Contents

SECTION 1: Introduction | Whakataki

Mō te kaunihera me te rohe | About your council and region

Waikato Regional Council

We're working together for a Waikato region that has a healthy environment, vibrant communities and strong economy. We're responsible for a wide range of activities that make a significant contribution to the wellbeing of our region and New Zealand overall.

Our role includes:

- **governance and management of natural resources** - land, air, fresh water and coastal marine areas on which our primary sector and export economy is based
- **strategic planning at the regional scale -** delivered through statutory instruments such as the Regional Policy Statement, the Regional Land Transport Plan, the Regional Pest Management Plan, Waikato Regional Plan, Waikato Regional Coastal Plan, and non-statutory instruments such as regional economic development strategies
- **provision of regional-scale infrastructure -** such as flood protection assets that protect billions of dollars of urban areas, roading infrastructure and productive farmland
- **transport planning and provision** - to keep our region moving economically and socially
- **regional-scale response to, and assessment of, natural hazards** - including floods, earthquakes and tsunami, to protect communities and assets
- **biosecurity and biodiversity activities** - to safeguard a sustainable economy with a strong, productive capacity and to support indigenous biodiversity for its natural amenities and intrinsic value to our communities
- **obtaining, storing and evaluating information** - so we know how well the region is doing environmentally and economically
- **managing catchments** - ensuring a holistic approach.

Council committees

The people of the Waikato region are represented by 14 elected council members. These representatives work in committees and make decisions and/or recommendations on a variety of matters, which are then reported to or decided on by the full council once a month. Two Māori seats and 12 general seats make up the council, and it has a chair and deputy chair who are appointed by the council when they take office every three years. The triennium for our current council started in October 2023.

For more information on the council, local representatives, the committee structure or how we work, visit: waikatoregion.govt.nz/council/our-council/committees-and-councillors.

Waikato

Pamela Storey
Chairperson

Noel Smith

Thames-Coromandel

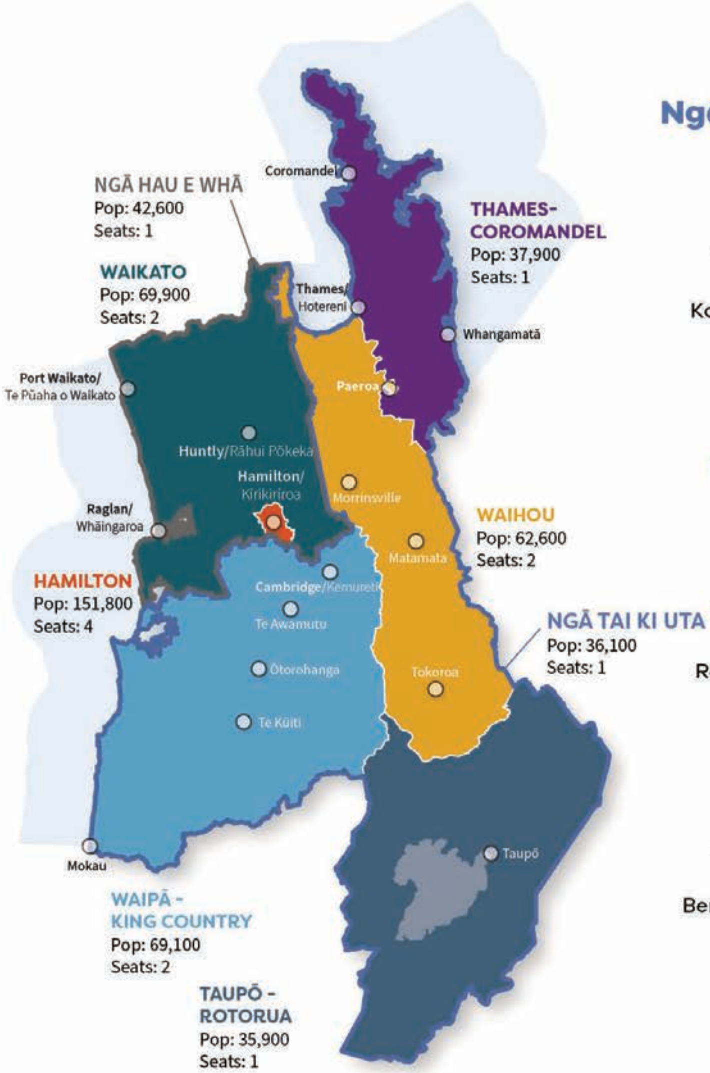
Warren Maher

Ngā Hau e Whā

Tipa Mahuta

Ngā Tai Ki Uta

Kataraina Hodge



Hamilton

Bruce Clarkson
Deputy Chairperson

Chris Hughes

Jennifer Nickel

Angela Strange

Waihou

Robert Cookson

Ben Dunbar-Smith

Waipā-King Country

Clyde Graf

Stu Kneebone

Taupō-Rotorua

Mich'eal Downard

For contact details please see our website: waikatoregion.govt.nz/committees-and-councillors

Your region

We love where we live – the mighty Waikato. In the heart of the upper North Island, our region includes the Bombay Hills, Coromandel Peninsula, Mōkau, the slopes of Mount Ruapheu and everything in between.

With New Zealand's longest river, Australasia's largest lake, a volcanic plateau, rich agricultural areas, 70 per cent of the country's geothermal resources, world-recognised wetlands, 1200km of coastline and many distinct landforms, it's a diverse and resource rich region. It's a place of powerful possibilities.

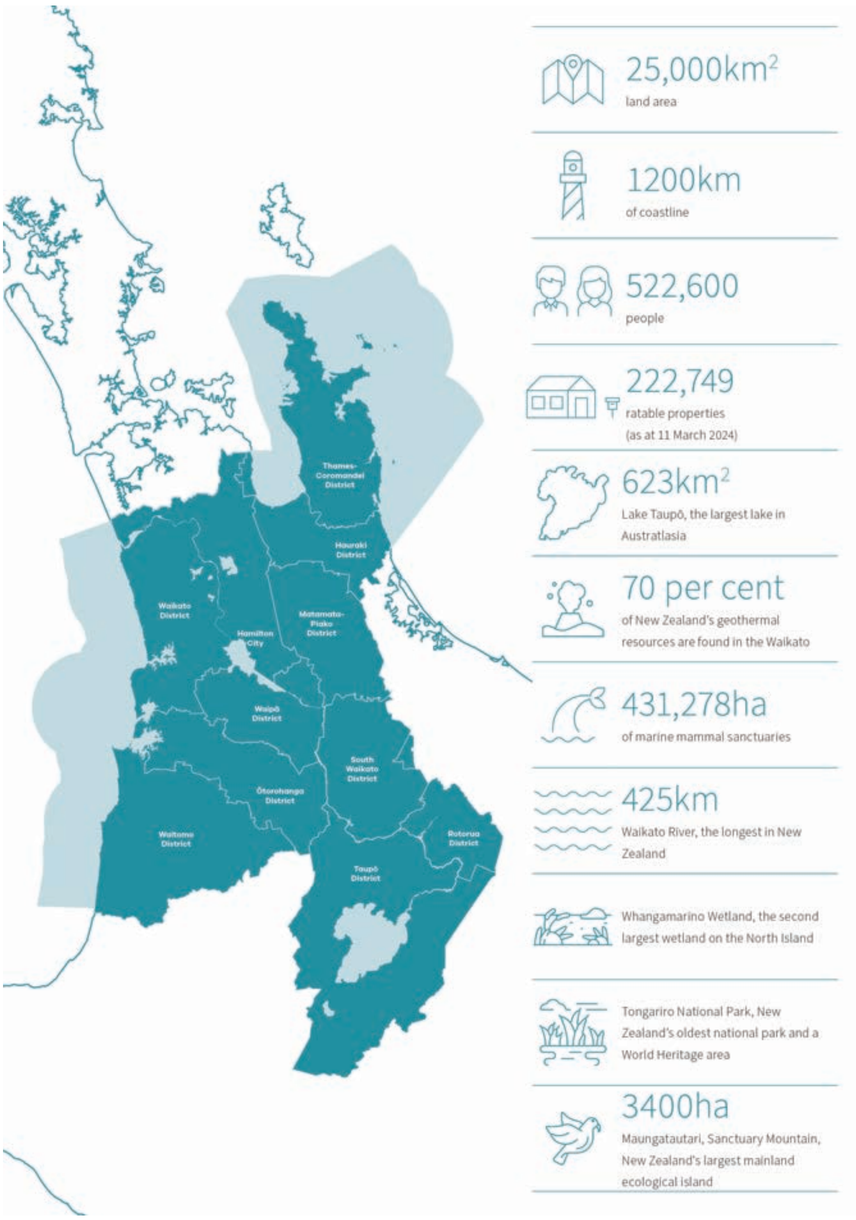
Making the most of these opportunities relies on us keeping our environment healthy. A healthy environment enables communities to thrive. Get that right and the economy will be strong. That's what we're here to do – create a sustainable future for people today and generations to come.

It's ambitious. The issues and solutions are complex and interconnected.

We're in it for the long haul: improving water quality, planning for climate change and the transition to a low emissions economy, enhancing the health of our coastal and marine ecosystems, protecting and restoring our unique native plants and animals and the ecosystems they live in, keeping people safe on our roads and waterways as well as from floods and other hazards, and providing passenger transport services. We do all this, and more.

People working together is key. For us, that's partnering with iwi and working with many others in our communities.

Our collective kaitiakitanga – our care – will make the Waikato region even better.



Tā mātou rautaki tekau-tau | Our 10-year strategy

Takatū Waikato
Making a stand for the Waikato

Matawhānui
Our vision

Waikato mārohirohi: Manaaki whenua, whakamana tangata.

The mighty Waikato: Caring for our place, empowering our people.

Aronga
Our purpose

Working together for a Waikato region that has a **healthy environment, vibrant communities** and **strong economy**.

Ngā aronga nui
Our strategic priorities

- Wai
  Water
- Rerenga rauropi, tiakitanga taiao
  Biodiversity and biosecurity
- Takutai moana
  Coastal and marine
- Hanganga tauwhiro
  Sustainable development and infrastructure
- Hononga hapori
  Community connections
- Whakaheke tukunga
  Transition to a low emissions economy

Ngā hua hapori | Community outcomes

Community outcomes

Our Strategic Direction 2023-2025, Takatū Waikato | Making a Stand for the Waikato, sets out the vision, purpose and six strategic priorities that guide our work – water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.

A focus on wellbeing and how we respond to climate change is woven through all our priorities.

We track our progress against the community outcomes in our purpose – working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

Legislation requires councils to improve the social, economic, environmental and cultural wellbeing of our communities. We've embedded and defined this in our purpose.

Sustainable development goals

Sustainable development goals (SDGs) were developed by the United Nations in 2015. They are a call for action to promote prosperity while protecting the planet. Here in the Waikato, with the Waikato Wellbeing Project, we became the first region in New Zealand to develop our own sustainable development goals. The most relevant goals have been incorporated into our strategic direction and align with community outcomes.

Goals for success

Our strategic direction sets out goals for success against each of our six strategic priorities. These have helped shape this 2024-2034 Long Term Plan.

Progress against our community outcomes is aligned with the progress we make towards our strategic goals for success. The graphic below illustrates how these all fit together.

Ine Āhuarangi | Climate measures

What we will deliver to the community (level of service): We develop and lead a coordinated programme to drive climate change action in order to reduce the region and council's own emissions.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Our corporate emissions reduction plan, including targets, strategies to reduce emissions, and progress towards our emission reduction goal* is published annually.	New measure	Information is audited and published	Information is audited and published	Information is audited and published	Information is audited and published each year
Progress made on actions in the Climate Action Roadmap is reported to the council annually.	New measure	Reporting on progress completed	Reporting on progress completed	Reporting on progress completed	Reporting on progress completed

Whai wāhi ai a Ngāi Māori | Iwi Māori participation

In accordance with the Local Government Act 2002, we are committed to fostering Māori capacity to participate in our decision-making processes. Our strategic priorities reflect a conscious effort to integrate kaupapa Māori principles and perspectives throughout all focus areas. We recognise the importance of engaging with iwi and enhancing capability to do so within our organisation.

Each of our strategic priorities emphasises our dedication to honouring and embracing iwi partnerships, ensuring that Māori values, knowledge, and aspirations are seamlessly integrated into our decision-making processes. Whether it's achieving clean water and healthy ecosystems, promoting sustainable development and infrastructure, safeguarding biodiversity and biosecurity, fostering community connections, or transitioning to a low-emissions economy, our approach prioritises collaboration with iwi and building capability and capacity to achieve positive outcomes for the Waikato region.

The Te Ara Tupu priority area further underscores our commitment to supporting our people in developing the necessary capability and confidence to engage effectively with iwi Māori. We recognise that these relationships are vital to achieving a balanced and thriving future for the region. By embracing kaupapa Māori principles and actively engaging with iwi, we aim to create a strong foundation for a sustainable and culturally inclusive Waikato region.

However, we acknowledge that, despite the benefits of including Māori perspectives, iwi entities often face capacity constraints when engaging with local and central government institutions in their rohe.

This issue is particularly pronounced for pre-settlement iwi, but even post-settlement iwi with more resources encounter capacity challenges. These limitations are putting pressure on our ability to meet engagement and work programme commitments.

Consequently, many of these entities are requesting additional resources from us to support their engagement on various projects. This situation occurs across multiple projects and multiple iwi Māori entities. We firmly believe that meaningful engagement occurs when all parties are involved, and no single party can achieve the desired outcomes alone. To establish effective working arrangements between the Council and iwi, it is crucial to ensure that both parties have the necessary capability and capacity.

To address limitations faced by the iwi Māori entities we work with, funding has been allocated to support iwi capacity.

Our commitment to facilitating Māori participation is evident in our strategic priorities and active collaboration with our iwi partners. We recognise the importance of capacity-building and will continue to work together to achieve positive outcomes for the Waikato region.

SECTION 2: Ko ngā mahi - ā - rōpū | Groups of activities

Me pēwhea te pānui i tēnei wāhanga | How to read this section

Eight groups of activities are outlined in this section. Within each group, a number of different activities are catagorised to reflect the types of work we do.

How these activities improve wellbeing

Provides a brief description of how the group helps improve wellbeing and includes the community outcomes to which the activity primarily contributes.

Levels of service

Describes how we will measure our success.

Why we provide these activities

Outlines the strategic intent or goals and objectives the group is trying to achieve.

Significant negative effects

Lists the significant negative effects, if any, that may occur as a result of the activities we undertake.

Financial summary

Outlines the cost of service and expenditure by activity.

Activity: Name of activity.

What we will deliver to the community (level of service): Notes the benefits that the council expects will be generated by this activity.					
Why this is important (strategic alignment): Identifies rationale for activity through alignment to Council's strategic priorities.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Identifies specific outputs the council wishes to achieve.	Benchmark Council's past performance against the target.	Lists the performance targets against which the provision of specified levels of service is meaningfully assessed.			

Kiritaki, hapori, me ngā ratonga | Customer, community and services

This group of activities (GOA) includes:

- governance
- iwi Māori partnerships
- planning and reporting
- community support.

How these activities improve wellbeing

These activities help support a **healthy environment**, **vibrant communities**, and a **strong economy**.

They provide opportunities for communities to engage with the council, enabling them to share their future aspirations. They also identify how the work we do can help support the achievement of outcomes that make a difference in their lives.

The activities also help to ensure that our region's strong cultural heritage is considered and reflected in the way we work and in the work we do.

Why we provide these activities

These activities enable democratic decision making, by and for our communities, in line with the requirements of the Local Government Act 2002.

They support elected members in their roles, helping them to make robust decisions to promote community interests, informing the sustainable management of the region's natural resources while also promoting its social, cultural and economic wellbeing.

They ensure the provision of clear, accessible information that gives our communities the opportunity to influence decision making and understand whether the council's policies and services are achieving their intended objectives.

They provide oversight of funding arrangements to optimise how discretionary grant funds benefits the community. And they enhance the council's capacity and capability to effectively partner with iwi Māori and participate in collaborative initiatives of significant mutual benefit.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- Participation in council processes takes time and effort. People's ability to get involved varies depending on time and resources, which may result in lower levels of participation from some groups.

How we will manage these effects

The council is mindful of people's ability to participate in council processes and considers different methods the council can use to make participation as easy as possible.

Levels of service

Governance

What we will deliver to the community (level of service): We provide and promote governance processes that are robust and transparent for the regional community.					
Why this is important (strategic alignment): Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Percentage of official information requests responded to within statutory timeframes.	100%	100%	100%	100%	100%
All formal council meetings are open to the public unless grounds exist under LGOIMA (Local Government Official Information and Meetings Act 1987) to exclude the public.	New measure	100%	100%	100%	100%

Iwi Māori partnerships

What we will deliver to the community (level of service): We support a Treaty-based partnership approach in our engagement with iwi Māori.					
Why this is important (strategic alignment): Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Key actions are completed within the specific timeframes identified in the Māori Partnership Approach.	78% (seven of nine actions completed)	80% of actions completed per schedule	80% of actions completed per schedule	80% of actions completed per schedule	80% of actions completed per schedule

Planning and reporting

What we will deliver to the community (level of service): We produce high-quality and fit-for-purpose long term plans and amendments to long term plans to encourage participation in decision making by the regional community.					
Why this is important (strategic alignment): Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Long term plans and amendments to long term plans receive 'unmodified' audit opinions.	Not applicable (LTP not amended)	Unmodified opinion received	Unmodified opinion received if LTP amended	Unmodified opinion received if LTP amended	Unmodified opinion received

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Governance	3,503	3,236	3,841	3,267	3,331	3,987	3,386	3,432	4,126	3,493	3,533
Iwi Maori Partnerships	1,620	1,896	1,964	2,042	2,057	2,085	2,108	2,146	2,179	2,211	2,249
Planning and reporting	1,421	1,150	1,249	1,656	1,209	1,312	1,735	1,266	1,373	1,810	1,323
Community support	8,722	4,048	1,317	1,299	1,281	1,261	1,240	1,217	1,192	1,160	1,158
TOTAL EXPENDITURE	**15,267**	**10,329**	**8,371**	**8,264**	**7,878**	**8,645**	**8,469**	**8,061**	**8,871**	**8,673**	**8,263**
FUNDED BY											
General rates	94	-	-	-	-	-	-	-	-	-	-
UAGC	7,678	7,094	7,185	7,429	7,485	7,747	7,788	7,813	7,985	7,586	7,604
Targeted rates	1,086	1,148	1,158	1,168	1,179	1,191	1,202	1,214	1,225	1,237	1,249
Government grants	-	2	2	2	2	2	2	2	2	2	2
Other income	-	191	193	151	135	-	-	-	-	-	-
TOTAL FUNDING	**8,859**	**8,434**	**8,538**	**8,750**	**8,803**	**8,940**	**8,992**	**9,029**	**9,212**	**8,825**	**8,855**
TRANSFER TO / (FROM) RESERVES	**(5,586)**	**(2,359)**	**(324)**	**(33)**	**376**	**(285)**	**(90)**	**319**	**(345)**	**(107)**	**318**
Net operating surplus / (deficit)	(822)	464	491	519	549	580	613	649	686	259	274
Loan Drawdown/(Repayment)	822	(464)	(491)	(519)	(549)	(580)	(613)	(649)	(686)	(259)	(274)

Te Rakau Whakamarumaru ā Rohe o Waikato | Waikato Civil Defence Emergency Management Group

This group of activities (GOA) includes:

- Civil Defence Emergency Management.

How this activity improves wellbeing

This activity primarily contributes to **vibrant communities.**

It supports the community's personal security by ensuring people, organisations and businesses are prepared for emergency events, as well as supporting recovery efforts to protect future income and employment opportunities.

Ensuring communities feel safe and know how to access help also improves people's wellbeing.

Why we provide these activities

The Group Emergency Management Office (GEMO) supports operational-level planning to ensure that local CDEM organisations and the community have the capacity and capability to respond to and recover from an emergency.

The GEMO coordinates all operational activities for regional or complex emergencies through strategic planning and the provision of technical advice and services. It takes direction from the CDEM Joint Committee, an elected body representing all councils in the region.

Waikato Regional Council administers the GEMO and has staff trained to work across all the functions in an activation.

Significant negative effects

There are no significant negative effects that may occur as a result of this activity.

Levels of service

Civil Defence Emergency Management

What we will deliver to the community (level of service): We provide suitable trained staff to coordinate an efficient and effective region-wide response to a civil defence emergency.					
Why this is important (strategic alignment): Sustainable development and infrastructure.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Ensuring an increasing percentage of staff are trained and available for any activation of CDEM Group Coordination Centres, aiming to meet the WRC/CDEM Service level Agreement (SLA) requirements.[1]	New measure	An increasing percentage of WRC workforce is trained to meet the SLA requirement.	An increasing percentage of WRC workforce is trained to meet the SLA requirement.	25% of the WRC workforce is trained to meet the SLA requirements.	25% of the WRC workforce is trained to meet the SLA requirements.
Notes	[1]As per the SLA, 25% of WRC workforce should be trained and available for any activation of the CDEM group coordination centres. As this is a new SLA, we aim to reach the 25% target by 2026/27.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Civil defence emergency Management	3,571	4,260	4,334	4,389	4,449	4,511	4,573	4,647	4,711	4,775	4,848
TOTAL EXPENDITURE	**3,571**	**4,260**	**4,334**	**4,389**	**4,449**	**4,511**	**4,573**	**4,647**	**4,711**	**4,775**	**4,848**
FUNDED BY											
General rates	-	-	-	-	-	-	-	-	-	-	-
UAGC	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,555	3,099	3,153	3,194	3,239	3,285	3,332	3,388	3,436	3,484	3,539
Government grants	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	62	222	222	222	222	222	222	222	222	222	222
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	809	939	958	972	987	1,003	1,018	1,037	1,053	1,068	1,087
TOTAL FUNDING	**3,426**	**4,260**	**4,334**	**4,389**	**4,449**	**4,511**	**4,573**	**4,647**	**4,711**	**4,775**	**4,848**
TRANSFER TO / (FROM) RESERVES	**(145)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net operating surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-
Loan Drawdown/(Repayment)	-	-	-	-	-	-	-	-	-	-	-

Ngā mahi hei ārai, hei ārahi hoki i ngā waipuke | Flood protection and control works

This group of activities (GOA) includes:

- flood protection
- land drainage
- river management.

How these activities improve wellbeing

These activities contribute to **vibrant communities**, a **healthy environment** and a **strong economy**.

These activities help to safeguard public and private assets and investments which provide economic stability for the community.

They also contribute to maintaining the natural environment through rehabilitation and preservation of river channels and riparian areas.

Why we provide these activities

We undertake these activities to reduce the risks to communities from flooding, erosion and other hazards associated with rivers, streams and their catchments. These activities exist to safeguard people's lives, property and economic wellbeing, reduce impacts on the environment, and protect services such as water supply, telecommunications and transport networks.

Our land drainage networks support the productive use of land by enabling landowners to oversee improved water table management on their properties, reducing the surface flooding and pasture damage caused by rainfall events.

The work we undertake on our rivers and streams maintains their stability and capacity, protects valuable soils from erosion, improves water quality by preventing sedimentation, and protects properties from erosion damage. It also supports the rehabilitation and preservation of our river channel and riparian environments.

We also provide advice, maintain and build flood protection infrastructure, and work with the community to improve our environment.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- Flood protection schemes may have negative effects on the environment, such as the exclusion of safe fish passage.
- Hard infrastructure for flood protection, river works and land drainage may negatively impact on cultural values.
- Many land drainage networks exist in peat land, negatively impacting carbon targets.
- Some in-stream works may have negative effects on water quality and ecological values.

How we will manage these effects

The council tries to negate the negative effects of flood protection schemes through measures such as introducing fish friendly pumps and developing best practice guidelines.

The council's approach to flood protection delivery is consider environmental and cultural factors at project scoping and planning to avoid and/or minimise the effects.

Levels of service

Flood protection

What we will deliver to the community (level of service): We provide a standard of flood protection, agreed with communities, as set out in the zone plans and associated documents.					
Why this is important (strategic alignment): Sustainable development and infrastructure.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents (such as zone management plans, annual works programmes or long term plan). *Note: The two elements to this measure are described in more detail in parts one and two below.*	Achieved in part	Achieved	Achieved	Achieved	Achieved
Part one: Percentage of planned mandatory maintenance[1] actions achieved each year.	92.2%	90%	90%	90%	90%
Part two: Percentage of stopbanks maintained above designed flood height, as agreed within each zone.	Rural: 92.64%	Rural: 92%	Rural: 92%	Rural: 92%	Rural: 92%
	Urban: 95.73%	Urban: 95%	Urban: 95%	Urban: 95%	Urban: 95%
Percentage of flood recovery plans[2] implemented[3] after all major events.[4]	100%	100%	100%	100%	100%
What we will deliver to the community (level of service): We provide communities where flood and drainage infrastructure exists, with a review of where across the region we could make systematic change to our infrastructure.					
Why this is important (strategic alignment): Sustainable development and infrastructure.					
We will undertake a review of regional wide risks and issues to identify specific catchments they are affecting and recommend areas where there is an opportunity to consider something fundamentally different to what is delivered now.	New measure	Commence review on regional risk factors affecting flood and drainage infrastructure is undertaken	Review of regional risk factors is completed	Findings of review inform revised infrastructure strategy and next long term plan financials	Changes in strategy are adopted and demonstrably delivered on
Notes	[1]Maintenance can mean repair, renewal or maintenance. [2]The plans set out timeframes under which flood response actions are to be completed. [3]A flood recovery plan is considered 'implemented' when the flood recovery plan, containing remediation actions and costs for said actions, has been approved by Integrated Catchment Management Committee (ICMC). [4]Major refers to any flood event that causes damages that cannot be remediated through normal operational funding and requires disaster recovery funding to rectified.				

Land drainage

What we will deliver to the community (level of service): We provide reliable water table management on land within drainage schemes to help maintain pastoral production.					
Why this is important (strategic alignment): Sustainable development and infrastructure.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Number of reported incidences where it takes more than three days to remove surface water after events with an annual exceedance probability if up to 10%.[5]	0	≤5	≤5	≤5	≤5
Notes	[5]This measure is only applicable if a weather event of up to 10% annual exceedance probability occurs.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Flood protection	19,164	22,370	23,924	24,876	25,671	26,843	27,437	27,585	28,643	29,750	30,549
River management	6,138	6,677	6,922	7,076	7,280	7,495	7,669	7,837	7,990	8,102	8,236
Land drainage	2,977	3,863	3,966	4,053	4,175	4,228	4,281	4,463	4,734	5,027	5,242
TOTAL EXPENDITURE	**28,279**	**32,910**	**34,813**	**36,005**	**37,127**	**38,566**	**39,388**	**39,886**	**41,367**	**42,879**	**44,026**
FUNDED BY											
General rates	3,650	4,184	4,418	4,510	4,648	4,779	4,892	4,940	5,124	5,313	5,436
UAGC	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	24,554	29,062	30,906	31,620	32,592	33,472	34,243	34,755	36,113	37,520	38,458
Government grants	2,405	-	-	-	-	-	-	-	-	-	-
Fees and charges	10	1	1	1	1	1	1	1	1	1	1
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	856	857	857	857	857	857	857	857	857	857	857
TOTAL FUNDING	**31,476**	**34,104**	**36,181**	**36,988**	**38,098**	**39,108**	**39,993**	**40,553**	**42,095**	**43,691**	**44,751**
TRANSFER TO / (FROM) RESERVES	**3,197**	**1,579**	**1,334**	**947**	**933**	**502**	**563**	**622**	**681**	**762**	**672**
Net operating surplus / (deficit)	-	(385)	34	36	38	40	42	45	47	50	53
Loan Drawdown/(Repayment)	-	385	(34)	(36)	(38)	(40)	(42)	(45)	(47)	(50)	(53)

Te whakahaere ā-tōpū i te rauwiringa wai | Integrated catchment management

This group of activities (GOA) includes:

- biodiversity
- biosecurity
- catchment planning and management.

How these activities improve wellbeing

These activities primarily contribute to **healthy environment**, **vibrant communities** and a **strong economy.**

These activities focus on improving our natural environment and preventing the loss of natural amenity for the benefit of all residents. They also work to protect employment and income opportunities through the removal of pests.

Why we provide these activities

Through these activities, we aim to: reduce the loss of productive soils; reduce sedimentation of rivers, harbours and estuaries; stabilise catchments; create awareness of land and water sustainability; make improvements to and maintain water quality in the region's harbours, estuaries and shallow lakes; and protect biodiversity.

This work is intended to preserve, protect and enhance the region's environment.

Our biosecurity activities are also a vital component of the national biosecurity system, which is designed to mitigate and prevent the significant impacts of pest species, which can cause great environmental, social, cultural and economic losses. Where possible, the work is carried out in collaboration with landowners, community groups, iwi and other agencies.

The following significant negative effects may occur as a result of these activities.

- Protection of natural heritage sites may reduce economic opportunities on associated land.

How we will manage these effects

The council will continue to work closely with landowners impacted by these changes.

Levels of service

Biodiversity

How we will measure our performance (performance measure)	Targets				
	Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4-10 2027/2023
What we will deliver to the community (level of service): We work with private landowners and others to maintain and enhance indigenous biodiversity.					
Why this is important (strategic alignment): Biodiversity and biosecurity, Coastal and marine.					
Number of on-the-ground projects on private land within the top 30% of priority ecosystems delivering biodiversity restoration action.	40[1]	20	20	20	20
What we will deliver to the community (level of service): We work in partnership with communities to educate on, maintain and enhance indigenous biodiversity.					
Why this is important (strategic alignment): Biodiversity and biosecurity Coastal and marine.					

Number of community groups and individuals funded through the Natural Heritage Partnership Programme that undertake restoration activities as per their funding agreement.	70[2]	60	65	70	70
Notes	[1]Additional resourcing has been available for previous years which has driven the baseline result. This is not expected to continue for the duration of this plan. [2]Fund allocation for this programme is spread across three-yearly cycles, with a significant spend allocated in 2022/23 as shown in the baseline result. Targets indicate an average goal over the three years.				

Biosecurity

What we will deliver to the community (level of service): We reduce animal pest populations at identified sites with assessed biodiversity values.					
Why this is important (strategic alignment): Biosecurity and biodiversity.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Average rat tracking index[3] (RTI) level for rat control operations.	1.29%	≤5%	≤5%	≤5%	≤5%
Average number of possums[4] caught for every 100 traps set for possum operations	2.22%	≤5% Residual Trap Catches (RTC) for ground control	≤5% RTC for ground control	≤5% RTC for ground control	≤5% RTC for ground control
What we will deliver to the community (level of service): We control low-density, high-threat plant pests to minimise impacts on human health and primary industry.					
Why this is important (strategic alignment): Biosecurity and biodiversity.					
Reducing trend for coverage of eradication pest plants[5] at known sites.	Reducing trend	Reducing trend	Reducing trend	Reducing trend	Reducing trend
Notes	[3]Rat Tracking Index is a monitoring method used to obtain a relative abundance or rats in an area, usually pre and post rat control. [4]Possums are targeted as they have a detrimental impact on our native flora and fauna, including devastating native forests and impacting on pasture, horticulture, and forestry. [5]Plants included in the operative Regional Pest Management Plan (RPMP) eradication category.				

Catchment planning and management

How we will measure our performance (performance measure)	Baseline result	Targets Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4-10 2027/2023
What we will deliver to the community (level of service): We maintain existing works to ensure gains are preserved.					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity.					
Percentage of sampled catchment works maintained in effective condition to the standards set out in zone plans[6]	88%	85%	85%	85%	85%
What we will deliver to the community (level of service): We implement agreed plans (new catchment works) with landowners and land managers to reduce erosion, improve water quality and enhance biodiversity.					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity.					
Percentage of new catchment works undertaken in priority catchments and/or at priority sites across all zones[7]	94%	80%	80%	80%	80%
Notes	[6]A sample of at least 10% of all catchment scheme and non-scheme works (individual work agreements) legally protected on a property title are inspected to assess the works' condition every year. Works include fencing, planting, and erosion control structures. [7]The 80% target requires the majority of work to be implemented in priority catchments and/or at priority sites while providing some capacity to meet landowner and community demand for work at non-priority catchments/sites.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Catchment planning and management	19,360	16,455	16,997	17,237	16,175	16,504	16,783	17,045	17,222	17,465	17,720
Biosecurity	11,541	13,466	14,797	15,201	15,568	15,982	16,225	16,504	16,773	17,002	17,270
Biodiversity	3,426	4,195	4,422	4,850	5,207	5,378	5,571	5,614	5,767	5,865	5,962
TOTAL EXPENDITURE	**34,326**	**34,116**	**36,215**	**37,288**	**36,951**	**37,864**	**38,579**	**39,164**	**39,762**	**40,332**	**40,952**
FUNDED BY											
General rates	6,265	6,006	6,155	6,340	6,681	6,821	6,938	7,051	7,138	7,248	7,358
UAGC	2,202	2,376	2,378	2,716	2,756	2,782	2,821	2,815	2,919	2,968	3,017
Targeted rates	22,105	23,166	25,420	26,674	27,457	28,205	28,765	29,243	29,652	30,065	30,527
Government grants	1,413	745	754	678	-	-	-	-	-	-	-
Fees and charges	1,060	58	58	58	58	58	58	58	58	58	58
Investment income	11	-	-	-	-	-	-	-	-	-	-
Other income	911	959	959	822	-	-	-	-	-	-	-
TOTAL FUNDING	**33,967**	**33,310**	**35,724**	**37,288**	**36,952**	**37,866**	**38,582**	**39,168**	**39,767**	**40,338**	**40,959**
TRANSFER TO / (FROM) RESERVES	**(359)**	**(806)**	**(491)**	**-**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Net operating surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-
Loan Drawdown/(Repayment)	-	-	-	-	-	-	-	-	-	-	-

Mōreatanga ā rohe me te whakarata ohotata | Regional hazards and emergency response

This group of activities (GOA) includes:

- resilient development
- Waikato Regional Council emergency response.

How these activities improve wellbeing

These activities primarily contribute to **vibrant communities**, a **healthy environment** and a **strong economy**.

This activity supports communities to make informed decisions about their own wellbeing, as well as helping to protect people's financial and personal safety against the effects of emergencies.

The work we do strengthens community networks and supports businesses and individuals to be more resilient.

Why we provide these activities

Providing natural hazard information allows communities to make better decisions about the management of existing and proposed development to minimise risk and harm to people, homes, businesses and infrastructure.

We also ensure that arrangements, standards and processes for emergency response are in place and that emergency management staff have the capability and resources to respond to an emergency event to ensure the best outcomes for the community.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- Environmental protection measures and regulation put in place for community safety could bring increased costs for landowners and communities.

How we will manage these effects

The council will continue to work closely with landowners impacted by these changes.

Levels of service

Resilient communities

What we will deliver to the community (level of service): We collaborate with communities, iwi, and stakeholders to develop and deliver a regional resilience strategy and plan.					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Regional resilience strategy is developed, and plans developed, reviewed, and implemented for identified areas.	New measure	Develop a regional resilience strategy and plan	Implement regional strategy and plan	Review regional strategy and plan	Adopt revised plan as part of next LTP process

Waikato Regional Council emergency response

<table>
<tr><td colspan="6">What we will deliver to the community (level of service):
We provide the community with timely flood event information and situation reports to respond effectively to flood events and lessen the adverse effects.</td></tr>
<tr><td colspan="6">Why this is important (strategic alignment):
Sustainable development and infrastructure.</td></tr>
<tr><td rowspan="2">How we will measure our performance (performance measure)</td><td colspan="5">Targets</td></tr>
<tr><td>Baseline result</td><td>Year 1
2024/25</td><td>Year 2
2025/26</td><td>Year 3
2026/27</td><td>Year 4-10
2027/2023</td></tr>
<tr><td>Percentage of customers that report being satisfied with the Waikato Regional Council's flood warning service through our contact database survey.</td><td>95.83%</td><td>95%</td><td>95%</td><td>95%</td><td>95%</td></tr>
<tr><td colspan="6">What we will deliver to the community (level of service):
We reduce the environmental impact of marine oil spills by having a safe, coordinated, and effective plan in place, maintaining an effective readiness to respond.</td></tr>
<tr><td colspan="6">Why this is important (strategic alignment):
Coastal and marine.</td></tr>
<tr><td>Two readiness exercises are undertaken per year.</td><td>Two exercises undertaken</td><td>Two exercises undertaken</td><td>Two exercises undertaken</td><td>Two exercises undertaken</td><td>Two exercises undertaken</td></tr>
</table>

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
WRC emergency response	1,116	798	825	848	813	826	840	861	874	888	903
Resilient communities	1,354	1,856	1,869	1,978	3,338	3,435	3,509	3,346	3,400	3,477	3,546
TOTAL EXPENDITURE	**2,470**	**2,654**	**2,693**	**2,827**	**4,151**	**4,260**	**4,349**	**4,206**	**4,274**	**4,365**	**4,448**
FUNDED BY											
General rates	-	-	-	-	-	-	-	-	-	-	-
UAGC	1,863	2,472	2,523	2,652	3,982	4,088	4,173	4,027	4,092	4,180	4,260
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	608	162	170	174	170	172	175	179	182	185	188
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUNDING	**2,470**	**2,634**	**2,693**	**2,827**	**4,151**	**4,260**	**4,349**	**4,206**	**4,274**	**4,365**	**4,448**
TRANSFER TO / (FROM) RESERVES	**-**	**(20)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net operating surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-
Loan Drawdown/(Repayment)	-	-	-	-	-	-	-	-	-	-	-

Ngā ara hono ā-rohe | Regional transport connections

This group of activities (GOA) includes:

- public transport
- inter-regional passenger rail
- transport policy and programmes.

How these activities improve wellbeing

These activities primarily contribute to **vibrant communities**, a **healthy environment** and a **strong economy.**

These activities contribute to a healthy environment, vibrant communities and a strong economy.

They support connectivity and employment, providing our communities with affordable transport options to access jobs, education, essential services, recreational and social activities, and community events.

They also help to limit congestion by encouraging greater use of public transport, reducing the use of single occupancy cars and cutting carbon emissions in the process.

Why we provide these activities

We plan, contract, fund and monitor public transport services in the region.

These services give the public an alternative to private vehicle travel, provide access for the transport disadvantaged, support urban growth objectives, reduce congestion, provide rural communities with better access to essential services, and enhance access to special events.

We provide an interregional passenger rail service that connects the Waikato and Auckland. This is operating as a trial passenger rail service until mid-2026. This LTP assumes continuation of the service for the 10 years of the plan, however, this is based on the assumption that the enhanced funding assistance rate from NZ Transport Agency Waka Kotahi continues beyond the trial period. We would give consideration to the continuation of this service should the funding arrangements change.

We provide transport planning to meet our obligations under the Land Transport Management Act 2003.

Our plans are laid out in the *Waikato Regional Land Transport Plan*, and *Waikato Regional Public Transport Plan* which we develop in partnership with local councils and NZ Transport Agency Waka Kotahi.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- Diesel buses negatively affect the environment through CO_2 emissions and diesel fumes.

How we will manage these effects

The council is currently developing a strategy aimed at transitioning its entire passenger transport fleet to zero-emissions.

Levels of service

Transport policy and programmes

What we will deliver to the community (level of service): We complete 3-yearly reviews of our regional transport plans, as required by the *Land Transport Management Act,* and maintain a regional road safety strategy.					
Why this is important (strategic alignment): Sustainable development and infrastructure, Community connections, Transition to low emission economy.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Regional plans and strategies are reviewed and submitted within statutory timeframes and implemented.	New measure	Complete reviews of the *Regional Public Transport Plan* and *Road Safety Strategy*	Maintain and report on implementation of the *Regional Land Transport Plan, Regional Public Transport Plan,* and *Road Safety Strategy*	Complete a review of the *Regional Land Transport Plan* Develop a regional speed management plan Develop new "action plan" for road safety promotion	Reviews of the *Regional Land Transport Plan, Regional Public Transport Plan* and *Road Safety Strategy* are completed every three years.

