FORWARD 10 YEARS What matters most

Mahere Whānui 2024-2034 Long Term Plan

Consultation document

Waikato REGIONAL COUNCIL
Te Kaunihera ā Rohe o Waikato

Tuatahi ake, kia tau iho mai te manaakitanga o te wāhi ngaro ki runga ki tēnā, ki tēnā o tātou

Whakahōnoretia te Kīngi Māori a Tūheitia me te whare kāhui ariki nui tonu – paimārire

Kia tau tana manaakitanga ki ngā rangatira puta noa i te motu

Tangihia atu rā ngā mate o te wā, haere, haere, haere atu rā

E mihi kau atu ana ki ngā tūtohu whenua, me ngā tūtohu wai

Ngā hau marangai ki uta, ngā ngarungaru e papaki ana ki tai

E ngā reo, e ngā mana, e rau rangatira mā

Tīhei mauri ora ki te whei ao ki te ao mārama.

May the protection and life force of the spiritual realm reside with each and every one of us

We honour the Māori king, King Tūheitia and his lineage – goodness and peace

May his token of regard reach the esteemed across the land

We mourn those who have passed, as they depart to the next world

We acknowledge the paramount landscapes and waterscapes

The eastern winds that flow across the land, the coastal waves the crash on the shores

To one and all, the esteemed and the prestige

Behold, the breath of life, from the dawn to the world of light.

Takatū Waikato
Making a stand for the Waikato

Matawhānui
Our vision

Waikato mārohirohi: Manaaki whenua, whakamana tangata.

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

Aronga
Our purpose

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

Ngā aronga nui
Our strategic priorities

Wai
Water

Rerenga rauropi, tiakitanga taiao
Biodiversity and biosecurity

Takutai moana
Coastal and marine

Hanganga tauwhiro
Sustainable development and infrastructure

Hononga hapori
Community connections

Whakaheke tukunga
Transition to a low emissions economy

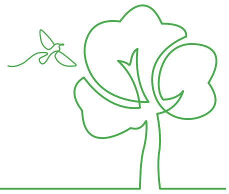
A focus on wellbeing and how we respond to climate change is woven through all our priorities.

Rārangi kaupapa
Contents

Share your views »

Go to **waikatoregion.govt.nz/ltp** to have your say. You can also respond by post or email.

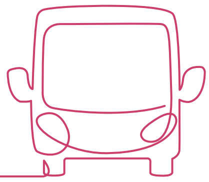
Our proposals



Page 11

Investing more in our region's biodiversity

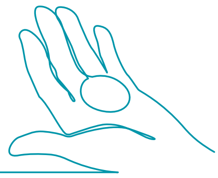
- Increasing our natural heritage rate



Page 13

Simplifying public transport investment

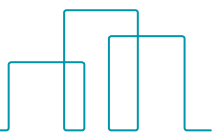
- Collecting a region-wide public transport rate



Page 18

Regional economic development funding

- Discontinuing the Regional Development Fund
- Funding for Te Waka



Page 21

Rural compliance and support

- Changes to the funding of primary industry compliance

Kia whai ngako te mahere
Making a plan matters

We love where we live in the mighty Waikato and we want to make it even better, with you.

So, we're making a plan that matters, helping to set our work programme and budget for the next 10 years, with an in depth look at the first three years.

Our 2024-2034 Long Term Plan – known as the LTP for short – is reviewed every three years, guided by our strategic direction and the feedback we receive through this public consultation.

It's where we set out what we're going to do, the money we're going to spend to do it and the impact this will have on rates.

To help you get involved in the decision making process, we've produced this document. It provides information on key proposals, including the rates implications and impacts on levels of service, and gives you options to choose between during our public consultation in April.

See pages 10-22 for our proposals.

Other documents supporting this plan can be found at **waikatoregion.govt.nz/ltp**

He aha, hei āwhea rānei ngā mahi?
What's happening and when?

2 April to 2 May

Consultation
Consultation is open for you to tell us what you think about our proposals.

14-17 May

Hearings
You can present your feedback to councillors in person (if you wish). Details will be available online at **waikatoregion.govt.nz/council-meetings/council**. All meetings are open to the public.

24-29 May

Decision making
Councillors make decisions on the 2024-2034 Long Term Plan. Your feedback will be taken into account along with other submissions from across the region.

25 June

Final decision
The 2024-2034 Long Term Plan is adopted

A copy will then be made available online at **waikatoregion.govt.nz/ltp**.

Kia tū pakari, kia rere pai

Resilience and efficiency matter

In recent times, our communities and our council have faced some big challenges, including COVID-19, extreme weather events and a cost-of-living crisis.

We've navigated these challenges with you while still maintaining essential investment, honouring existing commitments and ensuring some of the lowest rates rises in the country.

We can't predict what the future holds. But we do know we need to be ready to face fresh challenges – and to seize new opportunities as how we live, work and travel continue to evolve, and community expectations change.

So, as we plan our work programmes and budget for the next 10 years, we're focusing on what matters most – the resilience of our rohe (region).

When it comes to resilience, there are lots of interconnected issues, which are reflected in our six strategic priorities: water, biodiversity and biosecurity, coastal and marine, sustainable development and infrastructure, community connections, transition to a low emissions economy.

Achieving the goals we've set across our priorities will go a long way to improving the resilience of our region.

Critical to many of our goals are the infrastructure assets and nature-based solutions that help safeguard communities. However, it's clear we must fundamentally change the way we invest in, manage and pay for our infrastructure over time. Our approach to this is set out in our new infrastructure strategy, which you can read more about on the next page.

The region's resilience is about more than assets like stopbanks and pump stations. We know we have to develop with nature in mind and be responsive to the challenges of climate change. Wellbeing and community connectivity are important too.

> *It's clear we must fundamentally change the way we invest in, manage and pay for our infrastructure over time. Our approach to this is set out in our new infrastructure strategy.*

That's where our spatial plan, which we'll be taking the first steps towards developng, will play a critical role – ensuring the right decisions are being made for the whole region. Investing in science also provides an evidence-based foundation for our policies and decision making.

To deliver this and more, we must be financially resilient. So we're maintaining strong and responsible finances to address immediate cost-of-living and cost-of-service-delivery pressures, and to prepare for the unexpected.

Our draft plan proposes an increase in rates revenue from current ratepayers of 6 per cent in 2024/25, 8 per cent in 2025/26 and 3 per cent in 2026/27. In the first year of the plan, that means an increase of less than $50 a year for more than 80 per cent of our ratepayers. We know that this will not be the case for all of our ratepayers, with those paying flood protection and catchment rates likely to see larger increases.

You can find the impact of this plan on your rates at **waikatoregion.govt.nz/ratescalculator**.

Chris McLay
Chief Executive

Pamela Storey
Chair

Te rautaki tūāpapa
Infrastructure strategy

Growing resilience

We are responsible for flood management and land drainage assets with a replacement value of $1.12 billion.

Our flood assets safeguard, to agreed levels, property worth over $13 billion and support a thriving agricultural sector that contributes around $2.3 billion a year to our regional economy.

Over the last 10 years we have worked to bring stopbanks, and other infrastructure not performing, to their minimum agreed service level. However, more of our infrastructure is coming to the end of its effective life, and 15 per cent of all infrastructure is in a poor or very poor condition. Also, a number of our assets are in good condition but are under-performing because of issues such as peat settlement.

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

Recent weather events have already shown that providing the same levels of service as we have in the past will not assist our communities to build resilience in the future.

Over the next 50 years, we expect to need to invest over $1 billion replacing some of our assets, and a further $1.87 billion on non-capital related costs like ongoing operating and maintenance, and depreciation.

However, these cost estimates do not consider the increasing challenges we face, such as climate change, new government legislation, affordability, morphology and business capability.

Simply replacing or repairing assets, as we have done in the past, may no longer be economically or environmentally sustainable, affordable or workable. Therefore, to account for these challenges, significant changes have been made to the Infrastructure Strategy 2024-2074.

Changes to the strategy

The Infrastructure Strategy has been aligned to our strategic direction, which focuses on wellbeing and how we respond to climate change. Aligned with the strategic direction, the *Climate Action Roadmap* identifies nine pathways to work with others to adapt to the changes we're already experiencing.

The Infrastructure Strategy addresses the strategic priority of *Sustainable development and infrastructure to achieve resilient communities that plan for intergenerational wellbeing, develop with nature in mind and are able to respond to and recover from adversity.*

This means we will be transitioning over time to adopt a more sustainable and holistic way of managing flood risk to create resilient communities and support a strong economy.

We will do this by:

- continuing with maintenance improvement as the main tactic for the next 10 years
- applying our strategic direction priorities and goals through a transparent decision making framework
- prioritising solutions that work alongside nature and contribute towards improvements to water quality
- working with others – other councils, iwi groups, landowners, universities, technology leaders – to develop nature-based solutions that address climate change risks and to lobby for funding for nature-based solutions.

We will take into account the following objectives when considering further investment into our flood protection and land drainage infrastructure:

- more cost effective and efficient alternatives for providing flood management and drainage services
- when implementing new or remedial capital works, the need for ecosystem services provided by land and water to be maintained or improved
- prioritising investment decisions that reduce community vulnerability and risk, and supporting adaptive responses over those that just maintain the status quo.

Some important non-structural assets not included in the Infrastructure Strategy will be considered in the future, including:

- monitoring sites
- plant and equipment
- pool and fleet vehicles
- public transport infrastructure
- software.

Significant capital expenditure 2024-2034

Targeted rates make up approximately 75-80 per cent of the money spent on infrastructure. Most of the remaining funding comes from the general rate.

A region-wide work programme to ensure all stopbank heights are above the minimum designed flood heights should be completed over the next four to five years. Our focus has begun moving to pump station efficiency and performance, with particular focus on improving fish mortality.

Key projects that are included in the capital works programme for this LTP are:

Area and project	Forecasted costs
Hauraki catchments	
Access track and culvert repairs	$1.8M
Paeroa flood barrier – reviewing and improving drainage of flood waters post events	$1.1M
Floodgate repairs and rebuild	$11M
Pump station generator replacements	$1.6M
Pump station repairs and rebuilds	$21M
Stopbank rebuilds	$27M
Waikato catchments	
Pungarehu canal – completion of 5-year renewals programme	$460k
Floodgate repairs and rebuild	$5M
Pump station repairs and rebuilds	$9.8M
Pump station health and safety improvements – automated weed screens	$4M
Pump stations - Island Block construction	$3.3M
Pump stations – Mangatawhiri scheme renewals	$7.4M*
Pump stations – Motukaraka construction	$9.4M*
Pump stations – Swan Road construction	$2M
Stopbank rebuilds	$15M
Taupō catchments	
Stopbank rebuilds	$5.3M
Total	$125.16M

*Discussions with local landowners in the Motukaraka and Mangatawhiri scheme areas are underway to understand if we should invest the level of capital as proposed, or if a level of service change is needed.

