

In reference to the Pre-Election Report and the funding impact statement (page 38). Is there an explanation for the line item highlighted? Is it a future regional fuel tax?

The \$54m figure highlighted reflects the value of the planned SH1 roading assets that NZTA will transfer and, in effect, gift to Council in 2020/21 once the status of the highway is formally revoked. Transfer of such assets must be treated as revenue, although it is not cash that Council has available to spend. On the facing page of the Pre-Election Report (page 39) you can see the transferred assets show up as an increase in capital reserves.

The description of the category (fuel tax, fines, fees and other) is not helpful in this case as the transfer of assets is included within 'other', and there is no regional fuel tax budgeted for. Unfortunately, the categories of funding sources and specific format of the statements are prescribed for us by the Department of Internal Affairs.

Funding impact statement								
Operational								
		2016/17 Actual \$000	2017/18 Actual \$000	2018/19 Forecast \$000	2019/20 AP Budget \$000	2020/21 LTP Budget \$000	2021/22 LTP Budget \$000	2022/23 LTP Budget \$000
Sources of operating funding								
General rate, uniform annual general charge, rates penalties		20,413	22,251	22,908	23,591	18,729	18,802	20,721
Targeted rates		36,729	39,144	41,936	44,521	53,276	56,753	58,213
Grants and subsidies for operating purposes		1,580	1,658	1,947	1,942	1,826	1,868	1,913
Fees and charges		8,195	8,608	8,146	8,976	8,763	8,991	9,290
Interest and dividends from investments		1,563	2,269	2,164	1,848	2,859	2,860	2,861
Local authorities fuel tax, fines, infringement fees, and other		785	4,369	1,941	1,086	54,455	687	696
Total operating funding		69,265	78,299	79,042	81,964	139,908	89,961	93,694
Applications of operating funding								
Payment to staff and suppliers		47,998	50,963	51,116	56,418	57,861	58,778	60,060
Finance costs		9,385	9,793	9,592	9,493	11,268	11,597	11,761
Internal charges and overheads applied		-	-	-	-	-	-	-
Other operating funding applications		-	-	-	-	-	-	-
Total applications of operating funding		57,383	60,756	60,708	65,911	69,129	70,375	71,821
SURPLUS/DEFICIT OF OPERATING FUNDING		11,882	17,543	18,334	16,053	70,779	19,586	21,873