

## SECTION 4: Finances | Pūtea

# Financial strategy | Rautaki pūtea

The following section presents the council's financial strategy.

## 1 Introduction

The Local Government Act 2002 requires local authorities to prepare and adopt a financial strategy as part of its long term plan (LTP) (section 101A).

The purpose of the strategy is to facilitate:

- prudent financial management by the local authority, by providing a guide to consider proposals for funding and expenditure against
- consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt and investments.

The financial strategy brings together the overall direction for the financial aspects of the LTP with a summary of the financial issues and consequences that arise from policy and service delivery decisions made by the council through the development of the LTP (consequences of emerging issues, prioritisation and trade-offs).

The objectives set through the financial strategy are implemented through a series of policies and plans which make up the complete LTP, specifically:

- the revenue and financing policy, which sets out how the activities undertaken by the council should be funded
- activity plans, including cost of service statements which summarise the work programme that the council plans to undertake and the impact of these activities on the various funding streams
- asset management plans which define the levels of service provided by the council's key assets, and the costs to maintain these assets
- a funding impact statement, which translates the rating requirements into the rating factors to be applied to properties in the region. This will include the fees and charges policy, which sets out how the council will levy direct charges for the services it provides
- treasury management policy (including investment policy and liability management policy), which sets out how the council will manage its investments and borrowings (if any)
- rates remission policies, which set out the criteria that the council will consider when remitting rates charged.

## 2 Strategy direction

Over the last year, our communities have faced unprecedented challenges as we adapt and respond to the impacts of COVID-19. These challenges will be with us for

some time, and have been a major influence on the approach the council has taken to the development of this long term plan. It has also influenced our approach to ensuring council finances are managed in a prudent way – for the benefit of both today's ratepayers and our future citizens.

The council maintains a strong financial position. This is illustrated by:

- modest increases in general rates revenue (payable by all ratepayers) of less than 5 per cent per annum for the last three years, with a notable zero rates revenue increase in 2020/21. Prior to this, rates revenue had been increasing by 7 to 7.5 per cent per annum for the previous financial years. This LTP sees the council returning to this level of funding increase
- external debt that is well within the limits set in our Treasury Risk Management Policy
- an externally managed investment fund, valued at \$95.958 million (30 June 2020), providing an annual return which supports the council activities by subsidising the rates revenue requirement, and funds the council's contribution to economic development. The return from the fund over the last three years has been 6.7 per cent – 0.5 per cent ahead of its benchmark.

However, the current environment also presents the council with some challenges.

- Central government direction in relation to fresh water management is resulting in the need to accelerate plan preparation and to scale up our environmental monitoring. This programme of work has been central to the development of this long term plan, with other programmes needing to be prioritised to manage the council's ability to successfully deliver these key activities, and to manage their financial implications on our communities.
- Interest rates are projected to remain low for some time. This reduces the revenue the council can earn on the working capital funds it invests, with these returns typically used to offset our general rate requirements.
- Financial uncertainty, influenced by the lingering effects of the COVID-19 pandemic, will have an enduring impact on some sectors in our community.
- Successful applications through the Government's "shovel ready" programme has seen \$34.8 million of funding included in this LTP budget. Of this:
  - \$5.5 million has been approved by the Ministry for the Environment
  - \$3.5 million has been approved by Te Uru Rākau
  - \$2.0 million has been approved by the Ministry for Primary Industries for biosecurity control

- \$23.8 million has been approved by the Ministry of Business, Innovation and Employment for capital works.

While this funding has allowed us to accelerate some work programmes, it has had a financial impact in the years 2022 to 2026, as the depreciation funding for the accelerated capital works needs to be funded.

The objectives previously stated in the strategy continue to remain relevant:

- rates affordability
- financial risk management
- a diversified investment strategy.

### 3 Key objectives

The following strategic objectives have been identified by the council as key matters that should be addressed through the financial strategy.

#### 3.1 Rates affordability

The council recognises the need to balance the demand for additional work with the community's ability to pay. Achieving this balance has been particularly difficult as we have developed this LTP. This budget has been prepared following a net zero increase in rates revenue annual plan for 2020/21 – one of council's responses to the economic hardship that has affected our communities in the wake of the COVID-19 pandemic. Because of this, and the need to respond to the NES for Freshwater, the proposed budget reflects higher rates revenue increases than what have previously been experienced, at least in the short term. However, the council believes the proposed rates increases are required in order to deliver to central government's requirements and to provide the services our communities expect of us.

#### 3.2 Financial risk management

The council provides a range of core services to the community. In doing this, it recognises there is a need for clear financial risk mitigation strategies in key areas of its

business. Examples of this are disaster recovery provisions in relation to catchment management works and maintaining the sustainability of the region's flood infrastructure, both from financial and environmental performance perspectives.

#### 3.2.1 Infrastructure assets

Events over the last year have highlighted the importance of the council's flood protection infrastructure to our communities, but also its vulnerability to extreme weather conditions. Given the importance of these assets to the protection of both properties and people, as well as their role in enhancing the productive capacity of the land, adequate protection against the impacts of weather events and other natural disasters is critical.

Insurance coverage for these assets is provided in a variety of ways, with each insurance vehicle providing protection against a different level of risk. The insurance framework is delivered through:

- commercial insurance
- self insurance through:
  - the regional disaster recovery reserve
  - zone disaster recovery reserves
- central government funding through the National Recovery Plan. It is anticipated that this funding agreement will be revised during the period of this LTP. The council has worked to ensure its other financing options (in particular its commercial insurance contracts) provide an appropriate level of cover should any changes occur.

The planned introduction of an external borrowing facility provides a new potential funding stream.

These insurance vehicles fit within a risk financing strategy, summarised in the table below:

Treatment option	Item	Description
Internal financing	Zone funding (operating and zone disaster recovery reserves)	To meet routine damages up to a 20-year (5% AEP) event for both insured and non-insured assets.
	Regional disaster recovery reserve	For the risk cost for insured assets between the 20-year event and events which qualify for insurance cover and/or government funding.  For the risk cost of non-insured assets between the 20-year event and events which qualify for government funding.

Treatment option	Item	Description
		For the “insurance excess” in events which qualify for insurance and/or Government funding.
Risk transference	Insurance	For 100% of the risk cost for insured assets and damage between the insurance excess and \$10 million.  For 40% of the risk cost for insured assets between the \$10 million primary layer and the probable maximum loss.
	Central government funded (National Recovery Plan)	For 60% of the risk cost for insured assets between National Recovery Plan excess and the probable maximum loss.

Based on updated flood risk assessments, the council has determined that the following reserve balances should be held:

- routine event response costs – an annual provision of \$260,000
- zone disaster recovery reserve – balance of up to \$4.41 million
- regional disaster recovery reserve – balance of up to \$6.01 million.

Implementation of this risk financing strategy started in 2012. Zone disaster recovery reserve balances are forecast to be at \$3.4 million at the end of this LTP period, with the regional disaster recovery reserve balance at its target level. Additional insurance cover has been put in place to address risks associated with the more frequent weather events that may cause damage to assets, reducing the requirement for self-insurance through the regional disaster recovery reserve. While the budget forecasts reserve balances in excess of the limits set above, the council is aware that weather events in early 2018 will require funding to be drawn down from these reserves in order to meet the costs of remedial works.

### 3.2.2 Sustainability of the infrastructure asset network

The challenges we face with respect to these assets are important both regionally and nationally. They protect productive land that provides economic benefit to the region as a whole, national infrastructure such as state highways, and local communities.

Over the last three years, the council has developed a Sustainable Infrastructure Decision Making Framework. This framework, built around Treasury’s Better Business case approach, is intended to provide a transparent and defensible investment decision-making process that is evidence-based and incorporates sustainability with all four wellbeings (economic, social, environmental and cultural)

at its core. It is expected the framework will be in place from 2024, following collaboration with other councils, iwi partners, landowners and communities.

The Government’s “shovel ready” programme has provided the opportunity to fast-track some planned capital works. The council has been successful in securing \$23.8 million of funding for 10 projects. This is reflected in increases to planned capital expenditure in the first three years of this LTP.

### 3.3 Diversified investment strategy

The council holds an investment fund which originated from the sale proceeds from shares in the Port of Tauranga and Ports of Auckland in the early 1990s.

The return from the fund is applied:

- to inflation-proof the base capital of the fund
- to provide a subsidy to the general rates revenue requirement
- to contribute to regional economic development through a contribution to the region’s economic development agency and the council’s Regional Development Fund.

It remains important for the council to receive a steady return from the investment fund because of the rates subsidy. Through the review of the investment fund strategy and strategic asset allocation, the council has aimed to balance this requirement for cashflow with what it considers to be an appropriate level of risk for the fund.

As part of its review of the investment fund objectives, the council has identified that if the current asset allocation (40% growth assets) is maintained, the return from the fund is anticipated to be lower than in previous years. Given the balance in the investment equalisation reserve (\$11.705 million at 30 June 2020), it is possible to maintain the current level of spend by using the equalisation reserve to

complement the low investment returns anticipated over the next five years. Beyond this period, if current market trends continue, the council may need to consider either lowering spending or changing the asset mix.

In taking this approach, the council acknowledges there is some risk that investment returns are so poor that the equalisation reserve is eliminated. This would affect spending over both the near and the longer term. This risk needs to be balanced against the potential for returns to be better than anticipated, in which case reserve balances would increase to levels beyond those required for prudent risk management.

### 3.4 Climate change

In terms of climate change, the council has identified the main specific threat, namely sea level rise. Climate change will also increase the severity and frequency of storm events and cause increased and prolonged periods of drought.

As per our infrastructure policy, the preferred solution for this is:

- short to medium-term (1-5 years);
  - establishment of the Climate Action Committee (this was established in 2020)
  - completion of climate change guidelines and the sustainable decision-making framework
  - consideration of climate change implications in all future operational, corporate and resource decisions made by the council
- medium to long-term (5 years plus);
  - increased investment in flood risk forecasting and prediction tools, continued community engagement regarding climate change, e.g. Thames-Coromandel District Council shoreline management projects
  - monitoring in periods of drought and incorporation feedback into renewals processes
  - investigation of alternative building methodologies to reduce the impact of drought on future assets
- long term (10-30 years);
  - application of an adaptive management approach to account for uncertainty
  - consistent application of the sustainable decision making framework, with emphasis on consultation with affected communities.

## 4 Growth assumptions

It is important to consider population projections as they provide insights into future challenges such as:

- where development pressures may be expected to accommodate population growth – this results in a need to liaise and collaborate with the relevant territorial authorities to ensure that growth is appropriately located, and infrastructure needs and pressures are understood in advance
- declining populations, which have the potential to signal long term affordability issues – understanding affordability and sustainability issues will support key decisions about what capital expenditure projects needs to be undertaken.

The council has taken a conservative approach regarding assumed regional growth for the period of the LTP. Growth of 1.5 per cent has been assumed for the full 10 years of the plan. This is based on actual regional growth for the 2020/21 financial year to date. This growth rate has been used to determine the level of rates funding that can be anticipated from rates that the council charges on a per-rating-unit basis (for example, the natural heritage rate). The growth estimate has only been used to project likely revenue for those rates set on a per property charge and in the calculation of rating impacts to existing ratepayers.

Overall, population growth projections for the region to 2023 is largely in line with the national average (14 per cent cumulative growth compared to national growth of 15 per cent)<sup>(8)</sup> for the period to 2033. However, due to the nature of the services provided by regional councils, growth in population does not have a direct impact on the demand for service or level of operating or capital expenditure.

The impact of changes in land use are set out in the council's key forecasting assumptions.

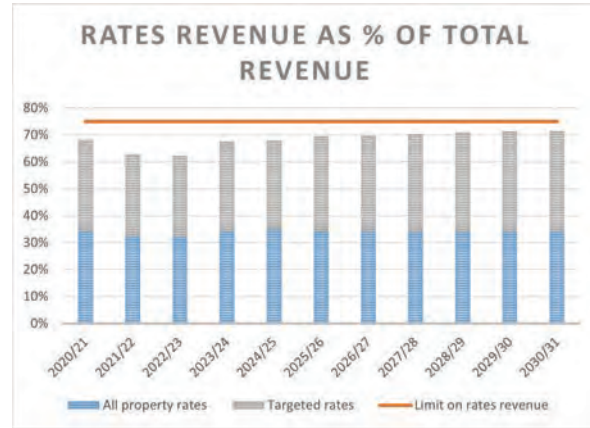
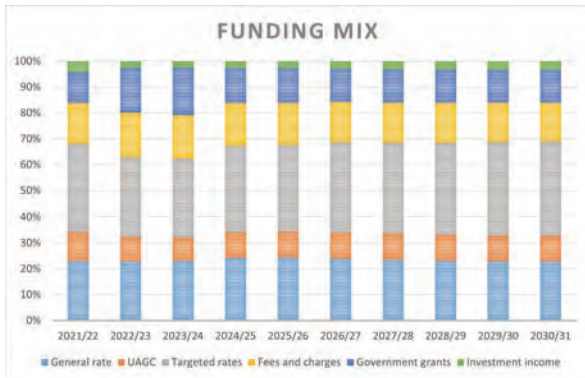
## 5 Funding mix

The way the council's activities are funded is set out in the *Revenue and Financing Policy*. Key considerations that must be taken into account when determining how to fund an activity include the:

- distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- period over which those benefits are expected to occur
- extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- costs and benefits of funding the activity distinctly from other activities
- overall impact of any allocation of liability for revenue needs on the community.

8 Source: Statistics NZ – based on “medium” growth projections from 2018 to 2033

The funding mix over the period of the LTP is shown below:

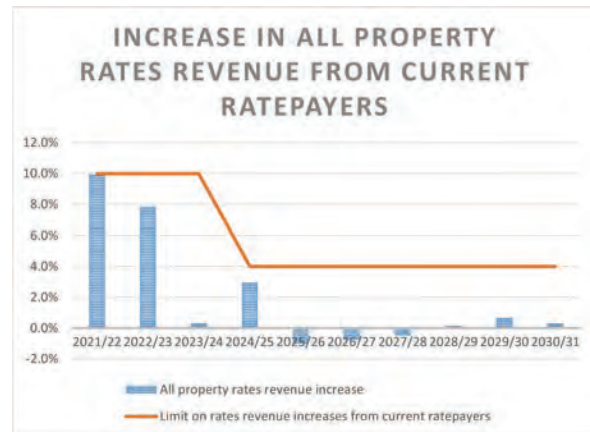


General rate requirements are reduced by the investment income received from the working capital funds invested.

### 6 Rating limits

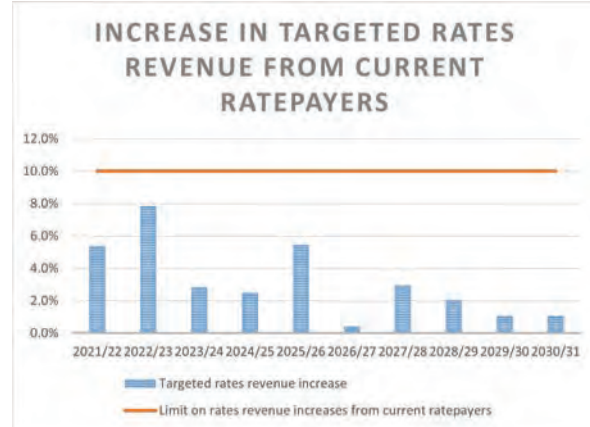
The council has set the following limits in relation to its rates revenue.

- Total rates revenue will comprise up to **75 per cent** of the council’s annual revenue requirements.
- Increases in total rates revenue will be limited to a **10 per cent** increase in rates from current ratepayers. Within this overall limit on rates revenue increases, the following sub-limits will also be applied:
  - Increases in the annual general rate revenue requirement (payable by all regional ratepayers) will be limited to a **10 per cent** increase in rates revenue from current ratepayers for the first three years of this plan. Beyond this, the annual increase will be limited to **4 per cent** from current ratepayers.
  - Increases in targeted rates revenue will be limited to a **10 per cent** increase in rates revenue from current ratepayers.

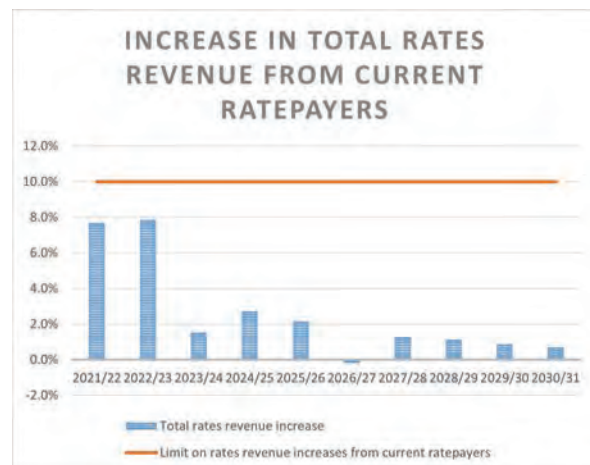


These limits have been set, having had regard to:

- the fact that demand for increased services is coming from those areas of the council’s business that are funded almost entirely through rates
- the need to provide for increases in costs incurred by the council as a result of inflation – the level of these forecast price changes is best illustrated by referencing the local government cost index
- increases to targeted rates are largely driven by increases to levels of service, which are consulted on with those ratepayers who benefit from and fund the services.



The council is confident of its ability to provide and maintain existing levels of service and to meet additional demands for services included in this LTP within these limits.





## 7 Infrastructure management

The council identifies the following key issues that are driving our approach to asset management:

- asset funding
- community affordability
- asset condition
- asset performance.

These issues and the options available to address them are explored in detail in the council's *Infrastructure Strategy 2021-2070*.

The budget includes provision for the delivery of the council's preferred approach to managing each of these issues.

Overall, the council is satisfied that it can respond to these issues within the overall budget, rating, and borrowing parameters set within the financial strategy.

A summary of planned capital expenditure is shown below:

\$000	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Infrastructural capital expenditure	2,930	2,004	148	1,983	1,471	1,508	1,547	1,589	1,634	4,829
• New works										
• Renewals	22,222	22,346	14,045	9,495	9,230	10,727	10,326	9,239	8,194	11,036
Operational capital expenditure	11,061	12,294	6,502	4,605	5,784	4,268	4,395	4,817	4,629	5,115
<b>Total capital expenditure</b>	<b>36,213</b>	<b>36,645</b>	<b>20,694</b>	<b>16,082</b>	<b>16,486</b>	<b>16,502</b>	<b>16,269</b>	<b>15,645</b>	<b>14,456</b>	<b>20,981</b>

### Operating capital expenditure by group of activities

Flood protection and control works	5,040	41	42	251	44	46	47	278	49	51
Integrated catchment management	78	80	82	84	87	89	91	94	96	99
Resource use	340	1,945	1,783	151	155	159	163	168	172	177
Science and strategy	1,662	2,101	2,368	1,694	1,405	1,441	1,483	1,524	1,566	1,916
Public transport	2,014	5,454	549	595	2,276	626	642	659	678	695
Community and services	860	1,839	907	1,033	999	1,047	1,126	1,211	1,207	1,296
Finance	1,066	835	771	796	818	860	843	883	860	882
<b>Total operating capital</b>	<b>11,061</b>	<b>12,294</b>	<b>6,502</b>	<b>4,605</b>	<b>5,784</b>	<b>4,268</b>	<b>4,395</b>	<b>4,817</b>	<b>4,629</b>	<b>5,115</b>

## 8 Capital expenditure

The council's key capital expenditure costs relate to the maintenance and construction of its flood protection networks. At 30 June 2020, these assets were valued at \$541.577 million. Capital expenditure for these assets is funded through:

- depreciation expense
- targeted rates charged in relation to local community works
- reserve funds
- borrowing.

Annual provision is also made for the replacement of operational assets such as vehicles, information technology, plant, and equipment. These assets were valued at \$14.013 million at 30 June 2020.

## 9 Investments

The council maintains investments in the following assets from time to time.

- Direct equity investments in council controlled organisations (CCO) and other shareholdings.
- In-house managed financial investments incorporating the management of working capital and longer term fixed income investments.
- Externally managed equity and fixed income funds.

The council aims to achieve the following returns from the investments it holds.

- Working capital funds – a return in excess of the Reserve Bank's 90 day bill rate.
- An investment fund – a return of 3 per cent per annum on the real base capital of the fund, net of inflation, tax and investment-related fees. Inflation on the fund is assumed at 1.6 per cent on the inflation-adjusted base capital of the fund. The real capital base of the fund is defined as the fund value in 2009 (\$73 million) plus accumulated fund preservation (inflation proofing) provisions.
- Direct equity investments in CCOs – these investments are generally made for strategic purposes consistent with the council's LTP rather than because of the return on investment achieved. The key objective for the council is to ensure that the capital investment made in such entities is protected.

### Projected return from the council's investment fund

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Inflation proofing	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Rates subsidy	1,987	2,019	2,051	2,084	2,117	2,151	2,186	2,221	2,256	2,292	2,327
Regional development fund	1,580	636	658	680	1,453	1,477	1,500	1,524	1,549	1,573	1,599
Operating funding for Te Waka	-	750	750	750	-	-	-	-	-	-	-
Total fund distribution	5,371	4,766	4,843	4,920	4,999	5,079	5,160	5,243	5,327	5,412	5,498
Funded by:											
Investment fund return	5,371	4,439		4,671	4,630	4,717	4,805	4,823	4,913	5,005	5,078
Drawdown from investment equalisation reserve	-	327	259	249	369	362	355	420	414	407	420

The council may use the investment fund equalisation reserve to smooth the impact of fluctuations in returns from the investment fund. Should investment returns fall below budgeted returns, the *Investment Policy* sets out the points at which some form of intervention should be taken. These interventions include:

- a reduction in operational expenditure to reduce reliance on investment fund returns
- a review of the strategic asset allocation to ensure that the risk profile for the fund remains appropriate given the council's objectives for the fund.

Given the current balance of the investment equalisation reserve, while the forecast return from the fund has been reduced to 3 per cent per annum, the LTP continues to assume a 4 per cent spend rate of fund returns per annum. It is assumed the difference between these amounts will be met through a drawdown from the investment equalisation reserve.

Overall, the return from the council's investment assets is projected to be between 1 per cent and 3 per cent per annum over the term of the LTP.



## 10 Borrowing

The council proposes to borrow up to \$70 million over the next 10 years to fund capital expenditure. Projected borrowings fall well within the limits set:

Financial covenant	Limit
Net external debt/total revenue	<100%
Net interest on external debt/total revenue	<10%
Net interest on external debt/annual rates revenue	<15%
Liquidity	110%

**Total revenue** is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial revenue and other revenue. It excludes non-government capital contributions (e.g. developer contributions and vested assets).

**Net debt** is defined as total consolidated debt, less liquid financial assets/investments.

**Liquidity** is defined as external debt, plus committed loan facilities, plus liquid investments, divided by external debt.

**Net interest** is defined as the amount equal to all interest and financing costs, less interest income for the relevant period.

**Annual rates revenue** is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received from other local authorities for services provided and for which the other local authorities rate.

The council's borrowings and interest rate risk management instruments will generally be secured by way of a charge over rates and rates revenue. Where appropriate, the council may seek project financing which may have a charge over the project or specific asset(s) rather than rates. The utilisation of special funds, reserve funds and internal borrowing of special funds or reserve funds and other funds will be on an unsecured basis.

Physical assets will be charged only where:

- there is a direct relationship between the debt and the purchase or construction of the asset which it funds (such as an operating lease or project finance)
- the council considers a charge over physical assets to be appropriate.

## 11 Balanced budget

The *2021-2031 Long Term Plan* proposes an unbalanced budget for years 3, 6 and 9 of the plan. This means that, in each of these years, the money we expect to spend on operating expenditure is greater than the money we will receive. The following are the main reasons for this position.

- The council's decision not to fully fund depreciation on the new regional ticketing solution for public transport. The capital cost of this new system has been funded from accumulated reserve funds and contributions from Waka Kotahi NZ Transport Agency. It is assumed that any replacement system will also receive partial funding from Waka Kotahi, and so only depreciation on the share of costs paid for by the council has been funded (\$591,092 in years 1 to 4 of the plan, and \$32,213 in year 5).
- System development and set-up required for the implementation of the Healthy Rivers Wai Ora Plan Change is to be funded through borrowing, with the associated loan to be repaid over 10 years. Depreciation expense (\$750,000 in year 3 and \$1.5 million in year 6) for this project will not be funded, as to do so would mean that ratepayers are paying twice.
- Similarly, the redevelopment of the council's premises in Paeroa has been funded through borrowing, so depreciation (\$68,605 for year 3 and \$70,955 for year 6) on the new asset will not be funded for the period of the loan (20 years).
- The council's assumptions regarding the regional development fund also impact on the balanced budget test. It is assumed that funds will be accumulated over three financial years, with the funds fully allocated to a project in the third year. This means that, as funding is allocated, the budget may be in deficit. This comes to \$2.643 million in year 3, \$5.132 million in year 6 and \$5.382 million in year 9.

Overall, the council believes the budget it is proposing for the period of this LTP is financially prudent.

# Prospective financial statements | Ngā tauākī pūtea ki te pae

The following pages present the financial projections of the council for 2021/22, indicative information for the following two years and forecast information for the subsequent seven years. In particular the following information is presented.

- The practices and assumptions used in preparing the financial information.
- The sources of income and where it is planned to be spent.
- The effect of the planned income and expenditure on the overall net worth of the council.
- What the council owns and owes.
- The forecast cash payments and receipts for each year.
- Additional supporting information.

The prospective statement of financial position is based on the estimated financial position at 1 July 2021. This position differs from the estimated financial position as at 30 June 2021 included in the *2020/21 Annual Plan* and *2018-2028 Long Term Plan (LTP)* and results in the projected opening balances applied to the *2021/22 Annual Plan* differing from those assumed in the previous LTP.

The prospective financial information presented is based upon best estimate assumptions. Whilst every care has been taken in preparing the prospective financial information, the actual results are likely to differ. These differences may be material.

The forecasts are based on assumptions and information available to the Waikato Regional Council as at February 2021. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective position at 1 July 2021. Comparative information provided for 2020/21 is as presented in the annual plan. There is no intention to update the prospective financial information after the finalisation of this long term plan.

The forecast financial information from page 63 to page 106 has been prepared in accordance with the council's current accounting policies as specified from page 107 to page 138. The forecast financial information presented in this plan has been prepared in accordance with PBE FRS No 42: Prospective Financial Statements.

## Prospective statement of comprehensive revenue and expense by activity

The detail by activity is included as section 3 of this document.

