

**Report 00.134**  
2 March 2000  
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Report to the Policy and Finance Committee  
from Helen Wood, Corporate Policy Advisor and  
John Allard, Manager Corporate Advisory Services

## **Consultation on the Funding Policy**

### **1. Purpose**

For the Committee to recommend adoption of the proposed funding policy for public consultation as part of the Special Consultative Procedure on the long-term financial strategy.

### **2. Background: Funding Policy Review**

On 2 November 1999 the Council approved in principle the proposed funding policy for use in the development of the long term financial strategy. The review process and the resulting proposed minor changes to the funding policy were described in Report 99.601 (see **Attachment One**).

A copy of the proposed funding policy, approved in principle, is attached separately as **Attachment Two**. Agreement is now sought for this proposed funding policy to be released for public consultation as part of the long-term financial strategy.

### **3. Funding Policy For Flood Protection**

Councillors raised in workshops the issue of whether communities could potentially request acceleration of the priority for their flood protection works, if they were prepared to make a greater direct contribution to the costs. For example the Kapiti Coast (Otaki and Waikanae Rivers) and Hutt Valley communities have told the Council that they want increased levels of flood protection.

The proposed funding policy provides flexibility for the Council to vary the regional contribution. Choice of whether or not to, accelerate a scheme within the priority setting process is a wider policy issue that Councillors have considered in the context of the long term financial strategy.

The Council has put two options on the table for public consultation in the long term financial strategy, for flood protection in the western part of the region:

- A 40-year implementation period with an average annual capital expenditure of \$2 million per year.
- An alternative option with a shorter timeframe, 20 to 25 years, at about \$4 million per year. This is the option favoured by the Hutt River Floodplain Advisory Committee – comprising Regional Council, Hutt and Upper Hutt City Council representatives and Iwi.

Meanwhile, on 22 February 2000, the Landcare Committee recommended to the Policy and Finance Committee that should the community, through the Long Term Financial Strategy consultation process, favour the \$4 million per annum option, that the WRC consider funding above the \$2 million per annum through an additional special rate on the communities that directly benefit. This issue is addressed within the item on the long term financial strategy of this Committee. (Report 00.137)

## **5 Recommendations**

- (1) *That the report is received and the contents, including the proposed funding policy in Attachment Two, are noted.*
- (2) *That the Committee recommends that Council approves the proposed funding policy for consultation with the long term financial strategy.*

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