

Help shape the future Hamilton Kirikiriroa

2024-34 Long-Term Plan Consultation Document

Share your voice by 21 April 2024.

Head to hamilton.govt.nz/futurehamilton to have your say.



**Hamilton
City Council**
Te kaunihera o Kirikiriroa



From the Mayor

Every three years Council must review its Long-Term Plan and set budgets and rates for the upcoming years.

Costs to keep our fast-growing city running have increased on all fronts. This is the same for all councils across New Zealand. Increases in interest rates, inflation and depreciation are the main drivers – costing the city more than \$50 million extra per year. There are also significant increased costs to comply with central government reform. This means we are facing one of our toughest ever budgets to run the city. We need more revenue to pay for increased costs. Our main lever is rates, which accounts for around 70% of all Council revenue.

Over the past six months, Council has worked hard to deliver a budget focused just on the essentials. We have removed or deferred \$130 million of projects over the first three years, and removed \$100 million over 10 years. We have cut or deferred more than 40% from city-wide transport upgrades in the first three years. We also supported the Chief Executive to save an additional \$7 million in 2024/25, and \$8 million in the subsequent years by right-sizing the organisation.

The budget proposed is lean. There are no pet projects, in fact many aspects that make city living nice have been put on the back burner.

The budget also prioritises looking after our existing assets. We cannot run our city into the ground. We cannot be relying on ageing infrastructure (water pipes, roads, community spaces), nor can we see these fall into disrepair or close. We must take care of what we have.

The budget also continues to invest in priority capital growth – water services and roads – that enable and attract businesses and affordable homes to our city. Our city is growing at pace, but it comes with costs – particularly around infrastructure.

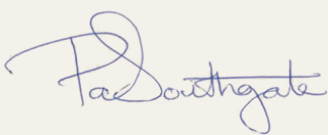
We have heard councils up and down the country consider closing libraries, pools and parks – or not fixing potholes in roads. We strongly believe that these services are core to Council's work – and what Hamiltonians value. But we are open to all options. We want to hear from you on the types of cuts to Council services you would support to make further savings, or if you want us to keep delivering these services.

Council has explored many options to bring down debt and reduce costs. This includes the sale of assets, and revenue collecting options. Unfortunately, the cupboards are bare – with previous Councils having sold most of what could be sold. We have included an option to remove free parking in the central city to generate "user pays" revenue.

No matter what we do, a significant rates rise is required. No mayor nor councillor wants to propose large rates increases. What we all do want is a functional, thriving city today and for future generations.

I am personally disappointed. I've heard how unhappy people are with the proposed rates rise. I hear you. This consultation process is your chance to have your say. What matters most for our city? What do you disagree with? How can we reduce the burden on ratepayers?

This document sets out a proposal to keep the city running well while managing realistic costs. I invite you to read it. It is important that you take the opportunity to have your say.



Paula Southgate





Welcome

Welcome to Hamilton City Council's 2024-34 Long-Term Plan Consultation Document. We want to hear from you about what's being proposed for Hamilton's future, and what this means for the city's finances. Please read through the information provided and share your voice on our draft plan.

This document outlines the key issues the city is facing and how we plan to tackle them. Just like your household or business, we're facing some big challenges financially - keep reading to find out more about these. We have explored many ideas for the services and facilities that Council provides, including where we could look at reducing these to find savings, so we can consider that before we lock in the final 2024-34 Long-Term Plan. Now we want to hear from you.

If you want more information, head to hamilton.govt.nz/futurehamilton

Key dates

19 March - 21 April

Community consultation – when we want to hear from you

15-17 May

Verbal submissions – your chance to talk about what you've told us

4-6 June

Mayor and Councillors consider all the feedback from the community

4 July

Mayor and Councillors confirm the 2024-34 Long-Term Plan

Give us your feedback

Visit hamilton.govt.nz/futurehamilton

While you're there you can also see what your rates are proposed to be.

How to make a submission

- Go to hamilton.govt.nz/haveyoursay
- Complete the submission form and post it to Freepost 172189, Hamilton City Council, Long-Term Plan, Private Bag 3010, Hamilton 3240 or deliver it to us at the Council Municipal Building, Garden Place or any branch of Hamilton City Libraries
- Email a scanned copy of your completed form to haveyoursay@hcc.govt.nz

At the same time as this Long-Term Plan consultation, we are also after your feedback on the following topics:

Revenue and Financing Policy

This outlines how Council has determined the sources of funding for its capital and operating expenditure.