## Prospective statement of comprehensive revenue and expense

	Annual Plan	Long Term Plan									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates	34,347	40,532	45,106	45,409	47,415	47,201	47,269	47,597	48,305	49,385	50,304
Total UAGC rate revenue	15,310	15,068	15,922	16,740	17,590	18,100	18,489	18,817	19,205	19,614	19,951
Natural heritage	1,037	1,062	1,080	1,112	1,151	1,192	1,235	1,280	1,329	1,381	1,433
Regional services fund	717	717	716	716	716	716	716	716	716	716	716
<b>Total all property rates</b>	<b>51,411</b>	<b>57,379</b>	<b>62,824</b>	<b>63,977</b>	<b>66,872</b>	<b>67,209</b>	<b>67,709</b>	<b>68,410</b>	<b>69,555</b>	<b>71,096</b>	<b>72,404</b>
<b>Targeted rates</b>											
- Civil defence	1,902	2,449	2,492	2,492	2,541	2,584	2,566	2,636	2,732	2,780	2,863
- Stock truck effluent	80	48	89	89	89	89	89	89	89	90	107
- Waikato Regional Theatre rate	-	172	341	341	340	340	340	341	341	340	340
- Biosecurity	7,702	9,175	10,330	10,676	10,781	10,991	11,230	11,514	11,795	12,081	12,371
- Transport	10,784	12,432	12,944	13,230	13,948	15,787	15,126	15,397	15,651	15,980	16,232
- Asset management schemes	28,529	28,346	31,189	32,756	33,653	34,979	35,367	36,177	36,944	37,603	38,400
- Permitted activity monitoring	1,532	1,443	1,560	1,584	1,670	1,795	1,834	1,987	2,034	2,079	2,126
- Voluntary targeted rate - Sustainable Homes Scheme	-	-	255	640	1,289	2,277	3,623	5,198	6,381	6,999	7,537
<b>Total targeted rate revenue</b>	<b>50,529</b>	<b>54,065</b>	<b>59,200</b>	<b>61,808</b>	<b>64,311</b>	<b>68,842</b>	<b>70,175</b>	<b>73,339</b>	<b>75,967</b>	<b>77,952</b>	<b>79,976</b>
<b>Total rate revenue</b>	<b>101,940</b>	<b>111,444</b>	<b>122,024</b>	<b>125,785</b>	<b>131,183</b>	<b>136,051</b>	<b>137,884</b>	<b>141,749</b>	<b>145,522</b>	<b>149,048</b>	<b>152,380</b>

	Annual Plan	Long Term Plan									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Rates penalty income	925	950	978	1,002	1,028	1,055	1,081	1,109	1,139	1,170	1,201
Rates remissions granted	(1,123)	(990)	(1,019)	(1,044)	(1,071)	(1,099)	(1,127)	(1,155)	(1,187)	(1,220)	(1,251)
Sustainable Homes Scheme loan repayments		-	(255)	(640)	(1,289)	(2,277)	(3,623)	(5,198)	(6,381)	(6,999)	(7,537)
<b>Net rates revenue</b>	<b>101,742</b>	<b>111,404</b>	<b>121,728</b>	<b>125,103</b>	<b>129,851</b>	<b>133,730</b>	<b>134,215</b>	<b>136,505</b>	<b>139,093</b>	<b>141,999</b>	<b>144,793</b>
Government grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Direct charges	8,368	9,290	10,159	10,454	10,853	11,164	11,365	11,577	11,649	11,854	12,067
Consent holder charges	4,341	4,910	5,207	6,360	6,138	6,002	5,917	6,283	5,945	6,053	6,131
Investment fund distribution income	3,567	3,077	3,200	3,265	3,202	3,266	3,331	3,325	3,391	3,459	3,507
Investment fund capital protection income	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Interest income	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Other income	10,015	15,607	16,765	13,424	13,768	12,717	12,902	13,090	13,283	13,480	13,678
Royalties	120	125	125	125	125	125	125	125	125	125	125
Rental income	750	637	637	637	637	637	637	637	637	637	637
Other gains/(losses)											
<b>Total revenue</b>	<b>149,534</b>	<b>177,273</b>	<b>195,729</b>	<b>186,319</b>	<b>192,645</b>	<b>195,684</b>	<b>197,532</b>	<b>201,626</b>	<b>204,847</b>	<b>208,991</b>	<b>212,924</b>
Operating expenditure	97,615	105,875	112,848	114,511	114,015	114,972	122,086	117,852	118,499	127,263	122,133
Employee benefit expenses	51,481	54,143	56,899	57,538	58,855	60,244	61,471	62,966	64,472	66,156	67,947
Interest expense	1,602	921	1,345	1,651	1,843	2,022	2,267	2,550	2,698	2,671	2,666
Depreciation and amortisation	11,155	11,312	13,072	14,821	16,007	16,118	15,710	14,731	13,989	13,934	13,875

	Annual Plan	Long Term Plan									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Total cost of service</b>	161,853	172,251	184,164	188,521	190,720	193,356	201,534	198,099	199,658	210,024	206,621
<b>Operating surplus/(deficit) before taxation</b>	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
Share of associate surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) before income tax</b>	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
<b>Net surplus/(deficit) after taxation</b>	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
<b>Other comprehensive revenue and expenses</b>											
Gain/(loss) on property, plant and equipment revaluations	-	-	26,896	-	-	30,023	-	-	32,276	-	-
<b>Total other comprehensive revenue and expenses</b>	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303
<b>Total comprehensive revenue and expenses</b>	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303
Transfer to / (from) reserves	(4,865)	6,168	38,717	(1,388)	2,746	33,006	(3,610)	2,810	35,649	(2,912)	4,336
<b>Total comprehensive revenue and expenses after reserve transfers</b>	(7,454)	(1,146)	(256)	(814)	(821)	(655)	(392)	717	1,816	1,879	1,967

## Prospective statement of financial position

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Current assets</b>											
Cash and cash equivalents	6,384	4,851	4,315	4,228	4,766	4,557	4,890	4,421	4,489	4,151	4,194
Trade and other receivables	12,289	22,207	24,519	23,340	24,133	24,514	24,745	25,258	25,661	26,180	26,673
Prepayments	1,281	1,144	1,219	1,237	1,232	1,242	1,319	1,273	1,280	1,375	1,320
Inventories	466	507	507	507	507	507	507	507	507	507	507
Work in progress	1,065	1,208	1,272	1,471	1,425	1,437	1,449	1,502	1,449	1,475	1,503
Other financial assets	14,042	11,126	11,252	10,600	11,136	11,960	9,017	10,209	11,832	9,346	9,907
<b>Total current assets</b>	<b>35,527</b>	<b>41,043</b>	<b>43,084</b>	<b>41,383</b>	<b>43,199</b>	<b>44,217</b>	<b>41,927</b>	<b>43,171</b>	<b>45,218</b>	<b>43,034</b>	<b>44,104</b>

<b>Non-current assets</b>											
Financial assets	100,382	104,196	105,098	106,028	106,857	107,712	108,594	109,430	110,293	111,183	112,081
Other financial assets	64	763	2,123	4,830	8,782	14,652	21,672	28,786	29,876	29,416	28,833
Investments in CCOs	1,686	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198
Biological assets	1,422	755	755	755	755	755	755	755	755	755	755
Intangible assets	5,648	7,552	10,056	11,604	9,624	7,671	5,801	4,897	5,001	5,137	5,296
Property, plant and equipment	587,105	584,723	632,689	637,015	639,070	671,413	674,075	676,517	710,345	710,730	717,676
<b>Total non-current assets</b>	<b>696,307</b>	<b>700,187</b>	<b>752,919</b>	<b>762,430</b>	<b>767,286</b>	<b>804,401</b>	<b>813,095</b>	<b>822,583</b>	<b>858,468</b>	<b>859,419</b>	<b>866,839</b>

<b>Current liabilities</b>											
Trade and other payables	21,039	26,940	28,714	29,137	29,011	29,255	31,065	29,988	30,153	32,383	31,078
Employee benefit liabilities	7,826	6,714	7,056	7,135	7,298	7,470	7,622	7,807	7,994	8,203	8,425



	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Borrowing	7,000	3,706	4,610	5,480	6,709	7,391	8,745	9,994	10,668	11,263	11,263
Derivative Financial Instruments	7	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>35,872</b>	<b>37,360</b>	<b>40,380</b>	<b>41,752</b>	<b>43,018</b>	<b>44,116</b>	<b>47,432</b>	<b>47,789</b>	<b>48,815</b>	<b>51,849</b>	<b>50,766</b>

<b>Non-current liabilities</b>											
Employee benefit liabilities	2,601	2,747	2,887	2,919	2,986	3,056	3,118	3,194	3,270	3,355	3,446
Derivative Financial Instruments	1,250	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397	2,397
Borrowing	44,831	47,587	60,738	69,346	72,760	77,375	84,403	91,175	90,541	87,222	90,401
<b>Total non-current liabilities</b>	<b>48,682</b>	<b>52,731</b>	<b>66,022</b>	<b>74,662</b>	<b>78,143</b>	<b>82,828</b>	<b>89,918</b>	<b>96,766</b>	<b>96,208</b>	<b>92,974</b>	<b>96,244</b>

<b>Net assets</b>	<b>647,280</b>	<b>651,139</b>	<b>689,601</b>	<b>687,399</b>	<b>689,324</b>	<b>721,674</b>	<b>717,672</b>	<b>721,199</b>	<b>758,663</b>	<b>757,630</b>	<b>763,933</b>
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<b>Equity</b>											
Accumulated funds	204,805	219,436	224,260	224,659	223,838	223,183	222,791	223,508	225,324	227,203	229,170
Other reserves	442,475	431,703	465,341	462,740	465,486	498,491	494,881	497,691	533,339	530,427	534,763
<b>Total equity</b>	<b>647,280</b>	<b>651,139</b>	<b>689,601</b>	<b>687,399</b>	<b>689,324</b>	<b>721,674</b>	<b>717,672</b>	<b>721,199</b>	<b>758,663</b>	<b>757,630</b>	<b>763,933</b>

## Prospective statement of changes in net assets/equity

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Equity at 1 July</b>	659,599	646,117	651,139	689,601	687,399	689,324	721,674	717,672	721,199	758,663	757,630
Total comprehensive income	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303
<b>Equity at 30 June</b>	647,280	651,139	689,600	687,399	689,324	721,675	717,672	721,199	758,664	757,630	763,933

Components of equity											
<b>Retained earnings at beginning of year</b>	212,259	213,506	219,436	224,260	224,659	223,838	223,183	222,791	223,508	225,324	227,203
Net surplus / (deficit) for the year	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
Net transfer (to) / from reserves	4,865	908	(6,742)	2,601	(2,746)	(2,983)	3,610	(2,810)	(3,373)	2,912	(4,336)
<b>Retained earnings at end of year</b>	204,805	219,436	224,260	224,659	223,838	223,184	222,791	223,508	225,324	227,204	229,171

<b>Council created reserves at beginning of year</b>	55,118	55,849	54,941	61,683	59,081	61,828	64,810	61,200	64,010	67,383	64,471
Transfer to / (from) retained earnings	(4,865)	(908)	6,742	(2,601)	2,746	2,983	(3,610)	2,810	3,373	(2,912)	4,336
<b>Council created reserves at end of year</b>	50,253	54,941	61,683	59,081	61,828	64,810	61,200	64,010	67,383	64,471	68,806

<b>Revaluation reserves at beginning of year</b>	392,222	376,762	376,762	403,658	403,658	403,658	433,681	433,681	433,681	465,957	465,957
Net transfer to / (from) retained earnings	-	-	26,896	-	-	30,023	-	-	32,276	-	-
<b>Revaluation reserves at end of year</b>	392,222	376,762	403,658	403,658	403,658	433,681	433,681	433,681	465,957	465,957	465,957

Total equity at end of year	647,280	651,139	689,600	687,398	689,323	721,675	717,672	721,199	758,664	757,631	763,934
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## Prospective statement of cash flows

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Receipts from customers	125,033	138,498	152,309	157,282	160,579	163,994	164,930	167,704	170,329	173,629	176,938
Grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Investment income received	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Receipt of funding on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash provided</b>	<b>143,860</b>	<b>169,359</b>	<b>188,833</b>	<b>182,827</b>	<b>187,222</b>	<b>190,586</b>	<b>192,496</b>	<b>196,290</b>	<b>199,531</b>	<b>203,467</b>	<b>207,353</b>
Payments to suppliers	(85,279)	(104,955)	(112,558)	(115,956)	(115,933)	(116,772)	(122,632)	(121,486)	(120,986)	(127,825)	(126,077)
Payments to employees	(51,320)	(53,678)	(56,417)	(57,427)	(58,625)	(60,002)	(61,257)	(62,705)	(64,209)	(65,862)	(67,634)
Payments of funds held on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
Goods and services tax	-	-	-	-	-	-	-	-	-	-	-
<b>Total cash applied</b>	<b>(136,599)</b>	<b>(158,633)</b>	<b>(168,975)</b>	<b>(173,383)</b>	<b>(174,558)</b>	<b>(176,774)</b>	<b>(183,889)</b>	<b>(184,191)</b>	<b>(185,195)</b>	<b>(193,687)</b>	<b>(193,711)</b>
<b>Net cash flow from operating</b>	<b>7,261</b>	<b>10,726</b>	<b>19,858</b>	<b>9,444</b>	<b>12,664</b>	<b>13,812</b>	<b>8,607</b>	<b>12,099</b>	<b>14,336</b>	<b>9,780</b>	<b>13,642</b>
Loan repayments	41	42	212	426	868	1,548	2,489	3,613	4,520	5,089	5,626
Loan advances		(825)	(1,698)	(3,482)	(5,356)	(8,242)	(10,565)	(11,919)	(6,234)	(5,144)	(5,604)
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	3,916	3,624	3,682	3,741	3,801	3,862	3,923	3,987	4,050	4,115	4,180
<b>Total cash provided</b>	<b>3,957</b>	<b>2,841</b>	<b>2,196</b>	<b>686</b>	<b>(687)</b>	<b>(2,832)</b>	<b>(4,154)</b>	<b>(4,319)</b>	<b>2,337</b>	<b>4,061</b>	<b>4,203</b>
Increase in investments	(9,648)	(8,849)	-	1,000	-	-	4,000	-	(1,000)	3,000	-

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
Purchase of intangible assets	(1,796)	(1,156)	(3,191)	(3,253)	(686)	(638)	(654)	(677)	(695)	(715)	(739)
Purchase of property, plant and equipment	(7,312)	(35,056)	(33,454)	(17,442)	(15,396)	(15,848)	(15,848)	(15,592)	(14,949)	(13,741)	(20,241)
<b>Total cash applied</b>	<b>(18,756)</b>	<b>(45,062)</b>	<b>(36,645)</b>	<b>(19,694)</b>	<b>(16,082)</b>	<b>(16,486)</b>	<b>(12,502)</b>	<b>(16,269)</b>	<b>(16,645)</b>	<b>(11,456)</b>	<b>(20,981)</b>
<b>Net cash flow from investing</b>	<b>(14,799)</b>	<b>(42,221)</b>	<b>(34,449)</b>	<b>(19,009)</b>	<b>(16,769)</b>	<b>(19,318)</b>	<b>(16,656)</b>	<b>(20,588)</b>	<b>(14,308)</b>	<b>(7,395)</b>	<b>(16,778)</b>
Proceeds from borrowings	26,109	24,277	24,481	20,974	17,146	19,088	22,855	23,848	17,116	15,026	21,524
Repayment of borrowings	(18,492)	(5,235)	(10,425)	(11,497)	(12,502)	(13,791)	(14,474)	(15,827)	(17,076)	(17,750)	(18,345)
<b>Net cash flow from financing</b>	<b>7,617</b>	<b>19,042</b>	<b>14,055</b>	<b>9,477</b>	<b>4,644</b>	<b>5,297</b>	<b>8,382</b>	<b>8,021</b>	<b>41</b>	<b>(2,724)</b>	<b>3,179</b>
<b>Net cash flow</b>	<b>79</b>	<b>(12,452)</b>	<b>(536)</b>	<b>(87)</b>	<b>539</b>	<b>(209)</b>	<b>333</b>	<b>(468)</b>	<b>68</b>	<b>(339)</b>	<b>43</b>
Cash and cash equivalents at 1 July	6,305	17,304	4,851	4,315	4,228	4,766	4,557	4,890	4,421	4,489	4,151
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>79</b>	<b>(12,452)</b>	<b>(536)</b>	<b>(87)</b>	<b>539</b>	<b>(209)</b>	<b>333</b>	<b>(468)</b>	<b>68</b>	<b>(339)</b>	<b>43</b>
Cash and cash equivalents at 30 June	6,384	4,851	4,315	4,228	4,766	4,557	4,890	4,422	4,490	4,149	4,193

## Notes to the prospective financial statements

### Net surplus

The net surplus will be used as follows:

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Transfers to / (from) reserves	(6,669)	4,806	10,438	(2,794)	1,318	1,532	(5,085)	1,313	1,851	(4,459)	2,765
Investment fund preservation	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Transfer to / (from) retained earnings	(7,454)	(1,146)	(256)	(814)	(821)	(655)	(392)	717	1,816	1,879	1,967
Net surplus / (deficit)	(12,319)	5,022	11,566	(2,203)	1,925	2,328	(4,003)	3,528	5,188	(1,033)	6,303

### Capital expenditure

The main components of capital expenditure are:

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land	-	-	-	-	-	-	-	-	-	-	-
Building development	109	49	46	5	5	28	-	-	-	-	-
Motor vehicles	623	753	694	703	694	761	778	798	820	843	865
Plant and equipment	945	7,132	5,034	1,031	1,563	1,053	1,132	1,121	1,400	1,154	1,488
Information services	731	1,945	3,309	1,494	1,646	3,292	1,691	1,787	1,890	1,905	2,011
Intangible assets	1,796	1,156	3,191	3,253	686	638	654	677	695	715	739
Furniture and fittings	50	25	21	16	11	11	11	12	12	12	13
Infrastructure	12,318	25,152	24,351	14,193	11,478	10,702	12,235	11,874	10,828	9,827	15,865
<b>Total capital expenditure</b>	<b>16,572</b>	<b>36,213</b>	<b>36,645</b>	<b>20,694</b>	<b>16,082</b>	<b>16,486</b>	<b>16,502</b>	<b>16,269</b>	<b>15,645</b>	<b>14,456</b>	<b>20,981</b>



## Depreciation and amortisation

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Community and services	2	2	2	1	0	-	-	-	-	-	-
Civil defence emergency management	44	42	43	29	30	17	3	3	3	3	2
Regional hazards and emergency response	-	-	-	-	-	-	-	-	-	-	-
Flood protection and control works	6,978	6,442	7,445	7,826	7,887	8,313	8,294	8,353	8,758	8,721	8,723
Integrated catchment management	15	6	14	23	32	39	49	59	70	82	94
Public transport	1,075	1,296	1,635	2,001	2,286	2,025	1,602	1,270	957	945	795
Resource use	97	113	120	879	1,638	1,643	1,644	895	163	173	181
Science and strategy	977	1,045	1,218	1,313	1,368	1,336	1,351	1,407	1,518	1,642	1,699
Corporate and self funding	1,967	2,365	2,595	2,748	2,766	2,746	2,768	2,745	2,519	2,369	2,381
Council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
<b>Total depreciation and amortisation</b>	<b>11,155</b>	<b>11,312</b>	<b>13,072</b>	<b>14,821</b>	<b>16,007</b>	<b>16,118</b>	<b>15,710</b>	<b>14,731</b>	<b>13,989</b>	<b>13,934</b>	<b>13,875</b>

## Other income

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Contributions from other parties	2,730	8,822	8,347	3,917	3,852	2,648	2,675	2,704	2,735	2,767	2,799
Infringement fines	345	422	441	441	528	528	528	528	528	528	528
Public transport fare revenue	6,940	6,363	7,977	9,065	9,387	9,542	9,698	9,858	10,020	10,184	10,352
<b>Total other income</b>	<b>10,015</b>	<b>15,607</b>	<b>16,765</b>	<b>13,424</b>	<b>13,768</b>	<b>12,717</b>	<b>12,902</b>	<b>13,090</b>	<b>13,283</b>	<b>13,480</b>	<b>13,678</b>

## Revenue

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Exchange revenue	47,447	65,447	73,560	60,774	62,266	61,427	62,789	64,593	65,226	66,464	67,603
Non-exchange revenue	102,087	111,826	122,169	125,544	130,379	134,258	134,743	137,033	139,621	142,527	145,321
<b>Total revenue</b>	<b>149,534</b>	<b>177,273</b>	<b>195,729</b>	<b>186,319</b>	<b>192,645</b>	<b>195,684</b>	<b>197,532</b>	<b>201,626</b>	<b>204,847</b>	<b>208,991</b>	<b>212,924</b>

## Reserves

Reserve name	Purpose	Activities
General	To smooth the costs of the triennial elections over the three year term of the council.	Community and services (governance support)
Stock truck effluent	To allow the funding of this activity to be smoothed across financial years.	Community and services
Drainage	To recognise the difference between actual and budgeted expenditure in relation to council's land drainage functions. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	Flood protection and control works
Natural heritage	To recognise the difference between actual and budgeted natural heritage expenditure. Applications to the natural heritage fund occur in an ad hoc manner. Maintenance of a reserve ensures that funds can be accumulated across financial years, and made available once suitable applications for funding are received.	Integrated catchment management
Biosecurity	To recognise the difference between actual and budgeted biosecurity expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	Integrated catchment management
Environmental initiatives	To recognise the difference between actual and budgeted expenditure in relation to the Environmental Initiatives Fund. Expenditure from the Environmental Initiatives Fund is dependent on applications received each financial year. The use of a reserve ensures that unspent funds can be accumulated across financial years.	Integrated catchment management
Regional disaster recovery	To provide funding to respond to natural disaster events, including the funding of insurance excesses.	Integrated catchment management Flood protection and control works
Koi carp digester	To allow external funding to be applied to meet the depreciation expense related to this asset.	Integrated catchment management
Zone disaster recovery	To provide funding to respond to natural disaster events of up to a 20 year return period. Events of this magnitude are not covered by insurance, meaning that council needs to make its own provisions to meet costs that may be incurred.	Integrated catchment management Flood protection and control works
Waihou Piako scheme	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	Integrated catchment management Flood protection and control works

Reserve name	Purpose	Activities
Watershed	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	Integrated catchment management
		Flood protection and control works
Coromandel	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	Integrated catchment management
		Flood protection and control works
West Coast	To recognise the difference between actual and budgeted expenditure in relation to this zone. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged. The reserve also recognises revenue generated to fund capital expenditure.	Integrated catchment management
		Flood protection and control works
Public transport	To recognise the difference between actual and budgeted passenger transport expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	Public transport
	The reserve balance will be held at a level that provides some mitigation against increasing costs for these services.	
Permitted activity monitoring	To recognise the difference between actual and budgeted permitted activity monitoring expenditure. This activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	Resource use
Building Act contingency	A legal contingency fund in relation to the council's responsibilities under the Building Act 2004. Waikato Regional Council acts as the consenting authority on behalf of a number of other local authorities.	Resource use
Complaints and enforcement	To smooth the costs associated with large enforcement cases as these occur in an ad hoc manner.	Resource use
Regional development fund	To recognise the provision for the regional development fund and implementation of the regional development fund policy. Also to recognise that application of the fund will not occur in a uniform manner.	Science and strategy
Contaminated land Investigation	Funding set aside to manage the effects of contaminated land, in accordance with the <i>Contaminated Land Strategy</i> .	Science and strategy
Operational fixed asset depreciation	To recognise the difference between budgeted and actual operational fixed asset depreciation. To ensure that depreciation funding is not applied to general council expenditure.	Corporate
Motor vehicle and plant	To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of vehicle and plant capital expenditure.	Corporate
Communications network	To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of communications network capital expenditure.	Corporate
Hauraki Plan change	Surplus funding held in reserve in relation to Hauraki Plan Change 2.	Science and strategy
Asset revaluation reserve	To recognise the change in asset values as a result of the revaluation process.	Corporate
Integrated regional information system (IRIS)	To allow funding for the IRIS project to be smoothed over the development period. The reserve is expected to be fully expended once the project is completed.	Corporate (council controlled organisations)
Investment fund equalisation	To provide a smoothing of the impact of variable investment fund returns over time. The investment equalisation reserve tracks the	Corporate (Treasury)

Reserve name	Purpose	Activities
	difference between the budgeted fund return and the actual fund return each year.	
Investment fund capital protection	To recognise the provision for the investment fund inflation-proofing.	Corporate (Treasury)
Civil defence	To recognise the difference between actual and budgeted expenditure in relation to this activity. The activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	Emergency management
Derivative financial instruments	To recognise the fluctuations in the value of derivative financial instruments. As financial instruments are held to maturity, movements in the value of the instruments at 30 June 2021 are not realised.	Corporate
Prior Year Surplus	A council owned reserve for the management of operating surplus funds and their use across financial years.	Corporate

Over the term of the long term plan, the following reserve movements are projected:

	Transfer to / (from) reserve											
	2021/22 Opening reserve balance \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000	2026/27 LTP \$000	2027/28 LTP \$000	2028/29 LTP \$000	2029/30 LTP \$000	2030/31 LTP \$000	2030/31 Closing reserve balance \$000
General	140	367	(645)	196	515	(247)	(50)	368	(254)	(66)	370	694
Motor Vehicles & Plant	643	(58)	(87)	(79)	-	-	-	-	-	-	-	419
Operational Fixed Asset Depreciation	1,247	(500)	(400)	(300)	-	-	-	-	-	-	-	47
Communications network	550											550
Public Transport	2,399	501	7,102	(1,613)	(1,273)	(508)	(1,273)	(1,273)	128	128	128	4,446
Stock Truck Effluent	(173)	(100)	-	-	-	-	-	-	-	-	-	(273)
Investment Fund Capital Protection	12,114	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571	26,756
Investment Fund Equalisation	11,397	(547)	(482)	(476)	(599)	(596)	(592)	(662)	(659)	(656)	(673)	5,455
Regional Development Fund	2,481	855	881	(1,881)	1,684	1,711	(4,101)	1,766	1,794	(4,807)	1,852	2,235
Building Act Contingency	98	2	2	2	2	2	3	3	3	3	3	123
IRIS	297	(48)	(48)	(48)	(48)	(48)	(48)	-	-	-	-	9
Environmental Initiatives	27	-	-	-	-	-	-	-	-	-	-	27
Natural Heritage	784	-	-	-	-	-	-	-	-	-	-	784
Biosecurity	2,447	(736)	(136)	-	-	-	-	-	-	-	-	1,575
Koi Carp Digester	(5)	-	-	-	-	-	-	-	-	-	-	(5)
Permitted Activity Monitoring	141	-	-	-	-	-	-	-	-	-	-	141
Civil Defence	(62)	348	-	-	-	-	-	-	-	-	-	286

	Transfer to / (from) reserve											
	2021/22 Opening reserve balance \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000	2026/27 LTP \$000	2027/28 LTP \$000	2028/29 LTP \$000	2029/30 LTP \$000	2030/31 LTP \$000	2030/31 Closing reserve balance \$000
Complaints and enforcement	72											72
Contaminated Land Investigation	398	-	-	-	-	-	-	-	-	-	-	398
Hauraki Plan Change	93	-	-	-	-	-	-	-	-	-	-	93
Regional Disaster Recovery	4,737	103	107	111	116	121	127	133	139	145	152	5,991
Zone Disaster Recovery	3,519	74	77	80	83	86	90	94	98	102	106	4,409
Drainage	(2,347)	(291)	(152)	(34)	28	43	41	55	56	67	76	(2,458)
Watershed	11,340	(1,325)	(559)	234	617	904	731	680	228	239	259	13,348
Coromandel	3,601	160	193	136	54	57	62	67	69	70	75	4,544
West Coast	318	7	6	7	12	11	11	10	9	9	8	408
Waihou Piako Scheme	379	34	63	(103)	254	110	(61)	(50)	(113)	(62)	41	492
Pathways to the Sea	-											-
Derivative financial instruments	(2,397)											(2,397)
Sustainable Homes Scheme	-	(224)	(217)	(191)	(125)	(116)	(25)	122	353	371	369	317
Prior Year Surplus	1,614	(895)	(350)	(50)	-	-	-	-	-	-	-	319
Asset Revaluation Reserve	376,762	-	26,896	-	-	30,023	-	-	32,276	-	-	465,957
<b>Total reserve transfers</b>	<b>432,611</b>	<b>(911)</b>	<b>33,635</b>	<b>(2,603)</b>	<b>2,748</b>	<b>33,004</b>	<b>(3,611)</b>	<b>2,811</b>	<b>35,649</b>	<b>(2,911)</b>	<b>4,337</b>	<b>534,759</b>



## Accounting policies

### Reporting entity

Waikato Regional Council is a territorial local authority governed by the Local Government Act 2002, and is domiciled in New Zealand. The main purpose of these prospective financial statements is to provide users with information about core services that the council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Waikato Regional Council requires by way of rates to fund the intended levels of service. The prospective financial statements may not be suitable for any other purpose.

