

SECTION 6: Finances | Pūtea

Prospective financial statements | Ngā tauākī pūtea ki te pae

The following pages present the financial projections of the council for 2018/19, indicative information for the following two years and forecast information for the subsequent seven years. In particular, the following information is presented:

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

The prospective statement of financial position is based on the estimated financial position as at 1 July 2018. This position differs from the estimated financial position as at 30 June 2018 included in the 2017/18 Annual Plan and the 2015-2025 Long Term Plan.

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 June 2018. Actual financial results have been incorporated to the extent that they affect the opening forecast prospective statement of financial position as at 1 July 2018. There is no intention to update the prospective financial information after the finalisation of this long term plan.

The forecast financial information from Page 69 to Page 88 has been prepared in accordance with the council's current accounting policies as specified from Page 92 to Page 98. The forecast financial information presented in this plan has been prepared in accordance with *PBE FRS No 42: Prospective Financial Statements*.

The council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Over the term of this LTP, the council is projecting an operating deficit (before reserve transfers) in 2018/19, 2019/20, 2020/21 and 2023/24. This budgeted deficit reflects funding decisions made by the council in relation to a number of projects:

- spreading the funding of depreciation expense over the first three years of the plan for a number of our catchment zones
- not fully funding depreciation on the new regional ticketing solution for public transport. It is assumed that any replacement system will receive partial funding from the NZ Transport Agency, and so only depreciation on the share of costs paid for by the council has been funded
- system development and set up required to implement the Healthy Rivers/Wai Ora: Plan Change is to be funded over 10 years. Depreciation expense for this project will not be funded, as to do so would mean that current ratepayers are paying twice
- similarly the development of the council's premises in Paeroa will be funded through borrowing so depreciation on the new asset will not be funded for the period of the loan (20 years)
- council's contribution to the proposed Waikato Regional Theatre will be funded through borrowing to be repaid over 20 years
- the council's assumptions regarding the regional development fund also impact on the balanced budget test. It is assumed that funds will be accumulated over three financial years, with the funds fully allocated in the third year. This means that, as funding is allocated, the budget may be in deficit.

Prospective statement of comprehensive revenue and expense by activity

The detail by activity is included as section 5 of this long term plan.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates	31,108	32,573	34,972	37,340	39,049	39,151	38,984	38,687	39,558	41,251	41,126
Total UAGC rate revenue	13,361	14,312	15,259	15,890	16,322	16,578	17,032	17,431	17,810	18,217	18,544
Natural heritage	1,018	1,032	1,047	1,061	1,076	1,091	1,107	1,122	1,138	1,154	1,170
Regional services fund	650	716	715	715	714	714	715	715	715	715	715
Civil defence	1,539	1,766	1,878	1,922	1,969	2,013	2,027	2,082	2,126	2,170	2,216
Total all property rates	47,676	50,399	53,871	56,928	59,130	59,547	59,865	60,037	61,347	63,507	63,771
Targeted rates											
- Stock truck effluent	70	115	137	155	212	172	129	132	134	137	139
- Regional Facilities	-	-	183	365	391	391	391	391	391	391	391
- Biosecurity	6,025	6,704	7,656	9,140	9,657	10,046	10,386	10,617	10,764	11,336	11,695
- Transport	7,028	7,969	9,615	10,580	11,126	11,505	11,549	11,841	12,163	12,528	12,904
- Asset management schemes	22,403	25,275	28,618	32,567	32,000	33,785	34,055	34,175	35,589	36,354	37,062
- Permitted activity monitoring	1,343	1,416	1,450	1,470	1,324	1,303	1,311	1,331	1,346	1,370	1,383
Total targeted rate revenue	36,869	41,479	47,659	54,277	54,710	57,202	57,821	58,487	60,387	62,116	63,574
Total rate revenue	84,545	91,878	101,530	111,205	113,840	116,749	117,686	118,524	121,734	125,623	127,345
Rates penalty income	925	880	880	880	880	880	880	880	880	880	880
Rates remissions granted	(489)	(552)	(552)	(552)	(552)	(552)	(552)	(552)	(552)	(552)	(552)
Net rates revenue	84,981	92,206	101,858	111,533	114,168	117,077	118,014	118,852	122,062	125,951	127,673
Government grants	10,747	13,898	17,035	19,064	19,457	19,897	20,358	20,852	21,245	21,714	22,160
Direct charges	6,745	7,394	7,930	8,395	8,925	9,710	9,943	10,107	10,365	10,534	10,797

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Consent holder charges	3,462	4,135	4,397	4,502	4,512	4,575	4,677	4,765	4,852	4,926	5,170
Investment fund distribution income	3,342	3,416	3,491	3,567	3,646	3,726	3,808	3,892	3,978	4,065	4,154
Investment fund capital protection income	1,810	1,727	1,765	1,804	1,844	1,884	1,926	1,968	2,011	2,055	2,101
Interest income	1,632	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Other income	7,872	8,865	10,017	10,543	10,768	10,927	11,042	11,121	11,405	11,594	11,783
Royalties	120	120	120	120	120	120	120	120	120	120	120
Rental income	861	845	845	654	654	654	654	654	654	654	654
Other Gains/(losses)		(43)									
Total revenue	121,572	134,063	148,958	161,682	165,594	170,070	172,042	173,831	178,192	183,113	186,112
Operating expenditure	70,816	75,993	89,988	99,820	94,267	96,103	102,481	96,892	97,438	109,581	105,023
Employee benefit expenses	43,926	48,468	50,106	50,982	52,206	53,331	54,454	55,431	56,566	57,640	58,875
Interest Expense	-	858	1,487	1,716	2,335	2,446	2,429	2,380	2,307	2,232	2,121
Depreciation and amortisation	8,867	10,387	11,721	11,730	12,758	13,881	13,371	13,074	14,263	13,457	13,292
Total cost of service	123,609	135,706	153,302	164,248	161,566	165,761	172,735	167,777	170,574	182,910	179,311
Operating surplus/(deficit) before taxation	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801
Share of associate surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) before income tax	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) after taxation	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Other comprehensive revenue and expenses											
Gain/(loss) on property, plant and equipment revaluations	-	-	53,436	-	-	62,143	-	-	70,875	-	-
Total other comprehensive revenue and expenses	(2,037)	(1,643)	49,092	(2,566)	4,028	66,452	(693)	6,054	78,493	203	6,801
Total comprehensive revenue and expenses	(2,037)	(1,643)	49,092	(2,566)	4,028	66,452	(693)	6,054	78,493	203	6,801
Transfer to / (from) reserves	(1,251)	3,317	55,460	(2,334)	4,635	65,977	(1,843)	4,687	77,015	(2,371)	4,150
Total comprehensive revenue and expenses after reserve transfers	(786)	(4,960)	(6,368)	(232)	(607)	475	1,150	1,367	1,478	2,574	2,651

SUMMARY COST OF SERVICE STATEMENT

	2017/18 Annual Plan (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Revenue											
Community and services	9,913	10,759	11,659	12,353	12,860	12,846	13,031	13,316	13,513	13,819	14,047
Civil Defence and emergency management	2,173	2,412	2,493	2,539	2,589	2,635	2,648	2,703	2,747	2,791	2,834
Regional hazards and emergency response	1,602	1,937	1,983	2,072	2,034	2,093	2,190	2,245	2,298	2,355	2,404
Flood protection and control works	18,843	20,878	23,587	27,408	26,214	28,071	28,323	28,622	30,038	30,642	31,131
Integrated catchment management	21,915	25,465	27,144	30,278	31,320	31,859	32,402	32,601	33,164	34,197	35,069
Resource use	14,722	15,763	16,365	17,216	17,643	19,163	19,514	19,805	20,245	20,574	20,946
Science and strategy	24,488	24,187	27,045	27,962	28,634	27,959	27,732	27,385	27,902	29,299	29,122
Public Transport	23,326	28,194	34,962	38,517	40,054	41,069	41,749	42,638	43,661	44,681	45,720
Corporate and self funding	4,453	4,308	3,558	3,170	4,073	4,198	4,273	4,333	4,437	4,565	4,645
Council controlled organisations	137	160	162	167	173	177	180	183	187	190	194
Total revenue	121,572	134,063	148,958	161,682	165,594	170,070	172,042	173,831	178,192	183,113	186,112
Expenditure											
Community and services	9,938	10,512	14,404	14,795	12,429	13,048	12,936	12,793	13,551	13,587	13,426
Civil Defence and emergency management	2,192	2,464	2,515	2,561	2,611	2,657	2,648	2,703	2,747	2,791	2,834
Regional hazards and emergency response	1,602	1,937	1,983	2,072	2,034	2,093	2,190	2,245	2,298	2,355	2,404
Flood protection and control works	19,037	21,847	23,892	24,866	25,525	27,372	27,335	27,503	28,999	29,589	30,482
Integrated catchment management	23,011	27,316	28,375	31,504	31,036	31,826	32,798	32,851	31,406	34,860	35,693
Resource use	15,236	16,140	16,718	17,460	18,676	19,227	19,537	19,785	20,180	19,488	19,852
Science and strategy	27,759	24,593	27,387	32,592	28,493	27,760	33,182	27,069	27,572	35,410	28,761
Public Transport	23,786	26,773	35,414	39,000	40,547	41,568	41,919	42,670	43,693	44,705	45,745
Corporate and self funding	911	3,964	2,452	(769)	42	33	10	(25)	(59)	(65)	(80)

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Council controlled organisations	137	160	162	167	173	177	180	183	187	190	194
Total expenditure	123,609	135,706	153,302	164,248	161,566	165,761	172,735	167,777	170,574	182,910	179,311
Net surplus/(deficit) before reserve transfers	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801

PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at 1 July	611,671	620,971	619,328	668,420	665,854	669,882	736,334	735,641	741,695	820,188	820,391
Total comprehensive income	(2,037)	(1,643)	49,092	(2,566)	4,028	66,452	(693)	6,054	78,493	203	6,801
Equity at 30 June	609,634	619,328	668,420	665,854	669,882	736,334	735,641	741,695	820,188	820,391	827,192
Components of equity											
Retained earnings at beginning of year	232,220	227,701	227,366	221,145	221,003	220,445	220,970	222,170	223,587	225,116	227,740
Net surplus / (deficit) for the year	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801
Net transfer (to) / from reserves	1,250	1,308	(1,877)	2,424	(4,585)	(3,784)	1,893	(4,637)	(6,090)	2,421	(4,100)
Retained earnings at end of year	231,433	227,366	221,145	221,003	220,445	220,970	222,170	223,587	225,116	227,740	230,441
Council created reserves at beginning of year	52,534	54,484	53,176	55,053	52,629	57,214	60,998	59,106	63,742	69,832	67,411
Transfer to / (from) retained earnings	(1,250)	(1,308)	1,877	(2,424)	4,585	3,784	(1,893)	4,637	6,090	(2,421)	4,100
Council created reserves at end of year	51,284	53,176	55,053	52,629	57,214	60,998	59,106	63,742	69,832	67,411	71,511
Revaluation reserves at beginning of year	326,917	338,786	338,786	392,222	392,222	392,222	454,365	454,365	454,365	525,240	525,240
Net transfer to / (from) retained earnings		-	53,436	-	-	62,143	-	-	70,875	-	-
Revaluation reserves at end of year	326,917	338,786	392,222	392,222	392,222	454,365	454,365	454,365	525,240	525,240	525,240

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total equity at end of year	609,634	619,328	668,420	665,854	669,882	736,334	735,641	741,695	820,188	820,391	827,192

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current assets											
Cash and cash equivalents	3,877	5,205	9,062	7,898	9,867	12,345	10,081	11,163	14,868	12,703	13,118
Trade and other receivables	8,597	11,618	12,909	14,012	14,351	14,739	14,910	15,065	15,443	15,869	16,129
Prepayments	816	1,008	1,109	1,044	887	957	1,001	888	944	1,056	900
Inventories	141	150	150	150	150	150	150	150	150	150	150
Work in progress	1,200	967	995	1,065	1,147	1,272	1,303	1,325	1,363	1,385	1,423
Other financial assets	12,038	23,735	23,737	23,738	23,740	23,696	23,696	23,696	23,696	23,696	23,696
Total current assets	26,669	42,683	47,962	47,907	50,142	53,159	51,141	52,287	56,464	54,859	55,416
Non-current assets											
Financial assets	83,955	95,988	96,922	98,377	100,086	101,880	103,716	105,684	107,695	109,750	111,851
Other financial assets	148	146	106	64	20	20	20	20	20	20	20
Investments in CCOs	1,757	1,741	1,741	1,741	1,741	1,741	1,741	1,741	1,741	1,741	1,741
Biological assets	921	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
Intangible assets	2,238	2,389	3,399	4,106	3,842	3,266	3,101	3,118	3,135	3,153	3,172
Property, plant and equipment	519,766	534,348	589,447	596,022	599,758	662,349	663,571	663,310	734,630	735,574	735,889
Total non-current assets	608,785	635,960	692,963	701,658	706,795	770,604	773,497	775,221	848,569	851,586	854,021
Current liabilities											
Trade and other payables	16,626	18,968	22,411	24,915	23,529	23,987	25,579	24,184	24,320	27,351	26,213
Employee benefit liabilities	6,458	7,368	7,617	7,750	7,936	8,107	8,278	8,427	8,600	8,763	8,951
Borrowing	-	11,520	11,480	9,400	11,362	11,596	11,747	12,914	13,101	13,228	13,228

	2017/18 Annual Plan	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total current liabilities	23,084	37,856	41,508	42,065	42,827	43,690	45,604	45,525	46,021	49,342	48,392
Non-current liabilities											
Employee benefit liabilities	2,736	2,704	2,795	2,844	2,912	2,975	3,038	3,093	3,156	3,216	3,285
Borrowing		18,755	28,202	38,802	41,316	40,764	40,356	37,195	35,669	33,496	30,568
Total non-current liabilities	2,736	21,459	30,997	41,646	44,228	43,739	43,394	40,288	38,825	36,712	33,853
Net assets	609,634	619,328	668,420	665,854	669,882	736,334	735,640	741,695	820,187	820,391	827,192
Equity											
Accumulated funds	231,433	227,366	221,145	221,003	220,445	220,970	222,170	223,587	225,116	227,740	230,441
Other reserves	378,201	391,962	447,275	444,851	449,436	515,363	513,470	518,107	595,072	592,651	596,751
Total equity	609,634	619,328	668,420	665,854	669,882	736,334	735,640	741,695	820,187	820,391	827,192

PROSPECTIVE STATEMENT OF CASH FLOWS

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Receipts from customers	103,812	112,483	123,876	134,644	138,808	142,675	144,279	145,464	149,080	153,353	155,937
Grants	10,747	13,898	17,035	19,064	19,457	19,897	20,358	20,852	21,245	21,714	22,160
Investment income received	6,784	4,916	4,991	5,067	5,146	5,226	5,308	5,392	5,478	5,565	5,654
Receipt of funding on behalf of third parties	-										
Total cash provided	121,343	131,297	145,902	158,775	163,411	167,798	169,945	171,708	175,803	180,632	183,751
Payments to suppliers	(71,475)	(75,362)	(88,162)	(99,037)	(97,915)	(98,284)	(103,395)	(100,575)	(99,703)	(108,916)	(108,164)
Payments to employees	(43,482)	(47,523)	(49,766)	(50,800)	(51,952)	(53,097)	(54,220)	(55,227)	(56,330)	(57,417)	(58,618)
Payments of funds held on behalf of third parties	-										
Goods and services tax	-										
Total cash applied	(114,957)	(122,885)	(137,928)	(149,837)	(149,867)	(151,381)	(157,615)	(155,802)	(156,033)	(166,333)	(166,782)
Net cash flow from operating	6,386	8,412	7,974	8,938	13,544	16,417	12,330	15,906	19,770	14,299	16,969
Loan repayments	37	1	39	41	43	44	-	-	-	-	-
Sale of property, plant and equipment	-		10,880								
Sale of investments	3,000	1,357	831	349	135	90	90	-	-	-	-
Total cash provided	3,037	1,358	11,750	390	178	134	90	-	-	-	-
Increase in investments	(3,882)	(23,392)	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(635)	(430)	(1,970)	(1,957)	(1,018)	(459)	(467)	(476)	(485)	(494)	(504)