Rates Remissions and Postponements Policy

This guides how we will administer remissions for eligible ratepayers and allow for postponements of rates payments in certain circumstances.

Development Contributions Policy

This determines how we charge development contributions so that a fair share of infrastructure costs (such as new or upgraded roads, water and wastewater pipes and recreational areas) are paid for by those undertaking development.

Growth Funding Policy

This directs how we make decisions about potential new growth projects and infrastructure (like pipes and roads) where these projects are not aligned with our Long-Term Plan.

You can find out about these at haveyoursay.hamilton.govt.nz

The city's costs are not being met by rates

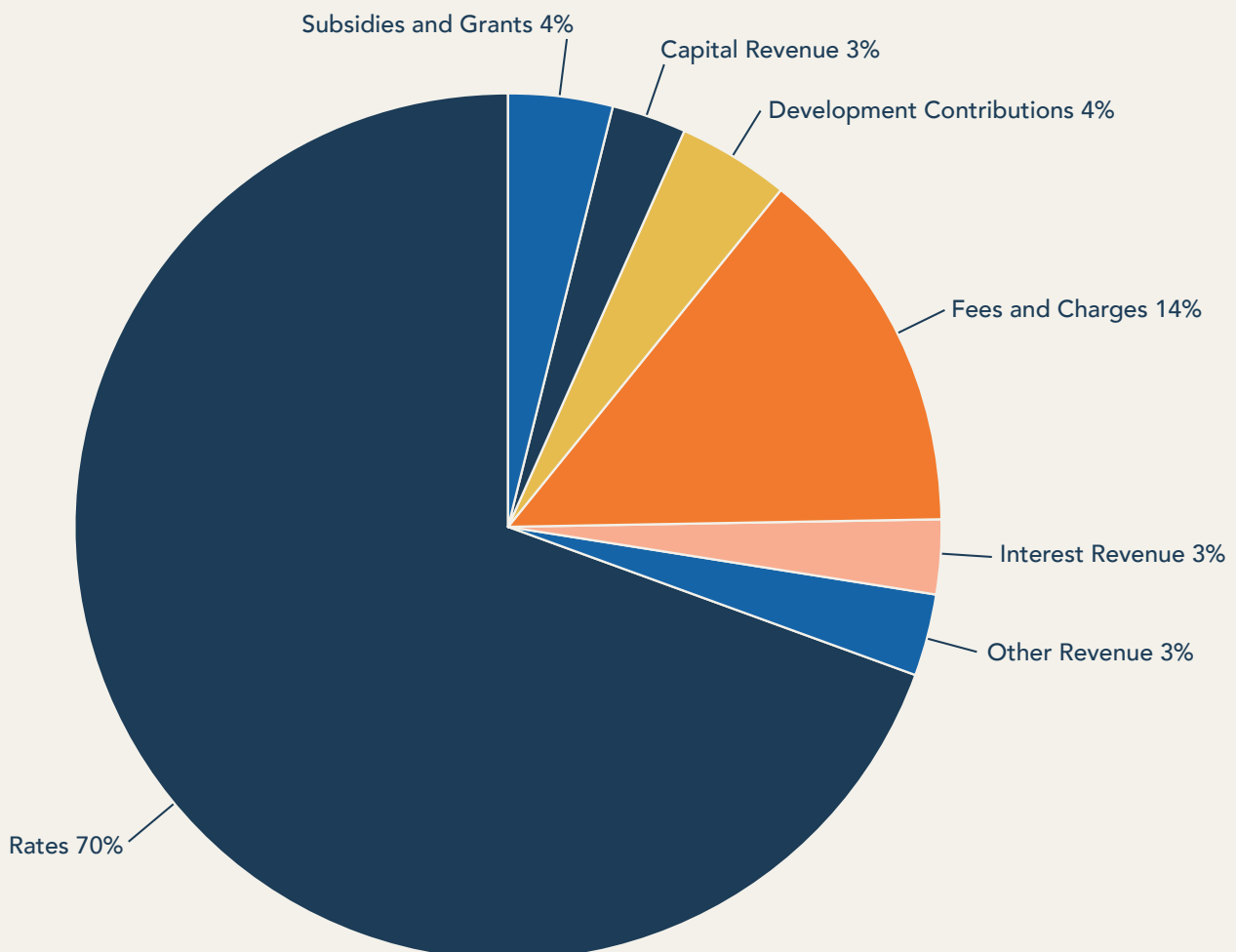
For a long time, rates have not kept up with the increasing costs of running our fast-growing city.

