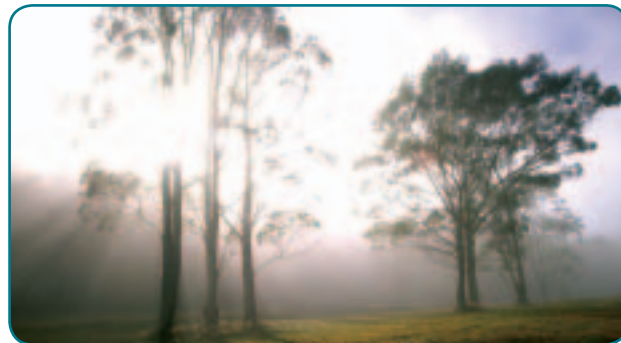


ANNUAL PLAN SUMMARY

Environment Waikato is seeking feedback on a number of proposals described in the 2007/08 Draft Annual Plan and amendments to the 2006-2016 Long-Term Council Community Plan (LTCCP). A summary of these proposals is presented here. We look forward to hearing what you think about them.

Delivering a sustainable future

The 2007/08 Draft Annual Plan has just been released and we'd like your comments on the work proposed for the coming year.



The Draft Annual Plan is taken from year two of our 2006-2016 Long-Term Council Community Plan for delivering a sustainable future. We're closely following the projects and budgets previously adopted in the LTCCP, such as the sustainable agriculture project and increased monitoring of permitted activities.

While this is not the time for introducing significant new projects, for 2007/08 we've taken a fresh look at what was planned and have had to re-prioritise some of our work because of rising costs or because more pressing issues have

arisen. For example, there's a growing demand for more public transport services. In other areas we have cut back or delayed work in an effort to spread the burden more evenly on the organisation – and on the ratepayer.

Alongside this plan we are proposing a new way of funding the biosecurity work being carried out this year – and over the next five years – as described in our Draft Regional Pest Management Strategy.

Read on, and if you'd like to have a say on work in your region, make a submission.

What will this mean for my rates?

Exact rates will vary, depending on property values, how recently properties have been re-valued, where you live, and what services you require.

While it is difficult to generalise, as rates vary significantly around the region, more than three quarters of ratepayers will pay a total of about \$350 a year, less than a dollar a day to fund activities that contribute to a healthy environment and our quality of life.

To carry out the work described in the draft plan, the amount council needs to collect through the general rate is divided among the number of properties throughout the region and their values. The growing number of properties in our region spreads the rate burden over more people. Properties around the region are also re-valued in different years, depending on your local council. If your property valuation has gone up in the last year – and by more than the average increase – your rates will increase.

A snapshot of your rates

- General rate – applied to all properties, based on capital value.
- UAGC (uniform annual general charge) a fixed charge applied to all properties.
- Passenger transport rate – only charged in Hamilton, based on capital value.
- Natural heritage rate – a uniform charge applied to all properties.
- Lake Taupo protection rate – a uniform charge applied to all properties.
- Biosecurity rates – current charges vary depending on where you live and how large your property is; everyone also pays through a portion of their general rate. The proposal in this draft plan is to have one rate based on capital value.
- Other rates may apply to your property, such as catchment rates, Project Watershed or the Peninsula Project, depending on where your property is located.

How to get involved and have your say!

We'd like to know your views on the:

- 2007/08 Draft Annual Plan
- amendments to the 2006-2016 Long-Term Council Community Plan
- Draft Land Transport Programme.

Read this Envirocare and consider the proposals, talk to your local Environment Waikato councillor, visit our website www.ew.govt.nz or call Environment Waikato's freephone **0800 800 401** for more information.

Submissions close on 2 May 2007, and, if you want to, you can present your submission in person to a special meeting of the council at the end of May.

If you want to know what your rates will be for 2007/08 under these proposals, check out www.ew.govt.nz/rates.

Ask us!

If you'd like detailed information on your proposed individual rates for 2007/08, you can:

- visit our website www.ew.govt.nz/rates, or
- call Environment Waikato's freephone **0800 800 401**.

Have the address or valuation reference number of your property ready, and follow the simple instructions.

You'll also find the answers to many commonly asked rates questions on our website, www.ew.govt.nz/rates. Alternatively, you can call the rates team on Environment Waikato's freephone **0800 800 401** or email them at rates@ew.govt.nz.