Public transport

What we will deliver to the community (level of service): We will transition Hamilton's bus network from a coverage-based system (many low-frequency routes) to a ridership-orientated network (focusing resources on high frequency routes in the areas of greatest demand), supplemented by demand-responsive services.					
Why this is important (strategic alignment): Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Number of public bus trips per capita (Hamilton)	14.01 trips per capita	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year
What we will deliver to the community (level of service): We will expand public transport to include more areas within our region, enabling greater access to essential services, education, employment, and social opportunities.					
Why this is important (strategic alignment): Community connections.					
Number of public bus trips per capita (regional total outside of Hamilton)	1.85 trips per capita	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year	Number of trips per capita increase year-on-year
What we will deliver to the community (level of service): We deliver a public transport service that is reliable, and that people can depend on.					
Why this is important (strategic alignment): Community connections.					

Percentage of buses that depart on time from bus stops in accordance with the timetable	66.69%	70%	73%	75%	75-85%
What we will deliver to the community (level of service): We deliver bus services that people and communities value, and regard as a quality service					
Why this is important (strategic alignment): Community connections.					
Percentage of customers who are 'satisfied' or better with the bus transport service	82%	82%	83%	85%	Results increase year-on-year

Inter-regional passenger rail

What we will deliver to the community (level of service): We will progressively improve Te Huia passenger rail services between Hamilton and Auckland.					
Why this is important (strategic alignment): Community connections, Transition to a low emission economy.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Year-on-year passenger rail patronage growth[1]	30%	2% patronage growth compared to the previous 12 months	2% patronage growth compared to the previous 12 months	2% patronage growth compared to the previous 12 months	2% year-on-year patronage growth
Percentage of customers who are 'satisfied' or better with our passenger rail services	92.5%	92%	92%	92%	92%
Notes	[1]Patronage growth was significant in 2022/23 as a result of a low baseline due to COVID-19 travel restrictions that saw services paused throughout much of 2021/22. Growth on the service has since stabilised and is anticipated to align with 2% per annum growth targets set out in accordance with the Hamilton to Auckland passenger rail service – Te Huia business case.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Public transport	44,229	45,173	51,690	56,797	52,258	51,728	51,540	54,767	54,740	54,892	55,039
Interregional passenger rail	8,859	8,554	8,547	8,785	11,464	11,934	15,608	10,892	11,073	11,262	11,433
Transport policy and programmes	3,732	3,712	3,585	3,587	3,738	3,736	3,653	3,760	3,829	3,891	3,951
TOTAL EXPENDITURE	**56,820**	**57,438**	**63,823**	**69,170**	**67,461**	**67,397**	**70,800**	**69,419**	**69,641**	**70,045**	**70,423**
FUNDED BY											
General rates	1,387	1,415	1,461	1,463	1,518	1,520	1,465	1,521	1,540	1,574	1,588
UAGC	852	1,021	891	911	941	957	975	994	1,011	1,028	1,043
Targeted rates	15,845	16,063	22,240	24,461	21,877	21,704	22,860	22,960	22,977	23,073	23,174
Government grants	25,424	25,425	28,856	31,264	29,178	29,490	31,637	29,653	29,922	30,195	30,455
Fees and charges	2,394	3,258	64	64	64	64	64	64	64	64	64
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	9,065	8,156	8,796	9,549	13,070	13,092	13,426	13,748	13,748	13,748	13,748
TOTAL FUNDING	**54,967**	**55,337**	**62,307**	**67,712**	**66,650**	**66,828**	**70,429**	**68,940**	**69,262**	**69,683**	**70,071**
TRANSFER TO / (FROM) RESERVES	**(893)**	**(943)**	**(710)**	**(728)**	**(139)**	**(144)**	**(149)**	**(155)**	**(161)**	**(167)**	**(173)**
Net operating surplus / (deficit)	(960)	(1,158)	(806)	(730)	(672)	(425)	(222)	(324)	(218)	(195)	(179)
Loan Drawdown/(Repayment)	(6)	-	-	67	(5)	(5)	(47)	(49)	(52)	(55)	(58)

Te whakamahinga o te taiao | Resource use

This group of activities (GOA) includes three activities:

- regional consents
- regional compliance
- maritime services
- community education
- primary industry engagement.

How these activities improve wellbeing

These activities primarily contribute to a **healthy environment**, **vibrant communities** and a **strong economy**.

They enable the use of natural resources to support the generation of income and employment, providing financial security to our communities, and supporting industries to be compliant with regulations.

This is balanced with protecting the amenity values of those resources and ensuring they can be used and enjoyed by future generations.

Through the provision of advice, industries are supported to be compliant with regulations and community groups are supported by to make environmental improvements.

Why we provide these activities

Waikato Regional Council is responsible for regulating the use of the region's natural resources.

We grant and monitor consents to ensure the environmental impacts of people and businesses are minimised or managed appropriately.

We also help the agricultural sector to meet its obligations.

We also respond to complaints and pollution incidents, look after the region's harbours, and ensure its waterways are safely navigable. These activities enable the council to meet its statutory obligations and protect the Waikato region's unique environment, while allowing for sustainable growth and development.

Community-led education programmes are delivered to build and maintain strong multi-agency relationships, supporting behavioural change to enhance environmental learning and sustainable communities.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- National environmental standards will mean additional compliance costs may continue to fall on landowners.
- Making the change to more sustainable land use practices may have economic, cultural and social impacts for individual landowners.

How we will manage these effects

The council will continue to work closely with landowners impacted by these changes.

Levels of service

Regional consents

What we will deliver to the community (level of service): We provide efficient and effective consenting and consent compliance monitoring processes under the *Resource Management Act 1991* (RMA) to enable the lawful use of natural and physical resources.					
Why this is important (strategic alignment): Water, Coastal and marine, Sustainable development and infrastructure.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Percentage of resource consents processed in accordance with the RMA timeframe discount regulations	98.5%	≥ 95%	≥ 95%	≥ 95%	≥ 95%
Percentage of highest priority consented sites monitored each year	100%	100%	100%	100%	100%

Regional compliance

What we will deliver to the community (level of service): We provide a dedicated incident response service to ensure the environment, people or property are not seriously affected by pollution incidents or non-compliant activities.					
Why this is important (strategic alignment): Water, Coastal and marine.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Percentage of time the 24-hour, 7 day-a-week response service for reporting environmental incidents is available	100%	100%	100%	100%	100%
What we will deliver to the community (level of service): We take appropriate action in response to serious non-compliance.					
Why this is important (strategic alignment): Water, Coastal and marine.					
Percentage of incidences of serious[1] non-compliance[2] with the environmental regulations that are actioned[3]	100%	100%	100%	100%	100%
Percentage of notifications, related to potential breaches of environmental regulation and assessed as requiring physical attendance, that are attended	100%	100%	100%	100%	100%
Notes	[1] There are a number of factors that are relevant in determining whether a breach of the RMA is 'serious', these include (but are not limited to) what the actual or potential adverse environmental effects of the breach are, sensitivity of the receiving environment, whether the parties involved have a history of non-compliance, whether the breach was as a result of careless, negligent, or deliberate behaviour, what efforts at mitigation have been made.				

	[2]Non-compliance can come about from proactive consent monitoring, proactive PA monitoring or reactive responding to incidents that are reported to Council. [3]These include: no further enforcement action, letter of direction, abatement notice, formal warning, infringement notice, prosecution.

Maritime services

What we will deliver to the community (level of service): We maintain safe and navigable waterways in the region to protect the people who use them.					
Why this is important (strategic alignment): Coastal and marine.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Risk to boaties is appropriately mitigated within 12 hours of a known failure of a category one aid to navigation[4]	New measure	100%	100%	100%	100%
A 24-hour, 365-day-per-year response service is maintained for serious maritime incidents[5]	100%	100%	100%	100%	100%
Notes	[4]Considered to be of primary navigational significance including leading lights, outer channel markers, isolated danger marks and wreck marks. [5]Maritime incidents are those Waikato Regional Council has jurisdiction over that include, but are not limited to, serious boating mishaps or obstruction of navigable waterways.				

Community education

What we will deliver to the community (level of service): We deliver education programmes that bring about behaviour change.					
Why this is important (strategic alignment): Water, Sustainable development and infrastructure, Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Number of education programmes[6] evaluated for their effectiveness and updated as required	1	1	1	1	1
Notes	[6]The programme includes Advancing Māori Medium, Enviroschools, Waste Minimisation, Youth and Secondary.				

Primary industry engagement

What we will deliver to the community (level of service): We work with partners and stakeholders to develop solutions to emerging challenges facing the rural sector.					
Why this is important (strategic alignment): Water.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Based on customer feedback, engagement activities undertaken in collaboration with partners and stakeholders meet their intended purpose[7]	New measure	80%	80%	80%	80%
What we will deliver to the community (level of service): We provide resources and systems to support the primary sector to meet its regulatory obligations.					
Why this is important (strategic alignment): Water.					
Customer feedback confirms that the resources and systems developed to support the primary sector to meet their regulatory obligation for freshwater farm plan implementation met the intended purpose[7]	New measure	80%	80%	80%	80%
Notes	[7]A twice-yearly survey will be conducted with our partners and stakeholders to identify whether 80% of respondents believe our engagement activities meet the intended purpose and that the resources and systems we develop deliver the intended purpose in supporting the primary sector.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Regional consents	13,470	13,361	14,141	14,554	14,829	15,034	14,784	14,549	14,746	14,967	15,212
Regional compliance	6,258	6,646	6,872	7,156	7,275	7,388	7,514	7,662	7,761	7,876	8,026
Maritime services	2,175	2,567	2,765	2,816	2,858	2,901	2,948	3,003	3,022	3,061	3,112
Community education	1,491	5,274	5,697	3,826	2,589	2,519	2,537	2,565	2,579	2,281	2,271
Primary industry engagement	3,086	3,042	3,093	3,167	3,205	3,243	3,285	3,330	3,373	3,417	3,463
TOTAL EXPENDITURE	**26,481**	**30,890**	**32,567**	**31,519**	**30,755**	**31,084**	**31,068**	**31,108**	**31,481**	**31,602**	**32,084**
FUNDED BY											
General rates	11,265	11,547	11,944	12,143	12,322	12,526	12,743	13,000	12,747	12,846	12,995
UAGC	2,783	3,421	3,647	3,722	3,783	3,844	3,913	3,991	4,032	4,094	4,168
Targeted rates	1,574	2,635	3,048	3,618	3,665	3,713	3,767	3,830	3,876	3,929	3,993
Government grants	-	106	106	96	48	-	-	-	-	-	-
Fees and charges	9,055	9,271	9,536	9,841	10,050	10,202	10,360	10,540	10,706	10,868	11,047
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	781	845	845	695	695	695	695	695	695	695	695
TOTAL FUNDING	**25,458**	**27,825**	**29,126**	**30,116**	**30,563**	**30,979**	**31,478**	**32,055**	**32,056**	**32,432**	**32,898**
TRANSFER TO / (FROM) RESERVES	**(728)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**
Net operating surplus / (deficit)	(295)	(3,036)	(3,412)	(1,374)	(163)	(76)	439	976	604	859	843
Loan Drawdown/(Repayment)	295	2,619	2,561	505	(723)	(827)	(899)	(976)	(604)	(859)	(843)

Pūtaiao, kaupapahere, me te mōhiohio | Science, policy and information

This group of activities (GOA) includes:

- environmental monitoring
- environmental science and information
- social and economic information
- strategic and policy implementation
- resource management policy
- spatial information.

How these activities improve wellbeing

These activities contribute to a **healthy environment**, **vibrant communities**, and a **strong economy**.

They help support an environment that can sustain healthy community life by ensuring land is used and managed well, there is fresh water available, biodiversity is not lost, and the air is kept clean.

These environmental factors are mindful of the need to generate income and employment from the use of natural resources to support the economy and provide for communities.

Working with our residents allows an understanding of connection to community connections to our natural resources, and enables us to provide for customs, beliefs and identities in the way we work.

Why we provide these activities

This group of activities covers the collection of data, the analysis of this data, development of policy and management of resources, as well as the expert analysis we provide to help tell the story of our region.

We provide these activities to help preserve and improve the health of the natural environment and the management of resources for the benefit of our communities.

We collect information about our communities and the economy, analysing this information to better understand current trends and identify new and emerging issues.

The insights gained are used to develop policy to preserve and improve the health of the environment and guide the use of natural resources for future generations. They are also used to develop consent conditions, flood warning systems and thresholds for water allocation.

We provide tools to spatially present this information and our strategic advice to the community and key decision makers in more accessible ways in order to help improve wellbeing in the Waikato region.

We are also responsible for developing much of the council's advocacy platform on matters that affect the region, we make many submissions on behalf of the region's communities ensuring that we have a Waikato voice in central government proposals that affect us.

Significant negative effects

The following significant negative effects may occur as a result of these activities.

- Change in central government direction may impose extra costs on the council and resource users.
- Litigious actions such as Environment Court creates uncertainty for those impacted, with processes often taking a long time to reach resolution.
- Where the provision of information is not current or accurate there is a risk that bad decisions being made in regard to resource use by regulators, consent holders, or the community.

How we will manage these effects

Constant and regular contact and communication with central government to keep abreast of upcoming changes.

Robust, transparent, peer reviewed, and independently audited information prior to making the information publicly available

Levels of service

Environmental monitoring

What we will deliver to the community (level of service): We provide high-quality and timely data to key decision makers and the community.					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
External audit of one area of monitoring each year shows good quality control of data collection	One area audited	Positive audit received, and recommendations for improvement implemented	Positive audit received, and recommendations for improvement implemented	Positive audit received, and recommendations for improvement implemented	Positive audit received, and recommendations for improvement implemented
Percentage of time (during flood events) when data isn't available for more than 70 continuous minutes[1]	2.5%	<2% of the time	<2% of the time	<2% of the time	<2% of the time
Notes	[1]70 minutes is considered the maximum time we would like flood managers to be without data before making decisions.				

Environment science and information

What we will deliver to the community (level of service): We provide decision makers and the community with robust and timely information on the current state of the environment and advice on appropriate responses to issues.					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
How we will measure our performance (performance measure)	**Targets**				
	Baseline result	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
State of Environment monitoring and reporting systems are reported on biannually to meet council requirements	New measure	Implementation Plan for State of the Environment Report developed	Six monthly report to Environmental Performance Committee against Implementation Plan	Six monthly report to Environmental Performance Committee against Implementation Plan	Six monthly report to Environmental Performance Committee against Implementation Plan
What we will deliver to the community (level of service): We provide decision-makers and the community with insights and evidence to support identification and appropriate responses to existing and emerging environmental issues. (Solutions-focused)					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
Peer-reviewed environmental science is used to respond to emerging regional issues	New measure	Annual summary of science output and	Annual summary of science output and	Annual summary of science output and	Annual summary of science output and

		uptake/outcomes reported to Council	uptake/outcomes reported to Council Completion of Water Security Management Plan Completion of Whangamarino / Waikare Options and Actions report	uptake/outcomes reported to Council	uptake/outcomes reported to Council Completion of the Peat Soils Business Case Programme

Strategic policy implementation

How we will measure our performance (performance measure)	Targets				
	Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4-10 2027/2023
What we will deliver to the community (level of service): We work with territorial authorities and advocate to government to achieve alignment on policies, plans and strategies					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
Actively engage in national policy reforms and district plan change processes to promote high quality, well-informed national direction and to ensure the Waikato Regional Policy Statement is given effect to	New measure	>95% of formal submissions made within time >90%endorsed by elected members	>95% of formal submissions made within time >90%endorsed by elected members	>95% of formal submissions made within time >90%endorsed by elected members	>95% of formal submissions made within time >90%endorsed by elected members
What we will deliver to the community (level of service): We work with Future Proof partners to enable sustainable, low-carbon development					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
Actively engage in Future Proof discussions and initiatives to ensure direction is in line with the Waikato Regional Policy Statement and national direction	New measure	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes	>90% attendance at Future Proof technical meetings, with at least two accountability measures implemented that strengthen Future Proof outcomes
What we will deliver to the community (level of service): We will work with our regional partners to develop the regional spatial strategy foundation					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					

Facilitate a process for the development of a Regional Spatial Strategy	New measure	Regional spatial strategy preparedness progressed in accordance with Project Plan	Strategic Spatial focus report finalised for council endorsement	Following council endorsement initiate strategy development	First draft of strategy developed for stakeholder feedback

Resource Management Policy

What we will deliver to the community (level of service):
We prioritise our policy programme to meet legislative requirements and community expectations

Why this is important (strategic alignment):
Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Transition to a low emissions economy.

How we will measure our performance (performance measure)	Targets				
	Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4-10 2027/2023
Policy programme is delivered as per the planning schedule	Not achieved	Hearings on Proposed Regional Coastal Plan Regional Plan reviews progressed in accordance with Project Plans	Decisions on Submissions on Proposed Regional Coastal Plan notified Regional Plan reviews progressed in accordance with Project Plans	Quarterly report to Strategy and Policy Committee on Regional Coastal Plan mediations and appeal progress Regional Policy Statement and Plan reviews progressed in accordance with Project Plan Freshwater Plan Change ready for notification decision no later than 3 months prior to statutory timeline	Regional Coastal Plan changes made operative six months post an Environment Court decision on appeals

Social and Economic information

What we will deliver to the community (level of service):
We help ensure social and hard infrastructure in the region is planned and provided for, and that it is economical, sustainable, and climate resilient to 2050 and beyond.

Why this is important (strategic alignment):
Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.

How we will measure our performance (performance measure)	Targets				
	Baseline result	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27	Year 4-10 2027/2023
We will undertake a review of current arrangements and recommend a revised infrastructure funding model to inform decision making	New measure	Review of critical infrastructure funding is undertaken in accordance with the agreed project plan	Review of critical infrastructure funding is completed.	Review findings informs revised funding model for 2027-2037 LTP Funding model review findings incorporated into LTP consultation	Revised funding model for infrastructure is considered and implemented, based on findings of the review, and consultation through special consultative process

Spatial information

How we will measure our performance (performance measure)	Targets				
What we will deliver to the community (level of service): We provide high quality information and data to key decision makers and the community					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
How we will measure our performance (performance measure)	**Baseline result**	**Year 1 2024/25**	**Year 2 2025/26**	**Year 3 2026/27**	**Year 4-10 2027/2023**
Percentage of data and metadata that has quality controls[2] in place.	Achieved: 94%	>90%	>90%	>90%	>90%
What we will deliver to the community (level of service): We provide community benefits by updating LiDAR data and a range of derived products over time					
Why this is important (strategic alignment): Water, Biodiversity and biosecurity, Coastal and marine, Sustainable development and infrastructure, Community connections, Transition to a low emissions economy.					
At least two key layers are added or updated per year, addressing business/community needs. E.g., Year1 includes (a) update of coastal inundation model, and (b) hydrologically corrected digital elevations model (underpins flood modelling)	New measure	Publish at least two new layers derived from LiDAR data	Publish at least two new layers derived from LiDAR data	Publish at least two new layers derived from LiDAR data	Review of new LiDAR data layers for usability
Notes	[2]Quality controls mean an audit will be done on a regular basis. This will involve checking the metadata to ensure the mandatory fields are filled in and that any restrictions on use are applied to any ArcGIS (Geographic Information System) online applications.				

Financial summary

Cost of service statement

	2023/24 Annual plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Environmental monitoring	5,175	6,815	6,839	7,538	7,683	7,767	7,843	8,007	8,102	8,199	8,337
Environmental science and information	11,471	12,119	14,136	13,704	14,223	14,222	14,056	13,976	13,884	14,217	14,443
Social and economic information	1,517	1,965	1,956	1,929	2,011	1,990	2,018	2,106	2,089	2,122	2,222
Strategic policy implementation	4,583	5,422	5,561	5,676	5,753	5,533	5,605	5,684	5,758	5,832	5,911
Resource management policy	7,508	6,164	5,763	5,472	8,462	6,681	5,894	6,177	5,717	5,560	5,815
Spatial Information	1,352	1,827	1,886	1,907	1,936	1,979	2,031	2,069	2,107	2,133	2,173
TOTAL EXPENDITURE	**31,606**	**34,312**	**36,141**	**36,227**	**40,067**	**38,172**	**37,448**	**38,018**	**37,657**	**38,064**	**38,900**
FUNDED BY											
General rates	24,776	25,815	27,333	28,049	31,539	29,775	28,912	29,327	28,930	29,262	29,884
UAGC	2,195	2,711	2,705	2,845	2,947	2,937	2,975	3,086	3,080	3,126	3,245
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Government grants	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	3,469	3,899	3,978	4,093	4,157	4,219	4,296	4,364	4,379	4,432	4,502
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	1,141	1,239	1,263	1,239	1,424	1,240	1,265	1,241	1,267	1,242	1,268
TOTAL FUNDING	**31,582**	**33,664**	**35,280**	**36,227**	**40,067**	**38,172**	**37,448**	**38,018**	**37,657**	**38,064**	**38,900**
TRANSFER TO / (FROM) RESERVES	**(24)**	**(648)**	**(861)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net operating surplus / (deficit)	-	-	-	-	-	-	-	-	-	-	-
Loan Drawdown/(Repayment)	-	-	-	-	-	-	-	-	-	-	-

Puakanga | Disclosure

Service performance judgments and assumptions

In the selection of our service performance measures for the forecast Statement of service performance in our 10-year budget, we made the following judgments.

- We reflected on how to best ensure the levels of service we plan to provide to the community are captured by our performance measures, adjusting them accordingly.
- We considered the views expressed by our residents, ratepayers and communities, including feedback relevant to the levels of service and performance measures received throughout the long term plan consultation process.
- We ensured our performance measures adequately track progress towards delivering our community outcomes.

In relation to the flood protection group of activities, we are mandated under the Local Government Act 2002 to provide standard performance measures so that the public may make comparisons with other providers.

We are also required to demonstrate regulatory compliance for statutory measures (such as the percentage of resource consent applications processed in accordance with the Resource Management Act timeframe discount regulations).

Furthermore, we applied judgments to the measurement, aggregation and presentation of service performance information.

In the setting of funding levels, we considered the impact on services and their performance measures, and have set targets that reflect what we believe can be achieved within the 10-year budget set.

We have applied the following material judgments across our performance measures.

Surveys

Surveys are one of the tools we use to measure the quality of services we provide. Customer surveys, for example, are considered appropriate for assessing community perceptions.

To determine the number of performance measures to monitor and report on, and the level of aggregation, we considered the information needs of our communities, the costs and benefits of these, practical feasibility, and the requirement to provide performance information across the full breadth of the services we provide.

The frequency of each survey differs in line with the specific performance measures. For example, interaction-based customer surveys are more frequent, given the service is ongoing and there are consistent interactions.

Our surveys are designed in-house, or by external research experts, based on best practice in survey design. For example, questions are written so they are neutral in tone and can be clearly understood by participants.

Response options are designed to be balanced, not lead participants to respond in a certain way and cover all likely responses a participant may wish to provide.

Analysis of survey responses is used to improve our processes and informs future service-level improvements.

External implications

Some conditions that affect service performance and may result in a variation from anticipated or forecast results, are outside our control. Some conditions that affect service performance and may result in a variation from anticipated or forecast results, are outside our control.

Examples include, but are not limited to, changes in government policy in New Zealand, changes in international travel restrictions, global and domestic economic conditions, major weather events and international policy. Such factors may impact areas such as recruitment, the availability of materials and supplies, and the stability of international financial markets.

Such factors may impact areas such as recruitment, the availability of materials and supplies, and the stability of international financial markets.

SECTION 3: Finances | Pūtea

Rautaki pūtea | Financial strategy

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 key objectives for this strategy are that:

- Council maintains the right mix of funding for its activities, to keep rates and fees and charges affordable, fair and equitable now and for the future
- Council promotes the efficient and effective use of the resources that are available to it to provide high quality services to the community
- Council creates resilience through agile and adaptive financial management practices that can assist to navigate through uncertainty and manage risks while achieving Council's overarching objectives
- Council investments (including its capital works programmes) will be based on clear options analysis which consider "whole of life" costs as well as the needs of both current and future generations
- Council will maintain a balanced budget, whereby its operating revenues are sufficient to meet its operating expenses, except where it is deemed financially prudent not to do so.

These objectives are implemented through a series of policies and plans which make up the complete LTP, specifically:

- Revenue and financing policy, which sets out how the activities undertaken by the council should be funded
- Activity plans, including cost of services 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
- 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 the way in which 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

In 2023 the Waikato economy, along with the rest of the country, continues to emerge from the COVID-19 shock that began in 2020. Disruptions to the supply-side of the economy (including from a series of weather events in early 2023), combined with stimulatory monetary and fiscal policy has led to generalised higher inflation. In response, the Reserve Bank of New Zealand has progressively raised the Official Cash Rate from 0.25 percent in October 2021 to 5.5 percent at the time of writing (January 2024), with wholesale and retail interest rates rising accordingly. Nevertheless, real economic activity has remained surprisingly robust, and unemployment has remained very low. This has seen shortages of skilled workers as a further constraint on economic activity and placed upwards pressure on labour costs – although more recent signs suggest this pressure may be easing in mid-2023.

The exact impact of these drivers is uncertain. Considering this, Council has made some assumptions about what is currently known and forecast, and how this may impact on Council operations. With a high degree of uncertainty prevailing, it will be critical that the council retains the ability to adapt and change in response to changes in its operating environment that can't currently be foreseen.

Through this long term planning cycle, we are seeing historical highs in the increases in rates that are being set by the local government sector across the country. By comparison, Waikato Regional Council's LTP proposes increases that are largely in line with the inflationary pressures that are impacting our service delivery. We have navigated some of the bigger issues well through the decisions that have been made through previous plans – such as providing for depreciation on our infrastructure assets and the increasing costs of borrowing. This means that these factors are not having a marked impact on the budget proposed through this plan.

In light of these financial and economic headwinds that both council and our communities face, and in order to deliver the moderate rates increases that are proposed in this plan, in developing the proposed 2024 – 2034 LTP and associate budget, council has:

- Reviewed its Revenue and Financing Policy to ensure that it delivers the appropriate mix of funding for the activities undertaken by Council, and identified some areas of change that will be a focus over the period of this LTP
- Reviewed its historical expenditure to identify areas where savings can be made, allowing funding to be redirected to priority initiatives
- Reviewed the performance of the investment fund and identified actions that are required to be taken based on forecast performance. This has resulted in the need to increase our investment risk profile, but also to decrease the level of rates subsidy that can be expected to be provided from fund returns
- Worked to carefully prioritise any areas of new investment, with these being focussed on community resilience and showing clear alignment with the council's strategy. For short term strategic shifts we have been able to utilise accumulated operating savings from previous financial years – mitigating any impact on ratepayers.

However, we are at a tipping point in the way that we do certain things – most notably in relation to the sustainable management of our flood protection infrastructure.

Council's strategic direction acknowledges the need to take bold and deliberate steps to change the way that we plan and fund infrastructure. We need infrastructure that services our current economy but importantly secures community resilience and our future wellbeing and is affordable.

But some of our infrastructure is now coming to the end of its life. At the same time we are facing unprecedented climatic change and higher levels of risk from natural hazards, including extreme weather. Simply replacing or repairing existing assets, as we have done in the past, may no longer be economically sustainable, affordable or workable.

Around New Zealand recently, we have witnessed the community devastation that can result when weather events exceed the performance levels of flood protection infrastructure assets – with severe weather events becoming increasingly frequent and forecast to continue to do so. We also need to account for the broader community resilience that these assets provide – protecting key community infrastructure and lifelines such as transport, communication and other utility networks.

Over the period of this LTP we expect to see a change to the way in which this key infrastructure is managed. Such a shift will not happen quickly and will not be without its challenges – including a potential shift from capital expenditure to operating expenditure which, if no further changes to the way that we provide these services is made, has the potential to exacerbate affordability.

To be successful it's essential that we continue to work with communities, stakeholders and partners so we can better understand and manage our investment in infrastructure, the risks we need to mitigate and the costs our community can afford.

For this LTP, our budget for infrastructure capital works is constrained to a level that supports the prioritised renewal of assets. This position will force the need for some tough calls to be made in relation to what works should be undertaken, with these decisions requiring clear options to be explored and engagement with the communities who may be impacted.

Alongside our updated Infrastructure Strategy, council is also providing investment into a review of the funding of these assets, as well as into a programme to implement the council's Sustainable Development and Infrastructure strategic priority and Climate Action Roadmap, focusing on enhancing regional resilience in response to climate change and natural hazards.

Heading into this Long Term Plan the council maintains a strong financial position. This is illustrated by:

- Modest increases in overall rates revenue relative to the inflationary environment that has prevailed over recent years.
- External debt that is well within the limits set in our Treasury Risk Management Policy
- An externally managed investment fund valued at $102.243 million (30 June 2023) providing an annual return which supports the council activities by providing a subsidy to the rates revenue requirement.

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

- A heightened level of uncertainty in the global economy. While economic conditions are projected to ease, the timing and extent of this remains uncertain. Key influences on the council will be in relation to supply chain reliability, inflation and interest rates, and labour market forces
- The high inflationary environment of the last three years has seen the actual value of the investment fund fall behind the real (inflation-adjusted) value of the fund. To address this, Council is proposing to change both its strategic asset allocation (the split in investments between growth and income assets) as well as to reduce the annual distribution of fund returns that is available to subsidise the general rate, or to fund other strategic initiatives
- The risk of insurance retreat due to the increasing frequency and severity of weather events that have the potential to cause significant damage to council's infrastructure assets. Current self-insurance provisions would be insufficient to bridge any resulting funding risk
- With a new coalition central government formed in November 2023, there have already been signals for considerable change in central government approaches

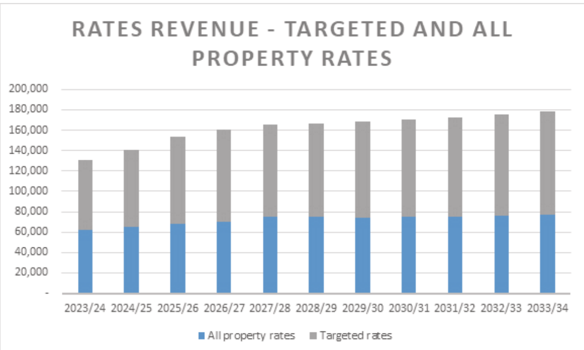
to matters that affect council's operating environment. However, the impact of the changes on council service delivery is currently uncertain.

3 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. Rates increases proposed by Council since 2020/21 have been low by national standards – reflective of the careful financial management and prioritisation of work programmes that has been undertaken through recent planning cycles.

Budgets have been put under further pressure by the external cost drivers that have impacted across the New Zealand economy for both businesses and households – most notably, inflation, interest rates and labour markets. New Zealand's Consumer Price Index (CPI) has had year-on-year increases of 3.3 per cent (June 2021), 7.3 per cent (June 2022) and 6.0 per cent (June 2023) while average annual household gross income rose by 5.4 per cent in the year ended 30 June 2022.[(1)] At this time, 32.2 per cent of households said that their income was 'not enough' or 'only just enough'. While some of these pressures may ease over the period of this plan, core drivers of cost increases are expected to remain. The proposed rates increase make provision for estimated inflationary pressures based on advice from Business and Economic Research Ltd. Council believes that these increases are required to provide the services that our communities expect of us.

Moving forward, unless we change the way that we manage our flood protection infrastructure, we can expect to see the rates revenue required to fund these schemes increase substantially. With the constrained capital programme contained in this plan, the current projection of funding for our catchment management activities is illustrated in the graph below, noting that actual impacts will vary between catchment schemes and depending on the level of service received at an individual property level.



Rating limits

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

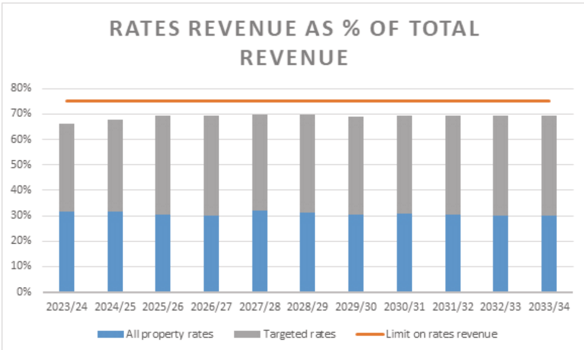
- Total rates revenue will comprise up to 75 per cent of the council's annual revenue requirements.
- Increases in total rates revenue will be limited to a 10 per cent increase in rates from current ratepayers.

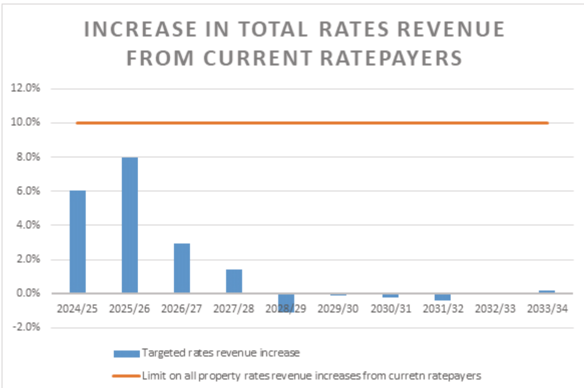
These limits have been set, having had regard to:

Recognition that the demand for increased services is coming from those areas of the council's business that are funded almost entirely through rates

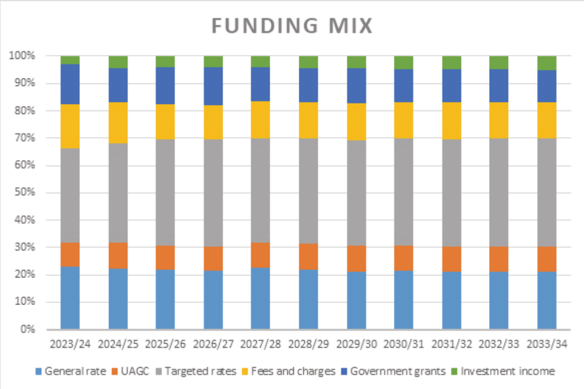
- The need to provide for increases in costs incurred by the council due to inflation. The level of these forecast price changes is best illustrated by referencing the Local Government Cost Index.
- Increases to targeted rates are largely driven by increases to levels of service, which are consulted 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 the LTP within these limits.





1 Statistics NZ: Household income and housing-cost statistics: Year ended 30 June 2022.



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

4 Providing for asset resilience and recovery

The council provides a range of core services to its community. In doing this, it recognises that there is a need for clear financial risk mitigation strategies in key areas of council's 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. While trying to provide certainty through these planning processes, Council is operating in an, at times, highly uncertain environment. This creates planning uncertainty - with the need to be able to flex and respond to new imperatives or direction within a pre-defined funding envelope.

Weather events over the last year have highlighted the importance of the council's flood infrastructure to our communities, but also our vulnerability to extreme weather events. 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.

We have acknowledged that the way that we manage these critical assets will need to change moving forward.

We also need to address the costs of responding to the increasing frequency and severity of weather events that impact on the condition and performance of these assets. It is possible that we will see insurance of these assets becoming more difficult to obtain, or premium costs reaching an unaffordable level. This will mean that we need to consider the ways in which we fund the reinstatement / repair of key assets should they be damaged. Alongside this, we also need to increasingly build our knowledge on the assets that would be replaced, and those that may not be – ensuring that we are a strategic purchaser of insurance cover.

Currently we fund the costs to repair / reinstate assets affected by weather events through the following mechanisms:

- Commercial insurance
- Self-insurance through:
  - Regional disaster recovery reserve
  - Zone disaster recovery reserves
- Central government funding through the National Recovery Plan.

Where response and recovery costs exceed the provisions held by Council, it is expected that essential works will be funded through the reprioritisation of existing programmes of work or funded through borrowing where other financial capacity has been exhausted.

These risk financing vehicles work together in the following way:

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 For the "insurance excess" in events which qualify for insurance and / or Government funding
Risk transference	Insurance	For 40% of the risk cost for insured assets between policy excess and the Maximum Probable 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

At the end of this LTP period, zone disaster recovery reserve balances are forecast to be $5.843 million, with a regional disaster recovery reserve balance of $4.667 million. Actual reserve balances will be impacted by any drawdowns that are required to be made in response to weather events.

With the heightened risk of increasing insurance costs, coupled with the possibility of increasing challenge in securing insurance cover, a key focus for Council over the next three years will be the consideration of council's risk financing strategy and strategic use of self-insurance, borrowing, and alternative risk transfer mechanisms.

Where we are unable to meet any unforeseen costs through the funding mechanisms identified, and where central government funding is not available, Council would utilise its external borrowing programme to address key remedial/recovery works.

5 Diversifying to manage financial risks

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 1990's.

The return from the fund is applied in the following way:

- First, to inflation-proof the base capital of the fund
- To provide a subsidy to the general rates revenue requirement

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.

The high inflationary environment of the last three years has seen the actual value of the investment fund fall behind the real (inflation-adjusted) value of the fund. As a result of this, the balance of the investment equalisation reserve has reduced from $13.645 million at 1 July 2021 to a deficit of $5.643 million at 30 June 2023.

To address this, Council is proposing to change both its strategic asset allocation (the split in investments between growth and income assets) as well as to reduce the annual distribution of fund returns that is available to subsidise the general rate, or to fund other strategic initiatives. The reduced distribution also reflects the proposed cessation of the Regional Development Fund and will see Council's funding contribution to Te Waka being funded directly through rates rather than by way of investment fund returns.

Once implemented, the asset allocation will be:

- 60 per cent growth (currently 40 per cent)
- 40 per cent income (currently 60 per cent)

The changes to the investment fund strategy aim to stabilise distributions over the long term, while accepting that variations in return are a normal part of the fund management journey.

With the change to the investment fund risk profile and the associated return that is available, the revised returns from the fund and their application are shown below.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Investment fund return	4,195	6,679	7,035	7,415	7,819	8,250	8,708	9,197	9,719	10,275	10,868
Applied to:											
Inflation proofing	1,406	2,548	2,614	2,682	2,752	2,824	2,897	2,972	3,050	3,129	3,210
Rates subsidy	1,835	1,900	1,949	2,000	2,052	2,105	2,160	2,216	2,274	2,333	2,394
Operating funding for Te Waka	750	-	-	-	-	-	-	-	-	-	-
Regional development fund	680	-	-	-	-	-	-	-	-	-	-
Total fund distribution	**4,671**	**4,448**	**4,564**	**4,682**	**4,804**	**4,929**	**5,057**	**5,189**	**5,323**	**5,462**	**5,604**
Transfer to / (drawdown from) investment equalisation reserve	(476)	2,231	2,472	2,733	3,015	3,321	3,651	4,009	4,395	4,813	5,264

In addition to the investment fund, Council also has the following investments

- Direct equity investments in Council-Controlled Organisations (CCO's) and other shareholdings
- In-house managed financial investments incorporating the management of working capital and longer term fixed income investments.

The following returns are expected from the investments held:

- Working capital funds – a return in excess of the Reserve Bank 90-day bill rate
- Investment fund – a return of 4.9 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 2.6 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.

6 Capital expenditure

The council's key capital expenditure costs relate to the maintenance and construction of its flood protection networks. At 30th June 2023, these assets had a carrying value of $973.827 million. Capital expenditure for these assets is funded through the following means:

- 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 had a carrying value of $21.871 million as at 30th June 2023.

A summary of planned capital expenditure is shown below:

$0000	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Infrastructural capital expenditure	1,320	1,213	1,230	1,221	1,774	2,297	6,762	8,646	5,482	6,222
• New works	1,320	1,213	1,230	1,221	1,774	2,297	6,762	8,646	5,482	6,222
• Renewals	10,297	18,143	14,565	19,942	10,664	7,650	13,268	12,190	22,081	9,130
Operational capital expenditure	5,227	5,425	4,856	3,446	3,401	16,337	3,689	3,535	4,364	3,701
Total capital expenditure	**16,843**	**24,781**	**20,651**	**24,609**	**15,840**	**26,284**	**23,719**	**24,371**	**31,926**	**19,053**

Detail of Council's major infrastructure projects is contained in the Infrastructure Strategy.

7 Borrowing

The council proposes to have a borrowing programme of up to $122 million over the next ten 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 and other revenue and 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.

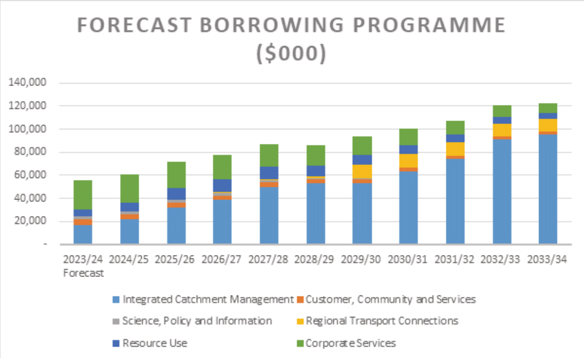
Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

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 and reserve funds and internal borrowing of special funds / 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



A key assumption behind the forecast borrowing programme is that 100 per cent of the budgeted infrastructure capital works programme will be delivered. Over recent years, council has not been able to deliver the full programme for several reasons, including the need to respond to extreme weather events impacting on the ability to deliver these works. The need to adapt the ways in which we manage these assets moving forward is likely to have an impact on the level of borrowing that the council is required to undertake over the period of this plan.