Read the proposed infrastructure strategy
waikatoregion.govt.nz/ltp

- **471** floodgates
- **119** pumpstations
- **617** kilometres of stopbanks
- **456** river management and catchment management assets (dams, bridges, culverts, fences, etc)

Papātanga ki ngā tāke kaunihera

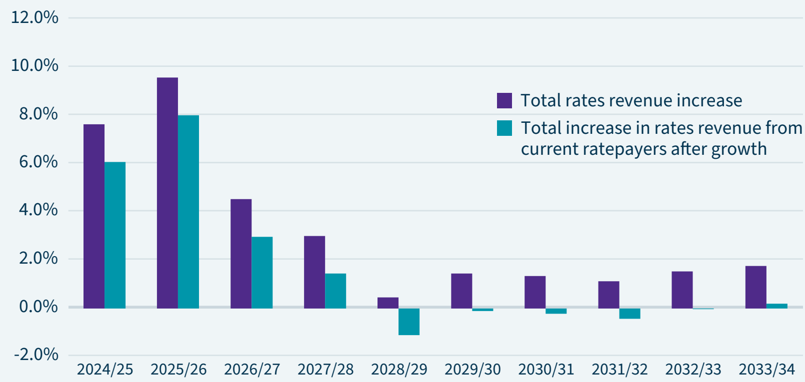
A snapshot of the impact on rates

Over the term of this plan, our total rates revenue is set to increase from $130.355 million in 2023/24 to $178.260 million in 2033/34. The money we collect is split into **funding from all ratepayers** (for services everyone benefits from) and **funding from targeted rates** (for services where those who receive a greater benefit pay more).

To see the impacts on different property types, go to pages 35-38 of this document.

While we are required to look at the work programme and budget for the next 10 years, we take an in depth look at the first three years only. The budget for the remaining seven years – and therefore rating impacts for this period – reflect the cyclical nature of some of our work programmes. They are indicative only and may change.

INCREASE IN TOTAL RATES REVENUE

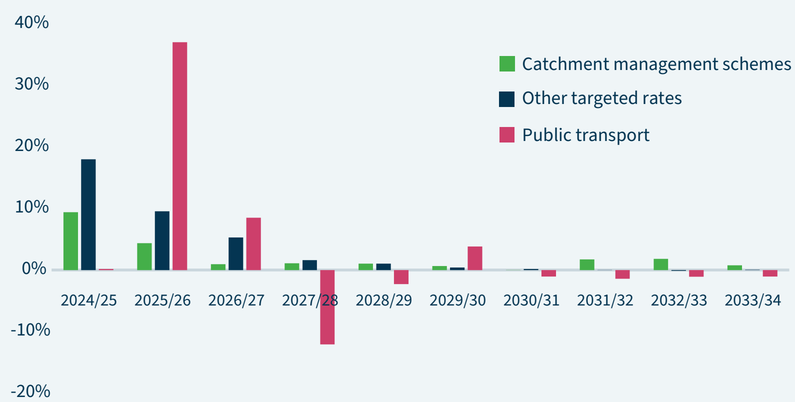


We assume the number of properties in the region will increase by 1.5 per cent each year. This means the total increase in rates revenue is spread over a larger number of ratepayers. The graph above shows the difference between the total increase in rates revenue, compared to what we expect the increase in rates revenue from existing ratepayers will be, after recognising the new ratepayers who will also contribute to funding our activities.

Our targeted rates fund discrete activities that we provide to groups or sectors of the community. We understand that for some of our ratepayers, these targeted rates make up the majority of the rates they pay us – in particular in relation to catchment management activities. The increases in these targeted rates, which make up part of the overall change in our total rates revenue, is shown below.

The increase in public transport rates revenue in 2025/26 reflects our proposal to commence regional rating for public transport services. This increase in rates revenue should be offset by a decrease in rates for these services by local councils. The decline in these rates in 2027/28 reflects the three-year funding approval cycles with New Zealand Transport Agency Waka Kotahi. Refer to page 13 of this document to read about this proposal.

YEAR ON YEAR PERCENTAGE INCREASE IN TARGETED RATES REVENUE FROM CURRENT RATEPAYERS



Not all proposals will impact everyone, so it's important you find out how your rates will be affected.

Use our rates calculator **waikatoregion.govt.nz/ratescalculator** or call our rates team on 0800 800 401

Ka whakanuia ō whakaaro
Your views matter

In June, our councillors will make a final decision on the work we will focus on over the next 10 years and how it will be paid for. But before they do, they want to hear your views.

There are five specific topics we're seeking your feedback on.

- **Increasing our natural heritage rate (see page 12)**
- **Collecting a region-wide public transport rate (see page 14)**
- **Discontinuing the Regional Development Fund (see page 19)**
- **Funding for Te Waka (see page 20)**
- **Changes to the funding of primary industry compliance (see page 22)**

In this document, we've also shared information on some of the other important work we're planning to do. See pages 23-27.

You'll find the contact details for the councillors holding the pen on the final decisions on pages 41-42 and information on how to submit on page 43.

Ngā haumitanga rerenga rauropi
Investing more in our region's biodiversity

Protecting and restoring biodiversity is an investment in our future. We can't live without biodiversity; our economy depends on it. But funds we established to support conservation projects in our rohe (region) haven't kept pace with demand or the rate of inflation.

More New Zealanders are getting stuck into conservation-related projects and they're looking increasingly for philanthropic and government investment.

This is reflected in the increased number of applications we've received to our three contestable funds, as part of our Natural Heritage Partnership Programme, which have now been in place for between 14 and 30 years.

Many worthwhile community-led conservation projects have been made possible through our funding. They include planting projects, predator control, community engagement, sustainability programmes and marae-based social enterprises. There's been some bigger ecological restoration projects that have received funding from us too.

The number of groups, level of participation, and size and complexity of the projects has changed over time. The amounts being sought for projects have also been on the rise as applicants look to sustain their projects over multiple years.

Our per property natural heritage rate of $5.80 was first introduced in 2005 but has not kept pace, resulting in us not being able to support the growing number of community programmes or take into account increased costs of the work.

Increasing our natural heritage rate

Reversing biodiversity loss in our region is possible, but only with greater and more collective effort. So we're proposing to increase the per property natural heritage rate.

This will enable us to provide funding to more community groups carrying out work to protect and restore our region's unique plants, animals and marine life, and the indigenous ecosystems they live in.

Increasing the rate to $8.68 per property brings it in line with inflation since the programme was established.

For every $1 of the natural heritage rate spent on mahi (work) delivered by communities, the region achieves biodiversity investment of between $3 and $5.

But we're keen to test support for further accelerating this work. We think an increase in this rate to $15 – providing an additional $1.403 million (incl. GST) per annum – will help achieve our biodiversity goals sooner.

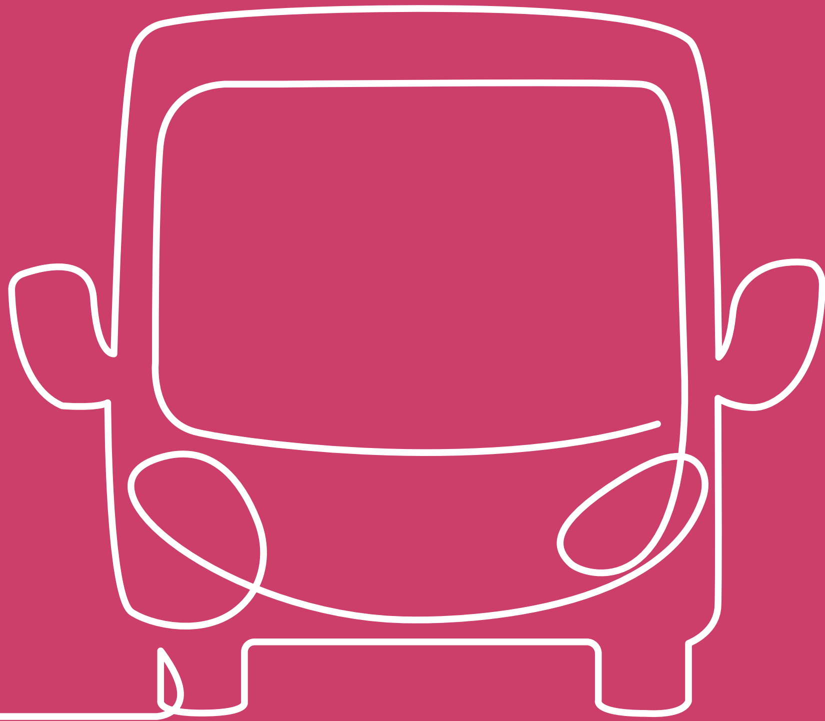
10 In relation to the natural heritage rate, which option do you prefer?

	OPTION 1 (Preferred option)	OPTION 2	OPTION 3
Proposal	Council increases the natural heritage rate to $8.68 per property per annum, with further increases for the proposed work programme after this.	Council increases the natural heritage rate to $15 per property per annum (to enable more work to be done sooner to improve biodiversity).	Council keeps the natural heritage rate at $5.80 per property per annum.
Impact on level of service	↑	↑	Inflation may impact our ability to deliver the same level of work
Total cost	2024/25 – $1.674 million 2025/26 – $1.898 million 2026/27 – $1.986 million	2024/25 – $2.894 million 2025/26 – $2.937 million 2026/27 – $2.981 million	2024/25 – $1.119 million 2025/26 – $1.135 million 2026/27 – $1.153 million
Impact on rates	2024/25 – $8.68 per property 2025/26 – $9.69 per property 2026/27 – $10 per property	2024/25 – $15 per property 2025/26 – $15 per property 2026/27 – $15 per property	2024/25 – No change ($5.80 per property) 2025/26 – No change ($5.80 per property) 2026/27 – No change ($5.80 per property)
Impact on debt	Nil	Nil	Nil

Where natural heritage rate funding goes

- The **Natural Heritage Fund** is for ecological restoration projects that have very long term, inter-generational benefits. To date, it has been used for a wide range of projects, including Sanctuary Mountain Maungatautari, Waipā peat lakes reserves and the purchase of the Ed Hillary Hope Reserve. Money for this fund comes from the natural heritage targeted rate of $5.80 per property per annum.
- The **Environmental Initiatives Fund** is for local environmental restoration projects, practical environmental initiatives that involve community participation, or educational/promotional activities that raise awareness of environmental issues. Projects may be funded for up to three years but not exceed a total of $40,000. Money for this fund comes from the natural heritage targeted rate of $5.80 per property per annum.