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Purchase of property, plant and equipment	(19,374)	(17,201)	(23,304)	(17,055)	(15,211)	(13,295)	(13,960)	(12,353)	(14,240)	(13,925)	(13,122)
Total cash applied	(23,891)	(41,023)	(25,274)	(19,012)	(16,229)	(13,754)	(14,427)	(12,829)	(14,725)	(14,419)	(13,626)
Net cash flow from investing	(20,854)	(39,665)	(13,524)	(18,622)	(16,051)	(13,620)	(14,337)	(12,829)	(14,725)	(14,419)	(13,626)
Proceeds from borrowings	-	36,433	20,927	20,000	13,876	11,043	11,339	9,752	11,574	11,054	10,299
Repayment of borrowings	-	(6,157)	(11,520)	(11,480)	(9,400)	(11,362)	(11,596)	(11,747)	(12,913)	(13,100)	(13,227)
Net cash flow from financing	-	30,276	9,407	8,520	4,476	(319)	(257)	(1,995)	(1,339)	(2,046)	(2,928)
Net cash flow	(14,468)	(977)	3,857	(1,164)	1,969	2,478	(2,264)	1,082	3,706	(2,166)	415
Cash and cash equivalents at 1 July	18,345	6,182	5,205	9,062	7,898	9,867	12,345	10,081	11,163	14,869	12,703
Net increase/(decrease) in cash and cash equivalents	(14,468)	(977)	3,857	(1,164)	1,969	2,478	(2,264)	1,082	3,706	(2,166)	415
Cash and cash equivalents at 30 June	3,877	5,205	9,062	7,898	9,867	12,345	10,081	11,163	14,869	12,703	13,118

NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

Net surplus

The net surplus will be used as follows:

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Transfers to / (from) reserves	(3,061)	1,590	259	(4,138)	2,792	1,950	(3,768)	2,719	4,129	(4,427)	2,049
Investment fund preservation	1,810	1,727	1,765	1,804	1,844	1,884	1,926	1,968	2,011	2,055	2,101
Transfer to / (from) retained earnings	(786)	(4,960)	(6,368)	(232)	(607)	475	1,150	1,367	1,478	2,574	2,651
Net surplus / (deficit)	(2,037)	(1,643)	(4,344)	(2,566)	4,028	4,309	(693)	6,054	7,618	203	6,801

Capital expenditure

The main components of capital expenditure are:

	2017/18 AP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000	2026/27 LTP \$000	2027/28 LTP \$000
Land	-	-	-	-	-	-	-	-	-	-	-
Building development	226	1,125	6,836	-	-	-	-	-	-	-	-
Motor vehicles	720	625	686	643	713	753	731	691	741	736	775
Plant and equipment	1,155	2,192	1,040	974	1,265	1,255	1,147	1,167	1,190	1,350	1,236
Information services	2,587	1,051	867	755	704	716	729	742	757	771	786
Intangible assets	635	430	1,970	1,957	1,018	459	467	476	485	494	504
Furniture and fittings	55	75	2,091	52	52	53	54	55	56	57	59
Infrastructure	14,631	12,133	11,784	14,632	12,476	10,517	11,299	9,697	11,497	11,011	10,266
Total capital expenditure	20,009	17,631	25,274	19,013	16,228	13,753	14,427	12,828	14,726	14,419	13,626

Depreciation and amortisation

	2017/18 AP \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000	2026/27 LTP \$000	2027/28 LTP \$000
Community and services	2	2	2	2	2	1	1	1	1	1	-
Civil defence emergency management	44	20	20	21	15	15	14	10	10	10	11
Regional hazards and emergency response	-	-	-	-	-	-	-	-	-	-	-
Flood protection and control works	5,731	6,276	7,220	7,370	7,461	8,453	8,565	8,617	9,666	9,700	9,710
Integrated catchment management	58	41	42	43	3	3	3	3	1	-	-
Public transport	35	660	940	950	975	985	338	68	68	53	53
Resource use	106	93	89	94	1,080	1,093	1,107	1,108	1,123	165	156
Science and strategy	764	886	965	1,059	980	1,018	1,110	1,170	1,231	1,341	1,371
Corporate and self funding	2,127	2,408	2,442	2,190	2,242	2,313	2,232	2,095	2,162	2,188	1,991
Council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Total depreciation and amortisation	8,867	10,387	11,721	11,730	12,758	13,881	13,371	13,074	14,263	13,457	13,292

Other income

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Contributions from other parties	1,584	2,300	1,679	1,659	1,527	1,515	1,455	1,455	1,455	1,456	1,452
Infringement fines	351	345	345	345	345	345	345	345	345	345	345
Public transport fare revenue	5,937	6,220	7,993	8,539	8,896	9,067	9,242	9,321	9,605	9,793	9,986
Total other income	7,872	8,865	10,017	10,543	10,768	10,927	11,042	11,121	11,405	11,594	11,783

Revenue

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Exchange revenue	36,240	41,512	46,755	49,804	51,081	52,648	53,683	54,634	55,785	56,817	58,094
Non-exchange revenue	85,332	92,551	102,203	111,878	114,513	117,422	118,359	119,197	122,407	126,296	128,018
Total revenue	121,572	134,063	148,958	161,682	165,594	170,070	172,042	173,831	178,192	183,113	186,112

Reserves

The council maintains the following council-created reserves:

Reserve name	Purpose	Activities
General	To smooth the costs of the triennial elections over the three year term of the council.	Community and services (governance support)
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
Passenger 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.	Public transport
Regional development fund	To recognise the provision for the regional development fund and implementation of the regional development fund policy. Also to recognise that application of the fund will not occur in a uniform manner.	Science and strategy

Reserve name	Purpose	Activities
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
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
Protecting Lake Taupō	To recognise the difference between rates revenue received and payments made to the Lake Taupō Protection Trust.	Corporate (council controlled organisations)
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
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 Valley 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
Piako River 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
Project 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

Reserve name	Purpose	Activities
Coromandel Peninsula	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
Civil defence	To recognise the difference between actual and budgeted expenditure in relation to this activity. The activity is funded by way of a targeted rate. The application of a reserve ensures that the targeted rate revenue is only applied for the purpose it was charged.	Emergency management
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
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
Stock truck effluent	To allow the funding of this activity to be smoothed across financial years.	Community and services
Koi carp digester	To allow external funding to be applied to meet the depreciation expense related to this asset.	Integrated catchment management
Investment fund	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)
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)
Contaminated land investigation	To provide funding to respond to approved contaminated land investigations.	Science and strategy
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

Reserve name	Purpose	Activities
Computer	To recognise the difference between actual and budgeted expenditure. Reserve funds may be applied to the funding of information technology capital expenditure.	Corporate
Complaints and enforcement	To smooth the costs associated with large enforcement cases as these occur in an ad hoc manner	Resource use
Asset revaluation reserve	To recognise the change in asset values as a result of the revaluation process.	Corporate

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

	Transfer to / (from) reserve											2027/28 Closing reserve balance \$000
	2018/19 Opening balance \$000	2018/19 LTP \$000	2019/20 LTP \$000	2020/21 LTP \$000	2021/22 LTP \$000	2022/23 LTP \$000	2023/24 LTP \$000	2024/25 LTP \$000	2025/26 LTP \$000	2026/27 LTP \$000	2027/28 LTP \$000	
	General	130	273	(253)	(40)	340	(300)	(90)	330	(240)	20	
Environmental Initiatives	190	-	-	-	-	-	-	-	-	-	-	190
Regional Disaster Recovery	5,089	231	238	245	292	304	315	327	340	354	368	8,103
Operational Fixed Asset Depreciation	1,357	-	-	-	-	-	-	-	-	-	-	1,357
Zone Disaster Recovery	3,023	196	201	205	240	247	255	263	271	280	289	5,470
West Coast	25	-	-	-	-	-	-	-	-	-	-	25
Motor Vehicles & Plant	491	(4)	(4)	(3)	(2)	-	-	-	-	-	-	478
Computer	178	(178)	-	-	-	-	-	-	-	-	-	-
Communications network	550											550
Complaints and enforcement	72											72
Civil Defence	485	(52)	(22)	(22)	(22)	(22)	-	-	-	-	-	345
Stock Truck Effluent	392	(78)	(78)	(78)	(78)	(78)	-	-	-	-	-	2
Public Transport	1,804	(1,088)	(26)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	490
Watershed	8,356	(1,627)	(2)	(5)	167	97	371	533	536	526	139	9,091
Coromandel	3,540	(207)	(11)	(11)	103	107	110	(91)	(77)	(64)	(61)	3,338

	Transfer to / (from) reserve											2027/28 Closing reserve balance
	2018/19 Opening balance	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Contaminated Land Reserve	206	133	60	-	-	-	-	-	-	-	-	399
Investment Fund Capital Protection	8,309	1,727	1,765	1,804	1,844	1,884	1,926	1,968	2,011	2,055	2,101	27,394
Regional Development Fund	3,483	1,513	1,546	(3,058)	1,615	1,650	(3,975)	1,724	1,761	(4,656)	1,840	3,443
Koi Carp Digester	36	(14)	(14)	(10)	-	-	-	-	-	-	-	(2)
Building Act Contingency	91	3	3	4	4	4	4	4	4	4	4	129
Drainage	(1,123)	(57)	(17)	(8)	64	52	24	(4)	(126)	(155)	(217)	(1,567)
IRIS	335	(62)	(62)	(62)	(26)	-	-	-	-	-	-	123
Natural Heritage	1,179	-	-	-	-	-	-	-	-	-	-	1,179
Biosecurity	3,119	(829)	(731)	(1,049)	298	56	(622)	(303)	1,731	(669)	(651)	350
Permitted Activity Monitoring	(414)	141	152	138	-	-	-	-	-	-	-	17
Waihou Piako Scheme	1,663	29	(37)	(100)	(94)	(102)	(96)	(90)	(98)	(91)	(86)	898
Investment Fund Equalisation	11,919	(1,357)	(831)	(349)	(135)	(90)	(90)	-	-	-	-	9,067
Asset Revaluation Reserve	338,786	-	53,436	-	-	62,143	-	-	70,875	-	-	525,240
Total reserve transfers	393,271	(1,307)	55,313	(2,424)	4,585	65,927	(1,893)	4,636	76,963	(2,421)	4,101	596,751

FINANCIAL FORECASTING ASSUMPTIONS

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>Projected price change factors</p> <p>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) in order to calculate the amount of inflation to include.</p> <p>Where expenditure is subject to inflation, the following cumulative rates have been applied.</p>	That actual price changes vary significantly from the levels assumed.	Medium	<p>Low</p> <p>(2018/19 - 2019/20)</p> <p>Medium</p> <p>(2020/21-2027/28)</p>	<p>Inflation is affected by external economic factors that are outside the control of council. Given the current economic climate, the actual inflation rates for both the short and long term are uncertain. While council believes it has taken a conservative approach by applying the rates supplied to the local government sector by BERL, it acknowledges that actual inflation rates may vary from these in any year of the plan.</p> <p>Certain classes of expenditure incurred by the council may be subject to greater price change than others. For example, over recent years contract costs for our flood protection works have increased at a rate far greater than inflation due to market demands for this type of work.</p>
<p>Useful lives of significant assets</p> <p>The useful lives of council's significant assets are as disclosed in the notes to the accounts.</p>	That the actual life of an asset is shorter than assumed. This may impact on the level of depreciation expense recognised, the asset maintenance work required, and the timing of any asset replacement.	Low	Low	The council's most significant assets are its infrastructural assets which are comprised of flood protection works. The useful lives of these assets have been assessed by engineers and valuers as part of the asset revaluation process undertaken in 2016. Following any significant capital expenditure, the useful life of an asset is also reassessed.
<p>Sources of funds for future replacement of significant assets</p>	That council has insufficient funds to replace significant assets at the end of their useful lives.	Low	Low	<p>As part of this LTP, the council is proposing to commence an external borrowing programme. This will provide a facility by which the costs to renew/replace significant assets can be funded where these costs exceed the depreciation accumulated on the original asset.</p> <p>A combination of catchment operating and disaster recovery reserve funds and insurance arrangements are in place to fund repair costs up to prudential limits should damage from climatic events or natural disasters occur.</p>

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
				<p>The council's financial strategy sets out how provision is made for damage costs.</p> <p>The revenue and financing policy sets out the funding sources that may be used in relation to capital expenditure.</p>
<p>Revaluation of non-current assets</p> <p>Provision has been made for a 3-yearly cycle of revaluations in relation to the council's infrastructural assets. Estimates of changes in value have been based on the projected price change factors supplied by BERL.</p>	That actual revaluation changes vary significantly from those forecast.	Low	Low	<p>The council undertook revaluations of those property, plant and equipment assets that are subject to revaluation in 2016/17. The council's accounting policies state that these assets should be revalued at least every 3 years, with an assessment of values carried out annually. Any change in value will impact the forecast financial statements through the funding of depreciation. Budgeted depreciation expense takes account of the estimated impact of the revaluation of assets over the term of this plan. If the results of revaluations vary significantly from the estimates made, the provision for depreciation will be impacted accordingly.</p>
<p>Depreciation rates on planned acquisitions</p> <p>New capital expenditure will be depreciated in line with the depreciation rates set out in the council's accounting policies.</p>	That further review of the nature of capital expenditure may alter the depreciation expense incurred.	Low	Low	<p>Significant capital works are based on detailed asset management plans which specify the nature and timing of capital works. Due to the long term nature of these capital works, any impact on depreciation is minimal.</p>
<p>Forecast return on investments</p> <p>The council's investment fund return is based on:</p> <ul style="list-style-type: none"> • a real return of 4 per cent per annum on the base capital of the fund, after inflation and fees • a 2.2 per cent per annum provision for inflation. 	That actual returns achieved by the fund are lower than this average return.	Low	Low	<p>The council's investment fund is invested in a conservative portfolio mix. Regular reviews of investment managers, the investment strategy and strategic asset allocation are undertaken to ensure that the council's objectives in relation to the fund are met.</p> <p>For years where the fund does not achieve the target return, the council has an investment equalisation reserve in place where the return shortfall can be drawn from.</p>
<p>Expected interest rates on borrowing</p>	That interest rates will be higher than those forecast.	Medium	Medium	<p>Assumptions regarding the applicable interest rates have been based on external advice, however external market conditions are difficult to predict with a high degree of certainty.</p>

Forecasting assumption	Risk	Likelihood of occurrence	Financial materiality	Reasons and financial effect of uncertainty
<p>The council will utilise an external borrowing facility through the Local Government Funding Agency (LGFA). The interest rate applied to anticipated borrowing is 3.7 per cent for the first three years of the LTP, increasing to 4.55 per cent for the remaining seven years.</p> <p>The council will maintain an internal loan for a property purchase in Hamilton East, pending resolution of its accommodation requirements. This loan will be charged an interest rate of 4.7 per cent per annum. This rate is based on the medium-term expected return from council's bond investments.</p>				Variation from these interest rates will have an impact on the funding required to meet borrowing costs.
<p><i>New Zealand Transport Agency (NZTA) subsidy rates</i></p> <p>The budget reflects subsidy rates advised by NZTA.</p>	That all funding requested will not be approved as part of the National Land Transport Programme.	Low	Low	NZTA subsidies cover a large portion of the costs of the transport operations provided by the council. If the projected funding is not available, the shortfall in funding would need to be met from other sources – user charges (bus fares) or rates – or services would have to be cut.
<p><i>Regional growth</i></p> <p>The council has estimated that the change in the capital value of the region through new property development will be 1.5 per cent.</p>	That growth will not be sustained at the level anticipated.	Low	Low	<p>This growth estimate has only been used to project likely revenue for those rates set on a per property charge, and in the calculation of rating impacts to existing ratepayers.</p> <p>This growth estimate has been assessed based on actual growth across the region over the last three years.</p>
<p><i>Unforeseen or new environmental issues or resource management needs</i></p>	There will be new environmental or resource management issues requiring work that cannot be funded out of	Low	Low	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

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

BERL rates applied

	Annual	Cumulative
2018/19	-	-
2019/20	1.6%	1.6%
2020/21	1.6%	3.23%
2021/22	1.7%	4.98%
2022/23	1.7%	6.77%
2023/24	1.8%	8.69%
2024/25	1.8%	10.64%
2025/26	1.9%	12.75%
2026/27	1.9%	14.89%
2027/28	2.0%	17.19%

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, the Waikato Regional Council has designated itself a public benefit entity and applies International Public Sector Accounting Standards for Tier 1 organisations.

These prospective financial statements comply with PBE standards.

The prospective financial statements were authorised for issue by the council on 26 June 2018. 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 and biological assets. These are detailed in the specific policies below.

