

Amendment to the 2021-2031 Long Term Plan Te whakahounga i te Mahere Tauroa



Decisions

This document should be read in conjunction
with the Long Term Plan 2021-2031



The planning and reporting cycle

Every three years, all councils prepare a long term plan (LTP). An LTP sets out the range of activities proposed by the council over the next 10 years and the community outcomes those activities aim to achieve. It also outlines how activities will be funded. The community has an opportunity to provide input into the setting of priorities and direction for the decade ahead. Our last LTP was adopted in 2021 for the period 2021-2031.

Annual plans are prepared in the years between each LTP. They are a companion document to this plan, so should be read in conjunction with it. The annual plan sets out what the council proposes to do, how much it will cost and how it will be funded. An annual report is prepared at the end of each year to report back to the community on the activities undertaken, the progress made, and the final financial statements for that year.

2021-2031 LTP amendment

This year, as we were preparing our annual budget we identified a significant change to the activities we said that we would undertake in our LTP during 2022/23. This change required consultation. As a result of community feedback we resolved to make an amendment to the LTP, which is outlined in this document. The financial tables in this document replace those published in the 2021-2031 LTP as indicated. This document has been prepared under sections 93(B) and 93(D) of the Local Government Act 2002.

Contents

SECTION 1 INTRODUCTION WHAKATAKI	4
Message from the chairperson and chief executive Kōrero matua	4
Key decisions Ngā take matua	5

SECTION 2 FINANCES PŪTEA	8
Regional transport connections Ngā ara hono ā-rohe	8
Prospective financial statements Ngā tauākī pūtea ki te pae	9
Funding impact statement by groups of activities Ngā tauākī pānga pūtea mā te kāhui mahi	20
Financial prudence performance measures Ngā mehua whakahaere ahumoni whitikanga	26
Revenue and financing policy Kaupapa here whiwhi me to utu rawa	28
Annual funding impact statement Te tauākī pānga pūtea ā-tau	29

SECTION 3 AUDIT OPINION AROTAKE	32
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SECTION 1 **Introduction |**
Whakataki

Message from the chairperson and chief executive | Kōrero matua

The level of engagement from our communities during the consultation and the support shown for these proposals has been really encouraging.

We received 155 written submissions, along with some great questions during our online webinar. It was also a pleasure to hear the considered and insightful presentations from residents at hearings.

The submissions showed resounding support for Waikato Regional Council to pick up rating for public transport services in Thames-Coromandel, Hauraki and Matamata-Piako in place of those district councils, with 79 per cent in favour.

There was also considerable enthusiasm for our proposal to provide new bus services in the Thames-Coromandel and Hauraki districts, with 77 per cent in support.

What we consulted on

We proposed that Waikato Regional Council should rate for public transport in Thames-Coromandel, Hauraki and Matamata-Piako districts in place of those district councils.

We also proposed new services in Thames-Coromandel and Hauraki districts, which we would need to collect additional funding for.



What we decided

Based on popular support of these proposals we will go ahead with picking up rating for public transport services in Thames-Coromandel, Hauraki and Matamata-Piako districts.

We won't implement any new services but will continue to plan for the proposed services in Thames-Coromandel and Hauraki districts until such a time that appropriate funding is available.

A total of 64 per cent, however, also made it clear that their support for the new proposed services was conditional on 51 per cent of the cost being funded by Waka Kotahi NZ Transport Agency or another appropriate source.

After formally writing to Waka Kotahi to request this funding, we were informed that the agency was unfortunately not in a position to fund additional services at this time.

During hearings and deliberations, however, councillors also heard that this funding picture could still be subject to change over the course of the current three-year funding cycle and that planning for the new services could be progressed within the existing rates envelope.

After listening to public feedback and weighing the options with great care, council decided to pick up rating for public transport services in all three districts.

Council also agreed not to proceed with the proposed new services, but rather to continue with planning for them and to review should suitable funding become available in the future.

With this rating change, we can begin work on developing services that have widespread community support. A revised approach to rating will simplify funding for any new services in the future.

This is a great first step that helps lay the foundations and sets a strong precedent for a more integrated and consistent future regional transport network. By making these changes now, we'll be ready to act when the funding picture changes.

Key decisions | Ngā take matua

Process

The consultation document for the Amendment to the 2021-2031 Long Term was adopted for consultation on 31 March 2022, with the formal consultation period taking place from 1 to 30 April 2022.

The consultation document and supporting documents were publicly available on Waikato Regional Council's website from 1 April 2022. Copies of the consultation document were made available at public libraries in Thames-Coromandel, Hauraki and Matamata-Piako districts, as well as being emailed or posted to key stakeholders and those who requested a copy.

We raised awareness of the consultation through print and digital media channels, as well as on radio. This included ads in local newspapers and on social media, a media release and a live webinar.

The public were invited to provide feedback in a variety of ways, including via post, an online submission form, email, and in-person delivery to any regional council office. A total of 155 submissions were received over the consultation period.

Submitters were invited to speak to councillors about their feedback on 23 May 2022. The council then made decisions on the proposals, taking into consideration the feedback provided by the community.

