

# STAFF REPORT

**TO:** Mayor and Councillors

**FROM:** Murray Staite, Corporate Services Manger  
Susan Edwards, Strategic Development Manager

**REFERENCE:** A503-3

**DATE:** 17 January 2009

**SUBJECT:** Revenue and Financing Policy for inclusion in draft LTCCP

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## PURPOSE

To seek Council approval of the attached Revenue and Financing Policy for inclusion in the draft LTCCP 2009-2019.

## BACKGROUND

Section 102(4)(a) of the Local Government Act 2002 (the Act) states that local authorities must adopt a Revenue and Financing Policy as part of its Long Term Council Community Plan (LTCCP). Section 103 of the Act specifies what must be included in the Revenue and Financing Policy.

## DISCUSSION

Attached, as Appendix 1, is a draft policy for Council's consideration. It is based on the policy contained in the 2006 LTCCP. There have been a number of changes to the wording of the document, which do not materially alter the intent of the policy. Many of the changes have been to update it, to align it with the new wording in the Asset and Activity Management Plans, and to make it more readable for the general public. Also an informal review by Councils auditors has resulted in some additional wording designed to assist with clarification.

Would Councillors please note that the comment included in Clause 3.1 on UAGC's is subject to a report included on today's agenda and this clause will be subject to the outcome of that report.

There are, however, some more material changes to the policy, which the Council should be aware of. One is that the reference to a 20 year loan term has been removed from page 3 of the document, as not all the Council's loans are now planned for a 20 year term. The other major change is that officers have identified a range of funding mechanisms that are proposed to be used during the coming ten years, which are not currently covered in the 2006 Revenue and Finance Policy. These changes are:

- Resource Policy – in the table, under capital expenditure, inserted “yes” for general rates
- Environmental Information – in the table, under capital expenditure, inserted “yes” for general rates, and under operating expenditure, inserted “yes” for grants and subsidies
- Resource Consents and Compliance – in the table, under capital expenditure, inserted “yes” for general rates
- Environmental Education, Advocacy and Operations – in the table, under capital expenditure, inserted “yes” for general rates and targeted rates, and under operating expenditure, inserted “yes” for general rates
- Regulatory Services – in the table, under capital expenditure, inserted “yes” for general rates
- Transportation - in the table, under capital expenditure, inserted “yes” for targeted rates; fees and charges; proceeds from asset sales; and grants and subsidies, also under operating expenditure, inserted “yes” for grants and subsidies
- Coastal Structures – in the table, under capital expenditure, inserted “yes” for general rates, fees and charges, interest and dividends from investments and proceeds from asset sales, and under operating expenditure, inserted “yes” for interest and dividends from investments
- Aerodromes – in the table, under capital expenditure, inserted “yes” for fees and charges
- Solid Waste – in the table, under capital and operating expenditure, inserted “yes” for general rates, and grants and subsidies, also under capital expenditure only, inserted “yes” for targeted rates
- Wastewater – in the table, under capital expenditure, inserted “yes” for fees and charges and for grants and subsidies
- Stormwater management – in the table, under capital expenditure, inserted “yes” for targeted rates
- Rivers– in the table, under capital expenditure, inserted “yes” for general rates
- Water Supply – in the table, under capital expenditure, inserted “yes” for general rates, fees and charges, and grants and subsidies, and under operating expenditure inserted “yes” for general rates
- Libraries – in the table, under capital expenditure, inserted “yes” for borrowing, and for grants and subsidies, under operating expenditure, inserted “yes” for grants and subsidies
- Cultural services and community grants – in the table, under capital expenditure, inserted “yes” for general rates
- Community recreation – in the table, under capital expenditure, inserted “yes” for general rates
- Camping grounds – in the table, under capital expenditure, inserted “yes” for fees and charges

- Parks and reserves – in the table, under capital expenditure, inserted “yes” for financial contributions under the RMA, and for grants and subsidies, and under operating expenditure, inserted “yes” for financial contributions under the RMA, and deleted the “yes” for development contributions
- Community housing– in the table, under capital expenditure, inserted “yes” for fees and charges
- Forestry – in the table, under operating expenditure, inserted “yes” for fees and charges
- Property – in the table, under capital expenditure, inserted “yes” for fees and charges and for proceeds from asset sales.

The amended policy will be included in the draft LTCCP, so there will be an opportunity for the public to comment on it.

## **RECOMMENDATION**

That pursuant to section 102(4)(a) of the Local Government Act 2002 the Tasman District Council approves the inclusion of the attached Revenue and Financing Policy into the draft 2009-2019 Long Term Council Community Plan.

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