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

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of 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 – concrete	100
Buildings – wooden	40
Motor vehicles	7.5
Computer equipment	4-5
Office furniture	7.5
Plant items	7.5-10
Air conditioning	20

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

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

Revaluation

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

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

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

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

Intangible assets

Software acquisition and development

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

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

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

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

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

Amortisation

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

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

Computer software	4 years	(25 per cent per annum)
-------------------	---------	-------------------------

Impairment of property, plant and equipment and intangibles

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.

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Forestry

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

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

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

Inventories

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

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

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

Receivables

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

Cash and cash equivalents

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

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

Employee entitlements

Short term employee entitlements

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

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

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

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

Long term employee entitlements

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

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

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

Presentation of employee entitlements

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

Payables

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

Leases

Operating leases

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

Grant expenditure

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

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

Income tax

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

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

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

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

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

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

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

Revenue

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

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.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

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.

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

The cost of service for each significant activity is calculated as follows:

- 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 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 other 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

Financial assets at fair value through surplus or deficit include financial assets held for trading or as designated as such on initial recognition. The council's investment fund was designated as such a financial asset on initial recognition as the primary goal of the council's investment strategy is to maximise investment returns within an acceptable level of risk, to both protect the capital base of the investment fund, and allow withdrawals to subsidise the required level of rates demands. The council is assisted by external advisors in this regard.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

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 other 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 other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

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

Loans and receivables, and held-to-maturity investments

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Prospective financial information

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

In preparing these prospective financial statements 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 judgments in applying Waikato Regional Council's accounting policies to the proposed budget.

FINANCIAL REPORTING AND PRUDENCE REGULATIONS

Long term plan disclosure statement for the period commencing 1 July 2018

What is the purpose of this statement?

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

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

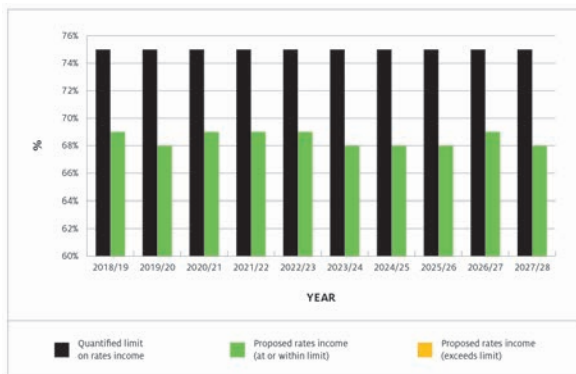
Rates affordability benchmark

The council meets the rates affordability benchmark if:

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

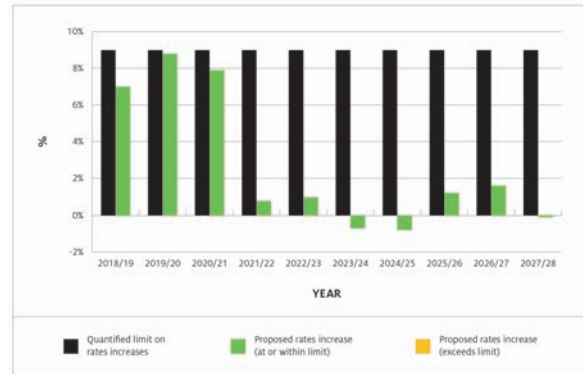
Rates (income) affordability

The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long term plan. 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

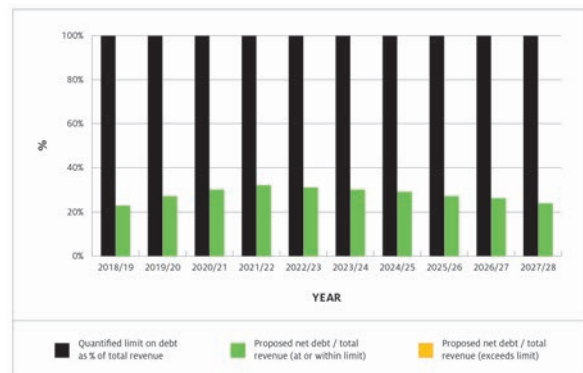
The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in this long term plan. The quantified limit is that increases in the annual rate revenue requirement will be limited to a 9 per cent increase in revenue from current ratepayers.



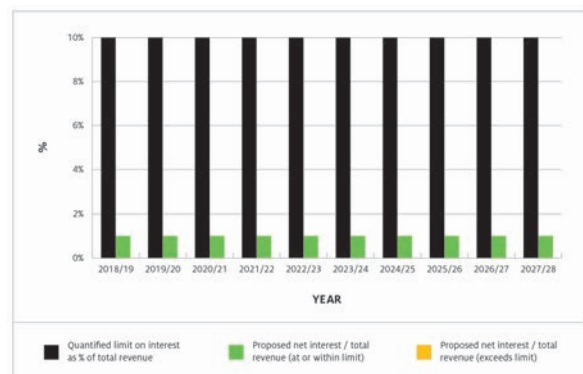
Debt affordability benchmark

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

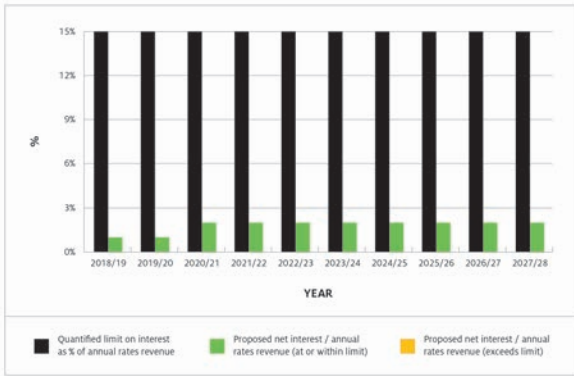
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long term plan. The quantified limit is that net debt/total revenue is <100 per cent.



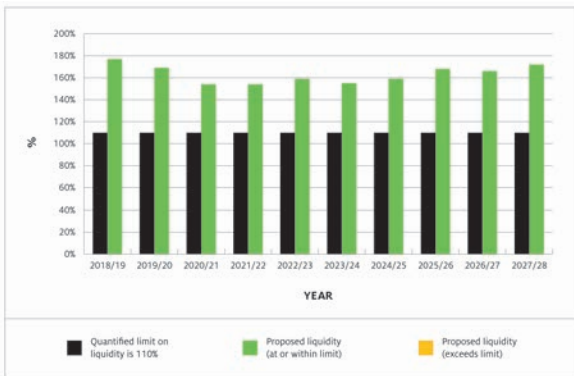
The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long term plan. The quantified limit is that net interest / total revenue is <10 per cent.



The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long term plan. The quantified limit is that net interest on external debt/annual rates revenue is <15 per cent.



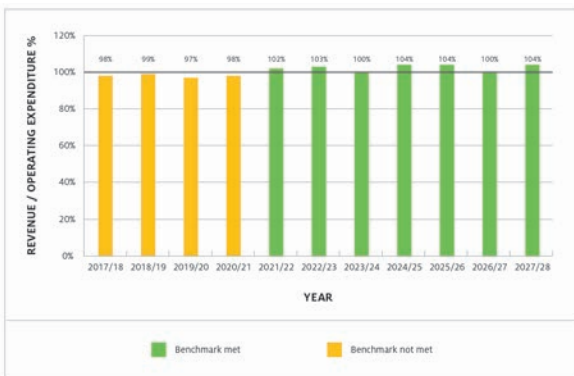
The following graph compares the council's planned borrowing with a quantified limit on borrowing contained in the financial strategy included in this long term plan. The quantified limit is that liquidity is >110 per cent. Liquidity is defined as external debt plus committed loan facilities plus liquid 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).

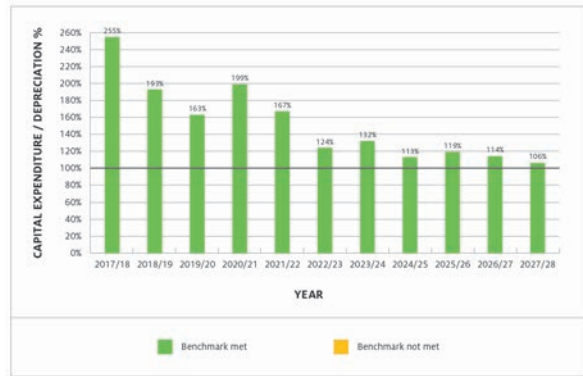
The council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



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.

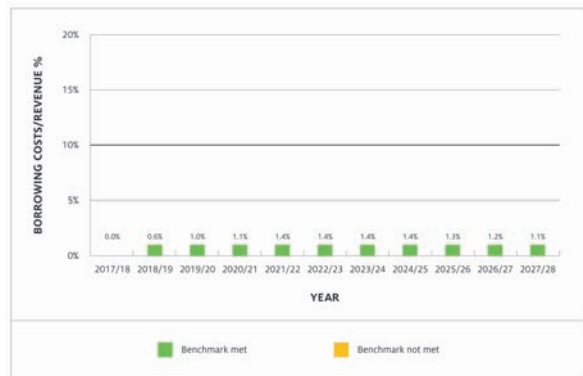
The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



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 per cent of its planned revenue.



Additional comment and information Balanced budget benchmark

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

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

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

WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN (WHOLE OF COUNCIL)

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	45393	47765	51,110	54,109	56,251	56,609	56,897	56,998	58,247	60,348	60,550
Targeted rates	40,076	44,991	51,299	57,974	58,468	61,020	61,669	62,405	64,364	66,152	67,674
Subsidies and grants for operating purposes	10,747	13,898	17,035	19,064	19,457	19,897	20,358	20,852	21,245	21,714	22,160
Fees and charges	18,708	21,014	22,964	23,870	24,634	25,641	26,091	26,422	27,051	27,483	28,180
Interest and dividends from investments	6,784	6,643	6,756	6,871	6,989	7,110	7,234	7,360	7,489	7,620	7,755
Local authorities fuel tax, fines, infringement fees, and other receipts	351	345	345	345	345	345	345	345	345	345	345
Total operating funding (A)	122,059	134,656	149,509	162,233	166,144	170,622	172,594	174,382	178,741	183,662	186,664
Applications of operating funding											
Payments to staff and suppliers	115,230	125,012	140,646	151,354	147,024	149,985	157,487	152,875	154,556	167,773	164,451
Finance costs	-	858	1,487	1,716	2,335	2,446	2,429	2,380	2,307	2,232	2,121
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	115,230	125,870	142,133	153,069	149,360	152,432	159,917	155,255	156,863	170,006	166,572
Surplus (deficit) of operating funding (A-B)	6,829	8,786	7,376	9,163	16,784	18,191	12,677	19,127	21,878	13,657	20,092

