

Rate Increase Calculations

Due to Payment for so called 'Environmental Flows'

Assumptions:

The promoters of Ruataniwha v.2 fully expect the public to pay for so-called 'environmental flows' of 20m m³ p.a. It is our opinion that the dam promoters will approach HBRC to pay for this water because it is the only logical way to levy this cost regionally.

The combined view reached by Lewis Tucker and TWSL in the Re-scoping Study was that the Project can both attract sufficient customers and offer returns to private sector investors at a 'simplified' water price of circa \$0.30 - \$0.40 per m³ delivered to the farm gate under pressure. This water price assumes that the environmental flows (20 Mm³) are financed via the public sector.

Excerpt above from Tukutuki Water Security Report Information Flyer – Dec 2024 (pg 8)

So, to calculate how this will affect your HBRC rates we need to look at what we know and then crunch some numbers. We believe the figures below are as accurate as possible based on the best available information.

From HBRC's 2024-2027 Long Term Plan (LTP) we know that the expected Uniform Annual General Charge (UAGC) and General Charge (GC) income for 2024/25 amounts to \$25.726 million. This is the part of your rates bill that is charged region-wide and does not include location-specific charges.

Note 2: Rates revenue

	Regional Council			
	Annual Plan	3YP Yr1	3YP Yr2	3YP Yr3
	23/24	24/25	25/26	26/27
	\$000	\$000	\$000	\$000
General funding rates				
Uniform annual general charge	4,600	7,035	8,750	9,776
General rate on land value	8,735	16,092	23,327	26,102
Total general funding rates	13,335	25,726	32,077	35,878
Targeted rates				
Coastal Hazards	180	222	222	223
CDEM Emergency Management	2,892	3,496	3,864	4,115
Subsidised Public Transport	3,091	4,576	5,355	5,197
Sustainable Homes – Clean Heat	624	584	608	632
Regional Economic Development	2,334	1,431	666	660
Regional Cyclone Recovery	5,115	-	-	-
Primary Production Pests	2,696	714	726	738
Sustainable Land Management Strategy	1,064	963	1,022	1,045
Water Quality	-	635	689	699
Land Monitoring, Research, and Investigations Science	162	295	261	246
Heretaunga Plains Flood Control Scheme	3,771	3,853	4,417	4,955
Maraetotara Flood Maintenance Scheme	16	16	17	17
Upper Makara Stream Catchment Scheme	140	113	117	122
Upper Tukituki Flood Control Scheme	1,017	1,206	1,273	1,322
Whirinaki Industrial & Other	22	6	30	134
Drainage & Pumping Schemes	5,002	4,537	4,530	4,690
Rates Remissions	(500)	(1,205)	(5)	(5)
Penalties	-	330	330	330
Total rates revenue	40,960	47,497	56,198	60,998

Excerpt from HBRCs 2024-2027 LTP – July 2024 (pg 116)

Calculations:

So, here's the maths.

$$20\text{m m}^3 @ 30\text{c/m}^3 = \$6 \text{ million}$$

$\$6\text{m} / \$25,726\text{m} = 23.32\%$. This is the estimated rates increase that would be required in Uniform Annual General Charge (UAGC) plus General Charge (GC).

Here's how this translates into some sample rates bills.

	Te Awa	Taradale	Waipukurau
Total Rates	\$360.85	\$562.14	\$354.61
Uniform Annual General Charge (UAGC)	\$125.95	\$125.95	\$125.95
General Charge (GC)	\$71.61	\$159.66	\$158.54
\$ increase of rate (UAGC+GC x 23.32%)	\$46.08	\$66.61	\$66.35
% total rate increase	12.77%	11.85%	18.71%

Therefore, we can comfortably say that to pay for so called 'environmental flows' your HBRC rates bill is likely to increase by over 10%.

Prepared by Paul Bailey

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