: to accumulate development and financial contributions to fund qualifying capital expenditure.

Landfill aftercare reserve											
Opening balance	2,885	3,973	4,123	4,279	4,442	4,611	4,787	4,971	5,161	5,292	5,428
Transfer to reserve	103	150	157	163	169	176	183	191	131	136	141
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,988	4,123	4,279	4,442	4,611	4,787	4,971	5,161	5,292	5,428	5,569
Development Contribution reserves											
Opening balance	(6,363)	(2,559)	(6,545)	(5,836)	(3,455)	(3,299)	(3,537)	(1,954)	82	2,817	4,053
Transfer to reserve	1,876	6,505	12,395	7,386	7,866	8,316	8,942	9,509	10,101	10,746	11,464
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(536)	(10,491)	(11,685)	(5,005)	(7,710)	(8,554)	(7,359)	(7,473)	(7,367)	(9,510)	(7,965)
Closing balance	(5,023)	(6,545)	(5,836)	(3,455)	(3,299)	(3,537)	(1,954)	82	2,817	4,053	7,552
Operational (General and Depreciation) reserves											
Opening balance	8,767	(6,072)	(8,295)	(231)	10,737	22,703	9,841	6,583	2,834	27,010	42,841
Transfer to reserve	31,731	34,502	40,638	40,740	42,150	45,259	48,332	55,061	61,352	57,554	59,957
Transfer from reserve	(10,250)	(11,153)	(15,373)	(12,672)	(14,253)	(16,016)	(16,697)	(16,955)	(15,879)	(16,518)	(16,996)
Capex transfer from reserve	(32,839)	(25,572)	(17,201)	(17,102)	(15,931)	(42,105)	(34,893)	(41,854)	(21,297)	(25,206)	(14,788)
Closing balance	(2,591)	(8,295)	(231)	10,737	22,703	9,841	6,583	2,834	27,010	42,841	71,014
Road Funding reserves											
Opening balance	-	-	-	-	-	-	-	-	-	-	-
Transfer to reserve	139	139	141	144	148	151	154	157	160	163	166
Transfer from reserve	-	-	-	-	-	-	-	-	-	-	-
Capex transfer from reserve	(139)	(139)	(141)	(144)	(148)	(151)	(154)	(157)	(160)	(163)	(166)
Closing balance	-	-	-	-	-	-	-	-	-	-	-
MRF biological assets reserve											
Opening Balance	11,351	12,695	14,233	15,227	16,271	17,368	18,521	19,628	20,675	21,547	22,256
Transfer to reserve	1,078	1,020	1,078	1,140	1,205	1,273	1,347	965	776	149	(215)
Transfer from reserve	-	518	(84)	(96)	(108)	(120)	(240)	82	96	560	773
Closing balance	12,429	14,233	15,227	16,271	17,368	18,521	19,628	20,675	21,547	22,256	22,814

Total movements											
Opening balance	42,791	24,057	28,858	37,693	51,491	63,930	54,391	56,885	60,403	95,085	123,832
Transfer to reserve	45,102	65,979	66,943	63,037	66,172	71,819	76,418	84,514	94,105	94,349	98,656
Transfer from reserve	(24,017)	(19,224)	(24,456)	(22,882)	(25,568)	(28,191)	(29,131)	(29,323)	(28,172)	(28,459)	(29,332)
Capex transfer from reserve	(43,183)	(41,954)	(33,652)	(26,357)	(28,164)	(53,168)	(44,793)	(51,673)	(31,251)	(37,143)	(25,429)
Other reserves closing balance as shown in Equity	20,694	28,858	37,693	51,491	63,930	54,391	56,885	60,403	95,085	123,832	167,727



FINANCIAL FUNDING IMPACT STATEMENT (FIS)

Accounting Policies

The “Sources of operating funding” section of the FIS includes revenue to the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are not included, they are included in “Sources of capital funding” - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any gain from sale of assets is not included, instead the sale proceeds are included in “Sources of capital funding” - whereas under GAAP any such gain is included in “Gains” in the Forecast Statement of Comprehensive Revenue and Expense.
- Internal charges and overheads recovered are shown as a source of operating funding in the FIS – whereas in Council's Forecast Statement of Comprehensive Revenue and Expense they are deducted from operating expenditure.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included as they are non-cash, whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.

The “Applications of operating funding” section includes operating expenditure of the activity, but note:

- Depreciation and amortisation expense is excluded as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense.

- In Council's Forecast Statement of Comprehensive Revenue and Expense internal charges and overheads recovered are deducted from operating expenditure whereas in the FIS they are shown as a source of operating funding.
- The “Finance costs” shown are the amount paid by the activity to Council's Investment unit and so are also an internal cost.
- Any loss on sale of assets is not included as it does not involve a cash payment - whereas under GAAP it is included in Expenditure in the Forecast Statement of Comprehensive Revenue and Expense.

The “Sources of capital funding” section shows direct sources of funding the capital expenditure of the activity, but note:

- Grants and contributions received which are specified for funding capital expenditure are included - whereas under GAAP they are included in either “Development and financial contributions” or “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.
- Any proceeds from the sale of an asset are included in here - whereas under GAAP only the loss or gain on sale would be included in the Forecast Statement of Comprehensive Revenue and Expense.
- The value of assets vested in (effectively donated to) Council which are specified for funding capital expenditure are not included as they are non-cash - whereas under GAAP they are included in “Other revenue” in the Forecast Statement of Comprehensive Revenue and Expense.

- Funding from a reserve is included as a negative value of “Increase (decrease) in reserves” in the “Applications of capital funding” section.
- While loans are included here there are some situations in which a loan is used to fund operating expenditure.
- Capital expenditure may also be funded from items included as “Sources of operating funding”, e.g. activities with low levels of capital expenditure often fund it directly from rates.

The “Applications of capital funding” section shows how much funding has been:

- Used to fund capital expenditure.
- Transferred to a reserve, less the amount taken from a reserve to fund capital expenditure.

The Surplus (Deficit) of operating funding and capital funding represent funds transferred between these two uses as defined by the FIS, for the reasons outlined here they differ from a surplus which would be calculated under GAAP.

Council's management and investment units are not included in any activity, their costs and revenues are allocated over all activities, using appropriate allocation bases. For this reason adding the information provided for all activity groups will not agree to Councils financial statements. Similarly adding all “Internal charges and overheads recovered” gives a different answer to adding all “Internal charges and overheads applied” as most recoveries are to the management units.

For some activities a further breakdown is given of the operating and capital expenditure, eg, to individual scheme.

Marlborough District Council: Funding Impact Statement

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Sources of operating funding											
General rates, uniform annual general charge, rates penalties	56,886	64,923	71,102	75,354	79,244	83,124	86,401	88,461	91,291	94,051	96,498
Targeted rates	30,606	35,266	39,685	45,147	48,489	52,275	56,204	59,633	63,744	67,548	70,379
Subsidies and grants for operating purposes	28,950	17,612	13,401	12,783	12,776	12,147	10,144	9,051	9,207	9,388	9,559
Fees and charges	25,261	25,945	26,603	27,296	27,953	28,575	29,175	29,949	30,547	31,151	31,742
Interest and dividends from investments	11,095	10,077	11,222	13,584	15,140	16,561	17,418	17,299	17,184	16,930	17,249
Local authorities fuel tax, fines, infringement fees, and other receipts	14,316	11,934	12,564	13,443	14,538	19,411	20,352	20,573	21,985	24,393	22,676
Total operating funding	167,114	165,757	174,577	187,607	198,140	212,093	219,694	224,966	233,959	243,462	248,103
Applications of operating funding											
Payments to staff and suppliers	126,883	121,102	121,966	124,724	129,644	133,487	133,811	135,478	139,191	142,374	145,996
Finance costs	11,785	11,585	15,193	18,864	23,323	25,669	27,426	27,104	26,160	24,167	22,978
Other operating funding applications	6,502	7,459	7,427	7,546	7,655	7,764	7,871	8,035	8,123	8,272	8,417
Total applications of operating funding	145,170	140,146	144,586	151,134	160,622	166,920	169,108	170,617	173,474	174,813	177,391
Surplus of operating funding	21,944	25,611	29,991	36,473	37,518	45,173	50,586	54,349	60,485	68,649	70,712
Sources of capital funding											
Subsidies and grants for capital expenditure	28,889	37,034	40,618	34,429	34,983	33,919	15,123	15,134	11,601	11,822	12,050
Development and financial contributions	7,469	8,024	8,399	8,790	9,201	9,742	10,198	10,672	11,170	11,694	12,238
Increase (decrease) in debt	93,401	66,300	75,000	74,300	64,000	47,800	12,200	(14,400)	(45,500)	(32,000)	(35,690)
Gross proceeds from sale of assets	3,500	3,118	12,541	11	48	82	64	97	15	489	-
Lump sum contributions	173	193	179	162	140	116	90	68	40	16	-
Other dedicated capital funding	1,673	2,120	1,961	3,126	3,290	3,439	3,598	3,760	3,933	4,118	4,308
Total sources of capital funding	135,105	116,789	138,698	120,818	111,662	95,098	41,273	15,331	(18,741)	(3,861)	(7,094)
Applications of capital funding											
Capital expenditure to meet additional demand	10,403	13,739	14,424	12,907	15,218	25,010	16,508	16,852	6,911	14,233	28,282
Capital expenditure to improve the level of service	30,882	35,328	34,779	35,739	33,885	27,157	38,023	31,379	19,580	29,687	10,332
Capital expenditure to replace existing assets	63,155	67,418	82,646	74,770	71,799	72,944	36,465	30,517	26,723	34,356	26,523
Increase (decrease) in reserves	(23,174)	3,263	8,591	12,754	11,343	(10,692)	1,387	2,471	33,810	28,038	43,337
Increase (decrease) of investments	75,783	22,652	28,249	21,121	16,935	25,852	(524)	(11,539)	(45,280)	(41,526)	(44,856)
Total applications of capital funding	157,049	142,400	168,689	157,291	149,180	140,271	91,859	69,680	41,744	64,788	63,618
Deficit of capital funding	(21,944)	(25,611)	(29,991)	(36,473)	(37,518)	(45,173)	(50,586)	(54,349)	(60,485)	(68,649)	(70,712)
Funding balance	-	-	-	-	-	-	-	-	-	-	-

Marlborough District Council: Funding Impact Statement

	2024(AP)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Reconciliation											
Total operating funding	167,114	165,757	174,577	187,607	198,140	212,093	219,694	224,966	233,959	243,462	248,103
plus - Subsidies and grants for capital expenditure	28,889	37,034	40,618	34,429	34,983	33,919	15,123	15,134	11,601	11,822	12,050
plus - Development and financial contributions	7,469	8,024	8,399	8,790	9,201	9,742	10,198	10,672	11,170	11,694	12,238
plus - Lump sum contributions	173	196	179	165	143	117	89	68	39	16	2
plus - Other dedicated capital funding	1,673	2,120	1,961	3,126	3,290	3,439	3,598	3,760	3,933	4,118	4,308
plus - Contributions vested assets	1,139	1,139	1,164	1,192	1,222	1,250	1,277	1,304	1,332	1,359	1,386
plus - Gain on sale of fixed assets	89	3,016	4,572	7	24	32	14	16	11	488	-
plus - Forestry asset revaluation gain	1,078	946	994	1,044	1,097	1,153	1,107	1,047	872	709	558
Revenue as per Statement of Comprehensive Revenue and Expense	207,624	218,232	232,464	236,360	248,100	261,745	251,100	256,967	262,917	273,668	278,645
Total applications of operating funding	145,170	140,146	144,586	151,134	160,622	166,920	169,108	170,617	173,474	174,813	177,391
plus - Depreciation and amortisation	36,376	46,247	48,430	51,719	53,881	56,519	58,475	60,041	61,802	63,874	64,948
plus - Loss on sale of fixed assets	-	1	14	-	5	28	22	12	-	-	-
plus - Surrendered New Zealand Carbon Units (NZUs)	1,345	1,346	1,379	1,410	1,451	1,489	1,525	1,558	1,594	1,628	1,659
plus - Landfill aftercare provision	103	150	156	163	169	176	183	191	131	136	141
plus - Forestry asset revaluation loss	-	-	-	-	-	-	-	-	-	-	-
Expenditure as per Statement of Comprehensive Revenue and Expense	182,994	187,890	194,565	204,426	216,128	225,132	229,313	232,419	237,001	240,451	244,139
Surplus as per Statement of Comprehensive Revenue and Expense	24,630	30,342	37,899	31,934	31,972	36,613	21,787	24,548	25,915	33,216	34,506

WĀHANGA 4
PART 4

Ngā Kōrero Reiti Rates Information



RATES FUNDING IMPACT STATEMENT

Rating definitions

Rating unit

What is a rating unit is decided by the Valuer General. It generally is a property comprised in one record of title. It can include parts of titles in very limited circumstances or two or more titles if the land is:

- owned by the same person or persons; and
- is used together as a single unit; and
- adjacent to one another.

Activities funded by rates and charges

Council makes decisions about local issues and services taking into account local needs and priorities. We break our business down into activity groups such as providing and maintaining community facilities, roads and footpaths, managing building activity, the environment and water and sewerage. (Full details of activity groups and activities can be found in the LTP at <https://www.marlborough.govt.nz/your-council/long-term-and-annual-plans-policies-and-reports/long-term-plan> or at our offices).

Rates and charges are set by calculating how much of each activity is not funded by other sources such as user pay fees and charges, Government subsidies, development contributions, Reserves interest and dividends from subsidiaries.

Non-rateable properties

Certain categories of property can be fully non-rateable or 50% rateable. These properties are still rated for services such as water, sewerage and refuse/recycling collection (where the service is provided). (These properties are defined in Schedule 1 of the Local Government Rating Act 2002 (LGRA)). Examples of fully non-rateable properties are public and some other types of schools, public libraries and public gardens.

Land value and capital value

These are the values assigned to the property at the last rateable revaluation.

Rateable revaluation

A rateable revaluation of the district took place on 1 July 2023. The property values from this are used for rating purposes for three years from 1 July 2024.

Separately used or inhabited part of a rating unit (SUIP)

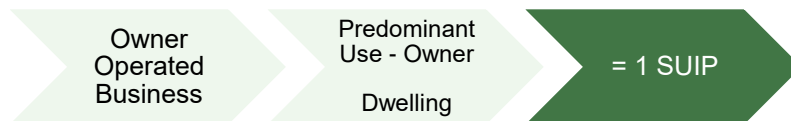
A SUIP includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

A rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Exceptions to the definition:

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

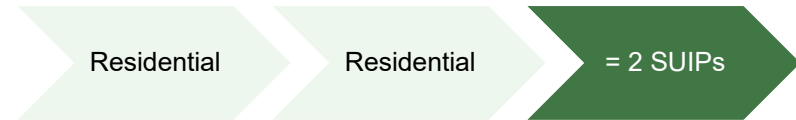


- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

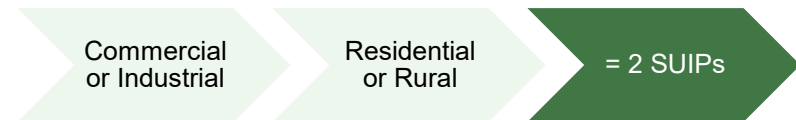


Examples of the application of the definition

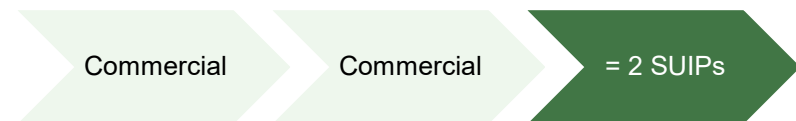
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



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



- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.



Rating categories

It shall be at the sole discretion of the Council to determine the use or predominant use of any property in the district. The Council has adopted the following rating categories:

Residential or Rural

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

Rural purpose means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified category.

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

Commercial or Industrial

All land used for a commercial or industrial purpose. It includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision.

Industrial includes a business, manufacturer, undertaking, or service associated with the production of any type of goods.

For the purposes of the general works and services rate, this category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as utilities.

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration but does not include:

- properties where the principal purpose is the provision of long stay accommodation ie: 28 days or more;
- properties that provide accommodation for five or less people;
- properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farm stay category.

Homestay or Farm Stay

Includes all rating units that are used for a homestay or farm stay activity on land predominantly used for residential or rural purposes, where a Building Act or resource consent was required for homestay or farm stay use (i.e. for six or more persons).

Infrastructural Utilities

Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.

Multiple land uses

The Council will partition a rating unit where there are two or more land uses that fit into different rating categories (residential or rural and commercial or industrial) except for predominantly residential properties where the owner of the commercial or industrial operation resides on the same rating unit.

Forecast number of total rateable properties

Forecast growth in the number of rateable properties has been based on the projection of 170 units per annum in the Development Contributions Policy.

Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
27,244	27,414	27,584	27,754	27,924	28,094	28,264	28,434	28,604	28,774	28,944

GST

Figures quoted are inclusive of GST unless otherwise stated.

General Type Targeted Rates and Charges

\$74,509,570

Geographic Area General Works and Services Rate

\$46,208,208

This rate pays for activities that are not funded by other targeted rates, user pay charges, general revenue or reserves. The rate is assessed on a land value basis. The General Works and Services Rate is set differentially for six geographic areas, depending on where the land is situated and the benefit that rating area derives from the services these rates fund. (See figures 1-5 for the definition of the geographic rating areas.)

Within each geographic area, the rating units are further differentiated into categories depending on the use to which the land is put. The categories are:

- Residential or Rural;
- Commercial or Industrial;
- Homestay or Farmstay.

For a detailed explanation of these categories see page 292.

For this rate utilities will be treated as falling within the commercial or industrial differential category.

Overall this rate will increase by \$6,601,629. However, there are varying impacts on the geographic areas and their differential rates.

(Further information on the calculations of general type targeted rates and charges can be found here <https://www.marlborough.govt.nz/services/rates/funding-allocations-summary>).

General Works and Services Rates are set in each geographic area as follows:

Geographic Area	Differential Rating Categories	Levy	Cents in \$
Blenheim	Residential/rural	10,988,155	0.268471
	Commercial/industrial	5,152,819	0.837310
	Homestay/farmstay	3,740	0.410681
Blenheim Vicinity	Residential/rural	11,411,064	0.204064
	Commercial/industrial	586,729	0.415979
	Homestay/farmstay	26,313	0.257046
Picton	Residential/rural	2,806,124	0.323125
	Commercial/industrial	1,054,662	0.651222
	Homestay/farmstay	3,931	0.405153
Picton Vicinity	Residential/rural	730,077	0.185391
	Commercial/industrial	34,327	0.408643
	Homestay/farmstay	2,006	0.241208
General Rural	Residential/rural	12,478,595	0.207703
	Commercial/industrial	227,059	0.355778
	Homestay/farmstay	6,323	0.244721
Sounds Admin Rural	Residential/rural	664,497	0.108814
	Commercial/industrial	31,170	0.215411
	Homestay/farmstay	617	0.135462

Geographic Area General Works and Services Charges

\$28,301,362

A targeted Geographic General Area Works and Services charge on the basis of a fixed amount on every separately used or inhabited part of a rating unit ensures that rating units contribute on a uniform basis to fund the respective rating area's share of activities that are not funded by other targeted rates, user pays charges, general revenues or reserves.

These charges are set differentially for the same six geographic areas (as the General Works and Services Rates), depending on where the land is situated and the benefit that rating area derives from the services these charges fund.

There is also a differential charge for Infrastructural Utilities.

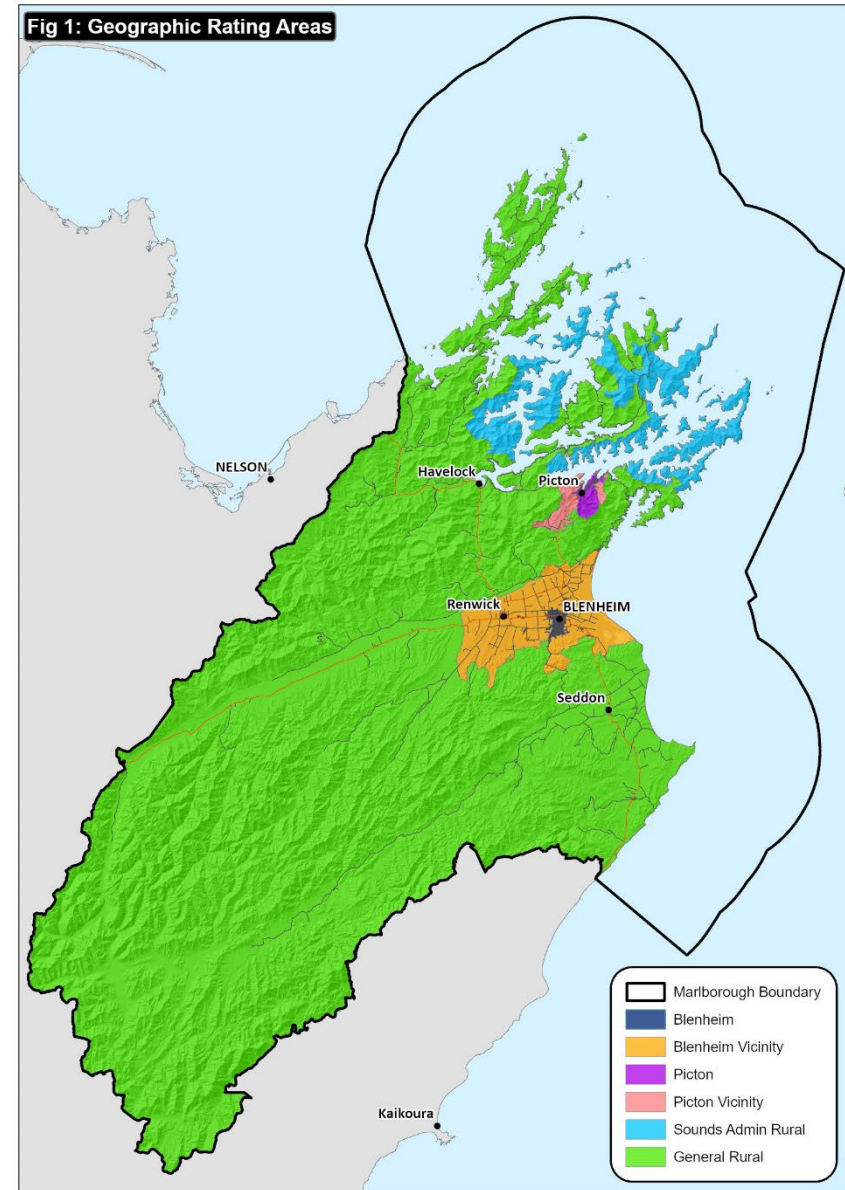
Overall, these charges will increase by \$2,976,395 with the increases assessed on an area-by-area basis.

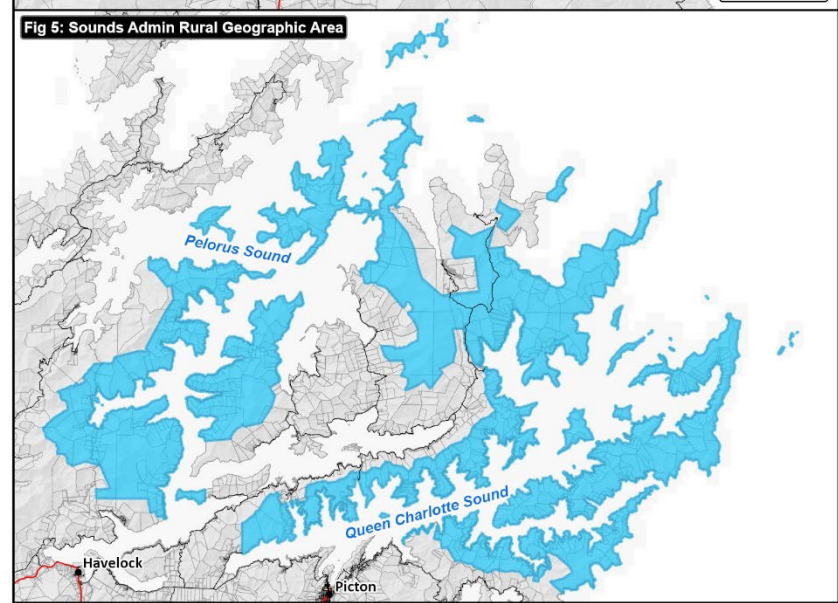
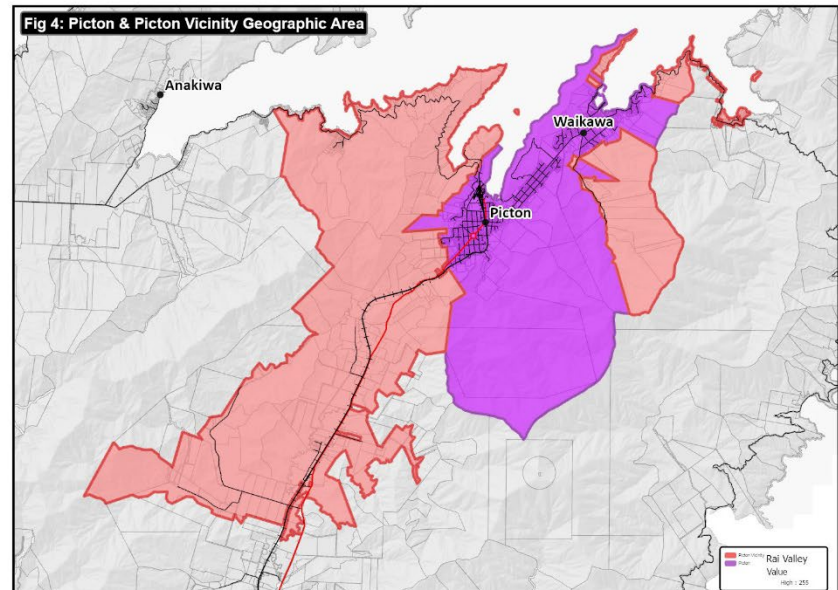
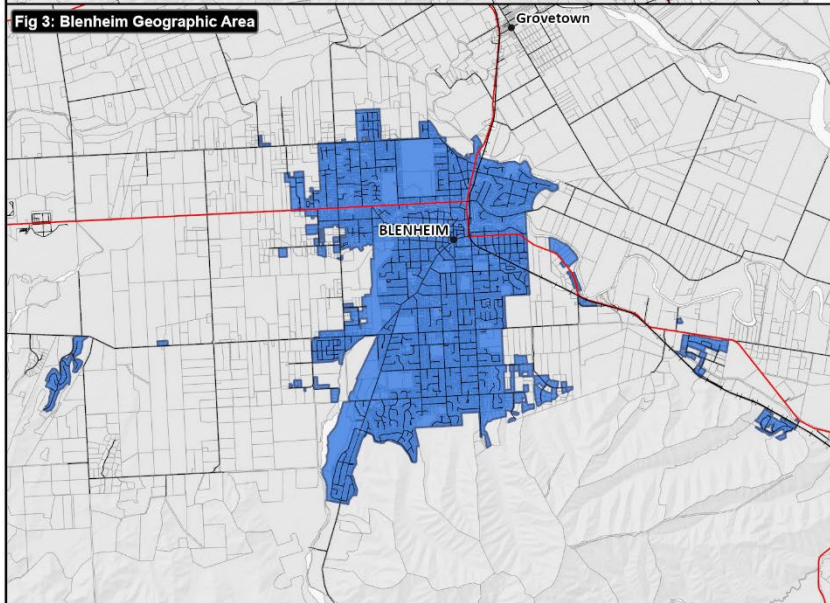
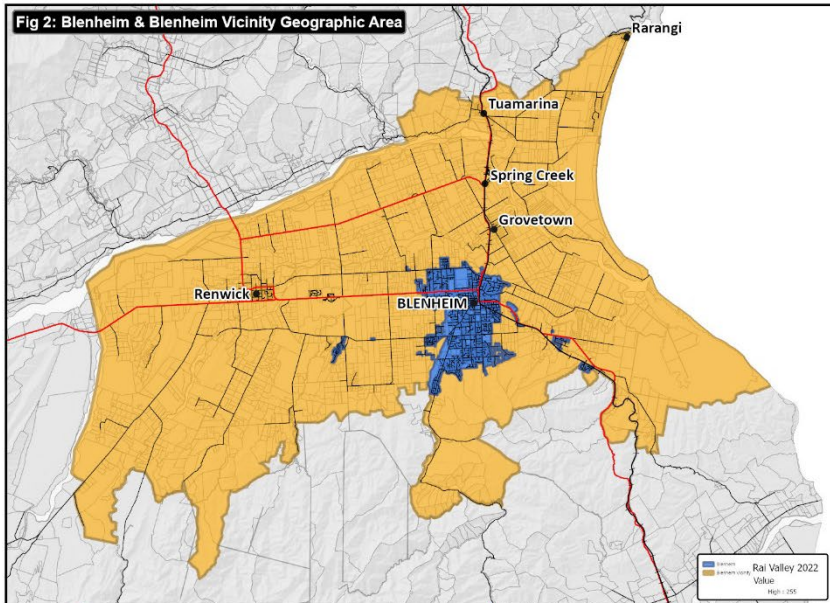
General Works and Services Charges are set in each geographic area as follows:

Geographic area	Levy	Unit charge
Blenheim	15,329,350	1,126
Blenheim Vicinity	4,275,977	1,016
Picton	3,241,269	1,120
Picton Vicinity	523,024	969
General Rural	4,066,696	734
Sounds Admin Rural	814,487	593
Infrastructural Utilities	50,559	920

Although the general type targeted rate and general type targeted charges have increased overall by \$9,578,024, there are varying percentage movements (both up and down) which are the result of expenditure movements not equally affecting each geographic area.

