

Just 0.3% more to lift Waikato's environment and economy

Message from the Chairperson and Chief Executive

Keeping service levels up for minimal extra cost to the ratepayers has been central to decisions made on Waikato Regional Council's draft 2014/15 budget released for public comment.

We are proposing an average rates increase of just 0.3 per cent to existing ratepayers, while still featuring a big boost to work to protect water quality, as well as solid funding for biodiversity and flood control.

We are well aware of the community's strong desire for us to act to protect the region's waterways. So, improving water quality remains our number one priority to help protect agricultural and tourism interests and also so people can enjoy fresh clean water for recreation and as a food source.

Over the past few years we have focused on increasing the council's efficiency and effectiveness and it's good to see our efforts paying off this year. The proposed rates contribution of 0.3 per cent is down from the 3.6 per cent projected in the 2012-2022 Long Term Plan.

The draft work programme for 2014/15 will be delivered on a

proposed rates revenue of \$78.008 million. For the majority of ratepayers, the overall increase will be less than \$5 per annum.

While we have achieved this budget by concentrating on a few key projects, we need to signal now that there's a lot of work ahead of us and we will have to be smart about finding further efficiencies.

This is a responsible draft budget aimed at delivering on the council's strategic priorities of sustaining the quality of our land and water resources, facilitating regional development, meeting our co-governance requirements with iwi, addressing coastal and marine issues, and increasing community partnerships.

It is an extremely positive start for this council in its first year of the triennium to be able to increase service delivery while containing costs.

We would like to hear what you think of our draft plan for 2014/15 and encourage you to take the time to make a submission. The suggestions, comments and viewpoints we get from individuals and organisations will inform decisions for our final plan being adopted in late June 2014.



Chairperson Paula Southgate and Chief Executive Vaughan Payne.
Photo: Waikato Times

A FULL COPY OF THE 2014/15 DRAFT ANNUAL PLAN SUMMARY IS AVAILABLE ONLINE AT WWW.WAIKATOREGION.GOVT.NZ AND FROM WAIKATO REGIONAL COUNCIL OFFICES.

Fresh resources for water



Water quality consistently ranks as our region's top environmental issue. Clean water is important for human health and aquatic life. Waterways provide food and recreation, and rivers are taonga (treasure) for Māori.

Waikato Regional Council has the challenging task of

balancing these values with the needs of agriculture and other industries.

The *Healthy Rivers: Plan for Change/Wai Ora: He Rautaki Whakapaipai* project will work with stakeholders to develop changes to the regional plan to help restore and protect the health of the Waikato and Waipa rivers,

which are key to a vibrant regional economy.

This is the first time the council has undertaken a collaborative project within a co-management framework. These new ways of working, though necessary and beneficial, mean increased costs in terms of staff time and resources.

The council's 2014/15 Draft Annual Plan allows for an extra \$2.2 million over each of the next two financial years for collaboration to develop solutions that will provide the best outcomes for the rivers.

During budget talks, councillors were told total direct costs of \$4.8 million would be offset by savings elsewhere, meaning a net increase in costs compared to the level forecast in the 2012-2022 Long Term Plan.

The staff report said the original \$1.9 million budget envisaged the plan change would follow a traditional Resource Management Act (RMA) process, involving development of policy, consultation with stakeholders followed by notifying a plan change for public consultation.

However, it had been recognised that a collaborative process would deliver more effective policy, and could help avoid expensive court costs in future.

The extra costs of collaborating would include a Collaborative Stakeholder Group (CSG), tasked with developing a recommended plan change, and a Technical Alliance of experts to provide the CSG with information and advice. Technical studies and extra staff would also be required. It was possible external funding from industry groups might offset some costs.

National bovine TB programme funding to stop: proposal

Waikato Regional Council has resolved to maintain its position on a decision two years ago to stop funding the national bovine tuberculosis (TB) eradication programme.

The council decided in May 2012 to continue collecting the funds for the \$650,000 regional contribution to the programme for a further two years. This was to give TBfree New Zealand time to find alternative funding mechanisms, rather than using the regional council as a collection agency.