The finances

Environment Waikato sets its rates based on the cost of the work that needs to be done – either because of legal responsibilities or because people have requested it.

Overall, most of the work planned for 2007/08 is as we projected in our Long-Term Council Community Plan (LTCCP).

However, since developing our LTCCP, a number of new work priorities have been identified. The impact of this new work is addressed in our Draft Annual Plan.

In total, proposed spending for 2007/08 is \$93.725 million, which is \$6.404 million above LTCCP projections. The activities that are the primary contributors to this additional expenditure are:

- increased costs of passenger transport services (\$4.360 million)

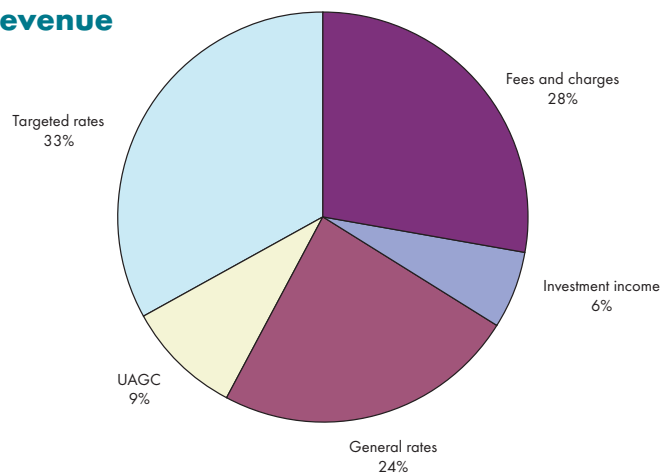
- higher costs associated with consent and resource allocation issues across the region (\$2.055 million).

General rate revenue is forecast to increase to \$22.774 million, against the LTCCP forecast of \$23.425 million. The lower than projected increase is as a result of the transfer of biosecurity funding to a targeted rate. The LTCCP projected that \$2.2 million of funding for biosecurity would come from the general rate.

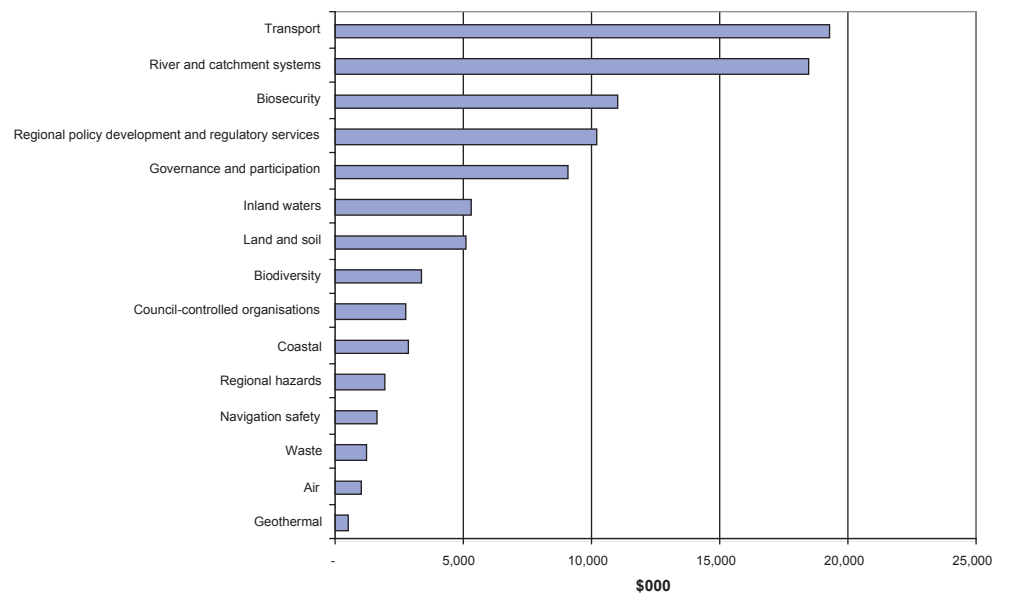
Targeted rate revenue, only paid by people who benefit from, or create the need for, the work we do, is proposed to increase by \$7.736 million, against a forecast increase of \$3.013 million in the LTCCP. This increase over current targeted rate levels is primarily the result of the additional funding required for passenger transport services (\$1.799 million), and the proposed change to biosecurity funding. The increase in the biosecurity targeted rate is partly offset by the decrease in general rate funding for this activity as described above.