*The **Small Scale Community Initiatives Fund** is also part of the Natural Heritage Partnership Programme. It's for pest animal and plant control work of up to $5000 by community groups or private landowners, with a maximum of $195,000 available from the contestable fund each year. Money for this fund comes from the uniform annual general charge rate, not the natural heritage targeted rate.*



Haumitanga kia marama ai ngā ara me ngā waka tūmatanui

Simplifying public transport investment

Our public transport services provide access to education, employment, recreation, healthcare and more, while also helping to cut congestion and reduce carbon emissions.

But the legacy funding arrangements that have evolved over time are more complex than they need to be. They create barriers to the comprehensive strategic planning we need to do to deliver consistent public transport region-wide, as well as administrative burdens that can result in unnecessary costs and delays to much-needed service improvements.

We think there's a better way – a solution that could improve affordability while also enhancing our ability to respond efficiently to changing community needs.

Collecting a region-wide public transport rate

We're proposing changes to the way public transport bus services are rated for in our region.

Currently, Waikato Regional Council only rates for public transport services in Hamilton, Thames-Coromandel, Hauraki and Matamata-Piako.

Outside of these areas, your district council rates for these services. We then invoice each council for the funds we need to plan and operate the region's public transport network. We are the only region in New Zealand to work in this way. It means:

- Planning, funding, and implementation of public transport services takes longer.
- Additional administrative overheads are incurred.
- Funding splits for services that cross jurisdiction boundaries must be agreed between councils, independently ratified and often be reviewed annually.
- There can be a lack of clarity around the precise contribution required from each council.
- A review is probably necessary whenever there's a significant change to routes, frequencies or vehicle types that is likely to impact the total cost or distribution of costs between councils.

In Hamilton, Thames-Coromandel, Hauraki and Matamata-Piako, 80 per cent of the rate funding required comes from direct beneficiaries – that's properties within 800 metres of a bus stop in Hamilton and properties within urban areas that have a public transport service in the other districts. The remaining 20 per cent is spread across the council boundaries

However, in districts where the territorial authority rates for public transport and passes this funding through to Waikato Regional Council, public transport is typically funded from general rates, spreading the cost of service across all ratepayers in those districts equally, irrespective of their location.

There is no impact on either levels of service or the council's borrowing as a result of this proposal.

Proposed rating model

Our proposal involves Waikato Regional Council rating for existing public transport services in Ōtorohanga, Rotorua, South Waikato, Taupō, Waikato, Waipā and Waitomo districts from 2025/26. That's year two of this long term plan. From then on, the district councils would no longer need to collect rates to fund public transport – so overall, this change should be cost-neutral.

We have assumed the NZ Transport Agency Waka Kotahi would continue to fund 51 per cent of the net cost of all public transport bus services in the region, but there is still some uncertainty regarding the total funding that will be available.

The total amount we would collect through rates to fund existing services is $16.021 million per annum in 2024/25.

We are currently considering two rating options, which we'd like your feedback on. Based on your feedback, more work will be undertaken over the next 12 months to better define the rating option and check back with you through next year's annual plan.

The two key differences between the options are:

First – whether all properties in each district of the region contribute to public transport investment because of the benefits to the wider community and the environment, or whether only those with access to public transport services should contribute.

Second – whether the Hamilton Waikato Metropolitan Area (metro area) should be treated as a distinct area instead of relying on city and district council boundaries. This would provide a way to ensure investment for implementing the public transport services envisaged in the Metro Spatial Plan's transport programme can be collected from the area that is expected to benefit most from that programme.

In all options, the investment required is based on the cost of running the public transport services in that area. The services themselves are determined by the Waikato Regional Public Transport Plan. The choice of rating model doesn't affect the total amount of rates collected.

10 Do you support Waikato Regional Council rating for public transport services across the region?

10 If Waikato Regional Council started rating for public transport across the region, which rating option would you prefer?

OPTION 1

Preferred option

- 80 per cent of the funding required from rates comes from properties within 5 kilometres of a bus route.
- 20 per cent of the funding required from rates is paid by all other properties in the area.

We would define a new area that reflects the higher levels of service experienced in Hamilton and urban areas, and key corridors in the Waikato and Waipā districts. All people in this 'metro' area will pay the same amount towards 'metro' services.

This approach means those people travelling within the metro area (for example, commuting from Cambridge or Tamahere into Hamilton) all pay towards public transport in the area. This reflects that:

- The metro area generally has more bus services and higher frequency overall.
- There are existing habits of informal park and ride or drive-up and drop off.
- There are greater decongestion benefits within the metro area that all users experience on key corridors.

OPTION 2

- 80 per cent of the funding required from rates comes from properties within 800 metres of a bus stop.
- 20 per cent of the funding required from rates comes from properties between 800 metres and 5 kilometres of a bus stop.

This assumes that only people with access to public transport gain any benefit from it, and so their rates will be higher.

How the options impact rates in Ōtorohanga, Rotorua, South Waikato, Taupō, Waikato, Waipā and Waitomo

For those areas where we would be assuming responsibility for the funding of public transport services from 1 July 2025, the rating impacts are dependent on the approval of a proposed programme by NZ Transport Agency Waka Kotahi. Based on the programme that has been put forward for approval, the following rates would be assessed in 2025/26 and adjusted after that for any price changes or new services introduced.

Where services are provided that support inter-district public transport connections, costs for these district areas will be grouped to reflect that all of the districts benefit from the connections.

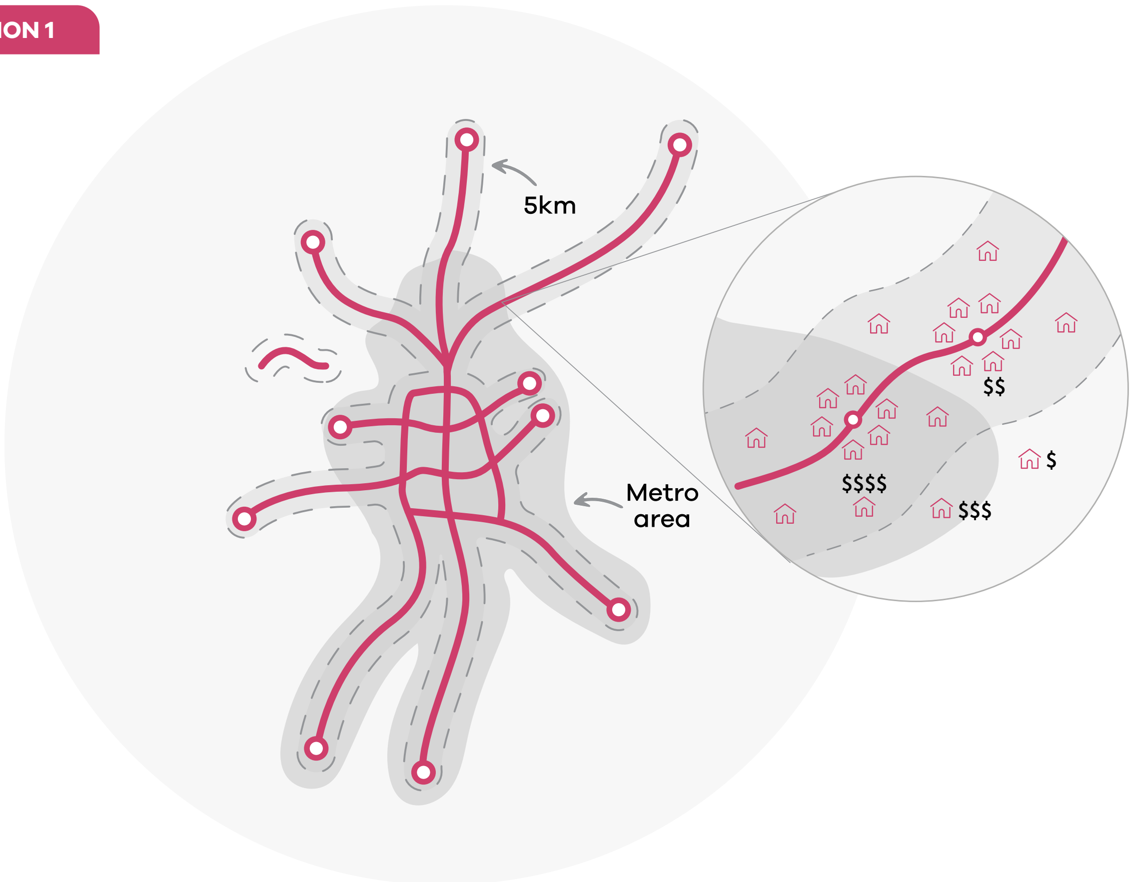
OPTION 1

	METRO (Hamilton/parts of Waipā and Waikato)		NORTH AND WEST WAIKATO (Pōkenō and Raglan)		EAST WAIKATO (Matamata-Piako/Hauraki/ Thames-Coromandel)		SOUTH WAIKATO (Ōtorohonga/ South Waikato/ Waitomo)		TAUPŌ	
	Within 5km	District-wide	Within 5km	District-wide	Within 5km	District-wide	Within 5km	District-wide	Within 5km	District-wide
per $100,000 CV	**$26.74**	**$4.87**	**$3.46**	**$0.21**	**$6.68**	**$0.34**	**$9.03**	**$0.62**	**$2.24**	**$0.31**

OPTION 2

	WAIPĀ		WAIKATO		EAST WAIKATO (Matamata-Piako/Hauraki/ Thames-Coromandel)		SOUTH WAIKATO (Ōtorohonga/ South Waikato/ Waitomo)		TAUPŌ	
	800m walk up	5km indirect access	800m walk up	5km indirect access	800m walk up	5km indirect access	800m walk up	5km indirect access	800m walk up	5km indirect access
per $100,000 CV	**$27.47**	**$2.29**	**$42.35**	**$3.93**	**$16.16**	**$1.59**	**$18.99**	**$2.10**	**$3.49**	**$0.48**

