

NOEL SMITH

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. By sticking with our core legislated functions.
2. By setting a Strategic Direction, at the beginning of the new term, that directs staff to fiscal responsibility.
3. By working with other Councillors - I have managed to work with the current two factions of Council to the benefit of ratepayer

Comments (200 words max):

I have been a District Councillor for 15 years (2007-2022) and now a first term Councillor at the Regional Council. At each election I have stated that my position on rates is to 'Reduce Rate Increases'. I have maintained that stance throughout each budget cycle.

I see the most critical element of rates is what Council states as its Strategic Direction which is done at the beginning of the triennium. The strategic direction directs staff to to goals and direction Council wants to move. Staff use the strategic direction to guide their reports and work streams and unless the strategic direction is clear on what Council's goals are, then Council leaves open the opportunity to staff to follow their own aspirations.

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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. Ensure that all planned expenditure is appropriate, eg) review capital renewal projects to make sure that it is what is needed.
2. Challenge all Government mandated costs, eg) Electrifying the regional bus fleet.
3. Ensure Councillors understand the implication of their budget decisions

Comments (200 words max):

The Regional Council has been reasonably careful in the use of debt to meet the cost of doing business. The debt is approximately half the Councils Investment Fund so Council is in a good financial position. Thus council can maintain a cautious and prudent approach to borrowings.

Much of Councils debt relates to the River and Drainage schemes. The drainage schemes are fully funded by targeted rates which minimises debt burdens. The landowners take a keen interest in this area of spending and are involved in key expenditure decisions which assists minimise debt.

Both recent Governments have directed that all new buses in New Zealand must be electrified by 1 July 2025. The regional council has calculated it will cost, over the next 10 years, upwards of \$200 million to provide the buses and the depots, including charging stations for the region. Whoever funds that cost will be looking to recover that cost as part of contracts or bus fares. It is likely the government will expect ratepayers to contribute. Currently such debt is unaffordable and further work is required to minimise the cost to ratepayers

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. Consultation with the community
2. Consider opting for shared services model before amalgamation
- 3.

Comments (200 words max):

Auckland is administered by one council with 'unitary' powers as are other councils around New Zealand. Auckland has in excess of 1.5 million people.

There are councils within the region with 10,000 residents up to Hamilton at around 200,000 residents. Each council has a structure that ranges from the CEO down. It does not make sense economically to have so many duplicated administrations within a short distance of each other.

The region could be split into 2 or 3 unitary authorities but this requires a mature conversation within the community. For example one option is Waipa, Otorohanga and Waitomo coming together and that would maintain the 'rural' nature of the 'new' entity.

The key issue in all the above is communication, building a consensus across councils and taking the self preservation out of the equation. Councils must lead and lead in the best interest of the communities they serve.