The primary objective of Waikato Regional Council is to provide local infrastructure, local public services, and to perform regulatory functions for the community. The council does not operate to make a profit. Accordingly, the Waikato Regional Council has designated itself a public benefit entity and applies International Public Sector Accounting Standards for Tier 1 organisations.

These prospective financial statements comply with PBE standards. The prospective financial statements were authorised for issue by the council on 29 June 2021. In authorising these prospective financial statements for issue, the council acknowledges its responsibility for the prospective financial statements, including the appropriateness of the assumptions and all other required disclosures.

### Statement of compliance and basis of measurement

The prospective financial statements of Waikato Regional Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and biological assets. These are detailed in the specific policies below.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Waikato Regional Council is New Zealand dollars.

### Foreign currency transactions

The functional and presentation currency is New Zealand dollars. Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into the functional currency using the exchange

rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions are recognised in the surplus or deficit.

### Property, plant and equipment

Property, plant and equipment consists of:

- operational assets – these include land, buildings, plant and equipment, and motor vehicles
- infrastructure assets – the flood protection and erosion control assets owned by Waikato Regional Council.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Waikato Regional Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Subsequent costs

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Waikato Regional Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and drainage networks, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and depreciation rates of the major classes of assets have been estimated as follows.

Operational assets	Useful life (years)
Buildings	25-75
Motor vehicles	7.5
Computer equipment	4-5
Office furniture	7.5
Plant items	7.5-10
Air conditioning	20

Infrastructural assets	Useful life (years)
Bridges	50-100
Channels	100
Control gates	50
Culverts	50-80
Debris traps	100
Detentions	80
Drop structures	50-80
Fencing	30
Floodgates	20-80
General structures	20-80
Plantings	not depreciated
Pump stations	20-80
Retaining structures	30-100
River training works	50-100
Stopbanks	20-100
Weirs	100

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

### Revaluation

Land and buildings and infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

### Intangible assets Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Waikato Regional Council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when they are incurred.

Costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of assets to be amortised have been estimated as follows.

Computer software	4 years	(25 per cent per annum)
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## Impairment of property, plant and equipment and intangibles

The carrying values of operational buildings, plant and equipment and infrastructural assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

Waikato Regional Council's assets do not generate direct cash inflows, and cannot be grouped into cash generating units. Thus council does not group its assets into cash generating units to assess impairment. The council instead annually tests for internal and external factors which may indicate that the carrying value of its assets exceeds depreciated replacement cost, which would indicate impairment has occurred.

If any such indication exists and where the carrying values are found to exceed the estimated recoverable amount, the assets are written down to their recoverable amount or depreciated replacement cost.

Impairment losses are recognised in the surplus or deficit in the write downs and disposals line item unless they offset a prior revaluation reserve for that asset.

## Forestry

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, silviculture costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

## Inventories

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at cost (using the weighted average method), adjusted, when applicable, for any loss of service potential. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventory held for use on the production of goods and services on a commercial basis is valued at the lower of cost (using the weighted average method), and net realisable value. The cost of purchased inventory is determined using the first-in first-out method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

## Receivables

Receivables are initially measured at face value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held on call and other short term highly liquid deposits with an original maturity of three months or less, and bank overdraft.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## Employee entitlements Short term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the council has a contractual obligation or where there is a past practice that has created a constructive obligation.

## Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information
- the present value of the estimated future cash flows.

Expected future payments are discounted using market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated future cash outflows for entitlements. The inflation factor is based on the expected long term increase in remuneration for employees.

### Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Payables

Short term creditors and other payables are initially recognised at their face value and subsequently measured at amortised cost using the effective interest method.

### Borrowing

Borrowings are initially recognised at their fair value plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### Leases

#### Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### Grant expenditure

Non-discretionary grants are those that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Waikato Regional Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Waikato Regional Council's decision.

### Income tax

Income tax expense is the aggregate of current period movement in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of the assets and liabilities in the prospective financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

## Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

### Exchange transactions

Exchange transactions are transactions where the council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

### Non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured. An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue. A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner. A liability will not be recognised in respect of a transferred asset subject to one or more restrictions.

Specific accounting policies for major categories of revenue are listed below.

### Rates revenue

Rates are set annually by a resolution from the council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Rate remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy.

### Government grants

Government grants are recognised as revenue upon entitlement, as conditions pertaining to the eligible expenditure have been fulfilled.

### Fees and charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of annual charges, when invoiced. Expenditure is recognised when the service has been provided or the goods received.

## Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

### Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

### Goods and services tax (GST)

All items in the financial statements are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the Inland Revenue Department, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables (excluding accruals) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department, are classified as operating cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Equity

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of its accumulated surpluses.

The components of equity are:

- accumulated funds
- restricted reserves
- council created reserves
- asset revaluation reserves.

## Reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council. Restricted reserves are those reserves subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Council created reserves are reserves established by council decision. The council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the discretion of the council.

Asset revaluation reserves represent unrealised gains on assets owned by Waikato Regional Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to accumulated funds.

## Cost allocation

Waikato Regional Council has derived the net cost of services for each significant activity of the council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

### Cost allocation policy

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on a model that allocates cost, by a predetermined level of activity usage.

## Other financial assets

The council classifies its financial assets into the following four categories:

- financial assets at fair value through the surplus or deficit
- held-to-maturity assets
- loans and receivables
- financial assets at fair value through comprehensive revenue and expense.

The classification depends on the purpose for which the investments are acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of investments are recognised on trade-date, the date on which the council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories of financial assets are as follows.

### Financial assets at fair value through surplus or deficit

This category has two sub-categories:

- financial assets held for trading
- those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Financial assets in this category include council funds under management. The underlying assets of the investment fund may be actively traded by the fund managers, and sold at any point in time to provide operating cash flow in line with council's investment policy.

### Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. After initial recognition they are measured at amortised cost using the



effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Held to maturity investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the council has a positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through comprehensive revenue and expense are those that are designated as fair value through equity at initial recognition or are not classified in any of the other categories above. This category encompasses investments that the council intends to hold long term but which may be realised before maturity.

After initial recognition these investments are measured at their fair value, gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. On derecognition the cumulative gain or loss previously recognised in comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

### Loans and receivables, and held-to-maturity investments

Impairment is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in

term deposits, local authority stock, government stock and community loans, and impairment losses, are recognised directly against the instrument's carrying amount.

### Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less and impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

### Prospective financial information

The financial information contained within this document is prospective financial information in terms of accounting standard PBE FRS42. The purpose for which it has been prepared is to enable ratepayers, residents and any other interested parties to obtain information about the expected future financial performance, position and cash flow of Waikato Regional Council.

In preparing these prospective financial statements, Waikato Regional Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has not exercised any critical judgements in applying Waikato Regional Council's accounting policies to the proposed budget.

# Funding impact statements by group of activity | Ngā tauākī pānga pūtea mā te kāhui mahi

The following information is presented in compliance with the Local Government (Financial Reporting) and Prudence Regulations 2014. In accordance with the regulations this information is not prepared in compliance with generally accepted accounting principles and should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) and Prudence Regulations 2014. The key difference between these statements and the prospective financial statements is the exclusion of depreciation expense.

## Whole of council

	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	50,582	56,550	62,005	63,151	66,033	66,355	66,839	67,522	68,649	70,169	71,455
Targeted rates	52,284	55,843	60,995	63,635	66,179	70,750	72,126	75,334	78,013	80,047	82,126
Subsidies and grants for operating purposes	17,907	23,483	31,056	23,816	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Fees and charges	23,250	30,148	32,452	30,558	30,993	30,117	30,417	31,184	31,111	31,620	32,110
Interest and dividends from investments	6,291	4,739	4,884	4,971	4,930	5,017	5,106	5,122	5,213	5,305	5,378
Local authorities fuel tax, fines, infringement fees, and other receipts	345	422	529	655	949	1,256	1,663	2,113	2,389	2,437	2,438
<b>Total operating funding (A)</b>	<b>150,658</b>	<b>171,185</b>	<b>191,922</b>	<b>186,788</b>	<b>195,005</b>	<b>199,060</b>	<b>202,281</b>	<b>207,980</b>	<b>212,415</b>	<b>217,210</b>	<b>221,713</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	150,220	161,008	170,766	173,094	173,942	176,315	184,684	181,974	184,158	194,639	191,331



	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
Finance costs	1,602	921	1,345	1,651	1,843	2,022	2,267	2,550	2,698	2,671	2,666
Other operating funding applications	-	-	255	640	1,289	2,277	3,623	5,198	6,381	6,999	7,537
<b>Total applications of operating funding (B)</b>	<b>151,822</b>	<b>161,929</b>	<b>172,366</b>	<b>175,385</b>	<b>177,074</b>	<b>180,614</b>	<b>190,574</b>	<b>189,722</b>	<b>193,237</b>	<b>204,309</b>	<b>201,534</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(1,164)</b>	<b>9,256</b>	<b>19,556</b>	<b>11,404</b>	<b>17,932</b>	<b>18,446</b>	<b>11,707</b>	<b>18,259</b>	<b>19,178</b>	<b>12,901</b>	<b>20,179</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	7,078	5,081	1,215	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	16,667	19,042	14,055	9,477	4,644	5,297	8,382	8,021	41	(2,724)	3,179
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16,667</b>	<b>26,120</b>	<b>19,136</b>	<b>10,692</b>	<b>4,644</b>	<b>5,297</b>	<b>8,382</b>	<b>8,021</b>	<b>41</b>	<b>(2,724)</b>	<b>3,179</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2,756	6,398	13,192	3,207	3,519	4,642	3,104	3,150	3,253	3,296	6,540
- to replace existing assets	13,816	29,814	23,453	17,488	12,564	11,844	13,399	13,119	12,392	11,160	14,440
Increase (decrease) in reserves	(1,069)	(837)	2,047	1,401	6,493	7,257	3,586	10,012	3,574	(4,279)	2,377



## Community and services

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	6,627	6,121	6,228	6,339	6,863	6,990	7,115	7,210	7,420	7,554	7,632
Targeted rates	717	889	1,312	1,696	2,345	3,333	4,679	6,254	7,437	8,055	8,593
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	87	214	421	728	1,135	1,585	1,861	1,909	1,910
<b>Total operating funding (A)</b>	<b>7,344</b>	<b>7,009</b>	<b>7,626</b>	<b>8,250</b>	<b>9,631</b>	<b>11,051</b>	<b>12,929</b>	<b>15,049</b>	<b>16,718</b>	<b>17,517</b>	<b>18,135</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,146	4,639	5,356	5,205	5,244	6,041	5,966	5,616	6,286	6,203	5,808
Finance costs	93	130	178	261	393	588	844	1,123	1,285	1,298	1,284
Internal charges and overheads applied	2,738	2,092	2,140	2,179	2,245	2,269	2,326	2,373	2,412	2,453	2,501
Other operating funding applications	-	-	255	640	1,289	2,277	3,623	5,198	6,381	6,999	7,537
<b>Total applications of operating funding (B)</b>	<b>9,977</b>	<b>6,860</b>	<b>7,928</b>	<b>8,287</b>	<b>9,173</b>	<b>11,175</b>	<b>12,759</b>	<b>14,310</b>	<b>16,364</b>	<b>16,952</b>	<b>17,130</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(2,633)</b>	<b>149</b>	<b>(302)</b>	<b>(37)</b>	<b>458</b>	<b>(124)</b>	<b>170</b>	<b>739</b>	<b>354</b>	<b>565</b>	<b>1,005</b>
<b>Sources of capital funding</b>											



## Waikato Civil Defence Emergency Management Group

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,902	2,449	2,492	2,492	2,541	2,584	2,566	2,636	2,732	2,780	2,863
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	776	759	766	773	781	789	797	805	813	822	830
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>2,678</b>	<b>3,208</b>	<b>3,258</b>	<b>3,265</b>	<b>3,322</b>	<b>3,373</b>	<b>3,363</b>	<b>3,441</b>	<b>3,546</b>	<b>3,601</b>	<b>3,694</b>

<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,885	2,317	2,349	2,361	2,408	2,454	2,438	2,495	2,575	2,608	2,675
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	712	868	888	897	907	915	924	945	969	993	1,017
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,598</b>	<b>3,185</b>	<b>3,237</b>	<b>3,258</b>	<b>3,315</b>	<b>3,369</b>	<b>3,362</b>	<b>3,440</b>	<b>3,545</b>	<b>3,600</b>	<b>3,693</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>80</b>	<b>23</b>	<b>21</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<b>Sources of capital funding</b>											
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## Regional hazards and emergency response

	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,140	1,601	1,818	2,002	2,136	2,194	2,261	2,321	2,212	2,273	2,337
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	188	217	587	590	594	597	602	606	486	490	495
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>1,328</b>	<b>1,817</b>	<b>2,404</b>	<b>2,592</b>	<b>2,729</b>	<b>2,791</b>	<b>2,863</b>	<b>2,927</b>	<b>2,698</b>	<b>2,764</b>	<b>2,833</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	752	974	1,432	1,490	1,604	1,643	1,683	1,726	1,474	1,515	1,558
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	576	844	973	1,102	1,126	1,148	1,180	1,201	1,224	1,248	1,274
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,328</b>	<b>1,817</b>	<b>2,404</b>	<b>2,592</b>	<b>2,729</b>	<b>2,791</b>	<b>2,863</b>	<b>2,927</b>	<b>2,698</b>	<b>2,764</b>	<b>2,833</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sources of capital funding</b>											





## Flood protection and control works

	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	2,931	2,868	3,239	3,326	3,464	3,615	3,624	3,677	3,758	3,805	3,863
Targeted rates	20,093	19,990	22,312	23,504	24,292	25,328	25,490	26,004	26,587	27,018	27,563
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	794	772	772	772	871	871	871	871	871	871	871
Internal charges and overheads recovered	3,062	4,818	4,917	4,970	4,901	4,981	5,101	5,205	5,323	5,443	5,601
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>26,879</b>	<b>28,448</b>	<b>31,240</b>	<b>32,572</b>	<b>33,528</b>	<b>34,795</b>	<b>35,086</b>	<b>35,757</b>	<b>36,539</b>	<b>37,137</b>	<b>37,898</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	12,620	12,388	12,913	12,924	13,127	13,485	13,843	14,193	14,790	15,093	15,362
Finance costs	670	327	664	821	918	944	976	1,024	1,057	1,064	1,123
Internal charges and overheads applied	7,088	10,105	10,345	10,538	10,594	10,801	11,050	11,261	11,515	11,756	12,036
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>20,379</b>	<b>22,820</b>	<b>23,922</b>	<b>24,283</b>	<b>24,639</b>	<b>25,230</b>	<b>25,869</b>	<b>26,478</b>	<b>27,362</b>	<b>27,913</b>	<b>28,521</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>6,500</b>	<b>5,628</b>	<b>7,318</b>	<b>8,289</b>	<b>8,889</b>	<b>9,565</b>	<b>9,217</b>	<b>9,279</b>	<b>9,177</b>	<b>9,224</b>	<b>9,377</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	7,078	5,081	1,215	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	16,091	17,377	10,259	5,880	2,251	762	2,608	2,216	1,112	78	6,071
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>16,091</b>	<b>24,456</b>	<b>15,341</b>	<b>7,095</b>	<b>2,251</b>	<b>762</b>	<b>2,608</b>	<b>2,216</b>	<b>1,112</b>	<b>78</b>	<b>6,071</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	605	2,930	4,062	148	1,983	1,471	1,508	1,547	1,589	1,634	4,829
- to replace existing assets	11,793	27,262	20,329	14,087	9,746	9,275	10,772	10,373	9,517	8,243	11,087
Increase (decrease) in reserves	10,193	(109)	(1,734)	1,149	(589)	(419)	(455)	(426)	(817)	(575)	(468)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>22,591</b>	<b>30,083</b>	<b>22,658</b>	<b>15,384</b>	<b>11,140</b>	<b>10,327</b>	<b>11,825</b>	<b>11,495</b>	<b>10,289</b>	<b>9,302</b>	<b>15,448</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Surplus (deficit) of capital funding (C-D)</b>	(6,500)	(5,628)	(7,318)	(8,289)	(8,889)	(9,565)	(9,217)	(9,279)	(9,177)	(9,224)	(9,377)
<b>Funding balance ((A-B)+(C-D))</b>	-	-	-	-	-	-	-	-	-	-	-

### Integrated catchment management

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	9,428	10,005	11,457	11,557	10,877	11,252	11,561	11,820	12,126	12,492	12,770
Targeted rates	17,256	18,639	20,376	21,129	21,382	21,923	22,430	23,057	23,571	24,136	24,749
Subsidies and grants for operating purposes	-	1,669	1,976	1,352	-	-	-	-	-	-	-
Fees and charges	1,990	6,261	5,908	1,557	1,571	1,338	1,338	1,338	1,338	1,338	1,338
Internal charges and overheads recovered	1,243	2,062	2,125	2,185	2,225	2,262	2,326	2,374	2,427	2,482	2,539
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>29,916</b>	<b>38,636</b>	<b>41,842</b>	<b>37,780</b>	<b>36,055</b>	<b>36,775</b>	<b>37,655</b>	<b>38,589</b>	<b>39,462</b>	<b>40,448</b>	<b>41,396</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	22,740	29,633	31,442	26,712	24,481	25,064	25,644	26,294	26,883	27,596	28,254
Finance costs	(75)	(52)	(41)	(34)	(29)	(27)	(26)	(25)	(24)	(23)	(22)
Internal charges and overheads applied	9,815	10,456	10,854	11,249	11,558	11,769	12,079	12,333	12,604	12,864	13,140
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>32,480</b>	<b>40,037</b>	<b>42,255</b>	<b>37,927</b>	<b>36,010</b>	<b>36,806</b>	<b>37,697</b>	<b>38,602</b>	<b>39,463</b>	<b>40,437</b>	<b>41,372</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(2,564)</b>	<b>(1,401)</b>	<b>(413)</b>	<b>(147)</b>	<b>45</b>	<b>(31)</b>	<b>(42)</b>	<b>(13)</b>	<b>(1)</b>	<b>11</b>	<b>24</b>

	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	225	-	-	-	-	-	-	-	-	-	-
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	78	80	82	84	87	89	91	94	96	99
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(2,339)	(1,479)	(493)	(229)	(39)	(118)	(131)	(104)	(95)	(85)	(75)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(2,339)</b>	<b>(1,401)</b>	<b>(413)</b>	<b>(147)</b>	<b>45</b>	<b>(31)</b>	<b>(42)</b>	<b>(13)</b>	<b>(1)</b>	<b>11</b>	<b>24</b>

<b>Surplus (deficit) of capital funding (C-D)</b>	<b>2,564</b>	<b>1,401</b>	<b>413</b>	<b>147</b>	<b>(45)</b>	<b>31</b>	<b>42</b>	<b>13</b>	<b>1</b>	<b>(11)</b>	<b>(24)</b>
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2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
-	-	-	-	-	-	-	-	-	-	-
<b>Funding balance ((A-B)+(C-D))</b>										
-	-	-	-	-	-	-	-	-	-	-

## Regional transport connections

	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,495	1,615	1,718	1,976	2,165	2,183	2,256	2,262	2,203	2,289	2,371
Targeted rates	10,784	12,432	12,944	13,230	13,948	15,787	15,126	15,397	15,651	15,980	16,232
Subsidies and grants for operating purposes	17,907	21,813	29,080	22,463	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Fees and charges	9,184	9,052	10,727	11,880	12,148	12,337	12,530	12,725	12,924	13,127	13,333
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>39,370</b>	<b>44,912</b>	<b>54,469</b>	<b>49,549</b>	<b>54,183</b>	<b>55,871</b>	<b>56,043</b>	<b>57,085</b>	<b>57,819</b>	<b>59,025</b>	<b>60,141</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	36,482	41,059	43,744	46,923	51,053	52,043	53,126	54,236	53,598	54,732	55,842
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,244	3,036	3,143	3,335	3,417	3,503	3,576	3,643	3,736	3,819	3,905
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>38,726</b>	<b>44,095</b>	<b>46,887</b>	<b>50,258</b>	<b>54,470</b>	<b>55,546</b>	<b>56,702</b>	<b>57,879</b>	<b>57,334</b>	<b>58,551</b>	<b>59,747</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>644</b>	<b>817</b>	<b>7,582</b>	<b>(709)</b>	<b>(287)</b>	<b>325</b>	<b>(659)</b>	<b>(794)</b>	<b>485</b>	<b>474</b>	<b>394</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	50	2,014	5,454	549	595	2,276	626	642	659	678	695
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	594	(1,197)	2,128	(1,258)	(882)	(1,951)	(1,285)	(1,436)	(174)	(204)	(301)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>644</b>	<b>817</b>	<b>7,582</b>	<b>(709)</b>	<b>(287)</b>	<b>325</b>	<b>(659)</b>	<b>(794)</b>	<b>485</b>	<b>474</b>	<b>394</b>



	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
Surplus (deficit) of capital funding (C-D)	(644)	(817)	(7,582)	709	287	(325)	659	794	(485)	(474)	(394)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**Resource Use**

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	9,472	10,199	10,738	11,156	11,468	11,656	11,894	12,187	12,327	12,580	12,610
Targeted rates	1,532	1,443	1,560	1,584	1,670	1,795	1,834	1,987	2,034	2,079	2,126
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	6,921	7,848	8,240	9,436	9,164	9,235	9,316	9,634	9,325	9,485	9,653
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	345	422	441	441	528	528	528	528	528	528	528
<b>Total operating funding (A)</b>	<b>18,270</b>	<b>19,912</b>	<b>20,978</b>	<b>22,617</b>	<b>22,830</b>	<b>23,214</b>	<b>23,571</b>	<b>24,337</b>	<b>24,213</b>	<b>24,672</b>	<b>24,917</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	10,809	11,531	12,143	13,560	12,796	12,910	13,002	13,502	13,165	13,432	13,519
Finance costs	228	120	165	228	213	198	182	166	149	132	113
Internal charges and overheads applied	7,767	8,649	9,268	9,033	9,121	9,390	9,655	9,919	10,135	10,326	10,526
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>18,804</b>	<b>20,300</b>	<b>21,575</b>	<b>22,821</b>	<b>22,130</b>	<b>22,498</b>	<b>22,838</b>	<b>23,588</b>	<b>23,448</b>	<b>23,890</b>	<b>24,158</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(534)</b>	<b>(388)</b>	<b>(597)</b>	<b>(204)</b>	<b>700</b>	<b>716</b>	<b>733</b>	<b>749</b>	<b>765</b>	<b>782</b>	<b>759</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,141	585	2,395	1,835	(704)	(720)	(736)	(752)	(768)	(785)	(762)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,141</b>	<b>585</b>	<b>2,395</b>	<b>1,835</b>	<b>(704)</b>	<b>(720)</b>	<b>(736)</b>	<b>(752)</b>	<b>(768)</b>	<b>(785)</b>	<b>(762)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,466	200	1,801	1,635	-	-	-	-	-	-	-
- to replace existing assets	140	140	144	148	151	155	159	163	168	172	177
Increase (decrease) in reserves	1	(143)	(147)	(152)	(156)	(159)	(162)	(166)	(171)	(175)	(180)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,607</b>	<b>197</b>	<b>1,798</b>	<b>1,631</b>	<b>(4)</b>	<b>(4)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Surplus (deficit) of capital funding (C-D)</b>	534	388	597	204	(700)	(716)	(733)	(749)	(765)	(782)	(759)
<b>Funding balance ((A-B)+(C-D))</b>	-	-	-	-	-	-	-	-	-	-	-

## Science, policy and information

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	21,127	23,888	26,126	25,783	27,800	27,256	26,825	26,651	27,200	27,714	28,281
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,113	4,119	4,332	4,430	4,744	4,830	4,844	5,084	5,234	5,367	5,469
Internal charges and overheads recovered	942	155	155	155	155	155	155	155	155	155	155
Local authorities fuel tax, fines, infringement fees, and other receipts	-	750	750	750	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>25,182</b>	<b>28,912</b>	<b>31,363</b>	<b>31,118</b>	<b>32,699</b>	<b>32,241</b>	<b>31,824</b>	<b>31,890</b>	<b>32,589</b>	<b>33,236</b>	<b>33,905</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	19,622	17,840	19,667	21,516	19,830	19,353	24,468	18,398	18,749	25,678	19,416
Finance costs	152	84	77	70	63	56	49	41	33	25	17
Internal charges and overheads applied	10,138	10,876	11,686	11,774	12,307	12,492	12,798	13,096	13,444	13,792	14,093
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>29,912</b>	<b>28,800</b>	<b>31,430</b>	<b>33,360</b>	<b>32,200</b>	<b>31,901</b>	<b>37,315</b>	<b>31,535</b>	<b>32,226</b>	<b>39,495</b>	<b>33,526</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(4,730)</b>	<b>112</b>	<b>(67)</b>	<b>(2,242)</b>	<b>499</b>	<b>340</b>	<b>(5,491)</b>	<b>355</b>	<b>363</b>	<b>(6,259)</b>	<b>379</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(278)	(312)	(319)	(326)	(333)	(340)	(348)	(355)	(363)	(371)	(379)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(278)</b>	<b>(312)</b>	<b>(319)</b>	<b>(326)</b>	<b>(333)</b>	<b>(340)</b>	<b>(348)</b>	<b>(355)</b>	<b>(363)</b>	<b>(371)</b>	<b>(379)</b>

<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	476	951	732	750	775	795	815	841	864	888	918
- to replace existing assets	550	711	1,370	1,618	919	611	626	642	659	678	999
Increase (decrease) in reserves	(6,034)	(1,862)	(2,487)	(4,936)	(1,528)	(1,405)	(7,280)	(1,483)	(1,524)	(8,196)	(1,916)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(5,008)</b>	<b>(200)</b>	<b>(386)</b>	<b>(2,568)</b>	<b>166</b>	<b>-</b>	<b>(5,839)</b>	<b>-</b>	<b>-</b>	<b>(6,630)</b>	<b>-</b>

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Surplus (deficit) of capital funding (C-D)</b>	4,730	(112)	67	2,242	(499)	(340)	5,491	(355)	(363)	6,259	(379)
<b>Funding balance ((A-B)+(C-D))</b>	-	-	-	-	-	-	-	-	-	-	-

**Corporate and Management**

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	(1,639)	254	682	1,013	1,261	1,208	1,304	1,394	1,403	1,462	1,591
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	314	1,120	1,120	1,120	1,120	120	120	120	120	120	120
Internal charges and overheads recovered	38,050	41,088	43,321	44,236	45,496	46,423	47,575	48,658	49,790	50,863	51,927
Local authorities fuel tax, fines, infringement fees, and other receipts	6,261	3,989	4,134	4,221	4,930	5,017	5,106	5,122	5,213	5,305	5,378
<b>Total operating funding (A)</b>	<b>42,987</b>	<b>46,450</b>	<b>49,257</b>	<b>50,590</b>	<b>52,808</b>	<b>52,768</b>	<b>54,105</b>	<b>55,295</b>	<b>56,526</b>	<b>57,750</b>	<b>59,016</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	39,123	41,511	42,622	43,302	44,295	44,237	45,448	46,488	47,633	48,798	49,933
Finance costs	533	311	302	306	285	264	242	220	198	175	151
Internal charges and overheads applied	1,260	314	320	541	607	618	632	645	660	675	690
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>40,915</b>	<b>42,137</b>	<b>43,244</b>	<b>44,148</b>	<b>45,187</b>	<b>45,119</b>	<b>46,322</b>	<b>47,353</b>	<b>48,491</b>	<b>49,648</b>	<b>50,775</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,071</b>	<b>4,313</b>	<b>6,013</b>	<b>6,442</b>	<b>7,621</b>	<b>7,649</b>	<b>7,782</b>	<b>7,941</b>	<b>8,035</b>	<b>8,102</b>	<b>8,241</b>



	2020/21 Annual Plan (\$'000)	2021/22 LTP (\$'000)	2022/23 LTP (\$'000)	2023/24 LTP (\$'000)	2024/25 LTP (\$'000)	2025/26 LTP (\$'000)	2026/27 LTP (\$'000)	2027/28 LTP (\$'000)	2028/29 LTP (\$'000)	2029/30 LTP (\$'000)	2030/31 LTP (\$'000)
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(4,106)	410	182	(938)	(958)	(979)	(1,001)	(1,023)	(1,045)	(1,068)	(1,092)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(4,106)</b>	<b>410</b>	<b>182</b>	<b>(938)</b>	<b>(958)</b>	<b>(979)</b>	<b>(1,001)</b>	<b>(1,023)</b>	<b>(1,045)</b>	<b>(1,068)</b>	<b>(1,092)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	159	225	1,063	43	82	13	66	28	46	-	-
- to replace existing assets	1,333	1,701	1,610	1,635	1,747	1,804	1,841	1,941	2,048	2,067	2,178
Increase (decrease) in reserves	(3,527)	2,797	3,522	3,826	4,833	4,853	4,874	4,950	4,896	4,966	4,971
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(2,035)</b>	<b>4,723</b>	<b>6,195</b>	<b>5,504</b>	<b>6,662</b>	<b>6,670</b>	<b>6,782</b>	<b>6,919</b>	<b>6,990</b>	<b>7,034</b>	<b>7,149</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,071)</b>	<b>(4,313)</b>	<b>(6,013)</b>	<b>(6,442)</b>	<b>(7,621)</b>	<b>(7,649)</b>	<b>(7,782)</b>	<b>(7,941)</b>	<b>(8,035)</b>	<b>(8,102)</b>	<b>(8,241)</b>

2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
-	-	-	-	-	-	-	-	-	-	-
<b>Funding balance ((A-B)+(C-D))</b>										
-	-	-	-	-	-	-	-	-	-	-

# Financial forecasting assumptions | Ngā taruna matapae ahumoni

## Economic context for LTP

Over the first half of calendar 2020, New Zealand's gross domestic product (GDP) fell by more than 13 per cent – by far the largest quarterly fall recorded in this country. This was primarily a reflection of the lockdown of the economy under Alert level 4, which began at the end of March. The agriculture sector, which contributes a relatively large share of the Waikato economy (around 10 per cent, compared with around 4 per cent for the national economy as a whole), was relatively stable, down just 0.8 per cent since the end of 2019. This reflects that fact that farming was, to a large extent, able to carry on through lockdown, and export volumes and prices have held up well. This also showed in the manufacturing sector: while some subsectors were down by as much as 38 per cent on the previous quarter, the food, beverage and tobacco subsector declined by only 2.2 per cent.