OPTION 1



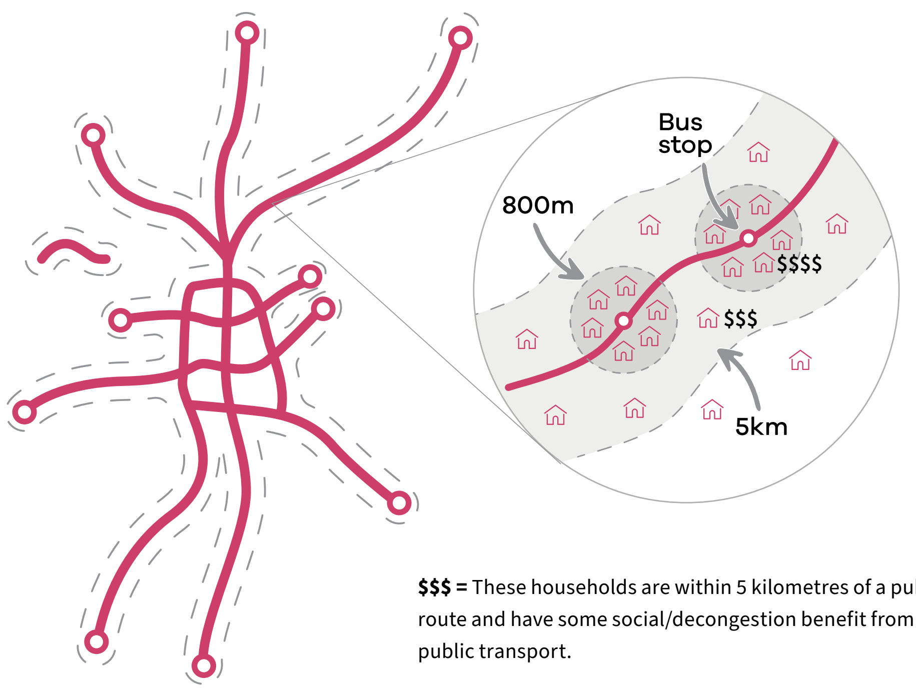
$ = These households receive the least benefit from public bus services, so pay the least, though they still get some social benefit.

$$ = These households pay more as they are closer to public bus services and therefore receive slightly more benefit.

$$$ = While not being as close to public bus services, these households still benefit from decongestion and wider social benefits from greater use of public transport in the metro area.

$$$$ = These households pay the most as they are closest to lots of public bus services and receive the most decongestion and social benefit.

OPTION 2



$$$ = These households are within 5 kilometres of a public bus route and have some social/decongestion benefit from access to public transport.

$$$$ = These households pay the most as they are within walking distance of a bus stop.

How the options impact rates for Hamilton, Hauraki, Matamata-Piako and Thames-Coromandel

Currently, 80 per cent of investment required in Hamilton comes from properties with 'direct access' to public transport (that is, within 800 metres of a bus stop). Likewise in Hauraki, Thames-Coromandel and Matamata-Piako 80 per cent of investment comes from the urban areas that have a bus service.

Hamilton (rate per $100,000 capital value)		Hauraki, Matamata-Piako and Thames-Coromandel (rate per $100,000 capital value)	
800m walk up	District-wide	Urban (Statistics NZ defined)	District-wide
$32	**$6.21**	**$9.11**	**$0.81**

Preferred option

OPTION 1

Under Option 1, 80 per cent of investment would come from properties within 5 kilometres, spreading the funding requirement across more properties.

Twenty (20) per cent of the funding required would still come from the wider district or metro area.

This is most similar to the existing approach in these areas, with everyone in the district or metro area contributing to public transport.

Hamilton (rate per $100,000 capital value)		Hauraki, Matamata-Piako and Thames-Coromandel (rate per $100,000 capital value)	
Within 5km	District-wide	Within 5km	District-wide
$26.74	**$4.87**	**$6.68**	**$0.34**

OPTION 2

Under Option 2, 80 per cent of funding would still come from properties within 800m of a bus stop.

The 20 per cent of funding that is currently collected from the wider districts would instead come from the area within 5 kilometres of a bus stop.

People outside of those areas would no longer contribute to public transport funding.

Modelling indicates that rates would be significantly higher for those properties within walk-up distance of bus stops in Hauraki, Matamata-Piako and Thames-Coromandel.

Hamilton (rate per $100,000 capital value)		Hauraki, Matamata-Piako and Thames-Coromandel (rate per $100,000 capital value)	
800m walk up	5km drive up	800m walk up	5km drive up
$31.81	**$6.02**	**$16.16**	**$1.59**

Whakapakari pūtea ā-rohe
Regional economic development funding

Legislation requires councils to improve the social, economic, environmental and cultural wellbeing of our communities. This is embedded in our purpose: *Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.*

A healthy environment enables communities to thrive. If we get that right, then we'll have a strong economy. And that's what we're here to do – create a sustainable future for people today and generations to come.

Some of our core activities – such as flood and drainage infrastructure, public transport and resource management – clearly promote or influence economic activity and wellbeing.

But what should our role in economic development be beyond these core activities?

To date, it has involved a funding partnership with Te Waka, the region's economic development agency, as well as a fund we established for projects that provide a win-win for both the economy and environment.

Discontinuing the Regional Development Fund

The Regional Development Fund (RDF) was created through the 2015-2025 Long Term Plan to enable investment in regionally significant projects with economic outcomes achieved in a way that also enhance the environment.

To date, just three grants totalling $3.14 million have been approved. With the fund undersubscribed, staff time required to administer the fund and an opportunity cost to holding the fund in its current form, councillors decided in October 2023 to close it to applications pending a review through the LTP.

We're now proposing to disestablish the fund. This will allow previously accumulated and unallocated funds totalling $3.979 million and staff time to be redirected to strategic priorities that may have a greater impact as economic enablers.

This in turn would enable the current investment fund returns set aside for the RDF to be repurposed – noting the overall reduction in fund returns that will be available over the period of this plan.

Projects funded to date

- Te Ariki Sugar Loaf Wharf: $2 million – approved on 24 March 2021
- Waikato Screens: $575,000 – approved on 29 April 2021
- Kōpū Marine Precinct: $565,000 – approved on 27 April 2023

In relation to the Regional Development Fund, which option do you prefer?

OPTION 1

Preferred option

Council discontinues the Regional Development Fund.

Impact on level of service ↓

Total cost

2024/25 – reduction in expenditure of $680,000 (the current contribution to the RDF)

2025/26 – reduction in expenditure of $698,000

2026/27 – reduction in expenditure of $716,000

Impact on rates

2024/25 – Nil

2025/26 – Nil

2026/27 – Nil

Impact on debt

Nil

OPTION 2

Council continues to operate the Regional Development Fund.

Impact on level of service No change

Total cost

2024/25 – $680,000

2025/26 – $698,000

2026/27 – $716,000

Impact on rates

2024/25 – $0.31 per $100,000 capital value

2025/26 – $0.32 per $100,000 capital value

2026/27 – $0.32 per $100,000 capital value

Impact on debt

Nil

Funding for Te Waka

Te Waka is the region's economic development agency. It was established in 2018 by the Waikato Mayoral Forum, which brings together the region's mayors and the regional council chair.

The agency's aim is to champion and lead the region's collective voice for economic and business needs by working in partnership with iwi, business, government and community organisations.

Over the last three years, we have been providing Te Waka with $750,000 per annum.

We plan to continue funding Te Waka to the same amount, using the unallocated money from the Regional Development Fund to pay for it over the next three years.

No long-term funding is currently provided for beyond these three years.

Councillors considered a targeted rate of approximately $72 (incl. GST) per property on the region's 6158 commercial and 5877 industrial businesses, but ruled this out for now.

If the Regional Development Fund is retained, the funding for Te Waka would need to come from rates. This would result in an increase of $0.35 per $100,000 capital value.

Regional councillors believe there needs to be greater accountability over how the funding is used. So funding would be contingent on Te Waka meeting accountability measures.

10 In relation to Te Waka, which option do you prefer?

OPTION 1

Preferred option

Council provides $750,000 per annum over three years to Te Waka using unallocated money from the Regional Development Fund.

Impact on level of service No change

Total cost

2024/25 – $750,000

2025/26 – $750,000

2026/27 – $750,000

Impact on rates

2024/25 – Nil

2025/26 – Nil

2026/27 – Nil

Impact on debt

Nil

OPTION 2

Council does not continue to fund Te Waka.

Impact on level of service ↓

Total cost

2024/25 – Nil

2025/26 – Nil

2026/27 – Nil

Impact on rates

2024/25 – Nil

2025/26 – Nil

2026/27 – Nil

Impact on debt

Nil

Tūtohu taiwhenua me te tautoko
Rural compliance and support

We're proposing a change to the way we fund our primary industry compliance activities.

This will include a new mix of targeted and general rate funding, the cessation of the existing permitted activity monitoring rate, and the introduction of a new primary industry compliance rate which will be assessed against all properties 20 hectares or greater in area.

There is no impact on the council's borrowing as a result of this proposal.

Changes to the funding of primary industry compliance

> *The targeted rate funding for permitted activities monitoring and farm plan implementation will be combined to a new primary industry compliance rate to be assessed against properties 20 hectares or greater.*

Permitted activity monitoring

The *Waikato Regional Plan* has over 70 permitted activity rules, of which several higher priority rules relating to effluent and sediment discharges are subject to proactive monitoring.

The full cost of our permitted activity monitoring programme is currently funded by a targeted rate on all 24,609 properties 2 hectares or greater ($73.37 (incl. GST) per rateable property).

We're proposing to change this. From 2024/25, a 20 per cent funding contribution will come from the general rate to recognise there is a wider public benefit and to bring the funding mix in line with other comparable work.

The remaining 80 per cent of the programme's cost will be recovered via a targeted rate on properties 20 hectares or greater. We're making this change because:

- the majority of work undertaken by the permitted activity monitoring programme focuses on larger rural properties
- the new permitted activity monitoring rules in Proposed Waikato Regional Plan Change 1: Waikato and Waipā river catchments and the rules relating to freshwater farm plans are focused on properties 20 hectares or greater.

The changes have the following impact:

- A targeted rate reduction of $73.37 per annum for the estimated 13,800 properties that are between 2 and 20 hectares.
- A rates increase of approximately $111 (incl. GST) per annum for those 10,860 properties 20 hectares or greater.
- An increase in the general rate of $441,000 (equivalent to a 0.3 per cent increase).

Farm plan implementation

The work of our Primary Industry Engagement (PIE) section relates to the farm planning regulations and is currently fully funded from the general rate.

These regulations predominantly impact on properties 20 hectares and greater, so we're proposing to change how this programme is funded.

A 50 per cent funding contribution – decreasing to 20 per cent over three years – will come from the general rate to recognise the wider water quality improvements sought by communities. The remaining cost will be recovered through a targeted rate on properties 20 hectares or greater.

A 50:50 funding split would result in a targeted rates increase of approximately $91 (incl. GST) in year one for those 10,860 properties 20 hectares or greater, and an overall decrease in the general rate of $872,000. When the full transition to 80 per cent funding from the new targeted rate is in place, properties 20 hectares or greater will pay $159 per annum, with a $1.569 million reduction in the general rate.