8 Growth assumptions

It is important to consider population projections as they give insight 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 that infrastructure needs and pressures are understood in advance.
- Declining populations 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 with respect to assumed regional growth for the period of the LTP. Growth of 1.5 per cent has been assumed for the full ten years of the plan, based on actual regional growth for the 2023/24 financial year to date. This growth rate has been used to determine the level of rates funding that can be anticipated in relation to those rates that the council charges on a per rating unit basis (for example, the Natural Heritage rate). 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.

Overall, population growth projections for the region to 2033 is 8.7 per cent - in line with the national average of the same amountS[(2)] 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.

Land use projections for the life of the LTP are in the table below.[(3)] The projections are based on actual 2018 data as a starting point and then consider land use projections based on population and economic drivers for the Waikato region until 2068. Land use restrictions are also considered, e.g. district plan zoning, and policies such as Lake Taupō protection or Plan Change 1 for the Waikato and Waipā River catchments.

Land Use Type	Projected hectares (ha)		
	2018	2025	2035
Indigenous Vegetation	703,414	710,396	710,326
Forestry	283,918	283,917	284,065
Dairy Farming	681,263	689,727	688,928
Sheep, Beef or Deer Farming	515,788	508,972	508,449
Other Agriculture	12,756	12,752	12,959
Horticulture	3,399	3,632	3,974
Vegetable Cropping	6,300	6,732	7,366
Other Cropping	8,395	8,393	8,529
Manufacturing	1,928	2,047	2,255
Commercial	2,176	2,343	2,577
Residential - Lifestyle Blocks	39,400	40,299	39,966

2 ource: Statistics NZ – based on "medium" growth projections from 2023 to 2033

3 Waikato Projections, WRC Technical Report 2021/31, 2021

Land Use Type	Projected hectares (ha)		
	2018	2025	2035
Residential - Low Density	13,053	13,966	14,586
Residential - Medium to High Density	522	640	894
Community Services	2,330	2,542	2,784

Implications for the council include:

- the risk that ad hoc development occurs without the appropriate strategic and planning rigour applied;
- pricing implications of increased demand, with pressure placed on locations with strategic benefit;
- decreased availability of water (for either supply (climate) - or demand-side reasons) may negatively impact communities that have previously relied on dairy and other land uses most affected by resource constraints, affecting the community's ability to service rates;
- urbanisation and growth on the urban/rural fringe will put pressures on council draining systems, and potentially may require reviews of levels of service of some council infrastructure.

National and regional policy direction will influence land use activities throughout the life of the plan, creating a level of uncertainty on impact on land use change within the initial years of the plan.

The council will be required to respond and adapt to the direction of change and undertake a role in regional spatial planning over the period of this plan.

9 Balanced budget

The Local Government Act 2002 requires Council to set a balanced budget, where operating revenues are sufficient to meet operating expenses on an annual basis – unless Council considers that it is financially prudent not to do so. This is consistent with the objectives of this financial strategy.

The 2024 – 2034 Long Term Plan proposes an unbalanced budget for year one of the plan. The main reasons for this position are:

- The council is only funding depreciation on its share of investment in the regional ticketing solution. The capital cost of this system has been funded from accumulated reserve funds and contributions from the New Zealand Transport Agency (NZTA). It is assumed that any replacement system will also receive partial funding from NZTA, and so only depreciation on the share of costs paid for by the council has been funded, giving a revenue shortfall of $934,000 in year one and $651,000 in year two.
- The redevelopment of the council's premises in Paeroa has been funded through borrowing so depreciation of $52,000 per annum on the new asset will not be funded for the period of the loan (20 years).
- Current funding commitments as part of the Regional Development Fund are expected to be paid in 2024/25, with this expenditure met by a drawdown from the reserve that has been set aside for this purpose ($2.715 million).
- New loan funding in relation to the IRIS NextGen project which is treated as operating expenditure but funded by way of loan to enable the spreading of these costs over the estimated period of benefit for the resulting system.

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

Ngā Note Matapae Ahumoni | Notes to the prospective financial statements

The following pages present the financial projections of the council for 2024/25, 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 owes and owns.
- 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 2024. This position differs from the estimated financial position as at 30 June 2024 included in the 2023/24 Annual Plan and 2021-2031 Long Term Plan (LTP) and results in the projected opening balances applied to the 2024/25 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 2024. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective position at 1 July 2024. Comparative information provided for 2023/24 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 has been prepared in accordance with the council's current accounting policies. The forecast financial information presented in this plan has been prepared in compliance 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									
	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000	2032/33 $000	2033/34 $000
General rates	45,061	46,056	48,547	49,745	53,648	52,308	51,772	52,674	52,257	52,950	53,983
Total UAGC rate revenue	17,575	19,097	19,331	20,277	21,895	22,356	22,646	22,726	23,120	22,982	23,337
Total all property rates	**62,636**	**65,153**	**67,878**	**70,022**	**75,543**	**74,664**	**74,418**	**75,400**	**75,377**	**75,932**	**77,320**
Targeted rates											
- Civil defence	2,555	3,099	3,153	3,194	3,239	3,285	3,332	3,388	3,436	3,484	3,539
- Regional services fund	713	715	725	735	746	758	769	781	792	804	816
- Natural heritage	1,088	1,674	1,898	1,986	2,301	2,443	2,595	2,642	2,687	2,734	2,780
- Stock truck effluent	89	43	43	44	45	45	46	46	47	48	48
- Waikato Regional Theatre rate	372	433	433	433	433	433	433	433	433	433	433

	Annual Plan	Long Term Plan									
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
- Biosecurity	11,339	12,588	14,231	15,124	15,490	15,903	16,144	16,422	16,689	16,916	17,183
- Transport	15,756	16,021	22,196	24,417	21,833	21,659	22,814	22,914	22,930	23,026	23,126
- Asset management schemes	34,233	37,967	40,197	41,185	42,258	43,331	44,269	44,935	46,388	47,934	49,022
- Permitted activity monitoring	1,574										
- Primary industry compliance		2,635	3,048	3,618	3,665	3,713	3,767	3,830	3,876	3,929	3,993
Total targeted rate revenue	**67,719**	**75,175**	**85,924**	**90,736**	**90,010**	**91,570**	**94,169**	**95,391**	**97,278**	**99,308**	**100,940**
Total rate revenue	**130,355**	**140,328**	**153,802**	**160,758**	**165,553**	**166,234**	**168,587**	**170,791**	**172,655**	**175,240**	**178,260**
Rates penalty income	1,000	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451	1,451
Rates remissions granted	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)
Net rates revenue	**130,705**	**141,129**	**154,603**	**161,559**	**166,354**	**167,035**	**169,388**	**171,592**	**173,456**	**176,041**	**179,061**
Government grants	29,242	26,278	29,718	32,040	29,228	29,492	31,639	29,655	29,924	30,197	30,457
Direct charges	11,087	11,153	8,192	8,426	8,600	8,723	8,851	8,996	9,130	9,259	9,400
Consent holder charges	5,570	5,718	5,837	6,028	6,123	6,216	6,325	6,432	6,483	6,572	6,683
Investment fund distribution income	3,265	4,131	4,421	4,733	5,067	5,426	5,811	6,225	6,669	7,146	7,658
Investment fund capital protection income	1,406	2,548	2,614	2,682	2,752	2,824	2,897	2,972	3,050	3,129	3,210
Interest income	1,011	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Other income	13,920	13,169	13,854	13,518	16,402	16,122	16,496	16,812	16,854	16,845	16,889
Royalties	125	120	120	120	120	120	120	120	120	120	120
Rental income	637	646	646	646	646	646	646	646	646	646	646
Other gains/(losses)											
Total revenue	**196,968**	**206,992**	**222,105**	**231,852**	**237,392**	**238,704**	**244,273**	**245,550**	**248,432**	**252,055**	**256,224**
Operating expenditure	124,368	125,040	132,310	135,694	134,790	134,730	138,007	136,940	138,410	139,426	140,785

	Annual Plan	Long Term Plan									
	2023/24 $000	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000	2032/33 $000	2033/34 $000
Employee benefit expenses	60,754	66,291	68,621	70,453	72,657	74,065	75,305	76,423	77,661	78,899	80,137
Interest expense	3,491	3,583	4,092	4,516	4,932	5,178	5,609	5,713	6,101	6,687	7,109
Depreciation and amortisation	13,330	14,257	15,444	15,952	16,758	16,762	15,909	15,661	15,491	15,437	15,548
Total cost of service	**201,943**	**209,171**	**220,467**	**226,615**	**229,137**	**230,735**	**234,830**	**234,737**	**237,663**	**240,449**	**243,579**
Operating surplus/(deficit) before taxation	**(4,975)**	**(2,179)**	**1,638**	**5,237**	**8,255**	**7,969**	**9,443**	**10,813**	**10,769**	**11,606**	**12,645**
Share of associate surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) before income tax	**(4,975)**	**(2,179)**	**1,638**	**5,237**	**8,255**	**7,969**	**9,443**	**10,813**	**10,769**	**11,606**	**12,645**
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) after taxation	**(4,975)**	**(2,179)**	**1,638**	**5,237**	**8,255**	**7,969**	**9,443**	**10,813**	**10,769**	**11,606**	**12,645**
Other comprehensive revenue and expenses											
Gain/(loss) on property, plant and equipment revaluations	-	-	16,936	-	-	55,521	-	-	57,717	-	-
Total other comprehensive revenue and expenses	**(4,975)**	**(2,179)**	**18,574**	**5,237**	**8,255**	**63,490**	**9,443**	**10,813**	**68,486**	**11,606**	**12,645**
Total comprehensive revenue and expenses	**(4,975)**	**(2,179)**	**18,574**	**5,237**	**8,255**	**63,490**	**9,443**	**10,813**	**68,486**	**11,606**	**12,645**
Transfer to / (from) reserves	(3,267)	627	20,886	5,323	6,955	61,730	6,834	7,629	65,423	8,574	9,472
Total comprehensive revenue and expenses after reserve transfers	**(1,708)**	**(2,806)**	**(2,312)**	**(86)**	**1,300**	**1,760**	**2,609**	**3,184**	**3,063**	**3,032**	**3,173**

Prospective statement of financial position

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Current assets											
Cash and cash equivalents	**5,362**	4,849	4,330	4,579	4,438	4,797	4,766	5,041	4,868	4,544	5,231
Trade and other receivables	**23,224**	24,029	25,783	26,915	27,558	27,710	28,356	28,504	28,839	29,260	29,744
Prepayments	**2,543**	2,918	3,087	3,166	3,145	3,144	3,220	3,195	3,230	3,253	3,285
Inventories	**1,421**	1,372	1,401	1,430	1,459	1,487	1,513	1,541	1,568	1,597	1,624
Work in progress	**1,442**	1,475	1,520	1,570	1,606	1,631	1,657	1,687	1,715	1,742	1,772
Other financial assets	**18,000**	21,000	20,000	21,000	24,000	26,000	26,000	28,000	30,000	31,000	32,000
Total current assets	**51,992**	**55,643**	**56,121**	**58,661**	**62,206**	**64,768**	**65,513**	**67,968**	**70,220**	**71,396**	**73,655**
Non-current assets											
Financial assets	**102,273**	109,497	114,583	119,998	125,765	131,910	138,458	145,439	152,884	160,826	169,300
Other financial assets	**20**	20	20	20	20	20	20	20	20	20	20
Investments in CCOs	**972**	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255
Biological assets	**177**	224	224	224	224	224	224	224	224	224	224
Intangible assets	**9,342**	5,954	4,790	3,457	2,023	944	608	775	871	934	1,072
Property, plant and equipment	**1,264,287**	1,016,416	1,043,853	1,049,886	1,059,171	1,114,848	1,125,559	1,133,450	1,199,950	1,216,376	1,219,743
Derivative Financial Instruments	**1,716**	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490
Total non-current assets	**1,378,787**	**1,134,856**	**1,166,215**	**1,176,330**	**1,189,948**	**1,250,691**	**1,267,614**	**1,282,653**	**1,356,694**	**1,381,125**	**1,393,104**
Current liabilities											
Trade and other payables	**32,026**	32,732	34,635	35,521	35,284	35,268	36,126	35,847	36,232	36,498	36,854
Employee benefit liabilities	**7,686**	7,915	8,193	8,412	8,675	8,843	8,991	9,124	9,272	9,420	9,568
Borrowing	**7,772**	10,579	10,529	11,014	11,443	11,725	11,859	12,224	12,392	12,679	12,679

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Derivative Financial Instruments	**2**	-	-	-	-	-	-	-	-	-	-
Total current liabilities	**47,486**	**51,226**	**53,357**	**54,947**	**55,402**	**55,836**	**56,976**	**57,195**	**57,896**	**58,597**	**59,101**
Non-current liabilities											
Employee benefit liabilities	**2,525**	2,497	2,585	2,654	2,737	2,790	2,837	2,879	2,926	2,973	3,020
Derivative Financial Instruments	**-**	-	-	-	-	-	-	-	-	-	-
Borrowing	**54,890**	50,107	61,151	66,910	75,280	74,608	81,646	88,066	95,125	108,378	109,420
Total non-current liabilities	**57,415**	**52,604**	**63,736**	**69,564**	**78,017**	**77,398**	**84,483**	**90,945**	**98,051**	**111,351**	**112,440**
Net assets	**1,325,878**	**1,086,669**	**1,105,243**	**1,110,480**	**1,118,735**	**1,182,225**	**1,191,668**	**1,202,481**	**1,270,967**	**1,282,573**	**1,295,218**
Equity											
Accumulated funds	**222,132**	208,088	205,776	205,690	206,990	208,750	211,359	214,543	217,606	220,638	223,811
Other reserves	**1,103,746**	878,581	899,467	904,790	911,745	973,475	980,309	987,938	1,053,361	1,061,935	1,071,407
Total equity	**1,325,878**	**1,086,669**	**1,105,243**	**1,110,480**	**1,118,735**	**1,182,225**	**1,191,668**	**1,202,481**	**1,270,967**	**1,282,573**	**1,295,218**

Prospective statement of changes in net assets/equity

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Equity at 1 July	**1,330,853**	**1,088,848**	**1,086,669**	**1,105,243**	**1,110,480**	**1,118,735**	**1,182,225**	**1,191,668**	**1,202,481**	**1,270,967**	**1,282,573**
Total comprehensive income	(4,975)	(2,179)	18,574	5,237	8,255	63,490	9,443	10,813	68,486	11,606	12,645
Equity at 30 June	**1,325,879**	**1,086,669**	**1,105,243**	**1,110,480**	**1,118,735**	**1,182,225**	**1,191,668**	**1,202,481**	**1,270,967**	**1,282,573**	**1,295,218**
Components of equity											
Retained earnings at beginning of year	**221,434**	**210,894**	**208,088**	**205,776**	**205,690**	**206,990**	**208,750**	**211,359**	**214,543**	**217,606**	**220,638**
Net surplus / (deficit) for the year	(4,975)	(2,179)	1,638	5,237	8,255	7,969	9,443	10,813	10,769	11,606	12,645
Net transfer (to) / from reserves	5,673	(627)	(3,950)	(5,323)	(6,955)	(6,209)	(6,834)	(7,629)	(7,706)	(8,574)	(9,472)
Retained earnings at end of year	**222,132**	**208,087**	**205,776**	**205,691**	**206,989**	**208,750**	**211,359**	**214,543**	**217,606**	**220,638**	**223,811**
Council created reserves at beginning of year	**51,706**	**68,142**	**68,769**	**72,720**	**78,043**	**84,998**	**91,207**	**98,041**	**105,670**	**113,376**	**121,950**
Transfer to / (from) retained earnings	(5,673)	627	3,950	5,323	6,955	6,209	6,834	7,629	7,706	8,574	9,472
Council created reserves at end of year	**46,033**	**68,770**	**72,720**	**78,042**	**84,998**	**91,206**	**98,041**	**105,670**	**113,376**	**121,950**	**131,422**
Revaluation reserves at beginning of year	**1,057,713**	**809,812**	**809,812**	**826,747**	**826,747**	**826,747**	**882,268**	**882,268**	**882,268**	**939,985**	**939,985**
Net transfer to / (from) retained earnings	-	-	16,936	-	-	55,521	-	-	57,717	-	-
Revaluation reserves at end of year	**1,057,713**	**809,812**	**826,747**	**826,747**	**826,747**	**882,268**	**882,268**	**882,268**	**939,985**	**939,985**	**939,985**
Total equity at end of year	**1,325,879**	**1,086,669**	**1,105,243**	**1,110,480**	**1,118,735**	**1,182,225**	**1,191,668**	**1,202,481**	**1,270,967**	**1,282,573**	**1,295,218**

Prospective statement of cash flows

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Receipts from customers	162,485	170,771	181,498	189,165	197,602	198,710	201,180	204,450	206,354	209,062	212,315
Grants	29,242	26,278	29,718	32,040	29,228	29,492	31,639	29,655	29,924	30,197	30,457
Investment income received	1,011	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Receipt of funding on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
Total cash provided	**192,738**	**199,149**	**213,316**	**223,305**	**228,930**	**230,302**	**234,919**	**236,205**	**238,378**	**241,359**	**244,872**
Payments to suppliers	(124,416)	(124,913)	(130,650)	(134,966)	(135,071)	(134,797)	(137,278)	(137,251)	(138,115)	(139,239)	(140,518)
Payments to employees	(60,787)	(65,421)	(68,255)	(70,165)	(72,311)	(73,844)	(75,110)	(76,248)	(77,466)	(78,704)	(79,942)
Payments of funds held on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
Interest Paid	(3,491)	(3,583)	(4,092)	(4,516)	(4,932)	(5,178)	(5,609)	(5,713)	(6,101)	(6,687)	(7,109)
Goods and services tax	-	-	-	-	-	-	-	-	-	-	-
Total cash applied	**(188,694)**	**(193,917)**	**(202,997)**	**(209,647)**	**(212,314)**	**(213,819)**	**(217,997)**	**(219,212)**	**(221,682)**	**(224,630)**	**(227,569)**
Net cash flow from operating	**4,044**	**5,232**	**10,319**	**13,658**	**16,616**	**16,483**	**16,922**	**16,993**	**16,696**	**16,729**	**17,303**
Loan repayments	826	-	-	-	-	-	-	-	-	-	-
Loan advances	-	-	-	-	-	-	-	-	-	-	-
Sale of intangible assets	-	-	-	-	-	-	-	-	-	-	-
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	3,741	1,900	1,949	2,000	2,052	2,105	2,160	2,216	2,274	2,333	2,394
Total cash provided	**4,567**	**1,900**	**1,949**	**2,000**	**2,052**	**2,105**	**2,160**	**2,216**	**2,274**	**2,333**	**2,394**
Increase in investments	693	(14,500)	1,000	(1,000)	(3,000)	(2,000)	-	(2,000)	(2,000)	(1,000)	(1,000)
Purchase of intangible assets	(3,143)	(835)	(866)	(602)	(618)	(748)	(777)	(842)	(771)	(755)	(839)
Purchase of property, plant and equipment	(28,674)	(16,008)	(23,915)	(20,049)	(23,991)	(15,092)	(25,507)	(22,877)	(23,600)	(31,171)	(18,214)
Total cash applied	**(31,124)**	**(31,343)**	**(23,781)**	**(21,651)**	**(27,609)**	**(17,840)**	**(26,284)**	**(25,719)**	**(26,371)**	**(32,926)**	**(20,053)**
Net cash flow from investing	**(26,558)**	**(29,443)**	**(21,832)**	**(19,651)**	**(25,557)**	**(15,735)**	**(24,124)**	**(23,503)**	**(24,097)**	**(30,593)**	**(17,659)**
Proceeds from borrowings	22,710	32,607	23,204	18,404	21,444	12,684	20,527	20,275	21,082	27,563	15,352

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Repayment of borrowings	(13,856)	(11,166)	(12,209)	(12,160)	(12,644)	(13,074)	(13,356)	(13,489)	(13,855)	(14,023)	(14,310)
Net cash flow from financing	**8,854**	**21,441**	**10,995**	**6,244**	**8,800**	**(390)**	**7,171**	**6,786**	**7,227**	**13,540**	**1,042**

Net cash flow	**(13,660)**	**(2,770)**	**(518)**	**250**	**(141)**	**358**	**(31)**	**276**	**(174)**	**(325)**	**686**
Cash and cash equivalents at 1 July	19,019	7,619	4,849	4,330	4,579	4,438	4,797	4,766	5,041	4,868	4,544
Net increase/(decrease) in cash and cash equivalents	**(13,660)**	**(2,770)**	**(518)**	**250**	**(141)**	**358**	**(31)**	**276**	**(174)**	**(325)**	**686**
Cash and cash equivalents at 30 June	**5,360**	**4,849**	**4,331**	**4,580**	**4,438**	**4,796**	**4,766**	**5,042**	**4,867**	**4,544**	**5,231**

Notes to the prospective financial statements

Net surplus

The net surplus will be used as follows:

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Transfers to / (from) reserves	(4,673)	(1,921)	1,336	2,640	4,203	3,385	3,937	4,657	4,657	5,446	6,262
Investment fund preservation	1,406	2,548	2,614	2,682	2,752	2,824	2,897	2,972	3,050	3,129	3,210
Transfer to / (from) retained earnings	(1,708)	(2,806)	(2,312)	(86)	1,300	1,760	2,609	3,184	3,063	3,032	3,173
Net surplus / (deficit)	(4,975)	(2,179)	1,638	5,237	8,255	7,969	9,443	10,814	10,769	11,607	12,645

Capital expenditure

The main components of capital expenditure are:

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Land	-	-	-	-	-	-	-	-	-	-	-
Building development	2,045	266	159	142	-	-	-	-	-	-	-
Motor vehicles	1,249	924	732	743	725	633	641	888	775	787	801
Plant and equipment	1,920	1,506	1,714	1,386	1,237	1,134	14,011	1,030	1,037	1,848	1,065
Information services	1,788	1,665	1,932	1,973	855	876	897	919	940	962	984
Intangible assets	3,143	835	866	602	618	748	777	842	771	755	839
Furniture and fittings	15	31	22	10	11	11	11	11	11	12	12
Infrastructure	21,657	11,617	19,356	15,795	21,163	12,438	9,947	20,030	20,836	27,563	15,352
Total capital expenditure	**31,817**	**16,843**	**24,781**	**20,651**	**24,609**	**15,840**	**26,284**	**23,719**	**24,371**	**31,926**	**19,053**

Depreciation and amortisation

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Community and services	1,356	697	772	865	961	922	892	893	915	938	959
Civil defence emergency management	7	11	8	6	5	-	-	-	-	-	-
Regional hazards and emergency response	-	41	126	188	224	273	294	275	280	305	321
Flood protection and control works	7,481	7,610	8,449	8,653	8,917	9,601	9,618	9,621	10,159	10,395	10,605
Integrated catchment management	70	154	265	438	608	679	664	599	427	167	110
Regional Transport Connections	1,780	2,213	1,569	1,288	1,316	840	466	606	402	361	332
Resource use	255	585	1,042	1,069	1,093	1,121	696	264	235	233	259
Science Policy and Information	954	1,149	1,348	1,502	1,648	1,580	1,447	1,512	1,495	1,464	1,440
Corporate and self funding	1,428	1,797	1,866	1,944	1,986	1,744	1,832	1,892	1,577	1,574	1,523
Council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Total depreciation and amortisation	**13,330**	**14,257**	**15,444**	**15,952**	**16,758**	**16,762**	**15,909**	**15,661**	**15,491**	**15,437**	**15,548**

Other income

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Contributions from other parties	4,840	4,659	4,704	3,615	2,977	2,675	2,715	2,709	2,751	2,742	2,786
Infringement fines	441	441	441	441	441	441	441	441	441	441	441
Public transport fare revenue	8,639	8,069	8,709	9,462	12,984	13,006	13,339	13,661	13,661	13,661	13,661
Total other income	**13,920**	**13,169**	**13,854**	**13,518**	**16,402**	**16,122**	**16,496**	**16,812**	**16,854**	**16,845**	**16,889**

Revenue

	2023/24 Annual Plan $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	2031/32 LTP $000	2032/33 LTP $000	2033/34 LTP $000
Exchange revenue	65,822	65,421	67,061	69,852	70,596	71,228	74,444	73,517	74,535	75,573	76,722
Non-exchange revenue	131,146	141,570	155,044	162,000	166,795	167,476	169,829	172,033	173,897	176,482	179,502
Total revenue	**196,968**	**206,992**	**222,105**	**231,852**	**237,392**	**238,704**	**244,273**	**245,550**	**248,432**	**252,055**	**256,224**

Reserves

Reserve name	Purpose	Activities
General	To smooth the costs of the triennial elections over the three year term of the council.	Customer, community and services
Stock truck effluent	To allow the funding of this activity to be smoothed across financial years.	Customer, 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. The reserve balance will be held at a level that provides some mitigation against increasing costs for these services.	Regional transport connections
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 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, policy and information
Contaminated land Investigation	Funding set aside to manage the effects of contaminated land, in accordance with the Contaminated Land Strategy	Science, policy and information
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, policy and information
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)

Reserve name	Purpose	Activities
Investment fund equalisation	To provide a smoothing of the impact of variable investment fund returns over time. The investment equalisation reserve tracks the difference between the budgeted fund return and the actual fund return each year.	Corporate (Treasury)
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.	Waikato Civil Defence Emergency Management Group
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

The following reserve movements are projected for this long term plan:

		Transfer to / (from) reserve										
	2024/25 Opening reserve balance	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP	2031/32 LTP	2032/33 LTP	2033/34 LTP	2033/34 Closing reserve balance
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
General	(32)	(6)	(12)	184	376	(285)	(90)	319	(345)	(107)	318	320
Motor Vehicles & Plant	636	(51)	(14)	(108)	(121)	(154)	(189)	(296)	(79)	(28)	-	(404)
Operational Fixed Asset Depreciation	447	-	-	-	-	-	-	-	-	-	-	447
Communications network	550											550
Public Transport	2,613	-	-	-	-	-	-	-	-	-	-	2,613
Stock Truck Effluent	764	-	-	-	-	-	-	-	-	-	-	764
Investment Fund Capital Protection	26,342	2,548	2,614	2,682	2,752	2,824	2,897	2,972	3,050	3,129	3,210	55,020
Investment Fund Equalisation	(6,119)	2,231	2,472	2,733	3,015	3,321	3,651	4,009	4,395	4,813	5,264	29,785
Regional Development Fund	7,601	(3,215)	(511)	(521)	-	-	-	-	-	-	-	3,354
Building Act Contingency	90	-	-	-	-	-	-	-	-	-	-	90
IRIS	308	-	-	-	-	-	-	-	-	-	-	308
Environmental Initiatives	58	-	-	-	-	-	-	-	-	-	-	58
Natural Heritage	262	-	-	-	-	-	-	-	-	-	-	262
Biosecurity	1,626	(805)	(490)	-	-	-	-	-	-	-	-	331
Koi Carp Digester	-	-	-	-	-	-	-	-	-	-	-	-
Permitted Activity Monitoring	407	-	-	-	-	-	-	-	-	-	-	407
Civil Defence	41	-	-	-	-	-	-	-	-	-	-	41
Complaints and enforcement	72											72
Contaminated Land Investigation	399	-	-	-	-	-	-	-	-	-	-	399
Hauraki Plan Change	93	-	-	-	-	-	-	-	-	-	-	93

Regional Disaster Recovery	2,855	133	143	154	165	176	187	197	208	219	230	4,667
Zone Disaster Recovery	3,678	185	192	199	206	213	220	227	234	241	248	5,843
Drainage	(1,072)	-	-	-	-	-	-	-	-	-	-	(1,072)
Watershed	13,721	948	682	436	379	(76)	(46)	(44)	(36)	(28)	(18)	15,918
Coromandel	4,600	32	34	39	47	51	54	62	61	79	71	5,130
West Coast	577	(2)	(1)	-	1	2	3	4	5	6	7	602
Waihou Piako Scheme	1,105	281	283	118	136	138	148	180	214	250	141	2,994
Pathways to the Sea	0											0
Resilient Development	-											-
Shovel Ready	0											0
Derivative financial instruments	1,490											1,490
Healthy Rivers	1,093	(20)	-	-	-	-	-	-	-	-	-	1,073
Prior Year Surplus	3,938	(1,633)	(1,442)	(594)	-	-	-	-	-	-	-	269
Asset Revaluation Reserve	809,812	-	16,936	-	-	55,521	-	-	57,717	-	-	939,986
Total reserve transfers	**877,954**	**626**	**20,886**	**5,322**	**6,956**	**61,731**	**6,835**	**7,630**	**65,424**	**8,574**	**9,471**	**1,071,409**

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 the 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, 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.

These prospective financial statements were authorised for issue by the council on 20 June 2023. 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 the 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, investment property, biological assets and financial instruments (including derivative instruments). 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 the Waikato Regional Council is New Zealand dollars.

Significant accounting policies

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 the 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 the 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 and equipment	7.5-10
Leasehold Improvements	8 - 15

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 licences 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.

Where Software as a Service (SaaS) arrangements are service contracts providing us with the right to access the SaaS provider's application software over the contract period, costs incurred to configure or customise the software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straightline basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier(s) of the cloud-based software and/or to the supplier's agent, to significantly customise the cloud-based software for the council, in which case, the costs paid upfront are recorded as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

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 - 5 years	(20 - 25 per cent per annum)

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.

Investment properties

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

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.

Accounting for associates

The Waikato Regional Council accounts for an investment in an associate in the prospective financial statements using the equity method.

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.

Provisions

The council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that an outflow offuture economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

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; and
- the present value of the estimated future cash flows.
- Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary growth assumed for an employee is the salary inflation component plus the promotional salary scale for that employee's age.

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 recorded at their face value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense 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 the Waikato Regional Council’s decision.

Income tax

Generally local authorities are exempt from income tax, except for any revenue derived from any Council Controlled Organisation or port activity as per the Income Tax Act 2007.

Income tax expense includes components relating to both current tax 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 assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

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 or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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 revenue and expense 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 charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

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 cashflows, 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.

Financial instruments

Derivatives financial instruments

Derivative financial instruments are used to manage the exposure to foreign exchange and interest rate risks arising from the council's financing activities. In accordance with its treasury policy, the council does not hold or issue derivative financial instruments for trading purposes. The council has elected not to apply hedge accounting. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date with the resulting gain or loss recognised in the surplus or deficit.

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 twelve months after the balance sheet date.

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 the 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.

Ngā mehua whakahaere ahumoni whaitikanga | Financial prudence performance measures

Long term plan disclosure statement for the period commencing 1 July 2024

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

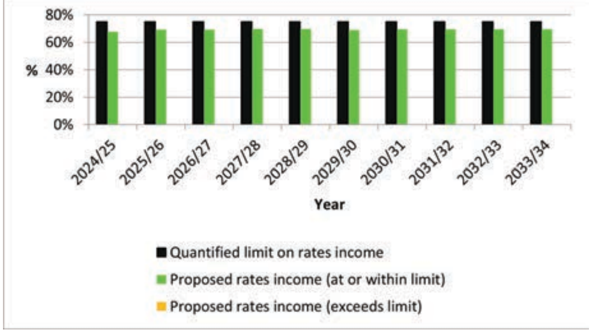
The council meets the rates affordability benchmark if:

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.

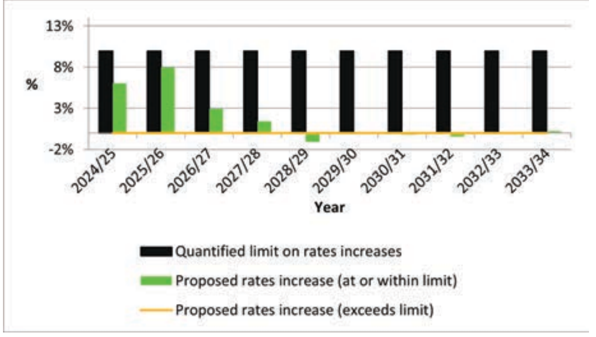
Rates (income) affordability

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

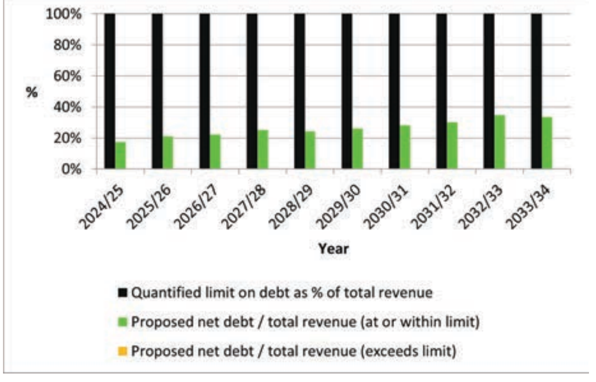
The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy. The quantified limit is that increases in the annual rate revenue requirement will be limited to a 10 per cent increase in revenue from current ratepayers.



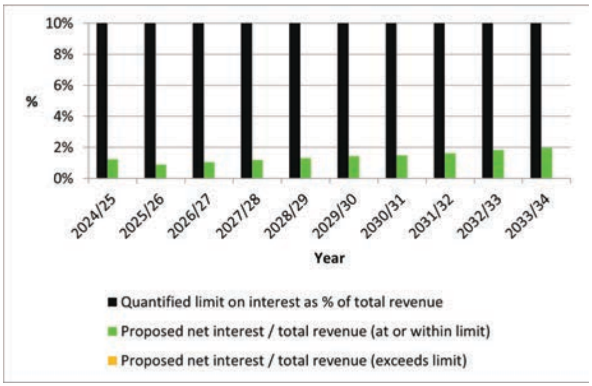
Debt affordability benchmark

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

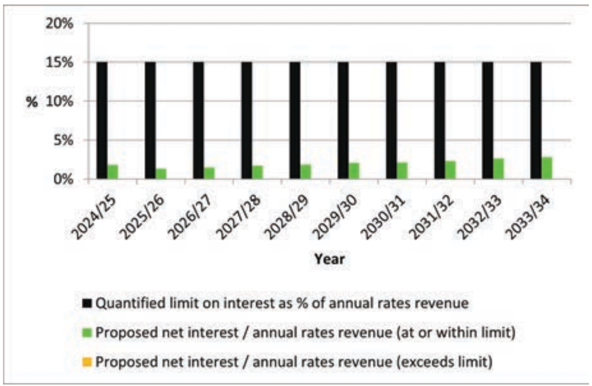
The following graph compares the council's planned debt with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net debt / total revenue is <100%.



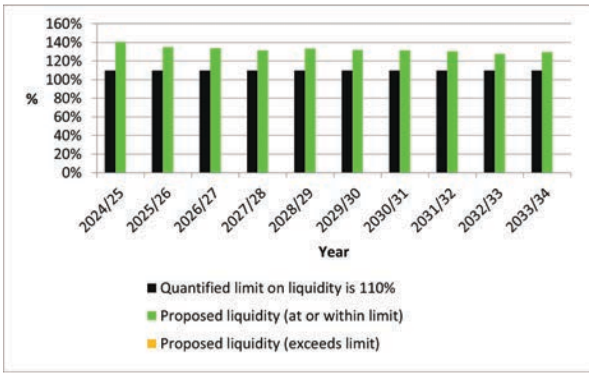
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net interest on external debt / total revenue is <10%.



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%.



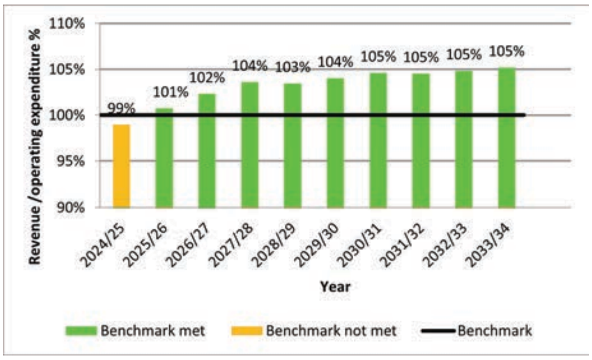
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that liquidity is >110%. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



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).

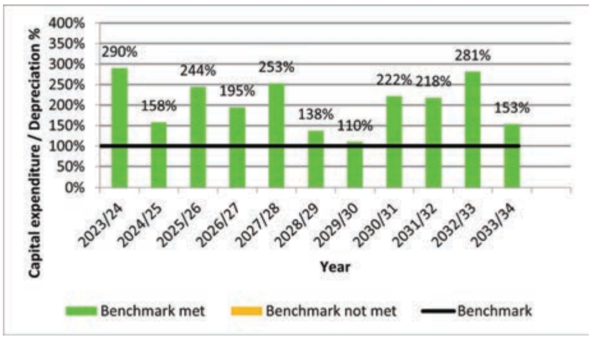
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



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.

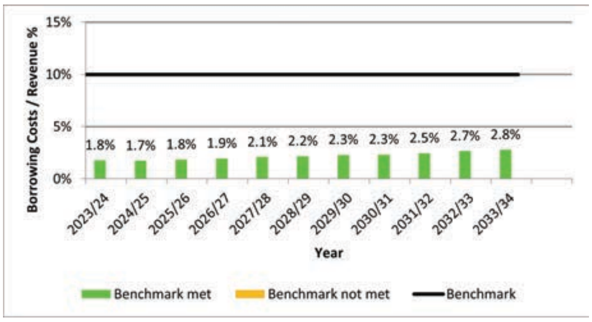
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



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 one of the ten years of this LTP. The reasons for this are set out in the Financial Strategy. Council has resolved that an unbalanced budget is financially prudent, having considered the reasons for this.

Ngā taruna matapae ahumoni | Financial forecasting assumptions

Economic context for LTP

Key economic challenges for New Zealand over recent years have been against a backdrop of high inflation. Price increases have been broad-based and have impacted nearly every sector. In June 2023, annual inflation came in at six per cent – a significant drop from the 6.7 per cent recorded in the year to March 2023. Although the pace of price changes is slowing, we are not out of the woods yet. Overall inflation is still well outside the Reserve Bank of New Zealand's target rate of one and three per cent .

In 2023 the Waikato economy, along with the rest of the country, continues to emerge from the COVID-19 shock that began in 2020. Disruptions to the supply-side of the economy (including from a series of weather events in early 2023), combined with stimulatory monetary and fiscal policy has led to generalised higher inflation. In response, the Reserve Bank of New Zealand has progressively raised the Official Cash Rate from 0.25 percent in October 2021 to 5.5 percent at the time of writing (September 2023), with wholesale and retail interest rates rising accordingly.

Nevertheless, real economic activity has remained surprisingly robust, and unemployment has remained very low despite COVID lockdowns and subsequent tightening monetary policy. This has seen shortages of skilled workers as a further constraint on economic activity and placed upwards pressure on labour costs – although more recent signs suggest this pressure may be easing in mid-2023. Central government policies around resource management, climate change, and infrastructure (including funding) will have significant implications for the council's operations.