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	30,276	9,408	8,520	4,476	(318)	(256)	(1,995)	(1,340)	(2,046)	(2,928)
Gross proceeds from sale of assets	-	-	10,880	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding											
Total sources of capital funding (C)	-	30,276	20,288	8,520	4,476	(318)	(256)	(1,995)	(1,340)	(2,046)	(2,928)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	4,347	2,103	11,092	4,700	3,724	668	680	693	706	719	734
- to replace existing assets	15,662	15,528	14,182	14,312	12,505	13,085	13,747	12,136	14,019	13,700	12,892
Increase (decrease) in reserves	(13,180)	21,431	2,390	(1,329)	5,031	4,120	(2,007)	4,303	5,814	(2,808)	3,536
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	6,829	39,062	27,664	17,684	21,261	17,873	12,421	17,133	20,539	11,610	17,164
Surplus (deficit) of capital funding (C-D)	(6,829)	(8,786)	(7,377)	(9,163)	(16,785)	(18,191)	(12,677)	(19,127)	(21,879)	(13,657)	(20,092)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR COMMUNITY AND SERVICES**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,602	9,205	9,878	10,362	10,787	10,813	11,040	11,323	11,518	11,821	12,046
Targeted rates	720	831	1035	1235	1317	1277	1234	1237	1239	1242	1245
Subsidies and grants for operating purposes	401	523	536	536	536	536	536	536	536	536	536
Fees and charges	190	200	210	220	220	220	220	220	220	220	220
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	9,913	10,759	11,659	12,353	12,860	12,846	13,030	13,316	13,513	13,819	14,047
Applications of operating funding											
Payments to staff and suppliers	6,513	6,646	10,106	10,066	7,486	7,999	7,809	7,566	8,241	8,172	7,970
Finance costs	-	-	93	182	216	208	200	191	183	173	164
Internal charges and overheads applied	3,425	3,866	4,205	4,546	4,727	4,841	4,927	5,035	5,127	5,242	5,292
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,938	10,512	14,404	14,794	12,429	13,048	12,936	12,792	13,551	13,587	13,426
Surplus (deficit) of operating funding (A-B)	(25)	247	(2,745)	(2,441)	431	(202)	94	524	(38)	232	621
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	2,413	2,324	(169)	(176)	(184)	(193)	(202)	(211)	(220)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	2,413	2,324	(169)	(176)	(184)	(193)	(202)	(211)	(220)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(25)	247	(332)	(117)	262	(378)	(90)	331	(240)	21	401
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(25)	247	(332)	(117)	262	(378)	(90)	331	(240)	21	401
Surplus (deficit) of capital funding (C-D)	25	(247)	2,745	2,441	(431)	202	(94)	(524)	38	(232)	(621)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR REGIONAL HAZARDS AND EMERGENCY RESPONSE**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,442	1,760	1,801	1,882	1,840	1,892	1,970	2,021	2,070	2,122	2,167
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	160	177	182	190	194	201	220	224	228	233	237
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)	1,757	2,092	2,138	2,227	2,189	2,248	2,345	2,400	2,453	2,510	2,559
Applications of operating funding											
Payments to staff and suppliers	993	1,296	1,316	1,337	1,264	1,297	1,373	1,399	1,425	1,452	1,480
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	764	796	822	890	925	951	972	1,001	1,028	1,058	1,078
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,757	2,092	2,138	2,227	2,189	2,248	2,345	2,400	2,453	2,510	2,558
Surplus (deficit) of operating funding (A-B)	-	-	-	-	-	-	-	-	-	-	-
Sources of capital funding											
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	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	-	-	-	-	-	-	-	-	-	-	-
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR CIVIL DEFENCE EMERGENCY MANAGEMENT**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,539	1,766	1,878	1,922	1,969	2,013	2,027	2,082	2,126	2,170	2,216
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	634	646	615	617	620	622	622	621	621	621	618
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	2,173	2,412	2,492	2,539	2,588	2,635	2,648	2,704	2,747	2,791	2,834
Applications of operating funding											
Payments to staff and suppliers	1,358	1,835	1,853	1,869	1,903	1,933	1,911	1,958	1,988	2,020	2,050
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	834	619	651	682	698	714	727	736	749	760	773
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,192	2,454	2,504	2,551	2,601	2,647	2,638	2,694	2,737	2,780	2,823
Surplus (deficit) of operating funding (A-B)	(19)	(42)	(12)	(12)	(12)	(12)	10	10	10	10	11
Sources of capital funding											
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	95	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(114)	(42)	(12)	(12)	(12)	(12)	10	10	10	10	10	11
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(19)	(42)	(12)	(12)	(12)	(12)	10	10	10	10	10	11
Surplus (deficit) of capital funding (C-D)	19	42	12	12	12	12	(10)	(10)	(10)	(10)	(10)	(11)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR FLOOD PROTECTION AND CONTROL WORKS**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,321	2,607	2,914	3,449	3,254	3,491	3,512	3,553	3,764	3,846	3,915
Targeted rates	15,689	17,477	19,867	23,153	22,154	23,774	24,005	24,263	25,468	25,990	26,410
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	833	794	806	806	806	806	806	806	806	806	806
Internal charges and overheads recovered	1,938	2,804	2,999	3,048	2,856	2,926	2,766	2,789	2,841	2,895	2,964
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	20,781	23,682	26,586	30,456	29,070	30,997	31,089	31,411	32,879	33,537	34,095
Applications of operating funding											
Payments to staff and suppliers	10,067	12,008	12,757	13,030	13,058	13,677	13,215	13,219	13,552	14,013	14,840
Finance costs		381	659	841	1,242	1,378	1,450	1,493	1,517	1,544	1,539
Internal charges and overheads applied	5,216	6,076	6,355	6,757	6,713	6,883	6,957	7,051	7,198	7,320	7,430
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	15,283	18,465	19,771	20,628	21,013	21,938	21,623	21,763	22,267	22,877	23,809
Surplus (deficit) of operating funding (A-B)	5,499	5,217	6,815	9,828	8,056	9,059	9,466	9,648	10,612	10,659	10,285
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	13,565	5,205	4,934	4,644	1,427	1,819	176	930	326	(490)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	13,565	5,205	4,934	4,644	1,427	1,819	176	930	326	(490)	
Applications of capital funding												
Capital expenditure												
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2,066	162	70	2,540	2,500	-	-	-	-	-	-	-
- to replace existing assets	12,655	13,248	11,825	12,173	10,176	10,688	11,342	9,742	11,542	11,195	10,313	
Increase (decrease) in reserves	(9,222)	5,372	125	49	24	(202)	(57)	82	(0)	(210)	(517)	
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	5,499	18,782	12,020	14,762	12,700	10,486	11,285	9,824	11,542	10,985	9,796	
Surplus (deficit) of capital funding (C-D)	(5,499)	(5,217)	(6,815)	(9,828)	(8,056)	(9,059)	(9,465)	(9,648)	(10,612)	(10,659)	(10,285)	
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR INTEGRATED CATCHMENT MANAGEMENT**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,944	7,901	8,532	9,504	9,582	9,565	9,715	9,806	9,996	10,198	10,407
Targeted rates	13,757	15,533	17,454	19,614	20,579	21,148	21,543	21,650	22,022	22,853	23,517
Subsidies and grants for operating purposes	231	274	-	-	-	-	-	-	-	-	-
Fees and charges	983	1,758	1,158	1,160	1,160	1,145	1,145	1,145	1,145	1,145	1,145
Internal charges and overheads recovered	985	1,015	1,038	1,083	1,108	1,138	1,187	1,212	1,236	1,260	1,282
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	22,900	26,481	28,182	31,361	32,429	32,996	33,590	33,813	34,399	35,456	36,351
Applications of operating funding											
Payments to staff and suppliers	16,045	19,867	20,266	22,799	22,214	22,818	23,745	23,655	22,039	25,291	25,960
Finance costs	-	(82)	(56)	(49)	(54)	(50)	(48)	(47)	(45)	(43)	(41)
Internal charges and overheads applied	7,903	8,505	9,161	9,796	9,982	10,192	10,287	10,453	10,646	10,872	11,055
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	23,948	28,290	29,371	32,546	32,142	32,960	33,983	34,061	32,641	36,120	36,974
Surplus (deficit) of operating funding (A-B)	(1,048)	(1,809)	(1,190)	(1,185)	287	36	(393)	(248)	1,758	(664)	(624)
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	465	472	232	236	240	-	-	-	-	-
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	465	472	232	236	240	-	-	-	-	-
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(1,048)	(1,344)	(717)	(953)	523	276	(393)	(248)	1,758	(664)	(624)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(1,048)	(1,344)	(717)	(953)	523	276	(393)	(248)	1,758	(664)	(624)
Surplus (deficit) of capital funding (C-D)	1,048	1,809	1,189	1,185	(287)	(36)	393	248	(1,758)	664	624
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR PUBLIC TRANSPORT**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties		-	-	-	-	-	-	-	-	-	-
Targeted rates	7,028	7,969	9,615	10,580	11,126	11,505	11,549	11,841	12,163	12,528	12,904
Subsidies and grants for operating purposes	9,491	12,519	15,641	17,657	18,264	18,705	19,142	19,637	20,030	20,473	20,920
Fees and charges	6,800	7,706	9,706	10,281	10,664	10,858	11,057	11,161	11,468	11,680	11,897
Internal charges and overheads recovered	15	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	6	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	23,340	28,194	34,962	38,518	40,054	41,068	41,748	42,639	43,661	44,681	45,721
Applications of operating funding											
Payments to staff and suppliers	22,566	25,079	33,376	36,900	38,383	39,369	40,360	41,354	42,355	43,359	44,371
Finance costs		-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,200	1,034	1,097	1,149	1,189	1,215	1,220	1,248	1,270	1,293	1,321
Other operating funding applications		-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	23,766	26,113	34,473	38,049	39,572	40,584	41,580	42,602	43,625	44,652	45,692
Surplus (deficit) of operating funding (A-B)	(426)	2,081	489	469	482	484	168	37	36	29	29
Sources of capital funding											
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	51	160	79	52	52	53	54	55	56	57	59
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(477)	1,921	410	417	430	431	114	(18)	(20)	(28)	(30)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(426)	2,081	489	469	482	484	168	37	36	29	29
Surplus (deficit) of capital funding (C-D)	426	(2,081)	(489)	(469)	(482)	(484)	(168)	(37)	(36)	(29)	(29)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR RESOURCE USE**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	6,881	7,758	8,149	8,551	8,624	9,410	9,564	9,697	9,893	10,058	10,182
Targeted rates	1,343	1,416	1,450	1,470	1,324	1,303	1,311	1,331	1,346	1,370	1,383
Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	1
Fees and charges	6,153	6,244	6,421	6,850	7,350	8,104	8,294	8,431	8,661	8,801	9,036
Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	345	345	345	345	345	345	345	345	345	345	345
Total operating funding (A)	14,722	15,763	16,365	17,216	17,643	19,162	19,514	19,804	20,245	20,574	20,947
Applications of operating funding											
Payments to staff and suppliers	9,192	9,504	9,691	9,842	9,849	10,171	10,418	10,587	10,857	11,056	11,337
Finance costs	-	96	187	262	381	398	357	313	268	221	172
Internal charges and overheads applied	6,044	6,539	6,840	7,356	7,472	7,685	7,789	7,911	8,081	8,211	8,343
Other operating funding applications		-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	15,236	16,139	16,718	17,460	17,702	18,254	18,563	18,811	19,206	19,488	19,852
Surplus (deficit) of operating funding (A-B)	(514)	(376)	(353)	(244)	(59)	908	951	993	1,039	1,086	1,095
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	2,479	1,758	1,898	626	(909)	(950)	(993)	(1,038)	(1,086)	(1,094)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	2,479	1,758	1,898	626	(909)	(950)	(993)	(1,038)	(1,086)	(1,094)
Applications of capital funding											
Capital expenditure											
- to meet additional demand		-	-	-	-	-	-	-	-	-	-
- to improve the level of service	1,680	-	1,198	1,513	567	-	-	-	-	-	-
- to replace existing assets	140	140	142	145	147	149	152	155	158	161	164
Increase (decrease) in reserves	(2334)	1,963	66	(4)	(146)	(149)	(151)	(155)	(157)	(160)	(162)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(514)	2,103	1,406	1,654	568	-	1	-	1	1	2
Surplus (deficit) of capital funding (C-D)	514	376	352	244	58	(909)	(951)	(993)	(1,039)	(1,087)	(1,096)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR SCIENCE AND STRATEGY**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	21,049	20,529	22,735	23,535	24,545	23,808	23,514	23,081	23,510	24,806	24,387
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	624	583	858	871	658	657	680	680	680	706	704
Fees and charges	2,815	3,074	3,451	3,557	3,432	3,495	3,537	3,625	3,712	3,787	4,031
Internal charges and overheads recovered	650	814	776	819	796	827	853	878	896	917	939
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	25,138	25,000	27,820	28,782	29,431	28,787	28,584	28,264	28,798	30,216	30,061
Applications of operating funding											
Payments to staff and suppliers	19,628	15,360	17,695	22,163	17,881	17,026	22,464	16,196	16,484	24,154	17,311
Finance costs	-	172	162	152	174	162	149	135	121	106	90
Internal charges and overheads applied	8,781	9,874	10,306	11,097	11,234	11,400	11,422	11,617	11,864	12,067	12,299
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	28,409	25,406	28,164	33,412	29,289	28,588	34,035	27,948	28,469	36,327	29,700
Surplus (deficit) of operating funding (A-B)	(3,271)	(406)	(344)	(4,630)	142	199	(5,451)	316	329	(6,111)	361
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	4,549	(98)	(278)	(276)	(289)	(302)	(316)	(330)	(345)	(361)
Gross proceeds from the sale of assets	-	-	-	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	4,549	(98)	(278)	(276)	(289)	(302)	(316)	(330)	(345)	(361)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	310	581	920	595	605	615	626	637	649	662	675
- to replace existing assets	896	550	559	568	735	747	761	774	789	804	820
Increase (decrease) in reserves	(4,477)	3,012	(1,920)	(6,071)	(1,475)	(1,452)	(7,140)	(1,411)	(1,439)	(7,922)	(1,495)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	(3,271)	4,143	(441)	(4,908)	(135)	(90)	(5,753)	-	(1)	(6,456)	-
Surplus (deficit) of capital funding (C-D)	3,271	406	343	4,630	(141)	(199)	5,451	(316)	(329)	6,111	(361)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

**WAIKATO REGIONAL COUNCIL FUNDING IMPACT STATEMENT FOR 2018-28 LONG TERM PLAN
FOR CORPORATE, MANAGEMENT, SELF FUNDING, AND OTHER**

	2017/18 AP (\$000)	2018/19 LTP (\$000)	2019/20 LTP (\$000)	2020/21 LTP (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	(1,846)	(1,994)	(2,899)	(3,173)	(2,380)	(2,371)	(2,419)	(2,483)	(2,504)	(2,502)	(2,553)
Targeted rates											
Subsidies and grants for operating purposes											
Fees and charges	390	416	416	190	190	190	190	190	190	190	190
Internal charges and overheads recovered	31,103	34,488	36,101	38,891	39,744	40,600	41,144	41,856	42,711	43,512	44,192
Local authorities fuel tax, fines, infringement fees, and other receipts	6,534	6,643	6,756	6,871	6,989	7,110	7,234	7,360	7,489	7,620	7,755
Total operating funding (A)	36,182	39,553	40,373	42,779	44,543	45,530	46,149	46,923	47,886	48,820	49,584
Applications of operating funding											
Payments to staff and suppliers	28,868	34,571	34,441	34,253	35,909	36,636	37,142	37,904	38,596	39,257	40,132
Finance costs	-	291	442	328	377	350	322	293	263	231	198
Internal charges and overheads applied	681	814	776	819	796	827	853	878	896	917	939
Other operating funding applications		-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	29,549	35,676	35,660	35,400	37,082	37,813	38,318	39,076	39,755	40,405	41,268
Surplus (deficit) of operating funding (A-B)	6,633	3,877	4,714	7,379	7,461	7,717	7,831	7,847	8,130	8,415	8,316
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	9,217	(344)	(590)	(585)	(612)	(640)	(669)	(699)	(731)	(764)
Gross proceeds from the sale of assets	-	-	10,880	-	-	-	-	-	-	-	-

Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	9,217	10,536	(590)	(585)	(612)	(640)	(669)	(699)	(731)	(764)
Applications of capital funding											
Capital expenditure											
- to meet additional demand		-	-	-	-	-	-	-	-	-	-
- to improve the level of service	145	1,200	8,825	-	-	-	-	-	-	-	-
- to replace existing assets	1,971	1,590	1,656	1,427	1,448	1,501	1,492	1,465	1,530	1,540	1,595
Increase (decrease) in reserves	4,517	10,303	4,769	5,362	5,429	5,604	5,700	5,712	5,902	6,145	5,956
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	6,633	13,094	15,250	6,789	6,877	7,105	7,192	7,178	7,432	7,685	7,551
Surplus (deficit) of capital funding (C-D)	(6,633)	(3,876)	(4,714)	(7,378)	(7,462)	(7,716)	(7,831)	(7,846)	(8,131)	(8,416)	(8,315)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Revenue and financing policy

| Kaupapa here whiwhi me te utu rawa

BACKGROUND

This document has been prepared in accordance with the Local Government Act 2002, and in particular sections 101-103. It identifies the funding sources and mechanisms that will be used to finance the council's operating expenses and capital expenditure for the financial years 1 July 2018 to 30 June 2028.

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

The council undertakes a range of activities that require funding.⁽¹⁴⁾ This policy outlines how each of these activities is to be funded, taking into account the above considerations. The amount of revenue and the factors required are detailed in the Funding Impact Statement.

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

This policy should be read in conjunction with the 2018-2028 Long Term Plan (LTP), Financial Strategy, Treasury Policy and the Policy on Financial Contributions.

GUIDING PRINCIPLES

Waikato Regional Council's 2018-2028 LTP contains the following set of guiding principles. It should be noted that conflicts between the principles and practice may arise. Resolving this conflict will involve the need to trade off competing principles.

Affordability

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

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

Paying for benefits received

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

Paying for costs imposed

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

Transparency and accountability

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

Financial prudence and sustainability

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

Optimal capital usage

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

Efficiency and effectiveness

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

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

Overall impact on the community

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

FUNDING OPERATING EXPENDITURE

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

General rate

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

However, the council also considered other criteria such as:

- whether the activity is deemed to have considerable general community benefit (or direct beneficiaries cannot be accurately determined or identified)
- whether the size of a rateable property reflects the benefit received from these activities. For instance, is there greater benefit accruing to a rural property owner with a large land holding than an urban resident on a 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.

Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is a fixed amount charged to each rateable property. The impact of a UAGC is to set a component of rates as a fixed charge per property and separate this charge from the valuation base used to apply the general rate. Under the Local Government (Rating) Act a limit

of 30 per cent of total rates revenue can be applied via a UAGC or fixed rate per property. The council considers that there are three categories where a UAGC could be considered:

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

Targeted rates

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

The categories are:

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

The rates may be calculated as a:

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

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

- property value – annual, land or capital
- land area
- number of separately used or inhabited parts of the rating unit
- the extent of provision of service to rating unit by the council.

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

Fees and charges

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

Application charges

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

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

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

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

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

- low complexity consents, or those with low environmental and public impact including:
 1. Controlled Activity Bridge consent
 2. Controlled Activity Culvert consent
 3. Taupō 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 684B9(h) of the Local Government Act allows the regional council to set fees in respect of activities that it has to undertake to implement the bylaw. Waikato Regional Council has set fees for the following:

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

Resource consent holder charges

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

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

Report charges

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

User charges

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

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

Investment revenue

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

Financial contributions

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

Grants and contributions

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

Rentals and royalties

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

Reserve funds

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

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

Borrowing

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

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

Other mechanisms

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

FUNDING CAPITAL EXPENDITURE

Waikato Regional Council considers that the following sources of funding are appropriate for its capital expenses. These funding sources may be applied either directly to capital projects when expenditure is incurred, or towards financing interest and principal repayments on borrowings that were raised to fund the expenditure.

Intergenerational equity principles, which are dealt with under the council's guiding principle of paying for benefits received when they are received, suggest that the purchase or construction of long-lived assets should be funded by way of

borrowings. In that way, repayments are spread over time, instead of paying the entire cost of the assets in the year they are built. For long-lived assets, the funding sources below can be used to finance principal repayments on borrowings, rather than for directly funding capital projects. In the case of the replacement/renewal of existing assets, the council funds the depreciation expense associated with the asset through the sources identified below.

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

General rates

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

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

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

Targeted rates

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

Grants and subsidies

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

Fees and charges

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

Proceeds from asset sales

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

Borrowing

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

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

RATING POLICY

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

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

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

General rates

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

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

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

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

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

Targeted rates

S16 of the Local Government (Rating) Act 2002 authorises the council to set targeted rates and fixed targeted rates to fund functions that are identified in its Long Term Plan or Annual Plan.

The following targeted rates are currently assessed by council:

- Catchment management rates
- Drainage rates
- Biosecurity rate
- Public transport rate
- Permitted activity monitoring rate
- Stock truck effluent rate
- Civil defence and emergency management rate
- Natural heritage rate
- Regional services rate.

FUNDING ANALYSIS OF GROUP ACTIVITIES

The following sections provide a summary of the Revenue and Financing Policy. A copy of the full policy is available on request.

Group of activities: Community and services

Activity: 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.

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC

Activity: Organisational planning and reporting

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC

Activity: Iwi Māori partnerships

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC

Activity: Community partnerships

This activity reflects the importance the council places on collaboration demonstrated by our mission, "Working together to build a Waikato region that has a healthy environment, a strong economy and vibrant communities". Work programmes within this activity include EnviroSchools, road safety, clean heat incentives, waste minimisation and corporate and business sustainability. These programmes share a focus on multi agency relationships to bring about sustainable behaviour change.

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				General rate; UAGC; Regional services rate; Regional facilities rate; Government grants

Group of activities: Waikato Civil Defence and Emergency Management Group

Activity: Waikato Civil Defence and Emergency Management Group

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

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

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

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.