To see the impacts on different property types, go to pages 35-38 of this document.

Use our rates calculator **waikatoregion.govt.nz/ratescalculator** or call our rates team on 0800 800 401

10

Do you support the council's preferred option to change the funding of these activities which would result in a new primary industry compliance rate ($275 in 2024/25, increasing to $376 in 2026/27) to be assessed against properties 20 hectares or greater?

Te whakaraupapatanga o ētahi mahi kē
Other work we're prioritising

We don't ask for your feedback on everything in our long term plan, because not every area of activity we prioritise through our strategic direction requires consultation or provides options to gain your feedback on.

These could be things we are required to do, things we have already committed to, things we can't afford not to do, or things that don't meet pre-determined thresholds like community interest or financial value.

Much of our new work over the next three years is about collecting the right information to help build the resilience of our regional environment into the future.

He mahi whakapai i a Whangamarino me Waikare
Improving Whangamarino Wetland and Lake Waikare

Lake Waikare and Whangamarino Wetland – a site of international significance – are in a highly degraded state. We have a collective responsibility to improve the state of these waterbodies over time.

Poor water quality and sediment and nutrient loads to the lake and wetland are affecting these special areas. In addition, pest plant and animal species have invaded these environments causing further degradation, a loss of biodiversity and reduced cultural and recreational values.

There is no easy or quick fix. The deterioration has occurred over time, and so it will take time to improve. That is not the responsibility of any one organisation or person – it will take a whole community. Our council has an important role to play, supporting that community. Over the next two years, we'll define and test options to reverse degrading trends and support long term rehabilitation of Whangamarino Wetland and Lake Waikare by developing a multi-stakeholder agreement on a catchment action plan.

Implementation of the plan will be considered and budgeted for through the 2027-2037 Long Term Plan. In the meantime, our work supporting landowners to reduce erosion will continue, with funding for fencing and planting. We are also continuing to work with the Department of Conservation and Te Riu o Waikato on koi initiatives in the lower Waikato, including Lake Waikare.

The $400,000 investment proposed for this project will be funded from prior year surplus funds held by the council.

The catchment is a critical part of the Lower Waikato-Waipā Flood Control Scheme, which was designed in 1959 following a decade of severe floods. As part of the scheme, Lake Waikare and the Whangamarino Wetland are used for flood storage and attenuation for the surrounding catchment and the Waikato River.

The scheme helps to safeguard lives, protect valuable urban and rural land and regionally significant infrastructure, like the railway line and State Highway 1, from the effects of prolonged and frequent flooding. We need to identify options for improving the health and wellbeing of the lake, wetland and lower Waikato River, while also continuing to provide effective flood protection. This is a difficult balancing act, but we believe solutions do exist and we want to explore and test these for future implementation.

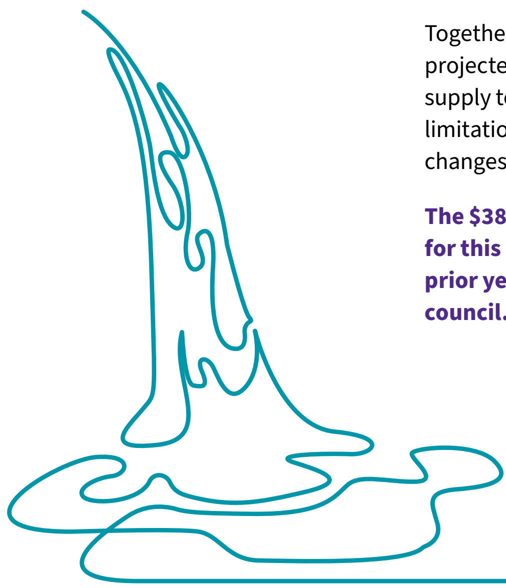
Rautaki tiaki wai
A strategy for water security

Water is our most precious resource and throughout the world is increasingly threatened by pollution and over-allocation. In the Waikato, protecting and improving water is consistently the number one environmental concern for our communities.

Despite the perception that we are surrounded by plentiful water, climate change and the legacy effects of land use mean that in some areas of the region there isn't enough fresh water to go around.

The drought of early 2020 created massive challenges for municipal water suppliers in the Waikato region and beyond. The Waikato Mayoral Forum, comprising local mayors and the regional council chair, recognised that climate change could increase the frequency of drought events and change municipal water demand patterns across our region. The drought also impacted famers and ecosystems.

So in our strategic direction we have a goal to increase regional water security through a multi-stakeholder plan to ensure wellbeing and resilience within defined environmental limits for the next 30 years.



The Water Security Management Plan will identify options to increase water security and enable sustainable growth in our rohe (region). This work will be carried out from 2024/25 to 2025/26 and will include working with iwi partners, local councils and stakeholders.

Together, they'll examine scenarios of projected growth and reduced water supply to help us understand the limitations of existing systems and the changes needed going forward.

The $388,000 investment proposed for this project will be funded from prior year surplus funds held by the council.

Ngā mahi ki te takutai moana
Understanding our coastal marine areas

The Waikato region's coastal and marine environment includes 1200 kilometres of coastline and encompasses one third of our region.

It's used for leisure, aquaculture, recreational and commercial fishing, shipping and tourism, and is of significance to iwi Māori, so maintaining the health of these areas is very important.

But the current lack of information on the state of our coastal marine environment makes making the right decisions challenging.

We're going to change that, starting with increased investment in specialised monitoring equipment and new work programmes, as well as additional staff.

With these new resources, we will step up our coastal water quality monitoring in the Firth of Thames. Among other things, this will help us to better understand links between the state of estuarine and river systems.

We'll also target coastal biodiversity, habitat distribution and ecosystem health. Crucially, this will expand the current focus on estuaries to include rocky reefs and other subtidal habitats that are impacted by human activities.

This coastal marine biodiversity programme will cover both coasts of the Waikato region and provide baseline data essential for comparison over time.

This mahi (work) will cost $6.425 million over the 10 years of this plan and will be funded through the general rate.

Ka whakapakari i ngā mahi ārai kīrearea
Stepping up pest management

Biosecurity helps to protect the things we love and our way of life from harmful organisms. It takes all of us to protect what we treasure: the outdoor environment where we fish, farm, hunt and explore; the rich biodiversity of our unique ecosystems; and even the food we grow, eat and export. Ko Tātou This is Us.

While our biosecurity programme received a funding boost in 2018, our services are now stretched and the basic information we collect on our biodiversity tells us we are losing more than we gain. We're planning to change that.

We'll be increasing investment in the surveillance and control of several priority pest plant programmes, as well as building on the gains made in the multi-agency koi, wilding pine, and kauri management programmes.

An injection of funds will also help us address and support a range of freshwater and marine biosecurity issues such as caulerpa (invasive seaweed), alligator weed and corbicula (gold clam).

In years 4 and 5 of this plan, we'll also provide additional support across a range of biosecurity and biodiversity programmes in specific areas of our rohe (region), such as Taupō and the Coromandel Peninsula.

This investment will result in improved resilience of native ecosystems, protection of production values, a stop to the further spread of pests, as well as benefits for our communities and economy.

This mahi (work) will cost $6.5 million over five years and will be funded through the biosecurity rate.

Ko te rei te take
For peat's sake

The Waikato has about 83,000 hectares of Organic Soils (aka peat), including the 9000-hectare Kopuatai Peat Dome. Of this total area, about 65,000 hectares have been drained, mostly for productive purposes such as pastoral agriculture, cropping, horticulture and peat mining.

Drainage of peat results in land subsidence of about 2 centimetres per year, and carbon dioxide emissions which add to our greenhouse gas footprint. Ongoing subsidence is a problem for sustainable drainage and flood protection infrastructure.

To better understand the resource and inform a peatland vulnerability index, we've been probing the region's peaty soils over the past year. It's the first time since 1976 that such a large, systematic peat depth survey has been completed in the Waikato region.

At the same time, we have been looking at international literature and traditional knowledge to identify opportunities to reduce and stop subsidence and greenhouse gas emissions. We have also used accepted greenhouse gas accounting methods to understand the size of emissions from drained peat.

If we want to start preserving our peatlands, we need to reconsider the way they are managed, like keeping drained peat wetter. But how to do that effectively – in a way that reduces subsidence and emissions while sustaining productive use – needs to be robustly and scientifically tested.

So, we will be testing some of the identified opportunities, to reduce subsidence and greenhouse gas emissions, in partnership with landowners, scientists, and experienced land and drainage managers. Then we'll use that data to develop an updated, science-based good-practice guide and decision support tool.

This mahi (work) will cost $2.3 million over five years and will be funded through the general rate.

Ngā tai ki Wharekawa 2120
Wharekawa Coast 2120

Severe flooding that impacted the western coastline of the Firth of Thames in January 2018 saw the community come together looking for action.

The result is the Wharekawa Coast 2120 Community Plan, a non-regulatory plan completed in 2023 that recommends community responses to freshwater flooding, coastal inundation and coastal erosion.

The plan has been developed by Hauraki District Council in partnership with iwi, Waikato District Council and Waikato Regional Council, and with input from a technical advisory group that includes our staff. The plan will help guide the work of other communities for their long term resilience.

Our regional resilience team led the development of a natural hazards risk assessment for Wharekawa Coast to determine the communities' thresholds for major and moderate events.

The plan includes recommended actions and steps the communities would like to see implemented to adapt to natural hazards and climate change risk for increased resilience and sustainable economic opportunities.

Some of the community's preferred actions are regarded as a regional council responsibility and have associated costs.

Getting this mahi (work) underway is a priority for us, but first we need to put in place a funding system to enable it to happen. So over the next 12 months we're going to engage an expert to help us develop funding options, which we'll then consult the community on through our 2024/25 Annual Plan next year. Depending on the outcome, we hope to establish the new catchment rate from 1 July 2025.

Mahere whaitua ā-rohe
Regional spatial planning

We're taking the first step towards a spatial plan for the whole region.

The goal of a spatial plan is to provide a strategic approach to planning that coordinates policies across local boundaries to enable greater efficiencies, ensuring that development is sustainable, balanced and meets the needs of the region. It also identifies the potential for each part of the region and the needs to be satisfied to achieve that potential.

Taking a strategic spatial approach will allow us to make better informed decisions and smarter investments to improve the wellbeing of our communities and environment.

We'll be pulling together a cross-section of people to get an integrated view of the region, encompassing things like housing, transportation, climate change impacts, economic development, environmental and culture aspirations, health, infrastructure, and more.

Ultimately, we intend to spatially represent this understanding by mapping out the desired future state of the region and how we might get there.

This will help to ensure a good quality of life for our communities, sustainable development, efficient provision of infrastructure and services needed to service growth, and adequate land supply for future residential, commercial and industrial development. By improving efficiencies, we help to save money.