However, councillors considering what proposals to include in the 2014/15 Draft Annual Plan heard there

had been continuing delays by TBfree New Zealand to review their funding strategy. As a result, TBfree New Zealand requested that the council fund a net \$705,000 contribution to the TB programme in 2014/15.

Councillors emphasised their support for pest control and the eradication of bovine TB, but stood by the council's decision to stop collecting funding for the national programme.

The regional council currently rates rural landowners for the contribution to TBfree New Zealand to help fund possum control in the Waikato to eradicate bovine TB.



i For more information on this proposal, see page 32 of the 2014/15 Draft Annual Plan.

FINANCIAL OVERVIEW

The 2014/15 Draft Annual Plan represents a review of year three of the council's 2012-2022 Long Term Plan (LTP), the planned work programmes and the way that work is funded.

Budgeted expenditure

This plan proposes a decrease in budgeted operating expenditure from \$116.754 million in 2013/14 to \$113.178 million in 2014/15. The budget for 2013/14 included the payment of reserve funds of \$4.828 million held for the Protecting Lake Taupō project to allow for the completion of this work. However, the budgets for three key council activities will increase in 2014/15:

- provision for the *Healthy Rivers: Plan for Change/Wai Ora: He Rautaki Whakapaipai* project (\$2.869 million)
- extension of the council's priority possum control operations (\$259,000)
- provision for changes in the cost of public transport services as a result of inflation (\$293,000).

The council is proposing that the funding it currently provides to TBfree New Zealand for its national bovine tuberculosis management programme is stopped. This confirms the position adopted by the council through the LTP. In 2013/14, the council contributed \$650,000 to this programme.

How we will fund our planned work programmes

Total revenue is planned to increase from \$112.834 million to \$113.619 million.

Rates revenue

Total rates revenue is projected to increase from \$77.047 million to \$78.008 million. This compares to \$83.65 million in the LTP – a decrease of \$5.642 million. After allowing for growth, this equates to an estimated average increase of 0.3 per cent to existing ratepayers.

General rate

The general rate is proposed to increase from \$26.777 million to \$27.965 million. The key reason for this is the additional cost associated with the *Healthy Rivers: Plan for Change/Wai Ora: He Rautaki Whakapaipai* project. In order to manage the impact of these costs on ratepayers, the council is proposing to fund the work required over the next two years, and will use internal borrowing from the investment fund to facilitate this.

Biosecurity rate

The biosecurity rate is proposed to increase from \$6.229 million to \$7.185 million. This reflects an increase in the priority possum control programme (\$259,000) as well as the final stage of the phasing in of funding for these projects. The LTP saw the funding requirements for biosecurity being phased in over a three year period by utilising reserve funds to smooth the impact to ratepayers. The 2014/15 period is the last year over which this spread of funding has been managed.

Targeted rates – flood control and protection

In setting the proposed rates, the council has revisited the progress that the catchment zones are making towards the establishment of flood disaster recovery reserves. This review has highlighted that many zones are able to meet these reserve provisions without the need for ongoing rates funding due to operational savings made over the last three years.

In addition to this, the repayment of costs for the development of Project Watershed has now been completed.

As a result of both of these matters, this budget proposes reductions in the rates for most zones.

SUMMARY OF CHANGES IN RATE REVENUE REQUIREMENTS

Rates paid by all properties	2013/14 rates (\$000)	2014/15 proposed rates (\$000)	Increase/decrease (\$000)
General rate	26,777	27,965	1,188
Uniform annual general charge (UAGC)	8,479	8,231	248
Civil defence and community safety	2,346	2,422	76
Biosecurity	6,229	7,185	956
Natural heritage	967	975	8
Protecting Lake Taupō	2,605	2,599	(6)
Total rates paid by all properties	47,403	49,377	1,974
<i>Estimated average decrease to existing ratepayers after providing for growth</i>			3.3 per cent