Geographic Rating Areas





Targeted Debt Servicing Rates

\$1,246,218

Grovetown Sewerage Loan Rate

\$102,732

This targeted rate pays the debt servicing costs of the Grovetown sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 6).

Overall this rate will increase by \$2,799.

The loan rate will continue until 30 June 2039 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.183630

Renwick Sewerage Loan Rate

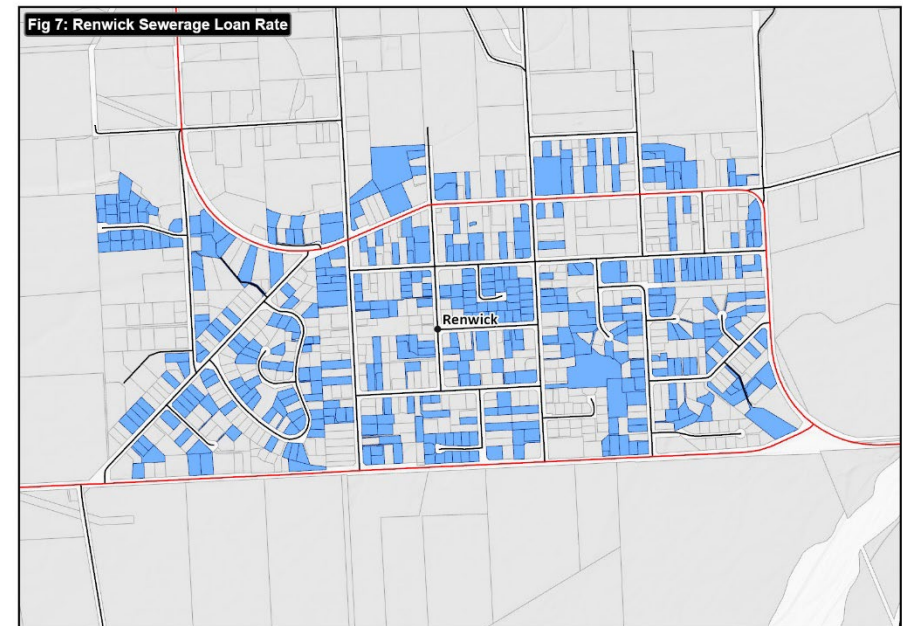
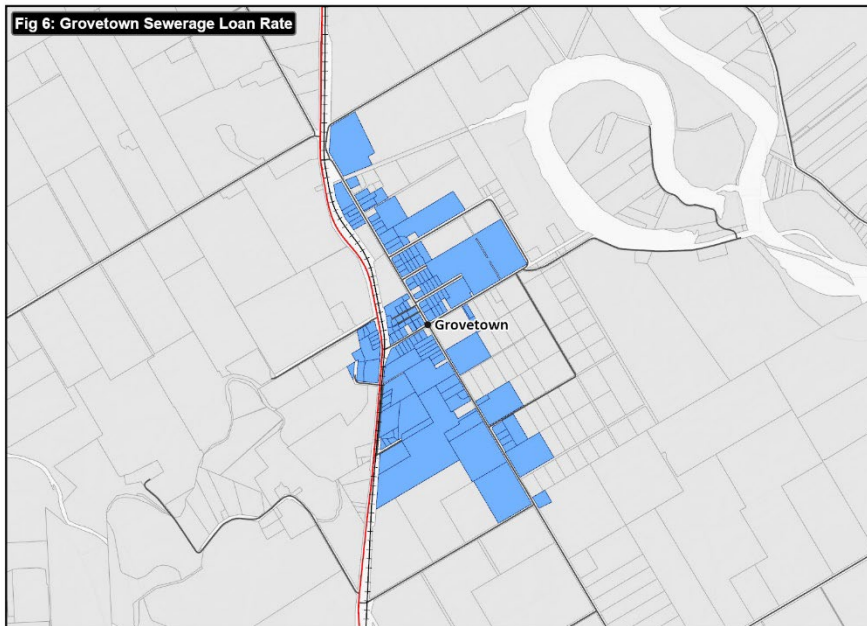
\$34,644

This targeted rate pays the debt servicing costs of the Renwick sewerage loan scheme and is assessed on a land value basis. It is charged on properties where no lump sum contribution to the sewerage scheme was chosen (see figure 7).

Overall this rate will remain the same as last year.

The loan rate will continue until 30 June 2026 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Land value	0.021052



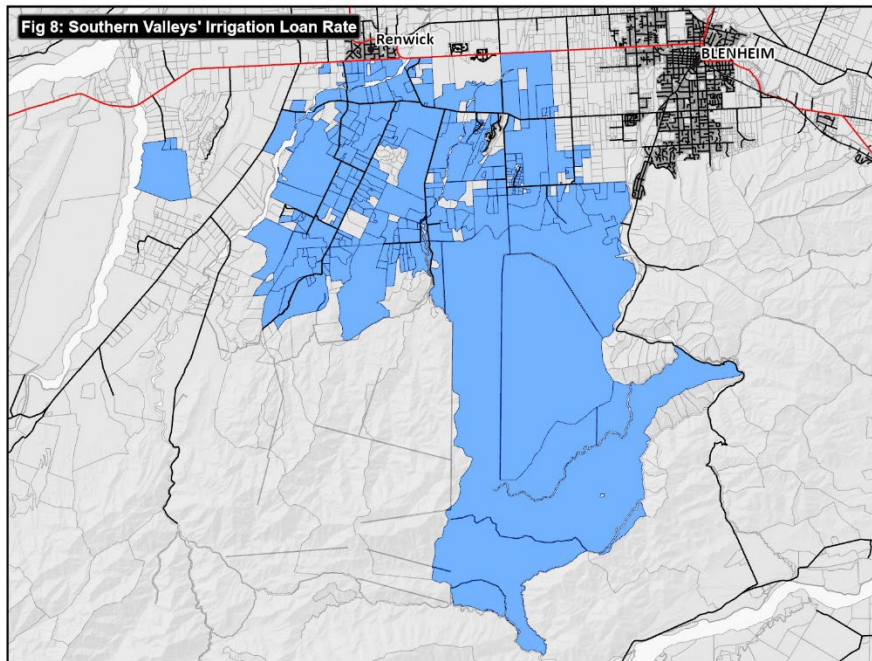
Southern Valleys' Irrigation Loan Rate \$1,107,655

This targeted rate funds the debt servicing costs on the capital cost of the Southern Valleys' irrigation scheme. It is assessed on the basis of a fixed amount per hectare on all irrigable land on every rating unit in the special rating area (see figure 8) where no lump sum contribution to the irrigation scheme was chosen.

Overall this rate will increase by \$5,405.

The loan rate will continue until 30 June 2027 when the borrowing will be fully repaid.

Per calculation	Rate in the \$
Per hectare	297.90

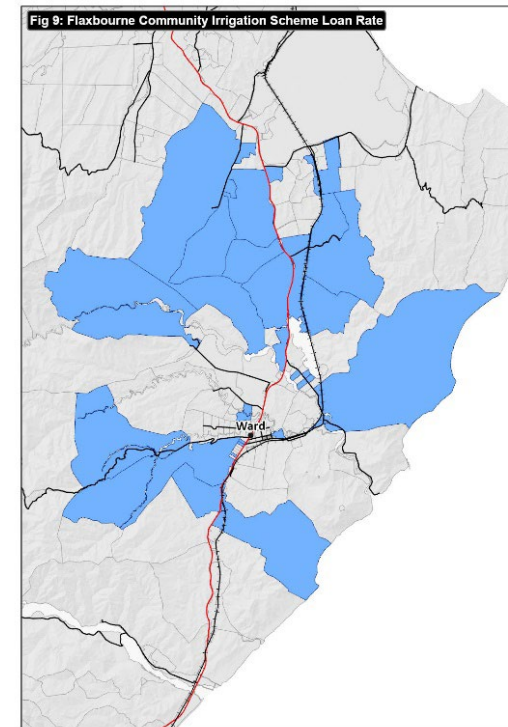


Flaxbourne Community Irrigation Scheme Loan Rate \$1,187

This targeted rate will be used to either fund investigation costs incurred should the scheme not proceed or the total cost of the scheme should construction contracts be awarded. It is assessed on the basis of a fixed amount per hectare on all land committed to receive a base allocation of water amounting to 2,250 m³ per hectare on land identified within the Flaxbourne Special Rating Area (see figure 9).

Overall this rate will remain the same as last year. The amount of the loan rate will change as the scheme proposal is progressed.

Per calculation	Rate in the \$
Per hectare	1.00



Roading Rates and Charges

\$32,045

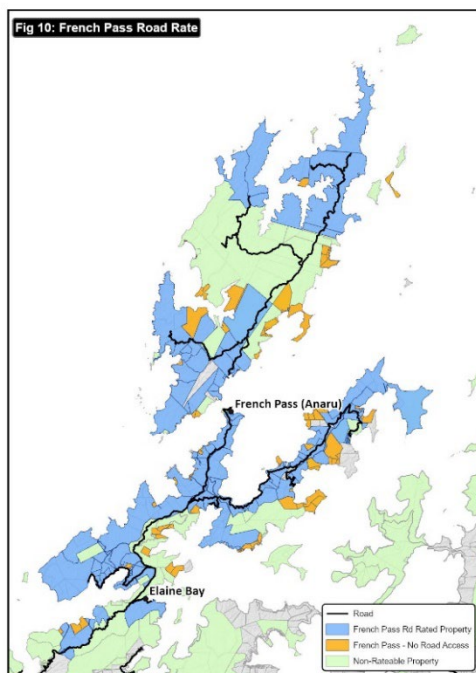
French Pass Road Charge

\$32,045

This targeted charge pays for the cost of seal extension in the French Pass rating area. It is charged on every rating unit in the area (see figure 10).

The charge for rating units with Road access will remain the same as last year. The rate for rating units without direct road access is a new rate from this year and is calculated as 25% of the rate for rating units with road access.

Per calculation	Charge per SUIP
Per rating unit with Road Access	99.00
Per rating unit without Road Access	25.00



Wairau Valley Rivers Works Rate

\$7,409,533

This targeted rate covers the costs of river planning, control and flood protection in the Wairau Catchment and is calculated on a Capital Value basis on every rating unit in the Wairau Valley Rivers Rating Area (see figures 12-14). The differential rates in the dollar reflect the benefits derived by the defined locations of each group.

The funding requirements from each area are apportioned as follows (according to costs for that area):

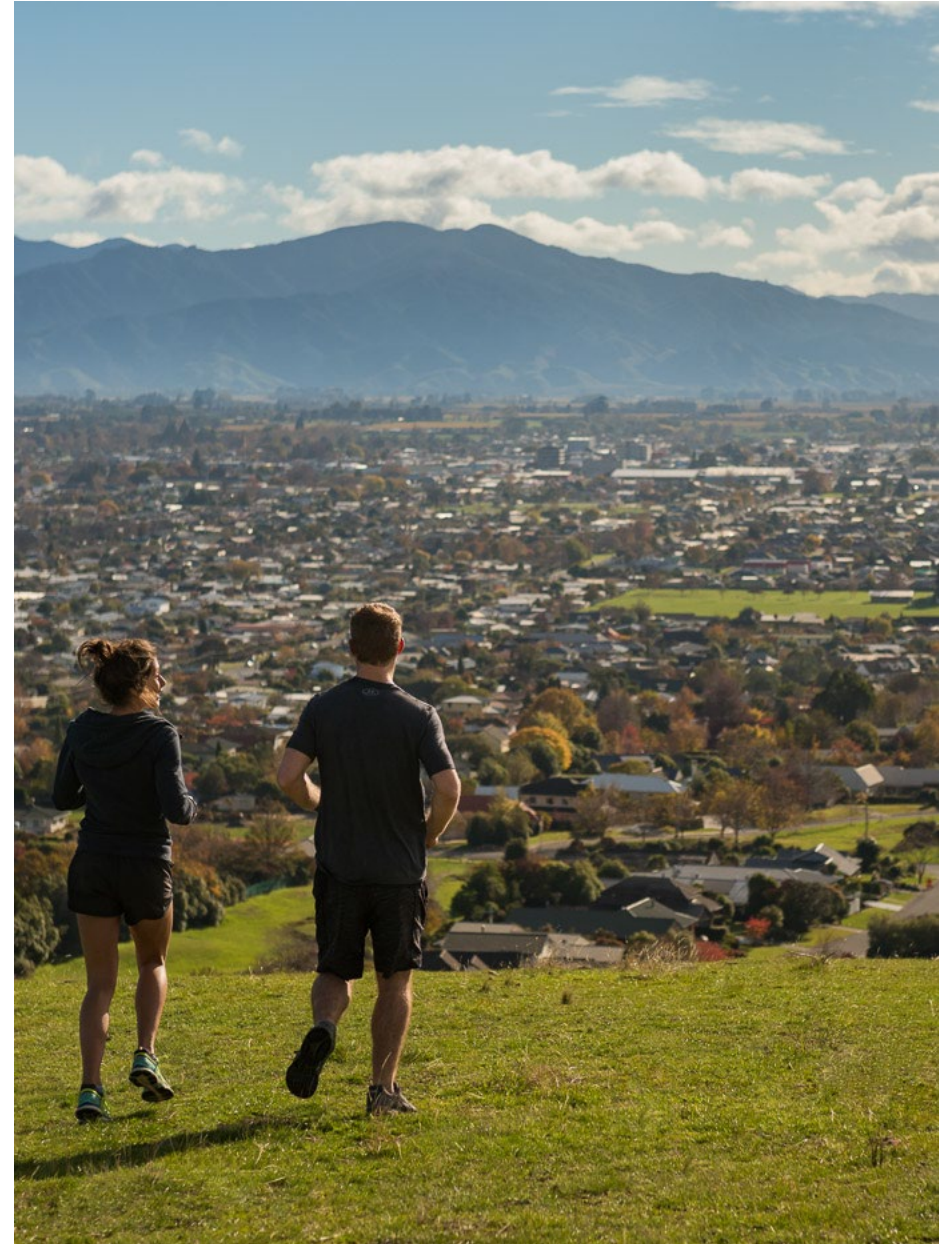
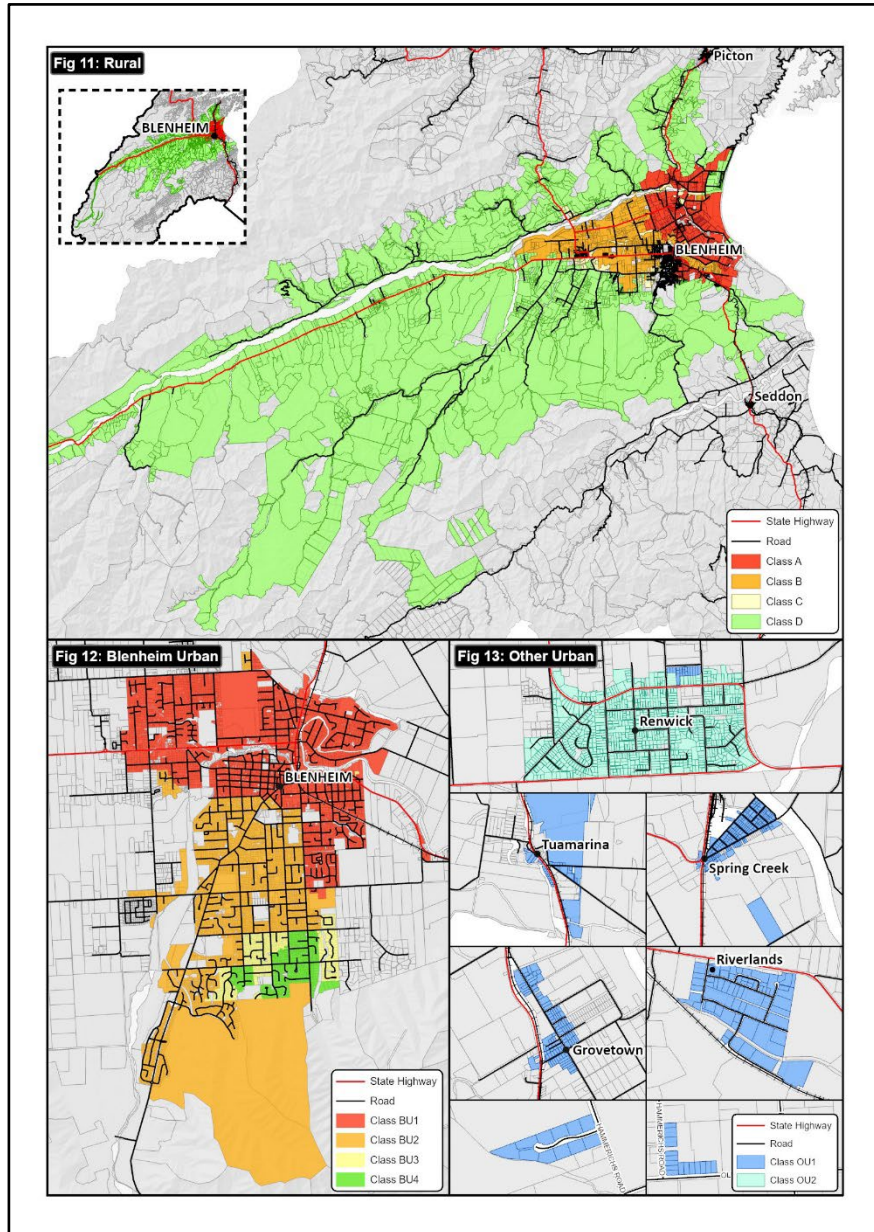
Blenheim Vicinity (Rural)	48.63%
Blenheim Urban	46.90%
Other Urban	4.47%

Overall this rate will increase by \$1,299,118.

Wairau Valley River Works Rates are set in the river rating areas as follows:

Rating Areas	\$	Cents in the \$
Rural A Rating Units	1,161,913	0.059460
Rural B Rating Units	1,629,528	0.044595
Rural C Rating Units	399,088	0.035676
Rural D Rating Units	334,186	0.005352
Blenheim Urban 1 Rating Units	2,162,960	0.050610
Blenheim Urban 2 Rating Units	1,162,089	0.036915
Blenheim Urban 3 Rating Units	149,866	0.030961
Blenheim Urban 4 Rating Units	69,805	0.014886
Other Urban 1 Rating Units in Wairau Catchment	170,646	0.042218
Other Urban 2 Rating Units in Wairau Catchment	169,452	0.029731

Wairau Valley Rivers Rating Area



Combined Sewerage Scheme Rates and Charges

\$12,048,789

An overall increase of \$746,307 will occur.

Combined Sewerage Scheme Capital Works Rate \$1,898,160

This rate funds the capital expenditure and borrowing costs of the combined sewerage scheme and is assessed on the land value of every rating unit in the combined sewerage rating area which includes Blenheim, Picton, Havelock and Seddon (figures 15 – 18). The rate is set on a differential basis (depending on location and ability to benefit).

Overall the rate will decrease by \$92,384.

Rating Group	Levy	Cents in \$
Blenheim	1,509,956	0.028415
Havelock	43,626	0.036371
Picton	316,203	0.030120
Seddon	28,375	0.050294

Combined Sewerage Scheme Charges \$10,150,629

This uniform charge funds operating costs of the combined sewerage scheme including treatment, reticulation, depreciation and other costs associated with the combined sewerage scheme improvements. Blenheim and Picton rating units with sewerage discharges where the quantity or the strength of the effluent is greater than the average domestic rating unit, will be assessed an additional trade waste charge.

Overall the charge will increase by \$1,494,639.

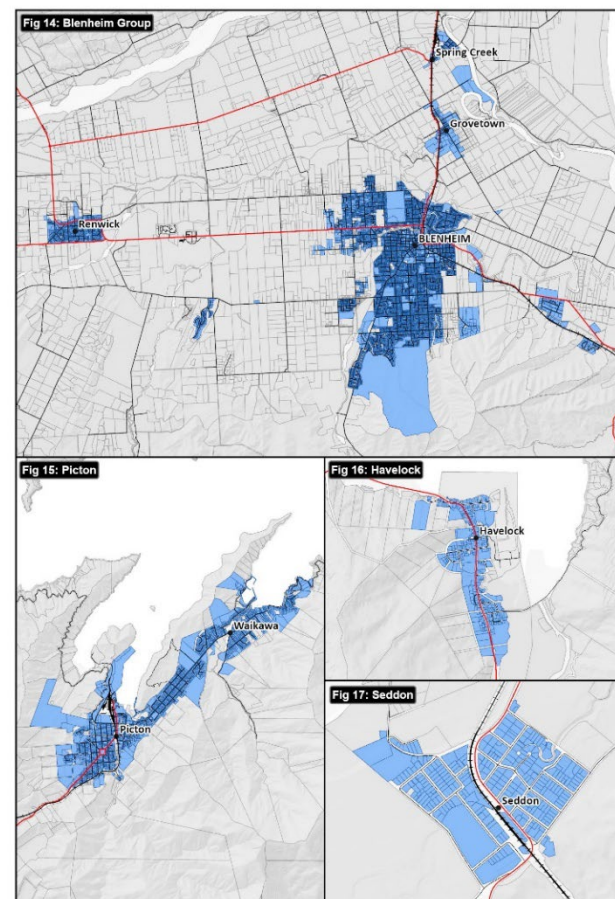
Categories	Charge per SUIP
Connected	\$562
Serviceable	\$281

Definitions:

“Connected” refers to any separately used or inhabited part of a rating unit that is connected, either directly or indirectly, through a private drain to a public drain.

“Serviced” has the same meaning.

“Serviceable” refers to any separately used or inhabited part of a rating unit situated within 30 metres of a public sewerage or storm water drain to which it is capable of being effectively connected, either directly or through a private drain, but which is not so connected.



Water Supply Rates and Charges **\$15,465,850**

An overall increase of \$878,907 will occur.

Definitions:

“Serviced” or “Connected” refers to any separately used or inhabited part of a rating unit to which water is supplied.

“Serviceable” refers to any separately used or inhabited part of a rating unit to which water can be but is not supplied (being property situated within 100 metres from any part of the waterworks).