Council has borrowed to build new roads and water pipes, to buy land for parks, playgrounds and other community assets. We've invested in new residential and industrial land, rolled out free rubbish and recycling collection, supported city safety, and much more. This investment has built the beautiful river city that we call home.

But we've been using the city's mortgage (borrowing) to do so.

Of course, borrowing is not always bad. Large scale growth has driven Hamilton's economic success. These repayments can be shared by not only current but future generations of ratepayers, who will use and benefit from these assets.

Council's revenue sources in 2022/23



However, Council considers borrowing to pay for the city's everyday costs is not an appropriate, or fair, use of debt. This is the situation we have found ourselves in – having only balanced our books in two of the last 20 years. Previous Councils have tried to balance the books, but subsequent events or decisions have prevented this happening.

If we increased our rates next year by the amount we planned to in our last Long-Term Plan (4.9%), instead of the proposed 19.9% increase, our operating costs would outstrip revenue by \$76 million. And we would have to borrow to cover that deficit.

Operating costs are the day-to-day expenses to keep our city running. These include maintenance, staff costs, fuel, electricity, depreciation and interest. It is these costs that have the most significant impact on rates.

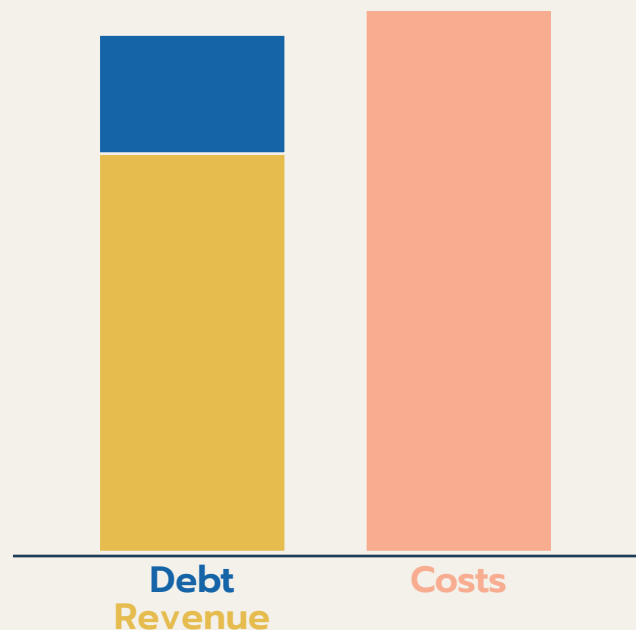
Capital expenditure is money the Council spends on its major construction projects or purchases - like land for parks, or laying down new pipes or roads. Council borrows (uses debt) to meet the cost of these.

We recognise the proposed 19.9% is a dramatic increase. It is reflective of increased costs incurred from higher interest rates (on debt), inflation (everything costs more), and depreciation (the cost to renew and maintain our ageing assets).

This Council wants to adjust the way our city operates its finances.

By law, councils should make sure their income is sufficient to meet their operating costs. Our plan to tackle our financial challenges would achieve this, after more than 20 years of rarely doing so.

If everyday revenues aren't enough to meet everyday costs, it means we need to borrow to do so.





What we've already done to reduce our costs

We are committed to looking after the more than \$6 billion of assets ratepayers have invested in to create a thriving and prosperous city.

We've made sure that what is in this plan will keep Hamilton's critical infrastructure in good working order. We do not propose cutting core services. But we have looked hard for areas where we can make cuts. Some examples include:

- Significant reductions (more than \$53 million over 10 years) to city-wide transport upgrades
- 14% of the capital programme budget removed across the first three years of the Long-Term Plan
- Reducing funding for external partners for a saving of \$488,000 per year
- Stopping funding for cat-desexing programmes – saving \$100,000 per year
- Reducing funding for community grants – saving \$106,000 per year
- Reducing funding for event sponsorship – saving \$100,000 per year.