The exact impact of these drivers is uncertain. Considering this, Council has made some assumptions about what is currently known and forecast, and how this may impact on Council operations. With a high degree of uncertainty prevailing, it will be critical that the council retains the ability to adapt and change in response to changes in its operating environment that can't currently be foreseen.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
Projected price change factors Forecast financial information contained in this plan includes a provision for inflation. Council has used the price level change factors supplied by Business and Economic Research Ltd (BERL) to calculate the amount of inflation to include. In particular, the Local Government Cost Index is used to estimate changes in Council's future operating costs Where expenditure is subject to inflation, the following cumulative rates have been applied (see table on page 13).	That actual price changes vary significantly from the levels assumed	Medium	Medium	Inflation is affected by external economic factors that are outside the control of council. Over the last three years, New Zealand has experienced unprecedent levels of inflation across the supply chain. This has created challenges for businesses to be able to plan in the short-medium term. At the time of preparing this Plan, this uncertainty is likely to linger for some time, although projections see the level of inflation declining. In light of this uncertainty, Council is utilising the expert advice provided by Infometrics and Business and Economic Research Ltd, however it acknowledges that actual inflation rates may vary from these in any year of the plan, and that this uncertainty can be expected to increase over the time since the plan was set Certain classes of expenditure incurred by council may be subject to greater price change (positive and negative) than others.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
Useful lives of significant assets The useful lives of council's significant assets are as disclosed in the notes to the accounts.	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.	Low	Low	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 2022/23. Following any significant capital expenditure, the useful life of an asset is also reassessed. However, the impacts of a changing climate on the environment within which these assets are located, combined with ongoing affordability issues, is likely to impact the useful lives of some assets and means that Council needs to consider management of these assets differently in the future.
Sources of funds for future replacement of significant assets	That Council has insufficient funds to replace significant assets at the end of their useful lives	Medium	Low	Council's 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. Council has revised its capital works programme to ensure that the budgeted programme is deliverable. This gives clarity and certainty in relation to the funding required to service this programme and the costs associated with it. However, we understand that ongoing inflationary pressures as well as the need to adapt to a changing climate are likely to impact on the costs to renew assets – and in some cases will mean that it is uneconomic to continue to provide current levels of service for some assets / asset classes in the way that we currently do. Overall, Council's borrowing programme is projected to remain within the limits set in the Financial Strategy, with borrowing capacity available in the case of unplanned works being required (for example, in response to weather events). In addition to this borrowing headroom, 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. Council's financial strategy sets out how provision is made for damage costs. The revenue and financing policy sets out the funding sources that may be used in relation to capital expenditure.
Revaluation of non-current assets Provision has been made for a 3-yearly cycle of revaluations in relation to council's infrastructural assets. Estimates of changes in value have been based on the projected price change factors supplied by BERL.	That actual revaluation changes vary significantly from those forecast	Medium	Medium	Council undertook revaluations of those property, plant and equipment assets that are subject to revaluation in 2022/23. This revaluation process saw a significant uplift in the value of infrastructure assets – reflecting New Zealand's high inflationary environment over the preceding two years. At the time of this Plan being prepared, there were signs of some easing in inflationary pressures, however there is remaining uncertainty that this will materially impact on the costs to deliver infrastructure construction projects. If this easing does not extend to these areas, then we can expect to see higher asset valuations continuing into the future.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
				Council's accounting policies provide that these assets should be revalued at least every 3 years, with an assessment of values carried out annually. Any change in asset values will impact the forecast financial statements through the funding of depreciation. Budgeted depreciation 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.
Depreciation rates on planned acquisitions New capital expenditure will be depreciated in line with the depreciation rates set out in council's accounting policies	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.
Forecast return on investments Council's investment fund return is based on: • A real return of 4.9 per cent per annum on the base capital of the fund, after inflation and fees • A 2.6 per cent per annum provision for inflation	That actual returns achieved by the fund are lower than this average return.	Low	Low	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 council's objectives in relation to the fund are met. Due to the high inflationary environment over the last three years, the investment equalisation reserve which is used to smooth out the impact of years where the fund does not achieve the target return, is now in a deficit position. The proposed returns and distributions from the fund over the term of this LTP aim to address this deficit, resulting in a lower level of funding available for distribution (spend).
Expected interest rates on borrowing Council has taken external advice in relation to expected costs of borrowing for the term of this plan. Based on this advice, the interest rate applied to anticipated borrowing is 5.73% per cent average for the 10 years. Council utilises an external borrowing facility through the Local Government Funding Agency (LGFA).	That interest rates will vary from those forecast.	Medium	Medium	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. Variation from these interest rates will have an impact on the funding required to meet borrowing costs.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
New Zealand Transport Agency (NZTA) subsidy rates The budget reflects subsidy rates advised by NZTA.	That all funding requested will not be approved as part of the National Land Transport Programme. The level of risk is likely to be different across the elements of the public transport programme. The key elements are:	High	Medium	
	Public transport continuous programme	High	Medium	NZTA subsidies cover a large portion of the costs (51%) 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 (fares) or rates – or services would have to be rationalised or reduced.
	Te Huia rail service	High	Low	Under current agreements the Te Huia rail service is subject to enhanced funding of 75.5 per cent through to April 2026 in accordance with a Board decision from NZTA. If this decision is reviewed in light of changes to the Government Position Statement (GPS) for transport, resulting in an increased cost to local ratepayers then the Te Huia service would be removed as it is no longer affordable to ratepayers and service users.
	Low cost low risk – bus trials	High	Medium	The current LTP programme contains around $17m net cost associated with LCLR trials for the 2024-27 period. Depending on the funding levels being approved, WRC may need to reduce or re-prioritise its LCLR programme for the next 3 years.
Public Transport fare revenue/patronage	That projected growth in patronage will not be realised.	Low	Low	Following steep declines in public transport patronage following the COVID-19 pandemic, overall utilisation of these services has recovered to pre-2020 levels. This has been supported through incentives such as fare subsidies provided by central government. If patronage growth does not meet the levels projected in the plan, the funding shortfall will need to be met through a combination of rates revenue and central government funding. Alternatively public transport services will need to be rationalised / optimised to reduce service costs.
Regional growth 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	This growth estimate has only been used to project likely revenue for those rates set on a per property basis, and in the calculation of rating impacts to existing ratepayers. This growth estimate has been assessed based on actual growth across the region over the last three years.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
Unforeseen or new environmental issues or resource management needs	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 issues 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 Revenue and Financing Policy and Financial Strategy. It is considered that any new issue(s) resulting from climate change will be managed within existing resources. These potential effects relate to Council's role to develop or adapt policy in response to new environmental issues or resource management needs, as well as council activities that may have changing regulatory requirements that need to be responded to because of new or changed policy. Throughout the life of the LTP there are likely to be changes in legislation that will impact policy development and policy implementation. The unwinding of new resource management legislation in December 2023 will also likely have an effect on the work that council is required to undertake. Where changes are able to be considered with certainty these will be provided for within statutory plans. Budgets will note where Council may need to take account of future legislative changes that have been signalled but where the impact of these is yet to be quantified.
Significant natural or other hazard emergencies	Any new natural or other hazard emergencies requiring work will be addressed through a combination of existing budgets, self- insurance provisions, insurance arrangements as well as accessing central government support where possible.	Short term: Low Long term: Medium	Short term: Low Long term: Medium	We have seen an increasing frequency of natural disaster events nationally over the last two years – particularly severe weather events. The potential effect of a natural disaster on the Council's financial position is dependent upon the scale, duration, and location of the event. While Council has a strong financial position it is also expected that, in the event of a regional scale event, Central Government will be a partner in response and recovery activities and funding. Council has made specific provisions for disaster recovery – through a mix of disaster recovery reserves (self-insurance) as well as commercial insurance in place for natural catastrophes. These risk financing mechanisms sit as part of an overall financing strategy that is set out in Council's financial strategy. Given recent weather-related events occurring across the motu, it is expected that insurance costs will continue to rise, alongside the risk of insurance retreat. Council needs to ensure that it is a strategic purchaser of insurance. Further consideration of self-insurance mechanisms and thresholds will also need to be an area of focus over the next three years. Further support from central government may be available to assist Council with post-event remediation, recovery and resilience building. However, the quantum of this is expected to vary due to the bespoke funding opportunities that emerge following events. These are generally tailored to the nature of the event, give priority to certain impacts on the community, and have a varying degree of alignment with the impact of events on Council activities.

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
				This risk is closely aligned with the climate change assumptions noted below.
Climate change	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 and notes the ways in which management of these schemes will need to adapt in the future as a consequence of this.
Capital expenditure delivery	That Council is unable to deliver the full programme of planned capital works associated with its infrastructure assets.	High	Medium	Council has proposed a capital works programme based on an assessment of asset condition and criticality. The budget currently assumes that this full programme of works will be delivered, however Council has not achieved this level of delivery over the last three financial years for a number of reasons, including weather event responses. Should Council be unable to deliver the full programme, this would result in a reduction in the planned level of borrowing, although no impact on the funding of this borrowing as this is met thorugh the funding of depreciation. Deferred renewal activities may also further impact on the condition of this key infrastructure. Works will need to be prioritised to address these key risks.

Inflation rates to be applied:

Annum	Annual salary inflation	Cumulative Salary inflation	Annual local government administration inflation	Cumulative local government administration inflation	Annual Capital expenditure inflation	Cumulative capital expenditure inflation
2024/25	4.5%	4.5%				
2025/26	2.1%	6.7%				
2026/27	1.7%	8.5%	2.1%	4.2%	1.9%	3.8%
2027/28	1.7%	10.2%	2.0%	6.3%	1.8%	5.7%
2028/29	1.7%	12.1%	1.9%	8.3%	1.8%	7.6%
2029/30	1.6%	13.9%	1.8%	10.3%	1.8%	9.5%
2030/31	1.6%	15.7%	1.8%	12.3%	1.8%	11.5%
2031/32	1.6%	17.5%	1.8%	14.3%	1.7%	13.4%
2032/33	1.6%	19.3%	1.8%	16.4%	1.7%	15.3%
2033/34	1.5%	21.1%	1.7%	18.3%	1.7%	17.3%

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

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

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	63,636	66,603	69,329	71,473	76,994	76,114	75,869	76,850	76,827	77,383	78,770
Targeted rates	67,719	75,174	85,924	90,737	90,011	91,571	94,169	95,390	97,279	99,308	100,939
Subsidies and grants for operating purposes	26,837	26,278	29,718	32,040	29,228	29,492	31,639	29,655	29,924	30,197	30,457
Fees and charges	30,898	30,364	28,208	28,297	31,449	31,385	31,996	32,565	32,791	33,001	33,297
Interest and dividends from investments	5,682	8,779	9,135	9,515	9,919	10,350	10,808	11,297	11,819	12,375	12,968
Local authorities fuel tax, fines, infringement fees, and other receipts	441	441	441	441	441	441	441	441	441	441	441
Total operating funding (A)	**195,213**	**207,637**	**222,755**	**232,503**	**238,042**	**239,353**	**244,923**	**246,200**	**249,082**	**252,705**	**256,872**
Applications of operating funding											
Payments to staff and suppliers	185,773	191,980	201,580	206,797	208,096	209,445	213,962	214,013	216,721	218,975	221,572

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Finance costs	3,491	3,583	4,092	4,516	4,932	5,178	5,609	5,713	6,101	6,687	7,109
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**189,263**	**195,564**	**205,673**	**211,313**	**213,028**	**214,624**	**219,571**	**219,725**	**222,822**	**225,660**	**228,681**
Surplus (deficit) of operating funding (A-B)	**5,950**	**12,073**	**17,082**	**21,190**	**25,014**	**24,729**	**25,352**	**26,475**	**26,260**	**27,045**	**28,191**
Sources of capital funding											
Subsidies and grants for capital expenditure	2,405	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	8,847	21,902	10,995	6,244	8,799	(390)	7,172	6,785	7,227	13,540	1,042
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**11,253**	**21,902**	**10,995**	**6,244**	**8,799**	**(390)**	**7,172**	**6,785**	**7,227**	**13,540**	**1,042**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	6,847	3,935	4,336	3,845	2,369	3,041	16,056	7,854	9,667	6,943	7,269
- to replace existing assets	24,971	12,908	20,445	16,807	22,240	12,799	10,228	15,865	14,704	24,983	11,784
Increase (decrease) in reserves	(14,614)	17,132	3,295	6,782	9,205	8,499	6,240	9,541	9,117	8,659	10,180

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**17,203**	**33,975**	**28,077**	**27,433**	**33,813**	**24,339**	**32,524**	**33,260**	**33,488**	**40,585**	**29,233**
Surplus (deficit) of capital funding (C-D)	**(5,950)**	**(12,073)**	**(17,082)**	**(21,190)**	**(25,014)**	**(24,729)**	**(25,352)**	**(26,475)**	**(26,260)**	**(27,045)**	**(28,191)**
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Community and services

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,773	7,094	7,185	7,429	7,485	7,747	7,788	7,813	7,985	7,586	7,604
Targeted rates	1,086	1,148	1,158	1,168	1,179	1,191	1,202	1,214	1,225	1,237	1,249
Subsidies and grants for operating purposes	-	2	2	2	2	2	2	2	2	2	2
Fees and charges	-	191	193	151	135	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**8,859**	**8,435**	**8,538**	**8,750**	**8,802**	**8,940**	**8,991**	**9,028**	**9,212**	**8,825**	**8,855**
Applications of operating funding											
Payments to staff and suppliers	12,011	7,730	5,750	5,552	5,214	5,992	5,773	5,410	6,221	5,985	5,589
Finance costs	409	430	403	375	345	314	280	245	208	169	154
Internal charges and overheads applied	2,847	2,170	2,217	2,337	2,319	2,339	2,415	2,405	2,442	2,519	2,520
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**15,267**	**10,330**	**8,371**	**8,264**	**7,877**	**8,645**	**8,468**	**8,060**	**8,871**	**8,673**	**8,263**
Surplus (deficit) of operating funding (A-B)	**(6,408)**	**(1,895)**	**167**	**486**	**925**	**295**	**523**	**968**	**341**	**152**	**592**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	822	(464)	(491)	(519)	(549)	(580)	(613)	(649)	(686)	(259)	(274)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**822**	**(464)**	**(491)**	**(519)**	**(549)**	**(580)**	**(613)**	**(649)**	**(686)**	**(259)**	**(274)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(5,586)	(2,359)	(324)	(33)	376	(285)	(90)	319	(345)	(107)	318
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(5,586)**	**(2,359)**	**(324)**	**(33)**	**376**	**(285)**	**(90)**	**319**	**(345)**	**(107)**	**318**
Surplus (deficit) of capital funding (C-D)	**6,408**	**1,895**	**(167)**	**(486)**	**(925)**	**(295)**	**(523)**	**(968)**	**(341)**	**(152)**	**(592)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Waikato Civil Defence Emergency Management Group

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,555	3,099	3,153	3,194	3,239	3,285	3,332	3,388	3,436	3,484	3,539
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	871	1,161	1,181	1,195	1,209	1,226	1,241	1,259	1,275	1,291	1,309
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**3,426**	**4,260**	**4,334**	**4,389**	**4,448**	**4,511**	**4,573**	**4,647**	**4,711**	**4,775**	**4,848**
Applications of operating funding											
Payments to staff and suppliers	2,512	2,866	2,916	2,959	3,001	3,047	3,090	3,133	3,176	3,220	3,263
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,052	1,383	1,410	1,424	1,442	1,464	1,483	1,514	1,535	1,555	1,585
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**3,564**	**4,249**	**4,326**	**4,383**	**4,443**	**4,511**	**4,573**	**4,647**	**4,711**	**4,775**	**4,848**
Surplus (deficit) of operating funding (A-B)	**(138)**	**11**	**8**	**6**	**5**	-	-	-	-	-	-
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(138)	11	8	6	5	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(138)**	**11**	**8**	**6**	**5**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus (deficit) of capital funding (C-D)	**138**	**(11)**	**(8)**	**(6)**	**(5)**	**-**	**-**	**-**	**-**	**-**	**-**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Regional hazards and emergency response

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,863	2,472	2,523	2,652	3,981	4,088	4,173	4,027	4,092	4,180	4,260
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	608	162	170	174	170	172	175	179	182	185	188
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**2,470**	**2,634**	**2,693**	**2,827**	**4,151**	**4,260**	**4,349**	**4,206**	**4,274**	**4,365**	**4,448**
Applications of operating funding											
Payments to staff and suppliers	1,210	1,421	1,390	1,416	2,064	2,101	2,138	2,072	2,107	2,142	2,176
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,260	1,193	1,178	1,223	1,863	1,885	1,917	1,859	1,887	1,918	1,952
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**2,470**	**2,613**	**2,567**	**2,639**	**3,927**	**3,987**	**4,055**	**3,931**	**3,994**	**4,060**	**4,127**
Surplus (deficit) of operating funding (A-B)	**-**	**21**	**126**	**188**	**224**	**273**	**294**	**275**	**280**	**305**	**321**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	21	126	188	224	273	294	275	280	305	321
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**-**	**21**	**126**	**188**	**224**	**273**	**294**	**275**	**280**	**305**	**321**
Surplus (deficit) of capital funding (C-D)	**-**	**(21)**	**(126)**	**(188)**	**(224)**	**(273)**	**(294)**	**(275)**	**(280)**	**(305)**	**(321)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Flood protection and control works

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,650	4,184	4,418	4,510	4,648	4,779	4,892	4,940	5,124	5,313	5,436
Targeted rates	24,554	29,062	30,906	31,620	32,592	33,472	34,243	34,755	36,113	37,520	38,458
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	866	858	858	858	858	858	858	858	858	858	858
Internal charges and overheads recovered	5,279	7,518	7,811	8,048	7,800	7,904	8,035	8,342	8,685	9,055	9,366
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**34,349**	**41,622**	**43,992**	**45,036**	**45,898**	**47,013**	**48,027**	**48,895**	**50,780**	**52,746**	**54,117**
Applications of operating funding											
Payments to staff and suppliers	12,999	14,925	15,174	15,377	15,734	16,005	16,594	16,661	17,004	17,500	17,704
Finance costs	1,134	1,342	1,793	2,220	2,779	3,187	3,264	3,547	4,130	4,912	5,513
Internal charges and overheads applied	11,944	16,551	17,207	17,804	17,497	17,677	17,946	18,399	18,759	19,125	19,569
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**26,077**	**32,818**	**34,175**	**35,400**	**36,010**	**36,870**	**37,804**	**38,607**	**39,893**	**41,538**	**42,787**
Surplus (deficit) of operating funding (A-B)	**8,272**	**8,804**	**9,817**	**9,636**	**9,888**	**10,143**	**10,223**	**10,288**	**10,887**	**11,208**	**11,330**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Subsidies and grants for capital expenditure	2,405	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	6,607	21,104	10,360	6,543	11,680	2,718	189	10,355	10,574	16,832	4,458
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**9,013**	**21,104**	**10,360**	**6,543**	**11,680**	**2,718**	**189**	**10,355**	**10,574**	**16,832**	**4,458**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	148	1,320	1,213	1,230	1,221	1,774	2,297	6,762	8,646	5,482	6,222
- to replace existing assets	21,549	10,297	18,143	14,565	19,942	10,664	7,650	13,267	12,190	22,081	9,130
Increase (decrease) in reserves	(4,413)	18,292	821	384	406	423	465	613	625	478	435
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**17,284**	**29,908**	**20,177**	**16,179**	**21,568**	**12,861**	**10,412**	**20,643**	**21,461**	**28,040**	**15,788**
Surplus (deficit) of capital funding (C-D)	**(8,272)**	**(8,804)**	**(9,817)**	**(9,636)**	**(9,888)**	**(10,143)**	**(10,223)**	**(10,288)**	**(10,887)**	**(11,208)**	**(11,330)**
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Integrated catchment management

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,467	8,382	8,534	9,056	9,436	9,603	9,759	9,866	10,057	10,215	10,375
Targeted rates	22,105	23,166	25,420	26,674	27,457	28,205	28,765	29,243	29,652	30,065	30,527
Subsidies and grants for operating purposes	1,413	745	754	678	-	-	-	-	-	-	-
Fees and charges	1,971	1,016	1,016	880	58	58	58	58	58	58	58
Internal charges and overheads recovered	2,039	1,360	1,427	1,474	1,431	1,461	1,485	1,514	1,530	1,544	1,560
Local authorities fuel tax, fines, infringement fees, and other receipts	11	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**36,006**	**34,670**	**37,151**	**38,762**	**38,382**	**39,327**	**40,067**	**40,681**	**41,297**	**41,882**	**42,519**
Applications of operating funding											
Payments to staff and suppliers	24,854	23,895	25,530	26,108	25,566	26,240	26,834	27,246	27,708	28,187	28,628
Finance costs	(91)	(144)	(139)	(133)	(126)	(121)	(111)	(98)	(89)	(79)	(69)
Internal charges and overheads applied	11,603	11,692	12,198	12,726	12,860	13,093	13,211	13,398	13,550	13,690	13,873
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**36,365**	**35,443**	**37,590**	**38,702**	**38,298**	**39,212**	**39,934**	**40,545**	**41,170**	**41,798**	**42,433**
Surplus (deficit) of operating funding (A-B)	**(359)**	**(773)**	**(439)**	**60**	**84**	**115**	**133**	**136**	**127**	**84**	**86**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
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	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	780	581	311	375	500	307	362	283	259	334
- to replace existing assets	78	25	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(437)	(1,578)	(1,020)	(251)	(291)	(385)	(174)	(226)	(156)	(175)	(248)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(359)**	**(773)**	**(439)**	**60**	**84**	**115**	**133**	**136**	**127**	**84**	**86**
Surplus (deficit) of capital funding (C-D)	**359**	**773**	**439**	**(60)**	**(84)**	**(115)**	**(133)**	**(136)**	**(127)**	**(84)**	**(86)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Regional transport connections

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,239	2,437	2,352	2,374	2,460	2,477	2,440	2,514	2,550	2,602	2,630
Targeted rates	15,845	16,063	22,240	24,461	21,877	21,704	22,860	22,960	22,977	23,073	23,174
Subsidies and grants for operating purposes	25,424	25,425	28,856	31,264	29,178	29,490	31,637	29,653	29,922	30,195	30,455
Fees and charges	11,459	11,414	8,860	9,613	13,135	13,157	13,490	13,813	13,813	13,813	13,813
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**54,966**	**55,339**	**62,308**	**67,712**	**66,650**	**66,829**	**70,428**	**68,940**	**69,262**	**69,683**	**70,072**
Applications of operating funding											
Payments to staff and suppliers	51,233	51,375	58,264	63,705	61,950	62,324	65,515	63,914	64,275	64,663	64,990
Finance costs	4	-	-	67	71	70	592	590	587	584	581
Internal charges and overheads applied	3,802	3,872	4,013	4,133	4,147	4,179	4,226	4,309	4,377	4,438	4,521
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**55,040**	**55,249**	**62,278**	**67,905**	**66,168**	**66,574**	**70,333**	**68,813**	**69,239**	**69,684**	**70,092**
Surplus (deficit) of operating funding (A-B)	**(74)**	**90**	**30**	**(193)**	**482**	**255**	**95**	**127**	**23**	**(1)**	**(20)**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(6)	-	-	1,232	(5)	(5)	10,288	(49)	(52)	(55)	(58)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**(6)**	**-**	**-**	**1,232**	**(5)**	**(5)**	**10,288**	**(49)**	**(52)**	**(55)**	**(58)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	4,337	690	1,117	1,138	-	-	12,757	-	-	-	-
- to replace existing assets	963	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(5,381)	(600)	(1,087)	(99)	477	250	(2,374)	78	(29)	(56)	(78)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(80)**	**90**	**30**	**1,039**	**477**	**250**	**10,383**	**78**	**(29)**	**(56)**	**(78)**
Surplus (deficit) of capital funding (C-D)	**74**	**(90)**	**(30)**	**193**	**(482)**	**(255)**	**(95)**	**(127)**	**(23)**	**1**	**20**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Resource Use

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	14,048	14,968	15,591	15,866	16,105	16,369	16,656	16,990	16,779	16,940	17,163
Targeted rates	1,574	2,635	3,048	3,618	3,665	3,713	3,767	3,830	3,876	3,929	3,993
Subsidies and grants for operating purposes	-	106	106	96	48	-	-	-	-	-	-
Fees and charges	9,394	9,674	9,940	10,095	10,304	10,456	10,613	10,794	10,960	11,122	11,300
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	441	441	441	441	441	441	441	441	441	441	441
Total operating funding (A)	**25,458**	**27,825**	**29,126**	**30,116**	**30,563**	**30,979**	**31,478**	**32,055**	**32,056**	**32,432**	**32,897**
Applications of operating funding											
Payments to staff and suppliers	14,520	18,173	18,905	17,372	16,455	16,655	16,934	17,224	17,504	17,492	17,762
Finance costs	376	495	652	687	650	606	559	507	451	403	353
Internal charges and overheads applied	11,439	11,805	12,159	12,591	12,765	12,920	13,115	13,377	13,526	13,707	13,968
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**26,334**	**30,473**	**31,716**	**30,650**	**29,869**	**30,181**	**30,608**	**31,108**	**31,481**	**31,602**	**32,083**
Surplus (deficit) of operating funding (A-B)	**(876)**	**(2,648)**	**(2,590)**	**(534)**	**694**	**798**	**870**	**947**	**575**	**830**	**814**
Sources of capital funding											

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	1,845	2,619	2,561	505	(723)	(827)	(899)	(976)	(604)	(859)	(843)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**1,845**	**2,619**	**2,561**	**505**	**(723)**	**(827)**	**(899)**	**(976)**	**(604)**	**(859)**	**(843)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,550	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	260	247	185	95	200	99	440	181	178	521	225
Increase (decrease) in reserves	(841)	(276)	(215)	(124)	(229)	(128)	(469)	(210)	(207)	(550)	(254)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**969**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**	**(29)**
Surplus (deficit) of capital funding (C-D)	**876**	**2,648**	**2,590**	**534**	**(694)**	**(798)**	**(870)**	**(947)**	**(575)**	**(830)**	**(814)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Science, policy and information

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	26,972	28,527	30,040	30,895	34,487	32,713	31,887	32,414	32,011	32,389	33,130
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	4,610	5,138	5,240	5,332	5,581	5,459	5,561	5,605	5,646	5,675	5,770
Internal charges and overheads recovered	155	155	155	155	155	155	155	155	155	155	155
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**31,737**	**33,820**	**35,435**	**36,382**	**40,223**	**38,327**	**37,603**	**38,173**	**37,812**	**38,219**	**39,055**
Applications of operating funding											
Payments to staff and suppliers	19,006	20,115	21,369	20,860	24,380	22,365	21,520	21,763	21,195	21,417	22,021
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	12,755	14,352	14,927	15,522	15,843	15,962	16,083	16,410	16,617	16,801	17,034
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**31,761**	**34,468**	**36,296**	**36,382**	**40,223**	**38,327**	**37,603**	**38,173**	**37,812**	**38,219**	**39,055**
Surplus (deficit) of operating funding (A-B)	**(24)**	**(648)**	**(861)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	771	696	1,127	992	640	679	664	705	688	1,104	713
- to replace existing assets	570	550	560	571	581	592	602	613	624	634	645
Increase (decrease) in reserves	(1,365)	(1,894)	(2,549)	(1,563)	(1,222)	(1,271)	(1,266)	(1,318)	(1,312)	(1,739)	(1,358)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**(24)**	**(648)**	**(861)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus (deficit) of capital funding (C-D)	**24**	**648**	**861**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Corporate and Management

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(1,376)	(1,461)	(1,313)	(1,310)	(1,609)	(1,662)	(1,727)	(1,714)	(1,771)	(1,842)	(1,827)
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,120	751	751	1	1	1	1	1	1	1	1
Internal charges and overheads recovered	84,489	94,018	97,177	101,009	102,886	103,815	104,983	106,728	108,039	109,401	111,230
Local authorities fuel tax, fines, infringement fees, and other receipts	5,671	8,779	9,135	9,515	9,919	10,350	10,808	11,297	11,819	12,375	12,968
Total operating funding (A)	**89,904**	**102,087**	**105,749**	**109,215**	**111,197**	**112,503**	**114,065**	**116,311**	**118,087**	**119,935**	**122,372**
Applications of operating funding											
Payments to staff and suppliers	48,292	51,612	52,428	53,604	53,883	54,874	55,728	56,763	57,714	58,559	59,637
Finance costs	1,659	1,461	1,383	1,301	1,214	1,122	1,025	922	814	699	577
Internal charges and overheads applied	34,395	39,903	41,114	42,770	43,387	43,658	44,098	44,893	45,533	46,211	47,090
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**84,346**	**92,976**	**94,925**	**97,675**	**98,484**	**99,654**	**100,851**	**102,578**	**104,060**	**105,468**	**107,304**
Surplus (deficit) of operating funding (A-B)	**5,558**	**9,111**	**10,824**	**11,540**	**12,712**	**12,849**	**13,214**	**13,733**	**14,027**	**14,467**	**15,068**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-

	2023/24 Annual Plan ($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)	2031/32 LTP ($000)	2032/33 LTP ($000)	2033/34 LTP ($000)
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(421)	(1,357)	(1,435)	(1,517)	(1,604)	(1,696)	(1,793)	(1,896)	(2,004)	(2,119)	(2,241)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**(421)**	**(1,357)**	**(1,435)**	**(1,517)**	**(1,604)**	**(1,696)**	**(1,793)**	**(1,896)**	**(2,004)**	**(2,119)**	**(2,241)**
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	41	449	298	173	133	87	32	24	49	98	-
- to replace existing assets	1,550	1,790	1,556	1,576	1,517	1,444	1,535	1,804	1,712	1,747	1,783
Increase (decrease) in reserves	3,546	5,515	7,535	8,275	9,459	9,623	9,854	10,009	10,262	10,503	11,044
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**5,137**	**7,754**	**9,389**	**10,023**	**11,108**	**11,153**	**11,421**	**11,838**	**12,023**	**12,348**	**12,827**
Surplus (deficit) of capital funding (C-D)	**(5,558)**	**(9,111)**	**(10,824)**	**(11,540)**	**(12,712)**	**(12,849)**	**(13,214)**	**(13,733)**	**(14,027)**	**(14,467)**	**(15,068)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

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	Proposed 2024/25 $ (GST exclusive)	Comparative 2023/24 $ (GST exclusive)
Bore consent (controlled activity)	450	440
Mooring consent inside zoned mooring area (ZMA)	450	440
Change to mooring consent	225	220
Consent application lodgement fee (fee per activity)		
• one activity	260	260
• two activities	210	210
• three activities	185	185
• four or more activities	160	160
Consent transfer fee (for one consent) Each additional consent	140 100	160 140
Note: Actual and reasonable charges may be incurred for very complex transfers.		

Staff charge rate

	Proposed 2024/25 Rate per hour ($) (GST exclusive)	Comparative 2023/24 Rate per hour ($) (GST exclusive)
Technical expert	210	205
Technical officer	165	160
Team leader, Principal Consents Advisor	190	185
Senior resource officer / Monitoring Officer	170	160
Consents / Monitoring officer, Duty Planner	150	140
Business support	100	100

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 1991. 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 $75 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 $75 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 Commercial Forestry 2017 (NESCF) 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 NESCF 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 NESCF and/or NESF. The council may require operators to pay the full charge towards monitoring the activity prior to any monitoring taking place.

2024/25 Resource consent holder charges

All amounts are GST exclusive.

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Proposed 2024/25 Total	Comparative 2023/24 Total
Air						
• **Discharge of contaminants**	Discharges of NES contaminants to the air	155	615	-	770	743
• **Other discharges**	Other discharges to air including odour	155	-	-	155	155
Agricultural						
Agricultural discharges	Discharges to land and water from agricultural sector activities	155	750	-	905	705
Process discharges						
• **Major**	Stormwater discharge >4ha land; Sewage >15m^3 per day; mine wastewater >100m^3 per day	155	988	-	1143	927
• **Minor**	Industrial, mining, quarry, urban and commercial discharges to land and water that do not fall into 'Major' class	155	539	-	694	576
Geothermal discharges						
• **Discharge**	Discharge of geothermal sourced fluids	155	16 cents per tonne or m^3 (daily rate)			13 cents
• **Take**	Takes of geothermal sourced fluids	155	30 cents per tonne or m^3 (daily rate)			27 cents
Water takes						
Water takes	Takes of surface or ground water, excluding farm water takes	155	Minimum charge of $65, then 48 cents per m^3	-		
Farm water takes	Takes of surface or ground water for farming support	155	Minimum charge of $65, then 48 cents per m^3	75		
Non-consumptive water takes (no impact)	Non-consumptive water takes with no impact on water availability, or for flood management or environmental purposes	155	-	-	155	155
Non-consumptive water takes (impact)	Non-consumptive water takes that impact flow regimes or water availability	155	600	-	755	755
Dams						

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Proposed 2024/25 Total	Comparative 2023/24 Total
• **Waikato**	Large dams within the Waikato hydro network used for electricity generation	155	11,117 per dam	-	11,272	9,120
• **Large**	Dams deeper than 3 metres and which hold more than 20,000m^3 of water	155	7,115 per dam	-	7,270	5,893
• **Small**	All dams not covered by the consent classes above	155	333 per dam	-	488	424
Coastal						
• **Marine farms**		155	45 per hectare	40		
• **Moorings**	All mooring structures, refer to the bylaw requirement table for further charges.	155	25	15	195	193
• **Other**	Activities requiring consent which may significantly impact upon the coastal environment and/or do not sit within the classes listed above	155	600	-	755	755
Land use						
• **Major**	Large scale land use activities that have potential to generate significant land instability or sediment discharges. Including (but not limited to): Forestry harvesting >20ha Metal extraction >500m^3 Earthworks >10,000m^3	155	1,796	-	1,951	1,744
• **Minor**	Large scale land use activities that have some potential to generate significant land instability or sediment discharges. Including (but not limited to): Forestry harvesting <20ha Metal extraction <500m^3 Earthworks <10,000m^3	155	337	-	492	453
Land use - Lake Taupō						
• **Large**	Land areas greater than 100 hectares	155	805	-	960	950
• **Medium**	Land areas from 20 to 100 hectares	155	405	-	560	555
• **Small**	Land areas less than 20 hectares	155	195	-	350	345

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Proposed 2024/25 Total	Comparative 2023/24 Total
Administration charge						
Administration charge only	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	155	-	-	155	155

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	Proposed 2024/25 Fee ($) (GST exclusive)	Comparative 2023/24 Fee ($) (GST exclusive)
Application for temporary events (Clause 5.6), or suspension or exemption of any provisions within this bylaw (Bylaw 4.2)	$120.00	$112.80
Application for permanent speed upliftings (Clause 5.8)	Actual and reasonable costs	Actual and reasonable costs
Public notice for a temporary event (Clause 5.6.5)	Actual and reasonable costs	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.	$130.00	$120.00
Mooring Licence Fee (when PA rule in Coastal Plan is operative)	$130.00	
Management of navigation safety related activities for Port Taharoa	Actual and reasonable costs	Actual and reasonable costs
Management and inspection of navigation safety-related activities	Actual and reasonable costs	Actual and reasonable costs
Assessment and report on any RMA consent application which has the potential to affect navigational safety	Actual and reasonable costs	Actual and reasonable costs

Note:

1. They bylaw does not apply to Lake Taupo
2. All charges exclude GST, GST at the prevailing rate will be added to charges when invoiced

Kawhia mooring license fee

Waikato Regional Council holds a consent for the management of a number of moorings withing the Kawhia harbour. A charge of $130.00 per annum will be charged where council licenses the use of these moorings to individuals. The charge covers costs incurred to administer these moorings under the terms of the council's consent. All prices are GST exclusive.

Charges under the Building Act 2004

Waikato Regional Council will charge for all application, inspection, and compliance processes associated with its regulatory role under the Building Act 2004, including but not limited to PIM's, building consents, compliance schedules, inspections, code of compliance certificates, DSAP. Annual WOF and dam classification certificates.

Request for information and documents: resource management plans and consents

Excepts as provided in relation to policy document, actual and reasonable costs will be charged for providing documents, information, and advice in respect of resource management plans and resource management consents (sections 36(1)(e) and (f) of the Resource Management Act 1991). The first half hour of staff time will not be charged, after which the total staff time spent on actioning the request will be charged at the relevant staff rate.

Marine oil spill response: charges under the Maritime Transport Act 1994

In accordance with section 444 of the Maritime Transport Act 1994 (MTA) regional councils exercising a delegated function or power may charge a fee in relation to that function or power. The total hours charged for cost recovery will be at the discretion of the Regional On Scene Commander. Staff hourly rates will be at the appropriate rate as set out in the schedule of fees and charges.

Marine oil spill role	Proposed 2024/25 Rate per hour ($) (GST exclusive)	Proposed 2024/25 Rate per hour ($) (GST exclusive)
Regional On-Scene Commander (ROSC)	$205	$195
Subject Matter Expert (SME) i.e. wildlife, environmental scientist.	$160	$150
Senior Regional Responder (SRR)/Leading Hand/EOC Function Manager	$160	$145
Regional Responder (RR), Operations team member, EOC function team member	$140	$130
Business Support (after termination of response)	$100	$95
Disbursements (e.g. but not limited to; meals and accommodation, vehicle running costs, specialist equipment, external agency advice, waste management)	Actual cost incurred	Actual cost incurred

Technical Reports

Many of our technical reports are available to download free of charge on the council's website: www.waikatoregion.govt.nz

Technical reports will be charged at a base rate of $20.00 plus $0.15 per A4 page and $0.30 per A3 page. Earlier technical reports priced less than $10.00 will be provided free of charge. All prices are GST exclusive.

Policy Documents

Many of our policy documents and plans are available to download free of charge on the council's website: www.waikatoregion.govt.nz

Request for policy documents and plans will be charged at the following rates:

Document	Proposed 2024/25 Fee ($) (GST exclusive)	Comparative 2023/24 Fee ($) (GST exclusive)
Regional Coastal Plan – hard copy	$120	$120
Regional Coastal Plan – CD ROM	$20	$20
Waikato Regional Plan – hard copy	$120	$120
Waikato Regional Plan (including maps) – CD ROM	$20	$20
Waikato Regional Plan Maps (full set) – hard copy	$1,600	$1,600

Document	Proposed 2024/25 Fee ($) (GST exclusive)	Comparative 2023/24 Fee ($) (GST exclusive)
Waikato Regional Plan – individual maps	Cost of production	Cost of production
Transitional Regional Plan	$20	$20
Regional Policy Statement	$80	$80

Spatial information data

Waikato Regional Council, at its discretion, may charge for access to or extraction of spatial information data. The total staff time spent will be charged at the technical officer charge rate as per the schedule of fees and charges. There is no charge for the data itself.

River and catchment service charges

Waikato Regional Council, at its discretion, may charge for the provision of information and advice relating to the following:

- Hazard information and advice
- Technical information and advice
- Property information
- Provision of historic information and records
- Licences to construction structures on Waikato Regional Council owned or managed land
- Provision of other information or services where costs, including staff time, are incurred by Waikato Regional Council.

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

Charges for requests for official information

The Local Government Official Information and Meetings Act 1987 (LGOIMA) provides that any charge for the supply of official information must be reasonable. Regard may be had to the cost of the labour and materials involved in making the information available and any costs incurred pursuant to a request of the applicant to make the information available urgently.

Accordingly, where costs are recovered for the provision of official information, the amount charged for staff time will be in accordance with the Ministry of Justice guidelines for charging for services. Time spent by staff searching for relevant material, abstracting and collating, copying, transcribing and supervising access where the total time involved is in excess of one hour will be charged out as follows, after that first hour:

- An initial charge if $38 (including GST at prevailing rate) for the first chargeable half hour or part thereof; and
- Then $38 (including GST at the prevailing rate) for each additional half hour or part thereof

Charges for the rates postponement policy

The council currently has a rates postponement policy that allows eligible individuals to postpone their rates.

Application fees in relation to these postponements are as follows.

1. Costs to register a statutory land charge in relation to the postponed rates. The fee will reflect the current charges set by LandOnline at the time the statutory land charge is registered.
2. Costs to release statutory land charge in relation to the postponed rates. The fee will reflect the current charges set by LandOnline at the time the statutory land charge is released.

Charges for debt collection

In situations where the council is required to engage the service of a debt collection agent to recover amounts owing to the council, the cost charged by the collection agency to the council will be payable by the debtor.

SECTION 4: Ngā Kaupapahere | Policies

Kaupapahere Pūtea | Revenue and financing policy

1 Background

This Policy has been prepared in accordance with the Local Government Act 2002, and in particular sections 101-103. Under these legislative provisions, Council is required to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The aim of the Revenue and Financing Policy is to promote consistent, prudent, effective, and sustainable financial management of the council and to demonstrate how the funding of the activities undertaken by Council are funded from the most appropriate sources, after consideration of who benefits from each activity.

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 2024 to 30 June 2034.

The amount of revenue and the factors required are detailed in the Funding Impact Statement.

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 2024 - 2034 Long Term Plan, Financial Strategy, Treasury Risk Management Policy, and the Policy on Financial Contributions.

2 Guiding principles

Waikato Regional Council's 2024 - 2034 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.

2.1 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.

2.2 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).

2.3 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.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 Overall impact on the community

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

3 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.

3.1 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 600m2 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.