Parts of the service sector (which makes up the largest share of the economy) were relatively unaffected, either because they represented essential services (such as with the health sector) or because they were largely able to continue to work remotely. However, some service sectors were severely hit; the single largest fall in any sector was for accommodation and food services – down 47.4 per cent nationally. This

reflects not just the Alert level 4 lockdown, but travel restrictions and the closure of borders that resulted in large parts of the tourism sector effectively ceasing to operate. This also shows in the retail trade sector, where activity declined by 15.8 per cent in the quarter.

Measured by expenditure type, private consumption and investment fell markedly – largely as a result of the lockdown. Government consumption was steady (central government was up 1.9 per cent, while the much smaller local government was down 0.2 per cent). The largest positive effect was an improvement in net exports. However, this reflected a particularly sharp drop in our spending on imports – down by 25 per cent (seasonally adjusted) on the previous quarter, outweighing a 16 per cent fall in exports – hardly a reflection of economic strength. The fall in services exports reflects that disappearance of international tourists (and to a lesser extent, students) from our shores.

While the Treasury is projecting a relatively quick rebound, the damage done to the economy can be expected to last some years. Key risks to the outlook include the re-emergence of the COVID-19 virus in the community; economic weakness in our export markets; and the premature tightening of central government fiscal and monetary policy.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p><b>Projected price change factors</b></p> <p>Forecast financial information contained in this plan includes a provision for inflation. The council has used the price level change factors supplied by Business and Economic Research Ltd (BERL) in order to calculate the amount of inflation to include.</p> <p>Where expenditure is subject to inflation, the following cumulative rates have been applied.</p>	That actual price changes vary significantly from the levels assumed.	Medium	Medium	<p>Inflation is affected by external economic factors that are outside the control of the council. Given the current economic climate, the actual inflation rates for both the short and long term are uncertain. While the council believes it has taken a conservative approach by applying the rates supplied to the local government sector by BERL, it acknowledges that actual inflation rates may vary from these in any year of the plan.</p> <p>Certain classes of expenditure incurred by the council may be subject to greater price change than others. For example, over recent years, contract costs for our flood protection works have increased at a rate far greater than inflation due to market demands for this type of work.</p>

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p><b>Useful lives of significant assets</b></p> <p>The useful lives of council's significant assets are as disclosed in the notes to the accounts. The sustainable infrastructure decision making framework will be adopted in first three years of the LTP. The framework will be taking into consideration when looking at the life of an asset.</p>	<p>That the actual life of an asset is shorter than assumed. This may impact on the level of depreciation expense recognised, the asset maintenance work required, and the timing of any asset replacement.</p>	Low	Low	<p>The council's most significant assets are its infrastructure assets which are comprised of flood protection works. The useful lives of these assets have been assessed by engineers and valuers as part of the asset revaluation process undertaken in 2016. Following any significant capital expenditure, the useful life of an asset is also reassessed.</p>
<p><b>Sources of funds for future replacement of significant assets</b></p>	<p>That the council has insufficient funds to replace significant assets at the end of their useful lives.</p>	Medium	Low	<p>The external borrowing programme will provide a facility by which the costs to renew/replace significant assets can be funded where these costs exceed the depreciation accumulated on the original asset.</p> <p>The council has accelerated asset renewals based on the funding received for 'shovel ready' programmes.</p> <p>A combination of catchment operating and disaster recovery reserve funds and insurance arrangements are in place to fund repair costs up to prudential limits should damage from climatic events or natural disasters occur.</p> <p>The council's financial strategy sets out how provision is made for damage costs.</p> <p>The revenue and financing policy sets out the funding sources that may be used in relation to capital expenditure.</p>
<p><b>Revaluation of non-current assets</b></p> <p>Provision has been made for a three-yearly cycle of revaluations in relation to the council's infrastructural assets. Estimates of changes in value have been based</p>	<p>That actual revaluation changes vary significantly from those forecast.</p>	Low	Low	<p>The council undertook revaluations of those property, plant and equipment assets that are subject to revaluation in 2016/17. The council's accounting policies state that these assets should be revalued at least every three years, with an assessment of values carried out annually. Any change in value will impact the forecast financial statements through the funding of depreciation. Budgeted depreciation</p>

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
on the projected price change factors supplied by BERL.				expense takes account of the estimated impact of the revaluation of assets over the term of this plan. If the results of revaluations vary significantly from the estimates made, the provision for depreciation will be impacted accordingly.
<p><b>Depreciation rates on planned acquisitions</b></p> <p>New capital expenditure will be depreciated in line with the depreciation rates set out in the council's accounting policies.</p>	That further review of the nature of capital expenditure may alter the depreciation expense incurred.	Low	Low	Significant capital works are based on detailed asset management plans which specify the nature and timing of capital works. Due to the long-term nature of these capital works, any impact on depreciation is minimal.
<p><b>Forecast return on investments</b></p> <p>The council's investment fund return is based on:</p> <ul style="list-style-type: none"> <li>a real return of 3 per cent per annum on the base capital of the fund, after inflation and fees.</li> </ul> <p>A 1.6 per cent per annum provision for inflation.</p>	That actual returns achieved by the fund are lower than this average return.	Low	Low	<p>The council's investment fund is invested in a conservative portfolio mix. Regular reviews of investment managers, the investment strategy and strategic asset allocation are undertaken to ensure that the council's objectives in relation to the fund are met.</p> <p>For years where the fund does not achieve the target return, the council has an investment equalisation reserve in place where the return shortfall can be drawn from.</p>
<p><b>Expected interest rates on borrowing</b></p> <p>The council will utilise an external borrowing facility through the Local Government Funding Agency (LGFA). The interest rate applied to anticipated borrowing is 2.2 per cent average for the 10 years.</p>	That interest rates will be higher than those forecasted.	Medium	Medium	<p>Assumptions regarding the applicable interest rates have been based on external advice, however, external market conditions are difficult to predict with a high degree of certainty.</p> <p>Variation from these interest rates will have an impact on the funding required to meet borrowing costs.</p>
<p><b>New Zealand Transport Agency (NZTA) subsidy rates</b></p> <p>The budget reflects subsidy rates advised by NZTA.</p>	That all funding requested will not be approved as part of the National Land Transport Programme.	Medium	Medium	NZTA subsidies cover a large portion of the costs of the transport operations provided by the council. If the projected funding is not available, the shortfall in funding would need to be met from other sources – user charges (bus fares) or rates – or services would have to be cut.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
				Rail service is subject to enhanced funding in the first five years, with uncertainty beyond that period.
	Passenger rail service funding will not continue.			<p>The Te Huia rail service started in April 2021 with central government committing 75.5 per cent of the cost less fare revenue for the five years of the start-up service.</p> <p>The council plans to add an additional weekday service no sooner than December 2021. The council assumes the same level of funding will apply for the current service beyond the five year start-up period and for the planned additional services. If the projected funding is not available, the shortfall in the funding need to be met by other sources or rates, which may result in changes being made to the rail service, including not proceeding with the planned improvements.</p>
<b>Public transport fare revenue/patronage</b>	That revenue will decline post the COVID environment.	High	High [2021] Medium [2022-2031]	Decline in revenue due to the risks still associated with public transmission. Expect at least a 20 per cent drop in revenue for 2021.
<b>Regional growth</b>  The council has estimated that the change in the capital value of the region through new property development will be 1.5 per cent for year one of the LTP and is used for the outer years as well.	That growth will not be sustained at the level anticipated.	Low	Low	<p>This growth estimate has only been used to project likely revenue for those rates set on a per property charge, and in the calculation of rating impacts to existing ratepayers.</p> <p>This growth estimate has been assessed based on actual growth across the region over the last three years.</p>
<b>Unforeseen or new environmental issues or resource management needs</b>	There will be new environmental or resource management issues requiring work that cannot be funded out of normal budgetary provisions.	Medium	Medium	The potential effect of any new environmental or resource management issue is dependent upon the scale, type, location and impact on the environment. Each issue will be addressed on its merits and any funding requirement addressed in terms of the principles outlined in the <i>Revenue and Financing Policy</i> and <i>Financial Strategy</i> . It is considered that any new issue(s) resulting from climate change will be managed within existing resources.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<b>Significant natural or other hazard emergencies</b>	There will be new natural or other hazard emergencies requiring work that cannot be funded out of normal budgetary provisions.	Low	Low	<p>The potential effect of a natural disaster on the council's financial position is dependent upon the scale, duration and location of the event. However, the council's financial position is strong enough to fully replace all infrastructural assets in the case of an event causing total destruction. Disaster recovery reserves are being built up over time and insurance cover is in place to fund up to 40 per cent of qualifying expenditure in the event of a natural disaster.</p> <p>Refer to council's financial strategy for further information on its approach to mitigating the financial risk associated with natural disasters.</p>
<b>Climate change</b>	Costs will change in response to climate change impacts.	Low	Short term: Low Long term: High	Potential climate change impacts are routinely factored into the council's planning and design activities as prediction and adaptation information becomes available. In particular, the council's infrastructure strategy considers the impact of climate change on the management of flood protection scheme assets.

**BERL rates to be applied:**

Year	Annual	Cumulative
2021/22	-	-
2022/23	2.9%	2.9%
2023/24	2.5%	5.5%
2024/25	2.5%	8.2%
2025/26	2.6%	11.0%
2026/27	2.5%	13.8%
2027/28	2.6%	16.7%
2028/29	2.7%	19.9%
2029/30	2.8%	23.2%
2030/31	2.6%	26.4%

# Financial prudence performance measures

## | Ngā mehua whakahaere ahumoni

### whaitikanga

#### Long term plan disclosure statement for the period commencing 1 July 2021

##### What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

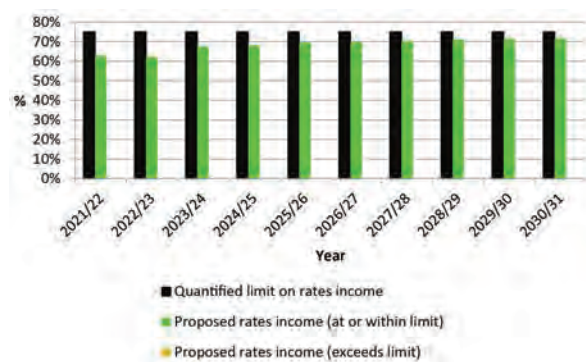
##### Rates affordability benchmark

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

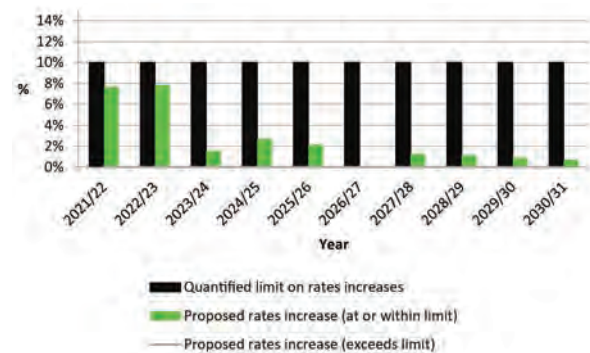
##### Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy. The quantified limit is that total rates revenue will comprise up to 75 per cent of the council's annual revenue requirements.



##### Rates (increases) affordability

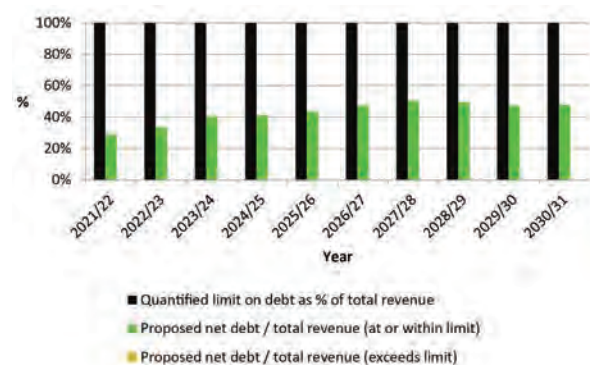
The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy. The quantified limit is that increases in the annual rate revenue requirement will be limited to a 10 per cent increase in revenue from current ratepayers.



##### Debt affordability benchmark

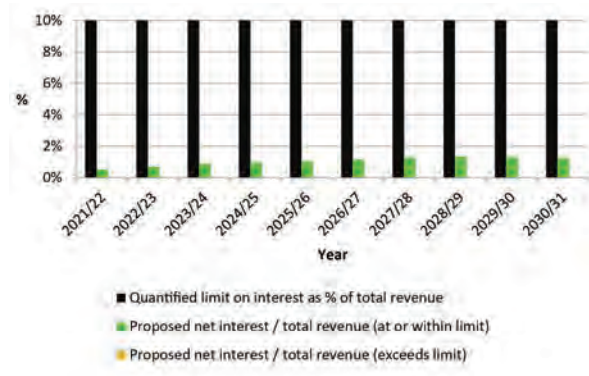
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the council's planned debt with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net debt/total revenue is <100%

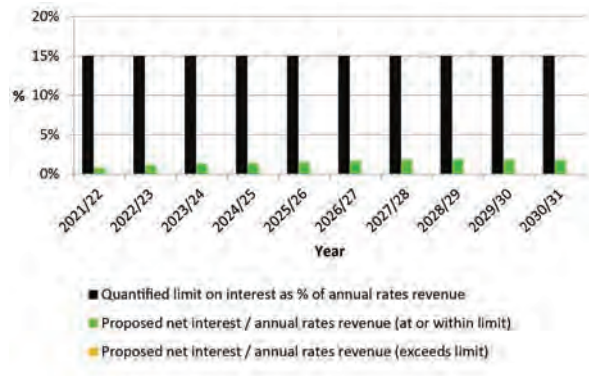




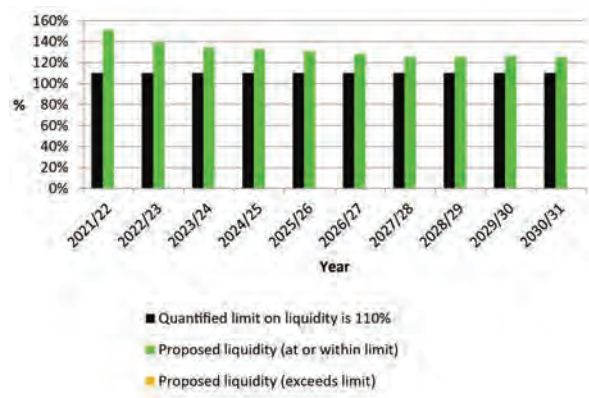
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net interest on external debt/total revenue is <10%



The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net interest on external debt / annual rates revenue is <15%



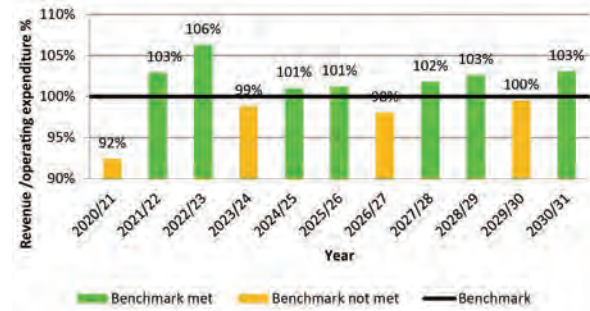
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that liquidity is >110%. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



### Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

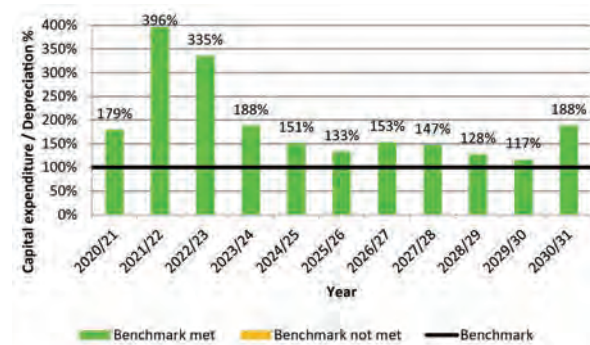
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



### Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

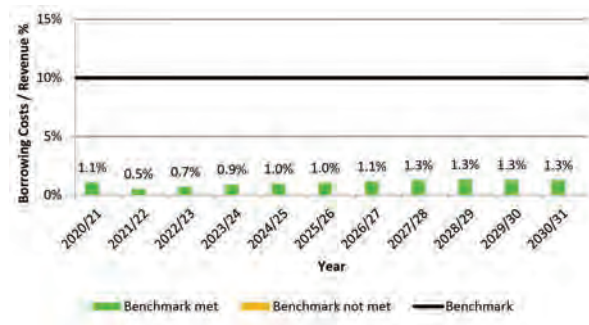
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



### Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



### Additional information and comment Balanced budget benchmark

The council's operating revenues are less than operating expenses for three of the 10 years of this LTP. The reasons for this are set out in the *Financial Strategy*. The council has resolved that an unbalanced budget is financially prudent, having considered the reasons for this.

# Revenue and financing policy | Kaupapa here whiwhi me te utu rawa

## Background

This document has been prepared in accordance with the Local Government Act 2002, in particular sections 101-103. It identifies the funding sources and mechanisms that will be used to finance the council's operating expenses and capital expenditure for the financial years 1 July 2021 to 30 June 2031.

The council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of its *Revenue and Financing Policy* is to promote consistent, prudent, effective and sustainable financial management of the council and to fund its activities from the most appropriate sources, after consideration of who benefits from each activity.

The council undertakes a range of activities that require funding<sup>(9)</sup>. This policy outlines how each of these activities is to be funded, taking into account the above considerations. The amount of revenue and the factors required are detailed in the Funding Impact Statement.

Waikato Regional Council has reviewed its revenue and financing policy to maximise the efficiency and equity of its funding mechanisms and to further its objective to promote regional sustainability. The ideal policy will ensure that costs are closely aligned to the receipt of benefits and the need for the work being undertaken. It will also minimise distortion and maximise equity. This ideal is difficult to achieve, nevertheless Waikato Regional Council believes that the policies contained in this document move in that direction.

This policy should be read in conjunction with the *2021-2031 Long Term Plan, Financial Strategy, Treasury Risk Management Policy* and the *Policy on Financial Contributions*.

## Guiding principles

Waikato Regional Council's *2021-2031 Long Term Plan* (LTP) contains the following set of guiding principles. It should be noted that conflicts between the principles and practice may arise. Resolving this conflict will involve the need to trade off competing principles.

## Affordability

The council's funding decisions are influenced by concepts such as people's ability to pay and the desire to provide broad access for people to particular services, in addition to the concept of user pays. Rates are a form of tax and not

purely a charge for services received. Affordability issues influence both the overall level of rates and the level of uniform charges within rates.

## Paying for benefits received

In general, if a council activity mainly benefits a particular person or group, then that person or group should contribute to the cost of the activity. In addition, payment should be made for the activity at the same or similar time as the benefits are received (intergenerational equity).

## Paying for costs imposed

In general, if the actions or inaction of a particular person or group create a need for the council to carry out an activity, then that person or group should contribute to the cost of the activity. This is sometimes referred to as the polluter pays principle or the causer pays principle.

## Transparency and accountability

Where the principles of payment for benefits and paying for costs (as described above) suggest that a particular person or group should contribute to the cost of an activity, then that activity should be funded separately from other activities if it is practicable to do so.

## Financial prudence and sustainability

Waikato Regional Council's revenues, expenses, assets, liabilities, investment and general financial dealings should be managed in a prudent and sustainable manner.

## Optimal capital usage

Waikato Regional Council's limited financial resources should be used in such a way as to maximise the benefits provided to the community, while minimising the burden on ratepayers. Among other things, this principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) for its assets and activities.

## Efficiency and effectiveness

The council's revenue and financing policies should have regard to the costs of implementing them and how effective they will be in achieving their objectives.

9 An "activity" is a good or service provided by, or on behalf of, the council.

## Overall impact on the community

Decisions on how the council's needs for revenue will be met (by ratepayer and other groups) should take into account the impact of the decision of the current and future social, economic, environmental and cultural wellbeing of the community.

## Funding operating expenditure

Waikato Regional Council will generally fund its operating expenditure out of operating revenue. Rates and levies will usually be set at a level to ensure that Waikato Regional Council achieves this objective. Waikato Regional Council has a number of potential sources of funds - each of these can be considered for funding a particular activity.

## General rate

The general rate is used to fund part or all of activities that are of 'public benefit' where no other direct source of revenue is identified as appropriate to cover the cost of the activities. The general rate is a rate applied on a differential basis using projected values (in accordance with section 131 of the Local Government (Rating) Act 2002) on the capital value of every rateable property within the Waikato Regional Council boundary. The differential recognises the different general revaluation cycles of the territorial authorities in the region. The council considers that capital value continues to be the most appropriate basis for the general rate. Under the Local Government Act 2002, an important factor in determining the most appropriate system is deciding which basis best reflected the services provided by the council (the benefit principle).

However, the council also considered other criteria such as:

- whether the activity is deemed to have considerable general community benefit (or direct beneficiaries cannot be accurately determined or identified)
- whether the size of a rateable property reflects the benefit received from these activities. For instance, is there greater benefit accruing to a rural property owner with a large land holding than an urban resident on a 600m<sup>2</sup> section?
- whether higher value land reflects greater benefit received from such activities
- whether the value of improvements reflect the benefit received
- the degree of development of the land which in return reflects investment in the land for either productive earning or capital gain
- the impact of changing the current rating system on the burden of rates among different individual groups of ratepayers.

## Uniform annual general charge

A uniform annual general charge (UAGC) is a fixed amount charged to each rateable property. The impact of a UAGC is to set a component of rates as a fixed charge per property

and separate this charge from the valuation base used to apply the general rate. Under the Local Government (Rating) Act, a limit of 30 per cent of total rates revenue can be applied via a UAGC or fixed rate per property. The council considers that there are three categories where a UAGC could be considered:

- where the expenditure is a 'public good' to which every ratepayer has equal access
- where the expenditure is related to 'people' rather than property, for example, Waikato Regional Council's regional hazards expenditure is directed largely at the protection of people, not property values
- where the expenditure does not directly change the condition or economic value of a property or resource. Waikato Regional Council believes that expenditure that enhances a particular resource or improves the value of a property (such as flood control works) should be funded through a capital value, land value or land area charge. However, more universal costs may be appropriate for a UAGC.

## Targeted rates

Targeted rates are rates that are used to fund a discrete activity and can only be used for the purpose for which they were collected. The council can set one or more targeted rates to fund a single function, or a single targeted rate to fund multiple functions. Targeted rates can be set on all properties in the region or only on properties that have been identified as belonging to a defined subset, the same as required for a differential of a general rate.

The categories are:

- property value - annual, land or capital
- location
- land area
- land use
- the provision or availability of a service by or on behalf of the council
- any activities that are permitted, controlled or discretionary for the area in which land is subject under an operative (or proposed) regional plan under the Resource Management Act 1991, subject to there being no submissions in opposition to the plan.

The rates may be calculated as a:

- fixed dollar per rating unit
- fixed charge per factor
- differential charge per factor.

Factors that may be used in calculating targeted rates are also defined in the Act. They are:

- property value - annual, land or capital
- land area

- number of separately used or inhabited parts of the rating unit
- the extent of provision of service to rating unit by the council.

Waikato Regional Council uses targeted rates extensively. A targeted rate allows for multiple factors to be used in calculating the rate. For example, targeted rates provide the flexibility to match benefit to funding in complex flood protection schemes. Waikato Regional Council has also set targeted rates where specific activities can be identified, such as flood protection and catchment management rates.

## Fees and charges

The actual costs and fees set are outlined in the Funding Impact Statement. The main fees and charges arise from several pieces of legislation.

### Application charges

Section 36(1) of the Resource Management Act 1991 (RMA) authorises the council to fix administrative charges, including those payable by applicants for plan changes or resource consents, and by holders of resource consents. An outline of current policy and charges adopted by the council is provided below.

#### *Changes to policy statements and plans (RMA section 36(1)(a))*

For assessing applications for the preparation of, or changes to policy statements or regional plans, the council will charge applicants actual and reasonable costs.

#### *Resource consent application processing (RMA section 36(1)(b))*

For carrying out its functions in relation to receiving, processing and deciding on resource consent applications (including assessment of application for certificates of compliance) and for considering and deciding on changes to, or reviews of, consent conditions and transfer of consents, the council will charge applicants and consent holders actual and reasonable costs, or fixed specific amounts for specified consents. Actual and reasonable costs are based on staff time multiplied by the charge-out rate plus direct costs including disbursements, notification and hearing costs. An indication of likely costs, based on average costs for processing a particular category of consent, can be provided at the time of making an application. However, actual charges may vary, depending on the complexity of the environmental issue involved and the process to be followed. Fixed application charges are available for low complexity consents, or those with low environmental and public impact, including:

- dairy discharge
- bridge
- culvert
- Taupo Land Use >20 hectares
- bore consents.