Reduction in personnel costs

Through an existing phased strategic restructure process, the Chief Executive is making \$7 million in operating savings for 2024/25 (and \$8 million per year ongoing) by reducing staff numbers and costs. In response to financial pressures the city is facing and to be financially sustainable, we recognised we need to change how we do business. Overall, we expect to reduce staff numbers by approximately 100 roles. The changes to our personnel count ensure we are as efficient and as lean as possible – before cuts to service levels to the community would be needed.

Further reducing our costs

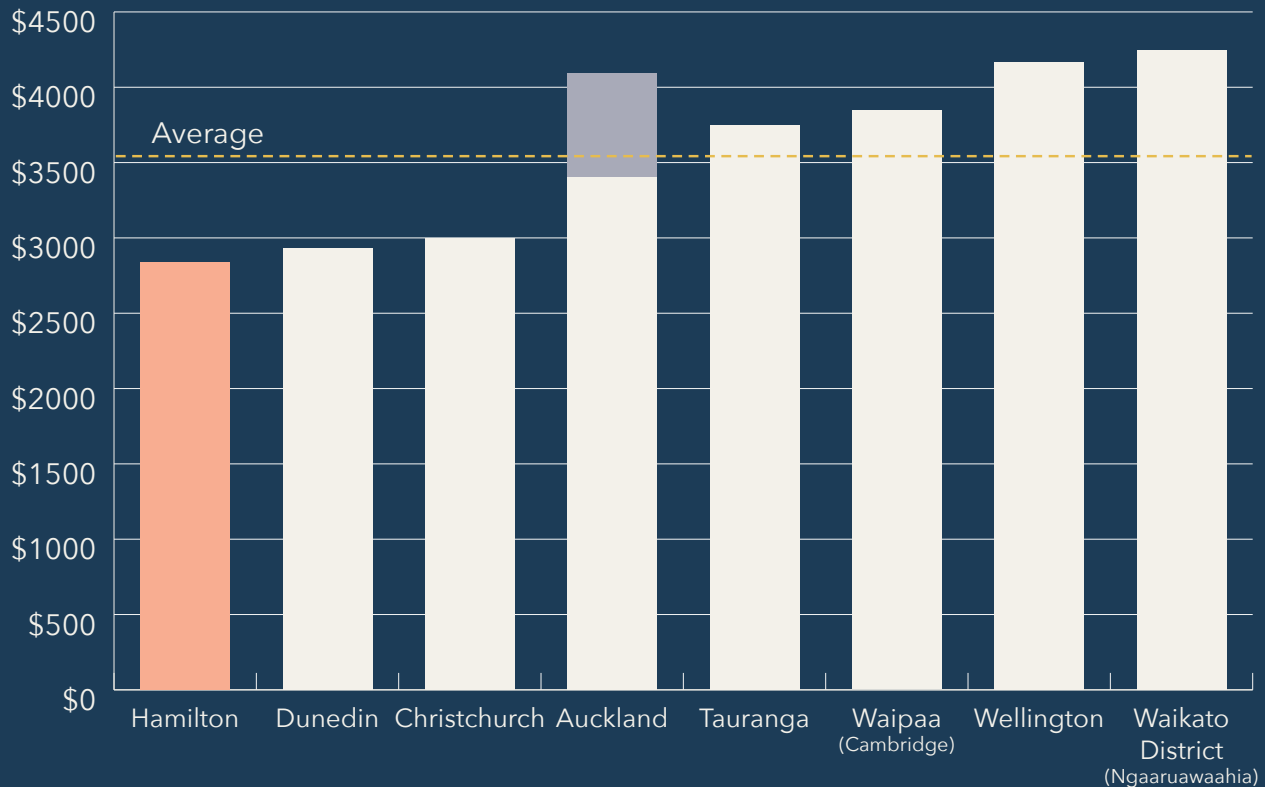
Our budgets for 2025/26 (year two of the Long-Term Plan) and beyond are based on us further reducing the everyday costs to run the city, saving \$104 million over the 10 years. This enables the rates rise in years two to five of the Long-Term Plan (2025/26 to 2028/29) to be 0.4% lower than would be the case without the reductions. This would likely mean reductions to some back-office functions and some community-facing services.

You can read more about this on page 27.

