



**For now &
our future**

LTP 2024 – 2034

Reviewing our Financial Strategy Principles

Workshop 1 Sept

Purpose

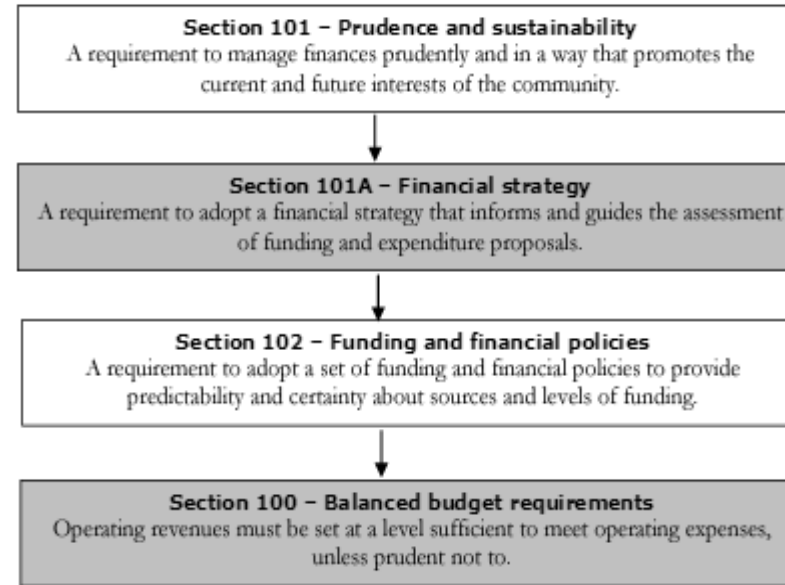
To review and agree our Financial Principles

Our principles assist with consistency of decision making

Our principles are the foundation of our financial strategy

In the 2021.31 LTP we acknowledged the many requirements of the LGA, combined those with our values and created a set of Financial Principles.

The principles state in first person, how we make consistent, transparent decisions that are in line with the Act and our commitments to ratepayers.



1. How should Environment Southland's everyday services be paid for?

From everyday revenues?
By borrowing?
By running down reserves?

Financial Strategy
Revenue and Financing Policy
Treasury Policy

Current:

We ensure the everyday costs for services to the region are met from everyday revenues.



2. How should Environment Southland's capital expenditures be paid for?

From every-day revenues?
From capital funding?

Financial Strategy
Revenue and Financing Policy
Treasury Policy

Current:

We ensure that where future ratepayers use services created today, they will pay their share through our prudent use of debt.



3. How much should Environment Southland keep aside for a rainy day?

Set to 6 months/ 12 months/24 months revenue?

Should reserves increase as the business grows?

Financial Strategy
Revenue and Financing Policy
Treasury Policy

Current:

We maintain financial resilience by having funds, debt capacity and insurance sufficient to fund unplanned or unforeseen events.



4. How should Environment Southland use its resources?

Customer driven?
Efficiently and effectively?
Providing value for money?

Financial Strategy

Current:

We clearly define service levels and deliver them in an efficient and effective, customer focussed manner, providing value for money.



5. Who should pay for Environment Southland's services where there is a private benefit?

Can private benefit be identified?
Is charging cost-effective?

Current:

We charge on a cost recovery basis where we identify there is a private benefit and it is efficient to collect.



6. How should rates be set?

Fair and equitable?
Affordable?
Changes set in advance to
provide certainty?

Financial Strategy
Revenue and Financing Policy
Remissions and
postponement policy

Current:

We aim for rates to be affordable, fair and equitable with increases set to provide certainty to ratepayers.



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Affordable?
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provide certainty?

Financial Strategy
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Current:

We aim for rates to be affordable, fair and equitable with increases set to provide certainty to ratepayers.



We noted that complying with these principles can be challenging and compromise between principles may be required.

Do we have agreement that our principle are still fit for purpose?