The final 2021-2031 Long Term Plan amendment was adopted by council on 20 June 2022.

Proposals

We proposed that Waikato Regional Council should rate for public transport service in Thames-Coromandel, Hauraki and Matamata-Piako districts in place of those district councils. We also proposed new services in Thames-Coromandel and Hauraki districts, which we would need to collect additional funding for.

Previously, Waikato Regional Council only rated for public transport services in Hamilton. Outside of Hamilton, district councils were responsible for rating for these services and passing the funds through to us. This made it hard to plan and fund an integrated regional network that provides consistent services and access to public transport region-wide.

In Thames-Coromandel, Hauraki and Matamata-Piako districts, there were existing and proposed bus services that cross district boundaries. Improving public transport within

and between these districts represents a practical first step towards realising our wider vision for public transport across the region.

Outcomes

Through the consultation, council heard that the majority of submitters want Waikato Regional Council to take on the rating responsibility for existing public transport services in Thames-Coromandel, Hauraki and Matamata-Piako districts, in place of those district councils.

We will therefore put this change in place from 2022/23 onwards. It will mean the local authorities in those areas will no longer collect rates to fund the existing bus services shown on the following page.

We also heard through the consultation that the communities in Thames-Coromandel and Hauraki districts were keen for additional services.

However, feedback on the proposal showed that the clear majority of submitters would only support the rating of the proposed new services if funding for 51 per cent of the cost of the new services was secured from Waka Kotahi New Zealand Transport Agency or another appropriate source.

During the consultation period, Waka Kotahi confirmed through their submission that, while they support Waikato Regional Council taking over the rating for existing public transport services in the eastern districts, no funding is available for the new public transport services proposed at this time.

The consultation document acknowledged that further community consultation would be necessary before confirming the detail around proposed new services. Feedback from the community supported this, telling us that additional time spent in the planning stages would allow further investigation of community needs and enable the consideration of other transport options.

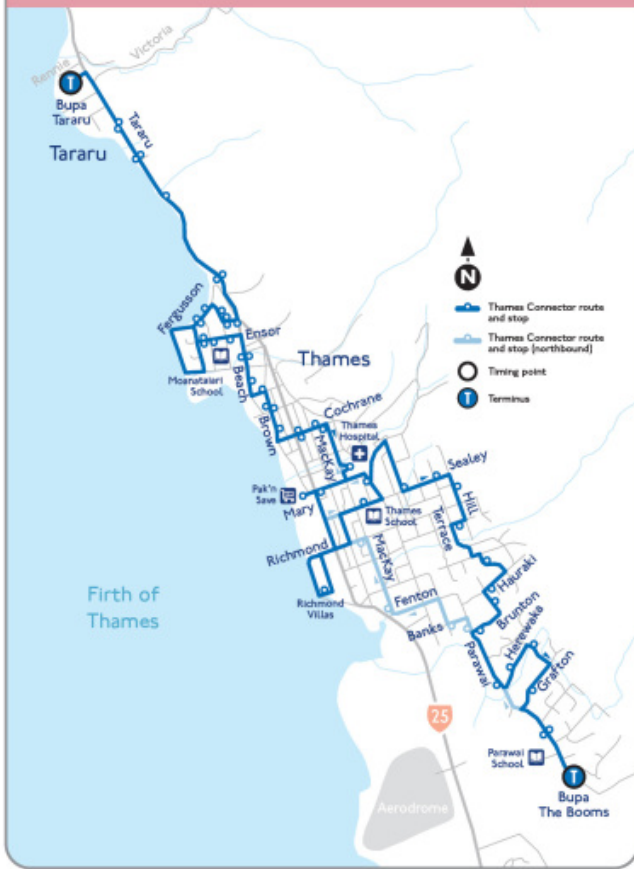
During hearings and deliberations, however, councillors also heard that this funding picture could still be subject to change over the course of the current three-year funding cycle and that planning for the new services could be progressed within the existing rates envelope.

To allow for this, and to avoid the full burden of funding sitting with ratepayers of Thames-Coromandel, Hauraki and Matamata-Piako districts, council resolved not to implement the proposed new services, but rather continue to plan for them in recognition both of the clear community appetite for such services and possibility of the funding picture changing in the future.

Eastern Connector



Thames Connector



SECTION 2 **Finances | Pūtea**

Regional transport connections | Ngā ara hono ā-rohe

Financial Summary

Cost of service statement (amended)

This is an amendment to the table published on page 43 of the 2021-2031 Long Term Plan.