How Hamilton's rates stack up

Hamilton rates compared to similar councils

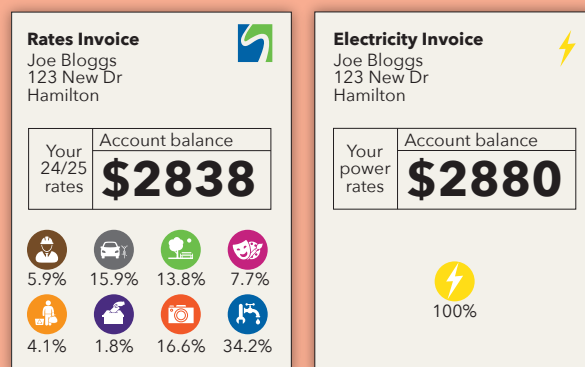
Median residential rates 2023/24



Water consumption has been estimated for those councils with residential water meters. Auckland Council is a unitary council. The grey area is an estimate of regional council rates.

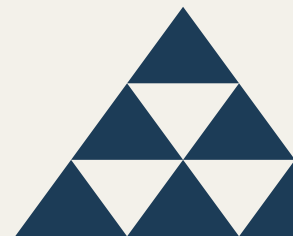
The median home in Hamilton Kirikiriroa has a capital value of \$830,000 and pays annual rates of \$2838 this year. This is around \$800 less on average than the other councils we looked at.

If our proposed rates increase goes ahead, our median residential rates will still be lower than most of the other big cities and our neighbouring councils - who will also be increasing their rates. Our rates need to catch up with the costs of running a big and growing city.



The average residential electricity bill in New Zealand is \$2880 for just one service.

Source: MBIE, September 2023



Councils across the country are facing increased costs

The services that local government provides for residents are costing more to deliver. Councils across the country are facing the same challenges – these are not unique to Hamilton Kirikiriroa or how we operate. These increases we’re facing – inflation, interest, central government compliance demands – are outside of Council’s control. And being a growing city means there’s more for Council to deliver – more pipes, roads, parks and playgrounds to build and look after, for example.

Looking after what we have

One of the biggest cost increases the city is facing in 2024/25 is depreciation (\$17 million). This figure represents how much more it will cost Council in 2024/25 to look after the city’s infrastructure compared to the current year.

Council is responsible for 200 sports grounds, nearly 700km of roads, 1250km of pipes carrying drinking water from the treatment plant, 859km of wastewater pipes taking away what gets flushed and 83 play spaces – as well as thousands of other assets. All up, the value of these is more than \$6 billion.

Hamilton’s water assets – our treatment plants and pipe networks – are coming to a critical stage of their life where extensive – and expensive – work is needed to keep them running. Many older parts of our city sit on old pipes that are in poor repair or not fit for the future. To put this right we need to fund more renewals and replacements every year.

Depreciation is a way of spreading the cost of an asset over its useful life, recognising that assets lose value as they age.

The number of assets we’re responsible for is growing too. When development occurs around the city, to allow for more housing for example, construction companies will build the pipes and roads to enable the homes to be built. These pipes and roads (also known as vested assets) are then handed over to Council to look after and eventually renew. In 2022/23, Council was handed over an additional \$60 million in infrastructure as a result of private development around the city.

The relationship between revenue and borrowing

Borrowing to fund much needed infrastructure is the best way to deliver for the city's fast growth. This will have ongoing benefit for current and future generations of Hamiltonians.