3.2 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.

3.3 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.

3.4 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 must 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.

3.5 Investment revenue

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

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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 funding impacts of projects where project benefits are expected to be delivered over a period that exceeds the project life. Examples include implementation of new technology which requires effort up front, or where costs are required to be treated as an operating expense. Borrowing may also be appropriate to address short-term expenditure which is uneven / cyclical in nature.

The use of borrowing to meet any operating expenditure will be considered carefully against the financial prudent management considerations that Council is required to make as this action will likely result in an "unbalanced budget" i.e. where operating revenues are insufficient to meet operating costs.

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

3.11 Other mechanisms

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

4 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.

4.1 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 externality, 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.

4.2 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.

4.3 Grants and subsidies

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

4.4 Fees and charges

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

4.5 Proceeds from asset sales

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

4.6 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, 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 based on 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.

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 emergency services rate
- Waikato Regional Theatre rate
- Primary industry rate

Funding analysis of group activities

Group of activities: Customer, 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. This activity ensures the purpose and principles of local government as prescribed in the Local Government Act 2002 are met.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Long term	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 well-being of communities now and in the future.			
Economic benefit assessment		Funding targets	
Private	Public	Private	Public
	100%		100%
Funding mechanism			
			UAGC

Planning and reporting

This activity includes the development of statutory plans and reports required by the Local Government Act 2002 to improve transparency and accountability to our residents and ratepayers. These plans and reports include long term plans, annual plans, and annual reports. Regular monitoring against objectives is reported to the council quarterly and reported to the public annually via an annual report. Regular monitoring and reporting are important as it assesses whether the council's policies and services achieve their intended objectives.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Recurrent	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 well-being of communities now and in the future.			

The statutory plans and reports prepared under this activity constitute key consultation and accountability documents for the council which underpin these democratic processes.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			UAGC

Community support

This activity includes the oversight and management of discretionary funds that the Council makes available to community groups and organisation. Centralised support is provided to coordinate and administer the contestable funds (scholarships, sponsorships, funding deeds and partnerships) that Waikato Regional Council enters through the Long Term Plan. The function provides support regarding best use and distribution of funds and understanding the benefits derived in alignment with Waikato Regional Council's strategic direction and community outcomes.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	Low	Low
The entire regional community benefits from the availability of discretionary grant funds which can leverage community efforts towards the generation of the social, economic, environmental, and cultural well-being of communities now and in the future. 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. The council's funding of regional emergency services is also included in this activity.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			UAGC, Targeted rates (regional emergency services and Waikato Regional Theatre)

Iwi Māori partnerships

Waikato Regional Council works, at a political and operational level, with iwi, hapū, marae and individuals to ensure the traditional role of tangata whenua as kaitiaki is respected and tangata whenua and Māori communities can contribute meaningfully to the council's decision-making.

Tai-ranga-whenua, Council's Māori focus unit, aims to build council capability and confidence so it can partner with iwi Māori more effectively. It also aims to strengthen relationships with iwi Māori through collective initiatives that expand iwi capability and broaden the scope of shared work.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Long term	Low	Low
The entire regional community benefits from the availability of discretionary grant funds which can leverage community efforts towards the generation of the social, economic, environmental, and cultural well-being of communities now and in the future. 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. The council's funding of regional emergency services is also included in this activity.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
0 - 5%	95 - 100%	0 - 5%	95 - 100%
Funding mechanism			
		Fees and charges	**UAGC**

Group of activities: Civil Defence Emergency Management Group

Civil Defence emergency management

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.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	Low	Low
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%
Funding mechanism			
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; other income; fees and charges.

Group of activities: Regional hazards and emergency response

WRC emergency response

Waikato Regional Council emergency response activity provides strategic information and advice to key stakeholders, as well as preparing for and responding to marine oil spills, flood events and other events that may impact Council's business. Support is provided to the Waikato CDEM Group during natural hazard events. Council also provides round the clock monitoring and provision of flood event information to the community as required.

The council, in partnership with Maritime New Zealand, plans for and responds to certain marine oil spills within the region, including contingency planning and exercises.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	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. 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%
Funding mechanism			
			UAGC; fees and charges; general rates.

Resilient communities

The resilient community's activity involves the collection and provision of strategic information and advice to district councils, the Waikato CDEM Group, landowners, and others on a range of hazards. 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, both currently and with projected future climate change. This ensures communities can prepare for or avoid hazards; that risks are reduced over time and that sound decisions are made about the future development of hazard prone areas.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Long term	Low	Low
Council's proactive approach to the identification of hazards and risks provides benefits to the whole regional community, but with some additional benefit to those within high risk areas. The work undertaken within this activity supports long term planning, mitigation, and adaptation actions to be taken by those impacted.			
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 the provision of community flood protection, along with the operation, maintenance, and renewal of associated assets, including stopbanks, floodgates, pump stations, channel/streams, and pumps. The flood protection schemes within the region have a total asset value of approximately $950 million.

These flood protection services are restricted to those specific geographic areas where schemes have been agreed with communities. The services are provided in parallel with other services that council provides to manage flood risks.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	Medium	Medium
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 lifeline services receive security from flooding. 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 and include how capital works will also be funded.			

Economic benefit assessment		Funding targets	
Private	Public	Private	Public
84 - 88%	12 - 16%	84 - 88%	12 - 16%
Funding mechanism operating			
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; other income; borrowing[2]	**General rate**
Funding mechanism capital			
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.			**General rate**
[2]Where borrowing is utilised to meet the needs of operating expenses, this borrowing will be funded by a mix of the funding sources identified above in accordance with agreed scheme funding policies.			

Land drainage

Waikato Regional Council manages a system of natural and built infrastructure to provide adequate land drainage to support productive pastoral farming. Without these drainage networks, these areas of land would be less productive and largely inaccessible.

Primary community outcome			
Strong economy			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
High	Recurrent	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 landowners.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
100%		100%	
Funding mechanism			
		Targeted drainage rates	

River management

The Waikato Regional Council has an important role in managing rivers and streams in the Waikato region. In many instances the primary responsibility for this work sits with the landowner, however in some situations the issues require specialist support and knowledge from the council. The council is the only agency that can undertake the required river management activities.

River Management and River Improvement programmes are based on priority and the level of risk to people, property, and environment. The River Management activity is also critical to the sustainable management of Council's flood protection infrastructure by ensuring main river channels are managed and maintained for this purpose at specific locations.

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 Regional Hazards and Emergency Response groups of activities.

<table>
<tr><th colspan="4">Primary community outcome</th></tr>
<tr><td colspan="4">Strong economy</td></tr>
<tr><th colspan="4">Funding principles</th></tr>
<tr><td>Distribution of benefits (user pays)</td><td>Period of benefits</td><td>Extent of action / inactions (exacerbator pays)</td><td>Cost / benefit of funding separately</td></tr>
<tr><td>Medium</td><td>Recurrent</td><td>Medium</td><td>High</td></tr>
<tr><td colspan="4">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 lifeline services receive security from flooding. These benefits have been reinforced through recent flooding events across New Zealand.

Regional benefits are 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.</td></tr>
<tr><th colspan="2">Economic benefit assessment</th><th colspan="2">Funding targets</th></tr>
<tr><td>Private</td><td>Public</td><td>Private</td><td>Public</td></tr>
<tr><td>85 - 89%</td><td>11 - 15%</td><td>85 - 89%</td><td>11 - 15%</td></tr>
<tr><th colspan="4">Funding mechanism</th></tr>
<tr><td colspan="2"></td><td>Targeted catchment rates</td><td>General rate</td></tr>
</table>

Group of activities: Integrated catchment management

Biosecurity

The Waikato Regional Council leads, operates and maintains the biosecurity system within the region. Biosecurity is the exclusion, eradication or management of pests and diseases that pose a risk to the economy, environment, cultural and social values, including human health. The council collaborates and works in partnership with a wide range of national, regional, and local organisations/communities to lead, deliver and coordinate pest management throughout the region.

The council's goals are to:

- prepare for and deal effectively with new incursions of harmful organisms to our region
- work with others to prevent inter-regional spread of harmful organisms
- support regional and national biosecurity and biodiversity initiatives to help protect our full range of ecosystem types and services
- ensure plant and animal pests included in the council's Regional Pest Management Plan (RPMP) are excluded, eradicated, progressively contained or managed, and that the protection of high value sites is supported through pest management programmes
- contribute to maintaining our way of life and the Waikato region's favourable reputation for primary production, tourism, and industry.

The council's biosecurity programme is achieved through direct and biological control of animal and plant pests including working on community-based initiatives, providing information and advice on plant and animal pest control, and monitoring of pest animals and plants throughout the region, as well as developing strategy and rules for the protection and enhancement of the environment.

The programme is guided by the Waikato Biosecurity Strategy 2022-2032 and Regional Pest Management Plan (RPMP) 2022-2032.

Primary community outcome			
Strong economy			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	Low	Low
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. Landowners obtain a private benefit through having the threats to their production removed. National benefits arise from the prevention of the spread of pests to other regions. The review of the Regional Pest Management Plan, which is included in this activity is funded by way of the general rate to ensure consistency with the funding of other policy projects.[3]			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			Biosecurity rate; general rate
[3]Refer funding of Resource Management Policy.			

Biodiversity

The biodiversity activity includes the restoration, maintenance, and protection of the Waikato region's indigenous biological diversity and its continued provision of ecosystems services. The Council works with mana whenua, private landowners, community groups, central and local government agencies, and key stakeholders to ensure the region's indigenous ecosystems are healthy and functioning.

This activity also manages the council's relationships with community groups involved in ecological protection and restoration, such as the Waikato Biodiversity Forum, Project Echo 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.

This activity is strongly linked to the biosecurity, catchment management and science and policy programmes of work.

Primary community outcome
Healthy environment

Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Long term	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.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			UAGC; Natural heritage rate; general rate

Catchment planning and management

This activity provides for the management of catchments throughout the region. Key priorities include, maintaining existing soil conservation schemes, promoting, planning, and implementing new catchment restoration projects, protecting and enhancing biodiversity, managing shallow lakes and wetlands, and planning for zones and the catchments of rivers, lakes and harbours.

The programmes of work are delivered according to priorities established within each management zone or outcome area and may include erosion control and prevention, fencing and planting, lake and coastal and freshwater wetland protection, enhancement and restoration, bush fragment protection, afforestation and pest plant and animal control.

The council also undertakes zone, catchment, lake and harbour catchment management planning, including the development and review of zone plans covering the region. These plans also encompass planning, management and levels of service for flood protection within the zones.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Recurrent	Medium	Medium
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.			
Economic benefit assessment		**Funding targets**	

Private	Public	Private	Public
62 - 66%	34 - 38%	62 - 66%	34 - 38%
Funding mechanism			
		Targeted catchment rates; fees and charges	General rate; Government Grants

Group of activities: Regional transport connections

Public transport

Waikato Regional Council provides public transport services to enable access to education, employment, healthcare, and social opportunities for people within our region.

In the coming years, public transport will also help shape our towns and city through the development of mass transit solutions and reducing our unsustainable reliance on low occupancy vehicles.

Waikato Regional Council provides comprehensive public bus services within Hamilton and to key satellite towns around Hamilton. Other parts of the region are seeing increased public transport services being delivered as part of the ongoing expansion of the public transport network.

In addition, the council provides Total Mobility services which provide door to door transport services for people with disabilities.

Council's public transport team works closely with local councils, transport service providers, businesses, institutions, community organisations and a wide range of other stakeholders to ensure public transport meets the needs of the people it serves. These interactions also seek to ensure that service provision is tightly integrated with the enabling infrastructure that is required.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Medium	Recurrent Immediate benefit for public transport users at the time of service	Low	Medium
The provision of public transport services provides a mix of national, regional, local, and individual benefits. 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 Local benefits arise for those who live near services Private benefits accrue to those using public transport services, with these benefits being reflected in the fares charged to use the service.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
19 - 23%	77 - 81%	19 - 23%	77 - 81%

Funding mechanism		
	Other income; fees and charges (fare revenue)	Government grants; targeted public transport rate; territorial authority charges; UAGC

As part of the 2024 – 2034 Long Term Plan, Council is consulting on the implementation of a regional rating model for public transport services. The funding targets noted above incorporate a provision for this potential shift in funding, which would result in a reduction in fees and charges revenue (recoveries from territorial authorities) with a corresponding increase in targeted rate revenue assessed by Council.

Interregional passenger rail

This activity includes the current Hamilton to Auckland passenger rail service (Te Huia), a key interregional public transport project identified in the Waikato Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP) that enables the region to achieve its long-term strategic goal of providing an efficient and reliable public transport connection between Hamilton and Auckland. It supports the generation of employment and income by providing our communities with affordable transport options to access employment, education, and essential services.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Medium	Recurrent Immediate benefit for public transport users at the time of service	Low	Medium
The provision of public transport services provides a mix of national, regional, local, and individual benefits. 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 Local benefits arise for those who live near services Private benefits accrue to those using public transport services, with these benefits being reflected in the fares charged to use the service. In the case of the start-up rail service, an enhanced funding assistance rate has been provided by central government for the service's trial period to April 2026. This is reflected in the higher public funding support for this activity relative to other transport modes. Where funding in line with the enhanced funding assistance rate is not able to be secured long-term, the service will need to be reviewed – including whether it continues. Council has signalled that with reduced support from NZTA, the service will be unaffordable for ratepayers.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
16% - 20%	80% - 84%	16% - 20%	80% - 84%
Funding mechanism			
		Other income; fees and charges (fare revenue)	**Government grants; targeted public transport rate**

Transport policy and programmes

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 like the Regional Speed Management Plan and strategies, the Regional Road Safety, Road to Zero for the Waikato 2020.

The Council also delivers regional programmes and is a source of expertise and support for integrated land use/transport planning in support of our functions under the Resource Management Act 1991.

An additional part of the work in this activity includes providing support is areas such as:

- minimisation of transport emissions and work towards a low-carbon transport economy;
- technical development and exchange of professional ideas and networking opportunities through the delivery of regional forums and working groups;
- maintenance of a regional network of stock truck effluent disposal facilities across the Waikato;
- engaging in regional and local sector coordination and advocacy on national policy.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Medium	Recurrent	Low	Medium
The Transport policy and programmes 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 these policy development and review activities as well as Road Safety activities. A targeted rate contribution to the maintenance of stock truck effluent facilities recognises the exacerbators who contribute to the need for such facilities.			
Economic benefit assessment		Funding targets	
Private	Public	Private	Public
	100%		100%
Funding mechanism			
			Government grants; general rate; UAGC; Stock truck effluent rate

Group of activities: Resource use

Regional consents

Waikato Regional Council is responsible for receiving and processing resource consent applications lodged under the Resource Management Act 1991 (RMA) that enable the use of the region's natural resources (including air, land, water, geothermal and coasts) and contribute towards achieving the sustainable management purpose of the RMA.

The council is also required to monitor compliance with the conditions of the consents.

Under the Building Act 2004, Council is responsible for processing resource consent applications for large dams on behalf of all North Island regional councils and unitary authorities.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
High	Recurrent	Low	Medium
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. In recognising this benefit, Council seeks to recover 100 per cent of consent application and compliance monitoring costs from consent holders. 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**
66 - 70%	30 - 34%	66 - 70%	30 - 34%
Funding mechanism			
		Fees and charges	**General rate; permitted activity monitoring rate**

Regional compliance

In addition to monitoring compliance with resource consents, Waikato Regional Council is required to monitor compliance with rules in Council's plans, and other national instruments. This activity involves responding to notifications from members of the public about environmental incidents, including potential breaches of the Resource Management Act.

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 the incident to enable decisions to be made on appropriate enforcement actions.

Permitted activities under the Waikato Regional Plan and National Environmental Standards that pose a significant risk to the environment are also monitored - namely farm animal effluent and soil disturbance. The council uses a range of tools, both regulatory and non-regulatory (such as education), to encourage positive behaviour change by resource users.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Low	Medium	Low
Resource users who are permitted to undertake certain activities under the Waikato Regional Plan and National Environmental Standards receive a benefit from being able to do so. The permitted activity monitoring undertaken by Council aims to ensure that these activities comply with any regulatory requirements. As such, they provide a direct benefit to those parties undertaking the activity. 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. As these charges are outside of the control of Council, revenue levels cannot be predicted.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
32 - 38%	62 - 68%	32 - 38%	62 - 68%
Funding mechanism			
		Targeted rate; other income; fees and charges (fines)	**General rate**

Maritime services

This activity aims to keep people safe on the water, both in coastal and inland environments, and to maintain safe and navigable waters in the region. The council provides a 24 hour / 7 day a week service for responding to notifications from members of the public about maritime incidents.

The council ensures that maritime regulations, such as the navigation safety bylaw are promoted, and education is provided. Other parts of the activity include compliance activity, debris removal and inspecting and maintaining the region's network of navigation aids.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Immediate	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**
3 - 7%	93 - 97%	3 - 7%	93 - 97%
Funding mechanism			
The activity has no correlation to property values, so the UAGC is considered the most appropriate funding mechanism.		**Fees and charges, other income**	**UAGC**

Community education

This activity supports community-led action that achieves shared outcomes for the region which include sustainability, empowered rangatahi, whanaungatanga, advocacy, innovation, and collaboration.

This includes support and advice within council and externally, and the delivery of specific programmes of work supported by multi-agency partnerships.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Long term	Low	Low
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. A portion of the cost is recovered from territorial authorities for programmes such as Enviroschools. 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%
Funding mechanism			
			General rate; UAGC; Grants and other income

Primary industry engagement

This activity works with others to strategically support the implementation of existing and emerging regulations and policies as they relate to the primary sector.

The activity supports research into good practice and farm systems solutions that promote farming practices that reduce the primary sector's environmental footprint, whilst developing environmentally focussed capability and capacity within the industry. It also works across the region to support the agriculture community and industry.

This activity plays a key role in supporting the primary sector and Council staff in the decision-making, interpretation, and implications of implementation of rules and regulations. It provides expert advice and guidance on how to implement these regulations within the region.

Primary community outcome			
Strong economy			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Long term	Medium	Low
Work programmes in this activity are primarily focussed on working with and supporting the rural sector, to operate within new regulatory frameworks. 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.			
Economic benefit assessment		Funding targets	

Private	Public	Private	Public
26 - 50%	50 - 74%	26 - 50%	50 - 74%[4]
Funding mechanism			
		Targeted rate Fees and charges	**General rate**
[4]Council is proposing to transition funding for this activity between the general rate and targeted rates over the first three years of the LTP. This reflects in the broad range of funding percentages included in this policy.			

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, in the Waikato region to inform effective and defensible decision making. This complex data is then translated into key measures of the state of the environment.

Data is collected to inform considerations for flood protection including operation of flood warning systems, allocation of both surface and ground freshwater resources, setting water quality limits, identifying changes in water quantity and quality, soil, freshwater ecology, coastal ecology, and air quality.

Data is used to support the setting of policies and rules for the management and allocation of resources, including reviews of how effective the policies are in meeting their intended objectives. The information gathered is also used to inform resource consent decisions and is relied on by the public and large consent holders.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Medium	Low	Low	Low
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 natural resources attained through this activity.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
19 - 23%	77 - 81%	19 - 23%	77 - 81%
Funding mechanism			
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, UAGC**

Environmental science and information

The environmental science and information activity provides science-based evidence underpinning the council's decision-making on the allocation and management of the region's natural resources. The advice also helps improve the integrated management of our catchments and coasts.

This 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. The information assists Council with communicating to our community on any improvements, or decline, in the state of our natural and physical resources, and why this is happening.

This activity focuses on gathering, analysing, and communicating environmental information related to air, coasts, geothermal resource, groundwater, lakes, rivers and streams, wetlands, land use, soil, biodiversity, and contaminated land.

This activity is aligned with the environmental monitoring activity, which supports monitoring programmes and investigations, developed in conjunction with this activity.

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.

<table>
<tr><th colspan="4">Primary community outcome</th></tr>
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<tr><th colspan="4">Funding principles</th></tr>
<tr><td>Distribution of benefits (user pays)</td><td>Period of benefits</td><td>Extent of action / inactions (exacerbator pays)</td><td>Cost / benefit of funding separately</td></tr>
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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 natural resources attained through this activity.</td></tr>
<tr><th colspan="2">Economic benefit assessment</th><th colspan="2">Funding targets</th></tr>
<tr><td>Private</td><td>Public</td><td>Private</td><td>Public</td></tr>
<tr><td>17 - 21%</td><td>79 - 83%</td><td>17 - 21%</td><td>79 - 83%</td></tr>
<tr><th colspan="4">Funding mechanism</th></tr>
<tr><td colspan="2">The council recovers a portion of the costs of this activity through state of the environment monitoring charges on consented resource users.</td><td>Fees and charges</td><td>General rate</td></tr>
</table>

Social and economic information

This activity supports evidence-based planning and decision making by gathering, analysing and reporting on social and economic information and linking this to environmental knowledge. It provides scientific socio-economic data and information, evaluation and survey design and analysis, and assists in developing economic models and scenarios to help Council to gain a better understanding of our communities and achieve community aspirations. 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.

The information is used to:

- Meet council's legislated responsibilities
- Inform 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.

Primary community outcome			
Vibrant communities			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Recurrent	Low	Low
This activity provides information that helps to inform development of key strategies and policies, and as such provides benefit across the region. Some benefit may accrue to resource consent applicants and holders as the information and analysis generated by this activity is used to assess resource consents.			
Economic benefit assessment		Funding targets	
Private	Public	Private	Public
	100%		100%
Funding mechanism			
			General rate; UAGC

Strategic policy implementation

This activity involves leading the Waikato region towards becoming more strategic and forward-thinking on emerging issues, advocating the Council's position. The Council provides advice and builds partnerships with key regional stakeholders, develops non-statutory regional strategies and plans, economic and spatial plans, and collaborates in the management of regional issues.

We do this by:

- Bringing people together across the organisation and the region
- Networking, liaising, and collaborating with partners, including through key forums
- Joining/integrating strategy, policy, and implementation
- Supporting and applying systems and spatial thinking, data, and research.

Primary community outcome			
Strong economy			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Recurrent	Low	Low

The strategic policy implementation 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.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			General rate; other income; UAGC

Resource management policy

This activity develops and reviews policy for the Waikato region that meet statutory requirements under the Resource Management Act 1991. The council's primary resource management documents include the Regional Policy Statement and regional plans covering the coast (the Waikato Regional Coastal Plan), and land, water, and air (Waikato Regional Plan). These three documents seek to achieve a balance between the management of resources while enabling economic development, growth, and communities to thrive.

Council's resource management plans are based on our science and environmental monitoring activities, informed by the work of the strategic policy implementation activity, by conversations and feedback with the community and resource users, and must give effect to any national direction and the National Policy Statement. The regional resource management plans inform the development of district plans developed and administered by territorial authorities.

The resource management policy activity maintains and updates the Regional Policy Statement and regional plans, as well as providing future focused, effective, resource management policy and planning information, advice, analysis and solutions under other relevant legislation.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	**Period of benefits**	**Extent of action / inactions (exacerbator pays)**	**Cost / benefit of funding separately**
Low	Long term	Low	Low
This activity provides benefit to the regional community 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. Identification of these beneficiaries and exacerbators could not be reliably undertaken in a way that supported the assessment of any targeted funding arrangement.			
Economic benefit assessment		**Funding targets**	
Private	**Public**	**Private**	**Public**
	100%		100%
Funding mechanism			
			General rate

Spatial information

This activity enables the delivery of spatial information such as data and interactive maps as well as spatial analysis and the development of decision-making models.

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 aerial photography) that are not constrained by Council boundaries.

Council utilises the data and models to make decisions and undertake its business such as support for land use development, infrastructure planning and tsunami modelling.

Primary community outcome			
Healthy environment			
Funding principles			
Distribution of benefits (user pays)	Period of benefits	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
Low	Recurrent	Low	Low
This activity provides benefit to the regional community 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 community wellbeing

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 current and future social, economic, environmental and cultural well-being of the community."

In considering its Revenue and Financing Policy, the council has considered 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. It has considered the balance of its work programmes and the contribution that this makes to all aspects of community wellbeing as well as the advancement of Council's strategy. A continued 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 is 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.

Borrowing is utilised to ensure that the funding of costs with long-term benefits is appropriately managed. This ensures that funding and realisation of benefits are able to be matched, which in turn supports concepts such as inter-generational equity.

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

Kaupapahere Tāke Takaroa me te Whakakorenga | Rates remission and postponement policy

1 Remission of rates for sporting and recreational organisations

1.1 Objectives

The remission of rates for sporting and recreational organisations is to facilitate the ongoing provision of non-commercial sporting and recreational opportunities. The purpose of granting rates remission to an organisation is to recognise the public good contribution and to assist the organisation's survival.

1.2 Criteria and conditions

The council may remit any rates where the application meets the following criteria:

a. Rates set and assessed on land which, but for the existence of a club licence under the Sale and Supply of Alcohol Act 2012, would be assessed as 50 per cent non-rateable under Schedule 1 Part 2, 2 of the Local Government (Rating) Act 2002
b. This policy excludes any land treated as 50 percent non-rateable under Schedule 1 Part 2 of the Local Government (Rating) Act 2002
c. The policy will apply to land used exclusively or principally for sporting and/or recreational purposes. This policy will not apply to organisations operated for private pecuniary profit.

Rating units that qualify are eligible for a remission of 50 percent of all rates levied.

All remissions are at the discretion of the council and will be assessed on a case by case basis. The council (at its absolute discretion) shall determine the extent of public benefits that are provided to the community and the reasonableness of any rate imposed. This shall be the basis for deciding eligibility for remission.

Organisations must apply in writing and should include the following documents in support of their application:

a. Constitution
b. Statement of objectives
c. Full financial accounts
d. Information on activities and programmes
e. Details of membership or clients. Other information may also be required.

The council reserves the right to require annual applications to renew the remission or require certification from the applicant that the property is still eligible for the remission and that the land use has not changed.

Applications for remission under this part of the policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution. The policy will apply from the beginning of the rating year in which each application is made and will not be backdated.

2 Remission of rates for community organisations

2.1 Objectives:

To facilitate the ongoing provision of community services that meet the needs of the residents of the region. The purpose of granting rates remission to an organisation is to recognise the public good contribution and to assist the organisations survival.

2.2 Criteria and conditions

The council may remit up to 100 percent of rates levied where the application meets the following criteria:

1. The policy will apply to land owned, occupied or used by community organisations which have within their constitution appropriate clauses to qualify them as charities or where there are clauses which ensure they are not-for-profit and where there is, in the opinion of the council, significant public good which results from the occupation of the land for the purpose of community services.
2. The policy will not apply to organisations operated for private pecuniary profit.
3. The policy will not apply to rest homes and retirement villages. This exclusion is to ensure fairness and consistency for ratepayers who continue to live in their own homes.
4. All remissions are at the discretion of the council and will be assessed on a case by case basis. The council (at its absolute discretion) shall determine the extent of public benefits that are provided to the community and the reasonableness of any rate imposed. In determining public benefit, consideration will be given to the public availability of the service and the extent of voluntary effort

to run the organisation. This shall be the basis for deciding eligibility for remission.

5. Organisations making application should include the following documents in support of their application:

   a. Constitution
   b. Statement of objectives
   c. Full financial accounts
   d. Information on activities and programmes
   e. Details of membership or clients.

6. Other information may also be required.
7. 6. The council reserves the right to require annual applications to renew the remission or require certification from the applicant that the property is still eligible for the remission and that the land use has not changed.

Applications for remission under this part of the policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution. The policy will apply from the beginning of the rating year in which each application is made and will not be backdated.

3 Remission and postponement of rates on Māori freehold land

3.1 Objectives

The objectives of this remission and postponements policy are:

a. to recognise situations where there is no occupier, trustee or person gaining an economic or financial benefit from the land
b. to recognise matters related to the physical accessibility of the land
c. to recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
d. where part of a block is occupied, to grant remission to the portion of land not occupied
e. to enable the council to act fairly and reasonably.

3.2 Criteria and conditions

The council will consider remission or postponement of rates, in whole or in part, for Māori freehold land as determined by the Māori Land Court. To qualify for remission or postponement the property must comply with the following criteria:

No income or economic benefit is derived from the use or occupation of that land; and

a. the land is inaccessible or
b. the land is unoccupied, or
c. the land is the unoccupied portion of a block where only a portion is occupied.

The council will consider remission or postponement of rates, in whole or in part, for Māori freehold land as determined by the Māori Land Court or where a status declaration made under Māori Affairs Amendment Act 1967 is registered on general land title.

3.3 Applications for remissions

Owners or trustees making application should include the following information in their applications:

a. details of the property including valuation number
b. the objectives that will be achieved by providing a remission
c. documentation which proves the land which is the subject of the application is Māori freehold land, including a schedule of owners.

Application for remission or postponement of rates on Māori freehold land should be made after the commencement of the rating year. Applications may be back dated. The council staff may apply for remission or postponement on behalf of the owners.

Remission or postponement, and the extent thereof is at the sole discretion of the council and may be cancelled or reduced at any time. The council will maintain a register of properties for which remission or postponement is granted. It will review this register annually and may:

a. add properties that comply
b. remove properties where the circumstance has changed and they no longer apply.

Applications for remission under this part of the policy will be determined by officers of the council, acting under delegated authority from the council, as specified in the delegation's resolution.

4 Rates Remission on Māori Freehold Land Under Development

4.1 Objectives

The objective of this policy is to facilitate the occupation, development, and utilisation of Māori freehold land. Unused Māori freehold land is non-rateable.

4.2 Conditions and Criteria

Only Māori freehold land may qualify for remission under this policy.

Rates may be remitted for the land which is the subject of the application where:

- development has resulted in an increase to the value of rates set on the land when compared to the value of rates that would otherwise have been set if the development had not occurred; and
- the development is legally permitted; and
- the land under development is:

- not occupied; and
- not producing an income; and
- Council is satisfied that the development supports the benefits stated in Section 114A(3) of the Local Government (Rating) Act 2002.

The maximum amount of remission to be applied will be calculated as the difference between the value of rates set on the land less the value of rates that would otherwise have been set if the development had not occurred.

No remission will be applied in the case that the development has resulted in a decrease to the value of rates set on the land when compared to the value of rates that would otherwise have been set if the development had not occurred.

4.3 Applications for remissions

Application for remission of rates must be made by the owners or trustees of the land for which the remission is sought and must include documentation that:

- proves the land which is the subject of the application is Māori freehold land, as defined above; and
- describes the intended development and the proposed timeline for each stage of the development; and
- if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
- if the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to be able to reside in the dwellings; and
- describes how the development supports the benefits stated in Section 114A(3) of the Local Government (Rating) Act 2002.

5 Remission of rates on land protected for biodiversity

5.1 Objective

To enable council to assist landowners who have retired land solely for conservation purposes.

5.2 Criteria

This policy encourages landowners to maintain, enhance and protect heritage features by offering a financial incentive.

The following ratepayers may qualify for remission of rates on rating units that:

a. Part or all of the rating unit has

   i. QEII covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977 registered on their certificate(s) of title; or

   ii. part or all of the rating unit has Nga Whenua Rahui kawenata under Section 27a of the Conservation Act 1987.;

   Where Waikato Regional Council holds information relating to lands subject to a QEII covenant or Nga Whenua Rahui kawenata, staff acting under delegated authority may apply this remission on the ratepayer's behalf.

   The amount of the remission will be calculated based on the proportion of the rating unit protected under any part of (a) listed above.

   The remission will apply to all rates charged to the rating unit. However, if there is a dwelling on the property, the Uniform Annual General Charge will not be remitted.

b. Part or all of the rating unit was previously designated as part of the proposed lakeshore reserve scheme.

   Waikato Regional Council may remit rates on these rating units where the Taupo District Council has remitted some or all of the territorial authority rates for the rating unit in the current rating year. Applicants may be asked to provide evidence of the Taupo District Council remission.

   Remission will only be granted on the portion of the property previously designated as part of the proposed lakeshore reserve scheme.

   Applications for remission under parts a) and b) of this policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution. The policy will apply from the beginning of the rating year in which the application is made, although the council may consider backdating past the rating year in which the application is made depending on the circumstances.

c. Part or all of the rating unit is designated as a Significant Natural Area (SNA) in the relevant District Plan and / or Schedule associated with the District Plan.

   A mechanism must be in place which provides for the enduring protection of the land concerned, such as:

   - a conservation covenant under section 77 of the Reserves Act 1977;
   - a declaration of protected private land under section 76 of the Reserves Act 1977;
   - a management agreement for conservation purposes under section 38 of the Reserves Act 1977;
   - a covenant for conservation purposes under section 27 of the Conservation Act 1987;
   - a management agreement for conservation purposes under section 29 of the Conservation Act 1987;
   - a covenant with the local council which has the effect of preserving the land for conservation purposes;

- a Memorandum of Encumbrance linked to an Environmental Programme Agreement via the regional council;
- any other covenant or agreement which in the opinion of Council provides enduring protection for the land.

Criteria

Applications for remission under this provision must be made in writing by the ratepayer, and supported by the following documentation:

i. an aerial photograph or map of the area(s) that the remission is requested for; and
ii. evidence of the legal protection mechanism; and
iii. evidence of fencing to exclude stock from the SNA.

The remission will apply to all rates charged to the SNA area. However, if there is a dwelling on the property, the Uniform Annual General Charge will not be remitted.

The council will delegate authority to approve applications for remission on SNAs to particular officers as set out in the council's delegations' resolution.

Application for rates remissions must be made prior to the commencement of the rating year (1 July). Any applications made during a rating year will be considered for remission at the commencement of the following rating year. Any remissions granted will not be backdated.

SNAs where remission is granted may be subject periodically to audit either by on the ground inspection or by analysis of aerial photography to ensure that the condition of the SNA is at least maintained, and that stock proof fencing remains in place.

6 Remission of rates for Lake Taupo lakebed

6.1 Objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupo in a natural state.
- To recognise the special characteristics and value of Lake Taupo to the region.

6.2 Criteria and conditions

- Remission is available to the Lake Taupo lakebed land where the title for that land is in private ownership and the owners recognise the significance of public access to the lake and environs and operate the land as if it was a public reserve.
- One hundred per cent remission of all rates and charges shall be given to qualifying rating units.
- Applications for remission under this policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegations resolution.

7 Remission of targeted rates for urban land in areas classified as rural, commercial or industrial areas

7.1 Objective

To ensure that owners of residential rating units situated in areas classified as rural, commercial or industrial for the purposes of targeted rates are treated equitably with comparable rating units elsewhere in the district.

7.2 Criteria and conditions

To qualify for consideration for remission under this part of the policy, the rating unit must be in an area zoned as 'urban' under the territorial authority district plan and have a targeted rate classification of rural, industrial or commercial.

Those ratepayers wishing to claim remission under this part of the policy must make an application in writing. Applications may be backdated.

The council will delegate authority to approve applications for remission of targeted rates for urban land in areas classified as rural, commercial or industrial areas to particular officers as set out in the council's delegations' resolution.

Applications for remission under this part of the policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution.

If an application is approved, the council will direct its valuation service provider or classifier to inspect the rating unit and prepare a report to determine what rate would be assessed if the rating unit were appropriately classified. This report shall be the basis on which remission shall be calculated. As a condition of approval the ratepayer may be required to contribute to the cost of this report. Ratepayers should note that the valuation service provider's or classifier's decision is final, as there are no statutory right of objection or appeal for remissions assessed in this way.

8 Remission of the Waihou/Piako scheme catchment rate

8.1 Objective

Where land is still in its undeveloped state or has reverted to indigenous bush or swamp cover, or has been planted in exotic forests, it is considered to have a neutral effect on rates of rainfall runoff. In addition the land improves the biodiversity within the catchment and retention of this land use is encouraged by Council.

8.2 Criteria and Conditions

Remission will be considered for a rating unit where areas of land are still in an undeveloped state and/or reverted to native bush or swamp cover and/or planted in exotic forest.

This remission will be applied to the land value portion of the targeted catchment rate where the area is 10 hectares or more and stock excluded.

Applications must be made in writing and be supported by an aerial photograph or map of the area(s) that the remission is requested for.

Applications for remission under this part of the policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution.

9 Remission of the Waikato - Waipa (Watershed) Catchment Contributor rate

9.1 Objective

Where land is still in its undeveloped state or has reverted to indigenous bush or swamp cover, or has been planted in exotic forests, it is considered to have a neutral effect on rates of rainfall runoff. In addition the land improves the biodiversity within the catchment and retention of this land use is encouraged by Council.

9.2 Criteria and Conditions

Remission will be considered for a rating unit where areas of land are still in an undeveloped state and/or reverted to native bush or swamp cover and/or planted in exotic forest.

This remission will be applied to the land value portion of the targeted Waikato-Waipa (Watershed) Catchment contributor rate where the area is 10 hectares or more and stock excluded.

Applications for remission under this policy will be determined by officers of council, acting under delegated authority from the council, as specified in the delegation's resolution.

10 Remission of rates on properties affected by natural disasters

10.1 Objective

This policy is to allow Council, at its discretion to remit targeted rates on any rating unit that is used as a place of residence and not used in a commercial capacity or to derive income that has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease.

10.2 Criteria and Conditions

The Council may remit all or part of any targeted rate assessed in respect of rating units that are used as a place of residence and not used in a commercial capacity or to derive income, if the land beneath or surrounding the home is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) and

a. as a result, dwellings, or buildings previously habitable were made uninhabitable; and
b. the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued

The Council is unlikely to grant a remission where the land affected is in a known hazard location.

Applications must be made in writing and be supported by evidence of a s124 notice being issued under the Building Act 2004, that the residents have been required to move out, and the property is not being used, or the dwelling / building is a total loss.

The ratepayer must notify the Council within 30 days of the restoration of the use of the property from which date targeted rates will be reinstated. Should the period of rates relief under this policy continue beyond 12 months, then renewal of the relief must be applied for in writing within 30 days of the expiration of the 12-month period.

11 Remission of rates on rating units with a capital valuation of $1,000 or less

11.1 Objective

To allow the council to act fairly, reasonably and efficiently where rating units have capital valuations of $1,000 or less.

11.2 Criteria and conditions

Rating units that have a registered capital value of $1,000 or less held in the District Valuation Roll as at 30 June for the current rating year are eligible for remission of rates.

The remission applied will be 100 per cent of all Waikato Regional Council Rates that have been assessed for the rating unit. Staff acting under delegated authority may apply this remission on the ratepayer’s behalf.

12 Remission of the Public Transport Rate

12.1 Objective

To allow the council to act fairly and reasonably in applying the Public Transport rate differentials, reflecting the maximum benefit assessed as being received by property owners.

12.2 Criteria and conditions

Public Transport Indirect Benefit rate

i. A remission of a portion of the Public Transport Indirect Benefit rate will be granted to those properties with a capital value greater than $5.0 million, and which are only paying the indirect rate (that is they are located further than 800 metres of a bus route). The remission will be applied to the portion of the rate where the capital value exceeds $5.0 million. Remission will be applied by staff prior to the annual rates invoices being issued.

ii. A remission of the Public Transport Indirect Benefit (rail) rate will be granted to those properties with a capital value greater than $5.0 million irrespective of their location. The remission will be applied to the portion of the capital rate where the value exceeds $5.0 million. Remission will be applied by staff prior to the annual rates invoices being issued.

Public Transport Direct Benefit rate

A remission of the Public Transport Direct Benefit rate will be granted to those properties where:

- There is no established footpath in place between their property and the nearest bus route, and
- Where these residents are required to travel through an 80 kilometre per hour speed zone in order to reach the nearest bus route.

Those properties eligible for remission will be assessed by staff, based on information provided by Hamilton City Council, with the remission to be applied prior to the annual rates invoices being issued.

13 Remission of rates due to financial hardship

13.1 Objective

To allow the council to provide financial assistance to ratepayers in cases of extreme financial hardship.

13.2 Criteria and conditions

The applicant must be the owner of the rating unit, must reside at the property and the property must be classified as a residential rating category. Companies, trusts and other similar ownership structures of these properties do not qualify for this remission.

The ratepayer can demonstrate a good payment history, evidenced by no penalties having been applied to any outstanding account balance.

Council must be satisfied that, based on the evidence provided by the ratepayer, extreme financial hardship on any individual exists or would be caused by requiring payment of the whole or part of the rates. This will be determined by eligibility for the Government's Rates Rebate scheme.