This mahi (work) will cost $1 million over four years, with the project funded from prior year surplus for the first two years ($500,000) and then through general rates for the next two years ($500,000).

He tereina pāhihi
Te Huia: passenger rail service

Te Huia, our passenger rail service between Waikato and Auckland, is operating as a trial until mid-2026.

Being a trial creates many 'known unknowns' – in particular, we don't have funding certainty from government beyond the end of June 2024.

But to ensure the ongoing success of the service and the longer term needs of its passengers, we need to assume it will continue.

Future service improvements

While its future is uncertain, we must plan now for service improvements.

Incremental improvements to Te Huia services are planned from 2027/28 – year four of this long term plan. There are therefore no funding implications for these improvements in the first three years of this long term plan.

We know the improvements will come later than many passengers might like, but we've been mindful of the need to constrain and reduce increases in cost.

The plan is to incrementally increase the number of services from the current 22 trips per week up to 36 as existing services reach capacity, providing additional services Monday to Saturday and a new Sunday return service.

However, if for some reason the current 75.5 per cent contribution from NZ Transport Agency Waka Kotahi is reduced to 51 per cent, the service would no longer be affordable for ratepayers and would need to be stopped.

Renewal of rolling stock

Twelve 1970s carriages were purchased and refurbished for our Te Huia service, knowing they had a limited life. We need to plan for the replacement of the carriages with either electric or hybrid-electric units.

Greater Wellington Regional Council (GWRC) is leading a tender process for the purchase of new carriages. Joining this process reduces our purchase costs and delivery risks and achieves order delivery times aligned with the end of life of our existing rolling stock.

The proposed whole-of-life cost is up to $130.3 million, with the assets having a projected lifespan of 50 years. To proceed with new rolling stock, we want to achieve similar terms as those recently approved for Greater Wellington Regional Council, and for funding to include NZTA subsidy (51 per cent) and a Crown contribution (39 per cent), with our costs being debt funded and spread over the life of the assets, repaid from rates (10 per cent of the total cost).

During budget talks in January, some councillors questioned whether it is our responsibility to purchase – and own – rolling stock.

While we have signalled to GWRC an interest in joining its procurement process, confirmation of our order and a deposit of up to 10 per cent ($13 million, with our council's share assumed to be $1.2 million) will not be required until 2026. This enables time for costs to be firmed up and consulted on through a future annual plan, and the future of Te Huia to be determined. The remaining capital funding that our council would be expected to meet is provided for in 2029/30. No provision for other operating costs has been made due to the current uncertainty of these costs.

For a deposit to be paid, all funding arrangement negotiations would need to be finalised and the cost split between NZTA (51 per cent), the Crown (39 per cent) and our council (10 per cent).

Ngā mahi kua maunu
Work we're not doing

Kua maunu te kaupapa Eco Retrofit
Eco Retrofit withdrawn

Eco Retrofit, the sustainable homes initiative proposed in our 2021-2031 Long Term Plan and broadly supported by ratepayers at the time, hit some unexpected roadblocks over the past three years.

The proposal would have supported ratepayers with the up-front cost of insulation, heating, double glazing, solar power and other improvements up to the value of $15,000. The costs would then have been recovered over time through a voluntary targeted rate on the beneficiaries, with no impact on general ratepayers.

Eco Retrofit would have leveraged our access to lower interest rates through the Local Government Funding Agency, with borrowing of up to $35 million over 10 years projected, with no impact on ratepayers.

However, unforseeable changes to the Credit Contracts and Consumer Finance Act (CCCFA) that came into effect on 1 December 2021, soon after our plan was adopted, meant we were unable to practically deliver the scheme at the favourable rates intended.

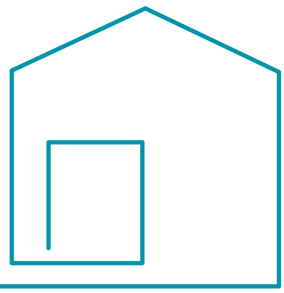
Waikato Regional Council, alongside other councils that found the act had hampered their ability to provide low-cost credit, lobbied the government for an exemption to its most restrictive requirements.

In response, the Minister of Commerce and Consumer Affairs commissioned an investigation in 2022 that validated many of these complaints. At the time of writing, draft regulations to exempt local government voluntary targeted rate schemes from the CCCFA were in the process of being finalised.

However, banks are now delivering low-cost credit for sustainable home improvements at rates similarly competitive to those we could offer.

We see it as a positive development that the market has been able to step up and help our communities enjoy healthier homes at competitive rates. Councillors therefore agree it is now more pragmatic if we do not proceed with the Eco Retrofit scheme at this time.

This change has no cost impact.



Kaupapa tiaki whare
On the house

Our On the house programme enables eligible residents in the Tokoroa airshed to replace old, non-compliant wood burners with fully subsidised clean heat alternatives like heat pumps, pellet burners or high-efficiency wood burners.

It's just one of the ways we've been helping to manage air quality in Tokoroa, where efforts to reduce exceedances of the national environmental standards, caused by smoke, continue.

While we provide the funding, the scheme is locally administered by South Waikato District Council and is delivered by an energy solutions provider.

The fund was set up in 2008 as part of the Warm Homes Clean Air Programme, a partnership with South Waikato District Council, the South Waikato Pacific Island Community and Raukawa.

It's had great success over the years, resulting in hundreds of homes being upgraded to cleaner and more efficient heating.

But uptake has slowed in recent years because many of those eligible have already upgraded. As a result, we plan to discontinue the scheme in its current form.

However, we recognise that changes to the national air quality standards will require an alternative in the future. We'll be updating our existing air quality strategy, which will take a look at the tools needed to drive continued environmental improvements across the region, but particularly in air sheds like Tokoroa, Taupō and Te Kūiti.

This mahi (work) will result in a budget reduction of between $60,000 and $120,000 per annum.

For the latest air quality monitoring information visit our environmental data hub: **waikatoregion.govt.nz/envirohub**

Penapena pūtea me te mahi whai rawa
Investment and affordability

Our financial strategy sets out how we're going to balance the funding changes we need to make against the work and services we need to deliver and what our communities can afford to pay.

It also sets limits on rates revenue and rates increases. This ensures our financial sustainability and gives you some certainty about what you can expect to pay over the next three years. Beyond this, we provide some forecasting for the remaining seven years of this long term plan.

The council's operating revenues are less than operating expenses for one of the 10 years of this plan. The difference between revenue and expenses in 2024/25 is $2.179 million and reflects the payment of existing funding commitments for the Regional Development Fund being met from accumulated reserves, as well as decisions to ensure that we are appropriately funding certain capital projects between depreciation and borrowing. The council has resolved that an unbalanced budget is financially prudent, having considered the reasons outlined in the Financial Strategy.

Key objectives

We need to ensure the rates we charge are as fair as possible. While this isn't easy, we try to achieve the best balance by:

- having the right mix of funding for our activities to keep rates and fees and charges affordable, fair and equitable now and for the future
- using resources effectively and efficiently in the delivery of high quality services to the community
- ensuring agile and adaptive financial management practices are in place to navigate uncertainty and manage risks
- basing our investments (including capital works programmes) on clear options analysis which consider 'whole of life' costs as well as the needs of both current and future generations.

Rates revenue

Over the term of this plan, our rates revenue is projected to increase from $130.355 million in 2023/24 to $178.260 million in 2033/34.

Overall, we're aiming to limit the total increase in rates revenue from current ratepayers to less than 10 per cent in any one year. This limit on rates reflects the council's focus on the affordability of the services we provide.

Rates revenue will be limited to 75 per cent of the total revenue we need to deliver our services.

Fees and charges

Based on the proposed budget, staff have reviewed the fees and charges that are set in relation to regulatory services and information gathering. The methodology for the calculation of these charges has not been changed, but there are price rises in response to increases in the underlying projects.

Visit **waikatoregion.govt.nz/ltp** to read the schedule of fees and charges.

Targeted rates

Targeted rates are used to fund specific activities and may not apply to all ratepayers. Examples include our funding for catchment works, flood protection and public transport.

Borrowing

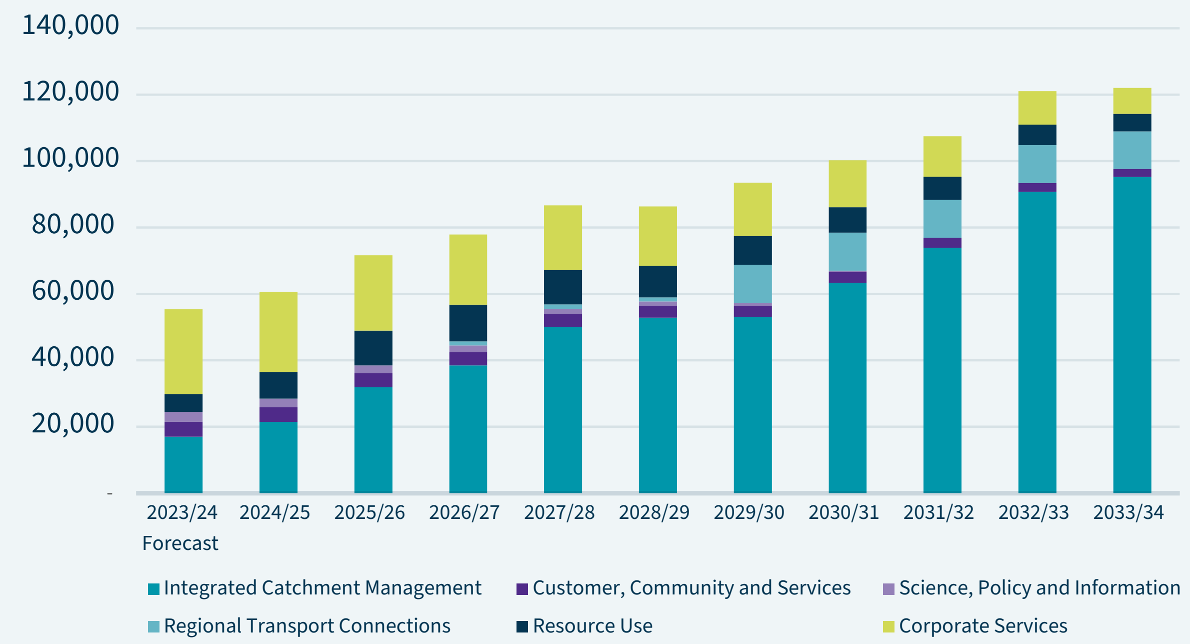
Over the term of this long term plan, we expect our external borrowing programme will reach a maximum of $122 million, to fund capital expenditure. This is well below our debt limit of 100 per cent of our total revenue.

