

Rates

We acknowledge that Regional Council rate increases have been amongst the lowest in our region, however, local government rates are increasing 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. We will ensure rates increases are not more than the level of inflation.
2. This will be done as detailed below using a zero based budgeting process
3. Surpluses will be rebated to ratepayers, not added to reserves for use on unmandated projects

Comments (200 words max):

Requesting the CE to ensure no annual plans are presented that request rates increases in excess of the current level of inflation is the first step in the process. That sets the standard. To achieve this it will be necessary to step back all activities which are not required to be performed by law.

The CE will also be asked to reduce the level of burden charged to ICM to less than 40% of actual time charged or external contractor cost. Burden multipliers of more than twice actual cost is not sustainable.

Remove all ethnic preferences from decision making. Contracts awarded based on competitive tenders and pricing only. Example being provision and planting of native trees for riparian plantings could be achieved at close to 50% of current costs.

Remove requirements for multiple consent report from different Iwi groups for the same project. eg new quarries consent applications.

Reduce the level of bureaucracy from local Government by reduction in number of committees, meetings and workshops. These take time and time is money.

CHRIS HUGHES

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 and others have had rating downgrades pointing to a failure by Councils to prudently manage their finances.

How will you deal with debt?

1. WRC debt is currently relatively low but is planned to increase.
2. Most WRC current and future debt is related to capex in Integrated Catchment areas and possibly Public Transport. The interest is funded by targeted rates.
3. Current topic for discussion is how to fund the requirement to electrify the Public Transport fleet.

Comments (200 words max):

I will ensure any new debt is self funding including repayments over the useful life of assets being funded by debt. In other words, user pays.

Debt would not be used to fund vanity projects or legally mandated service deliverables.

In my model, debt would only be used to fund assets that deliver a future economic benefit to the ratepayers of the region, which as stated above, repayments being matched to the economic benefits delivered by those assets. Public transport is a sector which is currently being discussed. Depending on the model adopted PT has the potential to require significant capex and borrowings with, based on latest planning, \$283M required to fund purchase of zero emissions buses between now and 2038 plus another \$100m for transport hubs, charging infrastructure and transformers. Some of this may be funded by NZTA but that is unknown at this time. No projections have been provided to understand the implications of this wish list on both PT fares and impact on WRC rates. This is a major issue for the incoming WRC councillors to understand, demand long term financial projections and consult on with the community.

The other major capex looming if Te Huia continues is the replacement of rolling stock. This was estimated at \$110M and no doubt increasing. Also doubts must be considered over the level of support if any from NZTA.

As per above, ongoing capex is required for replacement of ageing pumping infrastructure which protects the flood plains of the Waikato, much of which is highly productive farmland.

CHRIS HUGHES

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. Consolidate activities of TA's and relevant parts of Regional Council into a Unitary body. Establish community Boards for libraries, parks and reserves.
2. Split out major activities better suited to commercial operations and control through COO
3. Zero base costs for all remaining activities and drive efficiencies through practical activity monitoring systems.

Comments (200 words max):

The major cost for TA's and Urban authorities is provision of fresh drinking water, waste water removal and processing plus storm water disposal. These activities are currently being moved into CCO's. That is approx 33% of current activity base moved of HCC and TA's. Costs must be lowered accordingly. WRC has two major cost centres, Integrated Catchment (ICM) and public transport (PT). ICM should be returned to the previous catchment board model run by businessmen and farmers. Ideally this could be a co-op model. Risk management will be a key issue to resolve. PT requires a total re think. Running 60 seater buses around the city to meet twice a day peak demand is not affordable or commercially sustainable. Lets wait for the upcoming report on Te Huia but in my view it is simply unaffordable and inefficient to continue. Replace with a regular bus service if demand dictates this service would be supported. Local roads maintenance could likewise be outsourced in urban Hamilton with NZTA taking over responsibility for roading networks in the smaller TA communities. Local community boards to replace TA's to look after libraries, reserves and other social niceties. Also to make representation to the Unitary body for AP and LTP purposes.