Ratepayers must apply in writing to be considered for a remission.

Ratepayers receiving a remission will be required to ensure that the remaining account balance is paid in full within the financial year to which the rates relate. This requirement may mean that the application of the remission is not applied to the ratepayer's account until the end of the financial year when confirmation of full payment is able to be made.

The maximum value of remission granted will be calculated annually, based on the value equivalent to 15 per cent of the average WRC rates assessed on residential rating units, as defined within District Valuation Roll (DVR) for that financial year.

14 Rates postponement policy

14.1 Objective

To give ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and the council being satisfied that the risk of loss in any case is minimal.

14.2 General approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely until the sale of the property, if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. Where the ratepayer is younger than 65, current and all future rates may be postponed to a date not more than 15 years from 30 June in the rating year in which application is made.

Owners of units in retirement villages will be eligible provided that the council is satisfied payment of postponed rates can be adequately secured.

The council will add to the postponed rates all financial and administrative costs to ensure neutrality.

14.3 Criteria and conditions

a. Criteria

i. Eligibility

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (whether as a principal residence or as a holiday home). This includes, in the case of a family trust owned property, use by a named individual or couple. People occupying a unit in a retirement village under an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit with the agreement of the owner of the retirement village.

ii. Risk

The council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast expected equity when repayment falls due.

Where a ratepayer wishes to postpone both this council's rates and those of another territorial authority, council reserves the right to make actuarial calculations to include both authority rates to ensure a final 20 per cent equity is maintained. Each authority will make its own independent decision as to postponement and if any shortfall of payment should eventually occur, each authority will share on a pro rata basis.

iii. Insurance

The property must be insured for its full value and evidence of this produced annually.

iv. Mortgage

Postponement of rates on a property subject to a mortgage will be available only if council holds a letter from the mortgagee agreeing to the postponement.

v. Independent advice

Applicants will be referred to an appropriately qualified and trained independent agency. The agency will work with applicant to ensure they are aware of all aspects of the policy before deciding to proceed with postponement. Confirmation that this advice has been sought will be required by the council before postponement is granted

vi. Security

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the council will have first call on the proceeds of any revenue from the sale or lease of the rating unit. Postponement will not be granted if a statutory land charge cannot be registered on the rating unit title. Council has the right to decline postponement if the property is situated in a known hazard zone.

b. Conditions

Any postponed rates (under this policy) will be postponed until:

i. The death of the ratepayer(s) or named individual or couple (in this case the council will allow up to 12 months for payment so that there is ample time available to settle the estate) or
ii. Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (in this case council, at its discretion, may allow up to 12 months for payment to allow time to make payment arrangements) or
iii. Until a date specified by the council.

c. Postponement of territorial authority and regional council rates

Where the ratepayer is seeking to postpone rates assessed by both the regional council and the territorial authority, the combined impact of the postponement must be considered when assessing the application against the criteria set out above. To give best effect to this, the council will work with the territorial authority to ensure that a single process is used to gather the information that will support the postponement application. The independent advice sought by the ratepayer will be required to consider the combined rates and will be provided to both councils to assess prior to the approval of any postponement.

d. Fees

Application fee
An application fee will be charged in accordance with the fees outlined in the Funding Impact Statement. This will be added to postponed rates.

Financial costs
The financial cost will be charged in accordance with the rate outlined in the Funding Impact Statement. This will be added to postponed rates.

Payment
The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

e. Review or suspension of policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modification will not change the entitlement of people already in the scheme in relation to previously postponed rates, however if the scheme was suspended the ratepayer would be required to pay future rates. The council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80 per cent of the rateable value of the property as recorded in the council's rating information database. This will require the ratepayer(s) for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

f. Procedures

Applications must be on the required form that will be available from any council office.

The policy will apply from the beginning of the rating year in which the application is made, although the council may consider backdating past the rating year in which the application is made depending on the circumstances.

Applications for postponement under this part of the policy will be determined by officers of the council, acting under delegated authority from the council, as specified in the delegation's resolution.

15 Remission of uncollectible rates

15.1 Objective

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in the Council's financial interests to remit such rates.

15.2 Criteria and conditions

All rates both arrears and current including any targeted rates will be remitted where council considers the objective will be achieved in so doing. This policy will be applied at council instigation.

Properties receiving a remission under this policy must be reviewed every year.

Decisions under this policy are delegated to officers as set out in the council's Delegation Manual.

16 Remission of penalties

16.1 Objective

The objective of this part of the remission policy is to enable the council to act fairly and reasonably in its consideration of rates that the council has not received by the penalty date.

16.2 Criteria and conditions

Remission of a penalty charged on the current year's rates will be considered where no penalty has been remitted in the previous financial year and

- Payment of the full amount of the current year's rates is received within four weeks of the penalty being charged, or
- an agreed payment arrangement is put in place

Where further rates are still outstanding, remission of the latest penalty will be considered where:

- Payment of the full amount of the outstanding rates is received within four weeks of the penalty being charged, or
- an agreed payment arrangement is put in place

Any payment arrangement entered into must clear the rates due over a period of time agreed to by council staff. All agreed payment arrangements will be monitored for compliance. Where arrangements are not honoured, Council reserves the right to reintstate penalty charges previously remitted under this policy to reflect the extent of non-payment of outstanding rates.

The council will delegate authority to approve applications for remission of penalties to particular officers as set out in the council's delegations' resolution.

17 General remission policy

17.1 Objective

To give council the ability to consider individual circumstances based on principles of fairness and equity.

17.2 Criteria and conditions

Remission of rates that do not fall within the definition of other remission policies may be granted at the discretion of the Chief Financial Officer having consideration of the individual circumstances of the property at the time the rates were struck and the fairness and equity of the remission request, provide that the approval of the remission must not set a precedent that unfairly disadvantages other ratepayers. Any remission granted under this policy will be reported to the Finance and Audit committee at the first opportunity.

18 Policy on early payment of rates

Section 55 and 56 of the Local Government (Rating) Act 2002 empowers councils to accept early payment of rates.

Council proposes to accept payment of rates in anticipation of rates for subsequent financial years.

Kaupapahere mō te tāpuatanga me te whakapānga | Significance and engagement policy

Introduction

Waikato Regional Council's Significance and Engagement Policy was adopted in 2014 and has since been reviewed every three years to meet our legislative requirements under the Local Government Act 2002 (the LGA). The policy:

- enables the council and our communities to understand the significance council places on certain issues, proposals, assets, decisions and activities
- identifies how and when communities can expect to be engaged or specifically consulted on these items.

The Significance and Engagement policy applies across our council. When assessing the degree of significance and deciding on appropriate engagement or consultation processes, the policy requires us to take into consideration other legislative requirements, as well as any other agreements that might already be in place. To ensure council engages as effectively as possible with the Waikato region's diverse communities, we gather information on people's views and preferences in a variety of ways. Sometimes that might be via formal statutory consultation, or it might be via a more informal engagement process. Either way, the overall intent is to ensure that, wherever possible, anyone who wishes to contribute ideas or information to important council processes and decisions has the opportunity to do so.

Purpose and scope

1. To enable the council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by the council.
3. To inform the council from the beginning of a decision-making process about the extent, form and type of engagement required.
4. This policy does not apply to decision making under the Resource Management Act 1991 and or other legislation that includes a prescribed consultative/engagement process.

Definitions

Asset Class	Council operational assets and council infrastructure assets, as disclosed in the council's Annual Report - Property, Plant and Equipment table.
Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Decisions	Refers to all the decisions made by or on behalf of the council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).
Engagement	Is a term used to describe the process of providing information to or seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Significance	As defined in Section 5 of the LGA "in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: • the district or region: • any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter: • the capacity of the local authority to perform its role, and the financial and other costs of doing so.
Significant Activity	Council does not provide activities that are defined as significant in the LGA.

Strategic Asset	As defined in Section 5 of the LGA "in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes: • any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and • any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and • any equity securities held by the local authority in – i. a port company within the meaning of the Port Companies Act 1988: ii. an airport company within the meaning of the Airport Authorities Act 1996".

Policy

- Engaging with the community is necessary to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.
- An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

Assessment of significance

1. The council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
    - There is a legal requirement to engage with the community
    - The level of financial consequences of the proposal or decision
    - Whether the proposal or decision will affect a large portion of the community
    - The likely impact on present and future interests of the community
    - The likely impact on Māori cultural values and their relationship to land and water (also refer section 9)
    - Whether the proposal affects the level of service of a significant activity
    - Whether community interest is high
    - Whether the likely consequences are controversial and/or has a likely impact on the reputation of Council
    - Whether community views are already known, including the community's preferences about the form of engagement
    - The form of engagement used in the past for similar proposals and decisions.
2. The council will take into account the degree to which the issue has a financial impact on the council or the rating levels of its communities, using the following thresholds:
    - An unbudgeted operating expenditure greater than 5 per cent of council's total operating expenditure in that year, excluding amortisation and depreciation.
    - An unbudgeted capital expenditure greater than 2 per cent of the total value of council's assets in that year, excluding amortisation and depreciation.
3. If a proposal or decision is affected by the above considerations, it is more likely to have a high degree of significance.
4. In general, the more significant an issue, the greater the need for effective community engagement.

Engagement and consultation

1. The council will apply a consistent and transparent approach to engagement.
2. The council is required to undertake a special consultative procedure as set out in Section 83 of the LGA, or to carry out consultation in accordance with or giving effect to Section 82 of the LGA on certain matters (regardless of whether they are considered significant as part of this policy).
3. For all other issues requiring a decision, the council may determine the appropriate level of engagement (section 82 of the LGA) on a case by case basis.
4. The Community Engagement Guide (schedule two, attached) identifies the form of engagement the council will use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision-making process.
5. Where Joint Management Agreements, Memorandum of Understanding or any other similar high-level agreements exist, these will be considered as a starting point when engaging with Māori.
6. For mana whenua groups without a formal agreement a separate engagement plan will be developed as appropriate.
7. When the council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the LGA will be undertaken.

Note: A Māori Engagement Framework, developed in 2017, initially formed Schedule 3 of the Significance and Engagement Policy. This framework is now a standalone document which provides guidance on best practice engagement to those looking to engage with Māori. The framework can be accessed on our website here.

SCHEDULE 1

STRATEGIC ASSETS

Section 5 of the Local Government Act requires the following to be listed in this Policy:

a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
c. any equity securities held by the local authority in –
    i. a port company within the meaning of the Port Companies Act 1988:
    ii. an airport company within the meaning of the Airport Authorities Act 1996.

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

- infrastructural fixed assets owned or maintained by the Waikato Regional Council such as its river management, flood protection and drainage assets
- the overall system of communications for flood and resource monitoring and control, including the radio communication system and associated computer systems
- the council's investment fund
- data held in the council's geographic information system (GIS) and environmental databases

SCHEDULE 2 - COMMUNITY ENGAGEMENT GUIDE

Community engagement

- is a process
- involves all or some of the public
- is focussed on decision-making or problem-solving

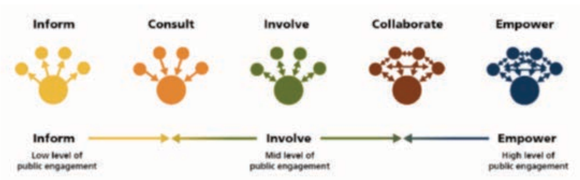
The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for effective community engagement.

When engaging with the community, the council will:

- Seek out and encourage contributions from people who may be affected by or interested in a decision,
- Provide reasonable access to relevant, timely and balanced information so people can contribute in a meaningful way,
- Provide a variety of appropriate ways and opportunities for people to have their say and
- Tell the community what the council's decision is and the reasons for that decision
- Provide a clear record or description of the relevant decisions made by council and explanatory material relating to the decision.



Forms of engagement

The council will use the Special Consultative Procedure (as set out in section 83 of the LGA) where required to do so by law, including the following issues requiring decisions:

- Adoption or amendment of the long term plan (sections 93(2) and 93A).
- Making, amending or revoking a bylaw that the council identifies using this policy as having significant interest to, or significant impact on, the public (section 156(1)(a))

The council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Adopting the annual plan if required under section 95 of the LGA.
- Transferring responsibilities to another local authority under section 17 of the LGA.

- Establishing or becoming a shareholder in a council-controlled organisation.
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land.

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Engagement tools and techniques

Over the time of decision making, the council may use a variety of engagement techniques on any issue or proposal and the tools may be adapted based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. The council will also take into consideration other engagements underway, and combined initiatives will be utilised where appropriate to maximise efficiencies and to alleviate 'consultation/engagement fatigue'.

Each situation will be assessed on a case-by-case basis.

Level	Information	Consult	Involve	Collaborate	Empower
What the consultation involves	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public, however, under the LGA, the Regional Council Chair and Councillors are elected to make decisions on behalf of their communities.
Types of issue that we might use this for	Flood warnings	Consultation document for the LTP	Regional Policy Statement Regional Plan	Healthy Rivers: Plan for change/Wai Ora: He Rautaki Whakapaipai	Local body elections
Tools we might use	Websites Digital and/or print advertising Zone newsletters Public notices Subscribed email/text alerts	Formal submissions and hearings Digital and/or print advertising Zone newsletters Websites Public notices Focus groups, Surveys.	Workshops Focus groups Citizens Panel / assembly	Collaborative stakeholder group Technical alliance	Binding referendum Local body elections
When the community can expect to be involved	The council would generally advise the community once a decision is made	The council would advise the community once a draft decision is made and the council would generally provide the community with up to 4 weeks to participate and respond.	The council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	The council would generally involve the community throughout the process - at the start to scope the issue, throughout the information collection, and to consider options.	The council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.

SECTION 5: Supplementary material | Ngā āpitihanga

Ngā taruna ā-rohe | Regional assumptions

Assumption	Risk	Level of uncertainty	Implications
Environmental pressures			
A changing climate Our climate is changing quickly, and we are already seeing more intense heatwaves, heavier rainfall, and other weather extremes, which increase risks to human health and ecosystems. To help future proof our region we will need to rely on modelled projections and develop confidence to make decisions under increasing uncertainty. Projected climatic changes present significant implications for the Waikato region's environment, economy, and the safety of our communities. Over the next century the Waikato region can expect: • rising sea levels, • more extreme weather, • more droughts in the north and east, • more intense rainfall over the region and increased wind in the west, • warmer, drier summers, milder winters and shifting seasons. It is also expected that there will be increased risks to communities from natural hazards such as river and coastal flooding, coastal erosion, and severe weather. It is anticipated that the council will continue to have greater involvement in climate adaptation responses including: • building resilience within communities and reducing exposure and vulnerability to climate influenced natural hazards; • understanding the impacts of increased rainfall intensity on our flood defence and drainage assets; • ensuring the climate influenced changes in the characteristics of natural resources are provided for when allocating natural resources; and • providing for the transition and translocation of indigenous biodiversity and the ecosystem services that the citizens and businesses of the region depend upon. Additionally, the council's involvement in climate mitigation and resilience building activities is anticipated to increase, including ensuring society is	The impacts of climate change could be felt sooner or be greater than assumed.	**Uncertainty level:** Medium **Sources of uncertainty:** The council has commissioned studies to better understand how the impacts of climate change will affect the region. Further work is required to determine the implications of those impacts on communities, ecosystems, infrastructure, and the regional economy and to identify appropriate adaptation responses. Long term projections of climate change impacts depend on future greenhouse gas emissions, which are uncertain. There are four main global emissions scenarios (from the IPCC) ranging from low to high greenhouse gas concentrations. The projected changes are calculated for 2031–2050 (referred to as 2040) and 2081–2100 (2090) compared with the climate of 1986–2005 (1995). These show increasing effects in the latter half of the century. This means that in the 10-year period of this LTP, it is understood that there will be slight differences between the global emissions scenarios, but that changes will occur from the delayed effects of carbon dioxide already emitted and locked into the global climate system. The council will incorporate updated projections as they are developed and confirmed by the IPCC during the lifetime of this LTP.	The forecast work programmes include provision for the impacts of climate change. Internal policies require climate change impacts to be assessed and reported on for decision making purposes. The implications of climate change impacts occurring earlier or being greater than assumed would be insufficient resilience in Waikato communities and WRC's assets, along with the financial impact of any necessary unbudgeted recovery work. The changing climate will directly impact the availability of water and the ability to allocate water takes and discharges. We cannot allocate water we do not receive. Similarly, an increase in the locational risk to communities will require more regional inputs into district plan development provisions. This is the decisive decade where greenhouse gas emissions need to peak and rapidly decline. There is a reputation risk for the council as it will likely be judged on its performance in this time.

Assumption	Risk	Level of uncertainty	Implications
able to access no/low carbon sources of energy and reduce its demand for fossil energy for its social and economic wellbeing. The impact of central government policy on greenhouse gas emissions has the potential to significantly affect the region. If agriculture or other industries are required to address their methane, nitrous oxide and other greenhouse gas emissions it may affect their profitability, e.g. through different cost drivers and access to markets etc. However, if others (e.g. taxpayers or other emitters) are required to meet the cost of these emissions then those sectors or parties will be affected instead.			
Natural hazards/disasters Our region is at risk from a range of natural hazards and disasters such as earthquakes, tsunamis, flooding, drought, land instability, severe storms, fire, and volcanic activity. Some are exacerbated by a changing climate. Based on projections and modelling, it is assumed that natural hazards and disasters will increase in both frequency and severity over time. The requirement in the Resource Management Act 1991 to manage risks from natural hazards as a matter of national importance was enacted following the 2011 Canterbury Earthquakes and has resulted in a greater focus on natural hazards risks during planning and consenting processes.	Natural hazards and disasters are felt with more severity and/or occur more frequently than predicted.	**Uncertainty level:** Medium **Sources of uncertainty:** While modelling and monitoring are carried out, it cannot be predicted exactly when or how severe an occurrence will be. When it comes to the climate change related hazards such as sea level increase and flooding, the main uncertainty is the time until infrastructure service level thresholds will be reached. By 2050, around 30cm of sea level rise is anticipated due to the carbon emissions already in the atmosphere. However, from 2050 to 2100, there is uncertainty as to how much sea level rise will occur as it is dependent upon the rest of the planet decarbonising. The climate change induced signal on our weather is a consequence of energising (adding heat to) the atmosphere. It is additional to the historic seasonal and annual variations and manifests as increasing frequency and magnitude of extreme weather events.	There is a possibility that the region will have to cope with one or more severe adverse events in the LTP timeframe. The potential effect of a natural disaster on the council's financial position is dependent upon the scale, duration, and location of the event. Multiple disasters occurring in a short space of time (or a single event that affects multiple parts of the region) may test the council's capacity to respond. Business continuity planning is critical so that the council can continue to perform the functions needed when adverse effects happen. Building resilience into infrastructure may result in increased capital costs. Future events such as flooding, severe storms or earthquakes are likely to result in increased closures of transport networks in coastal, low lying or slip prone areas with links to some communities disrupted. Natural disasters would likely increase insurance costs and have a major economic impact in the region.
Land use changes There are multiple development trends that are currently having or are projected to have an impact on land use change in the region. • Since the mid-1990s there has been a net reduction in exotic forestry in the region and net increase in grassland. This trend (mainly conversions from	Growth and land use change pressures in the region accelerate more than anticipated.	**Uncertainty level:** Medium **Sources of uncertainty:** Changes to regional and national regulation will have an impact on land use in the region. The previous government enacted	If population/economic growth accelerates at a rate that puts increased pressure on the region, there is a risk that ad hoc development will occur without the appropriate strategic and planning rigour applied.

Assumption	Risk	Level of uncertainty	Implications
forestry to dairy) has recently reversed because of central government policies to reduce greenhouse gas emissions. • An increase in forested area is expected due to an increasing demand for carbon credits. It is likely that the increase in forestry areas takes place on marginal land currently used for sheep, beef, and deer farming, with retired farmland converting mainly into indigenous and exotic vegetation. • Sheep, beef, and deer farming are declining. • Horticulture and cropping sectors are expected to increase, and existing locations are likely to expand. • Diversification of rural land use is expected (for example into goat, poultry and manuka farming etc). • There will continue to be urban expansion and growth around Hamilton and adjoining towns. • Intensive farming is continuing to move onto less suitable land, especially for dairying and dairy support. However, it is unlikely that the economic demands for the dairying sector can be met as policy interventions are likely to impact on the productivity of the sector and limit expansion into new areas. • The physical climate has already changed and will continue to change. These changes are challenging the present water-based export economy in parts of the region. Land use projections for the life of the LTP are in the table below (from Waikato Projections, WRC Technical Report 2021/31, 2021). The projections are based on actual 2018 data as a starting point and then considers land use projections based on population and economic drivers for the Waikato region until 2068. Land use restrictions are also considered, e.g. district plan zoning, and policies such as Lake Taupō protection or Plan Change 1 for the Waikato and Waipā River catchments (table below). National and regional policy direction will have influence on land use activities throughout the life of the LTP. The new coalition government has indicated that it will review a number of national direction instruments, with early signals indicating that changes will provide for urban expansion and growth in a manner that does not inhibit the ability to use land for primary production activities. The coalition government has indicated their strong support for primary industries and will look to remove existing perceived bureaucracy, however they have noted that a full public consultation process on any proposed amendments will be followed. Central government		the Natural and Built Environments Act 2023 and the Spatial Planning Act 2023, but they have been repealed by the new government. This will effectively mean a return to the Resource Management Act 1991 until the government develops its own replacement legislation. While the Spatial Planning Act is to be repealed, it is understood the new government recognises the importance of spatial planning, and it is expected this will remain an important area of policy development. International drivers and trends such as commodity prices, migration and trade also contribute to the uncertainty of this assumption. Heightened economic uncertainty in the post-Covid-19 world, with heightened geopolitical tensions and a potential retreat from globalisation, may affect demand for primary exports, the supply of imported inputs, with uncertain effects on land use change.	Conflicting demand for a finite resource such as land will have pricing implications, and growth pressure will increase in locations with strategic benefit. Land use change in response to decreased availability of water (for either supply (climate) - or demand-side reasons) may negatively impact communities that have previously relied on dairy and other land uses most affected by resource constraints, affecting the community's ability to service rates. Further urbanisation and growth on the urban/rural fringe will put pressures on council draining systems, and potentially may require reviews of levels of service of some council infrastructure.

Assumption	Risk	Level of uncertainty	Implications
has indicated that these policy changes are likely to take 12-18months, so impacts on land use change within the initial years of the LTP are highly uncertain.			

Land Use Type	Projected hectares (ha)		
	2018	2025	2035
Indigenous Vegetation	703,414	710,396	710,326
Forestry	283,918	283,917	284,065
Dairy Farming	681,263	689,727	688,928
Sheep, Beef or Deer Farming	515,788	508,972	508,449
Other Agriculture	12,756	12,752	12,959
Horticulture	3,399	3,632	3,974
Vegetable Cropping	6,300	6,732	7,366
Other Cropping	8,395	8,393	8,529
Manufacturing	1,928	2,047	2,255
Commercial	2,176	2,343	2,577
Residential - Lifestyle Blocks	39,400	40,299	39,966
Residential - Low Density	13,053	13,966	14,586
Residential - Medium to High Density	522	640	894
Community Services	2,330	2,542	2,784

Assumption	Risk	Level of uncertainty	Implications
Declining natural capital We are limited in how much we can use natural resources without also impacting the economy and people's health and wellbeing. In general, the public increasingly values a healthy environment and are becoming less accepting of environmental damage. Kaitiakitanga, protection and conservation of the natural environment and the resources within it, upon which people depend, is also an inherent part of the Māori world view that is becoming more prominent. Intensified land use, urban growth, pollution, physical changes to our landscapes and coasts and introduced species will continue to result in declining natural capital and associated ecosystem services. It is assumed that this will increase pressure on the council to implement effective policy and undertake more rigorous policy effectiveness and state of the environment monitoring to demonstrate the dependency of the economy and people's wellbeing on adequate and healthy natural resources (climate, water, soil, air, coast, biodiversity). This would also	A greater level of service may be required leading to increased funding requirements. In particular, the development of more effective policy, including compliance monitoring, enforcement and sanctioning may be necessary.	**Uncertainty level:** Low **Sources of uncertainty:** Changes in government may change the priority of addressing the decline of natural capital. Related factors, such as climate change, may create negative feedback loops that accelerate the decline of natural capital, for example damage to soils through erosion and biodiversity loss through ecosystem degradation. The transition to a low emissions economy also poses risks to natural capital through increasing the extraction of materials needed for different types of infrastructure, e.g. solar panels and electric vehicles etc.	There are financial implications for the council if a higher level of service is demanded to address declining natural capital. Increased tension between balancing the drive for economic development against environmental and landscape protection and enhancement. However, this tension is likely to be a short-term phenomenon; in the longer-term economic development will be undermined by environmental degradation. There is a significant reputational risk if the council is not seen to be doing enough to prevent environmental damage and help bring about restoration of natural capital.

Assumption	Risk	Level of uncertainty	Implications
require increased compliance monitoring, which in turn requires landowners and developers to invest more into maintaining and, where necessary, restoring degraded natural capital. Over time such investments can be expected to be needed to maintain the natural capital that underpins land use productivity and sustain economic viability. Several international initiatives by the United Nations, European Union and others are working on Nature-Related Financial Disclosure, similar to the current legislative requirement for climate change disclosure by companies.		Changes in temperature and rainfall are expected to have a consequential impact on the extent and viability of wetlands and a consequential loss in ecosystem services they provide to water quality and quantity. Sea level rise will change the nature of littoral mangrove forests and salt marsh communities which will need to migrate inland to maintain their ecosystem services. Identifying and quantifying the benefits of natural capital and ecosystem services on the economy and people's wellbeing.	
Economic and population changes			
Population growth and demographic changes The Waikato region has one of the fastest growing populations in New Zealand, especially in Hamilton City and the surrounding districts. The population in rural areas are static or only slightly growing. This will have implications for affordable levels of service, while faster growth around Hamilton and towards Auckland will drive an increased demand for services and infrastructure needs. Ageing will increasingly affect demand for services in much of the region, including public transport and housing patterns, particularly in places such as Thames-Coromandel, Hauraki and Taupō. Soon, those areas will have many older people compared to younger and working-aged people that support them. Hamilton City, on the other hand has a younger population, largely due to the youth of many migrants to the city for work or education. Immigration, which stopped during Covid-19, is expected to again be the main driver of population increase, reflecting our ageing population and low fertility rates (less birth, more death). The ageing of the population varies significantly across the region and will require a shift in planning and the provision of suitable services. Ethnic diversity is increasing in New Zealand. This trend means the way we have traditionally consulted with our communities may need to change, while some of the services we provide may need to be adjusted to fit community expectations.	Growth and population demographic assumptions could be incorrect, which may lead to a mismatch between services provided and those required.	**Uncertainty level:** Medium **Sources of uncertainty:** Net migration may affect population distribution and may lead to a mismatch between the available skills and employment opportunities available. Internal migration along the Auckland to Hamilton corridor is likely to increase due to Auckland house prices and industrial/commercial land costs, job opportunities, and the Waikato Expressway.	There may be demand for new services and infrastructure in areas of growth and maintaining services in areas of decline. The council may need to meet increased costs associated with public expectations. There is potential for the need for data sharing in novel ways so the public, particularly elderly and vulnerable communities, can make informed decisions. The international geo-political situation and climate change may result in an increase in migrant and/or refugee numbers. Accommodating these, potentially high-needs migrants may be resource-intensive.

Assumption	Risk	Level of uncertainty	Implications
There is a reliance among some industries on migrant labour, which has become a constraint for those industries due to border- and movement-restrictions during the pandemic. Population projections are shown in the table below and are based on 2018 Census data, which was modified in 2022 to reflect reduced immigration rates due to the Covid-19 pandemic.			

Area	2018	2023	2028	2033
Thames Coromandel	30,700	32,400	33,100	33,500
Hauraki	20,700	21,800	22,200	22,400
Waikato	78,200	86,100	92,800	99,300
Matamata Piako	35,300	37,000	37,900	38,700
Hamilton	168,600	183,000	194,400	205,400
Waipa	55,000	59,300	62,100	64,600
Otorohanga	10,500	11,050	11,300	11,550
South Waikato	24,800	25,800	26,400	26,800
Waitomo	9,630	9,740	9,730	9,670
Taupo	38,600	40,900	42,000	42,800
Waikato Region	546,830	585,990	612,630	636,920

Assumption	Risk	Level of uncertainty	Implications
Capital value growth The council has estimated that the change in the capital value (i.e. new rateable units and increases in capital valuations of all properties) of the region will be 1.5 per cent per annum. This estimate is used to project likely revenue for those rates set on a per property charge and in the calculation of rating impacts to existing ratepayers. However, it should be noted this percentage is based on historical trends and we are in an exceptional point in history and growth projections might not follow historical trends.	That growth will not be sustained at the level anticipated.	**Uncertainty level:** High **Sources of uncertainty:** A portion of regional growth is attributed to net migration. Net migration may be lower or higher than expected. Some parts of the region – especially the Waikato District, but also Hamilton and Waipā have experienced particularly high inward migration in recent years and are expected to continue to grow faster than other parts of the region. High levels of inflation have seen monetary policy tighten. It remains to be seen how (and when) this will affect the economy including asset valuations. As a result there is a high level of uncertainty associated with this assumption.	If growth (new rateable units) is significantly lower than expected or if the capital valuation of rateable units declines, then rates increases will be higher than anticipated. It will also impact activities such as infrastructure and spatial planning if the region does not follow projected growth.

Assumption	Risk	Level of uncertainty	Implications
Economic change The level of economic activity and employment has been stronger than expected over the past three years of pandemic, in large part due to the job and business supports put in place by central government. Despite these policies, and notwithstanding the reopening of borders in 2022, some key industries will take time to recover (especially tourism and hospitality-related industries). Anecdotally, labour shortages may be easing to some extent but may continue to be a constraint in some areas. However supply chain disruptions and policy stimulus have combined to produce a significant increase in inflation. The Reserve Bank of New Zealand is responding to this by tightening monetary policy significantly. Similar patterns are occurring in many countries, and a global recession remains a possibility. High inflation is resulting in cost-of-living pressures for many, which can be expected to result in resistance to future rate rises. A period of economic weakness, including the potential for a period of recession, may lead to rising unemployment, which has further implications for incomes of those affected. In addition to the effects of the Covid-19 pandemic and its aftermath, the following longer term trends may cause economic change within the Waikato region over the life of the long term plan: • uneven economic growth and slow productivity growth; • risk to people, property, and infrastructure from climate change; • effects from Auckland as a fast-growing neighbour including the effects on Waikato house prices; • differing challenges of population growth and decline in the Waikato; • growing economic influence of iwi • ongoing biosecurity risk to primary industries, health, and indigenous biodiversity • changing demand profiles in different markets, e.g. for 'alternative proteins' etc; and • • access to resources and dealing with waste streams.	That different levels of service are required to respond to disparate economic conditions throughout the region and over time. High inflation and/or potential recession may raise issues around affordability of rates.	**Uncertainty level:** High **Sources of uncertainty:** Current high levels of inflation, and the Reserve Bank's monetary policy response will create a squeeze for economic activity. The impact of global political trends and national elections are also a source of uncertainty. Housing market conditions are creating increasing welfare issues; a significant correction in the housing market would create a different set of issues.	There may be a negative impact on council revenue through investment fund performance and pressure to relieve affordability issues for ratepayers. At the same time, there may be a higher level of service required from council in response to higher unemployment, a higher proportion of the community on fixed income, exacerbation of existing inequalities in our communities, changes in employment types and skill requirements. Current trends in house prices are likely to create ongoing hardship for many in the community. The effect of the council's rating on this issue will depend on the extent to which the cost of rates are passed through to renters, and whether there is a significant correction in property prices.
Governance, partnering and engagement			
Legislative change and central government priorities It is assumed there will be change to legislation affecting our work programme, including how we operate, what we do and who pays for what. During the ten years of the plan, we assume the Resource	Different functions and services may be required of the council to	**Uncertainty level:** High **Sources of uncertainty:** General elections are scheduled over the life of the plan. Central government priorities are likely to change with new governments and over the ten years of the	For the region, legislative and priority changes could affect the way we manage land, the allocation of water, the management of key infrastructure or the cost of providing services, the way we prioritise transport planning and provision.

Assumption	Risk	Level of uncertainty	Implications
Management Act will be replaced. The new legislation passed in 2023 has been repealed by the coalition government. The government has signalled that a comprehensive process with the country will be undertaken when re-crafting resource management legislation, having noted that this may take up to 12-18months. Until such time as we have new legislation the provisions of the RMA are in force. Impacts of constant legislative changes will impact policy and plan development programmes (both in resource management and transport planning) , consenting and compliance, monitoring and enforcement functions. Council's operations will also be impacted, where the costs of compliance with regional and national direction may change. Further there may be investment in infrastructure that are required, or planned, that may no longer be needed. At this stage it is too early to confidently predict what will be in the legislation, what we do know is that there will be a willingness to 'make things easier for consent holders to do business'. We may also see new governance roles and responsibilities for climate change and public transport. In addition, the government has signalled it will consider the future of local government reform alongside reforms in infrastructure funding and financing. These shifts in central government direction and priorities could potentially increase council's workload with respect to community engagement and decision-making processes. It is assumed that central government will not change legislation or policies and priorities without advanced notice to local authorities. We assume that work underway relevant to the management and regulation of natural resources will have a significant effect on our work. It is also noted that Te Ture Whaimana o Te Awa o Waikato, the Vision and Strategy for the Waikato and Waipa Rivers, is presently being reviewed. Te Ture Whaimana is the primary direction setting document for the Waikato and Waipa catchment and should there be any inconsistency between national direction and Te Ture Whaimana then Te Ture Whaimana prevails.	implement legislative changes or central government priorities. The timeframes and notice given to implement required changes may be shorter than expected.	plan. There is uncertainty about what those priorities may be or what legislative changes may be proposed.	If changes to legislation or priorities require the council to provide different or additional services, or to significantly increase or decrease levels of service or operating costs, staff will assess implications and present these to council for consideration. Should any change trigger engagement thresholds then consultation may be required through Annual Plan processes. It is not currently possible to quantify the potential financial impact of such changes.
Waikato Regional Council policy and plan changes We assume that work underway on our policies and plans will have a significant effect on our work, e.g. Healthy Rivers/Wai Ora: Proposed Waikato Regional Plan Change 1, the Proposed Regional Coastal Plan (notified in August 2023), and the Freshwater Policy Review (required to be notified by December 2027). The new government has recently extended the deadline for notifying a reviewed freshwater policy	The timeframes to implement any required changes may alter over the period of the LTP . There is also a risk that the policies or plans that we	**Uncertainty level:** Medium **Sources of uncertainty:** Changes in central government in future years may change relevant overarching legislation and associated national direction.	If we develop policy and plans that are inconsistent with legislation it may damage the council's reputation and/or result in potential financial penalties and/or liability, and/or the costs of implementation may be higher than planned for.

Assumption	Risk	Level of uncertainty	Implications
instruments to December 2027. Although there may be changes to national direction under the new government (e.g. in respect of the timeframe for notifying the Freshwater Policy Review), it is assumed that the development of the policies and plans will progress in line with expected timeframes and that we will be able to deliver our services as required within existing budgets.	develop do not comply with the law or are challenged. If the plans change through the Court system, there is a risk that the implementation costs of any final planning instrument are materially different to that proposed by the council.		
Iwi expectations There is increasing influence of iwi in the region. Existing and nearly completed Treaty settlements are increasing the economic power of iwi and this will increase expectations on the council, for example, over natural resource management. Iwi interest in the council's activities will continue to increase, including expectations from iwi to participate as a partner in decision making. However, iwi entities have finite capacity to engage with local and central government institutions in their rohe. In addition, recent developments are placing considerable capacity and capability-related pressures on iwi Māori entities to meet this increased demand. These recent developments include an increase in central and local government reform and policy agendas, and requirements to work with iwi Māori in relation to biodiversity, freshwater, RMA reform, and climate change adaptation and resilience. It is assumed that the council's recent increase in investment in this area will help to mitigate the risk associated with this assumption.	That the council / iwi cannot meet expectations and an increased level of service and/or resourcing is required.	**Uncertainty level:** Medium **Sources of uncertainty:** Expectations may change or be otherwise different to what the council has assumed it to be, requiring additional funding to respond to the change.	Evolution of the partnership approach and co-management will result in higher expectations from iwi partners and require more/different skills from staff e.g. more training/mentoring of staff. This may also require additional resources in the areas of: • Policy and strategy that seeks to incorporate shared priorities. • Relationship management - including an increase in the number and requirements of the JMAs and/or similar agreements /arrangements. • Elevating the maturity of partnership responsibilities and responsiveness in areas such as the meaningful integration of mātauranga Māori.
Community expectations Public interest in the council's activities is expected to continue to increase, including demands from communities to participate at all stages of local decision-making processes in ways that suit their interests and needs - for example events such as climate strikes and the discussion on lowering the voting age demonstrate that younger generations are taking a more active role in shaping decision making processes. Increasing public expectations of	That the council cannot meet community expectations and an increased level of service is required. Increased community expectations may not be compatible	**Uncertainty level:** Low **Sources of uncertainty:** Uncertainty is linked to both potential population and demographic changes and the unknown impact of disruptive technologies.	Individuals who might otherwise have remained voiceless may connect more and voice their concerns through changes to engagement processes. This may lead to the need for the council to make unexpected changes to service delivery. With increased expectations for co-creation and citizen input in council business that was historically hands off,

Assumption	Risk	Level of uncertainty	Implications
environmental quality also drive-up response requirements, and therefore the costs of meeting them. We expect to face increasing challenges with social engagement and misinformation, as there will be an increasing demand for personalised, timely and accessible services. While the use of social media provides an opportunity in this area, it is also a challenge that needs to be managed, especially as it increasingly becomes a method for spreading misinformation. Combatting misinformation can be achieved through increasing transparency by ensuring accurate information is easily accessible to the community. Addressing these challenges is critical for building trust and creating an informed community, while robust security, privacy, and transparency will remain core challenges for the council.	with the costs associated with meeting those expectations (either the financial costs or the opportunity costs of regulating/ restricting activities).		increases in costs and longer engagement timeframes may be required. Policies such as the Significance and Engagement Policy will need to be reviewed and updated as community expectations and preferences evolve.
Technology			
Disruptive technology Technology development is progressing faster than in the past, at a rate that is overwhelming society's ability to adapt. Whereas technology in the past replaced muscle, today technology is also replacing cognition, which may affect how the workforce of the future is structured through a shift in the demand of skills. Adaption of new technology by the council and our communities will require support to remove barriers to desirable change. Use of new technology will be necessary to help provide communities with data, and a way to engage with the council. Through technology, communities will be increasingly involved in the council's work in different ways and be empowered to take action. However, the increased use of technologies such as artificial intelligence has the potential to increase the spread of misinformation and create mistrust, potentially undermining governments and institutions. Therefore, it will be increasingly important to be transparent and accountable in decision making processes to address the potential increased loss of trust.	Loss of opportunity and innovation through not adopting new technology. New technology occurs that fundamentally disrupts local government at a pace or scale that overwhelms the sector's ability to adapt.	**Uncertainty level:** Medium **Sources of uncertainty:** Disruption is, by its nature, uncertain. The type or timing of any disruption is unexpected and is outside the control of the council. However, the council can manage this uncertainty by fostering a working environment that allows for agility in decision making and change at both a governance and operational level.	There could be wide and varied impacts on the council and the Waikato regional community depending on the nature of the disruption. It is emerging that technology disruption will be a consequence of the recovery from the Covid-19 pandemic. An existing trend of transition to online and hybrid work environments and dissolution of the traditional workplace could be accelerated, which will have impacts on many things including how commercial buildings are used, and how people travel throughout the region and internationally. There may also be more innovative and participatory democracy processes available to be used, such as citizen's assemblies.
Global pressure			
Global crises It is assumed that the council will be able to maintain its level of service during a global crisis (e.g. pandemic, energy, financial, resource scarcity / supply crises, or war etc) with sufficient systems and procedures in place to ensure business continuity.	If there is a global crisis, the council's ability to provide services will be greatly impacted.	**Uncertainty level:** Medium - High Sources of uncertainty: The Covid-19 pandemic provides a good example of the cascading	The council may be required to stop activities to focus resources on a major Civil Defence response around the region.