	2020/21 Annual plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Urban and Rural Transport delivery	30,720	32,734	35,637	37,474	39,157	39,623	39,949	40,635	41,415	42,221	42,877
Inter-regional rail	5,952	9,279	9,452	11,213	13,650	13,989	14,303	14,552	13,145	13,417	13,688
Transport Policy and Planning	3,128	3,377	3,433	3,573	3,947	3,959	4,052	3,963	3,732	3,859	3,978
TOTAL EXPENDITURE	39,800	45,390	48,522	52,260	56,755	57,571	58,304	59,149	58,292	59,497	60,543

FUNDED BY											
General rates	890	1,096	1,176	1,285	1,411	1,403	1,445	1,417	1,324	1,377	1,424
UAGC	605	518	542	691	754	780	812	845	879	912	947
Targeted rates	10,784	12,432	13,210	13,501	14,224	16,068	15,413	15,689	15,948	16,283	16,541
Government grants	17,907	21,813	29,080	22,463	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Fees and charges	1,546	1,982	1,828	1,992	2,038	2,068	2,098	2,129	2,161	2,193	2,225
Other income	7,639	7,069	8,633	9,617	9,834	9,988	10,145	10,304	10,466	10,631	10,799
TOTAL FUNDING	39,369	44,912	54,469	49,550	54,183	55,871	56,043	57,084	57,820	59,026	60,142

TRANSFER TO / (FROM) RESERVES	116	190	6,818	(1,603)	(1,275)	(519)	(1,294)	(1,302)	91	84	78
Net operating surplus / (deficit)	(547)	(668)	(871)	(1,107)	(1,297)	(1,181)	(967)	(763)	(563)	(555)	(479)

Prospective financial statements | Ngā tauākī pūtea ki te pae

Prospective statement of comprehensive revenue and expense (amended)

This is an amendment to the table published on pages 63-65 of the 2021-2031 Long Term Plan.

	Annual Plan	Long Term Plan									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rates	34,347	40,532	45,106	45,409	47,415	47,201	47,269	47,597	48,305	49,385	50,304
Total UAGC rate revenue	15,310	15,068	15,922	16,740	17,590	18,100	18,489	18,817	19,205	19,614	19,951
Natural heritage	1,037	1,062	1,080	1,112	1,151	1,192	1,235	1,280	1,329	1,381	1,433
Regional services fund	717	717	716	716	716	716	716	716	716	716	716
Total all property rates	51,411	57,379	62,824	63,977	66,872	67,209	67,709	68,410	69,555	71,096	72,404
Targeted rates											
- Civil defence	1,902	2,449	2,492	2,492	2,541	2,584	2,566	2,636	2,732	2,780	2,863
- Stock truck effluent	80	48	89	89	89	89	89	89	89	90	107
- Waikato Regional Theatre rate	-	172	341	341	340	340	340	341	341	340	340
- Biosecurity	7,702	9,175	10,330	10,676	10,781	10,991	11,230	11,514	11,795	12,081	12,371
- Transport	10,784	12,432	13,210	13,501	14,224	16,068	15,413	15,689	15,948	16,283	16,541
- Asset management schemes	28,529	28,346	31,189	32,756	33,653	34,979	35,367	36,177	36,944	37,603	38,400
- Permitted activity monitoring	1,532	1,443	1,560	1,584	1,670	1,795	1,834	1,987	2,034	2,079	2,126
- Voluntary targeted rate - Sustainable	-	-	255	640	1,289	2,277	3,623	5,198	6,381	6,999	7,537

Homes Scheme											
Total targeted rate revenue	50,529	54,065	59,466	62,079	64,587	69,123	70,462	73,631	76,264	78,255	80,285

Total rate revenue	101,940	111,444	122,290	126,056	131,459	136,332	138,171	142,041	145,819	149,351	152,689
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Rates penalty income	925	950	978	1,002	1,028	1,055	1,081	1,109	1,139	1,170	1,201
Rates remissions granted	(1,123)	(990)	(1,019)	(1,044)	(1,071)	(1,099)	(1,127)	(1,155)	(1,187)	(1,220)	(1,251)
Sustainable Homes Scheme loan repayments		-	(255)	(640)	(1,289)	(2,277)	(3,623)	(5,198)	(6,381)	(6,999)	(7,537)
Net rates revenue	101,742	111,404	121,994	125,374	130,127	134,011	134,502	136,797	139,390	142,302	145,102

Government grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Direct charges	8,368	9,290	9,893	10,183	10,577	10,883	11,078	11,285	11,352	11,551	11,758
Consent holder charges	4,341	4,910	5,207	6,360	6,138	6,002	5,917	6,283	5,945	6,053	6,131
Investment fund distribution income	3,567	3,077	3,200	3,265	3,202	3,266	3,331	3,325	3,391	3,459	3,507
Investment fund capital protection income	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Interest income	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Other income	10,015	15,607	16,765	13,424	13,768	12,717	12,902	13,090	13,283	13,480	13,678
Royalties	120	125	125	125	125	125	125	125	125	125	125
Rental income	750	637	637	637	637	637	637	637	637	637	637
Other gains/(losses)											
Total revenue	149,534	177,273	195,729	186,319	192,645	195,684	197,532	201,626	204,847	208,991	212,924

Operating expenditure	97,615	105,875	112,848	114,511	114,015	114,972	122,086	117,852	118,499	127,263	122,133
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Employee benefit expenses	51,481	54,143	56,899	57,538	58,855	60,244	61,471	62,966	64,472	66,156	67,947
Interest expense	1,602	921	1,345	1,651	1,843	2,022	2,267	2,550	2,698	2,671	2,666
Depreciation and amortisation	11,155	11,312	13,072	14,821	16,007	16,118	15,710	14,731	13,989	13,934	13,875
Total cost of service	161,853	172,251	184,164	188,521	190,720	193,356	201,534	198,099	199,658	210,024	206,621