Targeted rates

Public transport (Hamilton city ratepayers only)	7,372	7,190	(182)
River and catchment services	20,549	20,463	(86)
Permitted activity monitoring (properties 2ha and above only)	1,011	929	(82)
Stock truck effluent (properties 2ha and above only)	49	49	-
TBfree New Zealand (properties 2ha and above only)	663	663	-
Total targeted rates	29,644	28,631	(1,013)
<i>Estimated average increase to existing ratepayers after providing for growth</i>			10.2 per cent

Total rates revenue	77,047	78,008	961
<i>Estimated average increase to existing ratepayers after providing for growth</i>			0.3 per cent

FEES AND CHARGES

Changes proposed to fees and charges for 2014/15 are:

- The continued phasing-in of increases to SOE monitoring charges in relation to geothermal takes and discharges, surface water takes and ground water takes is planned for 2014/15.
- Fares for passengers using the public transport network in Hamilton city are planned to increase by 5 per cent with effect from 1 January each year. These increases are aimed at ensuring the council continues to progress towards meeting farebox recovery targets (the share of costs met by service users) set by the NZ Transport Agency.



Check the rates for your property using our simple online rates calculator:
www.waikatoregion.govt.nz/ratescalculator

You can obtain more detailed information on your proposed individual rates for 2014/15, or find the answers to many commonly asked questions, by:

- visiting www.waikatoregion.govt.nz/rates
- calling freephone 0800 800 401
- emailing rates@waikatoregion.govt.nz

FINANCIAL SUMMARY

Prospective statement of comprehensive income

	2013/14	2014/15
	\$000	\$000
Total revenue	112,834	115,152

Expenditure

Interest expense	-	-
Depreciation	7,630	7,710
Amortisation - intangible assets		
Other operating costs	109,124	105,468
Total expenditure	116,754	113,178
Net surplus	(3,920)	1,974

Prospective statement of cash flows

	2013/14	2014/15
	\$000	\$000
Net from operating activities	4,937	7,079
Net from investing activities	(9,823)	(6,761)
Net from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(4,886)	318

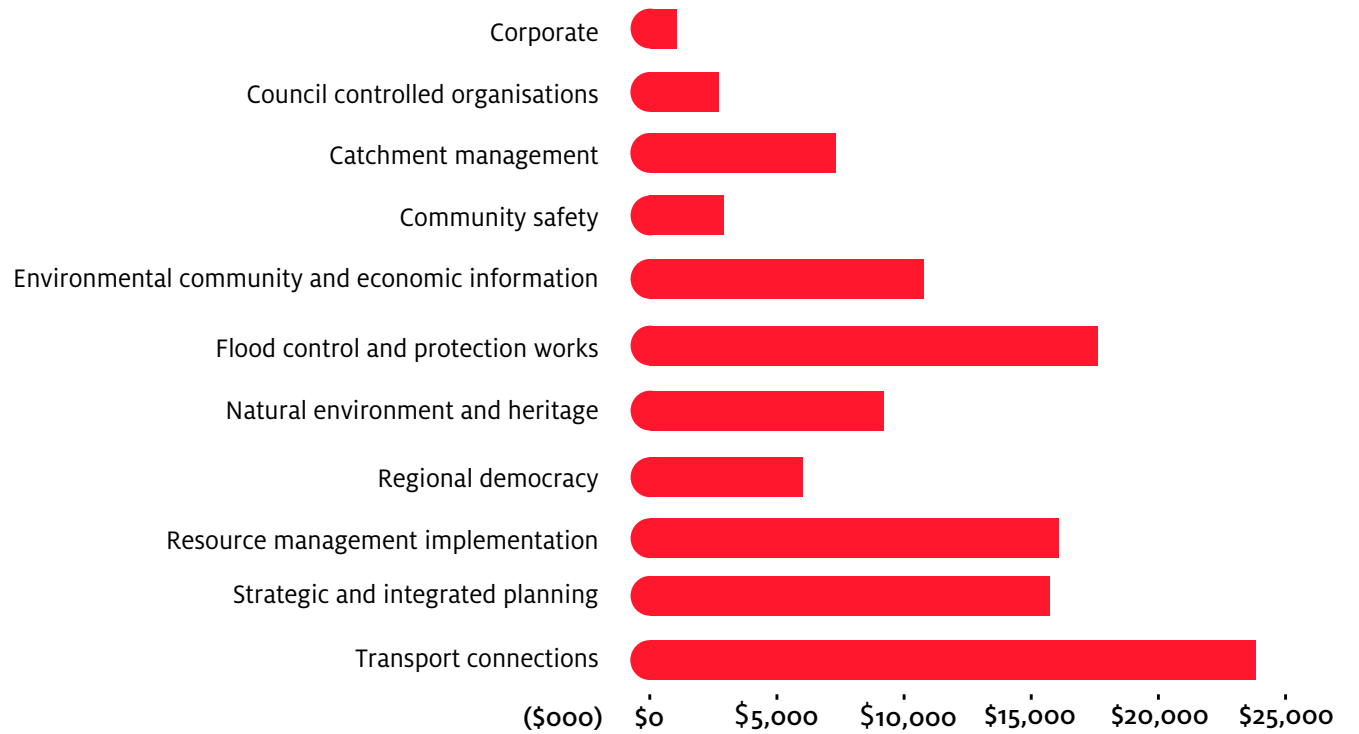
Prospective statement of changes in equity