Combined Water Scheme Rates and Charges **\$10,280,401**

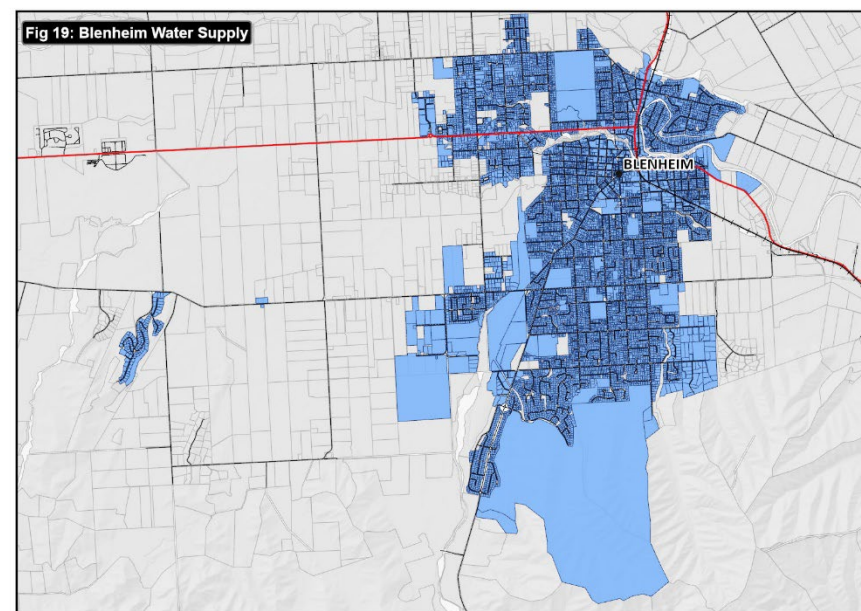
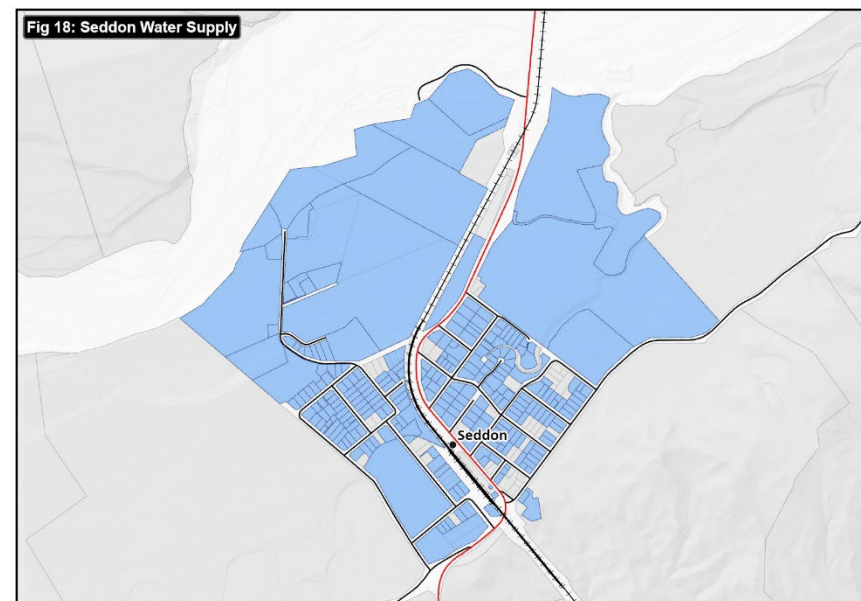
Overall this will increase by \$959,985.

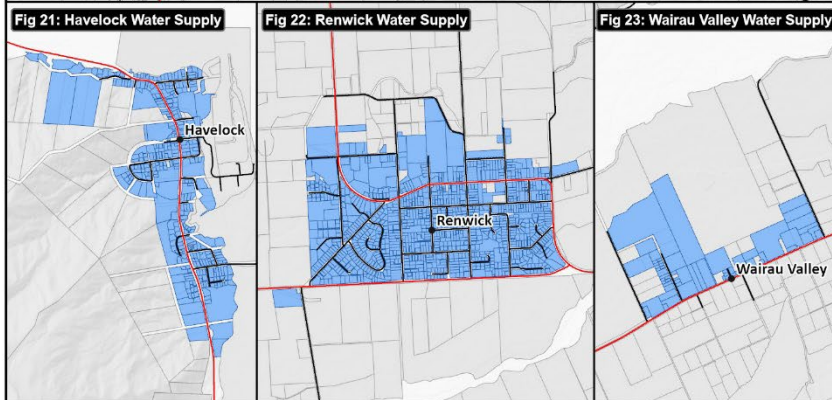
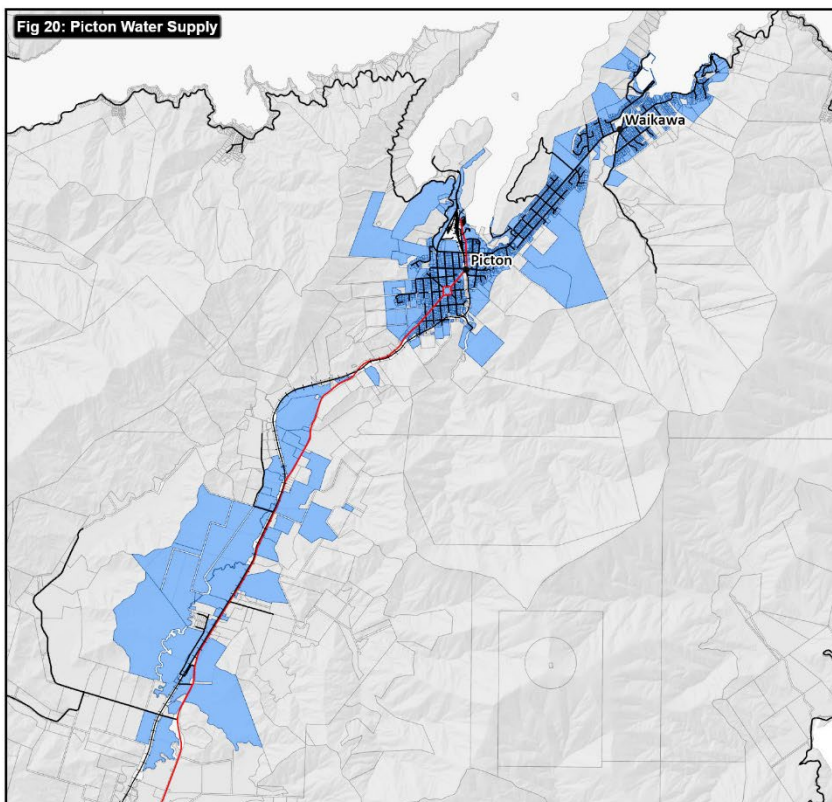
Combined Water Scheme Capital Works Rate **\$2,382,122**

This rate funds the Capital Expenditure and Debt Servicing costs of the combined water scheme. It is assessed on the land value of every rating unit in the Combined Water Rating Area on a differential basis. The Koromiko rating units subject to the special pipeline agreement are included.

Overall this rate will increase by \$138,753.

Rating Group	Levy	Cents in \$
Blenheim	1,737,907	0.036776
Havelock	58,061	0.047073
Picton	409,086	0.038982
Koromiko	2,635	0.021698
Renwick	132,703	0.033466
Seddon	41,730	0.065093





Combined Water Scheme Charges

\$7,898,279

These charges fund the balance of expenditure other than Capital and Debt Servicing costs, including operating costs of the combined water scheme including treatment, reticulation, depreciation and other costs associated with the combined water scheme improvements.

These charges are set on a differential basis.

Overall this charge will increase by \$821,233.

Blenheim Water Charges

\$5,178,828

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Blenheim Water Supply Area (including the Burleigh Extension) (see figure 20); and half that amount for each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

Categories	Charge per SUIP
Connected	\$406
Serviceable	\$203

Havelock Water Charges

\$167,094

This charge is for every separately used or inhabited part of a serviced residential rating unit whether connected or not in the Havelock water supply area (see figure 22).

Categories	Rate in the \$
Per SUIP	\$486

Picton Water Charges

\$1,840,282

These charges are calculated as a fixed amount on every non-metered separately used or inhabited part of a serviced rating unit in the Picton Water Supply Area (see figure 21) and half that amount on each non-metered separately used or inhabited part of every serviceable rating unit in the same area.

Categories	Charge per SUIP
Connected	\$692
Serviceable	\$346

Renwick Water Charges

\$523,018

This charge is for every separately used or inhabited part of a serviced residential rating unit whether connected or not in the Renwick water supply area (see figure 23).

Per calculation	Rate in the \$
Per SUIP	\$486

Seddon Water Charge

\$177,441

The charge will be on every separately used or inhabited part of a rating unit within the Seddon Water Supply Area (see figure 19), (excluding all commercial consumers), and any new lots created by subdivision of such rating units whether connected or not.

Per calculation	Rate in the \$
Per SUIP	\$616

Wairau Valley Water Charge

\$11,616

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

The charge will be for each water meter, excluding all commercial water meters, connected to a rating unit within the Wairau Valley Water Supply Area (see figure 24).

Per calculation	Rate in the \$
Per water meter	\$276

Residential Metered Water Charges **\$335,714**

These charges exclude water supplied to commercial metered rating units.

Overall these charges will increase by \$28,542.

Blenheim Metered Water Charge **\$61,560**

This charge is assessed on the basis of the quantity of water supplied to residential metered rating units (including the Burleigh Extension).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 62m ³	\$100.44
Over 62m ³	\$1.62 per cubic metre

Havelock Metered Water Charge **\$44,901**

This charge is assessed on the basis of the quantity of water supplied to all Havelock residential consumers where consumption exceeds 200 cubic metres per annum.

Per calculation
Per m ³

Rate in the \$
2.60

Picton Metered Water Charge **\$50,844**

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed on the basis of the quantity of water supplied to residential metered rating units.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 38m ³	\$169.48
Over 38m ³	\$4.46 per cubic metre

Koromiko Charge

A Picton Metered Water Koromiko charge is assessed on the basis of the quantity of water supplied to Koromiko Special Pipeline Agreement rating units.

Per calculation
Per m ³

Rate in the \$
3.57

Renwick Metered Water Charge

\$142,315

This charge is assessed on the basis of the quantity of water supplied to all Renwick residential consumers where consumption exceeds 200 cubic metres per annum.

Per calculation	Rate in the \$
Per m ³	1.45

Seddon Metered Water Charge

\$24,196

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

Per calculation	Rate in the \$
Per m ³	2.33

Wairau Valley Metered Water Charge

\$11,898

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

This charge is assessed on the basis of the quantity of water supplied to each residential water meter connected to a rating unit within the Wairau Valley Water Supply Area where consumption exceeds 350 cubic metres per annum.

Per calculation	Rate in the \$
Per m ³	3.10

Other Water Supply

Commercial Metered Water Charges

\$1,553,653

These water charges fund the net cost of operations.

Overall these charges will increase by \$54,227.

Blenheim Commercial Metered Water Charge

\$598,582

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections (including the Burleigh Extension).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$56.50
Over 50m ³	\$1.13 per cubic metre

Havelock Commercial Metered Water Charge

\$208,563

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$153.00
Over 50m ³	\$3.06 per cubic metre

Picton Commercial Metered Water Charge **\$620,274**

Ordinary Charge

A Picton Metered Water Ordinary Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections (excluding connections where water is onsold).

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$178.00
Over 50m ³	\$3.56 per cubic metre

Onsold Charge

A Picton Metered Water Onsold Charge is assessed for metered rating units on the basis of the quantity of water supplied to commercial metered connections that is subsequently onsold.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 45m ³	\$176.40
Over 45m ³	\$3.92 per cubic metre

Renwick Commercial Metered Water Charge **\$69,009**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$115.00
Over 50m ³	\$2.30 per cubic metre

Seddon Commercial Metered Water Charge **\$55,008**

This charge for metered rating units is assessed on the basis of the quantity of water supplied to commercial metered connections.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$216.50
Over 50m ³	\$4.33 per cubic metre

Wairau Valley Commercial Metered Water Charge **\$2,217**

This charge is set to recover the net cost of operations, capital expenditure and debt servicing costs.

This charge for metered rating units is assessed on the basis of the quantity of water supplied to each commercial water meter connected to a rating unit within the Wairau Valley water supply area.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 50m ³	\$253.00
Over 50m ³	\$5.06 per cubic metre

Rural Awatere Water Supply \$1,130,150

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

Overall this will decrease by \$71,202

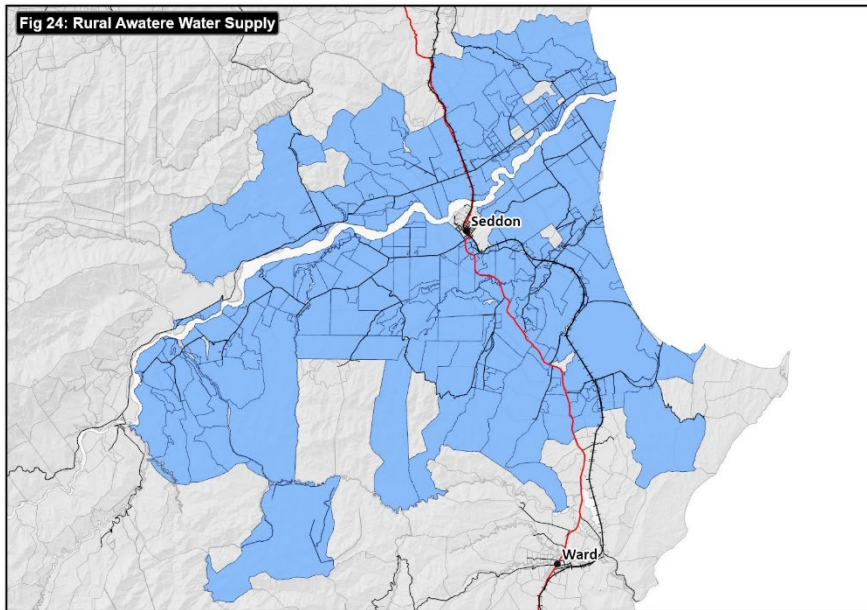
Rural Awatere Water Charge \$376,716

The uniform charge will increase from \$1,000 to \$1,016 on every separately used or inhabited part of a rating unit within the Rural Awatere Water Supply Area (see figure 25) and any new lots created by subdivision of such rating units whether connected or not.

Rural Awatere Metered Water Charge \$753,434

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

The metered charge will be \$2.51 per cubic metre for all usage in excess of 275 cubic metres, for all consumers on the Rural Awatere water supply.



Riverlands Water Supply \$1,337,487

This charge funds the cost of operations, capital expenditure and debt servicing costs.

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered rating units.

Operating costs have increased by \$269,473.

Metered water charges on a quarterly basis are as follows:

Volume	Charge
Less than or equal to 40m ³	\$71.20
Over 40m ³	\$1.78 per cubic metre

Southern Valleys' Irrigation Scheme \$828,445

This charge for metered rating units is assessed on the basis of the quantity of water supplied to metered connections. This rate funds the net operating costs of the Southern Valleys' Irrigation Scheme.

Operating costs have increased by \$45,087.

Per calculation	Rate in the \$
Per m ³	0.28

Waste and Recycling Kerbside Collection Charges **\$2,682,921**

This is a new rate for 2024/25. It provides a wheelie bin service for the areas in Blenheim, Grovetown, Picton, Renwick, Seddon.

Residential Waste and Recycling Collection Charges **\$2,545,123**

This charge pays for the cost of residential kerbside waste and recycling collection where Council provides or is prepared to provide the service.

Each property is provided with a waste wheelie bin, and recycling wheelie bin and crate.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Service	Charge per SUIP
80 Litre Bins	\$140
140 Litre Bins	\$160
240 Litre Bins	\$200

Commercial Waste Collection Charge **\$135,798**

Commercial properties within residential area:

This charge pays for the cost of Commercial kerbside waste collection situated within a residential area where Council provides or is prepared to provide the service.

Each property is provided with a waste wheelie bin.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Commercial properties within the CBD area:

This charge pays for the cost of Commercial kerbside waste collection within the CBD area where Council provides or is prepared to provide the service.

Each property is provided with a waste wheelie bin, and 26 collection tags. Additional sets of 26 tags can be added to the rates at the same cost of this service.

This charge is a fixed amount per SUIP where Council provides the service (see figures 26-27).

Service	Charge per SUIP
80 Litre Bins	\$80
140 Litre Bins	\$100
240 Litre Bins	\$140

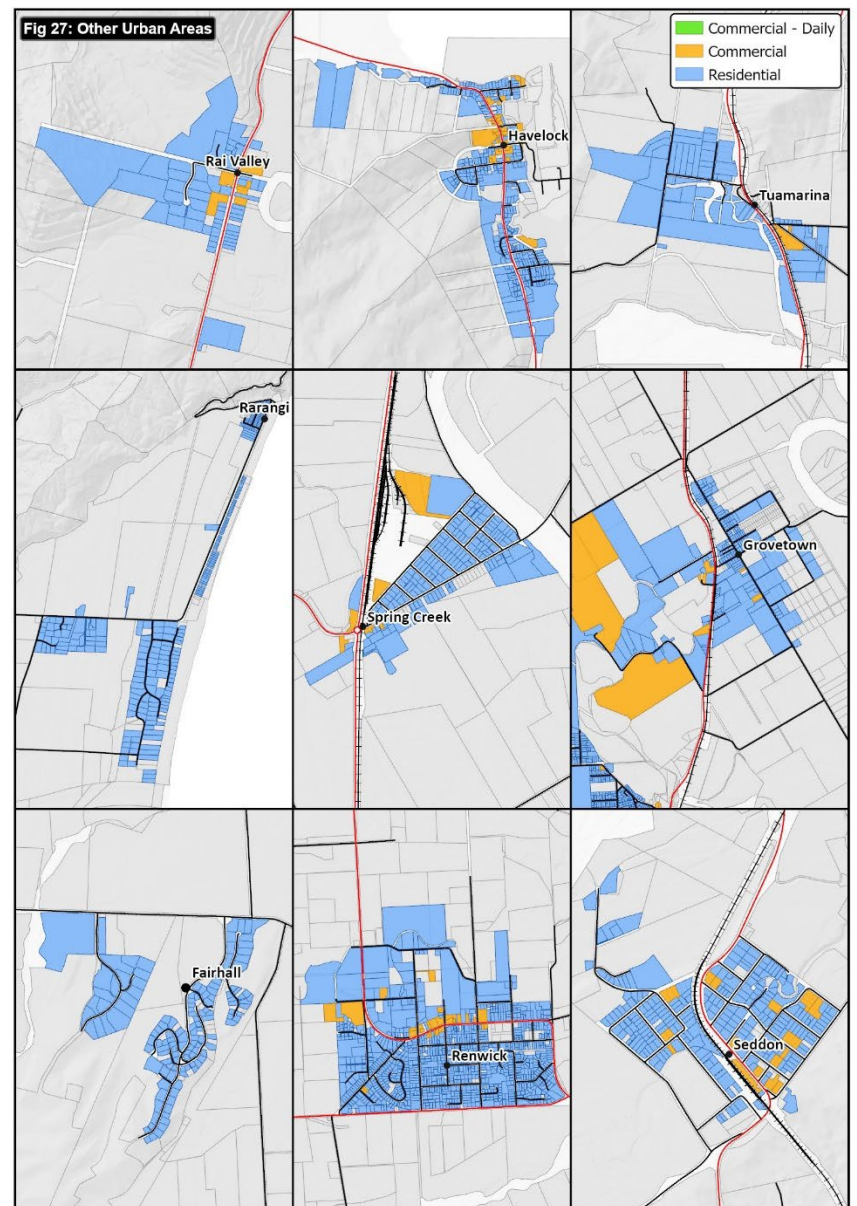
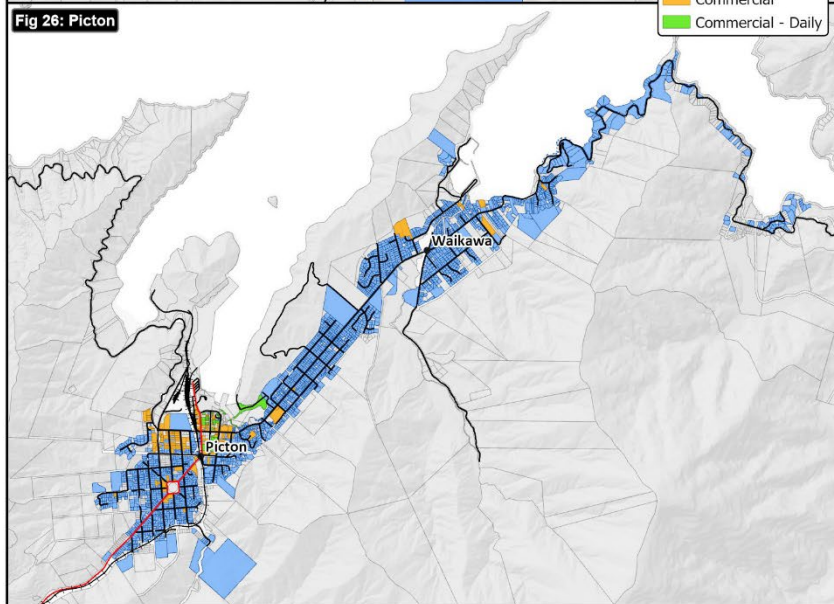
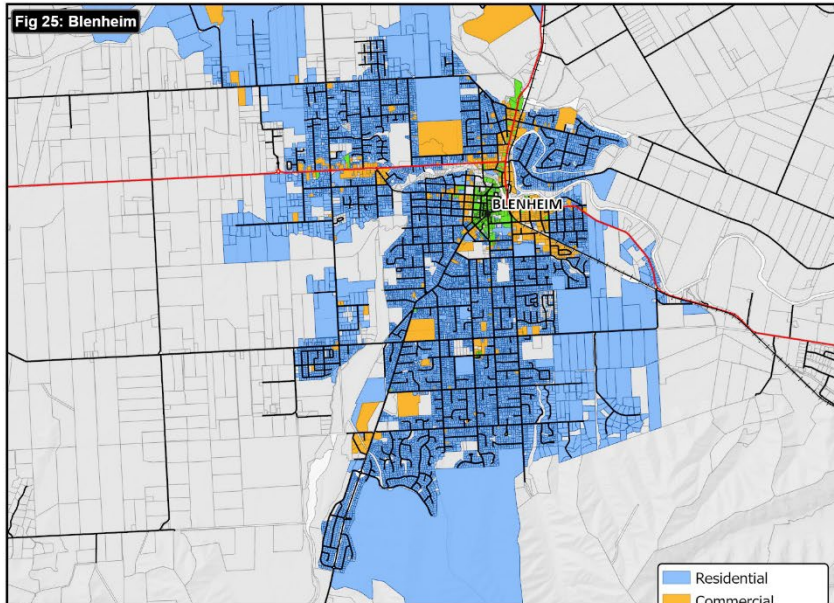
Commercial Recycling Collection Charge **\$2,000**

This charge is a targeted rate for ratepayers where Council and the ratepayer have agreed the ratepayer will take up this service. It is available to any commercial ratepayer situated within a residential area where Council provides or is prepared to provide the service.

Each property is provided with a recycling wheelie bin and crate.

This charge is a fixed amount per set where Council provides the service.

Service	Charge per set
80 Litre Bin and crate	\$60
140 Litre Bin and crate	\$60
240 Litre Bin and crate	\$60



Sounds Roads Recovery Rates

\$275,936

This targeted rate pays the cost of the Sounds Road recovery capital works and debt servicing costs for each of the areas. Every ratepayer in Marlborough will be charged for one of these targeted rates.

The funding requirements for each area are apportioned by:

Zones	23.1%
Sounds Admin Rural	2.4%
Rest of Marlborough	74.5%

This is a new rate for the 2024/25 year.

The works are expected to continue until 2043 with the loan rate continuing for 20 years after this time where it will be fully repaid.

Sounds Road Recovery – Zones

\$63,684

This rate is assessed on a land value basis. It is charged on properties in the areas as shown on figure 5, excluding any properties in the Sounds Admin Rural area.

Sounds Improvements are set in each geographic area as follows:

Geographic area	\$ Levy	Cents in the \$
Te Aumiti/French Pass	10,920	0.002630
Te Hoiere/Pelorus	2,173	0.002798
Tōtaranui/Queen Charlotte	12,067	0.002508
Kenepuru	32,256	0.008971
Te Whanganui/Port Underwood	6,268	0.003308



Sounds Road Recovery – Sounds Admin Rural \$6,600

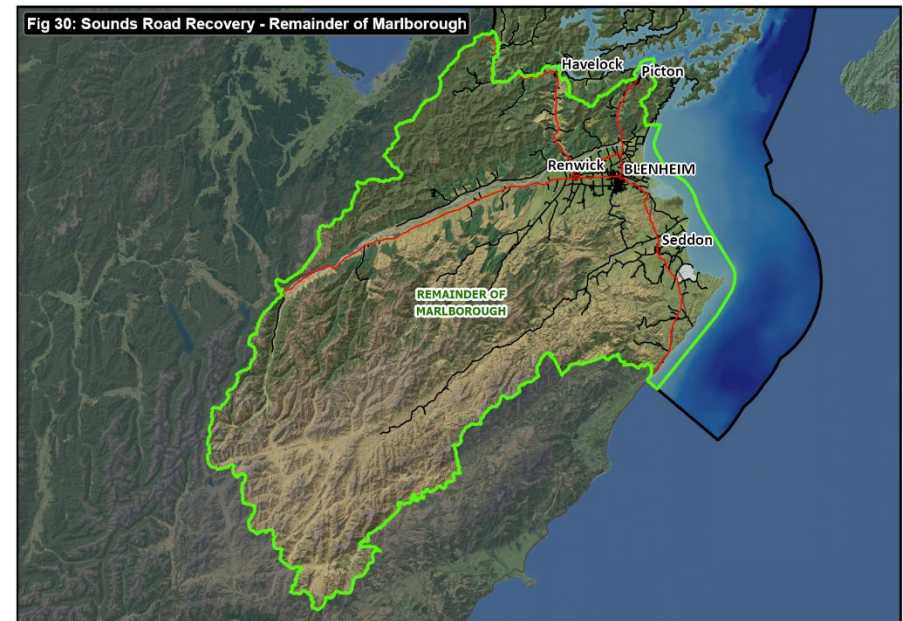
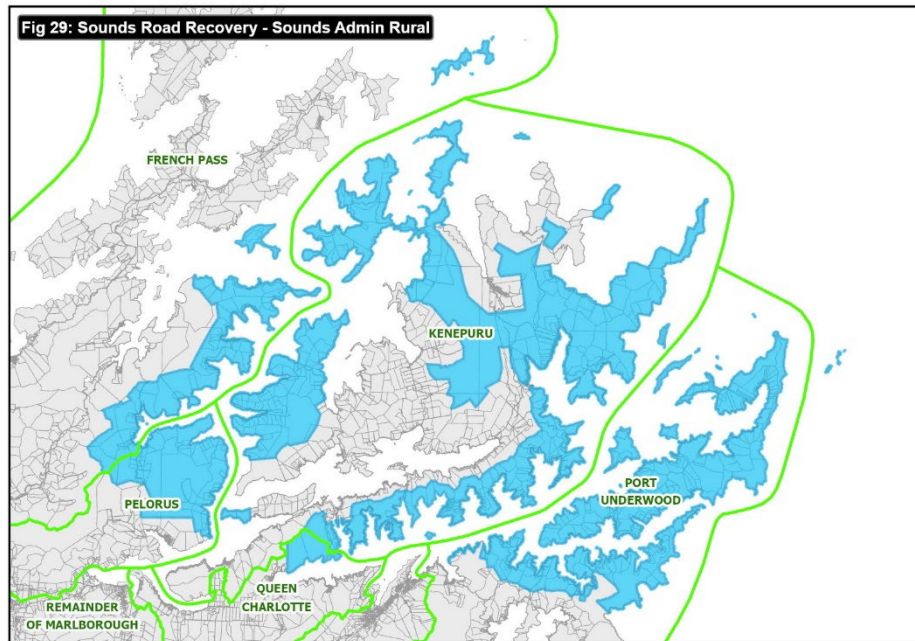
This is charged to all properties in the Sounds Admin Rural area and is assessed on a land value basis. It is charged on properties in the areas as shown on figure 5.