#### *Monitoring and supervision (RMA section 36(1)(c))*

All monitoring, excluding that charged under annual consent holder charges, will be charged on an actual cost basis. Consent holders or their agents will be advised that:

- consent site-specific monitoring and supervision may be necessary and an indication of the nature and/or frequency of this work will be given
- they will be required to pay actual and reasonable charges for the consent or site-specific monitoring and supervision once it has been undertaken by the council.

Where costs cannot be attributed to all consents within a class, actual and reasonable costs will be directly charged for monitoring and supervision calculated as staff time multiplied by the charge-out rate plus direct costs including disbursements.

#### *Provision of information and advice (RMA section 36(1)(e))*

Actual and reasonable costs will be charged for the provision of documents, technical advice and consultancy services. The first half-hour of staff time involved in providing this advice will be not charged, after which the total staff time spent providing information will be charged.

#### *Navigation safety (LGA section 684B)*

Pursuant to section 684B of the Local Government Act 1974, Waikato Regional Council has made a bylaw in respect of navigation safety within the Waikato region. Section 684B(9)(h) of the Local Government Act allows the regional council to set fees in respect of activities that it has to undertake to implement the bylaw. Waikato Regional Council has set fees for the following:

- application for special events (Bylaw 3.8), or suspension or exemption of any provisions within this bylaw (Bylaw 4.2)
- public notice in respect of a special event (Bylaw 3.8)
- lost or destroyed certificate of registration, application for a duplicate copy of any certificate or licence issued under these bylaws that has been lost or destroyed
- mooring registration issued in accordance with Bylaw 3.9
- mooring inspection fee
- visitor mooring rental
- transfer of mooring licence
- registration of personal watercraft
- management of navigation safety related activities in respect of Port Taharoa
- management and inspections related to navigation safety activities
- assessment and report on any RMA consent application which has the potential to affect navigational safety.



### Resource consent holder charges

These are charges made to consent holders under RMA section 36 for:

- consent administration
- information gathering
- data monitoring
- compliance monitoring.

### Report charges

Copies of technical reports will be charged at a fixed rate plus the cost of colour pages. Policy documents will be charged at fixed charges.

### User charges

Legislation including the LGA, RMA 1991, Biosecurity Act 1993, Land Drainage Act 1908 and Soil Conservation and Rivers Control Act 1941 provide for the application of 'user charges' in the provision of works and services. The term 'user charges' is a general term to describe the charges made directly to users of a service or facility for the private benefit received. The concept of user pays is consistent with the 'benefit/contributor principle', in that revenue sources should be related to the benefit received. It is also consistent with the principle that those causing adverse environmental change (exacerbators) pay for the consequential work. Where individual consumers can be identified, and charges for consumption practically administered, user charges for all or part of the cost of service should be pursued.

In some cases user charges may be impractical, as the cost of obtaining information necessary to charge is administratively too expensive or the cost of the charging mechanism itself outweighs any practical benefit.

### Investment revenue

The council has a range of investments from which income is derived. This revenue is used to fund a regional development fund and to supplement general rate funding in order to help meet the cost of the council's regular operating activities and thereby reduce the rating burden on ratepayers. The prioritised order of how the investment fund returns are applied is set out in the council's Treasury Risk Management Policy and Statement of Investment Policy and Objectives (SIPO).

### Financial contributions

Section 108(2)(a) of the RMA authorises the council to include, as a condition of resource consents, the requirement for a financial contribution for purposes specified in a regional plan. Financial contributions may mean money, land, works or services. The Regional Plan must specify the purpose(s) for which a financial contribution can be required and specify a maximum amount or set out a formula by which such maximum can be determined. The *Waikato Regional Plan* does not currently specify that it will use

financial contributions. However, financial contributions may be required for coastal permits granted under the *Regional Coastal Plan*.

### Grants and contributions

The council is able to obtain grants and contributions from central government, Crown entities, territorial authorities and utility operators to fund some of its activities. Grants and contributions are used to fund activities which have both public and private benefit.

### Rentals and royalties

The council receives rents from properties it owns. These properties largely relate to land attached to council flood protection schemes. Royalties may also be received for sand extraction and the harvesting of timber on council properties. There is a strong case that the council receive royalties for a wider set of resource uses. This would require some policy changes by the New Zealand Government.

### Reserve funds

Reserves arise where funding has been obtained for a particular activity and, at a point in time, not all the revenue has been spent on the activity. Maintaining reserves ensures that revenue is used for its intended purpose and enables revenue to be maintained at a constant level when the service provided is continuing at the same level.

The council maintains reserves relating to targeted rates which have been provided by regional ratepayers for specific activities. While the cash associated with reserves may be used as funding for other activities within the organisation, it will continue to be identified as an asset and interest will be credited to the area for which the revenue was raised.

### Borrowing

Where there are targeted rates that do not cover the operating costs of the activity in any one year then the council may use borrowing to fund the deficit. The interest rate charged is based on the rates set as part of council's *Financial Strategy*.

Borrowing may also be considered to smooth the general rate funding impacts of projects in the short-term where expenditure is uneven/cyclical in nature.

All borrowings are subject to Waikato Regional Council's *Liability Management Policy* and the guiding principle of optimal capital usage.

### Other mechanisms

The use of any other funding sources should be assessed with regard to the guiding principles.

### Funding capital expenditure

Waikato Regional Council considers that the following sources of funding are appropriate for its capital expenses. These funding sources may be applied either directly to

capital projects when expenditure is incurred, or towards financing interest and principal repayments on borrowings that were raised to fund the expenditure.

Intergenerational equity principles, which are dealt with under the council's guiding principle of paying for benefits received when they are received, suggest that the purchase or construction of long-lived assets should be funded by way of borrowings. In that way, repayments are spread over time, instead of paying the entire cost of the assets in the year they are built. For long-lived assets, the funding sources below can be used to finance principal repayments on borrowings, rather than for directly funding capital projects. In the case of the replacement / renewal of existing assets, the council funds the depreciation expense associated with the asset through the sources identified below.

Where the council assesses a targeted rate for the repayment of capital and associated interest costs for the construction of new assets, it will not seek to fund depreciation for the period of the capital loan. This ensures that ratepayers are not charged twice – for the initial construction and for the future replacement of the asset.

### General rates

General rates are seen as an appropriate capital funding mechanism for projects where there is a public good element. This approach is consistent with the guiding principle of paying for benefits received.

Where an existing asset provides a public good or positive externalities, it is appropriate to fund replacement of that asset from general rates, especially where the general rate includes an explicit charge to recover depreciation.

General rates are also appropriate for funding capital projects where imposing the cost on the person or groups who will benefit from the project would place too great a burden on them. This is consistent with the guiding principle of affordability.

### Targeted rates

Targeted rates are seen as an appropriate capital funding mechanism for projects where the project mainly benefits a specific group of ratepayers or where the action or inaction of that group contributes to the need for the project.

### Grants and subsidies

Appropriate (in general) only for funding the costs of providing a particular asset that the grant or subsidy was intended for.

### Fees and charges

Appropriate where the benefits provided by an asset are primarily private in nature.

### Proceeds from asset sales

It is generally appropriate to use the proceeds of selling an asset to fund the cost of providing another asset.

## Borrowing

Borrowing is recognised as an effective method of achieving equity between different generations of ratepayers (intergenerational equity). The funding of assets with long lives particularly benefits from the use of borrowing to allow the matching of costs with the use of the asset.

All borrowings are subject to Waikato Regional Council's Liability Management Policy and the guiding principle of optimal capital usage.

## 5 Rating policy

In calculating the liability for rates, council will consider the following principles.

- The rating system will be simple and transparent.
- Targeted rates may be applied to fund specific programmes/projects in specific areas.
- Differential rates may be applied where it is determined that one ratepayer sector is deriving a greater/lesser benefit than other ratepayer sectors.
- The system of rating used (land value, capital value, land area, per rating unit) will be the one that most closely aligns to the benefits received by ratepayer sectors.
- Individual ability to pay issues will be addressed through specific mechanisms such as rebates, remissions and postponements.

Prior to any rating requirement being calculated, the council will first identify the extent to which costs can be recovered through third parties (for example government or industry contributions and grants) or through direct charging mechanisms where a direct benefit can be directly attributed to individual users of a service.

### General rates

In meeting its general revenue requirements, the council will set the following rates.

- A differential general rate in accordance with s13 of the Local Government (Rating) Act 2002. The general rate will be set on the basis of differential capital value.
- A uniform annual general charge in accordance with s15 of the Local Government (Rating) Act 2002.

A differential is applied to the general rate to recognise the different revaluation cycles of the territorial authorities within the region.

The council will consider the following criteria when determining whether an activity should be funded via the uniform annual general charge.

- Where the expenditure does not directly change the condition or economic value of a property or resource.
- Where the expenditure is a 'public good' to which every ratepayer has equal access.
- Where the expenditure is related to 'people' rather than property.

## Targeted rates

S16 of the Local Government (Rating) Act 2002 authorises the council to set targeted rates and fixed targeted rates to fund functions that are identified in its long term plan or annual plan.

The following targeted rates are currently assessed by council:

- catchment management rates
- drainage rates
- biosecurity rate

- public transport rate
- permitted activity monitoring rate
- stock truck effluent rate
- civil defence and emergency management rate
- natural heritage rate
- regional services rate
- regional facilities rate.

In addition, the council has signalled its intent to set a voluntary targeted rate in relation to its proposed sustainable homes scheme from July 2022.

## Funding analysis of group activities

### Group of activities: Community and services

#### Governance

This activity supports the chairperson and councillors in their roles and ensures council processes such as triennial elections and meetings are run correctly and decision making processes are robust and transparent. This includes working in partnerships and collaboratively by providing for iwi, community and key stakeholder representation on the council's standing subcommittees and councillor representation on other local government, key stakeholder and community groups. Maintaining the integrity of the council's processes is also supported by the provision of corporate legal advisory services and timely and appropriate responses to official information requests and Ombudsmen's office enquiries.

Activity	Primary community outcome			
Governance	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low
	The entire regional community benefits from robust and democratic local government that enables democratic local decision making and action by and on behalf of communities, and promotes the social, economic, environmental and cultural wellbeing of communities now and in the future.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
Funding mechanism				UAGC

#### Planning, reporting and funding

This activity involves development of statutory plans and reports to improve transparency and accountability to our residents and ratepayers. These include long term plans, annual plans and annual reports. Financial and service performance is reported to the council quarterly and reported to the public annually via an annual report. Regular monitoring and reporting is important as it assesses whether the council's policies and services achieve their intended objectives. This area also includes the regional theatre rate funding.

Activity	Primary community outcome
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<b>Planning, reporting and funding</b>	Vibrant communities			
	<b>Funding principles</b>			
	<b>Distribution of benefits (user pays)</b>	<b>Period of benefits (intergenerational equity)</b>	<b>Extent of action / inactions (exacerbator pays)</b>	<b>Cost / benefit of funding separately</b>
	Low	Med	Low	Low
	<p>The entire regional community benefits from robust and democratic local government that enables democratic local decision making and action by and on behalf of communities, and promotes the social, economic, environmental and cultural well-being of communities now and in the future.</p> <p>The statutory plans and reports prepared under this activity constitute key consultation and accountability documents for the council which underpin these democratic processes.</p> <p>The council's contribution to the Waikato Regional Theatre is included in this activity. This targeted rate will be assessed against regional ratepayers, excluding those in Hamilton city.</p> <p>The council's funding of regional services is also included in this activity.</p>			
	<b>Economic benefit assessment</b>		<b>Funding targets</b>	
	<b>Private</b>	<b>Public</b>	<b>Private</b>	<b>Public</b>
		100%		100%
	<b>Funding mechanism</b>			UAGC, targeted rates (regional services and Waikato Regional Theatre)

### Iwi Maori partnerships

Waikato Regional Council works with iwi and hapu at a political and operations levels to ensure the traditional role of tangata whenua as kaitiaki is respected and to ensure there are avenues available for tangata whenua and Maori communities to contribute to the council's decision making. The council is building its capacity to deliver on co-management obligations that are arising from Treaty of Waitangi settlements.

<b>Activity</b>	<b>Primary community outcome</b>			
<b>Iwi Maori partnerships</b>	Vibrant communities			
	<b>Funding principles</b>			
	<b>Distribution of benefits (user pays)</b>	<b>Period of benefits (intergenerational equity)</b>	<b>Extent of action / inactions (exacerbator pays)</b>	<b>Cost / benefit of funding separately</b>
	Low	Low	Low	Low
	<p>Working in partnership with iwi is integrated with the council's governance and management arrangements.</p> <p>This activity provides benefits at a national, regional and local level:</p>			

	<ul style="list-style-type: none"> <li>At a national level, the activity implements the Crown obligations under the Treaty of Waitangi that have been delegated to local government. While this work is relevant to the community as a whole, recovery of costs should be sought from the government for processes required to implement new legislation.</li> <li>All sectors of the community will benefit from improvements to the environment as a result of settlement initiatives.</li> <li>Maori will benefit through increased capacity and opportunity to be involved in, and contribute to, council's decision making processes.</li> </ul>			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
<b>Funding mechanism</b>				UAGC

### Group of activities: Waikato Civil Defence Emergency Management Group

#### Waikato Civil Defence Emergency Management Group

Under the Civil Defence Emergency Management Act 2002, CDEM is a function and responsibility of regional, district and city councils. Consequently, all local authorities throughout New Zealand have joined together on a regional basis to form CDEM groups. These groups, in partnership with emergency services and other organisations, are responsible for emergency management locally.

The Waikato CDEM Group comprises the Waikato Regional Council and 10 territorial authorities, in conjunction with emergency services, welfare agencies and utility providers. It has four emergency operating areas – South Waikato, Taupo, Waikato Valley and Thames Valley. The Waikato CDEM Group works closely with research institutions, utility operators and central government, who have vested interests and responsibilities to reduce risks and improve community resilience.

The Waikato CDEM Group is responsible for delivering on the 4 Rs (readiness, response, reduction and recovery) outlined in the CDEM Group Plan. This involves operational planning to ensure that CDEM organisations and the community have the capacity and a capability to respond to an emergency.

The Waikato Regional Council performs the statutory role of administering authority on behalf of the Waikato CDEM Group Joint Committee and the Coordinating Executive Group (CEG). Waikato Regional Council is also responsible for the CDEM Group Emergency Management Office (GEMO) which co-ordinates the “day to day” planning and project work on behalf of the group and CEG.

Activity	Primary community outcome			
Waikato Civil Defence Emergency Management Group	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Low	Low	Med
	The Waikato Civil Defence and Emergency Management Group works across all territorial authorities and key agencies in the region. It enables co-ordinated planning and response to regional civil defence emergencies, which can occur at any location at any time.			
	Economic benefit assessment		Funding targets	
Private	Public	Private	Public	

		100%		100%
<b>Funding mechanism</b>	A separate targeted rate is applied to fund this activity as the regional council administers this work on behalf of the territorial authorities in the region. By separating the funding mechanism, it is clear to ratepayers how much they are contributing for this activity.			Civil defence rate

## Group of activities: Regional hazards and emergency response

### WRC emergency response

Waikato Regional Council provides facilities, staff, resources and information in support of the Waikato CDEM Group.

The council also collates information on hazardous substances and responds to emergencies involving the accidental release of hazardous substances. We also provide round the clock monitoring and provision of flood event information to the community as required.

The council plans for and responds to certain marine oil spills within the region. Tier 1 (industry) and tier 2 (regional) marine oil spill contingency plans are kept updated and approved by the Waikato Regional Council and Maritime New Zealand respectively. Regional (tier 2) marine oil spill exercises with relevant agencies are also undertaken annually.

Activity	Primary community outcome			
<b>WRC emergency response</b>	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low
	The council's emergency management activity provides proactive information and advice in relation to flood warnings, marine oil spills, hazardous substances management and support for the Waikato Civil Defence Emergency Management Group. These activities provide benefit to the regional community as a whole.			
	A portion of costs is recovered for programmes such as tier 2 oil spill responses and training and tsunami modelling. These recoveries are taken into account before the council's funding requirements are determined.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
<b>Funding mechanism</b>			UAGC	

## Resilient development

This activity involves the collection and provision of strategic information and advice to district councils, the Waikato CDEM Group and landowners on a range of hazards, on behalf of the regional community and stakeholders. This information is used to help identify areas of the region most at risk from hazard events, and to minimise risk and damage to people, homes, businesses and infrastructure. This ensures that the risks from hazards are reduced over time and that sound decisions are made about the future development of hazard prone areas.

By better understanding natural hazard risks, communities can prepare for or avoid them. The council pulls together and analyses a wide range of information to identify where homes and businesses are most at risk from floods, erosion and other natural hazards as well as building and maintaining infrastructure to reduce identified risks. This work includes collaborating with district councils to ensure people avoid building in hazardous areas in the future.

Activity	Primary community outcome			
Resilient development	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low
	Council's Civil Defence planning and response functions work across all territorial authorities and key agencies in the region. They enable co-ordinated planning and response to regional civil defence emergencies, which can occur at any location at any time.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
Funding mechanism			UAGC	

### Group of activities: Flood protection and control works

#### Flood protection

Waikato Regional Council provides communities with an agreed level of protection from floods. The council is the primary agency responsible for flood protection and assets include stopbanks, floodgates, pump stations, channel/streams and pumps. The flood protection services are focused on those specific geographic areas where schemes have been agreed with communities. The services are closely connected to hazard, risk and land use management.

This activity also includes the Lake Taupo Foreshore Erosion and Flood Strategy and associated work programme. The strategy was developed jointly with Taupo District Council to manage foreshore erosion around Lake Taupo. It is implemented in conjunction with Taupo District Council, Tuwharetoa Māori Trust Board, hydro power generators and property owners.

In the first three years of the LTP, we will receive funding from MBIE associated with the Shovel Ready/COVID response programme to aid the acceleration of renewals of flood control assets.

Activity	Primary community outcome	
Flood protection	Vibrant communities	
	Funding principles	

	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	High	Med	Med	Med
	<p>Private benefits accrue to individual landowners and occupiers who are enabled to use the land for economic gain. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding.</p> <p>The wide range of benefits provided to different groups and individuals suggest that a mix of funding tools is appropriate to meet the costs of this activity.</p> <p>Detailed zone funding policies set out the analysis of exacerbators and contributors in relation to this activity, and include how capital works will also be funded.</p>			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	85%	15%	85%	15%
Funding mechanism	The wide range of benefits provided to different groups and individuals suggest that a mix of funding tools is appropriate to meet the costs of this activity.		Targeted catchment rates; fees and charges; borrowing	General rate

### Land drainage

Waikato Regional Council manages a multi-million dollar system of natural and built infrastructure to keep productive pastoral land draining freely. There are over 90 individual land drainage schemes. Each scheme is fully funded under its own targeted rating.

Activity	Primary community outcome			
Land drainage	Strong economy			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	High	Med	High	High
	Land drainage works are undertaken in response to the location of the land, and the desire to maintain the productive capacity of that land. This work is undertaken for the benefit of the land owners.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
100%		100%		
Funding mechanism			Targeted drainage rates	

## River management

Waikato Regional Council manages rivers and streams to reduce the effects on communities of bank erosion, channel instability and blockages. Programmes are based on priority and the level of risk to people and property.

A guiding principle for the council is “integrated” catchment management which seeks to promote the sustainable management of the region’s natural resources. There are strong linkages between the activities of this group and the Integrated Catchment Management and Emergency Management groups of activities.

Activity	Primary community outcome			
River management	Healthy environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Med	Med	Med
	Private benefits accrue to individual landowners and occupiers who are enabled to use the land for economic gain. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding.			
	Regional benefit is realised through maintaining the economic productivity of the land.			
	The wide range of benefits provided to different groups and individuals suggest that a mix of funding tools is appropriate to meet the costs of this activity.			
Detailed zone funding policies set out the analysis of exacerbators and contributors in relation to this activity.				
Economic benefit assessment		Funding targets		
Private	Public	Private	Public	
87%	13%	87%	13%	
Funding mechanism		Targeted catchment rates; borrowing	General rate	

## Group of activities: Integrated catchment management

### Biosecurity

The biosecurity programme delivers animal and plant pest management through the provision of information and advice, surveillance, monitoring and inspections, direct control, pathway management, working with people on community based initiatives and research.

The council sets objectives, methods and rules through the *Regional Pest Management Plan* (RPMP). The RPMP details which plants and animals are declared pests in the Waikato region. It explains why they are pests, and outlines how each pest will be managed over a 10 year period. The current RPMP was made operative in August 2014.

Activity	Primary community outcome			
Biosecurity	Strong economy			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Low	Low	Low
	<p>The Biosecurity activity provides a mix of national, regional and individual / landowner benefits. The activity involves the control of specific plant and animal pests throughout the region or a sub-region where it is economically efficient to contain their spread and ultimately reduced their presence to a minimal level. These pests may be threats to community values such as biodiversity or to private interests such as farming.</p> <p>Landowners obtain a private benefit through having the threats to their production removed.</p> <p>National benefits arise from the prevention of the spread of pests to other regions.</p> <p>The review of the Regional Pest Management Plan, which is included in this activity is funded by way of the general rate in order to be consistent with the funding of other policy projects<sup>(10)</sup>.</p>			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
Funding mechanism				Biosecurity rate; general rate

## Biodiversity

The biodiversity activity focuses supporting landowners and communities to protect and enhance the region's natural heritage. The Waikato region contains numerous natural areas that provide habitats for native plant and animal species, and provide ecosystem services to the region. Priorities for this activity include significant natural areas (SNAs) that are rare and/or contain threatened species. Other projects include Hamilton Halo, Project Echo and pest plant control at geothermal sites.

This activity also manages the council's relationships with community groups involved in ecological protection and restoration, such as the Waikato Biodiversity Forum and Coastcare programme. Through the Natural Heritage Partnerships Programme (NHPP), the council provides contestable grant funding for environmental projects ranging from land purchases to protect special places of ecological significance to small scale community grants.

Activity	Primary community outcome			
Biodiversity	Healthy environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low

	The work is mainly of benefit to the wider region by ensuring that representative examples of the region’s indigenous biodiversity and those areas that give the region its character are preserved.			
	Landowners may obtain some benefit in that this protection may enhance the market value of their property to a small degree.			
	<b>Economic benefit assessment</b>		<b>Funding targets</b>	
<b>Private</b>	<b>Public</b>	<b>Private</b>	<b>Public</b>	
	100%		100%	
<b>Funding mechanism</b>			UAGC; Natural heritage rate	

### Land management advisory services

This activity aims to educate, raise awareness of agricultural sustainability issues and promote best practice. The projects include sustainable agriculture, industry education, farmer education, and integrated catchment management.

<b>Activity</b>	<b>Primary community outcome</b>			
<b>Land management advisory services</b>	Strong economy			
	<b>Funding principles</b>			
	<b>Distribution of benefits (user pays)</b>	<b>Period of benefits (intergenerational equity)</b>	<b>Extent of action / inactions (exacerbator pays)</b>	<b>Cost / benefit of funding separately</b>
	Low	Med	Med	Low
	Work programmes in this activity are primarily focused on working with and supporting the rural sector, in anticipation of changes to the regulatory environment within which they operate.			
	Ensuring that the rural sector is operating effectively and in a manner that minimises the impacts on the environment has a positive benefit for the wider regional community in terms of both economic prosperity as well as protection of the environment.			
	<b>Economic benefit assessment</b>		<b>Funding targets</b>	
<b>Private</b>	<b>Public</b>	<b>Private</b>	<b>Public</b>	
	100%		100%	
<b>Funding mechanism</b>			General rate	

### Catchment planning and management

This activity includes both maintenance of existing soil conservation schemes and new works projects according to the priorities established within each zone. This activity also includes shallow lakes and harbour management.

New works projects include erosion protection, fencing and planting, weed control, lake and wetland restoration, and bush fragment protection.



Sites owned and managed by the council (principally grazing lease land that is part of our various flood protection and drainage schemes) are prioritised for ecological enhancement works in partnership with local stakeholders and community groups. In particular, lowland areas of the Waihou, Waipa and Waikato rivers lend themselves to development of wetlands and habitats for native bird and fish species.

Stock truck effluent involves construction and maintaining of sites across the region.

In the first three years of the LTP, we will receive funding from MBIE associated with the Shovel Ready/COVID response programme to accelerate on groundworks in priority catchment within the region.

Activity	Primary community outcome			
<b>Catchment planning and management</b>	Healthy environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Med	Med
	Private benefits from this activity accrue to individual landowners and occupiers who are enabled to use the land for economic gain. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding. Regional benefits arise because productive land in the catchment areas provides economic benefits to the wider region.			
	Cumulative benefits from the ongoing nature of this work programme have the potential to provide benefits for future generations.			
	Detailed zone funding policies set out the analysis of exacerbators and contributors in relation to this activity.  A targeted rate contribution to the construction and maintenance of stock truck effluent facilities recognise the contribution to the need for such facilities.			
Economic benefit assessment		Funding targets		
Private	Public	Private	Public	
60%	40%	60%	40%	
<b>Funding mechanism</b>			Targeted catchment rates; borrowing; targeted stock truck effluent rate	General rate

## Group of activities: Regional transport connections

### Urban and rural transport delivery

Waikato Regional Council provides public transport services within the Hamilton urban area and to key rural centres around the region. It also provides other services in the region to serve local needs, and seasonal services to meet strong summer demand. In addition, the council provides Total Mobility services in three urban areas in the region.

Activity	Primary community outcome			
Urban and rural transport delivery	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Low	Low	Med
	The provision of public transport services provides a mix of national, regional, local and individual benefits: <ul style="list-style-type: none"> <li>• National and regional benefits arise because public transport services allow all people who do not have access to private transport (both residents and visitors) to move from place to place.</li> <li>• Local benefits arise for those who live in close proximity to services.</li> <li>• Private benefits accrue to those using public transport services, with these benefits being reflected in the fares charged to use the service.</li> </ul>			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
22%	78%	22%	78%	
Funding mechanism			Fees and charges (fare revenue)	Government grants; targeted public transport rate; territorial authority charges; UAGC

### Inter-regional rail

This activity includes the current Hamilton to Auckland passenger rail service. It supports the generation of employment and income by providing our communities with affordable transport options to access employment, education, and essential services.

Activity	Primary community outcome			
Inter-regional rail	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Low	Low	Med

	The provision of public transport services provides a mix of national, regional, local and individual benefits:			
	<ul style="list-style-type: none"> <li>• National and regional benefits arise because public transport services allow all people who do not have access to private transport (both residents and visitors) to move from place to place.</li> <li>• Local benefits arise for those who live in close proximity to services.</li> <li>• Private benefits accrue to those using public transport services, with these benefits being reflected in the fares charged to use the service.</li> </ul>			
	In the case of the start up rail services, an enhanced funding rate has been provided by central government. This is reflected in the higher public funding support for this activity relative to other transport modes.			
	Economic benefit assessment		Funding targets	
Private	Public	Private	Public	
10%	90%	10%	90%	
<b>Funding mechanism</b>			Fees and charges (fare revenue)	Government grants; targeted public transport rate

### Transport policy and planning

This activity includes the delivery of key transport policy and planning activities, including the *Regional Land Transport Plan* and *Regional Public Transport Plan*. This activity also includes the provision of road safety education services.

Activity	Primary community outcome			
<b>Transport policy and planning</b>	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Low	Low	Med
	The Transport policy and planning activity provides benefits across the region by seeking to take a strategic view of the region's transport future, and the identification of methods to achieve council's strategic direction. Central government contributes to the funding of Road Safety activities.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
<b>Funding mechanism</b>				Government grants; general rate

## Group of activities: Resource use

### Regional consents processing

The consent processing activity provides consenting and compliance monitoring for all Resource Management Act (RMA) related activities and Building Act responsibilities. Compliance with resource consents is monitored on a prioritised basis.