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

Group of activities: Regional hazards and emergency response

Activity: WRC Emergency response

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

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC

Activity: Resilient development

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC

Group of activities: Flood protection and control works

Activity: Flood protection

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	85%	15%	85%	15%
	The wide range of benefits provided to different groups and individuals suggest that a mix of funding tools is appropriate to meet the costs of this activity.		Targeted catchment rates; fees and charges; borrowing	General rate

Activity: Land drainage

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	100%		100%	
			Targeted drainage rates	

Activity: River management

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	87%	13%	87%	13%
			Targeted catchment rates; borrowing	General rate

Group of activities: Integrated catchment management

Activity: Biosecurity

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				Biosecurity rate; general rate

Activity: Biodiversity

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				UAGC; Natural heritage rate

Activity: Environmental Farming systems

This activity has a number of projects aimed at educating, raising awareness of agricultural sustainability issues and promoting best practice. The projects include sustainable agriculture, industry education, farmer education, and integrated catchment management.

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				General rate

Activity: Catchment planning and management

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

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	60%	40%	60%	40%
			Targeted catchment rates; borrowing	General rate

Group of activities: Public transport

Activity: Public transport

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	33%	67%	33%	67%
	The targeted public transport rate assessed to fund this activity applies to properties in Hamilton city only.		Fees and charges (fare revenue)	Government grants; targeted public transport rate

Group of activities: Resource use

Activity: Consent processing and compliance monitoring

The consent processing activity provides consenting and compliance monitoring for all Resource Management Act (RMA) related activities and Building Act responsibilities. Compliance with resource consents is monitored on a prioritised basis. The council proactively monitors compliance with two of the 73 permitted activities in the Waikato Regional Plan, namely farm animal effluent and soil disturbance.

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	60%	40%	60%	40%
			Fees and charges	General rate; permitted activity monitoring rate

Activity: Investigations and incident response

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	15%	85%	15%	85%
			Fees and charges (Fines)	General rate

Activity: Maritime services

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	5%	95%	5%	95%
	The activity has no correlation to property values, so the UAGC is considered the most appropriate funding mechanism.		Other income	UAGC

Group of activities: Science and strategy

Activity: Environmental monitoring

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	25%	75%	25%	75%
	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

Activity: Environmental information

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

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

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

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
	25%	75%	25%	75%
	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

Activity: Social and economic information

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
			General rate; UAGC	

Activity: Regional strategy and development

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
	The regional development fund receives its funding from returns from the investment fund. This recognises the regional benefits expected to accrue as a result of the fund over time.			General rate; UAGC; Investment income; borrowing

Activity: Regional integration and infrastructure

This activity ensures there is a connector between the delivery of science, strategy and policy and the community. It ensures key stakeholders throughout the region are aware of current science, strategy and policy projects and processes and are able to contribute effectively to these. This activity also focuses on the development and delivery of infrastructure and transport policy for the region.

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
	The council's transport policy activities attract central government subsidy through NZ Transport Agency.			Government grants (20%); General rate (80%)

Activity: Resource management policy

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

Funding assessment	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
		100%		100%
				General rate

OVERALL IMPACT ON THE COMMUNITY

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

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

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

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

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

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

Through this LTP, the council is establishing an external borrowing programme. It believes that the introduction of this funding mechanism will better allow the council to fund its infrastructure assets over their lives and in a way that supports the principle of intergenerational equity.

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

Annual funding impact statement for 2018/19 | Te tauākī pānga pūtea ā-tau 2018/19

FUNDING MECHANISMS

Waikato Regional Council proposes to use the following funding mechanisms:

- General rate
- Uniform annual general charge
- Targeted rates
- Fees and charges
- Investment revenue

- Financial contributions
- Grants and contributions
- Rentals and royalties
- Borrowing
- Reserves funds
- Proceeds from asset sales.

Details of these mechanisms can be found in the Revenue and Financing Policy (July 2018), available on our website www.waikatoregion.govt.nz.

Funding mix

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

Revenue	2018/19 %	2017/18 %
General rate	24	26
UAGC	11	11
Targeted rates	34	33
Government grants	10	9
Direct charges	5	5
Consent holder charges	3	3
Interest income	1	1
Investment income	4	4
Rental income	1	1
Royalties	0	0
Other income	7	7
Total Revenue	100	100

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

The forecast of revenue for the period of the 2018-2028 Long Term Plan is as follows:

	2017/18 AP	2018/19 LTP	2019/20 LTP	2020/21 LTP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rate	31,108	32,573	34,972	37,340	39,049	39,151	38,984	38,687	39,558	41,251	41,126
UAGC	13,361	14,312	15,259	15,890	16,322	16,578	17,032	17,431	17,810	18,217	18,544
Targeted rates	40,077	44,991	51,299	57,974	58,468	61,020	61,669	62,405	64,364	66,152	67,674
	84,545	91,876	101,529	111,203	113,839	116,749	117,685	118,523	121,731	125,621	127,344

Government grants	10,747	13,898	17,035	19,064	19,457	19,897	20,358	20,852	21,245	21,714	22,160
Direct charges	6,745	7,394	7,930	8,395	8,925	9,710	9,943	10,107	10,365	10,534	10,797
Consent holder charges	3,462	4,135	4,397	4,502	4,512	4,575	4,677	4,765	4,852	4,926	5,170
Investment fund distribution income	3,342	3,416	3,491	3,567	3,646	3,726	3,808	3,892	3,978	4,065	4,154
Investment fund capital protection income	1,810	1,727	1,765	1,804	1,844	1,884	1,926	1,968	2,011	2,055	2,101
Interest income	1,632	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Other income	8,308	9,193	10,345	10,871	11,096	11,255	11,370	11,449	11,733	11,922	12,111
Royalties	120	120	120	120	120	120	120	120	120	120	120
Rental income	861	845	845	654	654	654	654	654	654	654	654
Other Gains/(losses)	-	(43)	-	-	-	-	-	-	-	-	-
Total Other Income	37,027	42,185	47,428	50,478	51,753	53,322	54,355	55,307	56,458	57,490	58,767
Total Revenue	121,572	134,061	148,957	161,682	165,592	170,070	172,041	173,830	178,189	183,111	186,111

The projected number of rating units within the region for each financial year covered by the 2018-2028 Long Term Plan are:

Financial Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Projected number of rating units	201,100	204,100	207,200	210,300	213,500	216,700	220,000	223,300	226,600	230,000

The total capital value of all rating units within the region at 30 June 2018 is \$144.359 billion.

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

GENERAL RATE

What it funds

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

revenue.

The general rate amounts to 24 per cent of the council's total revenue for the year. For this year, the amount of general rate revenue required is \$37,459,000 (GST inclusive) compared with \$35,774,000 (GST inclusive) in 2017/18.

The general rate revenue (GST inclusive) will be used to fund the following activities:

Group of Activities	\$000 (GST inclusive)
Community and services	1,447
Flood control and protection works	2,998
Integrated catchment management	7,298
Public transport	-
Regional hazards and emergency response	-
Resource use	7,097
Science and strategy	21,925
Waikato Civil Defence Emergency Management (CDEM) Group	-
Corporate	(3,305)
TOTAL	37,459

How it is applied

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

The rate in the dollar per dollar of capital value of a rating unit is determined by dividing the general rate revenue requirement, by the capital value of all rateable properties in the Waikato region, taking account of the differential. The capital value of the region used for the 2018/19 year is \$144,359 billion.

The 2018/19 rate

General rate

Area of benefit (GST inclusive)	Percentage of Region	Rate \$1 per \$1 CV (GST inclusive)	\$(000) GST inclusive
Hamilton	24.36%	0.00029188	9,145
Matamata-Piako	9.29%	0.00028028	3,477
Ōtorohanga	2.94%	0.00026387	1,101
Rotorua	1.46%	0.00023555	547
South Waikato	4.11%	0.00026575	1,538
Taupō	10.02%	0.00025788	3,751
Thames-Coromandel	12.42%	0.00023516	4,649
Waikato	16.91%	0.00023303	6,330
Waipā	12.01%	0.00026820	4,496
Waitomo	2.13%	0.00027500	797
Hauraki	4.35%	0.00029962	1,628
Total	100.00%		37,459

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

What it funds

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

- The expenditure is a “public good” to which every ratepayer has equal access.

- The expenditure is related to “people” rather than property.
- The expenditure does not directly change the condition of economic value of a property or resource.

For this year, the amount of UAGC revenue required is \$16,458,000 (GST inclusive). This amounts to 11 per cent of the council’s total revenue for the year, and 16 per cent of total rates revenue.

The UAGC will be used to fund the following activities:

Activity	\$(000) (GST inclusive)
Governance	4,415
Organisational planning and reporting	1,297
Iwi partnerships	1,529
Community partnerships	1,897
Waikato Regional Council emergency management	1,213
Resilient development	812
Biodiversity	1,787
Maritime services	1,825

Activity	\$ooo (GST inclusive)
Social and economic information	1,188
Regional strategy and development	495
TOTAL	16,458

How it is applied

The UAGC is set on every rating unit in the Waikato region. The estimated number of rating units is 201,100.

The 2018/19 rate

The rate is \$81.83 per rating unit (GST inclusive). This is an increase of \$4.29 from 2017/18.

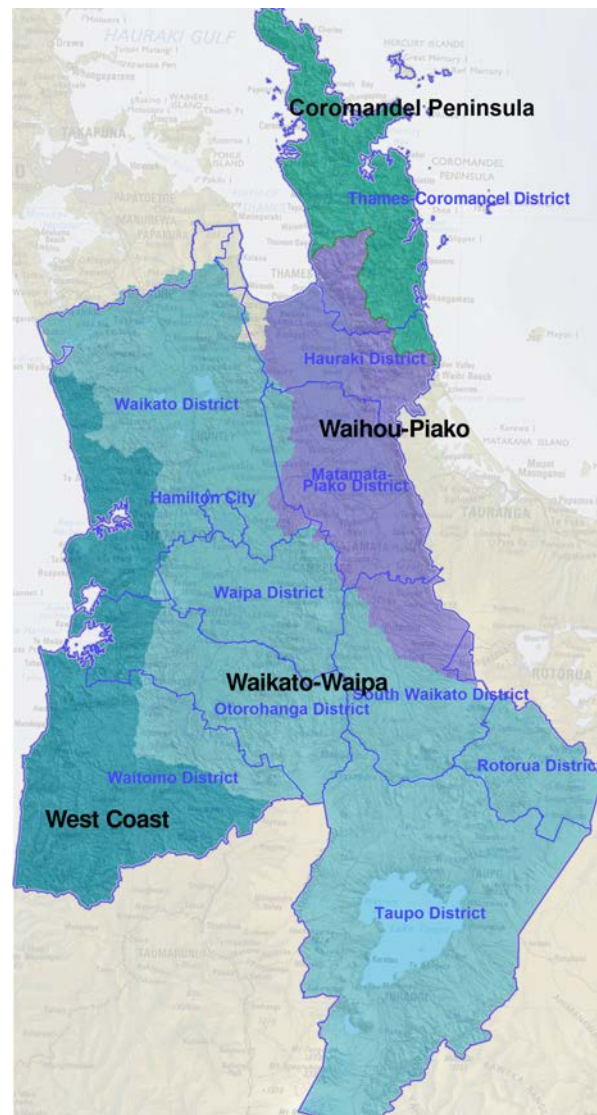
TARGETED RATES

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

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

Waihou-Piako schemes

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



What it funds

Waihou Valley Scheme	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST inclusive)
Flood protection	4,654	3,745
River management	1,802	1,532
Catchment new works	308	262
Catchment maintenance	951	222
Catchment oversight	1,272	1,082
Information and advice	105	89
Total Waihou Valley Scheme	9,092	6,932

Piako River Scheme	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST inclusive)
Flood protection	3,726	3,050
River management	536	455
Catchment new works	160	136
Catchment maintenance	-	-
Catchment oversight	815	692
Information and advice	101	85
Total Piako River Scheme	5,338	4,419

How it is applied

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

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

Local protection – Piako River scheme maintenance

Piako River scheme: Total targeted rate revenue per layer

Layer	Targeted rate revenue (\$000) (GST inclusive)
Tidal flooding	751
River flooding	588
Drainage	1,635
Residential, industrial/commercial	296
Total	3,270

The 2018/19 rate

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

Piako classifications

Area of benefit (GST inclusive)	Factor used	TF1	TF2	TF3	TF4
Tidal Flooding	\$ per hectare	61.7755	46.3316	30.8877	3.0888

Area of benefit (GST inclusive)	Factor used	RF1	RF2	RF3	RF4	RFPZ1	RFPZ2	RFPZ3
River Flooding	\$ per hectare	43.0823	21.5412	16.1559	5.3853	17.2329	8.6165	2.1541

Area of benefit (GST inclusive)	Factor used	D1	D2	D3	D4	D5	D6	D7	D8	D9
Drainage	\$ per hectare	46.9305	37.5444	28.1583	23.4653	21.9009	20.3366	12.5148	4.6931	1.5644

Area of benefit (GST inclusive)	Factor used	RIC1	RIC2
Residential, industrial/commercial	\$1 per \$1 capital value	0.00128435	0.00064218

Local protection – Waihou Valley scheme maintenance

Layer	Targeted rate revenue (\$000) (GST inclusive)
Rural	4,090
Urban	1,040
Total	5,130

The 2018/19 rate

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

Waihou classifications

Area of benefit (GST inclusive)	Factor used	U1	U2	U3	U4
Urban	\$1 per \$1 capital value	0.00079685	0.00045534	0.00022767	0.00008538

Area of benefit (GST inclusive)	Factor used	A	B	C	D	E
Rural	\$1 per \$1 land value	0.00838355	0.00433632	0.00260179	0.00057818	0.00028909

Waihou-Piako scheme catchment rate

Layer	Targeted rate revenue (\$000) (GST inclusive)
Catchment	2,951

The 2018/19 rate

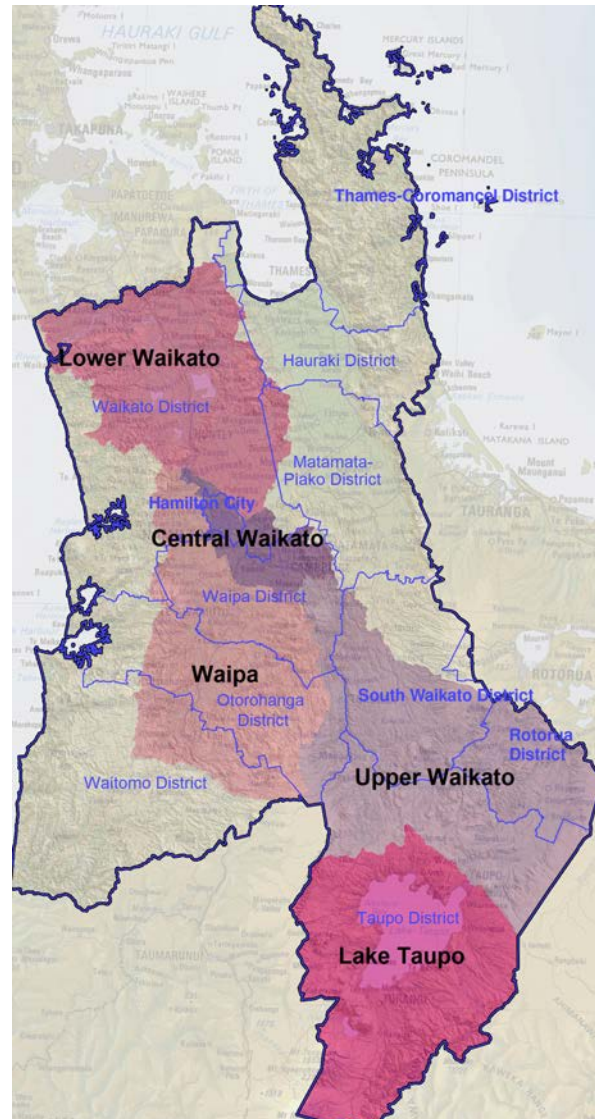
The following rate is applied to all rating units within the Waihou and Piako zones.

Area of benefit (GST inclusive)	Factor used	WPC1	WPC2	WPC3
Catchment	\$1 per \$1 capital value	0.00023093	0.00013856	0.00009237

Waikato-Waipā (Watershed)

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

Details of the scheme can be obtained from the funding document.⁽¹⁵⁾ The scheme was adopted under special order on 27 June 2002, under part V of the Rating Powers Act 1988, and subsequent special order on 29 November 2002, for the hydro contributor and the Tauranga-Taupō river management and flood protection layer, the Tongariro River management and flood protection layer, the Whangamaire pump area, the Uapoto drainage subdivision and the Kawa drainage area.