Per calculation	Cents in the \$
Land value	0.001045

Sounds Road Recovery – Remainder of Marlborough \$205,652

This targeted rate is charged to all Marlborough ratepayers excluding the rate payers who are charged the other Sounds roads recovery rates.

Per calculation	Rate in the \$
Per SUIP	\$9.22



Energy Efficiency Rates

\$755,873

These voluntary targeted rates repay the amount of energy efficiency funding supplied (including interest and fees) for energy efficiency solutions added to residential homes. It is payable by residential ratepayers who have had assistance from Council's energy efficiency funding service.

Funding is offered for:

- insulation;
- clean home heating (heat pumps, wood or pellet fires);
- solar water heating;
- solar power.

The rate is payable for nine years. The interest rate for the current year is 5.0%.

The rate is calculated as a percentage of the total amount to be repaid as follows:

First year rated	Final rating year	Percentage paid this year
2016-17	2024-25	16.012859
2017-18	2025-26	15.984730
2018-19	2026-27	15.957371
2019-20	2027-28	15.963040
2020-21	2028-29	15.968694
2021-22	2029-30	16.041036
2022-23	2030-31	16.146986
2023-24	2031-32	16.251765
2024-25	2032-33	16.286016

Residential Pool Inspections Charge

\$127,737

This targeted rate funds the costs of carrying out residential pool inspections under the Building (Pools) Amendment Act 2016. It is charged on every SUIP with a residential pool.

Overall this charge will increase by \$3,777.

Per calculation	Rate in the \$
Per SUIP	110.00

Tourism Charges

\$234,888

This targeted rate is collected on behalf of Destination Marlborough to promote Marlborough as a tourist destination. It is charged as a fixed amount per SUIP where the ratepayer is engaged in tourism activities as follows:

Activity	Rating category	Charge per rating unit
Properties that are advertised for short term rental accommodation	Residential/ Rural	\$268
Short term rental accommodation <30 people	Commercial	\$268
Short term rental accommodation >30 people	Commercial	\$410
Tourism activities (not included in above)	Commercial	\$298

Where a ratepayer operates in two or more of the groups above from the same rating unit, only the highest applicable group charge will be assessed.

Landscape Charges

\$5,313

A targeted landscape charge on new subdivisions (and existing subdivisions following consultation) is assessed where higher landscaping standards result in additional maintenance costs and is calculated as a fixed amount on every separately used or inhabited part of a rating unit set differentially on the following basis:

Properties with Urban level 1 landscaping standards	\$47
Properties with Urban level 2 landscaping standards	\$60
Properties with Rural level 1 landscaping standards	\$66
Properties with Rural level 2 landscaping standards	\$202

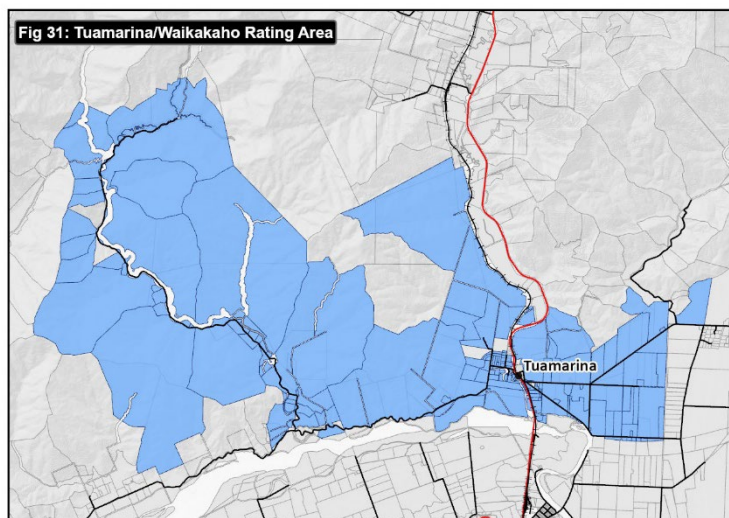
Street berms, trees and plots are included under the Community Facilities Activity.

Tuamarina/Waikakaho Hall Charge

\$2,914

This charge pays for the upkeep of the Tuamarina/Waikakaho Hall. It is payable by ratepayers in the Tuamarina/Waikakaho special rating area.

Overall this charge will remain the same as last year.



Per calculation	Rate in the \$
Per rating unit	18.45

Residential Rates Postponement Scheme

To cover costs for this scheme, the following fees and charges are set for the 2023-24 rating year. All fees and charges will be added to the approved applicant's rate account as either a one-off fee or an annual charge, where applicable.

Initial charges	Fees and charges
Application fee	\$50.00
Contribution to the decision facilitation process	\$300.00
Annual charges	
Administration fee	\$50.00
Interest rate	
2023-2024	5.5%

Instalments

The above rates and charges are for the period 1 July 2024 to 30 June 2025 and will become due and payable by four instalments as follows:

Instalment	Last date for payment before penalty is added
One	11 October 2024
Two	11 December 2024
Three	11 March 2025
Four	11 June 2025

Each instalment is one quarter of the annual rates for the current year.

Charges for Metered Water

Meter reading date between	Last date for payment before penalty is added
1 Jul 2024 –30 Sept 2024	20 Oct 2024
1 Oct 2024 – 31 Dec 2024	20 Jan 2025
1 Jan 2025 - 31 Mar 2025	20 Apr 2025
1 Apr 2025 – 30 Jun 2025	20 Jul 2025

Penalty Provisions (additional charges on unpaid rates)

A penalty, equivalent in amount to 10% of the instalment amount remaining unpaid at the close of day on the “Last Date for Payment”, shall on the next day be added to that amount of unpaid rates.

A further penalty of 10% will be added to all rates and charges from previous years that remain unpaid on 30 June 2025.

All payments are allocated to the oldest debt first so if the instalment is not paid in full by the date shown a 10% penalty is added to any amount of the instalment still outstanding. All penalty charges are exempt from GST.

Penalty Provisions (unpaid metered water)

A penalty, equivalent in amount to 10% of the metered water amount remaining unpaid at the close of day on the ‘last date for payment’ shall, on the next day, be added to that amount which remains unpaid.

Pursuant to sections 57/58 of the Local Government (Rating) Act 2002, a further penalty of 10% will be added to any unpaid amount from the third quarter or earlier that remain unpaid on 30 June 2024.

General Revenue Sources

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

Dividends and Interest from Investments \$14,149,084

This total amount is made up of:

- internal loans interest \$9,786,984;
- interest on General Funds \$5,100;
- interest on Investments \$1,392,000;
- dividends \$2,965,000.

These are used as follows:

- funding specified reserves for particular purposes or events (e.g. Emergency Events Reserve);
- used to subsidise general type rates and charges by way of general revenue allocation;
- used to fund interest and funding costs on external borrowings.

Petroleum Tax \$415,000

These funds are used to subsidise general type rates and charges by way of general revenue allocation.

Contributions Received from Development and Subdivision \$8,024,250

These are applied towards the cost of infrastructure related to the development and community facilities.

Carbon Credit Sales \$3,000,000

These funds are used to decrease the impact of the rates rise for the 2024-25 year.

Forestry Income \$0

It is expected that no forestry income will be received this year.

Geographic Areas

The geographic areas can generally be described as follows:

Blenheim Area (BM) (Fig 3)

All of that area encompassed by the former Blenheim Borough Council together with those properties within a 1.5 km radius of that area which have a zoning of Residential or Industrial in the Wairau/Awatere Resource Management Plan (eg: includes, Burleigh, Hammerichs Road, Riverlands and Waipuna Street); as well as any properties that are connected to (or are able to be connected to) either the Blenheim Water or Blenheim Group Sewerage Schemes, but excluding properties in the Renwick, Spring Creek and Grovetown Sewerage Rating Areas; and residential/rural properties and properties in the Riverlands Industrial Estate and Cloudy Bay Business Park that have an area of greater than one hectare.

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

Properties in growth areas zoned Urban Residential 2 Greenfields will be excluded from the Blenheim Area until development has occurred or a subdivision title has been granted.

Other land rezoned Urban Residential 2 or 3 as a result of the Proposed Marlborough Environment Plan will be similarly excluded from the Blenheim Area until granting of subdivision title.

Blenheim Vicinity Area (BV) (Fig 2)

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

From just north of the Rarangi Settlement following around the foothills in a south-westerly direction; taking in the Tuamarina Settlement; to the south bank of the

Wairau River and then up the Wairau south bank to the Waihopai River; up the east bank of the Waihopai River to just north of Omaka Downs; and then generally following the base of the foothills; around to include the Taylors Pass in a south easterly direction as far as the Branch River; following the boundaries of properties on the south east side of the Taylor River; then around the base of the foothills to include land between SH 1 and both sides of Redwood Pass Road to and including 393 Redwood Pass Road; then to the coast on the south of the Vernon Lagoons.

Picton Area (PN) (Fig 4)

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

Schedule

Pt Lot 1 DP 6881, Pt DP 467 Waitohi Valley Blk XI Linkwater SD, Lot 1 DP 303616 Lot 1 DP 8240, Pt Sec 41 District of Waitohi, Lot 2 DP 3716, Lot 1 DP 3716, Lot 1 DP 9175, Lot 2 DP 9175, Lot 1 DP 10989, Lot 2 DP 10989, Lots 1 2 DP 1353 Lot 1 DP 1148 Pt Sec 37 Waitohi Reg Dist, Lots 2 5 DP 3183, Pt Sec 103 Waitohi Valley District Blk XV Linkwater SD, Lot 1 DP 402932 Lot 1 DP 5595 Lot 2 DP 5660 Sec 38 Pt Sec 37 Waitohi Dist, Lot 1 DP 9268, Pt Lot 1 DP 7160 , Lot 1 DP 12294, Lot 2 DP 10225 Lot 1 DP 10476, Lot 1 DP 10882, Lot 2 DP 434941 Pt DP 747 Pt Sec 25 Wairau Dist Pt Lots 1-3 DP 693 Pt Sec 12 Pt Sec 13 Blk XV Linkwater SD, Secs 105 106 Pts Sec 36 104 Waitohi Valley Dist, Lot 1 DP 6397, Lots 1 2 DP 303945, Lots 3 4 DP 303945 Sec 129 Pt 159 Picton Subn Sec 18 Blk XV Linkwater SD, Lot 1 DP 302741, Lot 1 DP 10871, Lot 1 DP 6129, Lot 1 DP 759 Lot 2 Pt Lot 1 DP 1594, Pt Sec 63-65 Picton Subn. Lots 1-9 12 DP 1086, Sec 1 SO 429571 Lot 10 DP 1086, Lot 11 DP 1086, Lot 13 DP 1086, Lot 14 DP 1086, Lot 2 DP 3080, Sec 1 SO 416848 Lot 1 DP 3080, Sec 2 SO 416848 Lot 16 DP 1086, Lot 18 DP 1086, Pt Waikawa

2C2, Lot 4 DP 11736, Lot 1 DP 335692, Lot 2 DP 344933, Lot 3 DP 11736, Lot 1 DP 11736, Lot 1 DP 344933, Lot 2 DP 404985, Lot 1 DP 424360, Lot 2 DP 424360, Lot 3 DP 424360, Lot 4 DP 424360, Lot 5 DP 424360, Waikawa 3B Blk XII Linkwater SD Blk XI Arapawa SD, Lot 1 DP 9994, Lot 1 DP 10354, Waikawa Sec A2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Waikawa Sec 4B2 Waikawa West Blk XII Linkwater SD Blk XI Arapawa SD, Lot 2 DP 7961 Pts Sec 10 & Pt Sec 11 Waitohi Dist Pts Sec 100 Waitohi Dist, lot 3 DP 8884.

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

Picton Vicinity Area (PV) (Fig 4)

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

General Rural Area (GR) (Fig 1)

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

Sounds Admin Rural (AR) (Fig 5)

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

TRIENNIAL REVALUATION MOVEMENTS

The Marlborough District was revalued by Quotable Value Ltd on 1 July 2023. The new values apply from the 2024-2025 rating year, as from 1 July 2024.

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

Land Value percentage increase (decrease) movements for the six geographic rating areas, the district at large and their differential rating groups for the triennial revaluation on 1 July 2023 were:

(The previous revaluation movements as at 14 August 2020 and 1 July 2017 are shown alongside.)

	1.07.23	14.08.20	1.07.17
Blenheim - Residential/Rural	39.61%	41.12%	15.06%
Blenheim - Commercial/Industrial	38.20%	13.84%	15.57%
Blenheim – Homestay/Farmstay	43.75%	41.82%	15.25%
Blenheim - Total	39.43%	36.78%	15.14%
Blenheim Vicinity - Residential/Rural	76.98%	9.64%	38.14%
Blenheim Vicinity - Commercial/Industrial	66.00%	25.87%	18.85%
Blenheim Vicinity – Homestay/Farmstay	61.31%	18.18%	16.94%
Blenheim Vicinity - Total	76.69%	10.03%	37.58%
Picton - Residential/Rural	48.17%	50.21%	25.47%
Picton - Commercial/Industrial	71.75%	11.03%	7.12%
Picton – Homestay/Farmstay	49.85%	71.65%	28.38%
Picton - Total	51.07%	43.50%	21.88%

	1.07.23	14.08.20	1.07.17
Picton Vicinity - Residential/Rural	83.28%	32.11%	7.41%
Picton Vicinity - Commercial/Industrial	51.12%	11.52%	1.71%
Picton Vicinity – Homestay/Farmstay	58.49%	15.22%	-
Picton Vicinity - Total	81.85%	31.43%	7.23%
General Rural - Residential/Rural	67.05%	28.93%	16.57%
General Rural - Commercial/Industrial	52.45%	10.76%	6.63%
General Rural – Homestay/Farmstay	88.31%	22.11%	4.03%
General Rural - Total	66.91%	28.68%	16.42%
Sounds Admin Rural - Residential/Rural	54.37%	11.96%	-0.43%
Sounds Admin Rural - Commercial/Industrial	50.00%	14.03%	0.06%
Sounds Admin Rural – Homestay/Farmstay	70.37%	14.89%	0.00%
Sounds Admin Rural - Total	54.28%	12.01%	-0.41%
Utilities Total	0.00%	0.00%	0.00%
District-wide - Residential/Rural	61.76%	25.61%	22.03%
District-wide - Commercial/Industrial	47.36%	14.65%	13.68%
District-wide – Homestay/Farmstay	63.30%	23.17%	14.44%
Utilities	0.00%	0.00%	0.00%
District-wide - Total	60.97%	24.98%	21.45%

The following is a summary of the 2023 revaluation movements for each of Council's geographic and differential rating areas:

Rating Area	Average Land Value Movement	Average Capital Value Movement
Blenheim Residential/Rural	39.61%	27.37%
Blenheim Commercial/Industrial	38.20%	27.91%
Blenheim – Homestay/Farmstay	43.75%	19.87%
Blenheim Vicinity – Residential/Rural	76.98%	47.47%
Blenheim Vicinity – Commercial/Industrial	66.00%	30.64%
Blenheim Vicinity – Homestay/Farmstay	61.31%	32.36%
Picton Residential/Rural	48.17%	31.49%
Picton Commercial/Industrial	71.75%	42.28%
Picton – Homestay/Farmstay	49.85%	22.57%
Picton Vicinity – Residential/Rural	83.28%	53.21%
Picton Vicinity – Commercial/Industrial	51.12%	43.05%
Picton Vicinity – Homestay/Farmstay	58.49%	34.65%
General Rural Residential/Rural	67.05%	52.43%
General Rural Commercial/Industrial	52.45%	27.78%
General Rural Homestay/Farmstay	88.31%	39.57%
Sounds Admin Rural Residential/Rural	54.37%	39.66%
Sounds Admin Rural Commercial/Industrial	50.00%	35.67%
Sounds Admin Rural – Homestay/Farmstay	70.37%	16.10%
Utilities	0.00%	15.07%
District-wide - Total	60.97%	39.97%

The previous Capital Value revaluation movement as at 14 August 2020 was 15.21% and as at 1 July 2017 was 25.64%.

The following is a summary of the Capital Value percentage increase (decrease) movements for each of the Wairau Valley River and Kenepuru Road rating areas:

	1.07.23	14.08.20	1.07.17
Wairau Valley River Class A Rate	48.64%	6.11%	45.17%
Wairau Valley River Class B Rate	47.74%	2.66%	36.09%
Wairau Valley River Class C Rate	43.46%	6.44%	33.69%
Wairau Valley River Class D Rate	54.00%	8.12%	33.59%
Wairau Valley River Rural Urban 1 Rate	32.16%	20.33%	20.29%
Wairau Valley River Rural Urban 2 Rate	29.22%	22.33%	25.48%
Wairau Valley River Blenheim Urban 1 Rate	24.48%	21.03%	21.30%
Wairau Valley River Blenheim Urban 2 Rate	24.74%	25.19%	25.43%
Wairau Valley River Blenheim Urban 3 Rate	24.07%	25.42%	24.96%
Wairau Valley River Blenheim Urban 4 Rate	22.93%	24.36%	24.48%
Kenepuru Road Rate	9.88%	20.83%	9.10%

The next revaluation of the District will be released approximately in September 2026.

Valuation changes prior to 2026 will only relate to property subdivisions, new improvements, and any alterations to the 1 July 2023 revaluation which are approved by Quotable Value Ltd or the Land Valuation Tribunal (*as a result of revaluation objections lodged prior to 9 November 2023*).

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

A revaluation of the District does not increase Council's rating income, but it does redistribute the incidence of valuation based rates between individual ratepayers. This

means that even if Council were to levy the same amount in total for the year following a revaluation, some ratepayers will have rate increases, while others will have rate decreases.

Rates levied on a uniform charge basis (eg; refuse and recycling charges) are unaffected by a district-wide revaluation. The only factors responsible for increasing rates on an individual property are:

- If an individual's property value increases by more than the average increase for their geographic rating area.
- If an individual's property value decreases by less than the average decrease for their geographic rating area.

- If an individual's property value alters as a result of new improvements being added (only affects rates levied on a capital value basis).
- If the property changes its eligibility for separate service rates/charges (eg; it now qualifies for sewerage, refuse and recycling etc).
- If Council amends its Revenue and Financing Policy. Council amended its Revenue and Financing Policy in accordance with that proposed in its 2024-34 Long Term Plan Consultation Document.

If Council increases its rating income requirement through the Annual Plan process.



RATES MOVEMENTS 2024-25

Total Rates and Charges for 2024-25 are estimated at \$99,823,986 (GST exclusive). This represents an increase of \$11,744,394 on last year's levy. The rating effect will be different for individual properties because of the varying effects of the recent district-wide revaluation; movements in general-type rates not impacting uniformly

on all geographic rating areas; and movements in targeted separate rates (such as Sewerage and Water etc) affecting only those properties able to receive these services.

Significant Contributors to the Overall Rates Increase are as Follows:		
General Rates and Charges		
General Revenues	1,500,000	Decrease in funds from the Covid Rates Relief reserve less \$3M of carbon credits.
Roads and Footpaths	1,276,609	The majority of the increase is due to infrastructure costs.
Community Facilities	1,246,789	The main increases are in Repairs and Maintenance, Interest and depreciation costs due to increase in assets in prior years.
Flood Protection and Control Works	1,128,057	Additional loan costs due to increase in assets in prior years and dam safety compliance in the region and removal of sediment in the Taylor & Opaoa rivers.
Solid Waste Management	746,924	The majority of this increase is due to the increase in service with the roll out of the wheelie bins.
Resource Consents	387,596	Increased costs in personnel and corporate expenses.
Sounds Roads Recovery	239,944	The costs of the Sounds Road Recovery are additional this year.
Building Control	137,396	Decrease in building consent applications with a slight increase in overhead costs.
Targeted Rates and Charges:		
Sewerage	1,221,787	The main increases are in insurance, power and depreciation costs due to increase in assets in prior years.
Water Supply	968,658	The main increase is in depreciation costs due to increase in assets in prior years.
Riverlands water supply	234,324	The main increases were treatment costs, backflow prevention costs and additional loan costs due to increase in assets in prior years.

INDICATIVE IMPACT ON BENCHMARK PROPERTIES

Council uses Benchmark Properties in different geographic areas to illustrate the effect of its rating proposals. The rating effect on individual properties varies because movements in general-type rates do not impact uniformly on Council's

geographic rating areas and movements in targeted separate rates (such as Sewerage and Water) affect only properties in those rating areas.

Benchmark Property	Current Land Value	Capital Value	Land Value % Movement	2023-24 Total Rates and Charges	Valuation Change Impact \$	Other Impact \$	2024-25 Total Rates and Charges	\$ Movement on 2023-24	% Movement on 2023-24
01-Blenheim Residential	320,000	425,000	32.8%	3,695	-190	478	3,984	289	7.8%
02-Blenheim Residential	270,000	390,000	44.4%	3,408	-81	488	3,815	407	11.9%
03-Blenheim Residential	300,000	400,000	33.3%	3,476	-200	434	3,710	234	6.7%
04-Blenheim Residential	315,000	420,000	33.3%	3,780	-146	507	4,140	360	9.5%
05-Blenheim Residential	295,000	395,000	33.9%	3,584	-187	461	3,858	274	7.6%
06-Blenheim Vacant Section	280,000	375,000	33.9%	2,795	-152	366	3,009	214	7.7%
07-Blenheim Commercial	134,000	175,000	30.6%	3,795	-176	524	4,142	347	9.1%
08-Blenheim Commercial	425,000	550,000	29.4%	7,385	-456	1,071	8,000	615	8.3%
09-Picton Residential	220,000	320,000	45.5%	3,492	-67	373	3,798	306	8.8%
10-Picton Residential	270,000	420,000	55.6%	3,765	14	411	4,191	426	11.3%
11-Picton Vacant Section	180,000	270,000	50.0%	2,560	-26	281	2,815	256	10.0%
12-Picton Commercial	305,000	460,000	50.8%	4,788	-53	708	5,443	655	13.7%
13-Picton Motels (19 units)	730,000	900,000	23.3%	8,949	-1,376	1,111	8,684	-265	-3.0%
14-Blenheim Vicinity	1,460,000	2,660,000	82.2%	7,912	415	1,306	9,633	1,721	21.7%
15-Blenheim Vicinity	950,000	2,120,000	123.2%	5,065	1,422	1,076	7,563	2,498	49.3%
16-Blenheim Vicinity	9,540,000	18,150,000	90.3%	37,562	4,696	7,225	49,484	11,921	31.7%
17-Blenheim Vicinity	2,010,000	3,810,000	89.6%	10,192	915	1,774	12,881	2,689	26.4%
18-Blenheim Vicinity	9,100,000	17,300,000	90.1%	37,367	5,609	7,365	50,341	12,974	34.7%

Benchmark Property	Current Land Value	Capital Value	Land Value % Movement	2023-24 Total Rates and Charges	Valuation Change Impact \$	Other Impact \$	2024-25 Total Rates and Charges	\$ Movement on 2023-24	% Movement on 2023-24
19-Renwick Residential	240,000	400,000	66.7%	2,845	42	581	3,467	623	21.9%
20-Renwick Residential	235,000	390,000	66.0%	2,882	38	593	3,513	631	21.9%
21-Spring Creek Residential	230,000	300,000	30.4%	2,357	-138	474	2,694	336	14.3%
22-Grovetown Residential *1	315,000	410,000	30.2%	2,613	-188	499	2,924	311	11.9%
23-Grovetown Residential *2	370,000	480,000	29.7%	3,786	-265	562	4,082	297	7.8%
24-Rarangi Residential	365,000	620,000	69.9%	2,020	58	460	2,539	519	25.7%
25-Picton Vicinity	1,300,000	3,720,000	186.2%	4,245	2,651	1,199	8,095	3,849	90.7%
26-Ngakuta Bay - bach	235,000	600,000	155.3%	1,472	350	274	2,096	624	42.4%
27-General Rural - French Pass	2,010,000	2,710,000	34.8%	6,551	-963	945	6,533	-18	-0.3%
28-General Rural - Manaroa	4,360,000	4,350,000	-0.2%	14,684	-4,851	1,328	11,161	-3,523	-24.0%
29-General Rural - Opouri Valley	2,780,000	3,340,000	20.1%	8,668	-2,058	1,149	7,759	-909	-10.5%
30-General Rural - on Awatere Water	2,130,000	6,510,000	205.6%	7,797	5,454	2,030	15,281	7,484	96.0%
31-Havelock Residential	205,000	350,000	70.7%	2,406	37	527	2,970	564	23.4%
32-Seddon Residential	134,000	195,000	45.5%	3,760	-39	423	4,144	384	10.2%
34-Sounds Admin Rural - farm	5,350,000	5,171,000	-3.3%	9,199	-3,147	1,083	7,135	-2,065	-22.4%
35-Sounds Admin Rural - bach	190,000	400,000	110.5%	816	86	131	1,032	217	26.6%
36-Sounds Admin Rural - bach	320,000	480,000	50.0%	1,007	-32	146	1,120	113	11.3%

1. ¹ This property opted to make a lump sum payment for the Grovetown sewerage scheme.

2. ² This property opted to pay the Grovetown sewerage loan rate which will continue until 2039, in lieu of the lump sum payment.