Operating surplus/(deficit) before taxation	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
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Share of associate surplus/(deficit)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) before income tax	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
Income tax expense	-	-	-	-	-	-	-	-	-	-	-
Net surplus/(deficit) after taxation	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303

Other comprehensive revenue and expenses											
Gain/(loss) on property, plant and equipment revaluations		-	26,896	-	-	30,023	-	-	32,276	-	-
Total other comprehensive revenue and expenses	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303

Total comprehensive revenue and expenses	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303
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Transfer to / (from) reserves	(4,865)	6,168	38,717	(1,388)	2,746	33,006	(3,610)	2,810	35,649	(2,912)	4,336
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Total comprehensive revenue and expenses after reserve transfers	(7,454)	(1,146)	(256)	(814)	(821)	(655)	(392)	717	1,816	1,879	1,967
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Prospective statement of financial position (amended)

This is an amendment to the table published on pages 66-67 of the 2021-2031 Long Term Plan.

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current assets											
Cash and cash equivalents	6,384	4,851	4,315	4,228	4,767	4,558	4,891	4,422	4,489	4,151	4,194
Trade and other receivables	12,289	22,207	24,519	23,340	24,132	24,513	24,744	25,257	25,661	26,180	26,673
Prepayments	1,281	1,144	1,219	1,237	1,232	1,242	1,319	1,273	1,280	1,375	1,320
Inventories	466	507	507	507	507	507	507	507	507	507	507
Work in progress	1,065	1,208	1,272	1,471	1,425	1,437	1,449	1,502	1,449	1,475	1,503
Other financial assets	14,042	11,126	11,252	10,600	11,136	11,960	9,017	10,209	11,832	9,346	9,907
Total current assets	35,527	41,043	43,084	41,383	43,199	44,217	41,927	43,171	45,218	43,034	44,104
Non-current assets											
Financial assets	100,382	104,196	105,098	106,028	106,857	107,712	108,594	109,430	110,293	111,183	112,081
Other financial assets	64	763	2,123	4,830	8,782	14,652	21,672	28,786	29,876	29,416	28,833
Investments in CCOs	1,686	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198	2,198
Biological assets	1,422	755	755	755	755	755	755	755	755	755	755
Intangible assets	5,648	7,552	10,056	11,604	9,624	7,671	5,801	4,897	5,001	5,137	5,296
Property, plant and equipment	587,105	584,723	632,689	637,015	639,070	671,413	674,075	676,517	710,345	710,730	717,676
Total non-current assets	696,307	700,187	752,919	762,430	767,286	804,401	813,095	822,583	858,468	859,419	866,839

Current liabilities											
Trade and other payables	21,039	26,940	28,714	29,137	29,011	29,255	31,065	29,988	30,153	32,383	31,078
Employee benefit liabilities	7,826	6,714	7,056	7,135	7,298	7,470	7,622	7,807	7,994	8,203	8,425
Borrowing	7,000	3,706	4,610	5,480	6,709	7,391	8,745	9,994	10,668	11,263	11,263
Derivative Financial Instruments	7	-	-	-	-	-	-	-	-	-	-
Total current liabilities	35,872	37,360	40,380	41,752	43,018	44,116	47,432	47,789	48,815	51,849	50,766

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

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

Prospective statement of changes in net assets/equity (amended)

This is an amendment to the table published on pages 68-69 of the 2021-2031 Long Term Plan.

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at 1 July	659,599	646,117	651,139	689,601	687,399	689,324	721,674	717,672	721,199	758,663	757,630
Total comprehensive income	(12,319)	5,022	38,461	(2,202)	1,925	32,351	(4,002)	3,527	37,465	(1,033)	6,303
Equity at 30 June	647,280	651,139	689,600	687,399	689,324	721,675	717,672	721,199	758,664	757,630	763,933
Components of equity											
Retained earnings at beginning of year	212,259	213,506	219,436	224,260	224,659	223,838	223,183	222,791	223,508	225,324	227,203
Net surplus / (deficit) for the year	(12,319)	5,022	11,565	(2,202)	1,925	2,328	(4,002)	3,527	5,189	(1,033)	6,303
Net transfer (to) / from reserves	4,865	908	(6,742)	2,601	(2,746)	(2,983)	3,610	(2,810)	(3,373)	2,912	(4,336)
Retained earnings at end of year	204,805	219,436	224,259	224,659	223,838	223,184	222,791	223,507	225,325	227,203	229,170
Council created reserves at beginning of year	55,118	55,849	54,941	61,683	59,081	61,828	64,810	61,200	64,010	67,383	64,471
Transfer to / (from) retained earnings	(4,865)	(908)	6,742	(2,601)	2,746	2,983	(3,610)	2,810	3,373	(2,912)	4,336
Council created reserves at end of year	50,253	54,941	61,683	59,081	61,828	64,810	61,200	64,010	67,383	64,471	68,806
Revaluation reserves at	392,222	376,762	376,762	403,658	403,658	403,658	433,681	433,681	433,681	465,957	465,957

beginning of year											
Net transfer to / (from) retained earnings	-	-	26,896	-	-	30,023	-	-	32,276	-	-
Revaluation reserves at end of year	392,222	376,762	403,658	403,658	403,658	433,681	433,681	433,681	465,957	465,957	465,957
Total equity at end of year	647,280	651,139	689,600	687,399	689,323	721,675	717,672	721,199	758,665	757,631	763,933

Prospective statement of cash flows (amended)

This is an amendment to the table published on pages 70-71 of the 2021-2031 Long Term Plan.