Activity	Primary community outcome			
Regional consents processing	Healthy environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	High	Low	Low	Med
	The consenting activity provides a mix of private and public benefits. Private benefits accrue to consent holders who hold a legal right to undertake an activity. Public benefits accrue at a regional level. They result from the sustainable management of natural resources through the consenting process.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
65%	35%	65%	35%	
Funding mechanism			Fees and charges	General rate; permitted activity monitoring rate

### Regional compliance

This activity involves responding to notifications from members of the public about environmental incidents, investigating serious breaches of environmental or maritime regulation and co-ordinating any subsequent enforcement action.

The council runs a 24 hour/7 day a week response service to ensure the environment, people or property are not seriously affected on an on-going basis by pollution incidents or non-compliant activities of resource users. Where significant non-compliance has been found to occur, the council investigates and incident to enable decisions to be made on appropriate enforcement actions.

The council proactively monitors compliance with two of the 73 permitted activities in the *Waikato Regional Plan*, namely farm animal effluent and soil disturbance.

Activity	Primary community outcome			
Regional compliance	Healthy environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Low	Med	Low

	Enforcement is a critical element of implementing an effective regulatory regime. As such, benefits are spread across the regional community.			
	The impact of the actions / inactions of individuals may be addressed through fines imposed through the court.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	10%	90%	10%	90%
Funding mechanism			Fees and charges (fines)	General rate

### Maritime services

This activity is split into three primary workstreams namely policy and procedures, compliance with navigation safety bylaw and education, and operations. Operations include compliance activities, debris removal, and inspecting and maintaining the region's network of navigation aids.

Activity	Primary community outcome			
Maritime services	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Low	Low	Low
	This activity provides local and individual benefits because navigation aids help commercial and recreational vessels to avoid accidents and the associated financial and personal costs.			
	Oversight of activities on the region's waterways results in a safe recreational environment for all users of these areas.			
	Economic benefit assessment		Funding targets	
Private	Public	Private	Public	
	5%	95%	5%	95%
Funding mechanism	The activity has no correlation to property values, so the UAGC is considered the most appropriate funding mechanism		Other income	UAGC

### Community education

This activity provides programmes which focus on multi-agency relationships to bring about behavioural change to enhance sustainability through education.

Activity	Primary community outcome		
Community education	Vibrant communities		
	Funding principles		

	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low
	<p>This programme supports and advises staff and works alongside local authorities, schools and the other stakeholders. Businesses, community groups, schools and individuals from across the region all benefit from the programme.</p> <p>A portion of costs is recovered from territorial authorities for programmes such as Enviroschools. These recoveries are taken into account before the council's funding requirements are determined.</p>			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	2%	98%	2%	98%
<b>Funding mechanism</b>				General rate; UAGC; Grants and other income

## Group of activities: Science, policy and information

### Environmental monitoring

This activity focuses on the collection, storage, management and analysis of quality-assured data on the current state of air, water, land, coastal resources, ecosystems, the community and the economy in the Waikato region. Both spatial and non-spatial data are gathered from other agencies, the council's networks or sites that provide cost-effective, scientifically defensible and fit-for-purpose data. These complex data are then translated into easy-to-understand key measures (indicators) that are accessible via the web and shared with other councils and the public, and are used for state of the environment reporting, community outcomes reporting and trend analysis.

Activity	Primary community outcome			
<b>Environmental monitoring</b>	Healthy Environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Low	Low	Low
	<p>Consent holders who hold consents to discharge contaminants or extract resources are exacerbators. They also benefit from regional knowledge about the state or quality of resources. Other landowners who undertake permitted activities that have an effect on the environment are also exacerbators.</p> <p>Section 36 of the RMA provides for the recovery of a portion of the costs of this activity. The balance of costs after user charges is met by the general rate in recognition of the regional benefit of the knowledge gained about the state or quality of resources.</p>			
	Economic benefit assessment		Funding targets	

	Private	Public	Private	Public
	25%	75%	25%	75%
<b>Funding mechanism</b>	The council recovers a portion of the costs of this activity through state of the environment monitoring charges on consented resource users.		Fees and charges	General rate

### Environmental science and information

The environmental science and information activity supports evidence based planning and decision making through gathering, analysing and documenting environmental, social, cultural and economic information. The information is used to:

- advise the development, implementation and review of council policies
- assess resource consents
- monitor the state and trends of the environment
- track progress towards the council's strategic direction
- meet the council's legislated responsibilities.

The environmental science and information activity includes scientific investigations that assess and predict how natural resources respond to past, present and future pressures, and how to manage or mitigate existing and potential impacts. Gaining a better understanding of natural processes is integral to strategy and policy development and monitoring, consent processes, restoration work and co-management programmes. The information assists us to communicate to our community if there are improvements, or decline, in the state of our natural and physical resources, and why this is happening.

Waikato Regional Council has a statutory obligation to monitor contaminated land and maintain a regional database of contaminated land sites. Monitoring and investigation of contaminated sites is included in this activity.

Activity	Primary community outcome			
<b>Environmental science and information</b>	Healthy Environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Med	Low	Med
	Consent holders who hold consents to discharge contaminants or extract resources are exacerbators. They also benefit from regional knowledge about the state or quality of resources. Other landowners who undertake permitted activities that have an effect on the environment are also exacerbators.			
	Section 36 of the RMA provides for the recovery of a portion of the costs of this activity. The balance of costs after user charges is met by the general rate in recognition of the regional benefit of the knowledge gained about the state or quality of resources.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
25%	75%	25%	75%	

<b>Funding mechanism</b>	The council recovers a portion of the costs of this activity through state of the environment monitoring charges on consented resource users.	Fees and charges	General rate
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### Social and economic information

This activity gathers, analyses and reports on social and economic data and information and connects this to environmental knowledge to support the council's policy and decision making. Community research, robust stakeholder processes and models enable informed debate towards achieving the council's outcomes and strategic goals. Economic statistics and models enable informed debate towards achieving the council's outcomes and strategic goals.

<b>Activity</b>	<b>Primary community outcome</b>			
<b>Social and economic information</b>	Vibrant communities			
	<b>Funding principles</b>			
	<b>Distribution of benefits (user pays)</b>	<b>Period of benefits (intergenerational equity)</b>	<b>Extent of action / inactions (exacerbator pays)</b>	<b>Cost / benefit of funding separately</b>
	Low	Low	Low	Low
	This activity provides information that helps to inform development of key strategy and policies, and as such provides benefit across the region.			
	<b>Economic benefit assessment</b>		<b>Funding targets</b>	
	<b>Private</b>	<b>Public</b>	<b>Private</b>	<b>Public</b>
	100%		100%	
<b>Funding mechanism</b>				General rate; UAGC

### Strategic and spatial planning

This activity involves leading the Waikato region towards becoming more strategic and forward-thinking. The council undertakes strategic thinking with key regional stakeholders including scanning and research, development of non-statutory regional strategies and plans, economic and spatial plans and collaborative management of regional issues.

<b>Activity</b>	<b>Primary community outcome</b>			
<b>Strategic and spatial planning</b>	Strong economy			
	<b>Funding principles</b>			
	<b>Distribution of benefits (user pays)</b>	<b>Period of benefits (intergenerational equity)</b>	<b>Extent of action / inactions (exacerbator pays)</b>	<b>Cost / benefit of funding separately</b>
	Low	Med	Low	Low
	The strategic and spatial planning activity provides benefits across the region by seeking to take a strategic view of the region's future, and the identification of methods to achieve council's strategic direction.			
	<b>Economic benefit assessment</b>		<b>Funding targets</b>	
	<b>Private</b>	<b>Public</b>	<b>Private</b>	<b>Public</b>



		100%		100%
<b>Funding mechanism</b>	The regional development fund receives its funding from returns from the investment fund. This recognises the regional benefits expected to accrue as a result of the fund over time.			General rate; UAGC; Investment income; borrowing

### Resource management policy

This activity develops and reviews policy for the Waikato that meets statutory requirements. The Resource Management Act 1991 requires the council to produce a regional policy statement (RPS) and review it every 10 years. The council is also required to maintain and review the effectiveness of the regional plan and regional coastal plan.

Activity	Primary community outcome			
<b>Resource management policy</b>	Healthy Environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Low	Med	Low	Low
	This activity provides benefit to the regional community as a whole through the delivery of integrated plans, policies and strategies that guide the management of our natural and physical resources.			
	Sectors of the community who interact with the natural environment most directly may receive a greater benefit from the work delivered through this activity, but equally the activities they wish to undertake may be restricted as a result of plans and strategies developed by the council.			
	Economic benefit assessment		Funding targets	
Private	Public	Private	Public	
	100%		100%	
<b>Funding mechanism</b>				General rate

### Spatial information

This activity enables the delivery of spatial information such as maps, data and interactive maps on the intranet and internet as well as spatial analysis and the development of decision-making models. The spatial modelling and interpretation bring together complex layers of data to create meaningful information for the organisation and the community. Spatial activities also involve working regionally and nationally to develop datasets (such as tracks and aerial photography) that are not constrained by council boundaries. The council is able to use the data and models to make decisions and undertake its business such as support for land use development, infrastructure planning and tsunami modelling.

Activity	Primary community outcome			
<b>Spatial information</b>	Healthy Environment			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately

	Low	Med	Low	Low
	This activity provides benefit to the regional community as a whole through the delivery of spatial information and analysis which guides decision-making.			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
Funding mechanism				General rate

## 7 Overall impact on the community

Section 103(3)(b) of the Local Government Act requires the *Revenue and Financing Policy* to demonstrate that the council has considered “the overall impact of any allocation of liability for revenue needs on the community.”

In considering its *Revenue and Financing Policy*, the council has taken into account those matters set out in the Local Government Act:

- the distribution of benefits across the community
- the period in, or over which those benefits are expected to accrue
- the extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake an activity.

In setting its overall budget, the council has also been mindful of its overall costs, and has sought to identify savings wherever possible. This focus on cost efficiency assists with ensuring that the rates requirement remains affordable for the regional community.

The council has reconfirmed the application of the Uniform Annual General Charge to fund the activities it undertakes, and believes it has struck an appropriate balance between equity and affordability.

The council continues to use a range of targeted rates in order to match the costs of the work it undertakes with the identification of beneficiaries and exacerbators.

Overall, the council believes that the revenue needs in this plan can be supported by the regional economy without undue effects on community-well being. Considerable benefits will result from this plan, across environmental, social, cultural and economic outcomes.

# Annual funding impact statement for 2021/22 | Te tauākī pānga pūtea ā-tau 2021/22

## Funding mechanisms

Waikato Regional Council proposes to use the following funding mechanisms:

- general rate
- uniform annual general charge
- targeted rates
- fees and charges
- investment revenue
- financial contributions
- grants and contributions
- rentals and royalties
- borrowing
- reserves funds
- proceeds from asset sales.

Details of these mechanisms can be found in the Revenue and Financing Policy (July 2016), available on our website [www.waikatoregion.govt.nz](http://www.waikatoregion.govt.nz)

## Funding mix

The funding mix resulting from the council's *Revenue and Financing Policy* is as follows:

Revenue	2021/22 %	2020/21 %
General rate	23	23
UAGC	8	10
Targeted rates	32	35
Government grants	17	12
Direct charges	5	6
Consent holder charges	3	3
Interest income	0	1
Investment income	3	4
Rental income	0	1
Other income	9	7
<b>Total Revenue</b>	<b>100</b>	<b>100</b>

The funding mix by activity is detailed in the Revenue and Financing Policy.

The forecast of revenue for the period of the 2021 -2031 Long Term Plan is as follows:

	2020/21 AP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rate	34,347	40,532	45,106	45,409	47,415	47,201	47,269	47,597	48,305	49,385	50,304
UAGC	15,310	15,068	15,922	16,740	17,590	18,100	18,489	18,817	19,205	19,614	19,951
Targeted rates	52,283	55,844	60,996	63,636	66,178	70,750	72,126	75,335	78,012	80,049	82,125
	<b>101,940</b>	<b>111,444</b>	<b>122,024</b>	<b>125,785</b>	<b>131,183</b>	<b>136,051</b>	<b>137,884</b>	<b>141,749</b>	<b>145,522</b>	<b>149,048</b>	<b>152,380</b>

Government grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Direct charges	8,368	9,290	10,159	10,454	10,853	11,164	11,365	11,577	11,649	11,854	12,067
Consent holder charges	4,341	4,910	5,207	6,360	6,138	6,002	5,917	6,283	5,945	6,053	6,131
Investment fund distribution income	3,567	3,077	3,200	3,265	3,202	3,266	3,331	3,325	3,391	3,459	3,507
Investment fund capital protection income	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Interest income	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Other income	9,817	15,567	16,469	12,742	12,436	10,396	9,233	7,846	6,854	6,431	6,091
Royalties	120	125	125	125	125	125	125	125	125	125	125
Rental income	750	637	637	637	637	637	637	637	637	637	637
Other gains/(losses)	-	-	-	-	-	-	-	-	-	-	-
Total other Income	47,594	65,829	73,705	60,534	61,462	59,633	59,648	59,877	59,325	59,943	60,544
<b>Total Revenue</b>	<b>149,534</b>	<b>177,273</b>	<b>195,729</b>	<b>186,319</b>	<b>192,645</b>	<b>195,684</b>	<b>197,532</b>	<b>201,626</b>	<b>204,847</b>	<b>208,991</b>	<b>212,924</b>

The projected number of rating units within the region for each year covered by the 2021-2031 Long Term Plan are:

Financial Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Projected number of rating units	213,000	216,000	219,000	222,000	225,000	228,000	231,000	234,000	238,000	242,000

The projected total capital value of all rating units within the region at 30 June 2021 is \$184.723 billion.

The projected total land value of all rating units within the region at 30 June 2021 is \$107.583 billion.

All rate figures in this policy are GST inclusive unless otherwise stated.

## General rate

### What it funds

The general rate is used to fund part or all of the activities that are of 'public benefit', where no other direct source of revenue is identified to cover the cost of the activities. The general rate and investment income provide the funding for general revenue.

The general rate amounts to 23 per cent of the council's total revenue for the year. For this year, the amount of general rate revenue required is \$46,612,000 (GST Inclusive) compared with \$39,499,000 (GST Inclusive) in 2020/21.

The general rate revenue (GST Inclusive) will be used to fund the following activities.

Activity	\$000 (GST inclusive)
Community and services	-
Waikato civil defence emergency management group	-
Regional hazards and emergency response	-
Flood control and protection works	3,299
Integrated catchment management	9,543
Regional Transport Connections	1,261
Resource use	8,889
Science, Policy and Information	24,880
Corporate	(1,260)
<b>Total</b>	<b>46,612</b>

### How it is applied

The general rate is set on a capital value basis. It is set on a differential basis using projected values and the location of the land within the Waikato region in accordance with section 131 of the Local Government (Rating) Act 2002. A process to consider projected values is undertaken on an annual basis to take account of the different revaluation cycles of the territorial authorities in the region.

The rate in the dollar per dollar of capital value of a rating unit is determined by dividing the general rate revenue requirement, by the capital value of all rateable properties in the Waikato region, taking account of the differential. The capital value of the region used for the 2021/22 year is \$184,723 billion.

## The 2021/22 rate

Area of benefit (GST inclusive)	Percentage of region	Rate \$1 per \$1 CV (GST inclusive)	\$(000) GST inclusive
Hamilton City	26.25%	0.00028181	12,248
Matamata-Piako	8.83%	0.00026271	4,114
Ōtorohanga	3.05%	0.00028532	1,421
Rotorua	1.24%	0.00023000	578
South Waikato	3.85%	0.00026637	1,794
Taupō	10.18%	0.00025748	4,743
Thames-Coromandel	12.98%	0.00024278	6,048
Waikato	15.21%	0.00020340	7,087
Waipā	12.26%	0.00025121	5,713
Waitomo	2.07%	0.00027651	965
Hauraki	4.08%	0.00027054	1,901
<b>Total</b>	<b>100.00%</b>		<b>46,612</b>

## Uniform annual general charge (UAGC)

### What it funds

The UAGC is used to fund portions of activities that have been identified through the *Revenue and Financing Policy* as meeting one of the following criteria:

- The expenditure is a “public good” to which every ratepayer has equal access.
- The expenditure is related to “people” rather than property.
- The expenditure does not directly change the condition of economic value of a property or resource.

For this year, the amount of UAGC revenue required is \$17,328,000 (GST Inclusive). This amounts to 8 per cent of the council's total revenue for the year, and 13.5 per cent of total rates revenue.

The UAGC will be used to fund the following activities:

Activity	\$(000) (GST inclusive)
Governance	4,210
Planning, reporting and funding	1,345
Iwi Maori Partnerships	1,484
Transport Policy and Planning	596
Waikato Regional Council emergency response	771
Resilient development	1,070
Environmental monitoring	1,039
Regional consents processing	728
Biodiversity	1,963
Maritime services	2,112

Activity	\$000 (GST inclusive)
Social and economic information	1,097
Strategic and spatial planning	456
Corporate	459
<b>TOTAL</b>	<b>17,328</b>

### How it is applied

The UAGC is set on every rating unit in the Waikato region. The estimated number of rating units is 210,349

### The 2021/22 rate

The rate is \$82.36 per rating unit (GST inclusive). This is a decrease of \$2.83 from 2020/21.

## Targeted rates

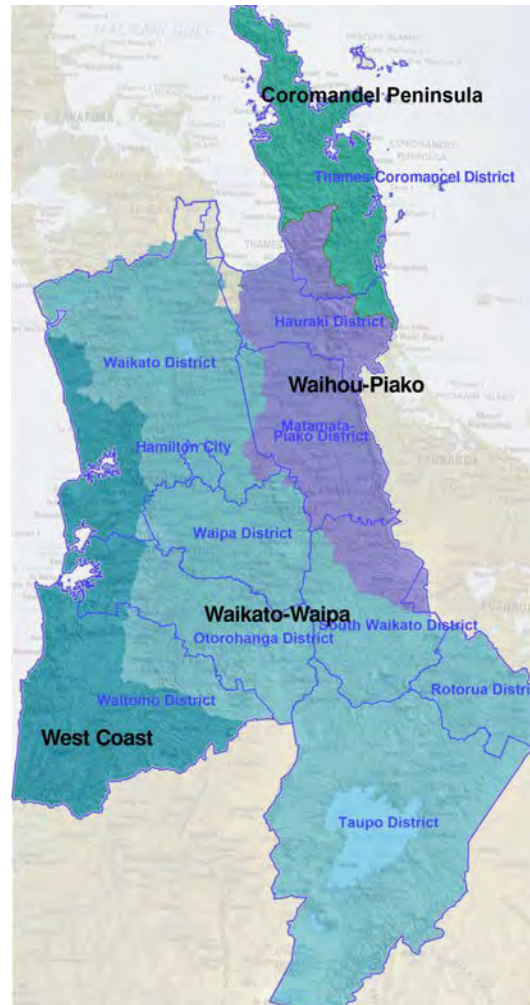
The following map illustrates the areas over which the council's targeted catchment rates are assessed.

The council proposes to set and assess the following targeted rates.

The council may consider lump sum contributions in relation to capital new works rates only.

## Waihou-Piako schemes

The Waihou Valley Scheme and Piako River Scheme are two major historic schemes that provide a range of flood protection, river management, land drainage and soil conservation services that cover most of the Waihou-Piako zone. The objectives for each scheme are set out in the relevant zone management plans



## What it funds

Piako River Scheme	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Flood protection	4,478	3,792
River management	615	530
Catchment new works	1,053	289
Catchment maintenance	-	-
Catchment oversight	776	659



Information and advice	221	189
<b>Total Piako River Scheme</b>	<b>7,144</b>	<b>5,458</b>

Waihou Valley Scheme	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Flood protection	5,571	4,417
River management	1,617	1,385
Catchment new works	1,090	302
Catchment maintenance	440	278
Catchment oversight	919	781
Information and advice	260	221
<b>Total Waihou Valley Scheme</b>	<b>9,897</b>	<b>7,384</b>

### How it is applied

This rate is assessed on a benefit/contributor classification basis, using a combination of capital value, land value, land area and direct benefit:

- a targeted differential catchment rate, on a capital value basis
- a targeted differential urban direct benefit rate, on a capital value basis
- relief from the land value portion of the catchment rate for land that is in indigenous vegetation or exotic forests, is more than 10 hectares in area and has stock excluded
- a rural direct benefit rate which is made on a benefit classification basis using equalised land value in the Waihou Valley Scheme and on a benefit classification basis using land area in the Piako River Scheme.

Local protection – Piako River scheme maintenance

Piako River scheme: Total targeted rate revenue per layer

Layer	Targeted rate revenue (\$000) (GST Inclusive)
Tidal flooding	928
River flooding	726
Drainage	2,019
Residential, industrial/commercial	366
<b>Total</b>	<b>4,038</b>

## The 2021/22 rate

The following tables show the \$ per hectare and \$1 per \$1 capital value rates for the Piako River scheme.

### Piako Classifications

Area of benefit (GST inclusive)	Factor used	TF1	TF2	TF3	TF4
Tidal flooding	\$ per hectare	74.9974	56.2480	37.4987	3.7499

Area of benefit (GST inclusive)	Factor used	RF1	RF2	RF3	RF4	RFPZ1	RFPZ2	RFPZ3
River flooding	\$ per hectare	52.4642	26.2321	19.6741	6.5580	20.9857	10.4928	2.6233

Area of benefit (GST inclusive)	Factor used	D1	D2	D3	D4	D5	D6	D7	D8	D9
Drainage	\$ per hectare	57.6572	46.1257	34.5943	28.8286	26.9067	24.9848	15.3752	5.7657	1.9219

Area of benefit (GST inclusive)	Factor used	RIC1	RIC2
Residential, industrial/commercial	\$1 per \$1 Capital value	0.00100059	0.00050029

### Local protection - Waihou Valley scheme maintenance

Layer	Targeted rate revenue (\$000) (GST Inclusive)
Rural	4,357
Urban	1,108
<b>Total</b>	<b>5,465</b>

## The 2021/22 rate

The following table shows the rate in the \$1 per \$1 land value and capital value for the Waihou Valley scheme.

### Waihou Classifications

Area of benefit (GST inclusive)	Factor used	U1	U2	U3	U4
Urban	\$1 per \$1 Capital value	0.00063559	0.00036319	0.00018160	0.00006810

Area of benefit (GST inclusive)	Factor used	A	B	C	D	E
Rural	\$1 per \$1 Land value	0.00880649	0.00455508	0.00273305	0.00060734	0.00030367

Layer	Targeted rate revenue (\$000) (GST Inclusive)
Catchment	3,339

## The 2021/22 rate

The following rate is applied to all rating units within the Waihou and Piako zones.

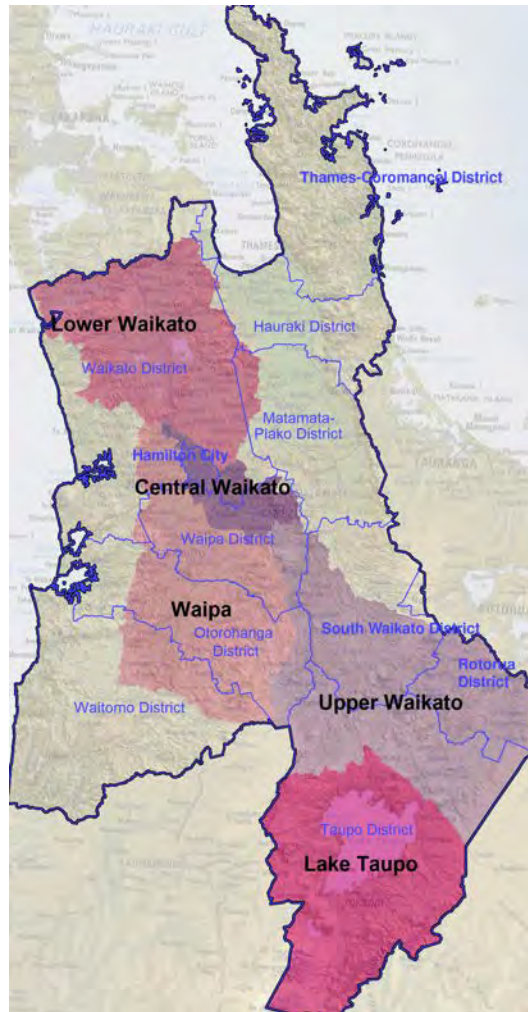
Area of benefit (GST inclusive)	Factor used	WPC1	WPC2	WPC3
Catchment	\$1 per \$1 Capital value	0.00021297	0.00012778	0.00008519

## Waikato-Waipā (Watershed)

The Watershed scheme provides flood protection, river management, land drainage and soil conservation to the Waikato/Waipā river catchment. The catchment includes the Waikato and Waipā rivers and the areas of land that drain into them.

Details of the scheme can be obtained from the funding document.<sup>(11)</sup> The scheme was adopted under special order on 27 June 2002, under part V of the Rating Powers Act 1988, and subsequent special order on 29 November 2002, for the hydro contributor and the Tauranga-Taupō river management and flood protection layer, the Tongariro River management and flood protection layer, the Whangamaire pump area, the Uapoto drainage subdivision and the Kawa drainage area.

11 Waikato River Catchment Services, "Project Watershed". Level of Service and Funding Policy, June 2002. Docs # 752002.



### What it funds

The funding provides for the following projected expenditure for 2021/22:

Zone	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Lake Taupō management zone	1,818	722
Upper Waikato management zone	1,432	583
Central Waikato management zone	2,287	1,140
Waipā management zone	5,191	2,755
Lower Waikato management zone	14,276	8,425
<b>TOTAL</b>	<b>25,004</b>	<b>13,626</b>

The targeted rate requirement is \$13,626,000 (GST Inclusive), a decrease of \$463,000 on the amount required in the 2020/21 year. The targeted rate includes funding of operating expenses, depreciation, interest expense, provision for debt repayment.

## How it is applied

This rate is assessed on a benefit/contributor classification basis, using a combination of capital value, land value, land area and direct benefit.

The scheme consists of several differentials that are applied to the rating unit.

### Greater Waikato catchment differential

This is based on the capital value of all rating units within the catchment boundary. The rate is set on a differential basis, according to the location of the land. This differential aims to smooth the impact of the timing of general property revaluations undertaken by district councils.

### Contributor differential

This is based on land value of all rating units within the catchment boundary except for those identified in the differential classification as being hydro properties.

### Contributor differential – hydro

This is based on capital value of all rating units identified as being hydro classification within the catchment boundary.

### Beneficiary differential – hydro

This is based on capital value of all rating units identified as being hydro classification within the catchment boundary.

### Management zone differential

This is based on the capital value of all rating units within the management zone boundaries. The different management zones are Lake Taupō, Upper Waikato, Middle Waikato, Waipā and Lower Waikato.

### River control and flood protection direct benefit differential

This is based on a differential basis of capital value, land area, or per rating unit for each differential classification. The land within the scheme is assigned to the appropriate classification, which corresponds to a level of benefit the land receives from the scheme. The details of the classifications can be found in the funding document.