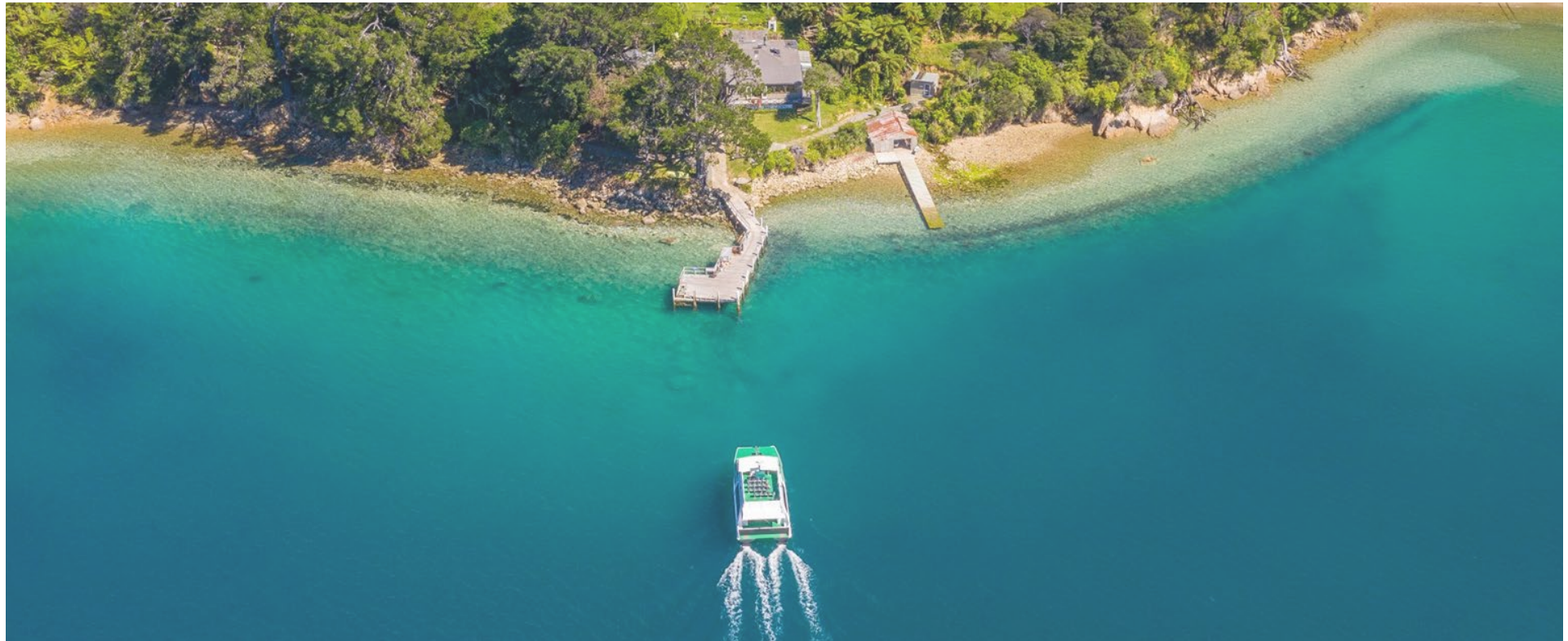
Rate and Charges by Rate type (\$000's)

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by Rate type: (inflation adjusted using Business and Economic Research Ltd's indices)

	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
Gen Type Rates / Charges										
Blenheim Res/Rural	9,558	10,557	11,222	12,073	13,061	13,797	14,250	14,769	15,335	15,858
Blenheim Com/Ind	4,481	4,952	5,330	5,642	6,040	6,327	6,521	6,711	6,934	7,125
Blenheim UAC	13,374	14,617	15,455	15,918	16,482	16,902	17,174	17,682	18,112	18,471
Blenheim Geo Area Total	27,413	30,126	32,006	33,633	35,583	37,027	37,945	39,163	40,381	41,454
Blenheim Vicinity Res/Rural	9,946	10,860	11,520	12,294	12,874	13,483	13,893	4,381	14,897	15,376
Blenheim Vicinity Com/Ind	510	553	584	611	633	656	667	680	698	717
Blenheim Vicinity UAC	3,718	4,073	4,305	4,421	4,570	4,659	4,709	4,854	4,960	5,040
Blenheim Vicinity Geo Area Total	14,174	15,486	16,408	17,325	18,077	18,797	19,269	19,915	20,556	21,133
Picton Res/Rural	2,444	2,668	2,831	2,983	3,104	3,228	3,301	3,386	3,483	3,570
Picton Com/Ind	917	994	1,053	1,091	1,127	1,164	1,183	1,203	1,232	1,260
Picton UAC	2,818	3,115	3,271	3,373	3,489	3,578	3,639	3,731	3,783	3,824
Picton Geo Area Total	6,179	6,777	7,154	7,448	7,720	7,970	8,124	8,320	8,499	8,654
Picton Vicinity Res/Rural	637	693	734	785	822	860	884	914	946	976
Picton Vicinity Com/Ind	30	32	34	36	37	38	39	39	40	41
Picton Vicinity UAC	455	500	526	541	562	575	583	600	608	613
Picton Vicinity Geo Area Total	1,121	1,226	1,294	1,362	1,420	1,474	1,506	1,553	1,595	1,631
General Rural Res/Rural	10,856	11,786	12,485	13,293	13,906	14,548	14,952	15,455	15,985	16,479
General Rural Com/Ind	197	214	225	236	245	254	259	264	272	279
General Rural UAC	3,536	3,909	4,122	4,218	4,379	4,481	4,528	4,681	4,775	4,836
General Rural Geo Area Total	14,590	15,908	16,832	17,747	18,531	19,284	19,739	20,401	21,032	21,595
Sounds Admin Rural Res/Rural	578	635	678	733	767	807	831	863	898	932
Sounds Admin Rural Com/Ind	27	29	31	33	34	35	36	37	38	39
Sounds Admin Rural UAC	708	785	826	843	877	897	905	939	957	968
Sounds Admin Rural Geo Area Total	1,314	1,449	1,535	1,609	1,678	1,739	1,772	1,839	1,893	1,939
Gen Type Rates / Charges	64,791	70,973	75,229	79,124	83,009	86,291	88,355	91,190	93,954	96,405

		2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
		Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
Sewerage Rates / Charges											
	Combined Sewerage Scheme Rates & Charges	10,477	11,381	14,526	16,462	18,408	20,165	22,490	24,202	25,892	27,353
	Groveton Sewerage	89	89	89	89	89	89	89	89	89	89
	Renwick Sewerage	30	12	-	-	-	-	-	-	-	-
	Sewerage Rates / Charges	10,597	11,483	14,615	16,552	18,498	20,254	22,579	24,291	25,981	27,442
Water Rates / Charges											
	Combined Water Scheme Rates & Charges	10,582	11,485	12,477	13,266	13,811	14,485	15,302	15,921	16,976	18,308
	Awatere Water	983	1,071	1,171	948	938	963	985	1,003	1,007	1,026
	Flaxbourne Irrigation	1	1	1	1	1	319	326	1,633	1,887	1,894
	Riverlands Water	1,163	1,958	2,277	2,240	2,268	2,355	2,428	2,442	2,463	2,476
	Southern Valleys' Irrigation	1,684	1,708	1,438	787	808	828	848	867	889	908
	Water Rates / Charges	14,413	16,223	17,365	17,242	17,826	18,950	19,889	21,867	23,221	24,612
Roading Rates / Charges											
	French Pass	28	28	28	28	28	28	28	28	28	28
	Sounds Recovery	240	908	1,842	2,863	3,817	4,320	4,456	4,595	4,737	4,881
	Roading Rates / Charges	268	936	1,870	2,891	3,844	4,348	4,484	4,623	4,765	4,909
Refuse & Kerb Recycling Collection Charges											
	Blenheim/Picton refuse/recycling charges	2,333	2,405	2,478	2,548	2,616	2,683	2,749	2,813	2,882	2,946
Wairau Valley River Works Rates											
	Wairau Valley River Works Rates	6,443	7,451	7,680	8,180	8,485	9,028	9,047	9,329	9,981	9,812

	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34
	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10
Miscellaneous Targeted Rates										
Energy Efficiency Rate	657	622	564	489	408	331	264	189	74	-
Landscape	5	5	5	5	5	5	5	5	5	6
Pool Inspection	111	113	115	118	120	123	125	128	130	133
Tourism Charge	204	208	212	217	221	225	230	234	239	244
Tua Marina Hall/Waikakaho Charge	3	3	3	3	3	3	3	3	3	3
Miscellaneous Targeted Rates	980	951	899	831	757	686	627	559	451	385
TOTAL RATES & CHARGES	99,824	110,422	120,137	127,368	135,034	142,240	147,729	154,672	161,235	166,512



Rates and Charges – By Activity

The following Rates and Charges report illustrates the estimated rate movements for the 10 year period by activity: (inflation adjusted using Business and Economic Research Ltd's indices).

Rates and Charges by Activity Group (\$000's)											
Group		2024-25	2025-26	2026-27	2027-28	2028-29	2029-2030	2030-31	2031-32	2032-33	2033-34
People	Democratic Process	3,963	4,516	4,744	4,693	5,081	5,145	5,070	5,473	5,529	5,439
	Arts	1,023	1,102	1,130	1,066	1,076	1,088	1,096	1,105	1,115	1,123
	Heritage	790	827	861	883	905	929	949	972	995	1,016
	Community Safety	194	205	214	219	224	229	233	238	242	246
	Community Support	842	892	914	906	916	928	937	947	957	966
	Events Management	240	256	266	273	279	285	291	297	303	308
	Smart + Connected Communities	43	47	49	51	52	53	54	56	57	58
	Energy Efficiency	657	662	564	489	408	331	264	189	74	-
	Passenger Transport	245	262	274	279	286	294	297	306	313	325
	Library Services	4,158	4,418	4,675	4,795	4,926	5,100	5,211	5,344	5,543	5,726
Emergency Management	800	867	916	1,034	1,069	1,104	1,136	1,169	1,206	1,238	
Community Facilities	Cemeteries	322	298	263	267	273	281	281	283	289	292
	Memorials	198	191	212	206	225	222	196	187	202	208
	Street berms, trees and plots	1,069	1,133	1,223	1,210	1,238	1,268	1,293	1,320	1,346	1,370
	Halls	524	555	576	586	597	621	617	628	638	647
	Public Conveniences	1,661	1,916	2,083	2,144	2,209	2,275	2,322	2,375	2,429	2,478
	Reserves	7,888	8,660	9,178	9,589	9,876	10,081	10,341	10,449	10,607	10,805
	Small Townships	471	543	609	667	726	788	849	912	976	1,040
Swimming Pools	1,866	1,982	2,072	2,126	2,182	2,244	2,299	2,358	2,418	2,483	
Roads and Footpaths		14,044	15,596	17,238	19,113	20,950	22,115	22,786	23,472	24,092	24,556
Flood protection	River Leases	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)	(147)
	Rivers Outside Wairau Floodplain	307	326	340	350	357	362	334	314	307	313
	Wairau Floodplain Drainage	1,846	2,064	2,299	2,303	2,369	2,638	2,467	2,510	2,957	2,599
	Wairau Floodplain Rivers	4,744	5,534	5,529	6,024	6,263	6,537	6,726	6,965	7,171	7,360
Sewerage - Combined		10,597	11,483	14,615	16,552	18,498	20,254	22,579	24,291	25,981	27,442

Rates and Charges by Activity Group (\$000's)

Group		2024-25	2025-26	2026-27	2027-28	2028-29	2029-2030	2030-31	2031-32	2032-33	2033-34
Stormwater	Blenheim	2,276	2,548	2,736	3,091	3,859	4,212	4,413	4,619	4,839	5,032
	Other	874	979	1,051	1,096	1,141	1,181	1,215	1,248	1,279	1,306
Water	Combined	10,582	11,485	12,477	13,266	13,811	14,485	15,302	15,921	16,976	18,308
	Awatere Rural (POE)	983	1,071	1,171	948	938	963	985	1,003	1,007	1,026
	Riverlands	1,163	1,958	2,277	2,240	2,268	2,355	2,428	2,442	2,463	2,476
Waste	Landfills	132	141	148	152	157	161	165	169	173	176
	Refuse Collections	2,333	2,405	2,478	2,548	2,616	2,683	2,749	2,813	2,882	2,946
	Transfer Stations	739	795	837	866	893	921	944	967	994	1,018
	Waste Minimisation	1,269	1,368	1,445	1,475	1,516	1,539	1,572	1,620	1,671	1,719
Environmental Management	Environmental Policy	1,961	2,210	2,335	2,510	2,590	2,674	2,748	2,829	2,913	2,991
	Environmental Science and Monitoring	5,946	6,815	7,139	7,719	7,715	8,001	7,894	8,106	8,282	8,457
	Environmental Protection	853	955	1,029	1,077	1,128	1,184	1,234	1,288	1,348	1,404
	Resource Consents	1,601	1,727	1,841	1,912	1,914	1,990	2,002	1,978	2,066	2,147
Regulatory	Building Control	1,101	1,569	1,653	1,762	1,826	1,951	2,013	2,145	2,232	2,363
	LIMs	3	10	15	19	23	27	31	36	41	46
	Environmental Health	349	390	417	434	454	473	487	507	528	548
	Biosecurity	1,785	1,923	2,022	2,082	2,143	2,212	2,266	2,327	2,396	2,452
	Dog Control	110	123	128	132	135	138	140	144	146	149
	Other Animal Control	10	11	11	12	12	12	12	13	13	13
	Harbours	1,568	1,711	1,753	1,945	2,054	2,125	2,170	2,168	2,234	2,284
Regional Development	Economic Development	1,282	1,377	1,449	1,492	1,535	1,581	1,621	1,665	1,708	1,750
	Marketing and Tourism	1,224	1,303	1,361	1,389	1,416	1,444	1,417	1,377	1,387	1,413
	Research Centre	307	325	338	345	352	360	367	374	381	388
	Irrigation Schemes	1,685	1,709	1,439	788	809	1,147	1,174	2,500	2,776	2,802
	Parking	51	67	84	86	89	91	92	95	97	99
Agency Rates		1,291	1,299	1,803	2,304	2,804	3,305	3,805	4,305	4,805	5,305
Total Rates and Charges		99,824	110,422	120,137	127,368	135,034	142,240	147,729	154,672	161,235	166,512

WĀHANGA 5
PART 5

Kaupapa Here Policies



REVENUE AND FINANCING POLICY

1. The Revenue and Financing Policy provides a summary of Council's funding policies in respect of both operating expenses and capital expenditures. Council reviews its funding policy at least every three years. The last review was completed prior to the initiation of the 2024-34 Long Term Plan (LTP), and changes adopted are detailed in paragraph 15.
2. Sources of funds available to Council are as follows:
 - General rates.
 - Targeted rates.
 - Lump sum contributions.
 - Fees and charges.
 - Interest and dividends from investments.
 - Borrowing.
 - Proceeds from asset sales.
 - Development contributions.
 - Financial contributions.
 - Grants and subsidies.
 - Regional Fuel Taxes
 - Other sources permitted by statute.
3. Council's Revenue and Expenditure Policy deals with the revenue and financing mechanisms at a "Sub-Activity" level. Sub-Activities are a sub-set of "Activities", which in turn are a sub-set of "Activity Groups" using two examples:
 1. *One of Council's Activity Groups is "People".
One of People's Activities is "Community Support".
One of Community Support's Sub-Activities is "Grants and Donations".*
 2. *One of Council's Activity Groups is "Community Facilities".
One of Community Facilities' Activities is "Reserves".*

4. In determining which funding sources were appropriate, Council gave consideration to the following matters in relation to each activity to be funded:
- How Activities contribute to Current/Future Social, Economic, Environmental and Cultural Well- Being of the Community (9.1);
 - The community outcomes to which the Activity primarily contributes (9.2);
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (9.3);
 - The period in or over which those benefits are expected to occur (9.4);
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (9.5);
 - The costs and benefits, including consequences, for transparency and accountability, of funding the activity distinctly from other activities (9.6); and
 - The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
5. Prior to determining the “Residual amount to be funded by General-type Rates”, Council identified all other funding sources appropriate to each activity. These other sources, and the approach taken by Council are listed in Tables 10.1 Operating Expenditure and 10.2 Capital Expenditure, which highlight the funding sources for every Council activity and any sub-activity which may exist.

The table in paragraph 10 illustrates how the residual rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made for the revenue sources identified Tables 10.1 and 10.2 and having given consideration to the matters in paragraph 9.

Council believes that its use of these rating tools will result in a fair and equitable funding result for each Activity.

Fees and Charges

These have been set at a level to recover private benefits where it is practical and economic to do so, unless there have been determinations arising from previous funding reviews to fund all or part of such benefits from rates as is the case for Libraries.

Grants and Subsidies

These are sought and applied for whenever they are available.

General Revenues

These are allocated to Geographic Rating Areas in proportion to the gross general-type rates and charges applicable to those Areas .

General-Type Targeted Rates and Charges

The proportion of each activity’s costs to be met from general-type targeted rates and charges is detailed in **Table 14**. The allocations in that table reflect Council’s assessment of the benefits, and demands, which should be funded by land value rates, and the benefits and requirements which should be funded by uniform annual charge. In these instances Council believes separate general targeted rates and charges are the most equitable funding mechanism based on the benefits assessed for each targeted geographic area.

Separate differential categories are utilised for general-type rates and charges, and these are specified in each year’s Funding Impact Statement. Council currently has six geographic areas and three categories of land use for each of these areas.

Separate Targeted Rates and Charges

Targeted rates and charges are levied to meet the full cost of water and sewerage schemes, refuse and recycling collections, defined roading improvements, Wairau River catchment flood protection works, defined marketing and tourism activities and for other services where Council has been requested to levy such rates. In these instances Council believe separate targeted rates are the most equitable funding mechanism based on the benefits assessed for the targeted area.

Council has adopted differential land value rates to fund the debt servicing requirement of the Combined sewerage and water schemes, which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge for the Combined sewerage scheme and a differential uniform annual charge for the Combined Water Scheme. The most significant benefits derived from these combined single sewerage and water funding schemes are a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

Council has adopted differential capital value rates to fund Wairau River catchment flood protection works.

Note:

The combined sewerage and water rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

For the 2024-2034 LTP there is a separate identified rate proposal which has been developed for the recovery of the storm damaged roads in the Marlborough Sounds. Councils share of the recovery costs, net of NZTA's financial assistance rate, will be funded by debt which this targeted rate will recover.

6. The following explanations will give readers an understanding of terminology used in this policy statement. Unless otherwise specified, the term:

- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
- General-type targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
- General-type targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are set differentially for the six geographic areas as a fixed amount on every separately used or inhabited part of a rating unit).
- Separate targeted Rates are rates that are targeted to a particular area of benefit. e.g. Water, Sewerage, Sounds Roads. (Separate targeted rates are based on the land value of each property other than Wairau Valley River Works Rates and the Kenepuru Road Rate which are levied on capital value, or the Southern Valleys' Irrigation Loan Rate and the Flaxbourne Community Irrigation Scheme Loan Rate which are based on irrigable hectares) or the Energy Efficiency rates which are based on the service amount.
- Separate targeted Charges are charges that are targeted to a particular area of benefit e.g. Water, Sewerage.
- Land values, capital values or rating units refers to rateable land values, rateable capital values or rateable rating units as the case may be.

- Residual Rate Funding Percentages refer to the residual amount to be funded, after allowance for sources of funds other than rates.
- Funding relationship weightings refer to a methodology for allocating the various general-type rates and charges where the highest weighting is always expressed as 100.
- Where a weighting shows as zero, there is no contribution from that area. Where a weighting shows as a number between zero and 100 (e.g. 85), that area will pay a rate or uniform charge (as the case may be) of 85% of any area that has a weighting of 100.
- If all areas have a weighting of 100, the rate in the dollar or uniform charge (as the case may be) will be the same for all areas.

Separately used or inhabited part of a rating unit (SUIP)

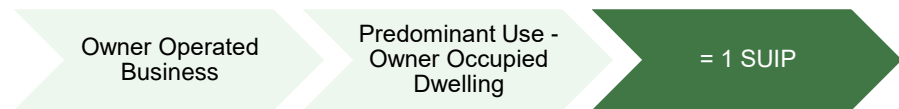
A SUIP includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

A rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Exceptions to the definition

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

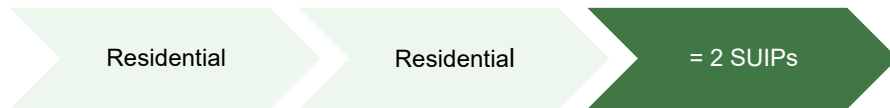


- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

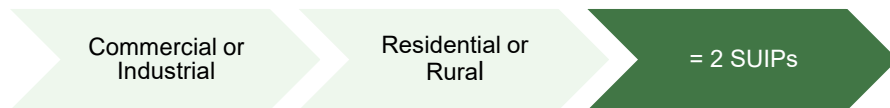


Examples of the application of the definition

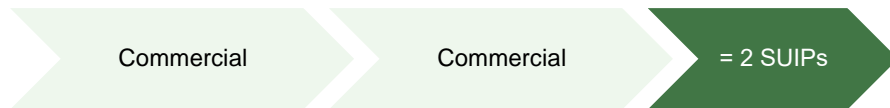
- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.



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



- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.



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

Residential or Rural

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

"Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category.

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

Commercial or Industrial

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

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration with the exemption of:

- Properties where the principal purpose is the provision of longstay accommodation, i.e. 28 days or more.
- Properties that provide accommodation for five or less people.
- Properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farmstay category.

Homestay or Farmstay

Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes, where a Building Act or Resource Consent was required for such a use.

Utilities

Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.

Multiple Land Uses

The Council will partition a rating unit where there are two or more land uses that fit into different differential rating categories except for predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.

Te Ture Whenua Māori Act 1993

- 7. The Council will promote the retention of Māori land in the hands of its owners, their whanau, and their hapu; and to protect wahi tapu; and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau and their hapu. Council will do this through the consideration of applications for remission or postponement of rates on Māori freehold land in accordance with the policy adopted by Council regarding remissions and postponements of rates on other land. The Rates Remission and Postponement Policy

Property Valuation System

- 8. Independent property valuations are provided to Council, under contract, by Quotable Value Ltd. The Marlborough District was last revalued on 1 July 2023 and the new values apply from the 2024-25 rating year.

Compliance with Financial Management Requirements

- 9. The “Activities” that comprise the twelve “Activity Groups” of People, Community Facilities, Roads and Footpaths, Flood Protection and Control, Sewerage, Stormwater Drainage, Water Supply, Solid Waste Management, Environmental Management, Regulatory, Regional Development and Corporate are listed in the following tables together with a summary of Council’s consideration of whether activities contribute to the four well beings contained in the Local Government Act 2002 and Council’s outcomes in the table below.

9.1 How activities contribute to Current/Future Social, Economic, Environmental and Cultural Well-Being of the Community:

Democratic Process	The provision of effective decision making and leadership for the community, and through effective public information.
Culture and Heritage	The positive promotion of cultural enrichment, giving residents the opportunity to gain valuable knowledge of their heritage.
Housing for Seniors	The provision of safe and comfortable Senior Housing.
Community Support	Promoting cultural enrichment and opportunities for residents to participate in community life.
Library Services	Providing individuals with the opportunity to enhance learning and contributes to the wellbeing of the community.
Emergency Management	Maintaining readiness to respond to adverse events, and assisting with the health, safety and well-being of the community.
Community Facilities	Promoting recreation and cultural enrichment and opportunities for residents to be involved in community life.
Roads and Footpaths	An efficient road transport network enables the efficient and safe movement of people and goods.
Flood Protection and Control	Adequate river protection minimises the likelihood and potential damage from significant flood events.
Sewerage	Treatment and disposal will protect the health of the community and the environment from adverse effects of untreated or uncontrolled effluent disposal.
Stormwater Drainage	An adequate drainage system minimises the likelihood and potential damage of significant rainfall events.
Water Supply	Water is a necessity of life and the supply of water is a critical activity for the health and well-being of the community.
Solid Waste Management	Protecting the health of the community and the environment through the effective collection and treatment of Solid Waste, including recycling.
Environmental Policy	Protecting the sustainability of the community through the development and maintenance of the Marlborough Environment Plan.

Environmental Science and Monitoring	Protecting the sustainability of the community by providing robust science to inform the development of Environmental Policy.
Resource Consents	Providing effective public information and applying due diligence in processing in accordance with the provisions of the Marlborough Environment Plan.
Environmental Protection	Providing effective public information and applying due diligence in processing and maintaining compliance with the conditions contained in Resource Consents.
Biosecurity	Protecting the sustainability of the community as pests have the potential to severely impact Marlborough's largely land and water-based industries.
Building Control	Providing effective public information and applying due diligence in processing and maintaining compliance with building industry codes of practise.
Environmental Health	Providing effective public information and applying due diligence in processing and maintaining compliance with food and alcohol legislative requirements in particular.
Animal Control	Through education and diligent policing of this activity.
Harbours	Promoting the safe use and passage of people and goods in Marlborough's extensive waterways.
Regional Development	Promotion of the Marlborough economy and the provision of irrigation and CBD parking.
Corporate	Funding received through these activities contributes to specific community or infrastructure projects or to the reduction of general rates.