What it funds

The funding provides for the following projected expenditure for 2018/19:

Zone	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Lake Taupo management zone	1,725	1,218
Upper Waikato management zone	1,122	719
Central Waikato management zone	1,554	839
Waipa management zone	4,962	3,092
Lower Waikato management zone	8,364	6,652
TOTAL	17,727	12,520

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

The targeted rate requirement is \$12,520,000 (GST inclusive), an increase of \$1,817,000 on the amount required in the 2017/18 year. The targeted rate includes funding of operating expenses, depreciation, interest expense and provision for debt repayment.

How it is applied

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

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

Greater Waikato catchment differential

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

Contributor differential

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

Contributor differential – hydro

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

Beneficiary differential – hydro

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

Management zone differential

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

River control and flood protection direct benefit differential

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

How is it applied

Differential	Targeted rate revenue (\$000) (GST inclusive)
Greater Waikato catchment differential	3,409
Contributor differential Urban	1,197
Contributor differential Rural	973
Contributor differential - hydro	547
Management zone differential	-
- Lower Waikato	1,736
- Central Waikato	405
- Upper Waikato	361
- Waipā	1,079
- Lake Taupō	480
- River control and flood protection benefit	2,333
- Total	12,520

The 2018/19 rate

Greater Waikato catchment differential

Zone	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
Greater Waikato catchment differential		
- Hamilton	capital value	0.00003304
- Waipā district	capital value	0.00003793
- Waikato district	capital value	0.00003355
- Ōtorohanga district	capital value	0.00003987
- Hauraki district	capital value	0.00005105
- Matamata-Piako district	capital value	0.00003758
- South Waikato district	capital value	0.00003668
- Waitomo district	capital value	0.00004698
- Taupō district	capital value	0.00004044
- Rotorua district	capital value	0.00004716
Contributor differential Urban	land value	0.00004184
Contributor differential Rural	land value	0.00004184
Contributor differential - Hydro	capital value	0.00052490

Lake Taupo management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Taupo district	capital value	0.00004755

Upper Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Otorohanga district	capital value	0.00003083
- South Waikato district	capital value	0.00003047
- Taupo district	capital value	0.00002431
- Rotorua district	capital value	0.00003927
- Waipa district	capital value	0.00005487
- Matamata-Piako district	capital value	0.00001037

Central Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Hamilton city	capital value	0.00000945
- Waipa district	capital value	0.00000901
- Waikato district	capital value	0.00000890

Lower Waikato management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Waikato district	capital value	0.00011167
- Matamata-Piako district	capital value	0.00012109
- Hauraki district	capital value	0.00012997
- Hamilton city	capital value	0.00004402

Waipa management zone differential	Factor used	Rate in the \$1 per \$1 of value (GST inclusive)
- Waipa district	capital value	0.00007859
- Waikato district	capital value	0.00006469
- Otorohanga district	capital value	0.00007599
- Waitomo district	capital value	0.00008892
- Hamilton city	capital value	0.00002391

River control and flood protection benefit differential

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

Lower Waikato - direct benefit rates

Rated at \$ per hectare

Main channel works

Area of benefit (GST inclusive)	1	2	3	4	5	6	6A
Waikato	8.7105	6.0974	5.2263	4.3553	3.4842	2.6132	-
Mangawara	3.0595	2.4476	2.1417	1.2238	0.7649	0.4589	0.3060

Main channel works continued

Area of benefit (GST inclusive)	7	8	9A	9B	9C
Waikato	2.1776	1.7421	1.3066	0.8711	0.4355
Mangawara	0.1530	-	-	-	-

Community works

Area of benefit (GST inclusive)	1	2	3	4	5	6	6A	7	8
Waikato	12.2895	9.8316	8.6027	7.3737	6.1448	4.9158	-	4.3013	1.2290
Mangawara	4.0179	3.2143	2.8125	1.6072	1.0045	0.6027	0.4018	0.2009	-

Local protection works

Franklin district

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Motukaraka	-	54.8309	51.9451	-	-	-	-	-	-
Bell Road	-	-	-	-	427.8972	-	-	-	-
Tickles	606.5502	-	-	-	-	-	-	-	-
Waller	-	-	-	473.7931	-	-	-	-	-
Orton	-	-	-	201.9850	166.3406	130.6964	-	-	-
Parish Polder	-	-	-	240.6048	-	-	-	-	-
Whangamarie	94.4639	56.6783	37.7855	14.1696	-	-	-	-	-
Te Kohanga	54.7793	-	-	46.5624	-	-	-	-	-
Tuakau	-	-	-	140.4959	-	-	-	-	-
Onewhero West	-	-	-	144.6240	-	-	-	-	-
Mangatawhiri									
- Comp 1	-	-	-	54.7502	-	-	28.9854	25.7647	-
- Comp 2	-	-	171.7476	162.2061	-	-	-	-	-
- Comp 3	-	-	-	117.0463	-	-	-	-	-
- Comp 4	-	-	176.2538	-	-	-	-	-	-
- Comp 5	-	-	-	348.2108	-	-	-	-	-

Waikato district

Area of benefit (GST inclusive)	1	2	3	4	5	6
Waahi	-	-	-	-	-	-
Meremere west	-	-	-	123.2222	-	-
Meremere	-	-	-	-	181.5790	-
Waikare	71.1472	-	64.0325	60.4751	-	-
Huntly west	61.5752	-	-	-	-	-
Kimihia	76.5432	-	68.8889	65.0617	-	-
Deroles	-	-	-	-	166.1451	-
Vrsalijkos	-	239.2022	-	-	-	-
Churchill	-	-	101.0413	-	-	-
Ruawaro	-	-	-	228.4557	-	-
Swan	-	58.5851	-	-	-	33.9177
Island Block	-	-	275.2833	-	-	-
Orchard Road	-	-	-	843.5181	-	-
Locke	-	-	195.9224	-	-	-

Waikato district continued

Area of benefit (GST inclusive)	7	8	9	10	11	12
Waahi	-	-	-	35.4515	-	14.1807
Meremere west	-	-	-	-	-	-
Meremere	-	-	-	-	-	-
Waikare	32.0163	28.4589	-	-	14.2294	-
Huntly west	27.7089	24.6301	-	-	-	6.1575
Kimihia	-	30.6173	-	-	-	-
Deroles	-	-	-	-	-	-
Vrsalijkos	-	-	-	-	-	-
Churchill	-	-	-	-	-	-
Ruawaro	-	-	80.6309	-	-	26.8771
Swan	27.7509	-	-	-	-	-
Island Block	-	-	91.7610	-	-	-

Area of benefit (GST inclusive)	7	8	9	10	11	12
Orchard Road	-	-	-	-	-	-
Locke	-	-	-	-	-	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Aka Aka (LPSECB)	0.4684	-	-	-	-	-	-	-	-
Aka Aka (LPG)	10.3468	-	-	-	-	-	-	-	-
Aka Aka (LPPG)	34.4893	-	-	-	-	-	-	-	-
Aka Aka (LPP)	44.8362	43.1116	86.2231	-	-	-	-	-	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
<i>Mercer west</i>									
- Southern	-	-	-	-	-	-	39.6205	-	-
- Morrisons	-	-	-	-	-	-	-	83.8128	-
Mangawara	28.7552	23.0041	20.1286	11.5021	7.1888	4.3133	1.4378	-	-
Mangawara A	-	-	-	-	-	2.8755	-	-	-

Waikato zone - fixed direct benefit rate

Area of benefit (GST inclusive)	Factor used	Rate (\$) GST inclusive
Huntly	per rating unit (GST inclusive)	\$ 36.39

Waipā zone - direct benefit rate

Rated at \$ per hectare

Area of benefit (GST inclusive)	1	2
Kawa	12.6947	6.3474

Waipā zone - fixed direct benefit rate

Area of benefit (GST inclusive)	Factor used	Rate (\$) GST inclusive
Otorohanga	per rating unit (GST inclusive)	\$ 39.29

Taupō zone - direct benefit rates

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

Area of benefit (GST inclusive)	1	2	3	4	5
Tongariro	0.00079226	0.00047536	0.00031691	0.00027729	0.00015845
Tauranga/Taupō	0.00079638	0.00063711	0.00027873	0.00022299	0.00007964
Tauranga/Taupō A	-	-	0.00019910	-	-

Taupō zone - direct benefit rates continued

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

Area of benefit (GST inclusive)	6	6A	7
Tongariro	0.00007923	-	0.00003961
Tauranga/Taupō	-	-	-
Tauranga/Taupō A	-	-	-

Local protection works - capital

Lower Waikato zone

Rated at \$ per hectare

Area of benefit (GST inclusive)	1	2	3	4	5	6	7	8	9
Deroles capital	-	-	-	-	501.4089	-	-	-	-
Mercer west - Morrisons capital	-	-	-	-	-	-	-	209.6876	-

Area of benefit (GST inclusive)	1	2	3	4	5	6	7
Tongariro	0.00049389	0.00029634	0.00019756	0.00017286	0.00009878	0.00004939	0.00002469
Tauranga/Taupo	0.00074575	0.00059660	0.00026101	0.00020881	0.00007457	-	-
Tauranga/Taupo A	-	-	0.00018644	-	-	-	-

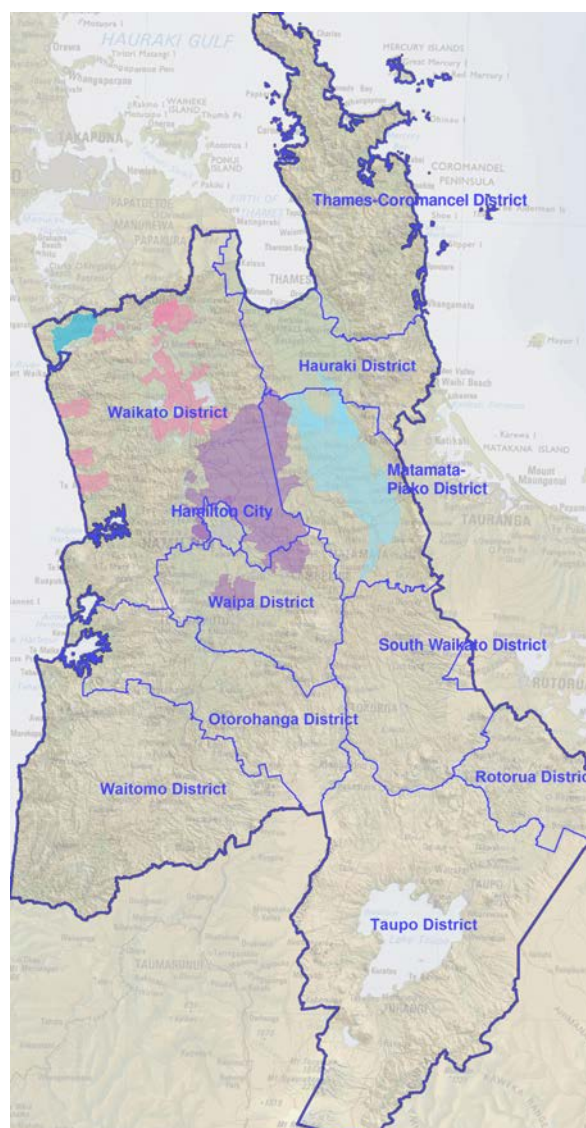
Drainage rates

The drainage rates for Thames Valley, Waikato north, Waikato south, Franklin and Waikato district areas provide land drainage in these areas. Details of the areas covered can be obtained from the funding documents.⁽¹⁶⁾ These schemes were implemented under the Land Drainage Act 1908, and more recently the Rating Powers Act 1988.

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

What it funds

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



Expenditure	(\$000) (GST inclusive)
Thames Valley drainage maintenance	558
Waikato Central drainage maintenance	1,082

¹⁶ Thames Valley: Tahuna Subdivision Drainage District, Classification Report. Elstow Subdivision Drainage District, Classification Report. Waihou Subdivision, Classification Report. Whakahoro Drainage District, Classification Report. Tatuani Subdivision, Classification Report. Waiheke Subdivision and Manawaru Extension, Classification Report, 1986 and 1987. Manawaru Subdivision, Classification. Hungahunga Special Order
 Waikato North: Te Rapa Drainage, Classification Report. Fencourt and Eureka, Funding Policy. Komakorau Subdivision, Classification Report.
 Waikato South: Hautapu Drainage District, Special Order. Ohaupo-Ngaroto, Classification Report.
 Franklin District: Franklin district drainage areas Funding Policy. Doc # 1620129
 Waikato District: Waikato district drainage areas Funding Policy. Doc # 1922441

Expenditure	(\$000) (GST inclusive)
Franklin Waikato drainage maintenance	526
Aka Aka/Otaua drainage maintenance	265
Total expenditure	2,431

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

How it is applied

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

Rate revenue per subdivision

Thames Valley	(\$000) (GST inclusive)
Hungahunga	52
Manawaru	83
Waihekeau	48
Tatuanui	60
Whakahoro	74
Waitoa	40
Waihou	27
Elstow	72
Tahuna	43
Ahikope pumping	23
Tahuna pumping	80
Rowes East	12
Bancroft	3
Matamata Urban	33

Waikato Central	(\$000) (GST inclusive)
Rotomanuka	26
Hautapu	81
Fencourt	66
Ohaupo-Ngaroto	16
Freshfield maintenance	57
Freshfield pumping	40
Komokorau 1	122
Komokorau 2	2
North Mangawara	2
South Mangawara	23
Tauhei	73
Tenfoot	43
Uapoto	26
Ngaruawahia	46
Rotokauri	34
Ohote Basin	23
Mangaonua	58
Waitakaruru	98
Manor Park	13
Greenhill	5
Hopuhopu	7
Kirikiroa	9
Koromatua	3
Matangi	46
Ngaruawahia North	8
Pukeroro	9
Puketaha	6
Te Kowhai	6

Aka Aka	(\$000) (GST inclusive)
Aka Aka	215

Franklin Waikato	(\$000) (GST inclusive)
Motukaraka	86
Bell Road	4
Tuakau Swamp	12
Mangatawhiri compartment 1	3
Mangatawhiri compartment 2	14
Mangatawhiri compartment 3	13
Mangatawhiri compartment 4	32
Mangatawhiri compartment 5	2
Orton	12
Te Kohanga	10
Kaawa	15
Onepoto	7
Okowhau	10
Huntly West	16
Hills	3
Horohero	40
Austins	18
Blairs	5
Guests	8
Ruawaro Furniss	3
Ruawaro North	5
Kimihia pumped	1
Kimihia	6
Rangiriri	7
Island Block	7
Orchard Road	5
Swan Road	58
Vrsalijkos Road	6
Churchill East	46
Meremere East	23

Franklin Waikato	(\$000) (GST inclusive)
Mangati	5
Mangawara	5
Pukekapia 1	5
Pukekapia 2	5
Ruawaro West	4
Waikare Frost	7
Waikare Ohinewai	3
Waikare Nikau	2
Waikare Rangiriri	2
Waikare West	9
Waikorea	2

The 2018/19 rate

*Thames Valley drainage area
\$ per hectare*

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Hungahunga	125.3798	12.5380	10.0304	6.2690	3.1345	1.8807	0.6269
Manawaru	191.0439	19.1044	15.2835	9.5522	4.7761	2.8657	0.9552
Waihekeau	104.9644	10.4964	8.3972	5.2482	2.6241	1.5745	0.5248
Tatuanui	-	151.7433	12.1395	7.5872	3.7936	2.2761	0.7587
Whakahoro	-	20.7087	16.5670	10.3543	5.1772	3.1063	1.0354
Waitoa	-	11.7039	9.3631	5.8520	2.9260	1.7556	0.5852
Waihou	-	15.6596	12.5277	7.8298	3.9149	2.3489	0.7830
Elstow	195.5482	19.5548	15.6439	9.7774	4.8887	-	0.9777
Tahuna	-	18.1085	14.4868	9.0543	4.5271	2.7163	0.9054
Ahikope pumping	-	35.3329	28.2663	17.6665	8.8332	5.3000	1.7666
Tahuna pumping	-	65.6304	52.5043	32.8152	16.4076	9.8446	3.2815
Rowes East	-	127.7885	102.2307	63.8940	31.9471	19.1683	6.3892
Bancroft	-	6.8253	5.4603	3.4127	1.7063	1.0238	0.3413

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Matamata Urban	-	183.8073	147.0459	91.8982	45.9518	27.5699	9.1904