	2020/21 Annual Plan	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
Receipts from customers	125,033	138,498	152,309	157,282	160,580	163,994	164,930	167,704	170,328	173,629	176,938
Grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Investment income received	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Receipt of funding on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
Total cash provided	143,860	169,359	188,833	182,827	187,223	190,586	192,496	196,290	199,530	203,467	207,353
Payments to suppliers	(85,279)	(104,955)	(112,558)	(115,956)	(115,933)	(116,772)	(122,632)	(121,486)	(120,986)	(127,825)	(126,077)
Payments to employees	(51,320)	(53,678)	(56,417)	(57,427)	(58,625)	(60,002)	(61,257)	(62,705)	(64,209)	(65,862)	(67,634)
Payments of funds held on behalf of third parties	-	-	-	-	-	-	-	-	-	-	-
Goods and services tax	-	-	-	-	-	-	-	-	-	-	-
Total cash applied	(136,599)	(158,633)	(168,975)	(173,383)	(174,558)	(176,774)	(183,889)	(184,191)	(185,195)	(193,687)	(193,711)
Net cash flow from operating	7,261	10,726	19,858	9,444	12,665	13,812	8,607	12,099	14,335	9,780	13,642

Loan repayments	41	42	212	426	868	1,548	2,489	3,613	4,520	5,089	5,626
Loan advances		(825)	(1,698)	(3,482)	(5,356)	(8,242)	(10,565)	(11,919)	(6,234)	(5,144)	(5,604)
Sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	3,916	3,624	3,682	3,741	3,801	3,862	3,923	3,987	4,050	4,115	4,180
Total cash provided	3,957	2,841	2,196	686	(687)	(2,832)	(4,154)	(4,319)	2,337	4,061	4,203
Increase in investments	(9,648)	(8,849)	-	1,000	-	-	4,000	-	(1,000)	3,000	-
Purchase of intangible assets	(1,796)	(1,156)	(3,191)	(3,253)	(686)	(638)	(654)	(677)	(695)	(715)	(739)
Purchase of property, plant and equipment	(7,312)	(35,056)	(33,454)	(17,442)	(15,396)	(15,848)	(15,848)	(15,592)	(14,949)	(13,741)	(20,241)
Total cash applied	(18,756)	(45,062)	(36,645)	(19,694)	(16,082)	(16,486)	(12,502)	(16,269)	(16,645)	(11,456)	(20,981)
Net cash flow from investing	(14,799)	(42,221)	(34,449)	(19,009)	(16,769)	(19,318)	(16,656)	(20,588)	(14,308)	(7,395)	(16,778)
Proceeds from borrowings	26,109	24,277	24,481	20,974	17,146	19,088	22,855	23,848	17,116	15,026	21,524
Repayment of borrowings	(18,492)	(5,235)	(10,425)	(11,497)	(12,502)	(13,791)	(14,474)	(15,827)	(17,076)	(17,750)	(18,345)
Net cash flow from financing	7,617	19,042	14,055	9,477	4,644	5,297	8,382	8,021	41	(2,724)	3,179
Net cash flow	79	(12,452)	(536)	(87)	540	(209)	333	(468)	67	(339)	43

Cash and cash equivalents at 1 July	6,305	17,304	4,851	4,315	4,228	4,767	4,558	4,891	4,422	4,489	4,151
Net increase/ (decrease) in cash and cash equivalents	79	(12,452)	(536)	(87)	540	(209)	333	(468)	67	(339)	43
Cash and cash equivalents at 30 June	6,384	4,851	4,315	4,228	4,767	4,558	4,891	4,423	4,490	4,149	4,193

Funding impact statement by groups of activities | Ngā tauākī pānga pūtea mā te kāhui mahi

Whole of council (amended)

This is an amendment to the table published on pages 86-88 of the 2021-2031 Long Term Plan.