9.2 Community Outcomes to which Activities Contribute:

Council Activities Community Outcomes	Governance	Environment	People	Economy	Connectivity	Living
Democratic Process	✓	✓	✓	✓	✓	✓
Culture and Heritage	✓		✓	✓		✓
Housing for Seniors	✓		✓		✓	✓
Community Support	✓	✓	✓		✓	✓
Library Services	✓		✓	✓	✓	✓
Emergency Management	✓	✓	✓	✓		✓
Community Facilities	✓	✓	✓	✓	✓	✓
The Provision of Roads and Footpaths		✓	✓	✓	✓	✓
Flood Protection and Control Works		✓	✓	✓	✓	✓
Sewerage Including Treatment and Disposal		✓	✓	✓		✓
Stormwater Drainage		✓	✓	✓		✓
Water Supply		✓	✓	✓		✓
Solid Waste Management		✓	✓	✓	✓	✓
Environmental Policy	✓	✓	✓	✓	✓	✓
Environmental Science and Monitoring	✓	✓	✓	✓		✓
Resource Consents	✓	✓		✓		✓
Environmental Protection	✓	✓	✓	✓		✓
Biosecurity		✓	✓	✓		✓
Building Control		✓		✓		✓
Environmental Health	✓		✓	✓		✓
Animal Control	✓	✓	✓		✓	✓
Harbours	✓	✓	✓	✓	✓	✓
Regional Development	✓	✓	✓	✓	✓	✓
Corporate	✓	✓	✓	✓	✓	✓

9.3 Distribution of Benefits

Group	Activity	District-wide	Targeted area	Individuals
People	Democratic Process	100%		
	Culture and Heritage	100%		
	Housing for Seniors			100%
	Community Support			
	<ul style="list-style-type: none"> • Community Support and Development • Events Management • Energy Efficiency • Passenger Transport • Smart and Connected Communities 	100%		100%
		100%		50%
		10%	50%	90%
	Library Services	80%		20%
	Emergency Management	100%		
Community Facilities		50%	50%	
Roads and Footpaths		100%		
Flood Protection and Control		20%	80%	
Sewerage			100%	
Stormwater Drainage			100%	
Water Supply			100%	
Solid Waste Management		15%	15%	70%
Environmental Management	Environmental Policy	100%		
	Environmental Science and Monitoring	100%		
	Resource Consents	40%		60%
	Environmental Protection	40%		60%

Group	Activity	District-wide	Targeted area	Individuals
Regulatory	Biosecurity	80%	20%	
	Building Control	20%		80%
	Environmental Health	40%		60%
	Animal Control	20%		80%
	Harbours	10%	50%	40%
Regional Development	<ul style="list-style-type: none"> Economic Development 	80%	20%	
	<ul style="list-style-type: none"> Marketing and Tourism 	70%		30%
	<ul style="list-style-type: none"> Research Centre 	100%		
	<ul style="list-style-type: none"> Commercial Events 	100%		
	<ul style="list-style-type: none"> Irrigation 			100%
	<ul style="list-style-type: none"> CBD Parking 			100%
	<ul style="list-style-type: none"> Business Improvement District 		100%	
Corporate	<ul style="list-style-type: none"> Investment Income 	100%		
	<ul style="list-style-type: none"> Petroleum Tax 	100%		
	<ul style="list-style-type: none"> Non Activity Asset Sales 	100%		
	<ul style="list-style-type: none"> Development & Financial Contributions 		100%	
	<ul style="list-style-type: none"> Forestry 	100%		

9.4 The period in or over which those benefits are expected to occur

Benefits are expected to occur for at least the duration of the 10 year Plan. However, many benefits, particularly in the infrastructure intensive Activities such as Roads and Footpaths, Flood Protection and Control, Sewerage, Stormwater Drainage, Water Supply and Solid Waste Management will last for generations. To better match the time over which benefits are generated with who pays, Council may use debt as one means of achieving this.

9.5 Extent to which the Actions or Inaction of Particular Individuals or a Group Contribute to the Need to Undertake the Activity.

Democratic Process	Ratepayers and residents are becoming increasingly interested in Council's activities and wanting to become better informed and involved in Council decision making.
Culture and Heritage	Many residents are interested and consider these activities an important part of a balanced community. Arts and culture are seen as essential to the health and well-being of society. Also, a strong community needs to be knowledgeable of its heritage and past achievements to help guide its future.
Housing for Seniors	The social and economic position of some seniors creates the need for Senior Housing.
Community Support	This Activity is very diverse in that it enables the community demand to access a broad range of recreational, arts, cultural, social opportunities, and passenger transport (including Total Mobility).
Library Services	The library is often viewed as one of the cornerstones of society. As such the demand to have a well-resourced functioning library comes from right across the community, because of the opportunity it creates to develop a lifestyle that enhances learning and creates recreational, cultural and social opportunities.
Emergency Management	Regional and national communities need an emergency response capability; knowledge of hazards; and measures to mitigate and contain harmful effects to minimise the damage to the community and speed recovery. Also, individual users need hazard information to provide knowledge of risks that directly affect them and learn how to mitigate the effects.
Community Facilities	As leisure time availability and the diversity of sport and other recreational activities increases there is demand on Council to provide facilities to enable residents to participate and enjoy those activities.
Roads and Footpaths	Users of the roading network create the need for further development and maintenance of the networks from the number of trips that are made and which type of vehicle is used. Light vehicles typically create the need for network capacity, while heavy vehicles create the need for road strength and much of the network's maintenance. There are also requests to further extend Marlborough's sealed road network. In this case the area of benefit will typically make a contribution to those works. In relation to the recovery of the Marlborough Sounds storm damaged roads the directly affected area will contribute a greater amount on an individual property basis, with a broader targeted rate or charge helping to keep the overall rate affordable for all areas in Marlborough.
Flood Protection and Control	Ratepayers have invested heavily in the land, buildings and other developments they own. They want the value in those assets, human life and community access to be protected from flood events. As rain falls across Marlborough and ultimately finishes in the river systems, all property owners are contributing to varying degrees the water volumes in rivers and potential to flood. There is also a desire from residents to preserve or enhance the environment and amenity values of river corridors.
Sewerage	People who are connected to sewer schemes are creating the need for the Council to collect and treat sewerage to protect public health and minimise the environmental damage to the District's waterways. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.
Stormwater Drainage	Owners of developed properties require that there are systems for the collection and disposal of stormwater. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.

Water Supply	People connected to water schemes are creating the need for the Council to undertake work relating to the availability of potable water. It is considered appropriate for these people to fund the work through targeted rates. New residential and industrial developments are adding to the demands placed on schemes, requiring Council to undertake new capital works and increase operating costs.
Solid Waste Management	Council provides waste management services for public health reasons and to protect the environment. Benefits apply directly to those who are in an area which has kerbside refuse or kerbside refuse and recycling collection services. The Council considers that properties that receive, or will receive, a waste collection service should be responsible for funding expenditure relating to collection and those that dispose of refuse at the transfer stations should pay a disposal fee.
Environmental Policy	The whole Community needs sound policy development, reviews and planning to enable the sustainable management of the District's resources.
Environmental Science and Monitoring	The Community is the primary beneficiary of this activity as the information collected provides the basis for monitoring and reporting, sound policy development, reviews and planning. It should be noted that an increasing proportion of this activity is driven by national requirements.
Resource Consents	Persons or organisations applying for Resource Consents are wanting a fair, transparent approach to the allocation of regional resources in accordance with the Marlborough Environment Plan. Also, other residents want protection of their current rights and ability to peacefully enjoy their property.
Environmental Protection	The whole community needs this Activity to ensure the conditions attached to Resource Consents are in fact met.
Biosecurity	Because of Marlborough's land and water industry, this Activity is needed by the whole community as the management of pests is essential for the District's continued prosperity, environmental sustainability and health.
Building Control	Property owners require assurance that the building that they're looking to purchase has been constructed in a manner that meets building code requirements and earthquake resilience rating requirements
Environmental Health	As this Activity has a significant food and alcohol focus, all members of the community need to be assured of their health and safety. In addition, with Marlborough having a significant hospitality industry the Activity is needed to protect the district's reputation as visitor destination
Animal Control	With Marlborough having over 10,000 dogs, this Activity is needed to ensure the safe interaction between dogs, their owners and the remainder of the Community.
Harbours	Marlborough has the largest coastline of any district in NZ. This Activity is needed to ensure the safe use of its waterways by a wide diversity of users including commercial shipping, commercial fishing owners, marine farmers and recreational harbour users. Safe use includes avoiding natural and other hazards e.g., collisions, maintaining a clean marine environment and shorter duration of pollution.
Regional Development	Regional Development is needed by significant portions of the Marlborough community to assist the District to achieve its economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, irrigation, CBD parking and in turn adding value to Marlborough enterprises and enriching the quality of life for Marlborough residents.
Corporate	Corporate activities are needed to provide some balance to the District's funding strategies by providing support to specific projects or events and, in some cases, general rates.

9.6 Costs and Benefits of Funding the Activity Distinctly from Other Activities:

Council has reviewed its Activity and sub activity structure plus its underlying highly detailed Rates Funding Allocation Model and believes that the costs associated with further disaggregation would outweigh the benefits.

9.7 The overall impact of Funding on the Social, Economic, Environmental and Cultural well-being of the community

This Revenue and Financing Policy contains few changes to previous versions, apart from the Sounds Roads Recovery funding, has undergone consultation with this and previous LTP processes, and has delivered significant outcomes for the community. There have been no identified future adverse impacts on the community because of this policy.



10.0 Funding of Operating and Capital Expenditure Requirements

10.1 Operating Expenses Funding Policy

The following table summarises Council's possible Operating Expenses Funding Policy at an Activity level:

Group	Activities	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	Yes	Yes	No	No	No	Yes	Yes
	Culture and Heritage	Yes	Yes	Yes	No	No	No	Yes	Yes
	Housing for Seniors	No	Yes	No	No	No	No	Yes	Yes
	Community Support	Yes	Yes	Yes	No	No	No	Yes	Yes
	Library Services	Yes	Yes	Yes	No	No	No	Yes	Yes
	Emergency Management	Yes	Yes	Yes	No	No	No	Yes	Yes
	Community Facilities	Yes	Yes	Yes	No	No	No	Yes	Yes
	Roads and Footpaths	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	Flood Protection and Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Sewerage	Yes	Yes	Yes	No	No	No	Yes	Yes
	Stormwater Drainage	Yes	Yes	Yes	No	No	No	Yes	Yes
	Water Supply	Yes	Yes	Yes	No	No	No	Yes	Yes
	Solid Waste Management	Yes	Yes	Yes	No	No	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	Yes	Yes	No	No	No	Yes	Yes
	Environmental Science and Monitoring	Yes	Yes	Yes	No	No	No	Yes	Yes
	Resource Consents	Yes	Yes	Yes	No	No	No	Yes	Yes
	Environmental Protection	Yes	Yes	Yes	No	No	No	Yes	Yes
Regulatory	Biosecurity (Pest Management)	Yes	Yes	Yes	No	No	No	Yes	Yes
	Building Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Environmental Health	Yes	Yes	Yes	No	No	No	Yes	Yes
	Animal Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Harbours	Yes	Yes	Yes	No	No	No	Yes	Yes
	Regional Development	Yes	Yes	Yes	No	No	No	Yes	Yes
	Corporate	No	Yes	Yes	No	No	No	Yes	Yes

10.2 Capital Expenditure Funding Policy

The following table summarises Council's possible Capital Expenditure Funding Policy at an Activity level: The utilisation order of the various funding sources is detailed in paragraph 11, Funding of Capital Requirements.

Group	Activity	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Culture and Heritage	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Housing for Seniors	No	Yes	No	Yes	Yes	No	Yes	Yes
	Community Support	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Library Services	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Emergency Management	Yes	No	Yes	Yes	Yes	No	Yes	Yes
Community Facilities		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Roads and Footpaths		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flood Protection and Control		Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Sewerage		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Stormwater Drainage		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water Supply		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Solid Waste Management		Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Environmental Science and Monitoring	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Resource Consents	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Environmental Protection	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Regulatory	Biosecurity (Pest Management)	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Building Control	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Environmental Health	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Animal Control	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Harbours	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Regional Development		Yes	No	Yes	Yes	Yes	No	Yes	Yes
Corporate		No	Yes	Yes	Yes	Yes	No	Yes	Yes

11 **Funding of Capital Requirements**

In general, the sources of funds for capital expenditure will be utilised in the following order:

- Capital grants and subsidies (where available).
- Development and financial contributions.
- User charges.
- General revenue sources [see below].
- Council financial reserves, including Depreciation Reserves, Infrastructure Upgrade Reserve and the Forestry and Land Development Reserve.
- Loan raising [which will impact on rates in the form of loan servicing charges].
- Targeted rates [directly charged].

12 **Funding of Depreciation and Debt Servicing Costs**

In this Plan Council has funded Depreciation and Debt Servicing Costs on the following basis:

- (i) Depreciation has been fully funded for all assets with the following exceptions:
- Roads, where funding has been adjusted to take account of NZ Transport Agency financial contributions.
 - Depreciation on the revaluation impact of Three Waters assets in the 2024-25 and 2025-26 years which is not being funded. From 2026-27 Council begins to progressively fund the impact at the level of \$1.75M per year. By 2034 we will be fully funding depreciation.
 - Halls, Convention Centre, reserves, drains, river channels, retards and Taylor Dam as it is planned that these assets are either maintained in perpetuity, or their replacement is not certain because of changing community needs.
 - Southern Valleys' Irrigation Scheme, where funding is capped at current levels in accordance with practice established following community consultation.

- Activities with loans as well as a high value of non-depreciable assets, as below.

(ii) Debt Servicing Costs have been funded from depreciation reserves with the following exceptions:

- In activities with loans as well as a high value of non-depreciable assets debt servicing costs are fully funded from revenues and/or reserves and depreciation is not funded.

Where there is a specific rate or dedicated part of any rate to meet debt servicing costs.

13. **General Revenue Sources**

There are some revenue sources which are grouped into a separate Activity, labelled Corporate, which are utilised by Council to assist in funding a number of Council activities either directly or indirectly.

These include:

Dividends and Interest from Investments

- Funded to specified Reserves for particular purposes or events (eg: Emergency Events Reserve).
- Used to subsidise general-type rates and charges by way of general revenue allocation.
- Used to fund interest and funding costs on external borrowings.

Petroleum Tax

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

Asset Sale Proceeds

- Proceeds from the sale of non- activity assets are used to fund the Forestry and Land Development Reserve.

Development and Financial Contributions

- Contributions received from developments and subdivisions are applied towards the cost of infrastructure to mitigate the effects of growth. (Where capital expenditure can be funded from these contributions,

Council will generally use these sources of funding to meet the cost of growth of the District in preference to other sources).

Forestry Income

- Currently used to fund the Forestry and Land Development Reserve which is used to fund projects as determined by Council.

14. Funding of Expenditure by Activity

The following table illustrates how the Residual Rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made

for any applicable Fees, Charges, Grants, and Subsidies; or other Direct Revenue that relates to the activity/sub-activity; and having given consideration to the matters in paragraph 9.

A separate supplementary Rate Funding Allocations report outlining "Relationship determinations, Area Funding %'s, and Geo-type Rates in \$, (or) Uniform Charge Amounts" is available on request, which provides a detailed analysis of the Geographic Rating Areas contribution to the General-type Targeted Rates and Charges; as well as the Relationship between the general-type rates and charges in those areas.

Table 14 - Residual Rate Funding Basis

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %	
People	Democratic Process	Democratic Process	0	100	0	0	
	Culture and Heritage	Arts: Marlborough Art Gallery Grants	Arts: Marlborough Art Gallery Grants	40	60	0	0
		Arts: Other Grants	Arts: Other Grants	40	60	0	0
		Heritage: Marlborough Historical Society Grants	Heritage: Marlborough Historical Society Grants	40	60	0	0
		Heritage: Other Grants	Heritage: Other Grants	40	60	0	0
		Museums – Picton	Museums – Picton	40	60	0	0
		Museums: Renwick	Museums: Renwick	40	60	0	0
		Museums: Edwin Fox	Museums: Edwin Fox	40	60	0	0
	Community Support	Community: Grants and Donations	Community: Grants and Donations	40	60	0	0
		Community: Recreation	Community: Recreation	0	100	0	0
		Community: Security Cameras [Blenheim CBD]	Community: Security Cameras [Blenheim CBD]	100	0	0	0
		Energy Efficiency Initiatives	Energy Efficiency Initiatives	0	0	100	0
		Smart and Connected Communities	Smart and Connected Communities	40	60	0	0
		Events Management	Events Management	0	100	0	0
		Passenger Transport	Passenger Transport	100	0	0	0
	Library Services	Library Services	0	100	0	0	
	Emergency Management	Emergency Management	40	60	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %
Community Facilities	Cemeteries		0	100	0	0
	Halls	Group 1 - Awarua Park	100	0	0	0
		Group 2 – Waitaria	100	0	0	0
		Group 3 - Gen Rural Halls	100	0	0	0
		Group 4 – Blenheim	100	0	0	0
		Group 5 - Fairhall Hall	100	0	0	0
		Group 7 - Wairau Road C/Centre	100	0	0	0
		Group 8 – Queen Charlotte College	100	0	0	0
		Group 9 - B/Vic. Halls	100	0	0	0
	Memorials	Cleghorn Rotunda	100	0	0	0
		Picton	100	0	0	0
		Seymour Square	100	0	0	0
		Town Centre Clock	100	0	0	0
		Other	100	0	0	0
	Public Conveniences		0	100	0	0
	Reserves	Group 1a - BIn Neighbourhood and unspecified	1	99	0	0
		Group 1b – Spring Creek, Kahikatea and B/V Neighbourhood	1	99	0	0
		Group 2a - Ptn Neighbourhood	1	99	0	0
		Group 2b - P/V Neighbourhood	1	99	0	0
		Group 3 - WV Domain	1	99	0	0
		Group 4 - BIn Vicinity Domains	4	96	0	0
Group 5 - Endeavour Park/Waitohi Domain		4	96	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %
		Group 6 - A&P/Horton Park	10	90	0	0
		Group 7 - Athletic Park/Oliver Park	10	90	0	0
		Group 8 – Picton, Bobs Bay/Picton Foreshore etc	40	60	0	0
		Group 9 - Churchward Park	28	72	0	0
		Group 10 - Rural Domains	4	96	0	0
		Group 10 – Havelock War Memorial Park	4	96	0	0
		Group 11 - Nelson Square	28	72	0	0
		Group 12 – Taylor Riverside/Pocket Parks etc	40	60	0	0
		Group 12 – Pollard & Seymour	40	60	0	0
		Group 13 - Wither Walkway etc	40	60	0	0
		Group 14 – Esplanade, Picton & Koromiko, Riverlands, Blairich & Ward and other Rural Reserves	100	0	0	0
		Group 15 – Raceway & Polo and Misc Leased Reserves	100	0	0	0
	Street Trees, Berms and Plots		100	0	0	0
	Street Trees, Berms and Plots (Separate Targeted Rates)	Landscaping (Urban 1)	0	0	0	100
		Landscaping (Urban 2)	0	0	0	100
		Landscaping (Rural 1)	0	0	0	100
		Landscaping (Rural 2)	0	0	0	100
	Swimming Pools	Aquatic Centre	3	97	0	0
		Awatere	3	97	0	0
		Picton	3	97	0	0

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %	
Roads And Footpaths	Subdivisional Works		100	0	0	0	
	Roading Network		100	0	0	0	
	Roading Related Works		100	0	0	0	
	Roads: Small Township Upgrades (Blenheim Vicinity)		100	0	0	0	
	Roads: Small Township Upgrades (General Rural)		100	0	0	0	
	Roads: Marlborough Sounds Roads Recovery		0	0	25	75	
	CBD Works	Blenheim		100	0	0	0
		Picton		100	0	0	0
	Targeted	French Pass Road		0	0	0	100
		Kenepuru Road		0	0	100	0
		Other Roads (as approved)		0	0	0	100
Other Roads (as approved)		0	0	100	0		
Flood Protection and Control	Rivers in Wairau Valley District - (Separate Targeted Rate)		0	0	100	0	
	Rivers outside WV Rating District		100	0	0	0	
Sewerage (Targeted Rates)	Combined Sewerage Scheme	Capital (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)	0	0	100	0	
		Operating (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)	0	0	0	100	
	Loans – No Lump Sum	Grovetown Sewerage		0	0	100	0
		Renwick Sewerage		0	0	100	0
		St Andrews Sewerage		0	0	100	0

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %
Water Supply: Combined Water Scheme (Separate Targeted Rates)	Blenheim, Havelock, Picton, Koromiko and Renwick	Capital	0	0	100	0
		Metered	0	0	100	0
		UAC	0	0	0	100
	Seddon Water	Metered	0	0	100	0
		UAC	0	0	0	100
	Wairau Valley	Metered	0	0	100	0
		UAC	0	0	0	100
	Commercial Metered Water	Blenheim, Havelock, Picton, Picton Onsold, Renwick, Seddon and Wairau Valley	0	0	100	0
	Rural Awatere Water	Metered	0	0	100	0
		UAC	0	0	0	100
Riverlands Water	Metered	0	0	100	0	
Stormwater Drainage	Stormwater		100	0	0	0
Solid Waste Management	Residential Refuse and Kerbside Recycling Collection (Separate targeted rates) Blenheim, Grovetown, Havelock, Picton, Rarangi, Rai Valley, Renwick, Seddon, Spring Creek, and Tuamarina and any additional areas for which the service is offered.		0	0	0	100
	Blenheim/Picton (Residential) and Commercial/Industrial) Refuse Collection (Separate targeted rates) and any additional areas for which the service is offered.		0	0	0	100
	Sounds Area Waste Projects		0	100	0	0
	Landfills, Transfer Stations, Waste Minimisation		0	100	0	0
Environmental Management	Environment Policy		80	20	0	0
	Nautical and Coastal Science		80	20	0	0
	Environment Science and Monitoring		80	20	0	0
	Resource Consents	Resource Consents	100	0	0	0
		Hearings	0	100	0	0
		Advocacy and Practice Integration	100	0	0	0
Environmental Protection		100	0	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %
Regulatory	Biosecurity	Biosecurity: Regional Pest Control	100	0	0	0
		Bovine TB Control	100	0	0	0
	Building Control	Building Control	100	0	0	0
		LIM Section	100	0	0	0
		Pool Inspection	0	0	0	100
	Environmental Health		0	100	0	0
	Animal Control	Dog Control	100	0	0	0
		Other Animal Control	100	0	0	0
	Harbours		100	0	0	0
	Regional Development	Parking	Blenheim	100	0	0
Picton			0	100	0	0
Economic Development			100	0	0	0
Events			100	0	0	0
Marlborough Event Centre			100	0	0	0
Business Improvement District			0	0	100*	100**
Marketing and Tourism			100	0	0	0
Tourism (separate targeted rates)			0	0	0	100
Research Centre			100	0	0	0
Flaxbourne Irrigation		Capital – No Lump Sum	0	0	100	0
		Metered	0	0	100	0
Southern Valleys' Irrigation		Capital – No Lump Sum	0	0	100	0
		Metered	0	0	100	0
Other Developments			100	0	0	0

** Final % between separate targeted rate and separate targeted Uniform Annual Charge (UAC) will be determined following the approval of each Business Improvement District (BID) under Council's BID Policy and the subsequent referendum by affected ratepayers in each possible BID area. The sum percentage of targeted rate plus UAC will not exceed 100%.

Non-Group Activities	Allocation of costs to geographic areas, land use categories and other targeted rates	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %"	Separate Targeted Rates %	Separate Targeted Charges "UACs" %
Forestry		100	0	0	0
Land Development		100	0	0	0
Rental Housing		100	0	0	0
Commercial Leases		100	0	0	0
River Leases		100	0	0	0
MDC Holdings		100	0	0	0
Agencies		0	0	0	100
Special Revenues		100	0	0	0
General Revenues (allocated on the basis of gross general-type rates and charges)		variable	variable	0	0

15. Changes to Existing Funding Policy

15.1 Following an in-depth review of its Revenue and Financing Policy, Council initiated a very few funding changes that will take effect from 1 July 2024.

The review included the following issues:

- Consideration of the background to the existing funding policies.
- A review of user charges.
- An examination of the provisions of the Local Government (Rating) Act 2002.
- The appropriateness of the existing geographic areas for levying general-type rates and charges.
- The advantages and disadvantages of using either Land Value or Capital Value for levying general-type rates. (The current system is based on property land values).
- Review of the "funding relationship weightings system" (see explanation of this in Terminology), to ensure that appropriate funding allocations are made to take account of the Financial Management considerations outlined in section 101 of the Local Government Act 2002.

- Consideration of the pre-amble to the Te Tura Whenua Māori Act 1993 which promotes the retention, and facilitation of the use, of land that is of special significance to Māori people, in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu. A section has been added to the policy reflect this.
- The addition of a "Corporate" activity which amalgamates unallocated Overheads together with the General Revenue sources identified in Section 12 of this Policy.
- The addition of a Sounds Road Recovery item in the Roads and Footpaths activity group, reflecting the recovery of costs associated with the repairs and improvements to the roads in the Marlborough Sounds that were subject to significant damage following the 2021 and 2022 storms.

15.2 The review of the "funding relationship weighting system" identified that no changes were required.



RATES REMISSION AND POSTPONEMENT POLICIES

Rates Remission Policy

This policy was prepared pursuant to sections 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure detailed in the same Act for the 2024-2034 Long Term Plan.

While the majority of the policy remains largely unchanged since the last consultation in 2021, there is one new section. These are rates remissions for:

- Māori freehold land under development.
- updates due to Act amendments or process changes.

Community, sporting and other organisations

Objective of the policy

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

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

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

Conditions and criteria

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

The organisation must not operate for private pecuniary profit.

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

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

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

Application

Generally, the policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only. The policy does not apply to areas of the rating unit covered by a club licence under the Sale and Supply of Alcohol Act 2012.

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

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

Land protected for natural, historic or cultural conservation purposes

Objective of the policy

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

Conditions and criteria

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

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

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

Applications should be supported by documentary evidence of the protected status of the land on the rating unit eg; a copy of the covenant or other legal mechanism.

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

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

Application

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

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

Residential land in commercial or industrial areas

Objective

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

Conditions and criteria

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

- be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine how their property has been zoned by inspecting the Marlborough Environment Plan (MEP), copies of which are available from either the Council offices, or on Council's website www.marlborough.govt.nz).
- be listed as a "residential" property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect Council's rating information database at the Council offices, or obtain that information from the rate records on Council's website www.marlborough.govt.nz.

Application

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

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

Land affected by natural disaster

Residential land affected by natural disaster

Objective of the policy

To enable rate relief to be provided where the use that may be made of any land used for a private residence has been detrimentally affected by natural disaster.

Conditions and criteria

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

All applications must be on the prescribed form.

Application

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

General-type uniform annual charges and targeted charges on non-contiguous pastoral rating units

Objective of the policy

To provide relief from General-type Uniform Charges and Targeted Charges on rural pastoral land which is non-contiguous, provided it is farmed as a single entity with the ratepayer(s) in common.

Conditions and criteria

Non-contiguous pastoral units may qualify for a remission of uniform annual general charges and targeted rates calculated as a fixed amount per rating unit where Council agrees that the economics of each farm property are inter-dependent on the other.