Waikato Central drainage areas

\$ per hectare

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Rotomanuka	-	13.6028	5.7378	0.7475	-	-	-
Hautapu	264.2980	26.4298	18.5009	13.2149	6.6074	3.9645	1.3215
Fencourt	414.0271	41.4027	28.9819	20.7014	8.2805	6.2104	2.0701
Ohaupo-Ngaroto	-	12.6869	8.8808	6.3435	3.1717	2.5374	0.6343
Freshfield maintenance	216.5432	21.6543	16.2407	10.8272	5.4136	3.2481	1.0828
Freshfield pumping	-	226.5407	169.9055	113.2704	56.6353	33.9811	-
Komokorau 1	-	18.6848	13.0794	9.3424	5.6054	2.8027	0.9342
Komokorau 2	-	-	-	49.2837	24.6418	-	2.4642
North Mangawara	-	2.1745	1.5221	1.0872	0.4349	0.3262	0.1305
South Mangawara	112.9488	11.2948	7.9064	5.6474	2.2590	1.6942	0.6777
Tauhei	176.2074	17.6207	12.3345	8.8104	3.5241	2.6431	1.0572
Tenfoot	191.0415	19.1042	13.3729	9.5521	3.8208	2.8656	1.1462
Uapoto	232.1835	23.2183	16.2528	11.6092	4.6437	3.4828	1.3931
Ngaruawahia	488.1419	48.8142	39.0514	24.4071	12.2035	7.3221	2.4407
Rotokauri	392.5345	39.2534	31.4028	19.6267	9.8134	5.8880	1.9625
Ohote Basin	173.5390	43.3847	28.2000	26.0309	-	10.8462	6.5078
Mangaonua	318.4241	31.8424	22.2897	15.9212	6.3685	4.7764	-
Waitakaruru	275.9064	27.5906	19.3135	13.7953	5.5181	4.1386	1.3795
Manor Park	1,533.3854	306.6771	-	-	-	153.3371	-
Greenhill	-	51.7415	46.5674	32.5968	-	-	-
Hopuhopu	-	28.1633	18.5878	9.3784	3.0978	-	-
Kirikiroa	-	-	-	41.7838	20.8919	-	4.1784
Koromatua	-	30.6578	20.4334	5.0984	-	-	-
Matangi	-	23.7482	-	-	-	-	-

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Ngaruawahia North	-	246.3356	-	-	-	-	-
Pukeroro	-	75.0371	49.9747	37.5186	-	-	-
Puketaha	338.4244	33.8425	23.6897	16.9212	10.1527	5.0758	1.6921
Te Kowhai	-	72.9940	54.6725	27.3727	18.2487	9.1242	-

Aka Aka drainage area

Subdivision		
Aka Aka	\$	44.16 fixed rate per hectare (GST inclusive)

Franklin Waikato drainage areas

\$ per hectare

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Waller Commins	-	-	-	-	-	-	-
Motukaraka	-	60.3393	-	-	-	-	-
Bell Road	-	-	-	33.0406	-	-	-
Tuakau Swamp	-	-	101.7329	-	22.6073	-	-
Mangatawhiri Compartment 1	-	-	-	23.9367	7.9789	4.7873	-
Mangatawhiri Compartment 2	-	-	92.0992	61.3995	20.4665	12.2799	-
Mangatawhiri Compartment 3	-	-	24.4637	16.3091	5.4364	-	-
Mangatawhiri Compartment 4	-	-	78.9540	52.6360	17.5453	-	7.0181
Mangatawhiri Compartment 5	-	-	-	-	65.9525	-	-
Orton	-	56.0161	33.6097	22.4064	11.2032	-	-
Morrison's Swamp	-	-	-	-	-	-	-
Te Kohanga	-	17.5769	5.8590	2.9295	-	-	-
Kaawa	-	95.0719	47.5360	-	-	-	-
Onepoto	-	142.3110	106.7333	71.1555	-	-	-
Onewhero Downstream	-	-	-	-	-	-	-
Okowhau	-	116.4725	66.5640	33.2877	16.6206	-	-
Huntly West	-	53.9389	38.5285	15.4103	7.7132	-	-

Area of benefit (GST inclusive)	Urban	A	B	C	D	E	F
Hills	-	52.7129	37.6580	15.0601	7.5432	-	-
Horohoro	-	82.3409	58.8078	23.5248	11.7583	-	-
Austins	-	106.3334	66.4690	26.5833	-	-	-
Blairs	-	98.6541	70.4685	28.1855	14.1074	-	-
Guests	-	50.7165	33.8279	-	-	-	-
Ruawaro Furniss	-	-	59.0322	39.3444	-	-	-
Ruawaro Central	-	-	-	-	-	-	-
Ruawaro North	-	52.7196	39.2603	15.0779	-	-	-
Kimihia SRA	-	68.9626	34.4921	-	-	-	-
Kimihia	-	60.2737	30.1489	-	-	-	-
Rangiriri	-	83.2591	69.3798	41.6380	-	-	-
Island Block	-	79.4299	39.6991	19.8654	-	-	-
Swan Road	-	-	123.7759	82.5090	41.2659	-	-
Vrsalijkos	-	146.0555	-	73.0134	-	-	-
Orchard Road	720.3145	72.0314	50.4219	36.0157	-	10.8047	3.6108
Churchill East	-	106.2863	85.0184	63.7718	-	-	-
Meremere East	-	64.3236	48.2427	32.1554	16.0810	-	-
Mangati	-	74.6439	59.7147	29.8575	-	-	-
Mangawara	-	11.7131	7.3090	5.8565	1.4524	-	-
Pukekapia 1	-	28.3065	14.1533	7.0767	-	-	-
Pukekapia 2	-	44.9152	22.4576	11.2287	-	-	-
Ruawaro East	-	-	-	-	-	-	-
Ruawaro West	-	39.1563	29.3673	19.5781	9.7891	-	-
Travers Road	-	-	-	-	-	-	-
Waikare Frost	-	46.3812	23.1905	11.5952	5.8440	-	-
Waikare Ohinewai	-	-	80.8545	40.4274	20.0523	-	-
Waikare Nikau	-	34.0185	28.1675	22.6563	-	11.3282	5.6471
Waikare Rangiriri	-	17.3694	10.4043	3.4739	-	-	-
Waikare West	-	22.8294	18.2179	9.1089	4.5430	-	-
Waikorea	-	17.9610	-	-	-	-	-

Peninsula project (Coromandel zone)

The Peninsula Project (Coromandel zone) scheme provides for work to address the issues of flood protection, soil conservation and river management on the Coromandel Peninsula. Details

of the funding policy and the area covered by this scheme can be obtained from the Peninsula Project (Coromandel zone) Revenue and Funding Policy.⁽¹⁷⁾

What it funds

The funding provides for projected costs of \$3,275,000 (GST inclusive).

Activity	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
Flood protection	706	480
River management	494	395
River improvement	105	84
Catchment new works	492	350
Catchment maintenance	37	28
Animal pest control	17	15
Catchment oversight	391	261
Information and advice	152	112
Works and services - coastal marine area	881	355
Total	3,275	2,080

How it is applied

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

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

Catchment differential – capital value basis

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

Catchment differential – per rating unit basis

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

River and flood control direct benefit differential

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

The targeted rate requirement is as follows:

Differential	Targeted rate revenue (\$000) (GST inclusive)
Catchment - Coromandel	1,535

Differential	Targeted rate revenue (\$000) (GST inclusive)
River and flood control direct benefit	545
Total	2,080

The 2018/19 rate

Peninsula Project (Coromandel zone)

Differential	Factor Used	Rate (\$) GST inclusive
Catchment		
CV Basis	Capital Value \$1 per \$1	0.00004346
Per rating unit basis	Per Rating Unit	32.79
Coromandel Retirement Village		
Maintenance	Capital Value \$1 per \$1	0.00008898
Coromandel Township		
Maintenance	Capital Value \$1 per \$1	0.00012061
Coromandel township capital		
Capital channel 1	Capital Value \$1 per \$1	0.00041703
Capital channel 2	Capital Value \$1 per \$1	0.00020852
Capital channel 3	Capital Value \$1 per \$1	0.00010426
Capital indirect	Capital Value \$1 per \$1	0.00000904
Grahams Creek		
Indirect Maintenance	Capital Value \$1 per \$1	0.00008138
Indirect Capital	Capital Value \$1 per \$1	0.00001500
Capital Channel CH1	Capital Value \$1 per \$1	0.00019188
Capital Stopbank SB2	Capital Value \$1 per \$1	0.00011183
Capital Channel CH2	Capital Value \$1 per \$1	0.00004797
Capital Stopbank SB1	Capital Value \$1 per \$1	0.00033548
Karaka Stream capital		
Capital KL1	Capital Value \$1 per \$1	0.00039793
Capital KL2	Capital Value \$1 per \$1	0.00019897
Capital KL3	Capital Value \$1 per \$1	0.00006632

Differential	Factor Used	Rate (\$) GST inclusive
Pohue Channel capital		
Capital channel 1	Captital Value \$1 per \$1	0.00050676
Tairua Harbour		
Maintenance	Per Rating Unit	19.46
Tapu		
Maintenance	Captital Value \$1 per \$1	0.00013766
Te Puru		
Maintenance	Captital Value \$1 per \$1	0.00030091
Te Puru Capital Indirect		
Te Puru Capital Indirect	Per Rating Unit	66.52
Te Puru Channel capital		
Capital channel 1	Captital Value \$1 per \$1	0.00006806
	Per Rating Unit	34.11
Capital channel 1a	Captital Value \$1 per \$1	0.00006806
	Per Rating Unit	849.66
Capital channel 2	Captital Value \$1 per \$1	0.00003403
	Per Rating Unit	17.05
Capital channel 2a	Captital Value \$1 per \$1	0.00003403
	Per Rating Unit	47.75
Capital channel 3	Captital Value \$1 per \$1	0.00001701
	Per Rating Unit	8.53
Te Puru stopbank capital		
Capital stopbank 1	Captital Value \$1 per \$1	0.00042692
	Per Rating Unit	213.96
Capital stopbank 1a	Captital Value \$1 per \$1	0.00042692
	Per Rating Unit	5,329.69
Capital stopbank 2	Captital Value \$1 per \$1	0.00021346
	Per Rating Unit	106.98
Capital stopbank 2a	Captital Value \$1 per \$1	0.00021346
	Per Rating Unit	299.54

Differential	Factor Used	Rate (\$) GST inclusive
Capital stopbank 3	Capital Value \$1 per \$1	0.00010673
	Per Rating Unit	53.49
Waiomu channel capital		
Capital channel 1	Capital Value \$1 per \$1	0.00060434
Capital channel 2	Capital Value \$1 per \$1	0.00030217
Capital channel 3	Capital Value \$1 per \$1	0.00015109
Waiomu stopbank capital		
Capital Stopbank 1	Capital Value \$1 per \$1	0.00033635
Capital Stopbank 3	Capital Value \$1 per \$1	0.00005606
Waiomu-Pohue		
Capital indirect	Capital Value \$1 per \$1	0.00003420
Maintenance	Capital Value \$1 per \$1	0.00018692
Whangamata Harbour		
Maintenance	Per Rating Unit	14.36

West coast

The West Coast scheme provides for work to address the issues of flood protection, soil conservation and river management within the West Coast zone. Details of the funding policy and the area covered by this scheme can be obtained from the West Coast Zone Funding Policy.⁽¹⁸⁾

What it funds

The funding provides for projected costs of \$2,124,000 (plus GST at the prevailing rate).

Activity	Projected expenditure (\$000) (GST inclusive)	Targeted rate revenue (\$000) (GST Inclusive)
River management	1,006	373
Catchment new works	522	233
Catchment maintenance	41	21
Catchment oversight	466	130
Information and advice	87	44
Total Activity	2,123	801

How it is applied

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

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

¹⁸ West Coast Zone Funding Policy. Doc # 1629995

Catchment differential – capital value basis

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

Catchment differential – per rating unit basis

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

The targeted rate requirement is as follows:

Differential	Targeted rate revenue (\$000) (GST Inclusive)
Catchment - West Coast	801

The 2018/19 rate

West Coast

Differential	Factor Used	Rate (\$) GST inclusive
Catchment - West Coast		
Capital value basis	\$1 per \$1 capital value	0.00008247
Per rating unit basis	\$ per rating unit	58.82

Public transport rate

What it funds

The public transport rate funds part of the cost of the Hamilton city urban public transport service. The revenue required in 2018/19 is \$9,164,000 (GST inclusive).

How it is applied

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

- Direct - Rate in the dollar per dollar of capital value of all rating units within Hamilton city boundary that are within 800 metres of a bus route. The total rate requirement for 2018/19 for the direct rate is \$7,760,000 (GST inclusive)
- Indirect – Rate in the dollar per dollar of capital value of all rating units within Hamilton city boundary. The total rate requirement for 2018/19 for the indirect rate is \$1,404,000 (GST inclusive).

The 2018/19 rate

Area of benefit (GST inclusive)	Rate \$1 per \$1 CV (GST inclusive)
Public Transport - Indirect	0.00004494
Public Transport - Direct	0.00025465

Biosecurity rate

What it funds

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

The total biosecurity rate revenue requirement for 2018/19 is \$7,709,000 (GST inclusive), an increase of \$781,000 from 2017/18.

How it is applied

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

The rate in the dollar per dollar of capital value of a rating unit is determined by dividing the biosecurity rate revenue requirement, by the capital value of all rateable properties in

the Waikato region, taking account of the differential. The capital value of the region used for the 2018/19 year is \$144.359 billion.

The 2018/19 rate

Area of benefit (GST inclusive)	Percentage of Region	Rate \$1 per \$1 CV (GST inclusive)	\$(000) GST inclusive
Hamilton	24.36%	0.00006009	1,878
Matamata-Piako	9.29%	0.00005773	716
Ōtorohanga	2.94%	0.00005435	227
Rotorua	1.46%	0.00004851	113
South Waikato	4.11%	0.00005468	317
Taupō	10.02%	0.00005311	772
Thames-Coromandel	12.42%	0.00004843	958
Waikato	16.91%	0.00004800	1,304
Waipā	12.01%	0.00005524	926
Waitomo	2.13%	0.00005663	164
Hauraki	4.35%	0.00006171	335
Total	100.00%		7,709

Natural heritage rate

What it funds

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

How it is applied

The revenue required is \$1,166,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

The 2018/19 rate

The 2018/19 rate is \$5.80 per rating unit (GST inclusive).

Permitted activity monitoring rate

What it funds

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

How it is applied

The revenue required is \$1,628,000 (GST inclusive). It is applied on a uniform basis to every rating unit of two hectares or greater in the Waikato region on a differential basis.

The 2018/19 rate

The 2018/19 rate is \$64.26 (GST inclusive) per rating unit of two hectares or greater in land area.

Regional services rate

What it funds

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

How it is applied

The revenue required is \$830,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

The 2018/19 rate

The 2018/19 rate is \$4.13 per rating unit (GST inclusive)

Stock truck effluent rate

What it funds

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

How it is applied

The revenue required is \$132,000 (GST inclusive). It is applied on the capital value of every rating unit in the Waikato region of two hectares and above.

The 2018/19 rate

The 2018/19 rate is \$0.00000248 per \$1 capital value (GST inclusive).

Civil defence and emergency management rate What it funds

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

How it is applied

The revenue required is \$2,031,000 (GST inclusive). It is applied on a uniform basis to every rating unit in the Waikato region.

The 2018/19 rate

The 2018/19 rate is \$10.10 per rating unit (GST inclusive).

Separately used or inhabited parts of a rating unit

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

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

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

OTHER FINANCING MECHANISMS

Borrowing

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

Reserve funds

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

is continuing at the same level. They also allow the ability to fund works of an inter-generational nature, capital expenditure in particular, over the most appropriate time period.

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

Rates collection

Waikato Regional Council will be issuing a single invoice in September 2018 with payment due by 31 October 2018 (being the last business day of the month). Payment options available are:

- cheque (prepaid envelope will be provided)
- internet/phone banking
- direct debit/automatic payment
- credit card (via internet)
- payment at NZ Post shops
- payment at Waikato Regional Council's Hamilton office
- payment at Hamilton City Council's office.

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

Current year rates not paid by the due date will attract a penalty of 10 per cent to the extent of non-payment on 1 November 2018. Prior year rates not paid by 30 June 2018 will attract a further penalty of 10 per cent to the extent of non-payment on 3 July 2018 (being 5 working days from the date of the council resolution to assess the 2018/19 rates). Prior year rates remaining unpaid six months after 3 July 2018 will attract a further penalty of 10 per cent to the extent of non-payment on 3 January 2019.

