

MEETING OF THE FINANCE AND AUDIT COMMITTEE

TO THE CHAIRPERSON AND MEMBERS
OF THE COMMITTEE

MEMBERSHIP OF THE COMMITTEE

Cr R M Kirk (Chairperson)

Cr R A Budd
Cr R H M Johnston
Cr N J Wagner

Cr A G Neill
Cr T K Burke (ex officio)

A meeting of the Committee will be held on
Thursday, 7 December 2006 at 8.00 a.m.

VENUE: Waitaki Room
First Floor
Pegasus Building
58 Kilmore Street
CHRISTCHURCH

BUSINESS: As per Order Paper attached.

Dr Bryan Jenkins
CHIEF EXECUTIVE

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE TAKEN
AS COUNCIL POLICY UNTIL ADOPTED BY THE COUNCIL**

58 Kilmore Street,
PO Box 345,
Christchurch,
Telephone: (03) 365-3828,
Fax: (03) 365-3194
Website: www.ecan.govt.nz



COMPLIANCE WITH LOCAL GOVERNMENT ACT 2002 DECISION-MAKING REQUIREMENTS

Except as below, a statement of compliance and a completed decision checklist is required for any agenda item on a council committee or the council recommending that a decision be made. This will be the responsibility of the person signing off the agenda item.

The compliance statement and checklist will not be used for:

- Recommendations that information be received or that the Council make a decision.
- Decisions taken under the Resource Management Act 1991 or the Biosecurity Act 1993 in relation to resource consents, decisions required when following the procedures set out in Schedule 1 of the Resource Management Act 1991, other permissions, submissions on plans, or references to the Environment Court.
- Decisions taken to proceed with enforcement procedures under various primary or secondary legislation or regulations, including procedures under the Resource Management Act 1991, the Biosecurity Act 1993, the Local Government Act 2002, and Environment Canterbury Bylaws.
- Administrative and personnel decisions that are entirely internal to Environment Canterbury.
- Other decisions where the procedures to be followed are set out in Legislation.

COMPLIANCE STATEMENT

The council committee (or the council) must formally certify that:

- (a) It is satisfied that it has sufficient information about the options and their benefits and costs, in terms of the region's social, economic, environmental and cultural well-being and the effects on community outcomes, bearing in mind the significance of the decisions.
- (b) It is satisfied that it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decision.

INFORMATION CHECKLIST

(a)	A Statement of the Proposed Decision
(b)	A Statement of the Objective of the Proposed Decision and the Issue or Problem being addressed
(c)	A list of all reasonably practicable options, (including doing nothing).
(d)	For each option in (c): An evaluation of the Benefits and Costs, in terms of the region's social, economic, environmental and cultural well-being.
(e)	For each option in (c): A statement of the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner.
(f)	For each option in (c): A statement of the Impact, if any, on Environment Canterbury's capacity to undertake its statutory responsibilities
(g)	If the Proposed Decision is a significant decision in relation to land or a body of water, a statement of how Maori values have been taken into account
(h)	A Statement of significant inconsistencies, if any, with any Existing Policy, Plan or Legislation arising from the Proposed Decision.
(i)	A statement how the views and preferences of affected or interested persons have been given adequate consideration during the definition of the problem or issue, the objective, the assessment of options and the development of the proposed decision, including the particular contribution of Maori to the decision-making process.

Notes:

The significance of proposals and decisions determines how much time, money and effort is put into exploring and evaluating options and obtaining the views of affected and interested parties. The significance of proposals and decisions is determined through reference to criteria contained in the policy on significance.

The policy on significance together with Section 76 of the Local Government Act 2002 set out the Council's requirements in relation to decisions. Some decisions can only be made through the Long-Term Council Community Plan, or after the Special Consultative Procedures set out in the Act have been used, (refer to the policy on significance and the Act).

All decisions of Environment Canterbury are subject to the decision-making requirements of section 76 of the Act unless inconsistent with specific requirements of other legislation.

ENVIRONMENT CANTERBURY
FINANCE AND AUDIT COMMITTEE

ORDER PAPER

Page No.

1. APOLOGIES

MATTER FOR RECOMMENDATION TO COUNCIL

2. CONSULTATION FOR INTRODUCTION OF A UNIFORM ANNUAL
GENERAL CHARGE AND WATER CHARGES

3. EXTRAORDINARY AND URGENT BUSINESS

4. NOTICES OF MOTION

5. NEXT MEETING – 14 FEBRUARY 2007

6. CLOSURE

AGENDA ITEM NO:	SUBJECT MATTER: CONSULTATION FOR INTRODUCTION OF A UAGC AND WATER CHARGES
REPORT: Finance and Audit Committee	DATE OF MEETING: 7 December 2006
FILE REFERENCES:	PORTFOLIO: All PROJECT: OUTPUT:
REPORT BY: Neil Pilbrow Portfolio Manager Finance and Corporate Services	ENDORSED BY: Wayne Thomas Director Finance and Corporate Services

PURPOSE

To consider the consultation required for proposals to introduce a Uniform Annual General Charge (UAGC) and changes to funding water management.

BACKGROUND

On 7 November the Finance and Audit Committee requested that staff prepare a report for its December meeting on the consultation required for proposals to introduce a UAGC and changes to funding water management.

The committee recommended to the Council *that a UAGC and changes to water management charges be incorporated in the 2007/08 Annual Plan*. The Council will consider this on 7 December.

The Water Portfolio Committee, at the request of the Council, will discuss options for funding water management at a workshop on 6 December. Councillors are referred to material prepared for the workshop.

WHAT IS INVOLVED?

Establishing a UAGC or changing the way water management is funded would require the Council's Revenue and Financing Policy, the Rating Policy and the 10 year Funding Impact Statement in the LTCCP to be amended.

These can be amended at any time, but constitute an amendment to the LTCCP. Use of the **special consultative procedure** is required.

Amending the LTCCP will require an **audit** at both the draft proposal and final adoption stages.

SPECIAL CONSULTATIVE PROCEDURE

The special consultative procedure is the same as that used for the Annual Plan. It involves preparing a **Statement of Proposal** with a draft of the proposed changes and a **Summary**, both of which must be audited. The Summary would need to be distributed to all ratepayers

in the region. The proposal must be open for public submissions for at least one month, following which the Council hears submissions and makes its decision, with the final changes being audited before being adopted.

OTHER CONSULTATION

The proposals are potentially contentious and will be of interest to all ratepayers . The options are likely to be relatively complex and it will be important that ratepayers fully understand the issues involved and the reasoning behind them.

It is proposed that publicity material and information would be distributed widely in advance of the special consultative procedure submission period, to ensure that people are well informed when making their submissions. This could involve Councillors speaking at public meetings across the region.

TIMING

The timing of consultation will depend on when it is proposed that any alternative funding methods would come into force- 1 July 2007 or 1 July 2008?

Option 1: on 1 July 2007

Consultation on the proposal would have to be undertaken with the 2007/08 Annual Plan, with the proposed new funding incorporated into draft budgets.

Option 2: on 1 July 2008

Consultation could be undertaken on a stand-alone basis as occurred earlier this year with the Clean Heat Loan Scheme, preferably after the Annual Plan consultation was completed.

Option 1 would require a decision to proceed with a proposal for consultation to be made by 31 December to enable the proposed funding changes to be incorporated into the draft budgets in the 2007/08 Annual plan and the Statement of Proposal and Summary to be prepared ready for adopting for audit in early February 2007.

RECOMMENDATION

That the report on consultation for a UAGC and funding water management be received.