

User Fees Analysis off latest 2026 financials 5 Feb 2025 (Results exclude rates funding)

for Council Workshop 10 Feb 2025

Activity	Operating Surplus/ Deficit (\$M)			Year in surplus	User Fee Changes		2026%	RFP Range	Commentary
	2024	2025	2026		2025 Actual	2026 Proposed			
Airport	4.6	6.9	8.2	N/A	↑	↑	100%	70-100%	Revenue increases driven mostly by increased volumes
Animal Services	(0.4)	(0.4)	(0.4)	2027	↑	→	78%	70-100%	For 2024 and 2025 there is a surplus after rates funding. Large fee increase in 2025 fee has coincided with significantly fewer animals registered and reduced collection rate. No current resources to chase unregistered dogs.
BayCourt	(2.5)	(3.0)	(3.2)	N/A	→	→	22%	0-30%	Loss funded from rates.
Bay Venues	(10.5)	(9.5)	(9.1)	N/A	↑	→	58%		Significant increase to user fees in FY24, resetting to industry benchmark. Increased by CPI since then.
Beachside	0.1	0.5	0.6	2025	↑	→	100%	70-100%	Increase in 2025 fee looks to be improving financial position.
Building Services	(4.1)	(2.7)	(2.2)	2027	→	↑	89%	70-100%	Rates funding for specific functions within this activity reduces the size of the activity losses. Significant proposed increase in user proposed charges for 2026 has started improving budgeted financial position.
Cemetery	(0.3)	(0.2)	0.1	2026	↑	→	99%	70-100%	Large increase in 2025 fee looks to be changing financial position.
Environmental Planning	(4.7)	(5.5)	(3.6)	N/A	→	→	39%	30-70%	Loss funded from rates. Revenue increasing as a result of improved charging rather than increasing user fees.
Environmental Health & Licensing	(1.6)	(1.6)	(1.6)	N/A	→	→	34%	30-70%	Loss funded from rates. Surplus anticipated for 2025 as revenue expected to be over budget. Fees are currently set by legislation, however we are looking into implementing a bylaw to increase alcohol licensing fees in future. Some larger increases in user fees for food businesses to be implemented.
Regulation Monitoring	(0.6)	(0.7)	(0.8)	N/A	→	→	19%	0-30%	Loss funded from rates. Central Government increased parking infringement fees. MOJ also increased court costs for chasing up overdue infringements.
Historic Village	(2.9)	(2.9)	(3.8)	N/A	↑	→	18%	0-30%	Loss funded by rates. Revenue down in 2025 despite increased charges as many buildings closed while buildings brought up to standard. Losses increasing in 2026 as impact of building upgrades (depreciation and interest) comes into effect.
Regulatory Services	N/a	(1.4)	0.2	N/A	↑	→	100%	70-100%	Not previously separately reported. Small increase in fees for 2026 to cover costs.
Marine Facilities	(3.1)	(3.2)	(4.5)	N/A	↑	→	16%	0-30%	A significant portion of loss funded from rates. Financial position remains poor despite significant increase in rates funding. \$313K of revenue removed with removal of boat ramp fees.
Parking	(0.1)	0.4	1.5	N/A	→	→	92%	70-100%	Improving revenue based on expansion of parking zones and leasing revenue now included in activity (previously property). Street and building parking fees consistent.
Property Management	(0.7)	(1.8)	(1.4)	Not	↑	→	73%	0-30%	Losses partially rates funded (Fully in 2024). Decrease in revenue in 2026 as leased parking revenue transferred to parking activity. Higher than RFP ratio as RFP grouping (Support Services) includes other activities.
Wastewater	(56.4)	(53.2)	(58.3)	N/A	↑	↑	5%	0-30%	This is mainly a rates funded activity. Unfunded depreciation in 2024. Substantial increases in charges 2025 and 2026. Approx 5% of revenue from tradewaste, balance UAC (rates). Commercial revenue low compared to water revenue. Remaining deficit predominantly interest of growth debt not funded from operational revenue.
Water Supply	(9.8)	(9.5)	(9.1)	N/A	→	↑	0%	0-30%	Approx 95% of water revenue from volumetric charging, but charged as a rate (therefore rates included in this activity as revenue). There is further rates amount from fixed charges. Remaining deficit includes budget for transition to a CCO \$4.2m, new asset system \$3.5m and interest on growth debt not funded from operational revenue. There was unfunded depreciation in 2024. While revenue generation is strong, water demand (per customer) is reducing, particularly for

Important Note

Schedule relates to activities where fees charged as user fees as opposed to activities where fees charged by individual lease agreement (eg. licence to occupy, marine precinct etc).

Key: Operating Surplus

Val	Making an operating surplus
(Val)	Making an operating loss but balance of activity rates funded.
(Val)	Making a small operating loss, one off or recognising losses are reducing
(Val)	Operating losses not fully recovered from rates. Activity in worsening financial position

Key: User Fee Changes

↑	Significant increase in fees (well above inflation)
→	Increase in user fees (around the level of inflation)
→	No change in User fees (increase less than inflation)

Key: 2026% User Fees as a percentage of expenditure

100%	User fees in upper margin of target. Little opportunity to increase within policy
22%	User fees in target range but possible to increase within policy (may be practical implications to increasing).
0%	Volumetric charging for water is technically a rate rather than a user fee.

RFP Range

0-30% **User Fee Limits as per Revenue and Financing Policy in LTP**

User Fee Limit per Policy

70-100%

User Fee Limit inferred from Policy (not directly specified)