## How it is applied

Differential	Targeted rate revenue (\$000) (GST Inclusive)
Greater Waikato catchment differential	3,128
Contributor differential urban	1,697
Contributor differential rural	984
Contributor differential - hydro	643
Management zone differential	-
- Lower Waikato	2,174
- Central Waikato	612
- Upper Waikato	293
- Waipā	897
- Lake Taupō	238
- River control and flood protection benefit	2,961
<b>- Total</b>	<b>13,626</b>

## The 2021/22 rate

### Greater Waikato Catchment differential

Zone	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
Greater Waikato catchment differential		
- Hamilton city	capital value	0.00002186
- Waipā district	capital value	0.00002562
- Waikato district	capital value	0.00002403
- Ōtorohanga district	capital value	0.00003097
- Hauraki district	capital value	0.00003766
- Matamata-Piako district	capital value	0.00003041
- South Waikato district	capital value	0.00002881
- Waitomo district	capital value	0.00003331
- Taupō district	capital value	0.00002909
- Rotorua district	capital value	0.00004163
Contributor differential urban	land value	0.00003787
Contributor differential rural	land value	0.00003787
Contributor differential - hydro	capital value	0.00058656

Lake Taupō management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Taupō district	capital value	0.00001764

Upper Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Ōtorohanga district	capital value	0.00002360
- South Waikato district	capital value	0.00002117
- Taupō district	capital value	0.00001756
- Rotorua district	capital value	0.00003065
- Waipā district	capital value	0.00003560
- Matamata-Piako district	capital value	0.00000566

Central Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Hamilton city	capital value	0.00001030
- Waipā district	capital value	0.00000958
- Waikato district	capital value	0.00000948

Lower Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Waikato district	capital value	0.00011447
- Matamata-Piako district	capital value	0.00013599
- Hauraki district	capital value	0.00013087
- Hamilton city	capital value	0.00003011

Waipā management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Waipā district	capital value	0.00005016
- Waikato district	capital value	0.00003972
- Ōtorohanga district	capital value	0.00005300
- Waitomo district	capital value	0.00005711
- Hamilton city	capital value	0.00001065

## River control and flood protection benefit differential

The following tables show the rate for each of the direct benefit classifications

### Lower Waikato direct benefit rates

Rated at \$ per hectare

#### Main channel works

Area of benefit (GST inclusive)	1	2	3	4	5	6	6A
Waikato	9.6180	6.7326	5.7708	4.8090	3.8472	2.8854	-
Mangawara	3.4060	2.7248	2.3842	1.3624	0.8515	0.5109	0.3406

#### Main channel works continued

Area of benefit (GST inclusive)	7	8	9A	9B	9C
Waikato	2.4045	1.9236	1.4427	0.9618	0.4809
Mangawara	0.1703	-	-	-	-

#### Community works

Area of benefit (GST inclusive)	1	2	3	4	5	6	6A	7	8
Waikato	21.5741	17.2593	15.1019	12.9445	10.7871	8.6296	-	7.5509	2.1574
Mangawara	7.0752	5.6602	4.9527	2.8301	1.7688	1.0613	0.7075	0.3538	-

### Local protection works

#### Franklin district

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8
Motukaraka	-	83.7476	79.3398	-	-	-	-	-
Bell Road	-	-	-	-	165.6495	-	-	-
Tickles	717.7270	-	-	-	-	-	-	-
Waller	-	-	-	612.7065	-	-	-	-
Orton	-	-	-	276.5045	227.7094	178.9145	-	-
Parish Polder	-	-	-	351.7466	-	-	-	-
Whangamarie	98.4553	59.0732	39.3821	14.7683	-	-	-	-
Te Kohanga	87.9881	-	-	74.7898	-	-	-	-
Tuakau	-	-	-	179.2160	-	-	-	-
Onewhero West	-	-	-	216.7079	-	-	-	-



Mangatawhiri								
- Comp 1	-	-	-	55.7822	-	-	29.5317	26.2504
- Comp 2	-	-	178.3248	168.4180	-	-	-	-
- Comp 3	-	-	-	119.2419	-	-	-	-
- Comp 4	-	-	179.5759	-	-	-	-	-
- Comp 5	-	-	-	354.7740	-	-	-	-

*Waikato district*

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8
Waahi	-	-	-	-	-	-	-	-
Meremere west	-	-	-	186.2152	-	-	-	-
Meremere	-	-	-	-	181.0180	-	-	-
Waikare	76.7239	-	69.0515	65.2153	-	-	34.5257	30.6895
Huntly west	75.3712	-	-	-	-	-	33.9170	30.1485
Kimihia	110.3772	-	99.3395	93.8207	-	-	-	44.1509
Deroles	-	-	-	-	170.5827	-	-	-
Vrsalijkos	-	303.8095	-	-	-	-	-	-
Churchill	-	-	133.3623	-	-	-	-	-
Ruawaro	-	-	-	304.0621	-	-	-	-
Swan	-	69.2703	-	-	-	40.1038	32.8123	-
Island Block	-	-	383.5959	-	-	-	-	-
Orchard Road	-	-	-	1,269.4547	-	-	-	-
Locke	-	-	201.3140	-	-	-	-	-

*Waikato district continued*

Area of benefit (GST inclusive)	9	10	11	12
Waahi	-	24.1938	-	9.6775
Meremere west	-	-	-	-
Meremere	-	-	-	-
Waikare	-	-	15.3448	-
Huntly west	-	-	-	7.5371
Kimihia	-	-	-	-
Deroles	-	-	-	-
Vrsalijkos	-	-	-	-
Churchill	-	-	-	-

Ruawaro	107.3166	-	-	35.7720
Swan	-	-	-	-
Island Block	127.8650	-	-	-
Orchard Road	-	-	-	-
Locke	-	-	-	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Aka Aka (LPSECB)	5.4354	-	-	-	-	-	-	-	-
Aka Aka (LPG)	13.5824	-	-	-	-	-	-	-	-
Aka Aka (LPPG)	45.2747	-	-	-	-	-	-	-	-
Aka Aka (LPP)	58.8570	56.5931	113.1870	-	-	-	-	-	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Mercer west									
- Southern	-	-	-	-	-	-	40.6881	-	-
- Morrisons	-	-	-	-	-	-	-	85.9027	-
Mangawara	57.3791	45.9033	40.1654	22.9516	14.3448	8.6069	2.8690	-	-
Mangawara A	-	-	-	-	-	5.7379	-	-	-

*Waikato zone - fixed direct benefit rate*

Area of benefit (GST inclusive)	Factor used	Rate (\$) GST inclusive
Huntly	per rating unit (GST inclusive)	\$ 53.04

*Waipā zone - direct benefit rate*

Rated at \$ per hectare

Area of benefit (GST inclusive)	1	2
Kawa	11.1430	5.5715

*Waipā zone - fixed direct benefit rate*

Area of benefit (GST inclusive)	Factor used	Rate (\$) GST inclusive
Ōtorohanga	per rating unit (GST inclusive)	\$ 36.94

Taupo zone - direct benefit rates

Rated at \$1 per \$1 of capital value

Area of benefit (GST inclusive)	5	6	7
Tongariro	0.00009054	0.00004527	0.00002263
Tauranga/Taupō	0.00005380	-	-
Tauranga/Taupō A	-	-	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Deroles capital	-	-	-	-	486.8587	-	-	-	-
Mercer west - Morrisons capital	-	-	-	-	-	-	-	203.9519	-
Jefferis capital	-	208.3405	-	-	-	-	-	-	-

Taupō zone

Rated at \$1 per \$1 of capital value

Area of benefit (GST inclusive)	1	2	3	3A	4
Tongariro capital	0.00032543	0.00019526	0.00013017		0.00011390
Tauranga/Taupō capital	0.00054825	0.00043860	0.00019189		0.00015351
Tauranga/Taupō A capital				0.00013706	

Rated at \$1 per \$1 of capital value

Area of benefit (GST inclusive)	5	6	7
Tongariro	0.00006509	0.00003254	0.00001627
Tauranga/Taupō	0.00005483		
Tauranga/Taupō A			

## Drainage rates

The drainage rates for Thames Valley, Waikato north, Waikato south, Franklin and Waikato district areas provide land drainage in these areas. Details of the areas covered can be obtained from the funding documents.

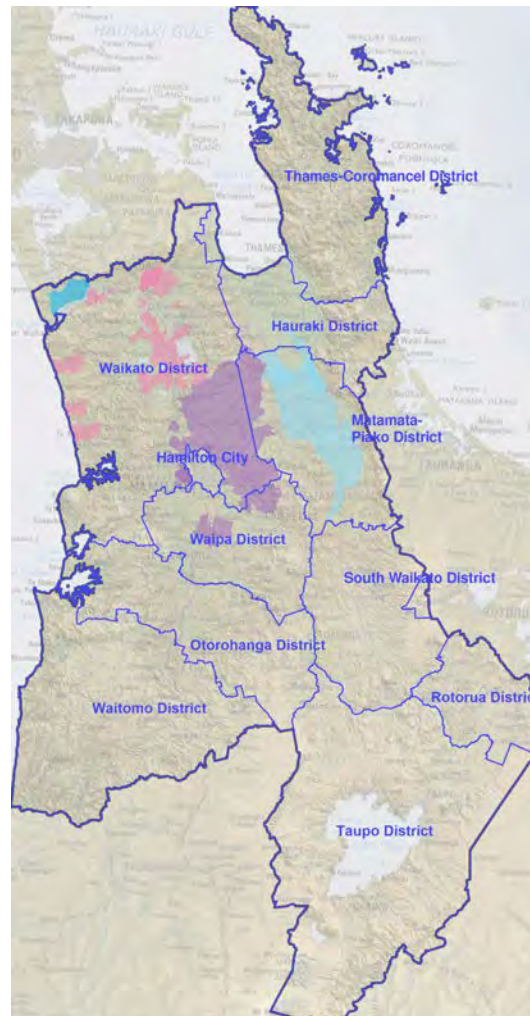
(12)

These schemes were implemented under the Land Drainage Act 1908, and more recently the Rating Powers Act 1988.

This rate is assessed on a benefit classification basis, using land area.

## What it funds

The revenue requirement for each area is based on expenditure as shown below.



12 Thames Valley: Tahuna Subdivision Drainage District, Classification Report. Elstow Subdivision Drainage District, Classification Report. Waihou Subdivision, Classification Report. Whakahoro Drainage District, Classification Report. Tatuani Subdivision, Classification Report. Waiheke Subdivision and Manawaru Extension, Classification Report, 1986 and 1987. Manawaru Subdivision, Classification. Hungahunga Special Order Waikato North: Te Rapa Drainage, Classification Report. Fencourt and Eureka, Funding Policy. Komakorau Subdivision, Classification Report. Waikato South: Hautapu Drainage District, Special Order. Ōhaupo-Ngaroto, Classification Report. Franklin District: Franklin district drainage areas Funding Policy. Doc # 1620129 Waikato District: Waikato district drainage areas Funding Policy. Doc # 1922441

Expenditure	(\$000) (GST inclusive)
Thames Valley drainage maintenance	665
Waikato Central drainage maintenance	1,255
Franklin Waikato drainage maintenance	672
Aka Aka / Otaua drainage maintenance	334
<b>Total expenditure</b>	<b>2,926</b>

These requirements have been developed in consultation with the council's drainage advisory subcommittees.

### How it is applied

These rates are assessed on a benefit classification basis, using land area. The land within the scheme is given a classification, which corresponds to a level of benefit the land receives from the scheme. Details of the classifications can be found in the funding document.

Rate revenue per subdivision

Thames Valley	(\$000) (GST inclusive)
Hungahunga	44
Manawaru	58
Waiheke	55
Tatuanui	83
Whakahoro	100
Waitoa	57
Waihou	20
Elstow	87
Tahuna	52
Ahikope pumping	19
Tahuna pumping	48
Rowes East	6
Bancroft	4
Matamata Urban	34
<b>Total</b>	<b>665</b>

Waikato Central	(\$000) (GST inclusive)
Rotomanuka	40
Hautapu	83
Fencourt	88

Ōhaupō-Ngāroto	27
Freshfield maintenance	77
Freshfield pumping	48
Komokorau 1	161
Komokorau 2	3
North Mangawara	18
South Mangawara	43
Tauhei	87
Tenfoot	50
Uapoto	28
Ngāruawahiā	85
Rotokauri	44
Ohote Basin	13
Mangaonua	67
Waitakaruru	140
Manor Park	29
Greenhill	10
Hopuhopu	12
Kirikiroa	9
Koromatua	6
Matangi	52
Ngāruawahiā North	11
Pukeroro	11
Puketaha	6
Te Kōwhai	10
<b>Total</b>	<b>1255</b>

Franklin Waikato	(\$000) (GST inclusive)
Waller Commins	0
Motukaraka	134
Bell Road	8
Tuakau Swamp	14
Mangatawhiri compartment 1	4
Mangatawhiri compartment 2	21
Mangatawhiri compartment 3	13
Mangatawhiri compartment 4	42

Mangatawhiri compartment 5	2
Orton	5
Morrison's Swamp	2
Te Kohanga	13
Kaawa	35
Onepoto	8
Onewhero Downstream	0
Okowhau	16
Huntly West	21
Hills	6
Horohoro	52
Austins	13
Blairs	8
Guests	11
Ruawaro Furniss	5
Ruawaro Central	1
Ruawaro North	10
Kimihia pumped	2
Kimihia	7
Ohinewai	0
Rangiriri	11
Island Block	11
Orchard Road	6
Swan Road	34
Vrsalijkos Road	5
Churchill East	43
Meremere East	25
Mangati	3
Mangawara	7
Pukekapia 1	7
Pukekapia 2	9
Ruawaro East	0
Ruawaro West	6
Waikare Frost	14
Waikare Ohinewai	5
Waikare Nikau	4

Waikare Rangiriri	4
Waikare West	18
Waikorea	6
<b>Total</b>	<b>672</b>

<b>Aka Aka</b>	(\$000) (GST inclusive)
Aka Aka	334

### The 2021/22 Thames Valley Drainage Area

\$ per hectare

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Hungahunga	110.7064	11.0706	8.8565	5.5353	2.7677	1.6606	0.5535
Manawaru	138.6140	13.8614	11.0891	6.9307	3.4654	2.0792	0.6931
Waihekeau	122.1799	12.2180	9.7744	6.1090	3.0545	1.8327	0.6109
Tatuanui	-	253.6735	20.2939	12.6837	6.3418	3.8051	1.2684
Whakahoro	-	28.0945	22.4756	14.0472	7.0236	4.2142	1.4047
Waitoa	164.6865	16.4686	13.1749	8.2343	4.1172	2.4703	0.8234
Waihou	-	12.0209	9.6167	6.0105	3.0052	1.8031	0.6010
Elstow	241.9910	24.1991	19.3593	12.0996	6.0498	-	1.2100
Tahuna	-	22.1192	17.6953	11.0596	5.5298	3.3179	1.1060
Ahikope pumping	-	30.5255	24.4204	15.2628	7.6314	4.5788	1.5263
Tahuna pumping	-	38.4813	30.7850	19.2407	9.6203	5.7722	1.9241
Rowes East	-	74.1845	59.3476	37.0923	18.5461	11.1276	3.7092
Bancroft	-	7.7619	6.2095	3.8809	1.9405	1.1643	0.3881
Matamata Urban	-	185.2225	148.1780	92.6112	46.3069	27.8699	9.2611

### Waikato Central Drainage Area

\$ per hectare

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Rotomanuka	-	20.5188	8.6550	1.1275	-	-	-
Hautapu	254.2942	25.4294	17.8006	12.7147	6.3574	3.8144	1.2715
Fencourt	539.4381	53.9438	37.7607	26.9719	10.7888	8.0916	2.6972
Ōhaupō-Ngāroto	-	21.1805	14.8263	10.5902	5.2951	4.2361	1.0590



Freshfield maintenance	281.7551	28.1755	21.1316	14.0878	7.0439	4.2263	1.4089
Freshfield pumping	-	271.8040	203.8528	135.9020	67.9511	40.7706	-
Komokorau 1	-	24.4196	17.0937	12.2098	7.3259	3.6629	1.2210
Komokorau 2	-	-	-	57.2784	28.6391	-	2.8639
North Mangawara	177.1492	17.7149	12.4004	8.8575	3.5430	2.6572	1.0629
South Mangawara	208.2510	20.8251	14.5776	10.4125	4.1650	3.1238	1.2495
Tauhei	213.3526	21.3353	14.9347	10.6676	4.2671	3.2003	1.2801
Tenfoot	224.6384	22.4638	15.7247	11.2319	4.4928	3.3696	1.3478
Uapoto	264.0402	26.4040	18.4828	13.2020	5.2808	3.9606	1.5842
Ngāruawahiā	830.3445	83.0344	66.4276	41.5172	20.7587	12.4552	4.1517
Rotokauri	497.0160	49.7016	39.7613	24.8508	12.4254	7.4552	2.4849
Ohote Basin	96.2135	24.0534	15.6347	14.4320	-	6.0133	3.6080
Mangaonua	370.1811	37.0181	25.9127	18.5091	7.4036	5.5527	-
Waitakaruru	393.4251	39.3425	27.5398	19.6713	7.8685	5.9014	1.9671
Manor Park	3,530.1220	706.0244	-	-	-	353.0089	-
Greenhill	-	115.1717	103.6546	72.5574	-	-	-
Hopuhopu	-	59.1119	39.0138	19.6842	6.5021	-	-
Kirikiroa	-	-	-	36.5698	18.2849	-	3.6570
Koromatua	-	49.3982	32.9239	8.2149	-	-	-
Matangi	-	26.9376	-	-	-	-	-
Ngāruawahiā North	-	322.7538	-	-	-	-	-
Pukeroro	-	90.8567	60.5106	45.4284	-	-	-
Puketaha	343.3534	34.3354	24.0347	17.1677	10.3006	5.1506	1.7168
Te Kōwhai	-	131.3973	98.4164	49.2743	32.8490	16.4245	-

#### Aka Aka Drainage Area

Subdivision			
Aka Aka	\$ 69.16	fixed rate per hectare (GST inclusive)	

#### Franklin Waikato Drainage Areas

\$ per hectare

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Waller Commins	-	-	-	-	-	-	-
Motukaraka	-	93.4679	-	-	-	-	-

Bell Road	-	-	-	60.3546	-	-	-
Tuakau Swamp	-	-	152.0482	-	33.7885	-	-
Mangatawhiri Compartment 1	-	-	-	37.2497	12.4166	7.4499	-
Mangatawhiri Compartment 2	-	-	193.6942	129.1295	43.0432	25.8259	-
Mangatawhiri Compartment 3	-	-	23.3660	15.5773	5.1925	-	-
Mangatawhiri Compartment 4	-	-	103.2029	68.8019	22.9340	-	9.1736
Mangatawhiri Compartment 5	-	-	-	-	60.2006	-	-
Orton	-	25.0511	15.0306	10.0204	5.0102	-	-
Morrison's Swamp	-	22.6478	16.9859	11.3239	5.6620	-	-
Te Kohanga	-	22.1031	7.3677	3.6839	-	-	-
Kaawa	-	222.9753	111.4876	-	-	-	-
Onepoto	-	179.0263	134.2697	89.5132	-	-	-
Onewhero Downstream	-	-	-	-	-	-	-
Okowhau	-	183.2607	104.7334	52.3760	26.1513	-	-
Huntly West	-	71.8762	51.3412	20.5350	10.2784	-	-
Hills	-	86.5118	61.8040	24.7164	12.3798	-	-
Horohoro	-	106.9367	76.3742	30.5518	15.2706	-	-
Austins	-	69.1025	43.1960	17.2757	-	-	-
Blairs	-	143.4478	102.4646	40.9831	20.5129	-	-
Guests	-	68.1786	45.4752	-	-	-	-
Ruawaro Furniss	-	-	84.6631	56.4273	-	-	-
Ruawaro Central	-	52.4741	37.4822	-	-	-	-
Ruawaro North	-	114.1200	84.9852	32.6384	-	-	-
Kimihia SRA	-	90.0881	45.0618	-	-	-	-
Kimihia	-	74.5364	37.2831	-	-	-	-
Rangiriri	-	132.0494	110.0368	66.0380	-	-	-
Island Block	-	127.4945	63.7218	31.8864	-	-	-
Swan Road	-	-	73.1396	48.7549	24.3841	-	-
Vrsalijkos	-	154.8077	-	77.3882	-	-	-
Orchard Road	933.2938	93.3294	65.3304	46.6647	-	13.9994	4.6781
Churchill East	-	98.0160	78.4030	58.8095	-	-	-
Meremere East	-	71.2831	53.4623	35.6344	17.8208	-	-
Mangati	-	58.3628	46.6897	-	-	-	-
Mangawara	-	18.7323	11.6889	9.3661	2.3228	-	-
Pukekapia 1	-	40.2583	20.1292	10.0646	-	-	-
Pukekapia 2	-	89.2599	44.6300	22.3153	-	-	-

Ruawaro East	-	-	-	-	-	-	-
Ruawaro West	-	49.1504	36.8628	24.5752	12.2876	-	-
Travers Road	-	-	-	-	-	-	-
Waikare Frost	-	96.8062	48.4030	24.2014	12.1975	-	-
Waikare Ohinewai	-	-	112.7264	56.3633	27.9566	-	-
Waikare Nikau	-	55.3591	45.8376	36.8691	-	18.4346	9.1896
Waikare Rangiriri	-	53.9595	32.3218	10.7919	-	-	-
Waikare West	-	44.3468	35.3887	17.6944	8.8250	-	-
Waikorea	-	47.7819	-	-	-	-	-

### Peninsula project (Coromandel Zone)

The Peninsula Project (Coromandel Zone) scheme provides for work to address the issues of flood protection, soil conservation and river management on the Coromandel Peninsula. Details of the funding policy and the area covered by this scheme can be obtained from the Peninsula Project (Coromandel zone) Revenue and Funding Policy<sup>(13)</sup>

#### What it funds

The funding provides for projected costs of \$3,465,000 (GST inclusive).

Activity	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Flood protection	419	444
River management	580	393
River improvement	107	85
Catchment new works	1,003	421
Catchment maintenance	40	30
Catchment oversight	458	325
Information and advice	162	120
Works and services - coastal marine area	697	435
<b>Total</b>	<b>3,465</b>	<b>2,253</b>

#### How it is applied

The rate is assessed on a benefit/contributor classification basis, using a combination of capital value, land value and land area.

The scheme consists of the following differentials that are applied to a rating unit.

Catchment differential – capital value basis

This is based on the capital value of all rating units within the catchment boundary.

Catchment differential – per rating unit basis

13 Peninsula Project (Coromandel Zone) Revenue and Funding Policy, Peninsula Project (Coromandel Zone) Revenue and Funding Policy, Doc # 889245

This is based on a uniform fixed amount per rating unit on all rating units within the catchment boundary.

#### River and flood control direct benefit differential

This is based on the amount of benefit a rating unit receives from river and flood control works. The land within the scheme is classified on this basis and assigned within rating differentials. Rating is calculated on a capital value or per rating unit basis within each differential. This applies to capital works and maintenance associated with capital works. Base level stream maintenance is funded by one differential across the whole scheme. The details of the classifications can be found in the funding document.

The targeted rate requirement is as follows:

Differential	Targeted rate revenue (\$000) (GST inclusive)
Catchment - Coromandel	1,331
River and flood control direct benefit	923
<b>Total</b>	<b>2,253</b>

#### The 2021/22 rate

Differential	Factor Used	Rate (\$) GST inclusive
<b>Catchment</b>		
CV Basis	Capital value \$1 per \$1	0.00003937
Per rating unit basis	Per rating unit	36.37
<b>Coromandel Retirement Village</b>		
Maintenance	Capital value \$1 per \$1	0.00007020
<b>Coromandel township</b>		
Maintenance	Capital value \$1 per \$1	0.00008013
<b>Coromandel township capital</b>		
Capital channel 1	Capital value \$1 per \$1	0.00032389
Capital channel 2	Capital value \$1 per \$1	0.00016194
Capital channel 3	Capital value \$1 per \$1	0.00008097
Capital indirect	Capital value \$1 per \$1	0.00000701
<b>Grahams Creek</b>		
Indirect maintenance	Capital value \$1 per \$1	0.00003643
Indirect capital	Capital value \$1 per \$1	0.00000926
Capital channel CH1	Capital value \$1 per \$1	0.00011765
Capital stopbank SB2	Capital value \$1 per \$1	0.00006921
Capital channel CH2	Capital value \$1 per \$1	0.00002941
Capital stopbank SB1	Capital value \$1 per \$1	0.00020762
<b>Karaka Stream capital</b>		
Capital KL1	Capital value \$1 per \$1	0.00028409

Capital KL2	Capital value \$1 per \$1	0.00014205
Capital KL3	Capital value \$1 per \$1	0.00004735
Pohue Channel capital		
Capital channel 1	Capital value \$1 per \$1	0.00046156
Tairua Harbour		
Maintenance	Per rating unit	17.84
Tapu		
Maintenance	Capital value \$1 per \$1	0.00022404
Te Puru		
Maintenance	Capital value \$1 per \$1	0.00025399
Te Puru capital Indirect		
Te Puru capital Indirect	Per rating unit	59.04
Te Puru channel capital		
Capital channel 1	Capital value \$1 per \$1	0.00005385
	Per rating unit	30.29
Capital channel 1a	Capital value \$1 per \$1	0.00005385
	Per rating unit	754.50
Capital channel 2	Capital value \$1 per \$1	0.00002692
	Per rating unit	15.14
Capital channel 2a	Capital value \$1 per \$1	0.00002692
	Per rating unit	42.40
Capital channel 3	Capital value \$1 per \$1	0.00001346
	Per rating unit	7.57
Te Puru stopbank capital		
Capital stopbank 1	Capital value \$1 per \$1	0.00033978
	Per rating unit	190.00
Capital stopbank 1a	Capital value \$1 per \$1	0.00033978
	Per rating unit	4,732.79
Capital stopbank 2	Capital value \$1 per \$1	0.00016989
	Per rating unit	95.00
Capital stopbank 2a	Capital value \$1 per \$1	0.00016989
	Per rating unit	265.99
Capital stopbank 3	Capital value \$1 per \$1	0.00008494
	Per rating unit	47.50
Waiomu channel capital		
Capital channel 1	Capital value \$1 per \$1	0.00050549
Capital channel 2	Capital value \$1 per \$1	0.00025274
Capital channel 3	Capital value \$1 per \$1	0.00012637

Waiomu stopbank capital		
Capital Stopbank 1	Capital value \$1 per \$1	0.00030028
Capital Stopbank 3	Capital value \$1 per \$1	0.00005005
Waiomu-Pohue		
Capital indirect	Capital value \$1 per \$1	0.00002904
Maintenance	Capital value \$1 per \$1	0.00025447
Whangamata Harbour		
Maintenance	Per rating unit	13.35

## West coast

The West Coast scheme provides for work to address the issues of flood protection, soil conservation and river management within the West Coast Zone. Details of the funding policy and the area covered by this scheme can be obtained from the West Coast Zone Funding Policy.<sup>(14)</sup>

### What it funds

The funding provides for projected costs of \$2,416,000 (plus GST at the prevailing rate).

Activity	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
River management	301	151
Catchment new works	1,567	258
Catchment maintenance	46	335
Catchment oversight	425	185
Information and advice	76	38
<b>Total activity</b>	<b>2,416</b>	<b>966</b>

### How it is applied

The rate is assessed on a per rating unit and capital value basis.

The scheme consists of the following differentials which are applied to rating unit.

Catchment differential – capital value basis

This is based on the capital value of all rating units within the catchment boundary.

Catchment differential – per rating unit basis

This is based on a uniform rate on all rating units within the catchment boundary.

The targeted rate requirement is as follows:

Differential	Targeted rate revenue (\$000) (GST Inclusive)
Catchment - West Coast	966

## The 2021/22 rate

### West Coast

Differential	Factor Used	Rate (\$) GST inclusive
<b>Catchment - West Coast</b>		
Capital value basis	\$1 per \$1 capital value	0.00007721
Per rating unit basis	\$ per rating unit	68.64

## Public transport rate

### What it funds

The public transport rate funds part of the cost of the Hamilton city urban public transport service. The revenue required in 2021/22 is \$14,296,000 (GST inclusive).