Assumption	Risk	Level of uncertainty	Implications
It is also assumed that the council will be able to adequately resource and support any Civil Defence response in the event of a global crisis.	This risk is made worse if there are multiple crises happening at the same time, like a series of weather disasters that damage infrastructure and cause food shortages, which could cascade into other problems like financial, economic or health crises.	issues global crises can create. In New Zealand, the full impact of the pandemic is still unknown, with pandemic-related effects (such as higher inflation) becoming entrenched in the post-pandemic environment. In any case it is unknown when another global crisis might occur, and as we continue to overshoot planetary boundaries, and social inequality is allowed to widen leading to increased poverty, the risk of, and vulnerability to, global crises is increased.	If there was a need for widespread self-isolation, quarantine or complete lockdown, there would be an impact on public transport requirements, as well as other customer-facing, direct contact activities. The council has systems and procedures in place for many staff to be able to work remotely if needed, however, some of the council's activities simply cannot be performed remotely. If the crises involved a national or global economic downturn, there would likely also be a significant impact on some ratepayers' ability to pay their rates, therefore affecting the council's income. The council's investment fund may be negatively affected. Given the type of crises or potential impacts associated with this assumption are unknown and come with a high degree of uncertainty, it will be critical that the council retains the ability to adapt and change in response to changes in its operating environment that cannot currently be foreseen.

Ngā hinonga kaunihera | Council controlled organisations

Waikato Local Authority Shared Services

Waikato Local Authority Shared Services (Co-Lab) is a council controlled organisation (CCO) owned by 12 local authorities – Waikato Regional, Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua District, South Waikato District, Thames-Coromandel District, Waikato District, Waipa District, Waitomo District and Western Bay of Plenty District.

It was established in 2005 as a vehicle through which councils could collaborate and identify opportunities to undertake activities on a shared basis. More recently, the purpose of the company has shifted towards being to a true service delivery agent for, and strategic partner of, the councils.

The company's vision is that council collaboration through Co-Lab maximises community outcomes. To achieve this, Co-Lab has three main functions:

1. Acts as an "ideas laboratory" – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements.

By undertaking these activities, Co-Lab provides three key benefits to councils:

1. Reduces costs through efficiency gains in FTE or time; procurement savings; reducing unit cost of product / service.
2. Creates value through improving levels and quality of service; increasing skills, expertise or compliance; improving decision making.
3. Enables innovation and change through research and opportunity development; providing centres of expertise/skills; collaboration and regional insights and enabling councils to provide a consistent customer experience.

Member councils currently pay an annual levy, depending on their size, to support the operating costs of Co-Lab. Services provided to councils are funded on a user pays basis.

The Co-Lab board has six directors – five council-representative directors (including one appointed by Waikato Regional Council) and an independent Chair.

More detailed information about Co-Lab can be found at Home - Co-Lab (colabsolutions.govt.nz)

Performance framework and measures

Co-Lab's 2024 Statement of Intent introduces a new suite of performance measures that track progress toward the company's strategic goals.[4]

Strategic Goal	3-year objective	Annual KPI
Shareholding councils understand we provide them value	We know the value we provide shareholders has improved by 15%, by 30 June 2027* *(baseline y/e 30 June 23).* By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. **Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).*	Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	Expand the utilisation of Co-Lab's shared services by a minimum of 24 customers, by June 2027 *(baseline y/e 30 June 23)*	Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.

4 *Note the company's Statement of Intent at the time of this publication is draft and subject to shareholder consultation.*

Strategic Goal	3-year objective	Annual KPI
Diverse, talented and motivated people work for us	Staff engagement increases by 5% by 30 June 2027. Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. *(All baselined y/e 30 June 23)*	Year-on-year increase in staff engagement. Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Lake Taupō Protection Trust

The Lake Taupō Protection Trust (the Trust) CCO was settled on 9 February 2007.

Lake Taupō is recognised as a national icon. Its importance, not only as an attraction for locals and people living in the Waikato region but nationally and as an attraction for international tourists, has been recognised. Work undertaken by a number of organisations has shown that the quality of Lake Taupō has begun to degrade for a number of reasons. The Lake Taupō Protection Trust was established as a CCO to administer a public fund to protect Lake Taupō.

The purpose of the trust (as set out in the draft deed) is the maintenance of water quality in Lake Taupō through reducing nitrogen levels in the lake's catchment. The trust is jointly administered by four organisations: Waikato Regional Council, Taupō District Council, Tūwharetoa Trust Board and the Crown.

Company objectives

The trust's role is to protect Lake Taupō's water quality by reducing manageable nitrogen leaching into the lake by 20 per cent or approximately 153,000kg. After a review of the project in 2011 and on consideration of the final figures on the total nitrogen obtained from the benchmarking exercise undertaken by Waikato Regional Council, the project's nitrogen reduction target was increased to 170,300kg.

The effect of this increase was that the remaining project funds were not able to achieve this new nitrogen reduction target. Additional Crown funding was received in April 2013 which enabled the two local authorities to subsequently release additional funds to enable the project to progress to the new nitrogen reduction target.

The term of the project agreement signed by the Crown, Waikato Regional Council and Taupō District Council establishing the Lake Taupō Protection Project was due to come to an end on 30 June 2021. However, after joint 2021-2031 Long Term Plan consultation between Taupo District Council and Waikato Regional Council on the future of the project, both councils agreed that the trust would continue to oversee the nitrogen discharge agreements into the future. However, the settlors (Waikato Regional Council, Taupo District Council and the Crown) will undertake and complete a review of the arrangement within 24 months' time to consider whether the new governance and management structures are the most efficient and cost-effective ways to manage the agreements.

Regional Software Holdings Limited (RSHL)

Introduction

Regional Software Holdings Limited (RSHL) was formed in October 2012 by Northland, Taranaki, Horizons, West Coast and Waikato regional councils, and Environment Southland. The six councils worked closely together over a number of years to develop and maintain a software application suite for use by the councils in the delivery of their activities.

The RSHL was restructured by Te Uru Kahika during the 2023 financial year, transitioning to be the regional sector shared services organisation. Existing Te Uru Kahika collaboration and resource sharing has been consolidated within RSHL.

RSHL provides a framework for collaboration across Te Uru Kahika.[5] It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements.

Members of the RSHL Board of Directors are appointed by the shareholders to govern and direct RSHL's activities. The board is made up of six non-independent and two independent directors.

Company objectives

The primary objectives of the Company are to:

- Ensure the local government sector is better prepared to respond to future challenges.
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector.

5 *Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.*

- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile.
- Improve key staff attraction and retention.
- Achieve consistent good practise process across the sector and within councils.

The secondary objectives of RSHL are to:

- achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent;
- be a good employer;
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

Performance targets by which the success of the company may be judged in relation to its objectives are:

Performance measures

		2023/24	2024/25	2025/26
Non Financial	Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Complete baseline survey.	Complete survey. Results to be better than previous year.	Complete survey. Results to be better than previous year.
	Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive	Applies each year		
	Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System. Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs. Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.	Complete baseline survey.	Results to be better than previous year.	Results to be better than previous year.
	Effectively support the activities of the Te Uru Kahika through the Regional Sector Office. Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.	Applies every year.		
	Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	Applies every year.		
	Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	Applies each year		

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

Martha Trust

Introduction

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihi Gold Company, settling the sum of $10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake in a safe and stable manner, so the areas can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site.

The Company provided further funds to the Trust in 2019 to enable the Trust to undertake amendments to the Trust Deed. This task was completed mid-2021 and the Trust is now largely in abeyance with minimal ongoing activities.

Exemption of Martha Trust as a CCO

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the Local Government Act. The Martha Trust was originally exempted from being a CCO by resolution of the council in May 2007 and more recently this was further confirmed by council in June 2021. It is not practical for accountability requirements and performance monitoring of the Martha Trust to take place until such a time as it becomes operative. Therefore, by granting an exemption, the council has provided a dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemption of the Martha Trust as a CCO will again be reviewed on a three year basis, or earlier, if either the mine closes or the settlor settles the capitalisation sum on the Trust.

Trustees

In April 2019 a capital sum of $50,000 was settled on the Trust by the Settlor. This had the effect of activating the Trust. Trustees to the Trust (representing Waikato Regional Council and Hauraki District Council) have been appointed. Although the supporting mechanisms of the Martha Trust exist, such as the governance structure and bond, the Trust will not become a fully operative entity until such time as the closure and rehabilitation conditions are achieved. The Martha Trust is currently funded by the Company to enable an annual meeting to occur as required by the Trust Deed.

Te Kaupapahere Tāpuatanga me te Whakapānga | Infrastructure strategy

Executive summary

Today, Waikato Regional Council is responsible for flood management and land drainage assets with a replacement value of $1.12 billion. Those assets range in age, from pump stations built in the 1920s on the Hauraki Plains to flood protection schemes in the Coromandel built in the early 2000s.

More and more of our infrastructure is coming to the end of its effective life, and we currently have 15 per cent of all infrastructure in a poor or very poor condition. Also, a number of our assets are in good condition but are under-performing because of issues such as peat settlement.

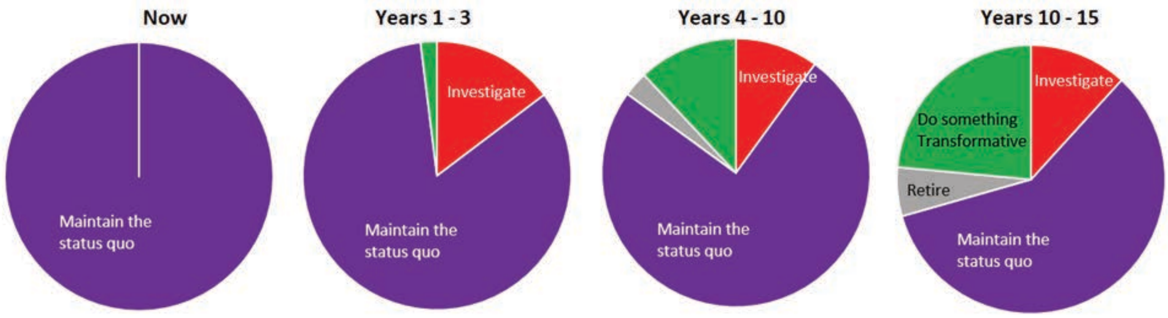
At the same time, we are facing unprecedented climatic change, including extreme weather. Simply replacing or repairing existing assets, as we have done in the past, may no longer be economically sustainable, affordable or workable.

Much thinking about a future approach to infrastructure has already been done. The council has already agreed it wants *resilient communities that plan for intergenerational wellbeing, develop with nature in mind and are able to respond to and recover from adversity.*

To plan for intergenerational wellbeing, and to meet the strategic priorities set for our region, we must, over time, fundamentally change the way we invest in, manage, and pay for infrastructure.

This rewrite of the Infrastructure Strategy is to begin the process of realigning work programmes to deliver this.

In the past, the key objective for infrastructure management was to do everything possible to maintain the original levels of service agreed with the communities. The change in strategy proposes two additional pathways. This would mean over time we move from attempting to maintain the status quo for 100 per cent of our asset base to increasingly apply critical thinking to how we provide resilience in our flood protection and land drainage networks and recognise where the status quo may not be feasible.



Currently, asset condition and performance to manage the impact of flood events is considered when making decisions on the operation, maintenance and renewal of our flood and drainage assets. The first new pathway is to consider the broader and longer-term risks and issues facing our communities, catchments and infrastructure.

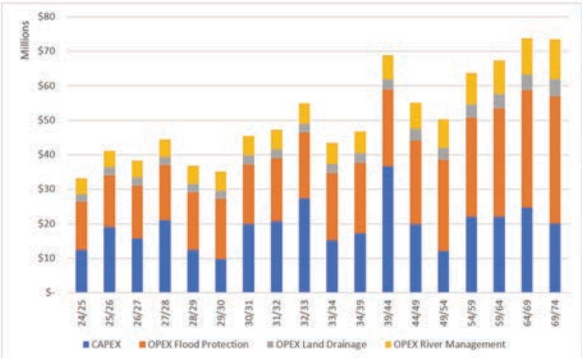
This information is then used to determine if a systematic change is required and what options are available to achieve that change. It is expected that this new pathway will result in a greater level of community engagement on a broader range of issues such as land use alternatives and environmental targets as part of their level of services. Other alternatives to managing flood risk will also be considered, such as providing room for rivers through improved spatial planning and land-use management.

The second pathway provides a much greater focus on transforming how we enable our communities to be resilient. Instead of focusing on larger and larger pumps and floodgates and deeper or more extensive drainage networks, we need to enable the community to consider alternatives, like converting a paddock into a wetland rather than installing a new drainage pump. Or doing work in the upper catchment to reduce pressure on farmers downstream. Or looking to install upstream fish passage options.

Critical to the introduction of these new pathways is engagement and collaboration with communities, and in particular landowner groups, iwi and other catchment stakeholders. It is also critical that we are working with and have access to the most up-to-date research on flood risk resilience from around New Zealand and the world.

If the council adopt this proposed Infrastructure Strategy, immediate measures of success that demonstrate that the council is making the required shift could include the completion of a funding policy review, the clear identification of areas where we need to consider something fundamentally different to now, and the identification of areas where a level of service needs to be sustained and a methodology on how we have this conversation with the community.

The operational and capital expenditure required for the next 50 years has been included in the proposed Infrastructure Strategy. This is based on what we currently understand about the needs of our infrastructure. Over time, and as the new pathways are implemented, it is expected that this expenditure will shift to be more sustainable for our communities. This may also alter the split between operational and capital expenditure depending on the nature of the work undertaken.



Supporting our strategic direction

In reviewing and updating the *2021-2071 Infrastructure Strategy*, we have taken strong direction from agreements already in place with our partners, stakeholders and regional community.

Specifically, we have been guided in this update by Takatū Waikato, Making a Stand for the Waikato, Strategic Direction 2023-2025 (see Appendix A) which was adopted by the council in 2023.

Takatū Waikato defines six strategic priorities, including *Sustainable Development and Infrastructure*. The aim of this priority is achieving *'resilient communities that plan for intergenerational wellbeing, develop with nature in mind and are able to respond to and recover from adversity'*, and the proposed Infrastructure Strategy adopts its goals for success (see Figure 2).

Figure 2: Our goals for success

- Ensure infrastructure in the region is planned and provided for, and that it is economic, sustainable, and climate resilient out to 2050 and beyond.
- Involve communities, and iwi and hapū in understanding risks and developing short and long term management strategies that are holistic, sustainable and adaptive.
- Engage communities, and iwi and hapū in the development of a sustainable flood management and land drainage infrastructure strategy that considers land uses, working with nature and funding.
- Advocate for infrastructure and investment decisions that support greater climate resilience and rapid transition to a low carbon freight and distribution network through the upper North Island.

The *Infrastructure Strategy* supports the purpose of our strategic direction: *Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy*.

The direction outlined in this strategy is consistent with our draft *2024-2034 Long-Term Plan* (see Appendix B), which seeks to build resilience across our region.

Key principles

The strategy assumes the council will continue to manage its infrastructure assets based on the following key principles.

- Decisions are aligned with the council's strategic direction and priorities, taking account of climate and other natural changes.
- Services and infrastructure assets provide appropriate levels of service in a sustainable manner over the long term.
- Council infrastructure assets are managed in accordance with statutory and regulatory requirements and consistently with direction provided in the National Adaptation Plan and the Emissions Reduction Plan.
- A whole of life approach is taken for all decisions on infrastructure assets incorporating asset lifecycles and condition ratings.
- An integrated catchment management approach is taken to the planning, delivery, operation, renewal and disposal of infrastructure assets and includes responding to the demands for new capital.
- Decisions are made using a transparent and defensible decision-making process that is evidence-based and incorporates sustainability and climate change, with all four wellbeings at its core (economic, social, environmental and cultural).

The purpose of this Infrastructure Strategy

This proposed Infrastructure Strategy provides a high-level view of infrastructure managed by the council, and how we propose managing that infrastructure over the next 50 years.

It identifies important infrastructure issues and challenges for our region and identifies transitional pathways to help address those issues. Over time, implementation of this strategy will help us achieve *'resilient communities that plan for intergenerational wellbeing, develop with nature in mind and are able to respond to and recover from adversity'*.

This strategy covers the council's:

- flood management schemes (for example, pump stations, stopbanks, floodgates)
- river management assets (for example, rock groynes)
- land drainage schemes (for example, culverts, gates, flood flaps)
- catchment management assets (green infrastructure, for example, fences, plantings, weirs, erosion control structures)
- other assets (for example, powerlines, bridges, lake structures, dams).

Some important non-structural assets are not yet included but will be considered in future strategies, including:

- monitoring sites
- plant and equipment (for example, pumps, self-propelled vessel, etc)
- pool and fleet vehicles
- software.

The nature of our involvement with public transport and associated infrastructure will also require inclusion in the future.

This proposed strategy will be communicated with our regional communities and supports other work already underway by the council (see Figure 3).

Figure 3: Waikato Regional Council's strategic framework for flood protection and land drainage infrastructure

Looking back: A brief history of flood management and land drainage

Drainage and flood management work began in New Zealand close to 150 years ago, primarily aimed at protecting agricultural land. Efforts to protect land and enhance its productivity expanded significantly following the Land Drainage Act (1908), which formalised drainage areas and boards.

At the turn of the century, many New Zealand rivers were used as transport routes and helped support economic activity. By the end of World War II, reliance on river transport fell sharply as the Government upgraded and expanded the national roading network. Without adequate flood management, disruption of those new and developing road transport networks became a major challenge. Valuable farmland was also vulnerable to flooding.

Meanwhile, the Government had embarked on developing hydroelectric power schemes to provide energy for a growing nation. Managing the water flows reduced flooding downstream, minimising disruption to the country's fledgling national road and rail networks.

Major change

In the 1940s, the Ministry of Works (later known as the Ministry of Works and Development) was charged with facilitating the construction of flood management and drainage schemes to support economic growth in the region. Most flood schemes were constructed in the late 1950s-1970s, with activity winding down in the 1980s.

In 1988, the Ministry of Works and Development was disestablished. In 1989, the Local Government Act 1974 was amended to create 11 regional councils, which became responsible for flood management and land drainage activities. From that point, the maintenance and renewal of flood management and land drainage schemes was funded locally, and not by the Government.

The Resource Management Act 1991 then placed the requirement on regional councils to develop plans for managing natural resources. Further, amendments to the Local Government Act 1974 in 1993 introduced a requirement to develop asset management plans for community assets and networks managed by councils across New Zealand. Waikato Regional Council developed its first generation of asset management plans for major flood schemes in 1997, covering river management, flood management, drainage and soil conservation. Funding policies were also developed to fund the work required.

Our infrastructure assets, today

On behalf of our region's communities, Waikato Regional Council currently owns a number of flood management and land drainage schemes across the Waikato, Hauraki, Coromandel, and Taupō areas. Land protected in the lower Waikato catchment is estimated to contribute $166 million annually to gross domestic product (GDP). Land protected by the Waihou-Piako flood management scheme is estimated to contribute $265 million annually to GDP. See Appendix E for discussion of economic impact, funding, affordability and infrastructure programme assumptions.

Specifically, at the time of writing, the council manages 468 floodgates, 116 pump stations, 554 kilometres of embankments and 465 river management and catchment management assets, including dams, bridges, culverts, fences and more.

It is a costly business. Over the next 50 years, the council expects to invest over $1 billion in flood management and land drainage infrastructure. A further $1.87 billion is expected to be spent on non-capital related costs, including ongoing operating and maintenance, and depreciation.

Some of our flood management and land drainage schemes are now at least 40 years old – in some cases much older. Some pump stations on the Hauraki Plains were built in the 1920s, while the newest flood management schemes, in the Coromandel, were built in the early 2000s.

Over the last 10 years, we have worked to bring stopbanks, and other infrastructure not performing, to their minimum agreed service level. But an assessment of the condition of our assets continues to paint a stark picture. Currently, 15 per cent of our asset base is in a 'poor' or 'very poor' condition, up from 13 per cent three years ago. See Appendix F for maps showing asset condition by asset class.

In simple terms, more of our flood management and land drainage assets are coming to the end of their lives. Others are degrading at a faster rate than we can afford to repair or replace them.

Simply replacing or repairing existing assets, as we have done in the past, may no longer be economically sustainable, affordable or workable. To plan for intergenerational wellbeing, and to meet the sustainable development and infrastructure goals we have set, we need a fundamental change to the way we invest in, manage and pay for infrastructure in the future. To assist decision making in this regard, the Sustainable Infrastructure Decision-making Framework (SIDF) has been developed and will be refined over the period covered by the *2024-34 Long Term Plan*. Appendix D contains further information about the SIDF.

The challenges we are facing

Subsiding peat soils (morphology)

Peat soils are very important to our region as they store water. However, peatland is also economically important, with approximately 60 per cent of our peatlands in the Waikato used for dairy farming.

To enable farming, many flood management and drainage assets were put in place decades ago. In many areas, this has caused the peat to subside, bringing water tables closer to the surface. In particular, our peat soils are subsiding at a rate of up to 20 millimetres per year. As a result, some of our assets are no longer fit-for-purpose and performing poorly (although still in good condition). In some areas, especially close to the coast, this issue is compounded by sea level rise.

Peat subsidence is further exacerbated by drought conditions, which are projected to increase with climate change. Greenhouse gas emissions from drained peatlands are also estimated to be around 11 per cent of total gross greenhouse gas emissions for the Waikato region.

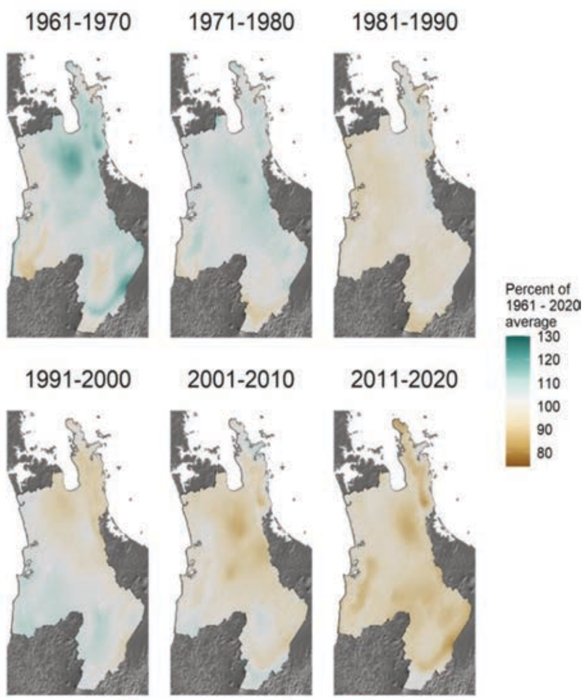
The impact on flood management infrastructure due to subsidence, and greenhouse gas emissions, both have substantial cost implications for how we manage our flood and land drainage infrastructure.

Climate change

Climate change and associated extreme weather events are already having an impact on our flood management and land drainage schemes. Over the last 60 years, the annual rainfall has decreased across the region, but the rainfall we do get arrives in extremes (seen Figure 4). End of summer storms are projected to increase in intensity, but at other times more drought-like conditions will prevail.

Changing weather has implications for both land use and infrastructure. It means our existing infrastructure may not be fit-for-purpose, or economically effective, over the next 50 years. For example, modelling shows the predicted increasing impacts of climate change will require the core height and/or width of stopbanks to be increased. This will cost significantly more.

Recent weather events have already shown that providing the same levels of service as we have in the past will not assist our communities to build resilience in the future. To get the most out of flood management and land drainage infrastructure, we must explore solutions other than building bigger. This includes nature-based solutions to help us successfully adapt for the climate future we know is coming.



Affordability and insurance

Flood management and land drainage scheme assets come at a significant cost. Over the 50-year life of this strategy, we expect to invest over $1 billion in replacing flood

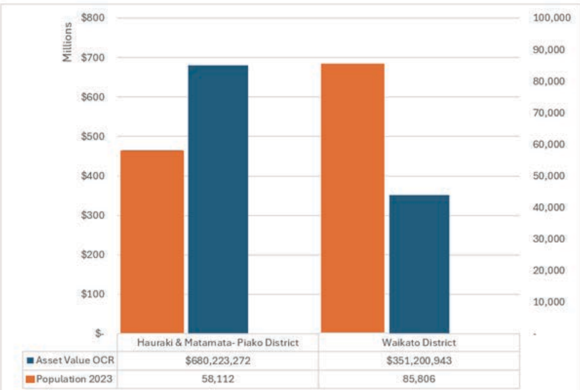
SECTION 5: Supplementary material Ngā āpitihanga management and land drainage infrastructure. The ability of landowners and the wider regional community to pay this is a significant issue and of serious concern to the council.

This is particularly relevant in the Waikato district and Hauraki Plains. The schemes in these areas have a considerable replacement value with costs largely borne by modest populations (see Figure 5). The Waikato scheme also protects nationally significant assets including State Highway 1 and the North Island main trunk rail line. There is no taxpayer contributions to flood and drainage asset costs; they are wholly borne by Waikato regional ratepayers.

Insurance companies have been re-evaluating the level of risk they are willing to insure against. As the impact of climate change continues to evolve, insurance premiums and excesses are increasing. This was illustrated starkly by devastating flooding in Nelson and Hawke's Bay. We are now facing insurance retreat, and insurance companies may not provide insurance against coastal or river flooding in high-risk areas across our region.

The council has regional flood recovery reserves to cover damage for smaller events, and external insurance cover for large events. But as extreme weather events increase in frequency or size, and damage becomes more widespread, the money from rates will not replenish the fund quickly enough. This would make the current insurance model unsustainable.

Figure 5: Catchment zone population and asset values



Land use

Land use within the Waikato has changed significantly since the flood management and drainage schemes were built. Many parts of the region that were once agricultural have been re-designated and developed for commercial and residential purposes. In some cases, this has created a new flood risk for communities that reside in low lying areas or behind stopbanks due to the change in land permeability. Similarly, the expansion of commercial and urban development has either overloaded some drainage networks or made them redundant.

A change in land height (morphology) has also made some networks ineffective in removing water, changing what that land can be used for and triggering requests for increased pumping investment.

Legislative requirements

There have been more than 15 directly relevant legislation changes since our last Infrastructure Strategy was adopted in 2021. We must respond to legislative and regulatory changes, and we expect that they will continue to change substantially over the next 50 years.

Major upgrades take several years to plan and implement, but legislation can also change in the time it takes to deliver works.

Business capability

Changing water systems, morphology and weather, alongside changing legislation, is creating real uncertainty when it comes to infrastructure. We are being called upon to make increasingly complex decisions within a rapidly changing environment, and this has capacity and capability implications for Waikato Regional Council.

The delivery of our capital programme is reliant on external contractors, but contractors are in demand from a range of organisations, which often have greater scale infrastructure project requirements and budgets. There are times when we simply cannot secure the resources we need and in the required timeframes. This is also problematic when all organisations are vying for the same pool of contractors for remediation after extreme weather events, for example, as occurred after Cyclone Gabrielle in February 2023.

The council has in-house staff with flood management, river management and capital project management skills. There is a national shortage of experts in these fields, and it is challenging to attract and retain skilled and experienced staff. Also, as replacing infrastructure becomes more technically complex, either due to changes in technology or new legislation requirements, new skills are required to competently carry out core business activities.

In the meantime, as severe weather events continue to increase, there will be more emergency works and storm repairs; all of which must be dealt with along with the delivery of our longer-term capital replacement programme.

Future state

We need to transition over time to adopt a more sustainable way of managing flood risk to create resilient communities and support a strong economy.

We must actively move towards a more holistic approach to catchment management that supports 'resilient communities that plan for intergenerational wellbeing, develop with nature in mind and are able to respond to and recover from adversity'.

How we will get there

We have identified two additional pathways to go with our two existing pathways that, over time, will lead us to a more sustainable and resilient way of meeting the flood management and land drainage needs within our region.

Existing pathways:

1. Maintenance improvement
2. Collaboration and research

New pathways:

3. Apply our Sustainable development and infrastructure strategic priority
4. Transformation

Transitioning over time will help build resilience for communities so they are better prepared for, and better able to cope with, flooding events. It will also allow us to make best use of land, while considering all the issues around ensuring a healthy environment, vibrant communities and a strong economy.

All projects – whether it be infrastructure maintenance, renewal or construction or nature-based solutions – will go through consultation with our partners, stakeholders and the wider community as part of the long term plan process for funding.

Pathway 1: MAINTENANCE IMPROVEMENT

Over the next 10 years, this will continue to be our primary tactic.

We know a large number of our assets are in good condition and performing to their design expectation. For example, currently 92 per cent of our stopbanks are above minimum designed flood height, however, without maintenance there will be an increased likelihood of overtopping (due to either settlement or increased levels) over time.

We will continue to repair and maintain this existing infrastructure, based on the outcomes of annual condition assessments and in field observations. We will continue to examine ways to extend the useful life of these assets through the routine application of predictive methodologies such as vibration analysis, crack detection, oil analysis, etc, for early indication of potential failures that can be addressed before they become catastrophic.

During this time, we will also be actively developing individual asset care plans that clearly prescribe the maintenance required to achieve maximum life of these assets. We expect that over time, our focus will move from the larger capital replacements to just ongoing repairs.

Expected outcomes	
Decision making	We will be clear on which assets are meeting performance and condition expectations and we will publish this information.
Asset management	We will have clear asset care plans that demonstrably reduce the rate of degradation and extend the useful life of an asset.
Financial cost	We will see some increases in our operational budget covering maintenance and a corresponding reduction in our capital budget.
Risk management	The rate of increase of our bow wave of repairs/replacement will reduce.

Pathway two: COLLABORATION AND RESEARCH

We have limited resources, as do other regional and unitary authorities who manage flood management and drainage networks.

To be successful, we cannot achieve our goals alone and need to collaborate with others – other councils, iwi groups, landowners, universities, private companies and special interest groups (SIG), etc. As an example, the regional sector River Managers SIG has been working across a range of shared and common challenges (for example, seeking government co-investment, seeking national asset management practices, building depth in the workforce) to achieve consistency and efficiency. The Waikato region is also rich with academic competence and resources that can be used to support the development of intergenerational solutions that will address our climate risks, and we will need to take more deliberate steps to engage with them on these matters.

Expected outcomes	
Flood risk	More extreme weather means the current design of the flood and drainage defences may need to be changed, for example, stopbanks moved to allow additional water flow, drainage outflows consolidated, alternative floodwater storage sites developed to reduce effects of peak flows, or ways to manage low water conditions during drought to support flora and fauna life behind flood defences.
Peat regeneration opportunities	Where areas are identified as potential sites to reduce natural carbon emissions, we will look to change flood management or land drainage assets in these areas to meet regional targets. This may mean working with iwi groups, local farmers and landowners on land and water regeneration strategies, the moving or removal of current flood defences, and other yet to be developed options.
Water quality	By identifying where land run-off, flood management infrastructure and land drainage assets intersect, there may be areas identified where land should be retired from use within a catchment, which would change the strategy for flood management and land drainage assets in that area. For example, removal of floodgates to enable land regeneration from pastural use to wetlands.

Pathway four: TRANSFORMATION

We will be critically examining the assets that are at end of life, underperforming and up for replacement, and we will actively consider replacement or retirement strategies.

Rather than focus on 'like for like' replacements, we will widen our view. For example, that may mean prioritising nature-based solutions over traditionally built infrastructure engineering solutions. We will have strategies in place to ensure communities are safe from ongoing climatic events, including flooding.

Assets that have significantly degraded or are underperforming will be subjected to a rigorous review and assessment, in consultation with landowners and communities, to determine whether they should be replaced or retired. This will likely result in a reduction in built infrastructure as we prioritise solutions that work alongside nature and contribute towards improvements to water quality.

Flood management assets will continue to help retain and protect the region's economic base but will actively support more diverse land uses. Our efforts will positively contribute to thriving communities that offer intergenerational benefits, including improved biodiversity and other gains.

Expected outcomes	
Asset ownership	In some instances, we walk away from existing assets or transfer them to private ownership.
Service levels	We work with communities to alter the current levels of service to include environmental requirements.
Decision making	We identify which assets may fall into the transformation category and consider the different options.
	Prioritise nature-based solutions over hard built structures.
Funding change	Prioritise lobbying and putting forward business cases for funding of nature-based solutions either through central government or other agencies.
	Explore collaborative options with other SIGs, TAs, etc.

2024-27 Timeline

2024-2027	ACTIONS	Pathways			
		1	2	3	4
Funding policy	Amend funding policies – review scheme beneficiaries to assess if current funding policies continue to be appropriate.				X
	Seek national and community funding/alternative funding sources to begin implementing environmental improvements and nature-based solutions to flood and drainage network management.		X		X
Levels of service	Assessment of asset/scheme performance, where levels of service are currently not being achieved.				X
	Assessment of current levels of service to see if they include the council's climate action and environmental goals.				X
	Where necessary, develop a case for changing the agreed levels of service and provide an overview on all proposed changes to the council for consideration.				X
Decision prioritisation	Put in place a council level governance group to drive change.	X	X	X	X
	Develop methodology on how to engage with communities where a change in level of service may be needed.				X
Contingency planning	The *Regional Asset Management Plan* will continue to incorporate residual risk from natural disasters, and discussion on how these risks are included into regional asset management planning.			X	
	Continue to collaborate with regional, local and national civil defence and improve response planning.		X		
	Maintain regional recovery funds, for when significant events occur.		X		
Work prioritisation	Understand at a local level which schemes are close to being financially non-viable.				X
	Climate risk assessment for the Waikato completed.				
	Flood risk assessment completed (modelling of schemes).				
	Model schemes and develop FRAMP (Flood Risk Activity Management Plans).			X	
	Identify any other areas where strategic changes to our infrastructure should be tested.		X		X
	Complete and have approved internal climate change guidelines and the SIDF.		X		X
	Use SIDF to ensure the impacts of climate change will become part of all asset-related decision-making processes.				X
Build knowledge of current state	Implement monitoring during drought to assess infrastructure damage and alter renewals priorities as a result.		X		
	Monitor pumps and floodgates to better understand the impacts of climate change on asset usage and lifespan.		X		
	Continue investing in flood risk forecasting, coastal inundation and prediction tools. Improved understanding will allow the council to better communicate with communities and stakeholders via the Waikato Regional Hazards Portal and other avenues.		X		
	Continue to improve data and monitoring to enhance flood warning and monitoring outcomes as well as response capabilities following natural disasters, for example, by developing flood forecasting models in partnership with stakeholders.		X		
	Monitor the structural integrity of assets through regular condition inspections.				
Asset care	Expanded condition-based maintenance programme.	X			
	Asset management plans developed and implemented – base plans for each asset group.	X			
	Asset rationalisation and standardisation applied to any new or asset renewals.	X			X
	Extend our outsourced contracting from annual to triennium to secure continuity of service and capability.	X			
	Improved service delivery models (Opex reduction).	X	X		X
	Increase level of planning and contracting out of work.		X		X

	Increase use of automation and artificial intelligence (AI).		X		X
Engagement	Community engagement through the Regional Resilience programme.			X	
Carbon reduction	Investigate alternative building methodologies to reduce the impact of drought conditions on future assets.		X		
	Consistently apply the SIDF and communicate changes with affected communities.				X
	Apply Dynamic Adaptive Policy Pathways (DAPP) for a more holistic and long-term approach, informed by evidence.			X	X
	Consider, calculate and mitigate carbon emissions from infrastructure design and construction.		X		
Regulatory action	Develop process for having more active participation in land use changes.		X	X	
	Apply pressure on central government to leverage funding for flood resilience.		X	X	
	Increase consultation with TAs and communities around development and planning.			X	
	Take an active role in SIGs and other platforms to collaborate with other local government agencies.		X	X	
Increase academic collaboration	Build awareness of new technologies and options to reduce carbon footprint when constructing assets and building environmentally beneficial additions.		X		
	Engage academia in solution building, especially in nature-based solutions that mitigate carbon emissions.		X		
Share knowledge	Continue to collaborate and share knowledge with stakeholders.		X	X	
	Provide information with respect to natural hazard management and assessment of service levels.			X	
	Continue growth planning and population projection workstreams.		X	X	
	Continue Treaty of Waitangi settlement engagement.		X	X	
	Assist ATs in their planning approach.		X	X	
	Use hydraulic modelling to ensure development is sustainable, avoids at-risk areas, and doesn't have an adverse impact on flood risk within the catchment; and to better inform communities and Tas.			X	
	Improve and build connections with communities to advise on best use of land types.			X	
Peatland Resilience Programme	Complete a regional scale survey of the peat resource in the Waikato region to develop a spatial vulnerability index.		X	X	
	Review literature on passive and productive 'wet' land uses (uses that require the water table to be permanently near the land surface).		X	X	
	Literature review and sensitivity analysis to identify risks and opportunities for managing soil carbon stocks in peat and mineral soils.		X		
	Accounting of greenhouse gas (GHG) emissions from drained peat soils in the Waikato region using accepted international methodologies.		X		
Environmental Resilience Programme	Collaborate with council and academic bodies on new ways to promote fish passage and preserve water quality.		X		
	Develop methods to deliver increased environmental protection while supporting sustainable development before legislation takes effect.		X		
	Identify areas where it may be more beneficial to convert land to non-agricultural use.			X	X
Managed retreat	Transfer ownership of land where drainage schemes are no longer viable.			X	X
Role requirements	Undertake a gap analysis of role requirements in the future to deliver this change.		X		
Staff capability	Identify training and development solutions to meet role requirements.		X		
	Identify experienced staff approaching retirement (or leaving) and develop plans to capture their knowledge.		X		
	Provide experienced staff the opportunity to mentor and teach others, allowing them to step back from BAU work.		X		

	Develop clear succession plans for critical roles.		X		

2028-2034 Timeline

2028-2034	ACTIONS	Pathways			
		1	2	3	4
Levels of service	Consider changing agreed levels of service provided by flood management infrastructure or alter level of service agreements.			X	X
Decision prioritisation	Amend decision-making processes to favour nature-based solutions.				X
	Continue to apply decision-making frameworks, for example SIDF and Pathways to the Sea.				X
	Prioritise opportunities for greater promotion of catchment-wide initiatives regarding green infrastructure, including promotion of afforestation in upper catchments as a means of mitigating flood risk.				X
Work prioritisation	Improved service delivery models.	X			
	Use of automation and AI.				X
Share knowledge	Continue to collaborate and share knowledge with stakeholders.		X		
	Provide information with respect to natural hazard management and assessing required service levels.		X		
	Use hydraulic modelling to better inform communities and territorial authorities to ensure all development is sustainable, avoids at-risk areas, and doesn't have an adverse impact on flood risk within the catchment.		X		
	Advise stakeholders on the best use of land types.		X	X	
Increase academic collaboration	Build awareness of new technologies and options.		X		
	Engage academia in solution building, especially in nature-based solutions that mitigate carbon emissions.		X		
Contingency planning	The *Regional Asset Management Plan* will continue to incorporate residual risk from natural disasters, and discussion on how these risks are included into regional asset management planning.		X	X	
	Continue to collaborate with regional, local and national civil defence and improve response planning.		X		
	Maintain regional recovery funds for when significant events occur.		X		
Engagement	Continue to find ways to engage with and influence stakeholders and community groups, such as the development of community adaptation projects, for example, Wharekawa Coast 2120.		X	X	
	Develop joint solutions with stakeholders to mitigate the impacts to inland water species and water quality in drainage systems.				X
Build new assets	Increase coastal protection asset base.				X
	Build resilient structures.				X
Peatland Resilience Programme	Implement the findings from research conducted in the previous three years.				
Environmental Resilience Programme	Implement findings/solutions from the previous three years to deliver increased environmental protection while supporting sustainable development.				X
	Conversion of land to non-agricultural use.				X
Regulatory action	Implement proposed changes in the council's role in land use change.		X		X

2035-2045 Timeline

2035-2045	ACTIONS	Pathways			
		1	2	3	4
Engagement	Continue to find ways to engage with and influence stakeholders and community groups, such as the development of community adaptation projects, for example, Wharekawa Coast 2120.		X		
	Develop joint solutions with stakeholders to mitigate the impacts to inland water species and water quality in drainage systems.		X		
Decision prioritisation	Continue to apply decision-making frameworks, for example, SIDF, Pathways to the Sea.				X
	Continue promotion of catchment-wide initiatives regarding green infrastructure, including promotion of afforestation in upper catchments as a means of mitigating flood risk.				X
Build new assets	Increase coastal protection asset base.				X
	Build resilient structure.				X
Peatland Resilience Programme	Continue to implement change based on programme outcomes to date.				X
Regulatory action	Continue to guide territorial authorities on land use change.		X		

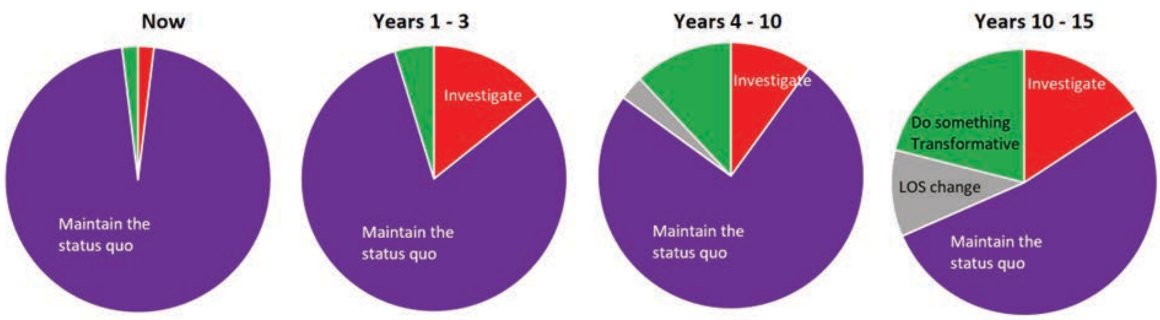
What success looks like:

- Flood management and drainage services are provided in a cost effective and efficient way.
- Improved community resilience to flooding effects, so that the time taken to recover after an event remains the same as today for those areas protected by the scheme.
- Ecosystem services provided by land and water are maintained or improved.
- Nature-based solutions are considered alongside more traditional engineered approaches.
- The council explores cost effective alternatives, including mātauranga Māori, for flood management and drainage. The quantum of land within flood and drainage area that can be used productively is maintained where appropriate.
- The council makes investment decisions that reduce community vulnerability, risk and support adaptive responses. The council is able to make long-term decisions on investment need and communities are able to make long-term decisions on the use and development of their land.
- The council removes barriers and enable initiatives to diversify economic activities.

