

Rates

Local government rates are increasing well in excess of CPI. Ratepayers are in a cost-of-living crisis. Growth cannot be an excuse as it is simply a factor you will have to deal with.

How will you manage Rates increases?

1. Move at pace on amalgamation of services - that is, shared services.
2. Review of what services our communities need and can afford to pay for.
3. Right-size staff to match the above

Comments

Under FutureProof, we already aim for boundaryless planning and must do so for delivery of services also. The time for bespoke parochialism in service delivery is long past and our communities deserve a better shared service delivery model that does not require 5 CEO's, 5 CFO's, 5 Comms teams, 5 rating teams etc etc to do the same thing.

Waikato District Council has in the last three years added \$12.2 million dollars to its annual salary bill - there will be savings to be found there along with reviewing what services are actually wanted and needed by our communities.

Working with government to explore rate caps -but acknowledging measures of inflation such as the manufacturer's index or PPI are more appropriate of council's spend than CPI. Recognition of the pressures of growth must also be factored in to any cap.

Debt

Debt has been the easy option for local government entities to resort to in order to hold rates down in the face of inflation, growth, and a need to be re-elected. Councils such as Hamilton have had rating downgrades pointing to a failure by Councils to prudently manage their finances.

How will you deal with debt?

1. Careful review of planned future capital projects through affordability lens
2. Review of Council's risk appetite for greater empowerment of communities including for delivery of appropriate minor capital works
3. Sound financial management including strengthening Audit&Risk review to maintain AA+ rating for favourable interest rates

Comments

Debt is an issue, having risen in the current triennium from 178.8m to a projected 345m by the end of this year.

More than half of this debt is related to 3Water assets so will transfer to the new CCO next year -but is still underwritten by WDC so is still there but likely now with CCO access to the new funding and finance tools being brought in by government.

This debt and 3Waters generally remains a key driver of future rate increases so careful governance of the new CCO will be crucial, including ensuring no gold plating of new capital assets.

Amalgamation

The amalgamation of some or all of Waikato Councils has been an issue the Chamber has been canvassing for some years. Auckland has been amalgamated, and the net result is seen as positive for their community with little diminution of democracy.

"For the 2025/2026 rating year, Auckland Council has announced a total rates increase of 5.8%, equating to approximately \$223 per year for the average residential property."

What is your considered position on Amalgamation?

For amalgamation

Against amalgamation

If in favour of change, how would you implement it?

1. FOR : start with amalgamation of services (shared services)
2. FOR : secondly review opportunities for more boundaryless planning, by laws regulations in FutureProof sub-region
3. FOR : thirdly explore how local voice is maintained through a democratic/representation amalgamation

Comments

The pressure on rate rises and drive for greater affordability can immediately benefit from amalgamation of services -something councils can get on with now, without legislative change.

Democratic amalgamation such as forming a unitary authority will require legislative change -and elected members effectively being the turkeys that are prepared to vote for Xmas. Communities deserve that and right now, can not afford the alternative of bespoke parochialism.

With a move to empowering communities with greater voice, choice and control through introduction of more forms of participatory and deliberate democracy (including citizen assemblies and referenda), including strengthening of community committees and Boards, we can then look at a smaller council with say a single Mayor and no more than 20 councillors where we currently have 4 Mayors and a Chair and 70+ councillors in the FutureProof subregion