

# Rescind Application of Sale Proceeds to Debt Policy

**Meeting:** Kaipara District Council  
**Date of meeting:** 28 February 2024  
**Reporting officer:** Jessie Alison, Finance and Risk Manager

## Purpose | Ngā whāinga

To seek approval to rescind the council policy on application of sale proceeds to debt.

## Executive summary | Whakarāpopototanga

The Application of Sale Proceeds to Debt Policy is now defunct as the Treasury Policy, at clause 4.4 on Debt Repayment, duplicates and supersedes this. It is proposed to rescind this application of sale proceeds to debt policy.

## Recommendation | Ngā tūtohunga

That the Kaipara District Council

- a) Rescinds the Application of Sale Proceeds to Debt Policy.

## Context | Horopaki

The Treasury Policy was adopted in September 2023 whereby application of sale proceeds to debt was covered, at clause 4.4 on Debt Repayment. It was an oversight at this time to not also rescind the duplicated and superseded Application of Sale Proceeds to Debt Policy.

## Discussion | Ngā kōrerorero

The Application of Sale Proceeds to Debt Policy was developed in response to the key driver of selling Council land holdings to fund the general debt portion of the MCWWS. The general debt relating to this scheme was paid off around 2019. It is now surplus to requirements as the Treasury Policy, which was adopted in September 2023, governs the application of sale proceeds at clause 4.4 on Debt Repayment.

The Treasury Policy supersedes and duplicates the Application of Sale Proceeds to Debt Policy and therefore it is proposed that the defunct policy be rescind.

Please refer to attachment A for a copy of the Application of Sale Proceeds to Debt Policy that is proposed to be rescind.

Section 4.4 Debt Repayment of our recently adopted Treasury policy reads:

### *4.4 Debt repayment*

*The funds from all asset sales, operating surpluses, will be applied to the reduction of debt and/or a reduction in borrowing requirements once any direct debt obligations are repaid, unless Council specifically directs that the funds will be put to another use.*

*Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.*

## Options

**Option 1:** Approval given to rescind the Application of Sale Proceeds to Debt Policy.

This is the recommended option as it is a simple decision to prevent duplication of policies.

**Option 2:** Ask for amendments to the Application of Sale Proceeds to Debt Policy or the Treasury Policy.

The Treasury Policy has already recently been considered and adopted in September 2023. This option is not recommended to prevent duplication of work.

## Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report are considered to have a low degree of significance in accordance with Council's Significance and Engagement Policy. No feedback is required, and the public will be informed of Council's decision via the agenda and minutes publication of this meeting, on the website and through other channels if appropriate.

## Next steps | E whaiake nei

If approval is given, staff will update the Policy Register to reflect the Application of Sale Proceeds to Debt Policy has been rescinded.

## Attachments | Ngā tapiritanga

	Title
A	Application of sale proceeds to debt policy proposed to rescind