

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. Advocate for reform of the flawed funding and financing system that over-relies on property rates to fund local services and infrastructure.
2. Deliver better performance, value and efficiency by smarter asset management, tighter contract scoping and robust management of contracts.
3. Ensure financial discipline to reduce council debt and continue developing and fine tuning enhances financial controls including better reporting and monitoring of debt and the true cost of growth.

Comments

As Mayor, I am committed to balancing today's needs with tomorrow's responsibilities. Our community faces real cost pressures, so rates must remain fair and affordable. Yet councils are constrained by a flawed system: costs for roads, water, and construction rise faster than household inflation, while we still rely too heavily on property rates. For every \$1 in rates, households pay \$10 in taxes, yet councils own a quarter of New Zealand's infrastructure and keep the essentials running – roads, pipes, parks, pools, libraries. Treasury has warned that rates are already “significantly below” what's needed.

Years of keeping rates and debt low have left councils with ageing assets and rising demand. Reform is critical.

Immediate changes like returning GST on rates (\$12.5m annually for Waipa) and the Crown paying service charges on its land (\$410k) would make a real difference.

Meanwhile, Waipa must act with discipline. We manage \$2.5b in assets, and with ageing infrastructure and rising costs, we must live within our means, reduce debt, and prioritise value. That means stronger financial controls, smarter asset management, tighter contracts, collaboration across councils, and exploring alternative funding.

Ultimately, New Zealand needs a fairer, more resilient funding model – and I will keep fighting for it.

Susan O'Regan

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. Develop financial control models that provide visibility and proactive management of debt headroom in decision making.
2. Develop monitoring mechanisms that connect growth development, capital spend and revenue collection.
3. Develop enhanced reporting measures detailing the impact of growth including capex forecasting and DC revenue reporting.

Comments

Debt is one of the few tools available to local government to fund the big capital projects our communities rely on. Used wisely, it ensures intergenerational fairness - spreading the cost of assets like roads, water networks and community facilities across the decades of residents and businesses who benefit from them. In Waipa, while debt levels have increased in recent years to meet growth and infrastructure pressures, we have at all times remained within our debt headroom, supported by a bespoke model under our Government Funding Agency arrangements that recognises our status as a Tier 1 growth council.

It is also important to note that our debt levels are forecast to drop on 1 July 2026 when \$230 million of Waipa's current debt will transfer to Waikato Waters Ltd. In addition to this a developer contribution revenue is anticipated to strengthen. Importantly, Waipa has consistently maintained a AA- stable outlook credit rating from Fitch since 2019.

In times of financial challenge, it can be tempting to expect the Mayor to act as de facto Chief Financial Officers. That is not my approach. As a governor my role is to set direction, uphold discipline, and ensure our Chief Executive secures the very best financial expertise and develop robust financial modelling mechanisms to guide us.

Susan O'Regan

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.
- 2.
- 3.

Comments

We absolutely need to do local government better. Rationalisation or regionalisation of local government is inevitable with the aggregation of water from July 2026. But that doesn't necessary mean wholesale amalgamation. This is too simplistic a way to see things and jumps immediately to a "solution" without first understanding the problem.

In the Waikato we already have some excellent working examples of collaboration such as Collab, Waikato Regional Airport Ltd, the two Water CCOs and various shared service agreements between Councils. These will form a great foundation for discussions about the future of local government in the region. Ultimately any discussions need to center around how efficiencies might be found to deliver the services our communities need but without the loss of local voice.