	2013/14	2014/15
	\$000	\$000
Opening equity	431,776	461,141
Property, plant and equipment revaluation gains taken to equity	31,337	-
Net surplus/(deficit) for the year	(3,920)	1,974
Closing equity	459,193	463,115

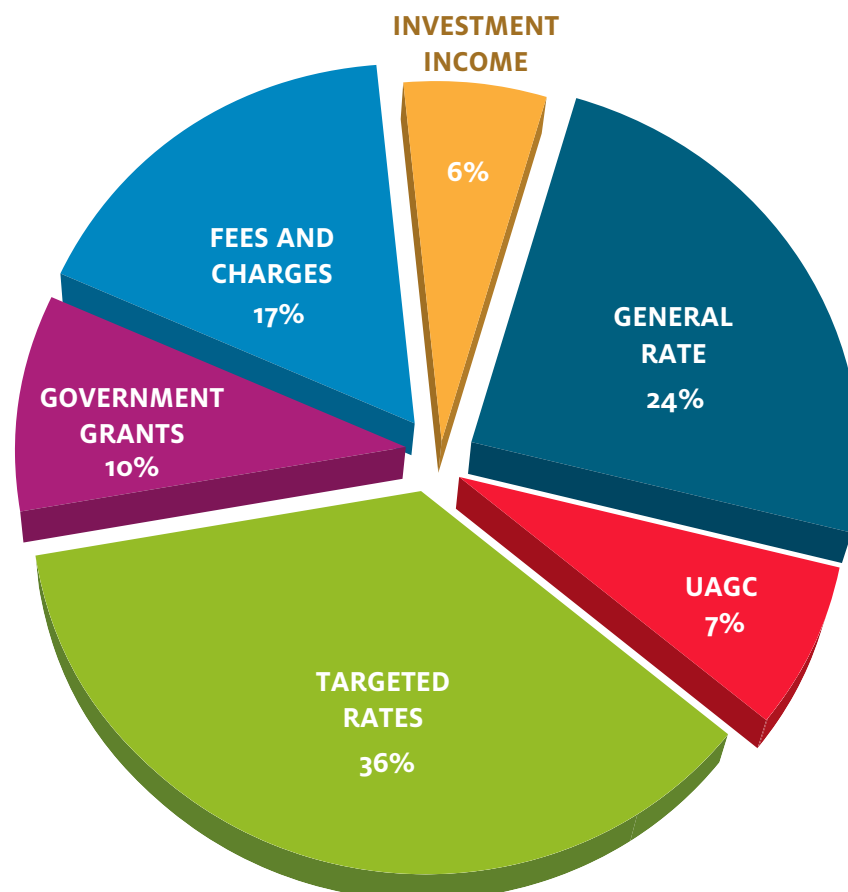
Prospective statement of financial position