### How it is applied

The scheme consists of two differentials, direct and indirect to reflect the access that properties have to public transport services.

- Direct – rate in the dollar per dollar of capital value of all rating units within Hamilton city boundary that are within 800 metres of a bus route. The total rate requirement for 2021/22 for the direct rate is \$10,613,000 (GST inclusive).
- Indirect – rate in the dollar per dollar of capital value of all rating units within Hamilton city boundary. The total rate requirement for 2021/22 for the indirect rate is \$1,922,000 (GST inclusive).
- Rail unit rate – based on a uniform fixed amount per rating unit on all rating units within the Hamilton city boundary. The total rate requirement for 2021/22 for the unit rate is \$1,216,000 (GST inclusive)
- Indirect rail – rate in the dollar per dollar of capital value of all rating units within Hamilton city boundary. The total rate requirement for 2021/22 for the indirect rate is \$545,000 (GST inclusive).

## The 2021/22 rate

Area of benefit (GST inclusive)	Factor Used	Rate (\$) GST inclusive
Public transport - indirect	Capital value \$1 per \$1	0.00004429
Public transport - direct	Capital value \$1 per \$1	0.00025095
Public transport - rail - unit rate	Per rating unit	20.00
Public transport - rail - indirect	Capital value \$1 per \$1	0.00001260

## Biosecurity rate

### What it funds

The biosecurity rate funds the cost of plant and animal control works aimed at improving biodiversity across the region.

The total biosecurity rate revenue requirement for 2021/22 is \$10,551,000 (GST inclusive), an increase of \$1,693,000 from 2020/21.

### How it is applied

The biosecurity rate is set on a capital value basis. It is set on a differential basis using equalised capital value and the location of the land within the Waikato region. An equalisation process is undertaken on an annual basis to take account of the different revaluation cycles of the territorial authorities in the region.

The rate in the dollar per dollar of capital value of a rating unit is determined by dividing the biosecurity rate revenue requirement by the capital value of all rateable properties in the Waikato region taking account of the differential. The capital value of the region used for the 2021/22 year is \$184,723 billion.

### The 2021/22 rate

Area of benefit (GST inclusive)	Percentage of region	Rate \$1 per \$1 CV (GST inclusive)	\$(000) GST inclusive
Hamilton City	26.25%	0.00006381	2,770
Matamata-Piako	8.83%	0.00005949	932
Ōtorohanga	3.05%	0.00006461	322
Rotorua	1.24%	0.00005208	131
South Waikato	3.85%	0.00006032	406
Taupō	10.18%	0.00005830	1,074
Thames-Coromandel	12.98%	0.00005498	1,370
Waikato	15.21%	0.00004606	1,605
Waipā	12.26%	0.00005689	1,294
Waitomo	2.07%	0.00006261	218
Hauraki	4.08%	0.00006126	430
<b>Total</b>	<b>100.00%</b>		<b>10,551</b>

## Natural heritage rate

### What it funds

This rate funds the cost of work associated with protecting natural heritage areas in the region.

### How it is applied

The revenue required is \$1,220,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

### The 2021/22 rate

The 2021/22 rate is \$5.80 per rating unit (GST inclusive).



## Permitted activity monitoring rate

### What it funds

This rate funds the monitoring of activities permitted under the Waikato Regional Plan in order to assess compliance with the rules, and the effect of allowing the activities to be undertaken.

### How it is applied

The revenue required is \$1,660,000 (GST inclusive). It is applied on a uniform basis to every rating unit of two hectares or greater in the Waikato region on a differential basis.

### The 2021/22 rate

The 2021/22 rate is \$65.55 (GST inclusive) per rating unit of two hectares or greater in land area.

## Regional services rate

### What it funds

This rate funds the region's contribution to voluntary emergency services operating within the Waikato region.

### How it is applied

The revenue required is \$824,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

### The 2021/22 rate

The 2021/22 rate is \$3.92 per rating unit (GST inclusive).

## Stock truck effluent rate

### What it funds

This rate funds the construction and maintenance of stock truck effluent stations across the region in accordance with the Stock Truck Effluent Strategy.

### How it is applied

The revenue required is \$54,000 (GST inclusive). It is applied on the capital value of every rating unit in the Waikato region of two hectares and above.

### The 2021/22 rate

The rate is \$0.00000089 per \$1 capital value (GST inclusive).

## Civil defence and emergency management

### What it funds

This rate funds the region's civil defence and emergency management services, on behalf of the Civil Defence and Emergency Management Group.

### How it is applied

The revenue required is \$2,817,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

### The 2021/22 rate

The rate is \$13.39 per rating unit (GST inclusive).

## Sustainable Homes Scheme

### What it funds

Financial assistance for the Sustainable homes programme.

### How it is applied

From 2022/23, the council will set and assess a voluntary targeted rate for financial assistance for sustainable homes, which will be assessed on rating units in respect of which the council has provided financial assistance with the rate being set at 10 per cent of financial assistance provided.

## Waikato Regional Theatre rate

### What it funds

The Waikato Regional Theatre rate funds the council's contribution to the capital construction of the theatre

### How it is applied

The scheme consists of two differentials.

- A uniform rate applied to every rating unit within the boundaries of Waikato District, Waipa District and Matamata-Piako District. The total rates requirement for 2021/22 is \$178,000 (GST inclusive).
- A uniform rate applied to every rating unit within the boundaries of Thames-Coromandel District, Hauraki District, Otorohanga District, South Waikato District, Waitomo District, Taupo District and Rotorua District. The total rates requirement for 2021/22 is \$20,000 (GST inclusive).

### The 2021/22 rate

Territorial authority area	\$ Per rating unit	\$(000) GST inclusive
Waikato District	2.61	82.1
Waipa District	2.61	58.3
Matamata-Piako District	2.61	37.7
Thames-Coromandel District	0.24	6.6
Hauraki District	0.24	2.5
Otorohanga District	0.24	1.1
South Waikato District	0.24	2.3
Waitomo District	0.24	1.2
Taupo District	0.24	5.5
Rotorua District	0.24	0.3
<b>Total</b>		<b>197.5</b>

Separately used or inhabited parts of a rating unit

Separately used or inhabited parts of a rating unit can be defined as:

- any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement, but excluding uses of a minor or incidental nature
- each use that involves different activity conducted by a person, company or organisation different to the ratepayer is considered to be a separate use.

Note that the council does not currently use separately used or inhabited parts of a rating unit as a basis for its rating.

## Other financing mechanisms

### Borrowing

Borrowing is recognised as an effective method of achieving equity between different generations of ratepayers (inter-generational equity). Where there are targeted rates that do not cover the operating costs of the activity in any one year then the council uses borrowing to fund the deficit.

### Reserve funds

Reserves arise where funding has been obtained for a particular activity and, at a point in time, not all the revenue has been spent on the activity. Maintaining reserves ensures that revenue is used for its intended purpose and enables revenue to be maintained at a constant level when the service provided is continuing at the same level. They also allow the ability to fund works of an inter-generational nature, capital expenditure in particular, over the most appropriate time period.

The council only maintains reserves relating to targeted rates which have been provided by regional ratepayers for specific activities. While the cash associated with reserves may be used as funding for other activities within the organisation, it will continue to be identified as an asset and interest will be credited to the area for which the revenue was raised.

### Rates collection

Waikato Regional Council will be issuing a single invoice in September with payment due by 29 October 2021 (being the last business day of the month). Payment options available are:

- internet/phone banking
- direct debit/automatic payment
- credit card (via internet)
- eftpos/cash payment at NZ Post shops
- eftpos payment at Waikato Regional Council's Hamilton office
- payment at Hamilton City Council's office.

Pursuant to section 53 of the Local Government (Rating) Act 2002, the council has appointed Hamilton City Council to act as a collection agent on its behalf in relation to outstanding rates on rating units within the Hamilton City Council boundary.

Current year rates not paid by the due date will attract a penalty of 10 per cent to the extent of non-payment on 1 November 2021. Prior year rates not paid by 30 June 2021 will attract a further penalty of 10 per cent to the extent of non-payment on 1 July 2021 (being 5 working days from the date of the council resolution to assess the 2021/22 rates). Prior year rates remaining unpaid six months after 1 July 2021 will attract a further penalty of 10 per cent to the extent of non-payment on 5 January 2022.

Penalties will not be applied to accounts with an outstanding balance where an agreed arrangement to pay is in place.

Where any payment is made by a ratepayer that is less than the amount now payable, the council will apply the payment firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.

Postponed rates will attract a yearly interest rate of one per cent above the average 90 day bill rate on the outstanding yearly balance, including interest charges from any previous years.

### Rates enquiries – how your regional rates are spent

Any queries about how your regional rates are spent should be directed to the Waikato Regional Council's freephone – 0800 800 401.

# Schedule of fees and charges | Te rārangi o ngā nama me ngā utu

The council may fix charges relating to its functions and responsibilities under Section 36 of the Resource Management Act 1991. An outline of current policy and charges is provided below.

## Application charges

### Changes to policy statements and plans (section 36(1)(a))

When assessing applications for the preparation of, or changes to policy statements or regional plans, the council will:

- charge applicants actual and reasonable costs
- require applicants to pay a \$1,000 deposit per application or a deposit of up to 50 per cent of the estimated costs of the council carrying out its functions in relation to such applications
- require applicants or their agent to pay for the costs incurred on an ongoing basis.

## Resource consent application processing

For carrying out its functions in relation to the receiving, processing and deciding on resource consent applications (including assessment of applications for certificates of compliance), and for considering and deciding on changes to or reviews of consent conditions and transfer of consents, the council will:

- charge applicants and consent holders actual and reasonable costs
- charge a fixed amount for specified consents (see table below) and require applicants and consent holders to pay the full charge prior to work commencing on the application or review
- require applicants or consent holders, where a specific amount has not been fixed, to pay a deposit of up to 50 per cent of the estimated costs with a minimum deposit of \$1000 prior to consideration of the application or review, with the balance of the costs to be paid on a regular basis as costs are incurred
- require applicants or consent holders, where a specific amount has not been fixed, to pay the actual and reasonable costs for the processing of the application as determined, according to the following formula:

**Charge = staff time x charge rate + administration fee + direct costs including disbursements + notification and hearing costs**

Fixed application charges	\$ (GST exclusive)
Bore consent (controlled activity)	400
Mooring consent inside zoned mooring area (ZMA)	400
Change to mooring consent	150
Consent application lodgement fee (fee per activity)	
• one activity	250
• two activities	200
• three activities	175
• four or more activities	150
Consent transfer fee (per consent)	90

## Staff charge rate

	Rate per hour (\$) (GST exclusive)
Technical expert	190
Technical officer	145
Team leader	170
Senior resource officer	140
Resource officer	125
Business support	90

### Annual consent holder charges Consent administration charge (section 36(1)(c))

The resource consent annual administration fee contributes to the cost the council incurs for undertaking its consenting and monitoring functions required under the Resource Management Act 1991. This includes generating resource consents, maintaining consent and compliance information, updating consent status, processing consent surrenders and expiries, annual charge enquiries as well as general oversight of the consenting and monitoring activities of the council. This charge is the same for all categories of resource consent.

### Information gathering and research (section 36(1)(c))

Councils have a duty to gather information and monitor the environment under the Resource Management Act. A key part of this includes field monitoring (e.g., river flow, groundwater availability, water quality, ecology, air quality) and scientific investigations to enable activities to occur in a sustainable way in the Waikato region.

Where the council considers the need for this work is caused by or benefits consent holders, it can apportion some of the charge to consent holders.

The scale of charge assessed for each class of consent is based on the forecast expenditure for the relevant Council work programmes and an assessment of the share of these costs that should be borne by consent holders or the public. Overall, the total funding contribution from consent holders is equivalent to approximately one-third of the total cost.

The monitoring and investigations undertaken are not usually specific to the location of an individual consent. It provides for managing the cumulative impacts of many activities and consents on a broader catchment, aquifer or airshed scale.

### Consent compliance monitoring

All monitoring of compliance with consent conditions, excluding farm dairy water take consents, will be charged on an actual cost basis.

Actual and reasonable costs for monitoring consent compliance will be directly charged according to the following formula:

**Charge = staff/contractor time x charge rate (\*refer to staff charge rate table) + direct costs including disbursements**

Consent holders or their agent are required to pay for costs incurred on an ongoing basis as they occur, unless otherwise agreed by Waikato Regional Council.

Where a consent is held to take water for farm dairy purposes, an annual compliance monitoring charge of \$65 applies, which is included as part of the annual consent holder charge. This charge applies so long as monitoring determines that compliance has been achieved. If the consent holder is found to be non-compliant, any costs in addition to the \$65 charge will be directly charged in accordance with the above charging formula.

### Permitted activity compliance monitoring

Monitoring of permitted activities under:

- (a) the National Environmental Standard for Plantation Forestry 2017 (NESPF) pursuant to Part 3, Regulation 106, and
- (b) the National Environmental Standard for Freshwater 2020 (NESF) pursuant to Part 4, Regulation 75

will be charged actual and reasonable costs for monitoring compliance according to the following formula:

**Charge = staff/contractor time x charge rate (\*refer to staff charge rate table) + direct costs including disbursements**

Parties operating under the NESPF and/or NESF will be charged for costs incurred on an ongoing basis as they occur, unless otherwise agreed by Waikato Regional Council.

Waikato Regional Council may set fixed charges for monitoring activities carried out under the NESPF and/or NESF. The council may require operators to pay the full charge towards monitoring the activity prior to any monitoring taking place.

## 2021/22 Resource consent holder charges

All amounts are GST exclusive.

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
<b>Air</b>					
• Discharge of contaminants	Discharges of NES contaminants to the air	140	616	-	756
• Other discharges	Other discharges to air including odour	140	-	-	140
<b>Agricultural</b>					
Agricultural discharges	Discharges to land and water from agricultural sector activities	140	430	-	570
<b>Process discharges</b>					
• Major	Stormwater discharge >4ha land; Sewage >15m <sup>3</sup> per day; mine wastewater >100m <sup>3</sup> per day	140	715	-	855
• Minor	Industrial, mining, quarry, urban and commercial discharges to land and water that do not fall into 'Major' class	140	390	-	530
<b>Geothermal discharges</b>					
• Discharge	Discharge of geothermal sourced fluids	140	12 cents per tonne or m <sup>3</sup> (daily rate)		
• Take	Takes of geothermal sourced fluids	140	22 cents per tonne or m <sup>3</sup> (daily rate)		
<b>Water takes</b>					
Water takes	Takes of surface or ground water, excluding farm water takes	140	Minimum charge of \$65, then 43 cents per m <sup>3</sup>	-	
Farm water takes	Takes of surface or ground water for farming support	140	Minimum charge of \$65, then 43 cents per m <sup>3</sup>	65	
Non-consumptive water takes (no impact)	Non-consumptive water takes with no impact on water availability, or for flood management or environmental purposes	140	-	-	140
Non-consumptive water takes (impact)	Non-consumptive water takes that impact flow regimes or water availability	140	600	-	740

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
<b>Dams</b>					
• <b>Waikato</b>	Large dams within the Waikato hydro network used for electricity generation	140	8,150 per dam	-	8,290
• <b>Large</b>	Dams deeper than 3 metres and which hold more than 20,000m <sup>3</sup> of water	140	5,216 per dam	-	5,356
• <b>Small</b>	All dams not covered by the consent classes above	140	245 per dam	-	385
<b>Coastal</b>					
• <b>Marine farms</b>		140	49 per hectare	40	
• <b>Moorings</b>	All mooring structures, refer to the bylaw requirement table for further charges.	140	23	15	178
• <b>Other</b>	Activities requiring consent which may significantly impact upon the coastal environment and/or do not sit within the classes listed above	140	540	-	680
<b>Land use</b>					
• <b>Major</b>	Large scale land use activities that have potential to generate significant land instability or sediment discharges. Including (but not limited to):	140	1,499	-	1,639
	Forestry harvesting >20ha				
	Metal extraction >500m <sup>3</sup>				
	Earthworks >10,000m <sup>3</sup>				
• <b>Minor</b>	Large scale land use activities that have some potential to generate significant land instability or sediment discharges. Including (but not limited to):	140	281	-	421
	Forestry harvesting <20ha				
	Metal extraction <500m <sup>3</sup>				
	Earthworks <10,000m <sup>3</sup>				
<b>Land use - Lake Taupō</b>					
• <b>Large</b>	Land areas greater than 100 hectares	140	795	-	935
• <b>Medium</b>	Land areas from 20 to 100 hectares	140	400	-	540

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
• <b>Small</b>	Land areas less than 20 hectares	140	190	-	330
<b>Administration charge</b>					
<b>Administration charge only</b>	Activities requiring consent which do not fit within the consent classes above, and which are not expected to have environmental effects that will require some supervision and monitoring by Waikato Regional Council	140	-	-	140

**Note:**

1. All charges exclude GST.
2. GST at the prevailing rate will be added to all charges when invoiced.
3. Whitebait stands and bore permits will not be charged an annual charge.

**Remission**

Under Section 36(5) of the RMA, council has discretion to remit the whole or any part of any charge. Charges will be remitted where:

- charges to individual consent holders are deemed to be unreasonable
- a redress of relative benefits to the consent holder is necessary

- the information produced by an applicant for a resource consent benefits the community as a whole
- for land use – Lake Taupo a remission of the information gathering, research and data monitoring component of this charge will be considered where the consent holder can demonstrate that the consented land use is primarily a low nutrient discharge.

**Navigation safety related charges**

Pursuant to section 33M of the Maritime Transport Act 1994, Waikato Regional Council has made a bylaw in respect of navigation safety within the Waikato region. Section 33R of the Maritime Transport Act 1994 allows Waikato Regional Council to set fees in respect of activities that it has to undertake to implement the bylaw.

Any costs incurred for particular services provided for navigation safety which are not outlined below are fully recoverable from the person or organisation causing this cost to be incurred.

Bylaw requirement	Fee (\$) (GST exclusive)
Application for temporary events (Clause 5.6), or suspension or exemption of any provisions within this bylaw (Bylaw 4.2)	\$108.70
Application for permanent speed upliftings (Clause 5.8)	Actual and reasonable costs
Public notice for a temporary event (Clause 5.6.5)	Actual and reasonable costs
Mooring fee – harbourmaster activities (charged annually). Refer to the moorings charge in the resource consent holder charges table for additional charges.	\$62.50
Visitor mooring rental	\$17.39 per night
	\$86.96 per week
Registration of personal watercraft (with registration sticker provided)	\$66.09
(without registration sticker)	\$48.70
Transfer of registration	Free
Dealer registration	\$43.48



Bylaw requirement	Fee (\$) (GST exclusive)
Management of navigation safety related activities for Port Taharoa	Actual and reasonable costs
Management and inspection of navigation safety-related activities	Actual and reasonable costs
Assessment and report on any RMA consent application which has the potential to affect navigational safety	Actual and reasonable costs

# Rating impact for sample properties | Ngā pānga ā-reiti mō ngā whenua taurira

The following table provides a range of examples of the impact of the council's planned budgets on the rates requirement. The actual rates charged to a property will depend on where it is located, its size and its value. To understand the impact the proposed budget will have on your property, please refer to the Waikato Regional Council website: [www.waikatoregion.govt.nz](http://www.waikatoregion.govt.nz).

## General rates charged to all properties in the region

Territorial authority	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
Hamilton	81.60	98.63	17.03	116.58	140.90	24.33	233.16	281.81	48.65	466.31	563.62	97.30
Hauraki	81.44	94.69	13.25	116.34	135.27	18.93	232.68	270.54	37.86	465.37	541.08	75.71
Matamata-Piako	80.24	91.95	11.71	114.63	131.36	16.72	229.26	262.71	33.45	458.52	525.42	66.90
Otorohanga	75.40	99.86	24.46	107.71	142.66	34.95	215.43	285.32	69.89	430.85	570.64	139.79
Rotorua	77.31	80.50	3.19	110.45	115.00	4.55	220.90	230.00	9.10	441.80	460.01	18.21
South Waikato	82.57	93.23	10.66	117.95	133.18	15.23	235.91	266.37	30.46	471.81	532.74	60.92
Taupo	75.79	90.12	14.33	108.27	128.74	20.47	216.54	257.48	40.93	433.09	514.95	81.86
Thames-Coromandel	77.29	84.97	7.68	120.95	121.39	0.44	241.91	242.78	0.88	483.81	485.57	1.75
Waikato	82.20	71.19	(11.01)	117.42	101.70	(15.72)	234.85	203.40	(31.45)	469.69	406.80	(62.89)
Waipa	74.91	87.92	13.02	107.01	125.61	18.60	214.02	251.21	37.20	428.03	502.43	74.39
Waitomo	83.38	96.78	13.40	119.11	138.26	19.14	238.23	276.51	38.29	476.45	553.03	76.58

Revalued

#### Uniform annual general charge – charged to all properties in the region

2020/21 rate	85.19	per rating unit
2021/22 rate	82.36	per rating unit
Change	(2.83)	per rating unit

#### Civil defence emergency management rate – charged to all properties in the region

2020/21 rate	10.58	per rating unit
2021/22 rate	13.39	per rating unit
Change	2.81	per rating unit

#### Natural heritage rate – charged to all properties in the region

2020/21 rate	5.80	per rating unit
2021/22 rate	5.80	per rating unit
Change	-	per rating unit

**Biosecurity rate – charged to all properties in the region**

Territorial authority	\$550,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
Hamilton	18.30	22.33	4.03	26.15	31.91	5.76	52.30	63.81	11.51	104.60	127.63	23.03
Hauraki	18.27	21.44	3.17	26.10	30.63	4.53	52.20	61.26	9.06	104.40	122.52	18.12
Matamata-Piako	18.00	20.82	2.82	25.72	29.74	4.03	51.43	59.49	8.06	102.86	118.98	16.12
Otorohanga	16.92	22.61	5.70	24.16	32.30	8.14	48.33	64.61	16.28	96.66	129.22	32.56
Rotorua	17.14	18.23	1.09	24.48	26.04	1.56	48.96	52.08	3.12	97.92	104.16	6.24
South Waikato	18.52	21.11	2.59	26.46	30.16	3.70	52.92	60.32	7.40	105.84	120.63	14.79
Taupo	17.00	20.41	3.40	24.29	29.15	4.86	48.58	58.30	9.72	97.16	116.61	19.45
Thames-Coromandel	17.34	19.24	1.90	27.13	27.49	0.35	54.27	54.98	0.71	108.54	109.95	1.41
Waikato	18.44	16.12	(2.32)	26.34	23.03	(3.31)	52.68	46.06	(6.62)	105.36	92.12	(13.24)
Waipa	16.80	19.91	3.11	24.01	28.44	4.44	48.01	56.89	8.88	96.02	113.77	17.75
Waitomo	18.70	21.92	3.21	26.72	31.31	4.59	53.44	62.61	9.17	106.88	125.23	18.35

Revalued

**Regional services rate – charged to all properties in the region**

2020/21 rate	3.99	per rating unit
2021/22 rate	3.92	per rating unit
Change	(0.07)	per rating unit

### Public transport rate – charged to all properties in the region

Property location	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
Within 800 metres of bus stop (serviced)	90.29	103.33	13.04	128.99	147.62	18.63	257.97	295.24	37.27	515.94	590.48	74.54
Beyond 800 metres of bus stop (unserviced)	13.54	15.50	1.96	19.35	22.14	2.80	38.70	44.29	5.59	77.39	88.57	11.18
Rail - unit rate	20.00	20.00	-	20.00	20.00	-	20.00	20.00	-	20.00	20.00	-
Rail - indirect benefit rate	4.82	4.54	(0.27)	6.88	6.49	(0.39)	13.76	12.98	(0.78)	27.52	25.97	(1.55)

### Permitted activity monitoring – charged to all properties in the region

2020/21 rate	69.99	per rating unit
2021/22 rate	65.55	per rating unit
Change	(4.44)	per rating unit

### Stock truck effluent – charged to all properties in the region

2020/21	\$500,000 property		\$1,000,000 property		\$2,000,000 property	
	2021/22	Change	2020/21	2021/22	2020/21	2021/22
0.78	0.45	(0.33)	1.56	0.89	(0.67)	3.12
						1.79
						(1.33)

### Regional Theatre rate – charged to all properties in the region excluding Hamilton city

#### Regional Theatre rate - charged to all properties in the primary layer

2020/21 rate	-	per rating unit
2021/22 rate	2.61	per rating unit
Change	2.61	per rating unit

**Regional Theatre rate - charged to all properties in the secondary layer**

2020/21 rate	-	per rating unit
2021/22 rate	0.24	per rating unit
Change	0.24	per rating unit

**Waihou Piako catchment rate – charged on a differential basis to all properties in the zone**

Property type	\$350,000 property			\$500,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change
Residential	78.98	74.54	(4.44)	112.84	106.49	(6.35)
Property type	\$2,000,000 property			\$3,500,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change
Rural	451.34	425.94	(25.40)	789.84	745.40	(44.44)

**Waikato-Waipua Scheme (Watershed) – charged on a differential basis to all properties in the zone**

Management zone / territorial authority	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
Central Waikato zone - Hamilton City	19.15	17.05	(2.10)	27.36	24.36	(2.99)	54.71	48.72	(5.99)	109.42	97.45	(11.97)
Central Waikato zone - Waipua District	23.07	20.77	(2.31)	32.96	29.67	(3.30)	65.92	59.33	(6.59)	164.81	148.34	(16.48)
Lower Waikato zone - Waikato District	70.70	59.39	(11.31)	101.00	84.84	(16.16)	202.00	169.67	(32.33)	505.00	424.18	(80.82)
Waipua zone - Otorohanga District	41.57	34.95	(6.63)	59.39	49.93	(9.46)	118.79	99.86	(18.93)	296.96	249.64	(47.32)
Upper Waikato - South Waikato District	20.01	19.72	(0.29)	28.58	28.17	(0.41)	57.16	56.34	(0.82)	142.90	140.86	(2.05)
Upper Waikato - Rotorua District	29.34	28.66	(0.69)	41.92	40.94	(0.98)	83.84	81.87	(1.97)	209.61	204.69	(4.92)
Lake Taupo zone - Taupo District	24.10	21.82	(2.28)	34.42	31.17	(3.25)	68.85	62.34	(6.51)	172.11	155.85	(16.27)

**Coromandel Zone rate – charged on a differential basis to all properties in the zone**

\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
42.77	50.15	7.38	53.16	56.05	2.90	74.17	75.74	1.57	116.20	115.11	(1.09)

**West Coast Zone rate – charged on a differential basis to all properties in the zone**

\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change	2020/21	2021/22	Change
91.64	95.67	4.02	103.96	107.25	3.28	145.04	145.85	0.81	227.19	223.05	(4.14)

**Drainage rate – charged on a differential basis to all properties in the zone**

	0.2 ha property (Residential)		2.0 ha property (Lifestyle)		75 ha property (Dairying)				
	2020/21	2021/22	Change	2020/21	2021/22	Change			
Thames Valley	20.91	22.14	1.23	16.73	17.71	0.98	784.24	830.30	46.06

	0.2 ha property (Residential)		2.0 ha property (Lifestyle)		75 ha property (Dairying)				
	2020/21	2021/22	Change	2020/21	2021/22	Change			
Waikato Central	40.30	44.93	4.63	28.21	31.45	3.24	1,511.08	1,684.79	173.70

	0.2 ha property (Residential)		2.0 ha property (Lifestyle)		75 ha property (Dairying)				
	2020/21	2021/22	Change	2020/21	2021/22	Change			
Aka Aka	11.33	13.83	2.50	113.28	138.33	25.05	4,248.00	5,187.26	939.26