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

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

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

Rates enquiries – how your regional rates are spent

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

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

The council may fix charges relating to its functions and responsibilities under Section 36 of the Resource Management Act 1991. An outline of current policy and charges is provided below.⁽¹⁹⁾

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 \$500 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⁽²⁰⁾ (section 36(1)(b))

For carrying out its functions in relation to the 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
- fix specific amounts to be charged 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 \$1,000 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 of the processing of the application as determined, according to the following formula:

Charge = (staff time x charge rate⁽²¹⁾) + administration fee + direct costs including disbursements + notification and hearing costs

Fixed application charges	\$ (GST exclusive)
Bore consent	400
Controlled Activity Bridge consent	1,100
Controlled Activity Culvert consent	1,200
Taupō land use >20ha	1,050
Mooring inside zoned marine area	400
Change to mooring	150
Consent application lodgment fee (fee per application)	250
• One application	200
• Two applications	175
• Three applications	150
• Four or more applications	150
Consent transfer fee	90

Staff charge rates

	Rate per hour (\$) (GST exclusive)
Technical expert	185
Manager	165
Technical officer	140
Senior resource officer	135
Resource officer	120
Business support	90

¹⁹ For the full policy, refer to the council's 'Administrative Charges Policy'. This document is available on request.

²⁰ 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.

²¹ Refer to staff charges table at the end of this section.

Annual consent holder charges

Consent administration charge (section 36(1)(c))

The resource consent annual administration fee contributes to the cost the council incurs on undertaking its consenting and monitoring functions required under the Resource Management Act 1991. This includes 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, research and data monitoring (section 36(1)(c))

A scale of charges will be used for charging different classes of consent holders for information gathering, research and data monitoring, and for the exercise of resource consents

A specific amount will be charged across all classes of consents for state of the environment monitoring associated with the effectiveness of policy statements and plans.

Data monitoring does not cover site specific consent compliance monitoring which is charged on an actual cost basis, except in relation to consents to take water for farm dairy purposes (i.e. milk cooling and shed washdown purposes) where a fixed charge applies as described below.

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:

$$\text{Charge} = (\text{staff time} \times \text{charge rate}^{(22)}) + \text{direct costs including disbursements}$$

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

Where consent is held to take water for farm dairy purposes, an annual charge of \$60 applies, which is included as part of the annual consent holder charge. This fee 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 \$60 fee will be directly charged in accordance with the above formula.

2018/19 Resource consent holder charges (all amounts are GST exclusive)

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Air					
Discharge of contaminants	Discharges of NES contaminants to the air	130	410	-	540
Other discharges	Other discharges to air, including odour	130	-	-	130
Discharges					
Agricultural	Discharges to land and water from agricultural sector activities	130	250	-	380
Process discharges					
Major	Stormwater discharge >200 litres per second; Sewage >15 m ³ per day; mine wastewater >100 m ³ per day; geothermal 100 – 1500 m ³ per day	130	415	-	545

22 Refer to staff charges table at the end of this section.

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Minor	Industrial, mining, quarry, urban and commercial discharges to land and water that do not fall into "Major" class	130	310	-	440
Geothermal					
Large	Discharge of geothermal sourced waters exceeding 100,000 m ³ per day	130	15,565	-	15,695
Medium	Discharge of geothermal sourced waters from 20,001 to 100,000 m ³ per day	130	5,796	-	5,926
Small	Discharge of geothermal sourced waters of less than 20,000 m ³ per day	130	1,680	-	1,810
Takes					
Water takes	Takes of surface or ground water, excluding farm water takes	130	Minimum charge of \$65, then 32 cents per m ³	-	
Farm water takes	Takes of surface or ground water for farming support	130	Minimum charge of \$65, then 32 cents per m ³	60	
Non-consumptive water takes	Non-consumptive water takes with no impact on water availability, or for flood management or environmental purposes	130	-	-	130
Non-consumptive water takes	Non-consumptive water takes that impact flow regimes or water availability	130	600	-	730
Geothermal takes					
Large	Takes of geothermal sourced fluids exceeding 100,000 m ³ per day	130	43,360	-	43,490
Medium	Takes of geothermal sourced fluids of between 20,001 and 100,000 m ³ per day	130	17,823	-	17,953
Small	Takes of geothermal sourced fluids of between 1,000 and 20,000 m ³ per day	130	4,680	-	4,810
Dams					
Waikato	Large dams within the Waikato hydro network used for electricity generation	130	4,100 per dam	-	
Large	Dams deeper than 3 metres and which hold more than 20,000 m ³ of water	130	3,000 per dam	-	

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Small	All dams not covered by the consent classes above	130	135 per dam	-	
Coastal					
Marine farms		130	110 per hectare	40	
Moorings	All mooring structures	130	-	-	130
Other	Activities requiring consent which may significantly impact upon the coastal environment and do not sit within the classes listed above	130	320	15	450
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 >20 ha Metal extraction >500 m ³ Earthworks >10,000 m ³	130	1,470	-	1,600
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 <20 ha Metal extraction <500 m ³ Earthworks <10,000 m ³	130	275	-	405
Land use - Lake Taupō⁽²³⁾					
Large	Land areas greater than 100 hectares	130	345	-	925
Medium	Land areas from 20 to 100 hectares	130	150	-	530
Small	Land areas less than 20 hectares	130	75	-	320
Other					

²³ 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

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Other	Activities requiring consent which do not fit within the consent classes above, but which may have environmental effects and will require some supervision and monitoring by Waikato Regional Council	130	-	-	130
Administration charge only	Activities requiring consent which do not fit within the consent classes above, and which are not expected to have major environmental effects that will require some supervision and monitoring by Waikato Regional Council	130	-	-	130

Note:

- All charges exclude GST.
- GST at the prevailing rate will be added to all charges when invoiced.
- Whitebait stands and bore permits will not be charged an annual charge.
- For geothermal takes of less than 1000 m³ per day, the charge applicable to a water take will apply.
- For geothermal discharges less than 100 m³ per day the process minor category will apply and for those between 100 and 1500 m³ per day the process major category will apply.

Remission

Under Section 36(5) of the RMA the 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.

Navigation safety related charges

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(h) of the Local Government Act allows the regional council to set fees in respect of activities that it has to undertake to implement the bylaw.

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

Bylaw requirement	Fee (\$) (GST exclusive)
Application for temporary events (Clause 4.4), or suspension or exemption of any provisions within this bylaw (Bylaw 4.2)	\$108.70
Application for permanent speed upliftings (Clause 4.3)	Actual and reasonable costs
Public notice for a temporary event (Clause 4.4)	Actual and reasonable costs
Mooring inspection fee (charged annually)	62.50
Visitor mooring rental	\$17.39 per night \$86.96 per week

Bylaw requirement	Fee (\$) (GST exclusive)
Registration of personal watercraft	\$43.48
Transfer of registration	Free
Dealer registration	\$43.48
Management of navigation safety related activities for Port Taharoa	Actual and reasonable costs
Management and inspection of navigation safety-related activities	Actual and reasonable costs
Assessment and report on any RMA consent application which has the potential to affect navigational safety	Actual and reasonable costs

Note

1. The bylaw does not apply to Lake Taupō.
2. All charges exclude GST. GST at the prevailing rate will be added to all charges when invoiced

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 PIMs, building consents, compliance schedules, inspections, code of compliance certificates, DSAP, annual WOF and dam classification certificates.

Charges under the Maritime Transport Act 1994

In accordance with section 444 of the Maritime Transport Act (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.

Requests for information and documents

Resource management plans and consents

Except as provided in relation to policy documents, 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 auctioning the request will be charged at the relevant staff charge rate.

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 plus \$0.15 per A4 page and \$0.30 per A3 page. Earlier technical reports priced less than \$10 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

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

Document	Fee (\$) (GST exclusive)
Regional Coastal Plan – hard copy	\$120
Regional Coastal Plan – CD ROM	\$20
Waikato Regional Plan – hard copy	\$120
Waikato Regional Plan (including maps) – CD ROM	\$20
Waikato Regional Plan Maps (full set) – hard copy	\$1,600
Waikato Regional Plan – individual maps	Cost of production
Transitional Regional Plan	\$20
Regional Policy Statement	\$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 of \$38 (including GST at the 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 for up to 15 years.

Application fees in relation to these postponements are as follows.

1. \$300 counselling fee.
2. 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.
3. 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.

Rating impacts for sample properties | Ngā pānga ā-reiti mō ngā whenua tairira

The following tables provide a range of examples of the impact of the council's budget on the rates requirement. The actual rates charged to a property will depend on where it is located, its size and its value. To understand the impact the budget for 2018/19 will have on the rates charged to your property, please refer to the Waikato Regional Council website: www.waikatoregion.govt.nz.

General rate – charged to all properties in the region

Territorial authority	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Hamilton	103.15	102.16	(1.00)	147.36	145.94	(1.42)	294.73	291.88	(2.85)	589.45	583.76	(5.69)
Hauraki	99.44	104.87	5.43	142.05	149.81	7.76	284.10	299.62	15.52	568.21	599.24	31.03
Matamata-Piako	92.94	98.10	5.15	132.78	140.14	7.36	265.56	280.28	14.73	531.11	560.56	29.45
Ōtorohanga	86.20	92.35	6.16	123.14	131.94	8.80	246.28	263.87	17.59	492.55	527.74	35.19
Rotorua	80.63	82.44	1.81	115.18	117.78	2.59	230.37	235.55	5.18	460.73	471.10	10.37
South Waikato	98.62	93.01	(5.61)	140.89	132.88	(8.01)	281.78	265.75	(16.03)	563.55	531.50	(32.05)
Taupō	85.83	90.26	4.43	122.61	128.94	6.33	245.23	257.88	12.65	490.45	515.76	25.31
Thames-Coromandel	76.43	82.31	5.88	109.18	117.58	8.40	218.36	235.16	16.80	436.72	470.32	33.60
Waikato	78.94	81.56	2.62	112.78	116.52	3.74	225.55	233.03	7.48	451.10	466.06	14.96
Waipa	85.43	93.87	8.44	122.05	134.10	12.05	244.10	268.20	24.10	488.19	536.40	48.21
Waitomo	87.84	96.25	8.41	125.49	137.50	12.01	250.98	275.00	24.02	501.96	550.00	48.04

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

2017/18 rate	77.54	per rating unit
2018/19 rate	81.83	per rating unit
Change	4.29	per rating unit

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

2017/18 rate	8.93	per rating unit
2018/19 rate	10.10	per rating unit
Change	1.17	per rating unit

Natural heritage rate – charged to all properties in the region

2017/18 rate	5.80	per rating unit
2018/19 rate	5.80	per rating unit
Change	-	per rating unit

Biosecurity rate – charged to all properties in the region

Territorial authority	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Hamilton	19.99	21.03	1.04	28.55	30.05	1.49	57.11	60.09	2.98	114.22	120.18	5.96
Hauraki	19.27	21.60	2.33	27.53	30.86	3.33	55.05	61.71	6.66	110.10	123.42	13.32
Matamata-Piako	18.03	20.21	2.18	25.75	28.87	3.11	51.51	57.73	6.23	103.01	115.46	12.45

	\$350,000 property		\$500,000 property		\$1,000,000 property		\$2,000,000 property						
Ōtorohanga	16.70	19.02	2.32	23.86	27.18	3.31	47.72	54.35	6.63	95.44	108.70	13.26	
Rotorua	15.62	16.98	1.35	22.32	24.26	1.94	44.64	48.51	3.87	89.28	97.02	7.74	Revalued
South Waikato	19.11	19.14	0.03	27.30	27.34	0.04	54.60	54.68	0.08	109.20	109.36	0.16	
Taupō	16.63	18.59	1.96	23.76	26.56	2.80	47.52	53.11	5.59	95.04	106.22	11.18	
Thames-Coromandel	14.81	16.95	2.14	21.16	24.22	3.06	42.31	48.43	6.12	84.63	96.86	12.23	Revalued
Waikato	15.40	16.80	1.40	22.01	24.00	1.99	44.01	48.00	3.99	88.02	96.00	7.98	Revalued
Waipa	16.56	19.33	2.78	23.65	27.62	3.97	47.30	55.24	7.94	94.60	110.48	15.88	
Waitomo	17.02	19.82	2.80	24.32	28.32	4.00	48.63	56.63	8.00	97.27	113.26	15.99	

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

2017/18 rate		3.74	per rating unit
2018/19 rate		4.13	per rating unit
Change		0.39	per rating unit

Public transport rate – charged to Hamilton city properties only

	\$350,000 property		\$500,000 property		\$1,000,000 property		\$2,000,000 property					
Property location	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change			
Within 800 meters of bus stop (serviced)	94.49	104.86	10.37	134.98	149.80	14.82	269.96	299.60	29.64	539.92	599.20	59.28

	\$350,000 property		\$500,000 property		\$1,000,000 property		\$2,000,000 property		
All properties in Hamilton city	14.17	15.72	1.54	20.25	22.45	2.21	44.90	89.80	8.82

Permitted activity monitoring rate – charged to all properties two hectares and above

2017/18 rate	60.82	per rating unit
2018/19 rate	64.26	per rating unit
Change	3.44	per rating unit

Stock truck effluent rate – charged to all properties two hectares and above

	\$1,000,000 property		\$2,000,000 property	
2017/18	2018/19	Change	2017/18	2018/19
0.81	1.25	0.44	1.62	2.50
			0.88	5.00
			3.24	1.76

CATCHMENT SCHEME RATES

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

	\$350,000 property		\$500,000 property		\$3,500,000 property	
Property type	2017/18	2015/16	Change	2014/15	2015/16	Change
Residential	75.61	81.75	6.15	108.01	116.79	8.78
Property type	2017/18	2018/19	Change	2017/18	2018/19	Change
Rural	432.04	467.16	35.12	756.07	817.53	61.46

Waikato-Waipā scheme (Watershed) – charged on a differential basis to all properties in the zone

Management zone/ territorial authority	\$350,000 property			\$500,000 property			\$1,000,000 property			\$2,000,000 property		
	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Central Waikato zone - Hamilton City	17.52	21.28	3.76	25.03	30.40	5.37	50.05	60.80	10.75	100.10	121.59	21.49
Central Waikato zone - Waipā District	21.73	25.76	4.03	31.05	36.80	5.75	62.10	73.60	11.50	155.25	184.00	28.76
Lower Waikato zone - Waikato District	46.59	55.36	8.78	66.55	79.09	12.54	133.11	158.18	25.07	332.77	395.45	62.68
Waipā zone - Ōtorohanga District	40.47	46.48	6.01	57.81	66.40	8.59	115.62	132.81	17.18	289.06	332.01	42.95
Upper Waikato - South Waikato District	24.19	25.70	1.51	34.56	36.71	2.15	69.12	73.43	4.31	172.80	183.57	10.77
Upper Waikato - Rotorua District	29.19	33.47	4.28	41.69	47.81	6.11	83.39	95.61	12.23	208.47	239.04	30.56
Lake Taupō zone - Taupō District	34.44	36.43	1.99	49.20	52.05	2.85	98.41	104.10	5.69	246.02	260.25	14.23

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

\$350,000 property	\$500,000 property			\$1,000,000 property			\$2,000,000 property				
	2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change		
43.39	48.00	4.61	49.29	54.52	5.23	68.96	76.25	7.29	108.29	119.71	11.42

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

\$350,000 property		\$500,000 property		\$1,000,000 property		\$2,000,000 property	
2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19
80.67	87.70	7.02	93.24	100.07	6.83	135.14	141.32
					6.18		
						218.94	223.82
							4.88

Drainage rate – charged on a differential basis to all properties in the drainage area

0.2 ha property (Residential)			2.0 ha property (Lifestyle)			75 ha property (Dairying)		
2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Thames Valley	25.69	25.08	(0.62)	20.55	20.06	(0.49)	963.49	940.35
								(23.14)

0.2 ha property (Dairying)			2.0 ha property (Lifestyle)			75 ha property (Dairying)		
2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Waikato Central	38.24	38.21	(0.03)	26.76	26.75	(0.02)	1,433.82	1,432.82
								(1.01)

0.2 ha property (Dairying)			2.0 ha property (Lifestyle)			75 ha property (Dairying)		
2017/18	2018/19	Change	2017/18	2018/19	Change	2017/18	2018/19	Change
Aka Aka	7.97	8.83	0.86	79.70	88.32	8.62	2,988.75	3,312.00
								323.25