	2013/14	2014/15
	\$000	\$000
Current assets	49,237	28,465
Non-current assets	439,576	453,524
Total assets	488,813	481,989
Current liabilities	26,421	15,937
Non-current liabilities	3,199	2,937
Total liabilities	29,620	18,874
Total equity	459,193	463,115

WHERE WE SPEND OUR FUNDS



WHERE OUR FUNDING COMES FROM



WE'VE MADE IT EASIER FOR YOU TO HAVE YOUR SAY

www.waikatoregion.govt.nz/annualplan

- Click on the link to the online submission form
- Register your details – now you'll be able to read the draft plan and make your comments
- Read something in the plan that makes you want to jump for joy or just scream? Tell us about it by clicking on 'add comments' and then follow the prompts.

What's even better about our new online form is that it saves your submission. So, if there's something you want to think about or investigate further, save it and come back to it later.



Need some help using our new online submission form? We have trained staff who can help you from 8 am to 5 pm on weekdays. **Just call our freephone 0800 800 401.**

BOOK
MARK
US

MAKING A SUBMISSION

If you wish to submit on any matter in this draft annual plan, you can make a submission online at www.waikatoregion.govt.nz/annualplan.

Submissions close at 4pm on Thursday, 17 April 2014

READ THE DRAFT ANNUAL PLAN

You can view the *draft annual plan*:

- online at www.waikatoregion.govt.nz/annualplan
- at public libraries in the Waikato region
- at any Waikato Regional Council office from 8 am to 5 pm
- by phoning 0800 800 401 to request a copy.

DELIBERATIONS

The councillors will meet to deliberate on all submissions in May, with the final plan adopted on 26 June 2014.

You will be sent a written explanation of the outcome of your submission after deliberations have taken place.

ENQUIRIES

For all enquiries about the consultation documents and the submission process, please call Waikato Regional Council's freephone 0800 800 401.

HEARINGS

If you indicate that you wish to present your submission to the council in person, we will contact you to arrange a date and time. Hearings are scheduled to take place from 12-14 May 2014 at Waikato Regional Council's Hamilton East office.

Please make your written comments as clear as possible and use the presentation time to highlight the most important aspects.

HOW TO SUBMIT

Making your submission online at www.waikatoregion.govt.nz/annualplan helps us to reduce costs.

Written submissions can also be:

POSTED TO:

Corporate Planning and Development Unit

Freepost 118509

Waikato Regional Council

Private Bag 3038

Waikato Mail Centre

Hamilton 3240

DELIVERED TO:

Waikato Regional Council

401 Grey Street

Hamilton East, Hamilton

FAXED TO:

07 859 0998

EMAILED TO:

haveyoursay@waikatoregion.govt.nz

All submissions will be acknowledged and fully considered by the council.

SUBMISSION FORM

Please tell us what you think about our proposals. You are welcome to use the submission form here or send in your submission on a separate sheet. The council looks forward to receiving your feedback.

SUBMITTER

Title (please circle): Dr Mr Mrs Ms Miss Other (please specify)

First name: Surname:

Organisation/group submitting (if applicable):

Postal address: (Please ensure you provide your full postal address, including rural delivery and postcode)

Phone (daytime): Mobile: Postcode:

Email (please print):

I/we wish to present my/our group's comments to the council in person at the hearings.

(please circle): Yes No

Hearings are scheduled for 12-14 May 2014. You will be notified when to appear.

Signed:

YOUR SUBMISSION

Note that your submission and any information you supply as part of your submission is considered public information and will be available in reports and documents relating to this process and may be published on our website at www.waikatoregion.govt.nz.

General comments:

Please tell us what you think about this specific issue:

REGIONAL CONTRIBUTION TO NATIONAL BOVINE TB STRATEGY

Do you support the council's decision to stop collecting monies from rural ratepayers on behalf of Tbfree New Zealand for national bovine tuberculosis control?

(please circle): Yes No