Transitioning to a net carbon zero region requires us develop innovative responses. All major rebuilds should show how they are helping the region reduce its carbon footprint.

All major rebuilds (rather than just a component replacement) should include a catchment, river restoration works, or biodiversity component to offset water quality issues created by infrastructure.

If we do this right we should see a move from our current pathway, to building more resilient communities.



Significant decisions and assumptions

With building the operational and capital 50 year forecast in this strategy, several key assumptions have been made. A detailed list of these assumptions is in Appendix G.

Notwithstanding any adaptation and changes in land use that may occur in response to the projected increase of risk from natural hazards, it is anticipated that there will continue to be a need for infrastructure for flood management purposes over the next 50 years. The biggest risk is the affordability of the schemes to the local targeted rate payers.

All plans used to create the financial forecast in the next section currently balance doing the least possible to meet current levels of service, and maximising community benefits when expenditure is required.

Current uncertainties in the plan are from the unknowns – the actual (inflated) costs for goods and services needed to maintain our current asset stock. The implications of this risk are heightened if there is a widespread event again like the 1989 floods in the Waikato giving rise to significant unexpected costs.

With regards to catchment planning, Appendix D sets out how the council will apply the Sustainable Infrastructure Decision-making Framework (SIDF) when working with the community to make long term decisions on whether levels of service should be altered, or if a different approach should be taken in how a catchment and its risks are managed. The Infrastructure Strategy and associated documents at local and regional levels will be updated accordingly.

With regards to operational and capital works expenditure at individual sites, when the need for work is triggered, an investigation into options follows, and the costs and benefits of those options evaluated before flowing through to the annual works programmes.

These triggers are in the Regional Asset Management Plan, available on the council website.

We expect a change in the forecast works in the next infrastructure strategy as we move forward down the two new pathways set out in this strategy.

Finances

Flood management and land drainage scheme assets come at a significant cost to targeted ratepayers, primarily from maintenance, capital renewals, and depreciation costs.

Currently, flood management and land drainage infrastructure are primarily funded by targeted rates charged to landowners who directly benefit from, or contribute to the need for, the infrastructure. In other words, most of the cost is paid by those who benefit most.

Targeted rates make up approximately 75-80 per cent of the money spent on infrastructure.

Most of the remaining funding comes from the general rate.

Between 2024 and 2074, the council expects to invest $1.07 billion in flood protection and land drainage infrastructure. Over the same period, $1.87 billion is expected to be spent on non-capital related costs, including ongoing operating and maintenance and depreciation. This is the base programme cost.

The proposed shift to having a strategic review of the different risks across the region may lead to reviewing levels of services with specific communities. This could alter targeted rates specifically around depreciation rates on assets in the area, and annual maintenance costs.

The proposed shift to nature-based solutions potentially results in more funding from the general rate to enable these works. It also results in a change from future capital expenditure to operating expenditure that, without cost rationalisation, has the potential to further increase the funding needs for these services.

In effect, along with delivering flood management differently, we also need to be looking for efficiencies in how we deliver the services.

Total expenditure

Between 2024 and 2074, the council expects to invest $1.07 billion in flood protection and land drainage infrastructure. Over the same period, $1.87 billion is expected to be spent on non-capital related costs, including ongoing operating and maintenance and depreciation. Proposed costs will be spread across the zones and land drainage schemes as shown in Table 2.

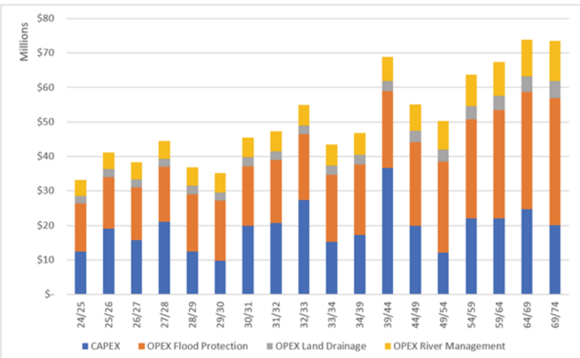
Table 2: Expected infrastructure expenditure, 2024-2074 (inflation included[6])

Group of Activities	New Capital	Renewal Capital	Opex	Total
Flood Protection	$246,414,173	$769,053,442	$1,289,534,136	$2,305,001,751
Central Waikato	$468,313	$135,985		$604,298
Coromandel	$1,071,074	$504,004	$19,769,658	$21,344,735
Piako	$43,573,755	$285,668,789	$296,780,894	$626,023,438
Waihou	$42,163,950	$260,014,397	$366,405,108	$668,583,455
Lower Waikato	$155,999,632	$213,763,211	$567,549,927	$937,312,770
Taupo	$3,137,450	$8,967,056	$17,475,821	$29,580,328
Waipa			$21,552,728	$21,552,728
Land Drainage	$47,390,230	$1,352,687	$173,609,663	$222,352,581
Aka Aka/Otaua	$2,113,861	$123,318	$17,849,067	$20,086,246
Franklin Waikato	$5,950,980	$22,548	$38,098,500	$44,072,028
Thames Valley	$17,006,427	$1,129,747	$53,297,865	$71,434,039
Waikato Central	$22,318,962	$77,074	$64,364,231	$86,760,267
River management	$7,110,772	$3,261,849	$405,689,213	$416,061,835
Central Waikato	$871,487		$101,313,974	$102,185,461
Piako	$390,070		$40,786,620	$41,176,689
Waihou			$90,612,538	$90,612,538
Lower Waikato	$1,015,784		$23,954,871	$24,970,656
Coromandel			$39,282,178	$39,282,178
Upper Waikato			$5,353,853	$5,353,853
Taupo		$3,261,849	$27,636,349	$30,898,198
Waipa	$4,236,041		$58,322,621	$62,558,662
West Coast	$597,390		$18,426,209	$19,023,599
Grand Total	**$300,915,176**	**$773,667,978**	**$1,868,833,012**	**$2,943,416,166**

The operational expenditure is split between river management, flood control and land drainage with depreciation shown separately.

The total expenditure profile over time across the capital and operating expenditure categories is shown in Figure 6. The total annual expenditure is shown from 2024-2025 to 2033-2034 and then an average spend over five-year periods is shown between 2034 and 2074.

Figure 6: Total expenditure summary (inflation included)



Most of the forecast expenditure in relation to flood control, drainage and river management assets is associated with operational requirements and depreciation.

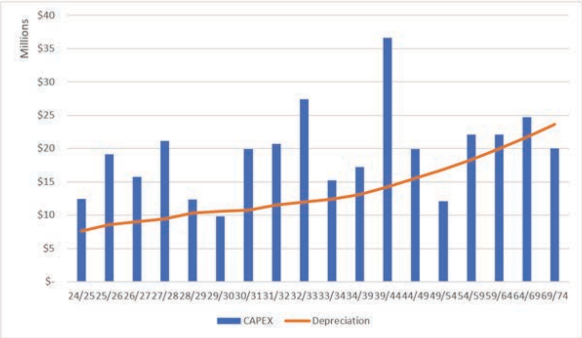
Capital expenditure

Capital expenditure consists primarily of expenditure associated with asset renewals – c.$774 million, with new capital expenditure totalling c.$300 million. This is a considerable increase in new capital from the previous 2021-2031 Long-Term Plan, as changes in regulatory rules and performance, in some cases, require scheme redesigns.

There will be an ongoing requirement to make decisions on renewals expenditure on a cyclical basis as part of our long term plan. Figure 7 shows the expected renewal expenditure profile against depreciation (an operational cost). This expenditure forecast has been developed in line with the assumptions previously outlined.

6 *Compounded inflation over 50 years – Operational Costs = 232%, Capital Costs = 230%*

Figure 7: Capital renewals compared to depreciation.

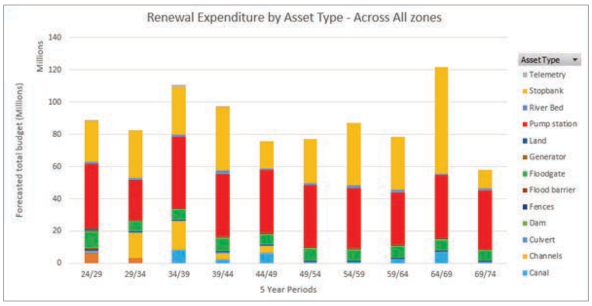


Points to note in regard to Figure 7:

- Values shown are inflated.
- Depreciation does not cover the full expenditure. The difference between depreciation and capital expenditure is funded through debt, supporting the principle of intergenerational equity.
- Figures do not include capital programmes such as upstream and downstream fish passage, additional green projects, moving gravity feed drainage schemes to pumped drainage schemes, or projects to move the stopbanks to allow additional capacity in the rivers.
- The costs to transition to more nature-based solutions are as yet unknown, but it is expected that we achieve this transformation within the above forecasted funding envelope.
- As these and other resilience adaptation programmes are developed and discussed with communities, the associated cost assumptions will be added to future forecasts.

The split between capital renewal expenditure by asset type is shown in Figure 8 below.

Figure 8: Renewal expenditure by asset type[7]



Significant capital expenditure – Next 10 years

Significant capital expenditure is defined as where the project or programme of works exceeds $250,000. For the last 10 years, there has been a focus on ensuring all stopbank heights are above the minimum designed flood heights. This region-wide work programme should be completed over the next four to five years. Focus is moving to pump station efficiency and performance. Some of the critical capital expenditure over the next 10 years is shown in Table 3.

Table 3: Significant capital expenditure 2024-2034

Area and project	Forecasted costs
Hauraki catchments	
Access track and culvert repairs	$1.8M
Paeroa flood barrier – reviewing and improving drainage of flood waters post events	$1.1M
Floodgate repairs and rebuild	$11M
Pump station generator replacements	$1.6M
Pump station repairs and rebuilds	$21M
Stopbank rebuilds	$27M
Waikato catchments	
Pungarehu canal – completion of 5-year renewals programme	$460k
Floodgate repairs and rebuild	$5M
Pump station repairs and rebuilds	$9.8M
Pump station health and safety improvements – automated weed screens	$4M
Pump stations – Island Block construction	$3.3M
Pump stations – Mangatawhiri scheme renewals	$7.4M
Pump stations – Motukaraka construction	$9.4M

7 *Other includes river management and other land drainage works.*

Pump stations – Swan Road construction	$2M
Stopbank rebuilds	$15M
Taupō catchments	
Stopbank rebuilds	$5.3M

Discussions with local landowners in the Motukaraka and Mangatawhiri scheme areas are underway, to understand if we should invest the level of capital as proposed, or if a level of service change is needed.

In parallel to these capital projects, district councils are starting or continuing to work through community adaptation processes, with regional council input. Through this work, if the understanding of what a local community needs for their flood defences or drainage requirements changes, that information will be used to alter what a capital project will deliver – if that project is still in the planning or design stage. If the project is already at tender or construction stage, a cost benefit analysis will be done to see what can be included.

Significant capital expenditure – 10 to 20 years

Potential transformational areas

Over the next 10-20 years, levels of service changes will likely be needed in several drainage networks, to either convert them from gravity systems to pumped systems and/or consider the appropriateness of applying nature-based options. The analysis and planning for these works will need to start in approximately six years, to enable good community and district council engagement as alternative solutions are worked through and built into local catchment management plans.

Once solutions to upstream and downstream indigenous fish passage and alternative green solutions to provide flood defences (as opposed to hard infrastructure solutions) have been developed, they will potentially drive significant change in long-term capital forecasts. However, these solutions and their associated funding policies are yet to be developed, so their widespread implementation timeframe is unknown.

Significant capital expenditure – 20 to 50 years

Flood infrastructure and drainage will be needed over the long term, so the extended forecast focuses on remediations works required for the current systems upkeep. The aim is future green transformative solutions should aim to be cost neutral when compared to their current hard infrastructure options.

With each new district council community adaptation plan, and regional council's review of the catchment asset management plans, long term plan and Infrastructure Strategy, our cost estimates will be updated. This enables forecasts to reflect the most up to date thinking and to better understand the costs associated with projects progressing.

Some of these developments are already under review using the SIDF, discussed in Appendix D.

Appendices

Appendix A: Takatu Waikato

https://waikatoregion.govt.nz/assets/WRC/WRC-2019/Strategic-Direction-2023-2025.pdf

Appendix B: 2024-2034 Long-Term Plan

Appendix C: Critical assets within the region

Critical assets are those assets that are likely to result in a more serious financial, environmental, or social cost/consequence in the event of their failure to deliver the service required. Flood management, drainage and lake level assets that would have a major consequence if they failed are outlined in the following table.

Asset Type	Effect			
	Environment / H&S	Reputation	Items of National Significance	Social / Economic Cost
Coromandel – Coromandel town scheme (inc. Karaka and Whangarahi)	o	x	x	x
Coromandel – Graeme's Creek	o	x	x	x
Coromandel – Tapu Scheme	o	x	x	x
Coromandel – Te Puru Scheme	o	x	x	x
Coromandel – Waiomu Scheme (inc. Pohue)	o	x	x	x
Hauraki – Kauaeranga Scheme	o	x	o	x
Piako River – Ngātea Stopbanks	o	x	o	x
Taupo Area – Kiko Spillway	o	x	x	x
Tongariro River Flood Management Scheme	x	x	x	x
Waihou River – Kopu stopbanks	o	x	o	x
Waihou River – Te Aroha stopbanks	o	x	o	x
Waihou River – Turua stopbanks	o	x	o	x
Waipa River – Ōtorohanga stopbanks	o	x	o	x
Waikato – Whangamarino scheme	x	o	o	o
Waikato – Lake Waikare scheme	x	o	o	o
Waikato River – Rangiriri Stopbanks	o	x	x	x
Waikato River – Harris Street (Huntly West) stopbanks	x	x	x	x
Waikato River – SH1 (Huntly East) Stopbanks	x	x	x	x
Whangape weir	o	o		
Lake Kimihia weir and bund	o	o		

Key
x - High Risk if asset failed
o - Medium Risk if asset failed

Further details on risk is located in the *Regional Asset Management Plan*.

Appendix D: How we will make investment decisions – Sustainable Infrastructure Decision-making Framework (SIDF)

Sustainability is acting in a way that meets the needs of the community today without compromising the ability of future generations to meet their needs. It considers adaptability and supports four aspects of community wellbeing: cultural, social, environmental and economic.

To enable that, on 8 June 2022, the Strategy and Policy Committee endorsed the draft SIDF and approved transitioning from how we had been working.

The investment decisions we make have long-term outcomes, including committing our communities to intergenerational investments. If we are going to be transformative in how we move into the future, we need to build our asset upgrades in a way that they can adapt to the changes the communities are starting to consider.

But how do we ensure our decision making does not hinder our ability to consider sustainable investment outcomes and is also raising real issues of affordability for ratepayers? As stated under the 'transformation pathway', different risks for the region will be assessed, and then overlayed across the current asset profile.

Assets that are in the intersecting areas will be assessed for both whether the work programmes for individual assets need modifying or reprioritising, or if a systemic change to all assets in the area needs to be implemented.

Using Treasury New Zealand's 'Better Business Case' model and the 'pressure-state-response' methodology used by Waka Kotahi for their Corridor Management Plans, programmes will then use the investment objectives below, in alignment with the regional goals.

- Can the flood management and drainage services be provided in cost effective and efficient way?
- Are there cost effective alternatives for flood management and drainage?
- When implementing new or remedial capital works, we must show that ecosystem services provided by land and water are maintained or improved.
- Investment decisions that reduce community vulnerability, risk, and support adaptive responses, over those that just maintain the status quo.

When making decisions we need to ensure an understanding of the drivers of change, the pressures these changes are creating, and the state of infrastructure and evolving hazards is captured.

Subject to approval in the 2024-2034 LTP, the implementation of the SIDF and the tactics in this strategy will be supported by a range of key programmes and projects, including:

- a review of funding for critical infrastructure
- The Understanding and Adapting to Natural Hazard Risk programme, a key objective of which is to respond to infrastructure sustainability challenges through a plan to transition the SIDF into council operations and the 2027-2037 LTP
- The Sustainable Peatlands Programme.

Appendix E: Affordability and economic impact

Regional economic situation

The Waikato region is the fourth largest regional economy in New Zealand, with the latest estimates showing a regional gross domestic product (GDP) of $32.6 billion in 2022[8]. Agriculture, which is estimated to have contributed 8 per cent of total regional GDP in 2021 ($2.4 billion)[9], is one of the main sectors to benefit from the council's flood management and land drainage infrastructure.

Schemes within the two major catchment zones of the lower Waikato and Waihou-Piako manage flood risk to land and property with a combined value of approximately $13 billion. The annual value-added to regional gross domestic product by land protected by the schemes in these two zones is estimated to be approximately $1.1 billion (nearly 85 per cent from the Waihou-Piako schemes, with the remainder from the lower Waikato scheme). This value added[10] can be interpreted as the contribution of this land to regional gross domestic product (GDP) that is enabled through the provision of the infrastructure, although only a fraction of this can be considered to be the value added by the flood defence schemes.[11]

Agriculture continues to be the fastest growing industry in the region over the years 2016-2021, although this was largely due to the recovery of dairy prices from very low levels in 2016 up to very high levels in 2021.

Previous studies have identified other benefits of flood management and drainage that could, in principle, be valued.[12] These include:

- a more secure investment environment for land adjacent to the flood control area, leading to increased intensification of that land

8 *Statistics NZ*

9 *Statistics NZ*

10 *The different methodologies used to determine regional GDP by Statistics NZ and the value-add by the council may mean the two figures are not directly comparable, and the value-add may be wider than agriculture only.*

11 *Unless the land was entirely dependent on these schemes to remain viable for agricultural land uses.*

12 *002-Central-Government-Co-Investment-in-Flood-Protection-January-2022_ADVANCED-COPY-EMBARGOED-3PM-6-APR-22.pdf (lgnz.co.nz)*

- the regional economic impact of changes in the sub-catchment
- social benefits associated with peace of mind, recreation, reduced risk and security of access to schools and hospitals.

There are also negative economic impacts from the assets and flood management schemes, including environmental impacts such as the drainage of wetlands (which typically have high ecosystem service values)[13] and the subsidence of peat soils (see section 4.2).

Current funding policies

Flood management and land drainage scheme assets come at a significant cost to targeted ratepayers, primarily from maintenance, capital renewals, and depreciation costs.

Currently, flood management and land drainage infrastructure are primarily funded by targeted rates charged to landowners who directly benefit from, or contribute to the need for, the infrastructure. In other words, most of the cost is paid by those who benefit most.

Targeted rates make up approximately 75-80 per cent of the money spent on infrastructure.

Most of the remaining funding comes from the general rate. If new infrastructure enables a regional ecological or environment improvement, or protects assets managed by other organisations that benefit the region, this is generally funded regionwide (meaning all ratepayers contribute to the cost) although consideration is given to applying broader funding sources.

The split between targeted rates and general rates reflects the direct benefits to landowners and the wider community benefits and environmental improvements that flood management and land drainage infrastructure provides. The funding approach is based on funding policies that have been consulted on with the community, however, a review of these policies is planned over the first two years of the proposed 2024-2034 LTP.

Other sources of financing for infrastructure have included:

- external borrowing (used when planned expenditure exceeds available depreciation funding)
- central government grants (used to accelerate work programmes or provide additional community benefit, for example the Government's climate resilience work programme
- sale of items, for example, harvested poplar logs, hay, or silt pit material
- grazing licenses.

Providing and funding the level of service to our communities that has been in place will not be affordable over the next 50 years. We must work alongside our partners and communities to determine what is realistically achievable regarding future levels of service, and how they might be funded.

Asset repair and replacement

Infrastructure assets deteriorate at different rates over time. Poorly maintained infrastructure can lead to under-performance, increased risk of failure and increased maintenance requirements.

We do everything we can to help extend the life of our infrastructure assets, including renewing some or all assets when needed. Small repairs are funded by an annual maintenance programme. For renewals, assets are revalued on a three yearly cycle. This informs budgets, future financial projections and resets depreciation rates.

We also have planned capital renewals based upon current and forecast asset condition and performance. This renewal programme is reviewed annually in case priorities need to change and to ensure there is budget available.

In 2023, 462 floodgates, 117 pump stations and 456 river management, catchment management or license management assets were assessed. Condition scores were recorded for 230 kilometres of embankments post the late summer storm events.

Planning asset renewals

For the first three years of this strategy, confirmed works programmes and project estimates guide our forecast expenditure associated with asset renewals. Beyond the three-year horizon, the combination of current asset values (determined through asset revaluation[14]) and known asset degradation rates are used to estimate longer-term renewal forecasts out to 50 years in the future.

Where practical and safe to do so, we smooth planned replacement programmes to ensure effective use of resources and management of risk. Critical assets have a lower threshold for action than non-critical assets. In the future we plan to refine our risk-based approach, to ensure we prioritise assets in relation to:

1. the relevant risks and impacts on the communities and infrastructure they protect
2. priority areas to meet environmental and social needs that are linked to community adaptation plans developed in consultation with district authorities
3. the practicality of maintaining or building new assets in flood prone areas

13 *For example, in 2013, the value of ecosystem services provided by wetlands was estimated to be from $45,000 to $60,000 per hectare (Patterson MG, Cole AO 2013. "Total economic value" of New Zealand's land-based ecosystems and their services. In Dymond JR ed. Ecosystem services in New Zealand - conditions and trends. Manaaki Whenua Press, Lincoln, New Zealand).*

14 *Current asset values updated in December 2023*

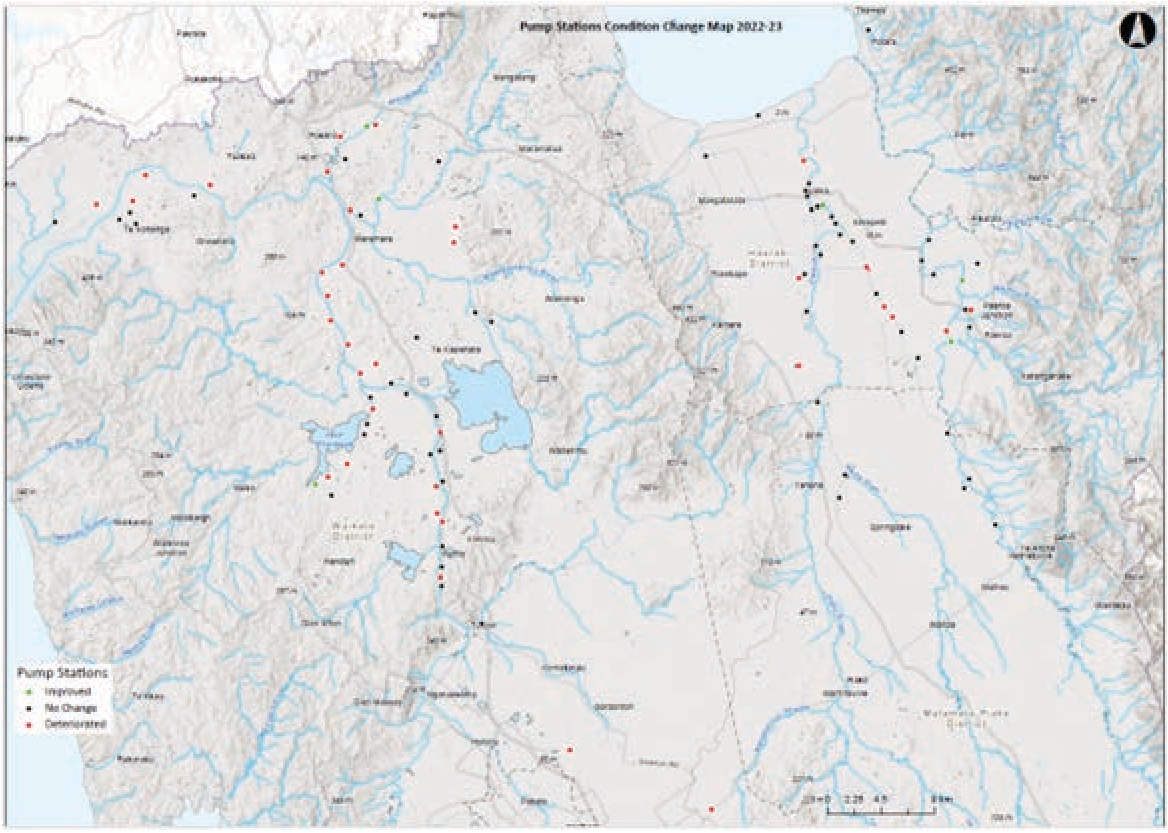
4. the cost of construction in light of reduced lifespans and the need to accommodate existing levels of service
5. affordability of building resilient structures.

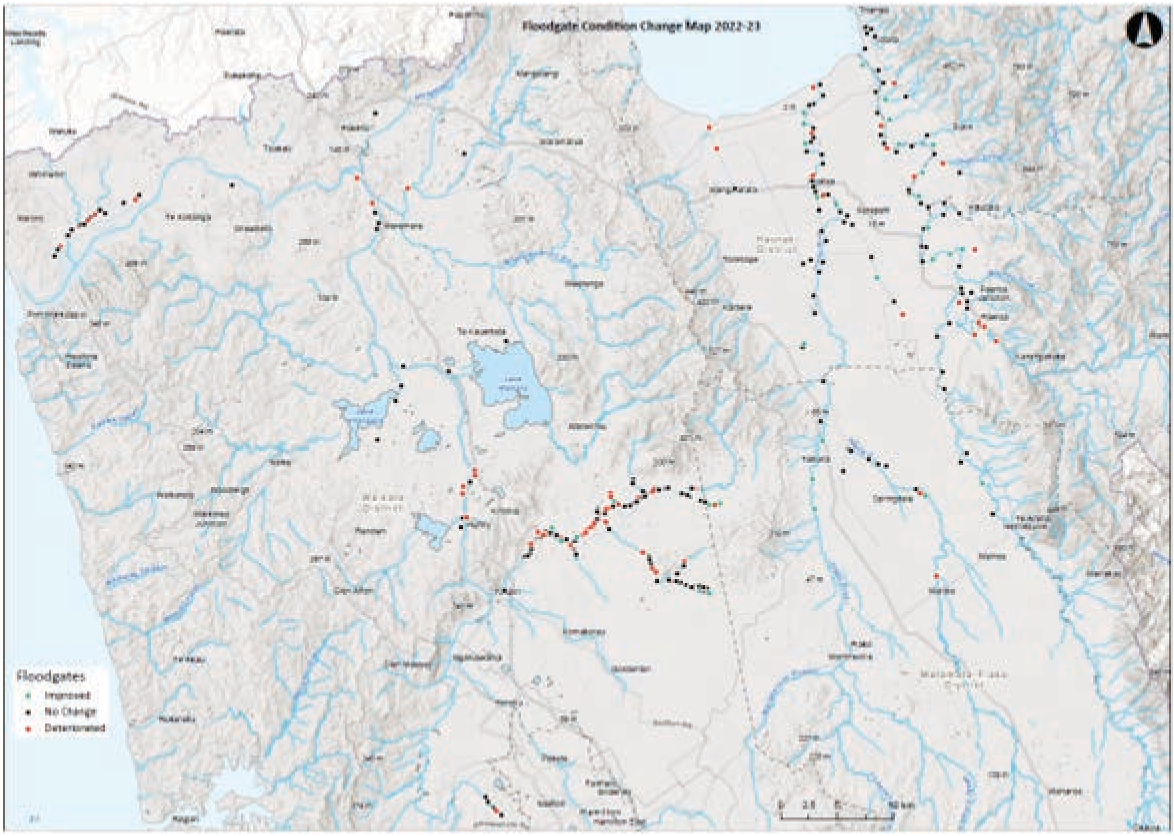
Investment programme assumptions

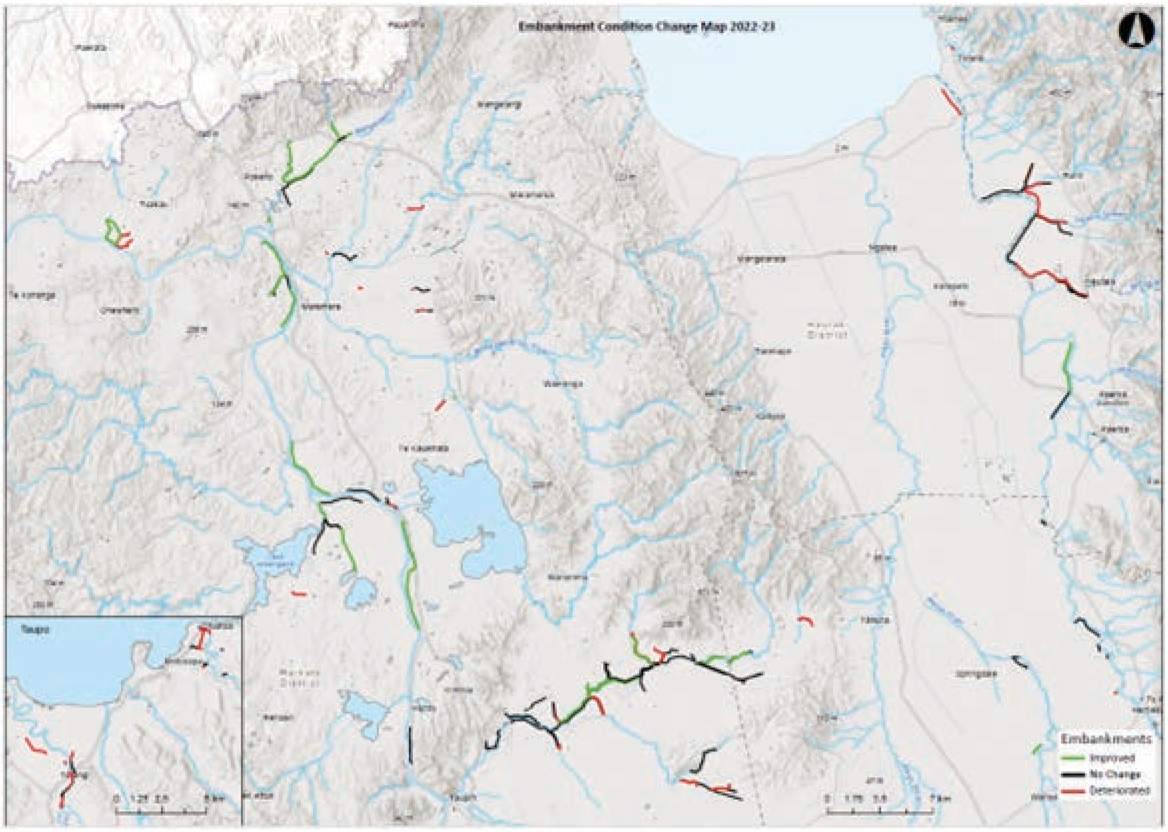
The Infrastructure Strategy investment programme is based on the following assumptions.

- All capital renewal expenditure is based on a clear community risk and economic assessments via the application of a structured SIDF and in line with a set of investment objectives (see Appendix D)
- Zone Flood Risk Activity Management Plans (FRAMPs) and a significant planning and consultation exercise have been used to determine issues and understand the asset management requirements.
- Our renewals forecasting and modelling tool has been used as the basis for determining capital renewals costs. Assumptions made by this tool have been adopted by the Infrastructure Strategy.
- Asset replacement costs are based on analysing actual costs from the previous three years and are based on like for like replacements.
- Responding to major natural disasters will be funded through insurance and damage reserves in line with the council's risk financing framework. In the event of extreme natural events being declared, central government may choose to fund repair/replacement and rehabilitation works.
- Recognised changes to a substantial portion of a flood protection scheme's assets will be treated partially as new capital.
- Regulatory, policy and planning changes occurring in different districts will alter future investment requirements. But until those changes are close to being realised, they are unable to be forecast accurately.
- There are sufficient internal and external resources to deliver the planned programme.

Appendix F: Asset condition by asset class




Floodgate Condition Change Map 2022-23
Floodgates
Improved
No Change
Deteriorated


Embankment Condition Change Map 2022-23
Embankments
Improved
No Change
Deteriorated

Appendix G: Assumptions made in the development of the Infrastructure Strategy

Forecasting assumption	Risk	Likelihood of occurrence	Reasons and financial effect of uncertainty
Global crisis or another pandemic It is assumed that the council will be able to maintain its Level of Service during another global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity. It is also assumed that the council will be able to adequately resource and support any Civil Defence response in the event of a global crisis or pandemic.	The effect of a crisis or pandemic on the council will be greater than assumed and levels of service will be significantly affected.	**Uncertainty level:** Medium - High **Sources of uncertainty:** The COVID-19 impact on getting equipment and components from other countries, and the increases in inflation over that time, and the impact of staff movement to complete tasks severely affected work programme delivery.	The council has systems and procedures in place for many staff to be able to work remotely if needed, however some of the council's activities simply cannot be performed remotely. Widespread self-isolation, quarantine or complete lockdown did impact on staff ability to operate flood management assets if not deemed essential work by government. There would likely also be a significant impact on some ratepayers' ability to pay their rates, therefore affecting the council's income. The council's investment fund would be negatively affected by national and global economic downturn due to pandemic responses.
Projected price change factors 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) to calculate the amount of inflation to include. Where expenditure is subject to inflation, cumulative rates have been applied.	That actual price changes vary significantly from the levels assumed.	**Uncertainty level: Medium** **Sources of uncertainty:** **National Inflation rates and economy.**	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.
Risk of natural hazards Our region is at risk of a range of natural hazards and disasters, such as earthquakes, tsunamis, flooding, drought, land instability, severe storms, fire and volcanic activity. Based on projections and modelling, it is assumed that natural hazards and disasters will increase in both frequency and severity over time.	There will be new natural or other hazard emergencies requiring work that cannot be funded out of normal budgetary provisions.	**Uncertainty level:** Medium **Sources of uncertainty:** Climate change related hazards such as sea level increase and flooding, the main uncertainty is the time until infrastructure service level thresholds will be reached.	There is a possibility that the region will have to cope with a severe adverse event in the LTP timeframe. The potential effect of a natural disaster on the council's financial position is dependent upon the scale, duration and location of the event. Building resilience into infrastructure in the future may result in increased capital costs. Natural disasters would likely increase insurance costs and have a major economic impact in the region.
Regional growth The council has estimated that the change in the capital value of the region through new property development will be 1.5	That growth will not be sustained at the level anticipated.	**Uncertainty level:** Medium **Sources of uncertainty:** A portion of regional growth is attributed to net migration. Net migration may be lower or higher than expected.	If growth is significantly lower than expected this will impact rates revenue. It will also impact activities such as infrastructure and spatial planning if the region

percent per annum growth. This estimate is used to project likely revenue for those rates set on a per property charge and in the calculation of rating impacts to existing ratepayers. It should be noted this percentage is based on historical trends and we are in an exceptional point in history.		There is a risk of significant deflationary pressure. How this plays out in asset values in is currently unclear.	does not follow projected growth.
Iwi expectations Iwi interest in council's activities will continue to increase, including expectations from iwi to participate as a partner in decision making. The council is assuming 20-30 partnership agreements as a result of Resource Legislation Amendment Act 2017 but is taking a conservative approach to resourcing as implications are still unclear.	That the council cannot meet iwi expectations and an increased Level of Service is required.	**Uncertainty level:** Medium **Sources of uncertainty:** The expectations of iwi may change or be otherwise different to what the council has assumed it to be, requiring additional funding to respond to the change.	Evolution of the partnership approach and co-management will result in higher expectations from iwi partners, Elevating the maturity of partnership responsibilities and responsiveness in areas such as the meaningful integration of mātauranga Māori.
Useful lives of significant assets The useful lives of the council's significant assets are as disclosed in the notes to the accounts.	That the actual life of an asset is shorter than assumed, most likely due to the impacts of climate change. This may impact on the level of depreciation expense recognised, the asset maintenance work required, and the timing of any asset replacement.	**Uncertainty level:** Medium **Sources of uncertainty: weathering of assets, increasing impacts of environmental changes such as water acidity.**	Council's most significant assets are its infrastructural assets which are comprised of flood management works. The useful lives of these assets have been assessed by engineers and valuers. Following any significant capital expenditure, the useful life of an asset is also reassessed.
Sources of funds for future replacement of significant assets The current funding model relies on targeted rates of those in the lower areas of each catchment.	That the council has insufficient funds to replace significant assets at the end of their useful lives	**Uncertainty level:** Low **Sources of uncertainty: changes in the financial climate and financial policies**	As part of this LTP, the council is proposing to continue an external borrowing programme. If the financial situation of local rate payers becomes more difficult, we may see more groups request rates rebates, or just not pay.
Sufficient internal and external resources to deliver the planned programme.	That the forecast programme is not delivered in full due to lack of available resource.	**Uncertainty level:** Low **Sources of uncertainty:** Resource availability	The council will alter resources and project scheduling to meet the programme demands. Rephasing of work increases the future bow wave of work and increases the risk to the communities if assets are not maintained. This approach is currently implemented as required and is considered business as usual.
Resource consents valid It has been assumed that resource consents for council assets will be renewed on an as required basis and that budget is available within the programme.	Resource requirements change and new consents required, risk of insufficient budget within the programme estimate.	**Uncertainty level:** Low **Sources of uncertainty:** Legislation changes.	The council will influence and adapt to changes in legislation and consent requirements. These changes can extend the planning stage of works, making those works take and additional year or two before construction occurs.

Depreciation rates on planned acquisitions New capital expenditure will be depreciated in line with the depreciation rates set out in the council's accounting policies.	That further review of capital expenditure may alter the depreciation expense incurred.	**Uncertainty level:** Low **Sources of uncertainty: changes in the financial climate and financial policies**	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.
Community expectations Public interest in the council's activities is expected to continue to increase. The increasing availability of information creates a more informed public with higher expectations, and an increased want to be involved with decisions affecting their catchment. But this is accompanied by the polarising impacts of social media in civic engagement. Increasing public expectations of environmental quality also drive up treatment standards, and therefore the costs of meeting them.	That the council cannot meet community expectations and changes to Levels of Service are required.	**Uncertainty level:** Low **Sources of uncertainty:** Uncertainty is linked to both potential population and demographic changes and the unknown impact of disruptive technologies.	Individuals who might otherwise have remained voiceless may connect more and voice their concerns through changes to engagement processes. This may lead to the need for the council to make unexpected changes to service delivery. With increased expectations for co-creation and citizen input in the council business that was historically hands off, increases in costs and longer timeframes may be required.