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

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

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

Application

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

General-type uniform annual charges and targeted charges on contiguous rating units in separate ownership, used jointly as a single entity

Objective of the policy

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

Conditions and criteria

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

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

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

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

Application

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

Limitation of general-type uniform annual charges and targeted charges in certain circumstances

Objective of the policy

To limit the incidence of general-type uniform annual charges and targeted rates calculated as a fixed amount per rating unit in certain circumstances.

Conditions and criteria

Council will assess the general-type uniform annual charges and targeted rates [calculated as a fixed amount per rating unit] on the basis of every separately used or inhabited part of a rating unit (SUIP) but, the following situations will be deemed not to create a separately used or inhabited part of a rating unit:

In the case of a farm, orchard, other horticultural type property, or business:

- Where the farm, orchard, horticultural operation, or business contains additional accommodation on a rent free basis for the owner, or staff associated with the farm, orchard, horticultural operation or business.

In the case of a rating unit that contains one additional separately inhabited unit or dwelling, occupied by family members:

- Where members of the owner's family inhabit the separate part of the property on a rent free basis.

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

Application

Council will remit any rates in excess of those payable under this policy. Ratepayers in receipt of this remission will be periodically required to declare that the SUIP has not been rented out on either a short term or long term basis.

Where the second SUIP is inhabited by the owner's family on a rent free basis the rating unit will retain its second water allowance where water metering is applicable.

Urban residential 2 land in rural areas

Objective of the policy

To ensure that owners of residential rating units situated in rural areas are not unduly penalised by the zoning decisions of Council.

Conditions and criteria

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

- be situated within an area of land that has been zoned 'Urban Residential 2 Greenfield Zone' in the Proposed Marlborough Environment Plan (PMEP) (ratepayers can determine how their property has been zoned by viewing PMEP zoning on the relevant Council Smart Map ([www.marlborough.govt.nz/smaps](http://www.marlborough.govt.nz/smmaps)); and
- remain unsubdivided ie; subdivision title has not been granted; and

- continue, for any remaining unsubdivided area, to have a land use that is consistent with the rural character that existed on approval of the zone.

Application

All rating units located within the 'Urban Residential 2 Greenfield Zone' will be rated on the basis of the underlying land being zoned Rural 3 Rural Environment.

Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit in zoned Rural 3. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal for valuations of this nature.

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

Subdivisions that create four or more but less than ten rating units

Objective of the policy

To provide a positive development incentive to commercial developers by remitting general-type uniform charges on unsold subdivided land without an occupied dwelling or commercial building, for a maximum period of three years.

Conditions and criteria

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

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

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after three years of the lots being created.

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

Application

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

Subdivisions that create ten or more rating units

Objective of the policy

To provide a positive development incentive to commercial developers by remitting general-type rates and uniform charges on all unsold subdivided land without an occupied dwelling or commercial building (*other than any balance of land*) for a maximum period of five years. This policy only applies to subdivisions that are deposited after 1 July 2009.

Conditions and criteria

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

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

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after five years of the lots being created.

The ratepayer will remain liable for all rates and charges on the un-subdivided lot (balance of land).

Application

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

Rate penalties

Objective of the policy

To enable Council to remit penalties where:

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

Conditions and criteria

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

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

- payment has been late due to significant family disruption [significant family disruption would include death, illness, or accident of a family member]; or
- the late payment has resulted from matters outside their control; or
- penalties have arisen through processing errors in Council's records or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

Application

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

Water losses

Objective of the policy

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

Conditions and criteria

This remission policy does not apply to Council's irrigation water supplies (Southern Valleys' Irrigation Scheme and Riverlands Irrigation Scheme). There will be no refunds for water losses for irrigation supplies.

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

Application

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

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

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

A property displaying ongoing leakage showing likely system failure of the pipe network within the property will be provided with no more than three remissions for water loss.

The maximum remission for any one water loss will be \$3,000 unless there are extenuating circumstances verified by the Operations and Maintenance Engineer.

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

Extreme financial hardship

Objective of the policy

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

Conditions and criteria

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

- The ratepayer(s) must be the current occupier(s) of the rating unit which must be solely used for their personal residential purposes.
- Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.
- The ratepayer[s] must provide any evidence that Council deems appropriate to support the claim of extreme financial hardship.

- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example, by setting up a system for regular payments.

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

Application

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

Sundry remissions

Objective of the policy

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

Conditions and criteria

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

General-type uniform annual charges and targeted charges on commercial SUIPs less than 20m²

Objective of the policy

To provide relief from general-type uniform charges and targeted charges on separately used or inhabited parts (SUIPs) of a commercial rating unit where the SUIPs have less than 20m² floor area and where the extra charges assessed would economically disadvantage the ratepayers and where Council deems it equitable to do so.

Conditions and criteria

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

- The separately used or inhabited part (SUIP) of the commercial rating unit must have a floor area of less than 20m².
- Council must be satisfied that financial hardship exists or would be caused by requiring payment of the uniform or targeted charges.
- The ratepayer must inform Council if a commercial business expands and occupies a total area greater than 20m².

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

Application

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

Residential rural rating units with an out of district connection to the combined water or sewerage scheme

Objective of the policy

To provide relief to Residential Rural rating units with an out of district connection to the combined water scheme and/or combined sewer scheme where the water and/or sewerage capital works rates would be calculated on a land value that is disproportionate to the land value of an urban section and the benefit received.

Conditions and criteria

To qualify for remission under this part of the policy, the rating unit must be identified by Council staff as paying higher combined water scheme capital works rates and/or combined sewerage capital works rates because of its disproportionately higher land value.

Remission will only apply to the combined water scheme capital works rate and combined sewerage scheme capital works rate on the affected properties.

Remission will cease on those rating units which are sub-divided and where the land value subsequently ceases to be disproportionately higher than the value of an urban section.

Application

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

Māori freehold land under development

Objective of Policy

To facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners if the ratepayer or another person is developing, or intends to develop, the land.

Conditions and criteria

The land must be Māori freehold land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

Māori freehold land where the development is likely to have any or all the following benefits:

- (a) Benefits to the district by creating new employment opportunities.
- (b) Benefits to the district by creating new homes.
- (c) Benefits to the Council by increasing Council's rating base in the long term.
- (d) Benefits to Māori in the District by providing support for marae in the district.
- (e) Benefits to the owners by facilitating the occupation, development, and utilisation of the land.

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

Application

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

Rates Postponement Policies

Extreme financial hardship

Objective of the policy

To assist ratepayers experiencing extreme financial hardship.

Conditions and criteria

All applications must be on the prescribed form.

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

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

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

Even if rates are postponed, as a general rule the ratepayer[s] will be required to pay the first \$645 of the annual rate levy.

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

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

Any postponed rates will be postponed until:

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

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

Application

Postponed rates will be registered as a statutory land charge on the rating unit's title.

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

Residential Ratepayers aged 65 and over

Objective of the policy

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

Conditions and criteria

All applications must be on the prescribed form.

Rates postponement is available on properties that are occupied by the ratepayer applicant(s) as their principal place of residence. Holiday homes are not eligible.

Postponement is available to applicant(s) who are the legal owners of their property. Units in retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner are only eligible for postponement if the amount of the rates for the unit/dwelling that is lived in is clearly identified for rating purposes (i.e. separately rated), and that the full benefit of the postponement is passed on to the resident.

Postponement is available only for ratepayers age 65 or over. In the case of the couple, at least one applicant must be of that age.

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

Rates may be postponed until:

- the death of the ratepayer(s) (the Council will allow up to 12 months for any resolution of estate or trust affairs required to enable repayment); or
- the ratepayer(s) ceases to be the owner of the rating unit; or
- the rating unit ceases to be the principal place of residence of the ratepayer(s) – this means that if the ratepayer(s) moves out of the home into residential care, technically the postponed rates become due and payable. In practice, if Council is satisfied that the principal reason for moving out is to go into care, the postponement will remain in place.

Council will offer full postponement unless testing the expected outcome through Council's actuarial model suggests that equity on expected repayment (the death of the applicant or the survivor of joint applicants) would be less than twenty percent. If that is the case, then postponement entitlement will be based on the maximum proportion projected to leave a minimum of twenty percent equity available at the end of the postponement period.

The property must be kept insured to its full value and evidence of this produced annually.

Postponed rates and any part thereof may be paid at any time. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under Council's policy.

If accrued rates and charges reach eighty percent of the value of the property, Council will not postpone any further rates but instead require that all further rates are paid as they fall due. Accrued rates and charges will remain payable only on an event of repayment (eg, death, sale) and will continue to accrue interest and other annual charges.

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

Other costs to the ratepayer (or their estate) will be the amount of the postponed rates and charges, interest on the accumulated postponement amount, and an annual administration fee to cover management and the scheme's operating costs.

All of the above fees and charges will be added to the postponed rates.

Legal Fees – if an applicant wishes to consult a lawyer, the applicant will need to meet the costs of doing so.

Application

Postponed rates will be registered as a statutory land charge on the rating unit's title.

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

Māori Freehold Land

Remission and postponement of rates on Māori freehold land

Objectives of the policy

Section 102(2)(e) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land; Section 108 and Schedule 11 set out the matters to be considered.

Conditions and criteria

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





ENGAGEMENT AND SIGNIFICANCE POLICY

Purpose

The decisions Council make affect its communities on a daily basis. The purpose of this policy is to let the community know how and when they can expect to be engaged informed/consulted in Council’s decision-making processes. This policy will tell you:

- When the community can expect to be engaged (consulted) with;
- What decisions Council and the community think are particularly significant (important);
- How Council will assess the significance (importance) of the decisions.
- How the community can expect to be engaged (consulted) with;

Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Community	<p>A group of people—</p> <ul style="list-style-type: none"> • living in the same place; or • having a particular interest or characteristic in common; or • owning property in the same place. <p>It includes interested parties, affected people and key stakeholders.</p>
Decision	<ul style="list-style-type: none"> • Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be considered significant).
Engagement	<ul style="list-style-type: none"> • The process of involving the community in decision-making (see engagement levels and methods matrix)

Term	Definition
Proposal	<ul style="list-style-type: none"> Decision to be made by Council on a specific issue, asset or activity.
Significance	<ul style="list-style-type: none"> In relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: <ul style="list-style-type: none"> the district or region; any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; <p>the capacity of the local authority to perform its role, and the financial and other costs of doing so.</p>
Strategic Asset	<p>The assets and groups of assets in terms of s.90(2) that Marlborough District Council considers to be strategic are:</p> <ul style="list-style-type: none"> The local roading network as a whole. District storm water networks. District water supply networks. District sewerage networks. River control assets. Shares in MDC Holdings Ltd. Commercial forestry known as Marlborough Regional Forestry.

Statements

- Community engagement helps to strengthen the legitimacy of decisions. It enables communities to influence decisions and it increases the accountability of Council. It ensures the community are aware and can respond to Council proposals based on a range of knowledge, views and values.
- When Council has a proposal, it needs to decide whether and how to engage (consult) with the community, individuals or particular interest groups. Council has to apply the principles of engagement set out in the Local Government Act 2002 when deciding what process to follow when consulting on a particular proposal. Council will use this policy when deciding how to consult or engage.

- This policy is in four parts:
 - Engagement - describes when Council will engage with the community;
 - Significance - describes how Council decides if a proposal is significant (important). The level of significance (together with other factors set out in this policy) then determines what level of engagement is required;
 - Details on community preferences about engagement and the Engagement Levels and Methods Matrix; and
 - A brief description of the Special Consultative Procedure.

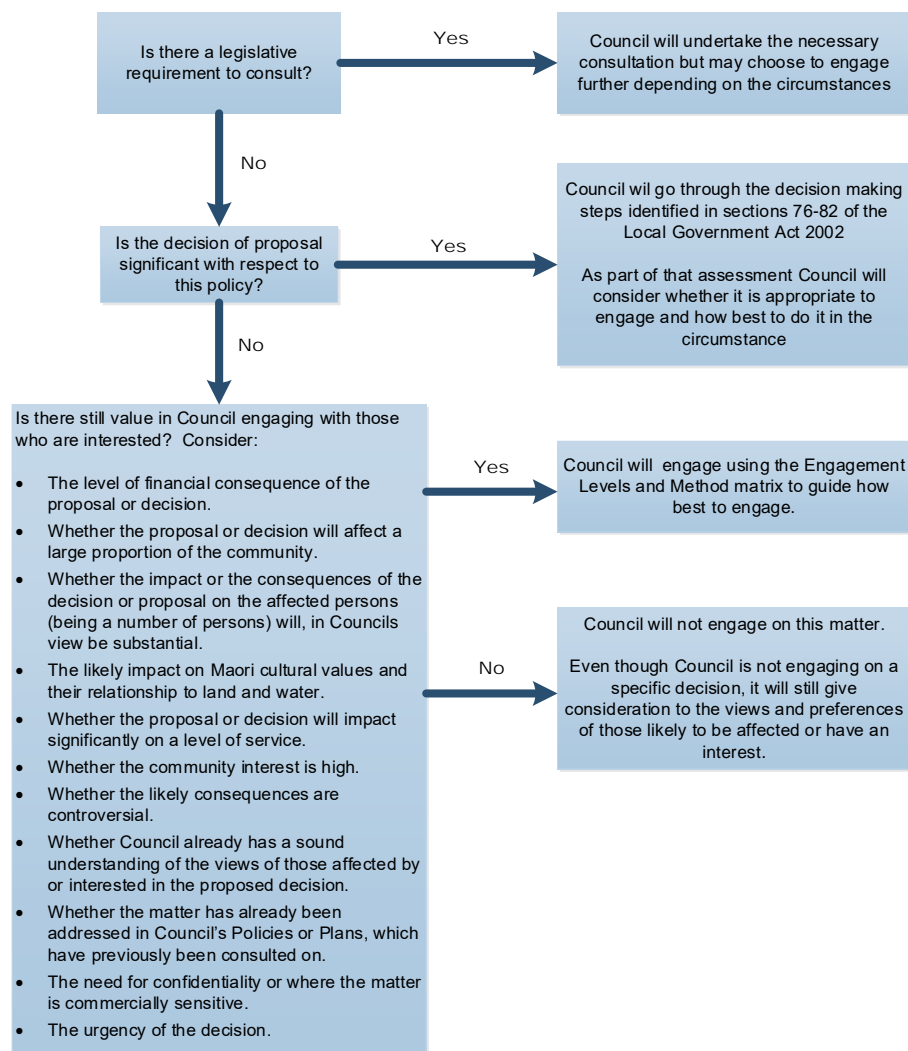
Engagement with Māori

- Council has a current policy on engagement with Māori, the Māori Capacity Development Policy, made under section 81 of the Local Government Act 2002. Council will continue to engage with Māori under that Policy. Council and Marlborough's tangata whenua iwi are reviewing the basis on which they interact. This review is likely to result in a dedicated Māori engagement policy.

Engagement

- Council is committed to effective engagement with Marlborough's communities on what matters to them. In return people expect to have the opportunity to be involved and have their say.
- This part of the policy describes:
 - The process to determine whether Council will engage with the community?
 - When Council will not engage with the community.
 - Feedback on decisions made.
- Unless engagement is required by statute, it is open to Council to decide whether engagement is required in order to determine community views, and if so, the nature and extent of consultation
- If the proposal or decision is affected by a number of the considerations below it is more likely to have a higher need of engagement.

Process to determine whether Council will engage with the community



When Council will not engage with the community

9. There are times when it is not necessary, appropriate or possible to engage with the community on a proposal or decision. These include:
 - (a) On decisions to take (or not take) enforcement action in a particular case (even where the matter may be highly significant under this Policy (for example, where the matter has high public interest)).
 - (b) In emergency situations where an immediate response is necessary.
 - (c) On administrative matters (for example, tendering and contracting, delegations, appointments (staff, commissioners, directors, and trustees), insurance and risk management).

Feedback on decisions made

10. Council will make sure that the public is told what choices and decisions were made and why. Council will endeavour to directly contact everyone who had input or made a submission. Council may use the media or the Council website to let people know.

Significant proposals and decisions

11. This part of the Policy describes:
 - (a) The criteria or procedures Council will use to assess significance
 - (b) The approach Council will take to determining the significance of proposals and decisions. How significant a proposal or decision is has a direct impact on the level of consultation required.
12. Marlborough District Council will consider any decisions concerning the following as significant:
 - (a) Expenditure on issues, assets, or other matters (not including strategic assets) that represent more than 10% of Council's total budgeted annual income.
 - (b) Any transfer of ownership or control to or from the Council, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy.
 - (c) Reducing Council's shareholding in any Council Controlled Organisation and Joint Operating Committee below 100% of the shareholding held as at 30 June 2012.

- (d) Entry into any partnership with the private sector to carry out a significant activity.
 - (e) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
13. Degrees of significance will be determined after consideration of the following criteria:
- (a) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
 - (b) The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
 - (c) The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

Engagement levels and methods matrix

14. This part of the Policy details community preferences for engagement and the engagement levels and methods matrix.

Community preferences for engagement

15. Many interest groups and communities already effectively engage with Council on an on-going basis. Council will continue to support existing community and interest groups in engaging with Council.
16. Council has established the “Smart and Connected” programme which brings together industries and interest groups to better manage their futures. The Smart and Connected economic strategy aims to create a partnership between Council and the community to promote the vision for Marlborough.
17. Council will look for other opportunities for communities and interest groups to engage with Council in this way. These opportunities may be single-issue or ongoing. They may involve establishing forums for communities and new Smart and Connected Cluster groups. These forums and groups allow people to express their views to Council on matters affecting them, allows Council to provide information of interest to them, and Council can assist them to make decisions for their future development.

18. When engaging with the community, Council will apply the following principles:
- (a) Undertake the engagement with an open mind. (Council expects other people involved in the engagement to also have an open mind)
 - (b) Be fair, informal and not too bureaucratic.
 - (c) Seek the views of interested and affected people.
 - (d) Seek the views of the people who it does not normally hear from.
 - (e) Give people relevant and easily understood information in a way that suits them.
 - (f) Use plain language.
 - (g) Make it easy for people to give their views to the Council.
 - (h) Engage in the community by going to where people are and not always expecting them to come to the Council.
 - (i) Involve people right through the decision making process.
 - (j) Give people time to think about the issues and respond to them.
 - (k) Be clear about the process being used and the levels of influence that people have.
 - (l) Be receptive to new ideas.
 - (m) Give people involved in the engagement a response to the issues they raise.
 - (n) Undertake the engagement in a cost effective way.
19. Council will look for other ways to engage with the community over the term of this Policy.
20. Council will use a variety of methods of engagement. The methods will vary greatly in accordance with the significance of the decision to be made in accordance with this policy and more than one method may be used over time on one project.

Engagement levels and methods matrix

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision making	Working in partnership to develop an understanding of all issues and interests to work out alternatives and identify preferred solutions. Sharing of resources (e.g. people) for a common purpose.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents
Types of issues that we might use this for	Water restrictions	Rates review	Smart & Connected Leadership Groups	Resource Management Plan Review	Election voting systems (MMP, STV or first past the post)
Tools Council might use	Websites Social media Information flyer Public notices Public meetings Community papers	Formal submissions and hearings, focus groups, surveys (for example, phone and web—based polling surveys)	Workshops Focus groups	External or joint working groups (involving community experts or stakeholders)	Binding referendum Local body elections
When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a proposal is determined by Council and would generally provide the community with at least 4 weeks to participate and respond	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered	Council would generally provide the community with a greater lead in time to allow them time to be fully involved in the process

Note: the tools described in each column may also include tools described to the left of that column

Brief description of the special consultative procedure

21. The special consultative procedure is an open invitation to the public to be involved in decision making. It is used when the issue to be decided on affects the whole of Marlborough or all ratepayers and residents in Marlborough are likely to be interested in the decision to be made. It is a formal process that is set out in the Local Government Act 2002. The main steps in the process are:
- (a) Council issues a statement of proposal which is open for the community to provide views. It remains open for at least a month. The community can make a submission on the proposal.
 - (b) Council will hold a hearing if the community want to present their views in person.

- (c) Council makes a decision on the proposal taking into account the views expressed.
- (d) The process can take four to six months (or even longer) to complete.
- (e) Council will provide an opportunity for people to present their views in a manner that enables spoken (or NZ sign language) interaction between the person and Council, if requested.
- (f) Council may allow a person to present their views by audio or audio-visual link, if requested.

Council will ensure that the consultation documents are accessible to the public and that the fact the proposal is open for consultation widely known (for example, on Council's website).





STATEMENT ON CONTRIBUTIONS TO DECISION-MAKING PROCESSES BY MĀORI

Introduction

Council provides a wide range of services which make important contributions to the many communities in Marlborough. People should have the opportunity to participate in decisions about those services that affect them.

Context

Council recognises the uniqueness accorded to Māori as tangata whenua.

There are a wide range of Māori, iwi, hapū, business and community organisations in the Marlborough District as well as social and cultural organisations.

Māori make up more than 13% of the population of the Marlborough region (2018 Census), of which a significant number are mana whenua. Iwi authorities are an increasingly significant component of the Marlborough economy, following Te Taihū Tiriti settlements.

There are eight iwi groups within Marlborough, who have completed Te Tiriti settlements. Most of these iwi have interests across Te Taihū —

- Ngāti Kūia, Rangitāne o Wairau, and Ngāti Apa ki te Rā Tō (*Kurahaupō waka*)
- Ngāti Koata, Ngāti Rārua and Ngāti Toa Rangatira (*Tainui waka*)
- Te Ātiawa o Te Waka-a-Māui (*Tokomaru waka*)
- Ngāi Tahu (*Uruao waka*)

Council recognises and respects the Crown's responsibility to take appropriate account of the principles of Te Tiriti, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

Contributions to decision-making

Council is charged with the responsibility to promote opportunities for Māori and tauīwi (other members of the public) to contribute to its decision-making processes.

These obligations apply to all Māori in the district. Council acknowledges that Māori other than tangata whenua may be resident in the area.

Council engages with the iwi authorities that have settled, for day-to-day business operations.

A number of key themes emerge from the various pieces of legislation including:

- (a) in Council decision-making processes:
 - i. to consider Te Tiriti o Waitangi principles;
 - ii. facilitating iwi participation;
 - iii. recognising and understanding Māori cultural values and perspectives including mātauranga Māori (Māori knowledge), tikanga Māori (Māori principles and protocols); and kaitiakitanga (Māori guardianship);
- (b) Council's duty to contribute to Māori capacity and to enable and promote Māori well-being as part of a comprehensive and effective long-term strategy of the Council; and
- (c) the Māori contribution to the social, economic, environmental, and cultural well-being of Marlborough.

Council has identified three main areas on which it needs to focus:

- (a) Assist Māori to build capacity to engage with Council.
- (b) Developing contributions to decision-making processes by iwi.
- (c) Building Council capacity.

Assist iwi to build capacity

Council needs to find out how it can help with resourcing so that iwi can better engage in Council processes and decision-making.

To do this, Council needs to understand from iwi:

- What are their aspirations?
- What are their expectations of Council?

Council has historically provided assistance to iwi through their Tiriti settlement negotiation processes. Council provides information to iwi on infrastructure provision and various economic development opportunities. However, post-settlement there may be more that Council can do.

Together we can assess what iwi need to be able to fully participate in Council decision-making processes.

Council decision-making

There is a need for iwi to be involved in Council decision-making which requires us to develop relationships of mutual respect, co-operation and goodwill.

Council will engage with iwi to ensure that its decision-making processes provide opportunities for iwi to take part.

Strong on-going personal relationships and structural arrangements can assist with this.

Regular relationship meetings with key iwi stakeholders allow Council and iwi at governance and management levels to focus on long-term strategic engagement, understanding each other's goals and aspirations.

Council will also review how iwi can have influence at the governance level.

In particular, Council continues to:

- (a) invite iwi authorities to take part in its annual and three-yearly strategic planning to develop the Annual Plan and the Long-Term Plan;
- (b) have a Māori Ward established from the 2022 Local Government elections (but this may require a confirmation referendum in 2025);
- (c) have positions available for iwi on Council's main standing committees;
- (d) consult on new and revised bylaws and other regulatory or planning instruments; and
- (e) engage with iwi over Policy statements and Plans under the RMA.

“Kia Kotahi Te Tauihu – A Partnership Agreement for a Stronger Te Tauihu”

This agreement provides a platform for a stronger TeTauihu by affirming a strong partnership between Ngā Iwi o Te Tauihu (the “iwi”) and Ngā Kaunihera o Te Tauihu (the “councils” - to enhance the wellbeing of Te Tauihu now and in to the future. The Agreement follows and enhances this statement. It will be reviewed annually through a partnership Wānanga where priority outcomes will be aligned.

The agreement can be found on Council's website:

https://www.marlborough.govt.nz/repository/libraries/id:2ifzri1o01cxbymxkvwz/hierarchy/documents/your-council/Te_Tauihu-iwi_2023/Together%20Te%20Tauihu%20Partnership%20Agreement%20-%20B%26W.pdf

Proposed Marlborough Environment Plan (PMEP)

The Proposed Marlborough Environment Plan (PMEP) includes Volume 1 Chapter 3. “Marlborough’s Tangata Whenua iwi” developed with Marlborough iwi to determine resource management issues of significance to them. It is a comprehensive chapter providing objectives and policies to address the identified issues. The PMEP can be found on Council's website.

Build Council capacity

Council needs to have a good understanding of Māori in our community, their aspirations and expectations. Knowing about and respecting tikanga, kawa, tē reo, tē Ao Māori will aid in developing relationships for effective engagement.

Council can do some basic things that will make staff and Councillors more at ease in moving in a Māori world.

Council will –

- employ a Kaihautū – Māori Partnership Manager;
- promote appreciation and understanding of tē Ao Māori;
- develop resources and provide training for Councillors and staff to better engage with iwi and Māori and provide opportunities to understand Council's obligations; and
- facilitate the securing and application of government funds to assist iwi capacity to engage in Council decision making processes.

WĀHANGA 6

PART 6

Te arotake Audit

Audit Report



To the reader: Independent Auditor’s report on Marlborough District Council’s 2024-34 long-term plan

I am the Auditor-General’s appointed auditor for Marlborough District Council (the Council). The Local Government Act 2002 (the Act) requires the Council’s long-term plan (the plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council’s plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 2 September 2024.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the *Basis for qualified opinion* section of our report:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council’s resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and

- the disclosures on pages 21 to 23 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council’s plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis for qualified opinion

Three waters infrastructure assets renewals forecast

The Council could not provide evidence that it used a robust planning and budgeting process, including the use of best available renewals data, in preparing its three waters assets renewals forecast.