A key assumption behind the forecast borrowing programme is that 100 per cent of the budgeted infrastructure capital works programme will be delivered.

We have not been able to achieve this level of delivery over recent years for a number of reasons, including severe weather events.

When combined with the need to adapt the ways in which we manage these assets moving forward, there is a high level of uncertainty regarding the level of borrowing we will be required to undertake over the next 10 years.

FORECAST BORROWING PROGRAMME ($000)



TOTAL BORROWING AGAINST LIMITS

	2023/24 Forecast	2024/25 $000	2025/26 $000	2026/27 $000	2027/28 $000	2028/29 $000	2029/30 $000	2030/31 $000	2031/32 $000	2032/33 $000	2033/34 $000
Forecast borrowing	55,356	60,686	71,680	77,924	86,723	86,333	93,505	100,290	107,517	121,057	122,099
WRC borrowing limit - 100% of total revenue	196,968	206,992	222,105	231,852	237,392	238,704	244,273	245,550	248,432	252,055	256,224
LGFA* borrowing limit - 175% of total revenue	344,695	362,235	388,684	405,742	415,435	417,732	427,478	429,713	434,756	441,097	448,392

*Local Government Funding Agency – provides financing costs and diversified financing sources for New Zealand local authorities and council-controlled organisations.

Financial risk management

We provide a range of core services to our community, and we need to ensure key areas of our business have the necessary funding to continue.

It's especially important that we earmark contingency funding for disaster recovery work and that we maintain a buffer against potential cost and revenue variations influenced by our public transport services.

Investment strategy

We hold an investment fund which was set up from the sale proceeds of shares in the Port of Tauranga and Ports of Auckland in the early 1990s. We work hard to ensure this fund is carefully managed and effectively balances risk and return.

Returns from the fund are used to ensure its value keeps pace with inflation and provides an offset to our rates revenue.

We've reviewed this fund as part of this LTP, and we're proposing to change the asset classes that we invest in, reflecting the advice from our strategic investment advisers.

Moving forward, 60 per cent of the fund will be invested in 'growth' assets, with 40 per cent invested in 'cash' assets. This is a change from the current 40 per cent allocation to growth assets. The increase in risk associated with this change is offset by a reduction in the return from the fund that we will allocate to spend each year. This reduced spend means we'll have a 75 per cent confidence level of achieving the budgeted return.

With the reduced distribution, the investment fund returns will be used solely to subsidise our general rate requirement. Previously, we have also used fund returns for our regional economic development activities such as the Regional Development Fund and to support Te Waka.

Rates remission and postponement policies

We're proposing to make some changes to our rates remission policies, as well as introducing some new policies. The key changes to our policies are:

- **Rates remission for financial hardship –** we want to make it easier for our ratepayers to access this support. We've removed the need for your rates account to be paid by direct debit; however, we will still require all rates payments to be up to date.
- **Remission of rates for Māori freehold land under development –** this new policy aims to facilitate the occupation, development, and utilisation of Māori freehold land. Unused Māori freehold land is not rateable. Under this new policy we will provide the remission of some rates while land is under development.
- **Remission of rates on properties affected by natural disasters –** if the worst happens, this policy will allow the remission of certain rates while your property is uninhabitable.

Visit **waikatoregion.govt.nz/ltp** to read about all of our rates remission and postponement policies.

Te wāhi ki o tāke kaunihera
What this means for your rates

These tables indicate rating impacts across a sample of properties in 2024/25. Additional targeted rates may apply depending on where your property is located.

Use our rates calculator to see the full proposed rates for your property.
waikatoregion.govt.nz/ratescalculator

Hamilton

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	232.37	246.92	348.24	366.39	579.98	605.33	2,433.91	2,516.81
Public transport	124.56	127.98	229.12	235.96	438.23	451.92	2,111.16	2,179.61
Catchment	20.20	21.72	40.41	43.45	80.82	86.90	404.09	434.48
Total estimated rates	377.14	396.63	617.77	645.80	1,099.04	1,144.15	4,949.16	5,130.91

Hauraki

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	238.57	255.77	376.31	391.49	636.11	655.52	2,714.53	2,767.80
Public transport	3.11	8.64	6.23	17.29	12.45	34.57	62.27	172.86
Catchment	208.61	220.30	417.23	440.60	417.23	440.60	2,086.15	2,202.99
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	450.29	484.71	874.55	850.05	1,142.00	1,406.99	4,950.54	5,425.36

Matamata-Piako

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	248.43	263.62	380.35	399.78	644.20	672.11	2,755.00	2,850.71
Public transport	12.16	4.35	24.31	8.70	48.62	17.40	243.12	87.01
Catchment	208.61	220.30	417.23	440.60	417.23	440.60	2,086.15	2,202.99
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	469.20	488.27	896.69	849.76	1,186.27	1,406.40	5,171.86	5,422.43

Ōtorohanga

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	235.24	258.57	353.97	389.69	591.45	651.92	2,491.21	2,749.77
Public transport*								
Catchment	47.75	50.89	95.51	101.78	238.77	254.44	955.10	1,017.77
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	282.99	309.46	524.27	492.14	906.43	1,182.66	3,533.90	4,049.27

Rotorua

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	262.14	277.43	407.78	427.40	699.07	727.34	3,029.32	3,126.86
Public transport*								
Catchment	50.48	33.64	100.95	67.29	252.38	168.21	1,009.51	672.86
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	312.62	311.07	583.53	495.36	1,027.66	1,171.85	4,126.42	4,081.44

South Waikato

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	247.63	271.31	378.77	415.16	641.03	702.86	2,739.12	2,877.03
Public transport*								
Catchment	27.47	18.55	54.95	37.10	137.37	92.76	549.48	371.03
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	275.11	289.86	508.50	452.94	854.61	1,071.91	3,376.19	3,529.78

Taupō

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	234.74	246.51	352.98	369.76	589.46	612.06	2,481.26	2,550.49
Public transport*								
Catchment	24.43	28.88	48.86	57.77	122.16	144.41	488.63	577.66
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	259.17	275.39	476.63	428.20	787.82	1,032.77	3,057.48	3,409.87

Thames-Coromandel

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	295.15	300.34	473.79	473.22	831.08	818.98	3,689.39	3,585.07
Public transport	1.19	1.56	2.38	3.11	4.76	6.22	23.81	31.12
Catchment	60.91	66.93	82.08	90.34	124.43	137.17	463.19	511.80
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	357.24	368.82	633.04	567.35	1,036.48	1,238.67	4,263.98	4,409.71

Waikato

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	273.65	285.27	430.80	443.09	745.10	758.73	3,259.50	3,283.82
Public transport*								
Catchment	91.74	100.49	183.47	200.99	458.68	502.47	1,834.72	2,009.88
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	365.39	385.77	689.07	644.76	1,280.00	1,537.49	5,181.82	5,575.42

Waipā

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	235.42	255.43	354.33	383.41	592.15	639.36	2,494.76	2,687.00
Public transport*								
Catchment	25.13	27.06	50.25	54.12	125.64	135.29	502.54	541.17
Other targeted rates (2ha+only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+only)						274.94		274.94
Total estimated rates	260.54	282.49	479.37	438.21	794.00	1,050.95	3,084.89	3,509.89

Waitomo

	$500,000 capital value		$1,000,000 capital value		$2,000,000 capital value		$10,000,000 capital value	
	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED	CURRENT	PROPOSED
All property rates	236.69	266.25	364.46	405.05	612.42	682.65	2,596.06	2,903.41
Public transport*								
Catchment	120.69	110.12	160.09	146.44	238.88	219.06	869.21	800.03
Other targeted rates (2ha+ only)			74.79	0.68	76.21	1.36	87.59	6.79
Other targeted rates (20ha+ only)						274.94		274.94
Total estimated rates	357.38	376.38	599.33	552.17	927.51	1,178.00	3,552.87	3,985.17

*If we pick up rating for public transport services, the rate would not take effect until 2025/26 in the Ōtorohanga, Rotorua, South Waikato, Taupō, Waikato, Waipā and Waitomo districts and so is not reflected in these tables.

Ripoata tātari kaute
Audit report

Independent auditor's report on Waikato Regional Council's consultation document for its proposed 2024-34 Long-Term Plan

I am the Auditor-General's appointed auditor for Waikato Regional Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and the Council requested me to audit the consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed our audit on 28 March 2024.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2024-34 long-term plan, because it:
  - fairly represents the matters proposed for inclusion in the long-term plan; and
  - identifies and explains the main issues and choices facing the Council and region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matter - uncertainty over funding of Te Huia passenger rail service

Without modifying our opinion, we draw attention to page 27, which outlines the Te Huia passenger rail service that the Council is operating as a trial until mid-2026. The Council assumes that the Waka Kotahi NZ Transport Agency (the Agency) funding contributions it receives during the trial will continue for the remainder of the long-term plan. There is a high level of uncertainty over this assumption because the funding has not yet been confirmed. If the Agency does not provide this funding or provides less funding than assumed, the service will be stopped, which will affect the proposed levels of service over the 10-year period.