	2007 \$000	2008 \$000
Forecast statement of revenue and expenditure		
General rates	20,754	22,774
UAGC	8,107	8,825
Targeted rates	23,635	31,371
Fees and charges	23,986	26,830
Investment income	5,927	5,980
Total revenue	82,409	95,780
Total cost of service	80,154	93,726
Net operating surplus	2,255	2,054
Forecast statement of movements in equity		
Opening equity	255,691	257,946
Total recognised revenue and expenses	2,255	2,054
Closing equity	257,946	260,000
Forecast statement of financial position		
Current assets	25,097	4,346
Non current assets	249,381	277,480
Total assets	277,478	281,826
Current liabilities	15,025	15,281
Non current liabilities	1,507	6,545
Net assets employed by council	257,946	260,000
Forecast statement of cashflows		
Net from operating activities	9,819	9,114
Net from investing activities	(9,131)	(35,481)
Net from financing activities	(646)	4,357
Net increase / (decrease) in cash held	42	(22,010)
Closing cash balance	14,440	(7,570)

Where our revenue comes from



Where we spend our funds



Better bus services

Boosting the availability and acceptability of passenger transport is part of Environment Waikato's push toward sustainability.

An efficient transport system results in a range of positive outcomes, such as reduced congestion, lower CO² emissions and healthier air, benefiting the regional community and the environment.

We are responsible for the planning and management of the regional passenger transport system – the fourth largest passenger transport service in New Zealand.

Over recent years we have introduced major improvements to the bus services which include:

- 23 urban services, including the Orbiter, in Hamilton
- five rural services connecting Hamilton with Huntly, Paeroa, Morrinsville, Te Awamutu, Cambridge and Raglan
- services within Taupo and Huntly and between Port Waikato and Pukekohe, Meremere and Pukekohe, Tuakau and Pukekohe, Mangakino and Taupo, Mangakino and Tokoroa.

Patronage on these regional services is expected to exceed 2.4 million passengers

in 2006/07, and growth in urban patronage equates to, on an average weekday, about 7500 passenger journeys on Hamilton city's bus services.

How do we fund public transport?

- City ratepayers pay for their urban services through their Environment Waikato passenger transport rate. This is itemised separately on your rates bill.
- Rural ratepayers, who are provided with services, pay through their district councils.
- Land Transport NZ contributes financial assistance, matching dollar for dollar ratepayer contributions.
- The Waikato region also secured \$7 million from the government for passenger transport services and infrastructure, to be spent over a 10-year period, and matched by the councils' contributions.

Planning for the region's transport services involves working with Hamilton City Council, the region's district councils, Land Transport NZ and users of the services. We

will take into account the current network review (looking at growth pressures and transport infrastructure) and the new Regional Passenger Transport Plan (due for completion in October 2007) which might also identify future improvements to services.

For the 2007/08 Draft Annual Plan, we considered the requests for new services and recommend an increased investment in additional services over the next two years.

- Increase services which will attract people out of cars. We could do this by providing more popular direct services, as successfully introduced to Chartwell in 2006, to suburbs such as Pukete, Dinsdale and Hillcrest. These services are real congestion busters.
- Provide a Sunday service, ensuring seven day access to a passenger transport network.
- Trial Dial a Ride, a way to introduce lower cost passenger transport into newly developing suburbs.
- Improve the frequency and hours of operation of the popular Orbiter service.

We are also making provision for some additional rural services to be added to the network.

What would it cost?

Passenger transport expenditure in the region will move from \$13 million currently, to \$16.5 million in 2007/08 and \$19 million in 2008/09.

Environment Waikato's Hamilton passenger transport rate will move from \$35.60 per \$100,000 capital value currently, to \$32.84 in 2007/08 and an estimated \$38.54 in 2008/09. While the rate appears to have gone down from current levels, all Hamilton properties have been re-valued this year. The new rate will be applied to the new valuations, leading to an overall increase in the amount of passenger transport rates paid. Total rate funding for these services is projected to increase 47 per cent in 2007/08. This is the first time since 2002 that we have increased this rate.