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	50,582	56,550	62,005	63,151	66,033	66,355	66,839	67,522	68,649	70,169	71,455
Targeted rates	52,284	55,843	61,261	63,906	66,455	71,031	72,413	75,626	78,310	80,350	82,435
Subsidies and grants for operating purposes	17,907	23,483	31,056	23,816	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Fees and charges	23,250	30,148	32,186	30,287	30,717	29,836	30,130	30,892	30,814	31,317	31,801
Interest and dividends from investments	6,291	4,739	4,884	4,971	4,930	5,017	5,106	5,122	5,213	5,305	5,378
Local authorities fuel tax, fines, infringement fees, and other receipts	345	422	529	655	949	1,256	1,663	2,113	2,389	2,437	2,438
Total operating funding (A)	150,658	171,185	191,922	186,788	195,005	199,060	202,281	207,980	212,415	217,210	221,713
Applications of operating funding											
Payments to staff and suppliers	150,220	161,008	170,766	173,094	173,942	176,315	184,684	181,974	184,158	194,639	191,331

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
Finance costs	1,602	921	1,345	1,651	1,843	2,022	2,267	2,550	2,698	2,671	2,666
Other operating funding applications	-	-	255	640	1,289	2,277	3,623	5,198	6,381	6,999	7,537
Total applications of operating funding (B)	151,822	161,929	172,366	175,385	177,074	180,614	190,574	189,722	193,237	204,309	201,534
Surplus (deficit) of operating funding (A-B)	(1,164)	9,256	19,556	11,404	17,932	18,446	11,707	18,259	19,178	12,901	20,179

Sources of capital funding											
Subsidies and grants for capital expenditure	-	7,078	5,081	1,215	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	16,667	19,042	14,055	9,477	4,644	5,297	8,382	8,021	41	(2,724)	3,179
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	16,667	26,120	19,136	10,692	4,644	5,297	8,382	8,021	41	(2,724)	3,179

Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2,756	6,398	13,192	3,207	3,519	4,642	3,104	3,150	3,253	3,296	6,540

Regional transport connections (amended)

This is an amendment to the table published on pages 101-103 of the 2021-2031 Long Term Plan.

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,495	1,615	1,718	1,976	2,165	2,183	2,256	2,262	2,203	2,289	2,371
Targeted rates	10,784	12,432	13,210	13,501	14,224	16,068	15,413	15,689	15,948	16,283	16,541
Subsidies and grants for operating purposes	17,907	21,813	29,080	22,463	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Fees and charges	9,184	9,052	10,461	11,609	11,872	12,056	12,243	12,433	12,627	12,824	13,024
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	39,370	44,912	54,469	49,549	54,183	55,871	56,043	57,085	57,819	59,025	60,141
Applications of operating funding											
Payments to staff and suppliers	36,482	41,059	43,744	46,923	51,053	52,043	53,126	54,236	53,598	54,732	55,842
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,244	3,036	3,143	3,335	3,417	3,503	3,576	3,643	3,736	3,819	3,905
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
Total applications of operating funding (B)	38,726	44,095	46,887	50,258	54,470	55,546	56,702	57,879	57,334	58,551	59,747
Surplus (deficit) of operating funding (A-B)	644	817	7,582	(709)	(287)	325	(659)	(794)	485	474	394
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	50	2,014	5,454	549	595	2,276	626	642	659	678	695

	2020/21 Annual Plan (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	594	(1,197)	2,128	(1,258)	(882)	(1,951)	(1,285)	(1,436)	(174)	(204)	(301)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	644	817	7,582	(709)	(287)	325	(659)	(794)	485	474	394
Surplus (deficit) of capital funding (C-D)	(644)	(817)	(7,582)	709	287	(325)	659	794	(485)	(474)	(394)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

Financial prudence performance measures | Ngā mehua whakahaere ahumoni whaitikanga

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

What is the purpose of this statement?

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The information presented has been updated to reflect the amendment to the 2021-2031 Long Term Plan.

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

Rates affordability benchmark

The council meets the rates affordability benchmark if:

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

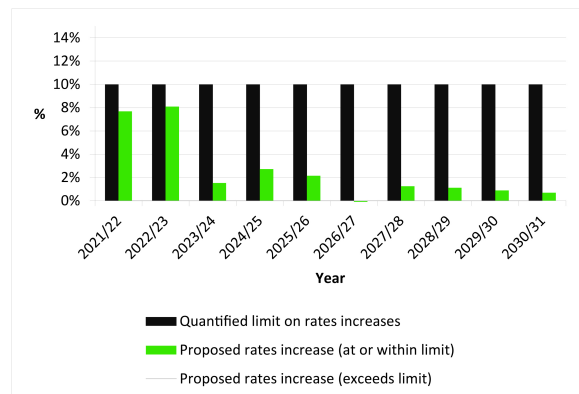
Rates (income) affordability

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



Rates (increases) affordability

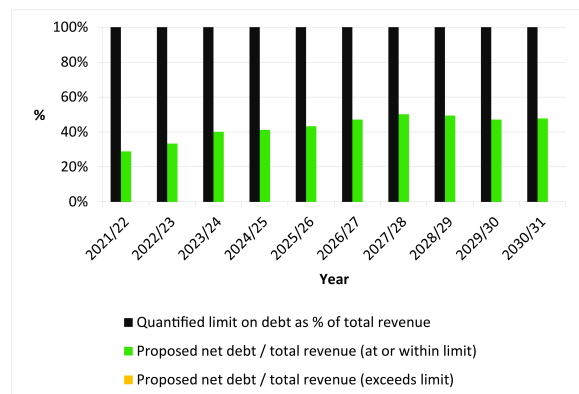
The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy. The quantified limit is that increases in the annual rate revenue requirement will be limited to a 10 per cent increase in revenue from current ratepayers.