Basis of opinion

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 assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

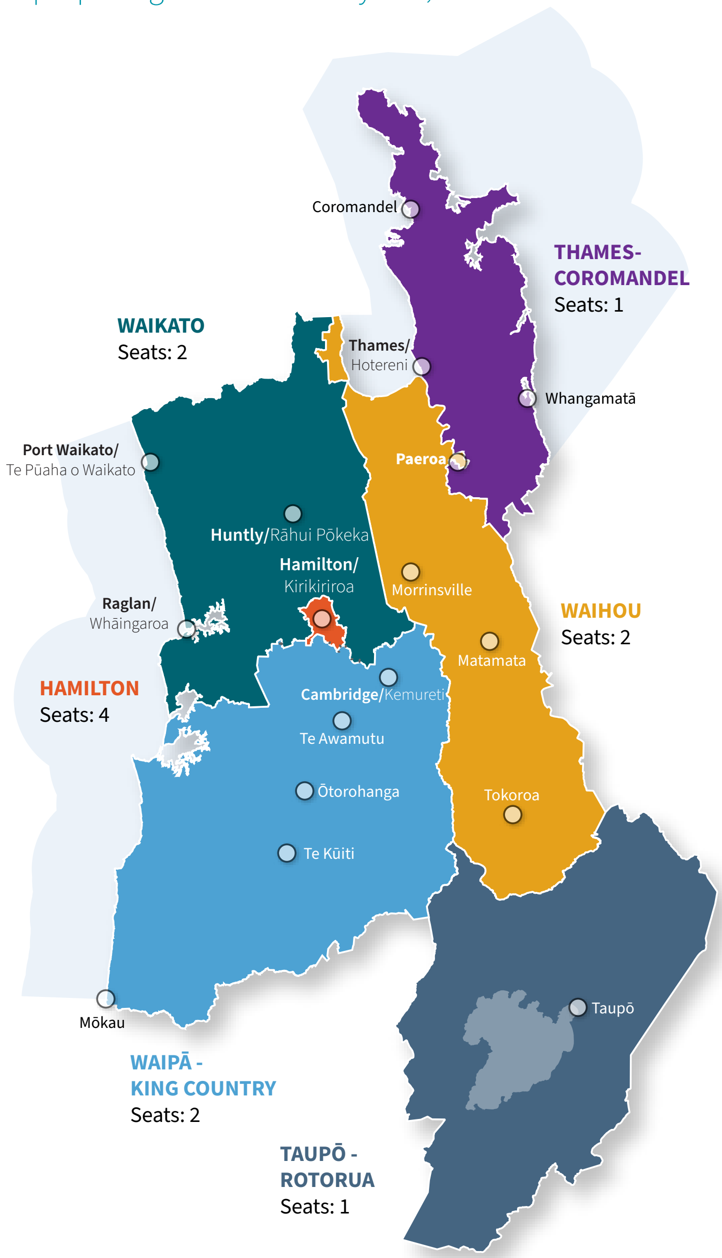
We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

Whakapā atu ki ō kaikaunihera
Contact your councillors

If you have any questions about what we're proposing for the next 10 years, please get in touch with your councillor.



Waikato

Noel Smith
021 240 7921
Noel.Smith@waikatoregion.govt.nz

Pamela Storey
Chairperson
027 245 4006
Pamela.Storey@waikatoregion.govt.nz

Hamilton

Bruce Clarkson
Deputy Chairperson
027 437 6820
Bruce.Clarkson@waikatoregion.govt.nz

Chris Hughes
021 956 476
Chris.Hughes@waikatoregion.govt.nz

Jennifer Nickel
027 310 3233
Jennifer.Nickel@waikatoregion.govt.nz

Angela Strange
021 375 606
Angela.Strange@waikatoregion.govt.nz

Waipā-King Country

Clyde Graf
021 674 378
Clyde.Graf@waikatoregion.govt.nz

Stu Kneebone
021 943 055
Stu.Kneebone@waikatoregion.govt.nz

Waihou

Robert Cookson
021 679 304
Robert.Cookson@waikatoregion.govt.nz

Ben Dunbar-Smith
021 396 766
Ben.Dunbar-Smith@waikatoregion.govt.nz

Thames-Coromandel

Warren Maher
021 679 925
Warren.Maher@waikatoregion.govt.nz

Taupō-Rotorua

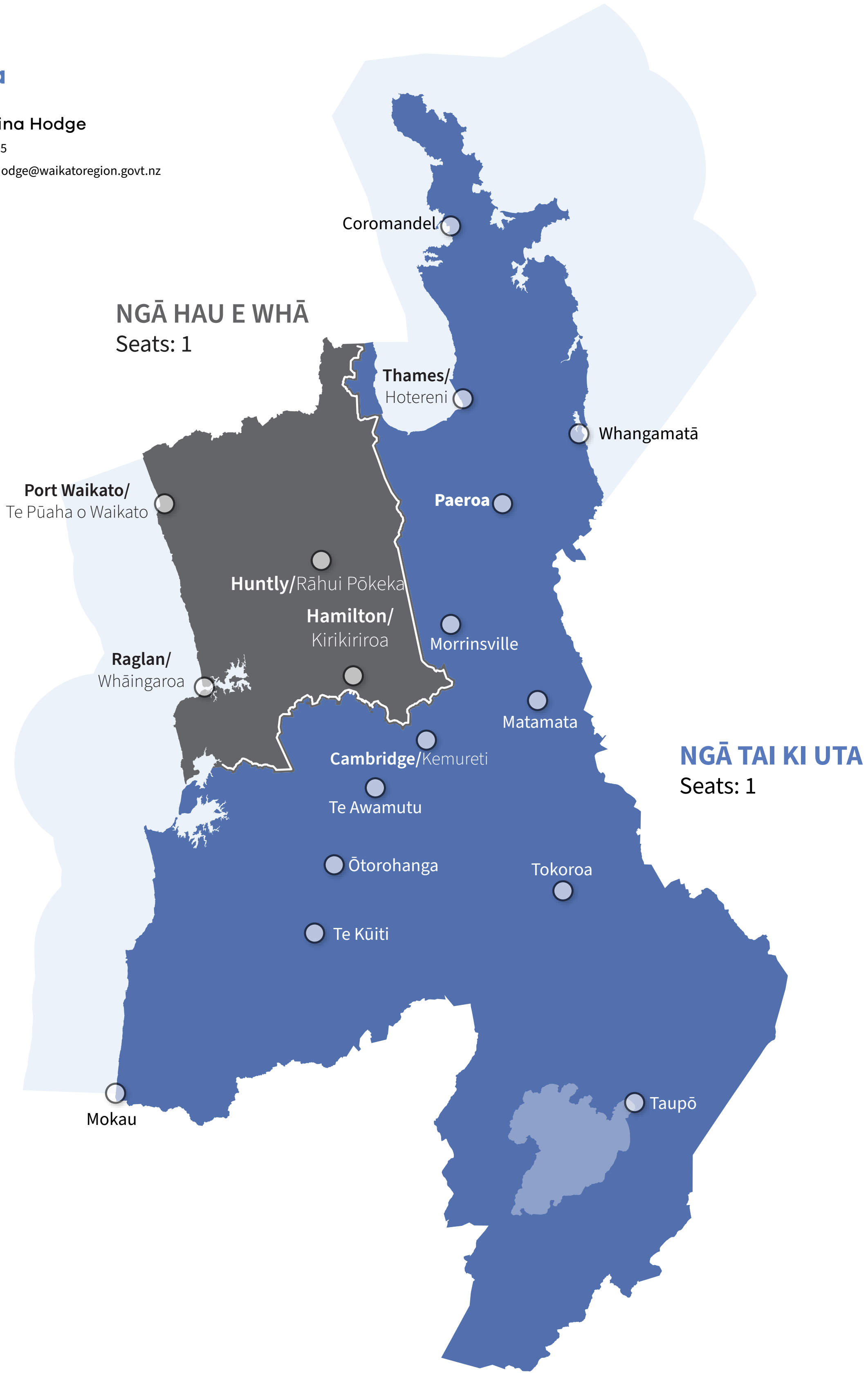
Mich'eal Downard
021 227 8027
Mich'eal.Downard@waikatoregion.govt.nz

Ngā Hau e Whā

Tipa Mahuta
021 919 398
Tipa.Mahuta@waikatoregion.govt.nz

Ngā Tai Ki Uta

Kataraina Hodge
021 450 8905
Kataraina.Hodge@waikatoregion.govt.nz



Homai ōu whakaaro

Share your views

» Consultation closes at 4pm on Thursday, 2 May 2024.

It's important that our councillors know what you think about the proposals outlined in this consultation document.

This is your chance to influence their decision making. You can pick up a copy of this consultation document at any Waikato Regional Council office or email **haveyoursay@waikatoregion.govt.nz** and we will post one to you.

How you can give us your feedback

- **Online:** go to **waikatoregion.govt.nz/ltp**
  Should you require more information, a range of resources are also available on this page to give you a detailed insight into the financial impacts of the proposals.

- **Email: haveyoursay@waikatoregion.govt.nz**

- **Want to submit but don't have access to a computer or the internet? Your feedback can also be:**

Posted to:

Corporate Planning
Waikato Regional Council
Private Bag 3038
Waikato Mail Centre
Hamilton 3204

Delivered to one of our offices:

Hamilton Office
160 Ward Street

Taupō Office
100 Horomatangi Street

Paeroa Office
13 Opatito Road

Whitianga Office
33-35 Albert Street

Your feedback and any information you include is considered public information and will be available in reports and documents relating to this process, in addition to being published on our website. On the following pages are the questions we're consulting on for your consideration.

Submission form

Please tick the option box of your preference. A section is included for additional comments and, if necessary, you may add additional pages of feedback.

Your details

Title (please circle): Dr Mr Mrs Miss Ms	Other (please specify):
First name:	Surname:
Organisation/group submitting (if applicable):	
Email (please print):	
Address (full address, including rural delivery):	
	Postcode:
Phone (day time):	Mobile:

You are invited to speak to council about your feedback from 14-17 May 2024.

If you/your group would like to present please indicate here: **Yes** **No**

Investing more in our region's biodiversity

In relation to the natural heritage rate, which option do you prefer?

- ○ Option 1 (preferred) – Increase the rate to $8.68 per property.
- ○ Option 2 – Increase the rate to $15 per property.
- ○ Option 3 – Keep the rate at $5.80 per property.

Simplifying public transport investment

Do you support Waikato Regional Council rating for public transport services across the region?

○ Yes ○ No

If Waikato Regional Council started rating for public transport services across the region, which rating option would you prefer?

○ Option 1 (preferred) – 80 per cent of the funding required from rates comes from properties within 5km of a bus route.
– 20 per cent of the funding required from rates is paid by all other properties in the area.

○ Option 2 – 80 per cent of the funding required from rates comes from properties within 800m of a bus stop.
– 20 per cent of the funding required from rates comes from properties between 800m and 5km of a bus stop.

Regional economic development funding

In relation to the Regional Development Fund, which option do you prefer?

- ○ Option 1 (preferred) – Discontinue the Regional Development Fund
- ○ Option 2 – Continue to operate the Regional Development Fund

In relation to Te Waka, which option do you prefer?

- ○ Option 1 (preferred) – Council provides $750,000 per annum over three years to Te Waka using unallocated money from the Regional Development Fund.
- ○ Option 2 – Cease funding Te Waka

Rural compliance and support

Do you support the council's preferred option to change the funding of these activities which would result in a new primary industry compliance rate ($275 in 2024/25, increasing to $376 in 2026/27) to be assessed against properties 20 hectares or greater?

○ Yes ○ No

Do you have any other comments?

Waikato
REGIONAL COUNCIL
Te Kaunihera ā Rohe o Waikato

He taiao mauriora **Healthy environment**

He hapori hihiri **Vibrant communities**

He ōhanga pakari **Strong economy**

Policy Series PS24/03
ISSN 2230-4339 (Print)
ISSN 2230-4347 (Online)
April 2024 #7502

Private Bag 3038, Waikato Mail Centre,
Hamilton 3240, New Zealand
0800 800 401 waikatoregion.govt.nz