Our work on the reasonableness of the renewals forecast was therefore limited. There were no satisfactory audit procedures that we could adopt to determine any adjustments that may be required to the renewals forecast.

Inflation assumptions

As outlined on pages 249 and 250 the Council has adjusted its operating and capital costs over the 10 years of the plan using the consolidated Local Government Cost Index (LGCI) inflation forecast, produced in October 2023. An

interim 2024 LGCI inflation forecast, estimating increased levels of inflation and costs, was released in late July 2024. The Council has not considered the effect of this newer information on its inflation assumption.

Our work on the reasonableness of the inflation assumption was therefore limited. There were no satisfactory audit procedures that we could adopt to determine any adjustment required to the inflation assumption and the flow on effect this would have on the forecast financial information. However, as outlined on pages 251 and 252, a small variance in the inflation rate could have a significant effect on the Council's costs of maintaining existing levels of service and the cost of capital projects which could place pressure on rates. Debt could also increase unless capital projects are deferred.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant

infrastructure issues that the Council is likely to face during the next 30 years;

- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Emphasis of matter – uncertainty over the timing of Marlborough Sounds Roads repairs

Without further modifying our opinion, we draw attention to pages 254 and 255, which outlines that the Council assumed that the repairs of the Marlborough Sounds roads will be completed within the first six years of the plan. The Council is relying on a 71% funding contribution from NZ Transport Agency Waka Kotahi (the Agency) to complete this work as planned. The timing of this funding is highly uncertain and may result in delays, which could impact levels of service while the work is not completed. The timing of debt, debt servicing cost and rates as reflected in the plan may also need to change if the Agency funding is received later than planned.

Responsibilities of the Council and auditor

The Council is responsible for:

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

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3)* issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits and an assurance engagement completed under the Council debenture trust deed, we have no relationship with or interests in the Council or any of its subsidiaries.



Julian Tan, Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand



Photo courtesy of [MarlboroughNZ](#)

Etahi atu Kōrero Appendices

COUNCIL COMMITTEES AND MEMBERS

For this term of Council, the following Committee structure (and membership) was put into place on 27 October 2022. It has three standing committees, a joint committee with Kaikoura District Council, three statutory committees and thirteen sub-committees. Pursuant to Section 41(a)(5) of the Local Government Act 2002 the Mayor is a member of each Committee of Council.

Assets & Services Committee

This Committee is responsible for all infrastructure including roads; road safety (including walking and cycling strategies); parking; sewerage; water; stormwater; rivers and drainage; waste management (including recycling); reserves; halls; cemeteries; public conveniences; and civil defence and emergency management.

Clr Brian Dawson – Chairperson

Clr Jonathan Rosene – Deputy
Clr David Croad
Clr Matt Flight
Iwi representative (Dawn McConnell)

Clr Scott Adams
Clr Deborah Dalliessi
Mayor Nadine Taylor

Civil Defence Emergency Management Group (Statutory Committee)

The delegation to act as this Group (formed in accordance with the Civil Defence and Emergency Management Act 2002) is given to the Assets and Services Committee. The Assets and Services Committee (acting as the Group) is responsible for overseeing the development, maintenance, monitoring and evaluation, and implementation of the Group Plan required by section 17(1)(i) of the Civil Defence and Emergency Management Act 2002.

Clr Brian Dawson – Chairperson

Clr Jonathan Rosene – Deputy
Clr David Croad
Clr Matt Flight
Iwi representative (Dawn McConnell)

Clr Scott Adams
Clr Deborah Dalliessi
Mayor Nadine Taylor

Regional Transport Committee (Statutory Committee)

This Committee prepares for approval by Council the Regional Land Transport Plan [the Plan], or any variations to the Plan and provides Council with any advice and assistance in relation to its transport responsibilities. The Committee must adopt a policy that determines significance in respect of variations made to the Plan (under s18D of the Land Transport Management Act 2003 [the Act]) and the activities that are included in the Plan (under s16 of the Act).

Membership of the Committee (refer s105 of the Act) is limited to four persons representing Council; and one person representing the New Zealand Transport Agency.

Clr Scott Adams – Chairperson

Clr Brian Dawson
New Zealand Transport Agency representative (Emma Speight)

Clr David Croad

Clr Jonathan Rosene

Road Naming Sub-Committee

The focus of this Sub-Committee is the naming of Marlborough's roads.

Clr Deborah Dalliessi – Chairperson

Clr Brian Dawson
Iwi Representative (Dawn McConnell)

Clr Matt Flight

Economic, Finance & Community Committee

This Committee is responsible for the implementation of Growing Marlborough and 'Smart and Connected' Economic Development Strategies; CBD and Small Township Revitalisation programmes; Destination Marlborough; Picton Forum; Sounds Advisory Group; Long Term Plan; Annual Plan; Annual Report; audit issues; Council subsidiaries; risk management; community and social issues; youth, elderly and access issues; culture and heritage; social policies (ie; gaming, local alcohol and psychoactive substances policies); grants and donations; sister cities; libraries; customer services; democratic process; general administration; health and safety; and property management.

Clr David Croad – Chairperson

Clr Scott Adams – Deputy
Clr Sally Arbuckle
Clr Deborah Dalliessi
Clr Barbara Faulls
Clr Gerald Hope
Clr Ben Minehan
Clr Thelma Sowman
Iwi representative (RaNae Niven)

Clr Jamie Arbuckle
Clr Allanah Burgess
Clr Brian Dawson
Clr Matt Flight
Clr Raylene Innes
Clr Jonathan Rosene
Mayor Nadine Taylor

Audit and Risk Sub-Committee

The focus of this Sub-Committee is to oversee the audit of Council's Annual Report and Annual/Long Term Plan and consider and report as necessary on the findings of any audit management report.

Ian Marshall FCA (Independent External Member) – Chairperson

Mayor Nadine Taylor
Clr David Croad
Clr Jonathan Rosene
Clr Scott Adams
Clr Brian Dawson

CBD & Parking Sub-Committee

The focus of this Sub-Committee is issues related to Blenheim CBD and parking in Marlborough.

Mayor Nadine Taylor – Chairperson

Clr David Croad
Clr Brian Dawson
Clr Deborah Dalliessi
Clr Jonathan Rosene

Commercial Events Fund Sub-Committee

This Sub-Committee evaluates and approves the funding applications for the Commercial Events Fund.

Clr Raylene Innes – Chairperson

Clr Deborah Dalliessi
Clr Barbara Faulls
Clr Brian Dawson
Clr Matt Flight

Conduct Review Committee

This Committee is established per the Code of Conduct. The Committee manages compliance with the Code of Conduct and with any statutory obligations.

Independent Member – Chairperson – to be appointed

Mayor Nadine Taylor
Clr Gerald Hope
Clr David Croad
Clr Thelma Sowman

District Licensing Committee (Statutory Committee)

This Committee considers and determines applications, pursuant to the Sale and Supply of Alcohol Act 2012 [the Act], for: licences and manager's certificates; renewals of licences and manager's certificates; temporary authorities to carry on the sale and supply of alcohol in accordance with s136 of the Act; the variation, suspension, or cancellation of special licences; the variation of licences (other than special licences) unless the application is brought under s280 of the Act; with the leave of the chairperson for the licensing authority, to refer applications to the licensing authority; and conduct inquiries and to make reports as may be required of it by the licensing authority under s175 of the Act. This Committee is also responsible for hearing and deciding on applications to Council's Gambling Venue Policy pursuant to the Gambling Act 2003.

John Leggett (Independent Commissioner) – Chairperson

Two members appointed by the Chairperson from the following:
Mayor Nadine Taylor (Deputy Chair)

Hamish Beard

Clr David Croad

Clr Barbara Faulls

Clr Jonathan Rosene

Grants Sub-Committee

This Sub-Committee carries out Council's partnership with Creative New Zealand and Sport NZ (Sport and Recreation New Zealand) to ensure local arts funding and rural travel funding are available to the Marlborough area. The Sub-Committee has delegated authority for consideration of Marlborough District Council Community Grants with recommendations being made to Council for consideration.

Clr Thelma Sowman – Chairperson

Clr Sally Arbuckle

Clr Allanah Burgess

Sports Trust Appointee (Karen Hartshorne)

Arts Sector appointee (Denyse Healy)

Community Representatives (Graeme Haymes, Sally Wadworth, Sam Smith and Jane Buckman)

Iwi Representatives (2)

Housing for Seniors Sub-Committee

The focus of this Sub-Committee is Council's housing for seniors portfolio.

Clr David Croad – Chairperson

Clr Deborah Dalliessi

Clr Brian Dawson

Clr Matt Flight

Clr Raylene Innes

Community Representative – (Brian Ross)

LTP Working Group

The focus of this Working Group is the 2024-2034 Long Term Plan

Clr David Croad – Chairperson

Clr Scott Adams

Clr Deborah Dalliessi

Clr Brian Dawson

Clr Barbara Faulls

Clr Gerald Hope

Clr Raylene Innes

Mayor Nadine Taylor

Marlborough Regional Forestry (Joint Committee)

Council owns 88.62% of the forestry estate and KDC owns the remaining 11.38%. The primary aim of production forest management is to create a resource that will maximise utilisation and provide the best financial return from the predominantly radiata pine forests.

Clr Gerald Hope – Chairperson

Clr Scott Adams

Kaikoura District Council Representative

Forestry Representative (Megan McKendry)

Sister City Sub-Committee

The Sub-Committee manages Council's Sister City activities and strives to involve greater community participation and sponsorship in the programme.

Clr Jonathan Rosene – Chairperson

Clr Sally Arbuckle

Clr Deborah Dalliessi

Community Representatives (5+)

Small Townships Programme Sub-Committee

This Sub-Committee has delegated authority to develop criteria to assess project prioritisation using the Smart and Connected framework; approve all Small Township Fund projects; and monitor implementation of all Small Township Fund projects.

Clr Barbara Faulls – Chairperson

Clr Scott Adams
Clr Ben Minehan

Clr Sally Arbuckle

Environment & Planning Committee

This Committee is responsible for environmental science and monitoring; monitoring of consents; enforcement and prosecution policies; biosecurity; animal control; building control; resource consent processing; dangerous goods; fencing of swimming pools; food and health monitoring; harbour management and the Marlborough Environment Plan.

Clr Gerald Hope – Chairperson

Clr Barbara Faulls – Deputy
Clr Allanah Burgess
Clr Ben Minehan
Mayor Nadine Taylor
Rural representative (Simon Harvey)

Youth Sub-Committee

The focus of this Sub-Committee is issues related to youth in the community.

Mayor Nadine Taylor – Chairperson

Clr Allanah Burgess

Clr Jonathan Rosene

Clr Sally Arbuckle
Clr Raylene Innes
Clr Thelma Sowman

Iwi representative (Ruihana Smith)

Animal Control Sub-Committee

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

Clr Barbara Faulls – Chairperson

Clr Ben Minehan

Clr Thelma Sowman

Hearing Sub-Committee

This Committee makes decisions on applications for resource consents (each consent is heard by a Committee made up of a Chairperson and two members).

Clr Barbara Faulls – Chairperson

Clr Sally Arbuckle
Clr Raylene Innes
Clr Thelma Sowman

Clr Allanah Burgess
Clr Ben Minehan

Climate Change Sub-Committee

The focus of this Sub-Committee is issues related to Climate Change.

Clr Gerald Hope – Chairperson

Clr Allanah Burgess

Clr Raylene Innes

Working for Nature Grants Sub-Committee

This Sub-Committee allocates Working for Nature Grants

Clr Ben Minehan – Chairperson

Clr Allanah Burgess

Clr Gerald Hope

Appointment of Councillors and Staff to Subsidiaries

MDC Holdings Limited and Marlborough Airport Limited

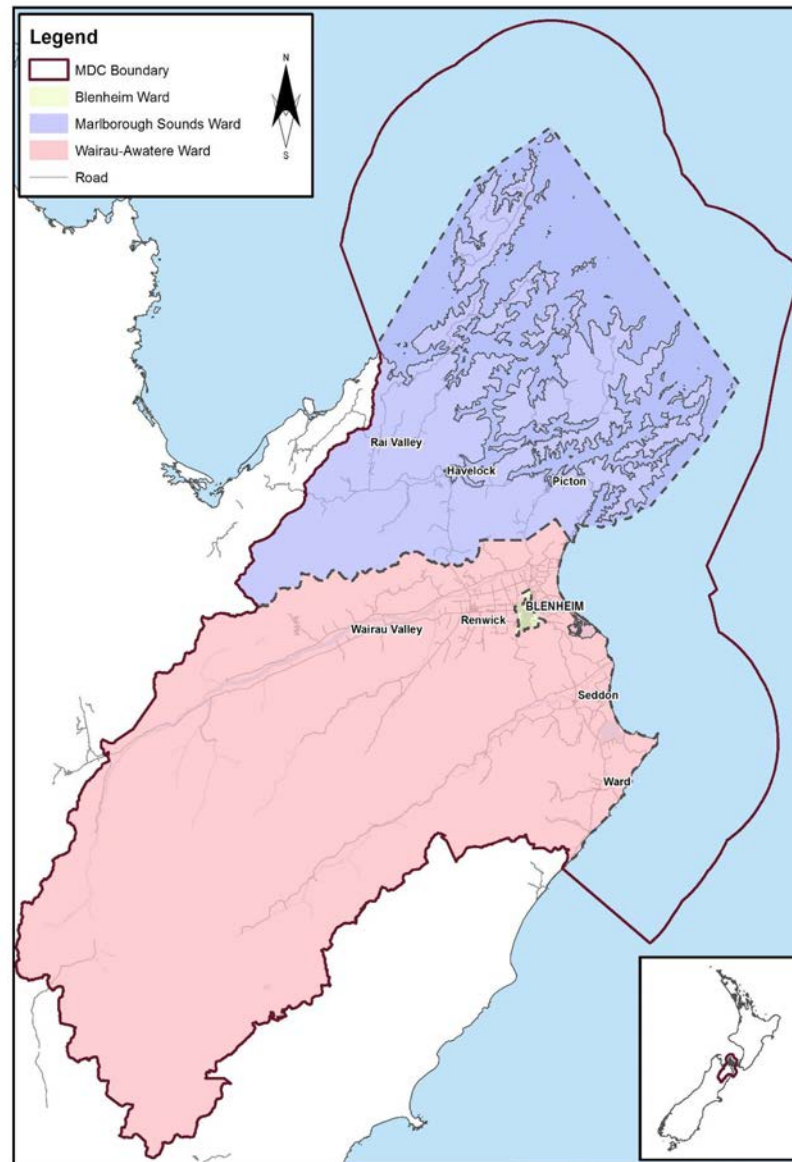
Mayor Nadine Taylor (Director)
Chair of Economic, Finance and Community Committee (Cllr David Croad)
(Director)
Chief Executive (John Boswell) (Director)

Port Marlborough NZ Limited

Chief Financial Officer (Geoff Blake) (Director)



WARD BOUNDARIES



COUNCIL STAFF STRUCTURE

John Boswell

Chief Executive

Geoff Blake

Chief Financial Officer

- Finance and Accounting
- Financial Performance (overall)
- Functional Reviews
- Funding Policy
- Marlborough Regional Forestry
- Policy Issues
- Strategic Planning
- Subsidiaries
- Treasury Management

Stacey Young

Chief Information Officer & Manager It Department

- Corporate Systems
- Cybersecurity and Infrastructure
- Digital Service Delivery
- Information and Data Governance and Management
- Information Technology
- Land Information Memorandums
- Records
- Web and Digital Services

Robert Foitzik

General Counsel

- Contracts and Procurement Management
- Corporate Legal Services
- Council Solicitor
- Employment Relations Advice
- External Legal Providers
- Legislative Compliance
- Other LGOIMA Requests
- Privacy Officer
- Disclosure Officer
- Risk and Insurance

Glyn Walters

Communications Manager

- Communications and Engagement
- Council News Publishing
- Emergency Public Information
- Internal Communications
- Media Relations
- Social Media, Photography and Videography

Dean Heiford

Manager Economic, Community & Support Services Department

- Arts, Culture and Heritage
- Community Partnerships
- Corporate Issues
- Customer Service Centres
- Democratic Process
- District Licensing Committee Secretariat
- Economic Development
- General Administration
- Grants and Donations
- Libraries
- Local Elections
- Marlborough Award
- Marlborough Airport Ltd
- Office Services
- People and Capability
- Regional Events
- Regional Tourism
- Sister Cities

Jamie Lyall

Manager Property & Community Facilities Department

- Cemeteries
- Central Business District
- Civic Projects
- Commercial Development
- Halls and Museums
- Parking
- Parks and Open Spaces
- Property
- Public Conveniences
- Senior Housing
- Small Townships
- Sports Parks
- Strategic Acquisitions
- Swimming Pools

Richard Coningham

Manager Assets & Services Department

- Civil Defence and Emergency Management
- Climate Change
- Land Transport
- Recycling
- Rivers and Drainage
- Sewerage
- Stormwater
- Waste Management
- Water

Gina Ferguson

Consents & Compliance Group Manager

- Animal Control
- Alcohol Licensing
- Building Control
- Compliance, Monitoring and Enforcement
- Environmental Health
- Hazardous Substances and New Organisms
- Noise Control
- Pollution Response
- Resource Consents

Hans Versteegh

Environmental Science & Policy Group Manager

- Biosecurity (Animal and Plant Pests)
- Environmental Monitoring
- Environmental Policy
- Environmental Science
- Flood Forecasting
- Harbours

Johnny Joseph

Kaihautū (Māori Partnerships)

- Capability, Systems and Processes
- Strategic Relationships
- Māori participation in decision-making



MDC DIRECTORY

Contact Details

PO Box 443, Blenheim 7240

Telephone: (03) 520 7400

Email: mdc@marlborough.govt.nz

Web: www.marlborough.govt.nz

Addresses

District Administration Building

15 Seymour Street, Blenheim 7201

Picton Service Delivery Centre (includes Library)

2 Dublin Street, Picton 7220

Harbours

Mariners Mall, Picton

Marlborough Library

15 High Street, Blenheim

Marlborough Emergency Management

4 Wither Road, Blenheim

Reserves Depot

Pollard Park, Blenheim

Works and Operations Depot

Wither Road, Blenheim

Bankers

Bank of New Zealand, Blenheim

Westpac, Blenheim

Auditor

Julian Tan, Audit New Zealand, Wellington on behalf of the Auditor General

General Statistics

Population (Census count June 2018) 48,700

Inter-Census Population Movement (+) 5.2%

District Area 17,517 square kilometres

As at 30 June 2023

Rateable Land Value \$11,658,635,850

Rateable Capital Value \$23,518,294,760

Number of Rates Assessments 27,193

as at 30 June 2022

Rateable Land Value \$11,605,092,350

Rateable Capital Value \$23,303,722,810

Number of Rate Assessments 27,034

GLOSSARY OF TERMS

Accruals

Expenses incurred during the current year for which invoices have not been processed.

Activity

A good or service provided by, or on behalf of, a local authority or a Council-controlled organisation eg: water supply, transport networks.

Allotment

Has the meaning given to it in S218(2) of the Resource Management Act 1991.

Allotment Area

Is the total land area of an allotment.

Applicant

Is the person/persons that apply for resource consent, building consent or service connection.

Asset Management Plan

Council documents outlining how each main asset class will be managed, upgraded and expanded as required.

Asset Sales

Refers to the sale of Council assets e.g. cars, property.

Borrowings

This is the amount of external loans.

Capital Expenditure

The cost of capital works for network infrastructure, reserves and community infrastructure.

Catchment

The area served by a particular infrastructure investment.

Charge

These are referred to in the Local Government (Rating) Act 2002 as targeted rates and are calculated as a fixed amount per rating unit.

Commercial

Any activity involving commercial transactions, or providing commercial or administrative services, and includes non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade.

Community Facilities

Reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with S199 of the Local Government Act 2002.

Community Infrastructure

The following assets when owned, operated or controlled by a territorial authority:

- a) community centres or halls for the use of a local community or neighbourhood and the land on which they are or will be situated;
- b) play equipment that is located on a neighbourhood reserve; and
- c) toilets for use by the public.

Community Outcomes

The outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure,

local public services and performance of regulatory functions.

CV

Capital Value.

Departmental Management

Allocation of Departmental Manager costs to activities.

Development

- a) Any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) Does not include the pipes or lines of a network utility operator.

Development Contribution

A contribution:

- a) provided for in a development contributions policy included in the Long Term Plan of a territorial authority; and
- b) calculated in accordance with the methodology; and
comprising-
 - i. money; or
 - ii. land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Māori Act 1993, unless that Act provides otherwise; or
 - iii. both.

Development Contributions Policy

The policy on development contributions adopted under section 102(1).

District

The District of a territorial authority.

District Wide

Applies to every property in the District.

Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Financial Contributions

Has the same meaning as financial contributions in S108(9)(a) - (c) of the Resource Management Act 1991.

Financial Strategy

Council's Financial Strategy included in the Long Term Plan.

General Revenues Applied

Share of revenues generated by Council as a whole as compared to a specific activity e.g.: interest and dividends.

Geographic Areas

The District is divided up into six geographic areas for the purpose of funding general works and services. The geographic areas are Blenheim, Blenheim Vicinity, Picton, Picton Vicinity, General Rural and Sounds Admin Rural.

Goods and Services Tax (GST)

Goods and services tax under the Goods and Services Tax Act 1985.

Greenfields Area

Are defined as those areas where building capacity exists on the perimeter of the city.

Gross Floor Area (GFA)

For the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

- carparking;
- loading docks;
- vehicle access and manoeuvring areas/ramps;
- plant and equipment enclosures on the roof;
- service station canopies;
- pedestrian circulation space in an enclosed retail shopping centre; and
- any foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU)

An average residential dwelling occupied by a household of average size.

Impervious Surface Area

For the purpose of development contribution Impervious Surface Area (ISA) means the area of any site which is not capable of absorbing water and includes any area which:

- falls within the definition of coverage;
- is covered by decks;
- is occupied by swimming pools;

- is used for parking, maneuvering or loading of motor vehicles; and
- is paved with a continuous surface with a run-off coefficient of greater than 0.45.

Increase (Decrease) in Reserves

Increase in reserves are generally surpluses on operations. Decrease from reserves assist to fund capital expenditure.

Industrial

Means:

- a) any premises used for any industrial or trade purposes; or
- b) any premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste-management purposes, or used for composting organic materials: or
- c) any other premises from which containment is discharged in connection with any other industrial or trade process.
- d) any activity where people use materials and physical effort to:
 - extract or convert natural resources;
 - produce goods or energy from natural or converted resources;
 - repair goods;
 - store goods (ensuing from an industrial process).

Infrastructural Assets

Fixed assets that are not generally regarded as tradable and which provide a continuing service to the community - such as reserves and parks, toilets,

memorials, roads, bridges and wharves, water and sewerage schemes.

Infrastructure Strategy

Council's Strategy setting out the principal long term (30 years) infrastructure requirements of the District.

KDC

Kaikōura District Council.

LGA

The Local Government Act 2002.

LGCI

Local Government Cost Index.

Loans/Debt

The raising of internal loans for capital items, such as a sewerage or water scheme.

Local Authority

A regional Council or territorial authority.

LTAMP

Land Transport Activity Management Plan.

LTP

2024-2034 Long Term Plan.

LTP 2024-34

These are the \$ values budgeted for 2024-34 in the LTP.

LV

Land Value.

MEP

Marlborough Environment Plan.

Network Infrastructure

The provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network Utility Operator

Has the meaning given to it by section 166 of the RMA.

Non-Residential Development

Any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.

Operational Assets

Tangible assets that are generally regarded as tradable, such as buildings and improvements, library books, office equipment, plant and machinery, land and forestry crops.

Other Revenue

Revenue specifically generated by the activity.

Overhead Allocation

The allocation of Customer Services, Office Services, Human Resources, General Management, Information Management Services and Corporate Finance net costs.

PMEP

Proposed Marlborough Environment Plan.

Prepayments

Amounts paid to creditors by the MDC in the current year that relate to future years.

Property Value

For rating purposes this refers to either the "land" or "capital" value of a property.

Public Debt

The amount of borrowed funds that the MDC owes to external parties.

Public Equity

Represents the net worth of the MDC if all assets were sold for the values recorded and the liabilities were extinguished.

Rate/Rates

The Local Government (Rating) Act 2002 defines Rate –

- a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and
- b) includes a penalty added to a rate in accordance with section 58; but
- c) does not include a lump sum contribution.

Residential Development

Any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

RMA

The Resource Management Act 1991.

Resource Management Plan

The Wairau/Awatere Resource Management Plan and the Marlborough Sounds Resource Management Plan.

Section Management

Allocation of Section Manager costs when they are responsible for more than one activity.

Service Catchment

The same as catchment.

Service Connection

A physical connection to a service provided by, or on behalf of, a territorial authority.

Statement of Cashflows

Describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

Statement of Comprehensive Revenue and Expense

Can also be referred to as the Income Statement, Profit and Loss, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Performance

This can also be referred to as the Income Statement, Profit and Loss Statement, or the Operating Statement. It shows the financial results of various MDC activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Position

Shows the assets, liability and equity at the end of each period. It can also be referred to as the Balance Sheet.

Subdivision

Has the same meaning as section 218 of the Resource Management Act 1991.

Subsidies

Amounts received from other agencies for the provision of services e.g.: NZTA roading subsidies.

Third Party Funds

Funding or subsidy, either in full or in part, from a third party e.g.: subsidies for the roading network.

Transfer to/from Reserves and Capex transfer from Reserves

Transfers of funds to reserves are generally surpluses on operations. Transfers from reserves assist to fund projects/expenditure that meet the purpose of the reserve. Capex transfers from reserves assist to fund capital expenditure.

Unit of Demand

The measure of demand for community facilities.

User Charges

The charges levied for use of MDC services e.g.: building consent fees, health inspections.

Working Capital

This is the remainder left when the value of current liabilities is deducted from the value of current assets. It is a measure used to indicate the short-term solvency of an entity.