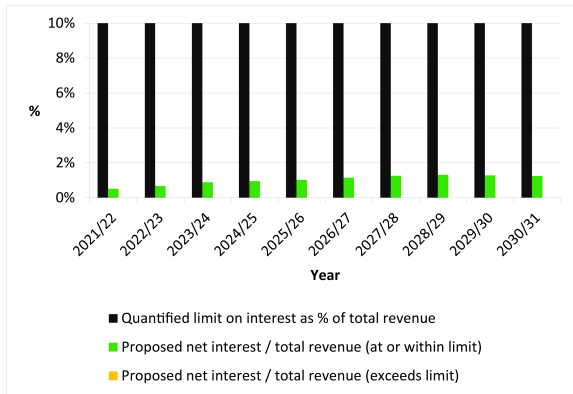
Debt affordability benchmark

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

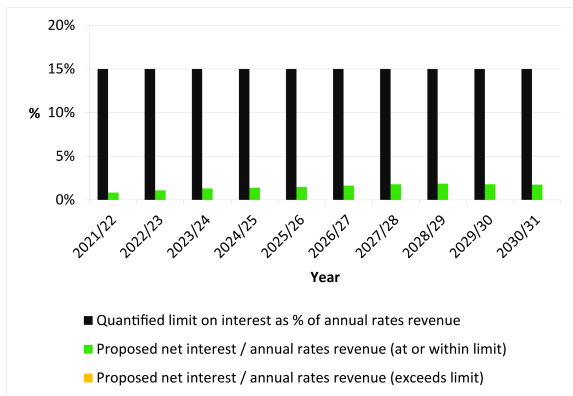
The following graph compares the council's planned debt with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net debt/total revenue is <100%



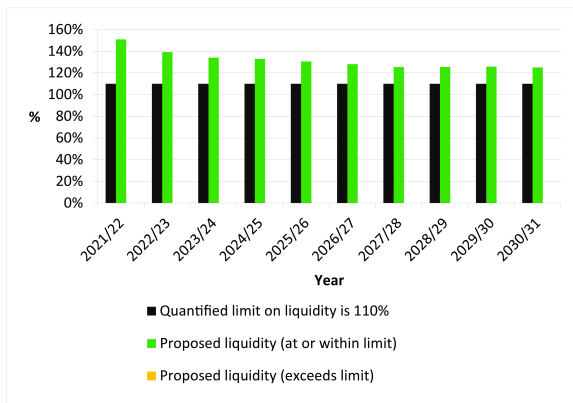
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that net interest on external debt/total revenue is <10%



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



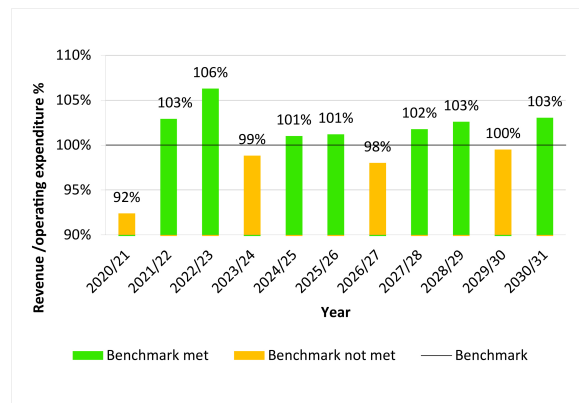
The following graph compares the council's planned borrowing with a quantified limit on borrowing stated in the financial strategy. The quantified limit is that liquidity is >110%. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.



Balanced budget benchmark

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

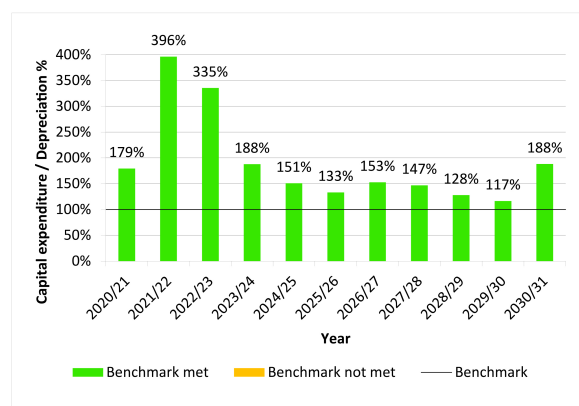
The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

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

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



Revenue and financing policy | Kaupapa here whiwhi me to utu rawa

Group of activities: Regional transport connections

Urban and rural transport delivery (amended)

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.

This is an amendment to the table published on page 136 of the 2021-2031 Long Term Plan.

Activity	Primary community outcome			
Urban and rural transport delivery	Vibrant communities			
	Funding principles			
	Distribution of benefits (user pays)	Period of benefits (intergenerational equity)	Extent of action / inactions (exacerbator pays)	Cost / benefit of funding separately
	Med	Low	Low	Med
	The provision of public transport services provides a mix of national, regional, local and individual benefits: <ul style="list-style-type: none"> • National and regional benefits arise because public transport services allow all people who do not have access to private transport (both residents and visitors) to move from place to place. • Local benefits arise for those who live in close proximity to services. • Private benefits accrue to those using public transport services, with these benefits being reflected in the fares charged to use the service. 			
	Economic benefit assessment		Funding targets	
	Private	Public	Private	Public
20%	80%	20%	80%	
Funding mechanism	Fees and charges (fare revenue)		Government grants; targeted public transport rate; territorial authority charges; UAGC	

Annual funding impact statement | Te tauākī pānga pūtea ā-tau

The forecast revenue for the period of the 2021-2031 Long Term Plan is as follows. This is an amendment to the table published on page 146 of the 2021-2031 Long Term Plan.

	2020/21 AP	2021/22 LTP	2022/23 LTP	2023/24 LTP	2024/25 LTP	2025/26 LTP	2026/27 LTP	2027/28 LTP	2028/29 LTP	2029/30 LTP	2030/31 LTP
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
General rate	34,347	40,532	45,106	45,409	47,415	47,201	47,269	47,597	48,305	49,385	50,304
UAGC	15,310	15,068	15,922	16,740	17,590	18,100	18,489	18,817	19,205	19,614	19,951
Targeted rates	52,283	55,844	61,262	63,907	66,454	71,031	72,413	75,627	78,309	80,352	82,434
	101,940	111,444	122,290	126,056	131,459	136,332	138,171	142,041	145,819	149,351	152,689

Government grants	17,907	30,561	36,137	25,031	25,922	25,564	26,131	26,701	27,041	27,629	28,205
Direct charges	8,368	9,290	9,893	10,183	10,577	10,883	11,078	11,285	11,352	11,551	11,758
Consent holder charges	4,341	4,910	5,207	6,360	6,138	6,002	5,917	6,283	5,945	6,053	6,131
Investment fund distribution income	3,567	3,077	3,200	3,265	3,202	3,266	3,331	3,325	3,391	3,459	3,507
Investment fund capital protection income	1,804	1,362	1,384	1,406	1,428	1,451	1,474	1,498	1,522	1,546	1,571
Interest income	920	300	387	514	721	1,028	1,435	1,885	2,161	2,209	2,210
Other income	9,817	15,567	16,469	12,742	12,436	10,396	9,233	7,846	6,854	6,431	6,091
Royalties	120	125	125	125	125	125	125	125	125	125	125
Rental income	750	637	637	637	637	637	637	637	637	637	637
Other gains/(losses)	-	-	-	-	-	-	-	-	-	-	-
Total other Income	47,594	65,829	73,439	60,263	61,186	59,352	59,361	59,585	59,028	59,640	60,235

Total Revenue	149,534	177,273	195,729	186,319	192,645	195,684	197,532	201,626	204,847	208,991	212,924
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SECTION 3 Audit opinion | Arotake

To the reader:

Independent auditor's report on Waikato Regional Council's amended 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Waikato Regional Council (the Council).

The Council adopted its 2021-31 long-term plan (the plan) on 29 June 2021.

A long-term plan must contain a report from the auditor on:

- whether the plan gives effect to the purpose set out in section 93(6) of the Local Government Act 2002; and
- the quality of the information and assumptions underlying the forecast information in the plan.

I issued an unmodified opinion on the plan in our report dated 29 June 2021 and we drew attention to the uncertainty of funding over the Te Huia services.

The Council has since consulted on a proposed amendment to the plan. The amendment to the plan included two proposals:

- to take over rating for public transport services in Thames-Coromandel, Hauraki and Matamata-Piako from these district councils; and
- to provide the proposed new public transport services in the Thames-Coromandel and Hauraki districts.

Following the consultation process, the Council has decided to amend its plan by implementing the proposal to take over rating for public transport services in Thames-Coromandel, Hauraki and Matamata-Piako districts from these district councils. The amended plan replaces the previously adopted plan.

The amended plan must contain a report from the auditor that either confirms or amends the previous audit report issued when the plan was adopted.

My report is below.

I carried out the work for this report using the staff and resources of Audit New Zealand. This work was completed on 20 June 2022.

Report confirming our previous opinion

Our work for this report focused only on the amendment and its effect on the plan. We did not repeat the audit work we did on the plan when it was originally adopted.

As a result of this work, we do not consider it necessary to amend our previous opinion which was included in our report on the plan as originally adopted.

We confirm that our previous audit opinion on the plan as originally adopted issued on 29 June 2021, is not affected by the amendment to the plan.

As for our opinion on the plan prior to it being amended, this report does not provide assurance that the forecasts in the amended plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the amended plan.

Basis of this report

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We did not evaluate the security and controls over the electronic publication of the amended plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to amending the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the amended plan to be free from material misstatement.

We are responsible for reporting on whether the amendment to the plan affects our previous audit report on the plan as originally adopted. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

In carrying out our work, we have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



David Walker, Audit New Zealand

On behalf of the Auditor-General, Auckland, New Zealand

He taiao mauriora

Healthy environment

He ōhanga pakari

Strong economy

He hapori hihiri

Vibrant communities

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