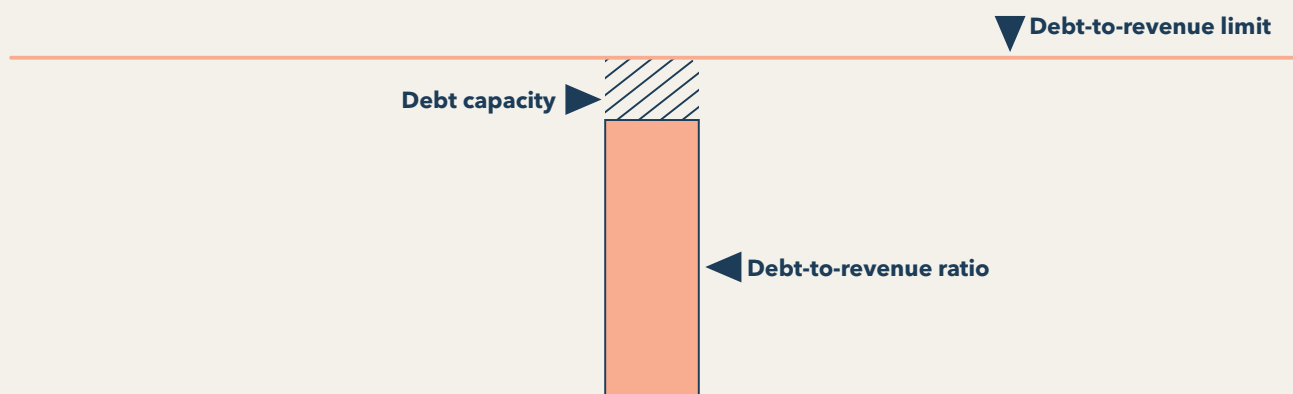
Significant rates increases and the flow-on ability to pay off debt are also needed and important for another reason. The amount of debt we hold and the amount of revenue we collect are connected through what's called our debt-to-revenue ratio. We have a cap of what this ratio can be, set by the Local Government Funding Agency (LGFA), which councils across the country borrow from.

Hamilton's increasing infrastructure requirements, across all years of the Long-Term Plan, mean that we will need to borrow to fund how we look after these assets. In order to remain within our debt-to-revenue limit across the next 10 years, more revenue is needed in the earlier years of the Long-Term Plan.

To keep our debt at a level appropriate to the city's growth, and maintain our ability to borrow, we need to start servicing debt as soon as we can.

Because rates have been lower than our costs - and because of the pace of our growth - we have not had the surpluses we need to repay debt. It's like a household paying the interest only on a mortgage, and not the actual debt. This is why we need the level of rates increases in the earlier years of the Long-Term Plan, so we have the debt capacity to maintain our assets. We've seen in other cities what happens if drinking water and sewage pipes reach the end of their working life - and we don't want to end up there.

The debt-to-revenue ratio looks at our level of debt and how much income we're getting.

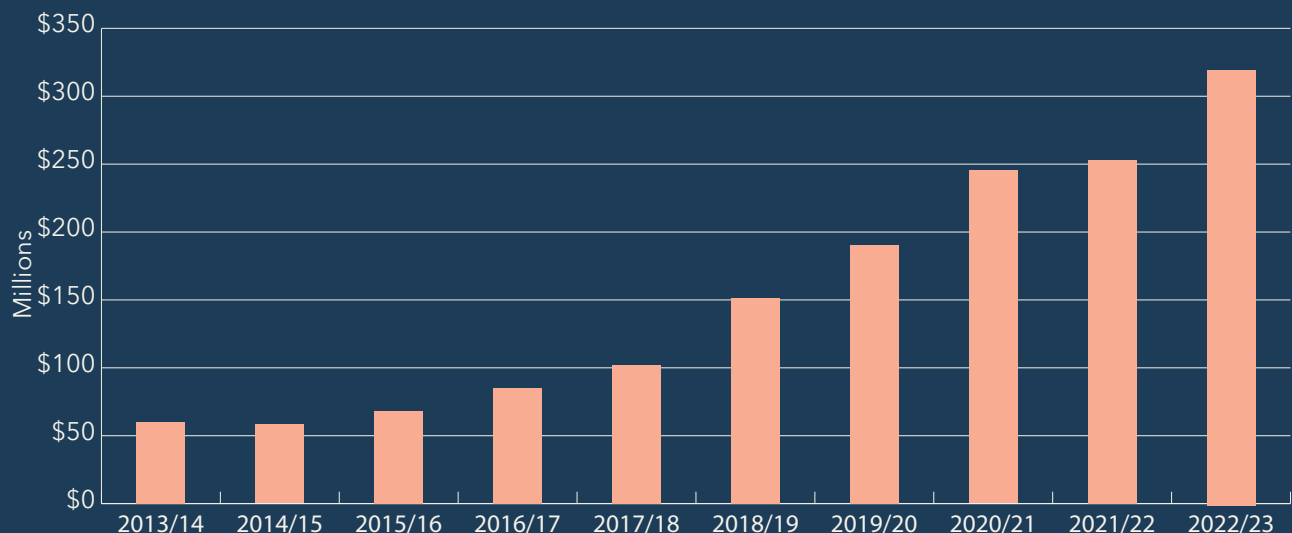


The impact of interest on \$1 billion of debt

If you have a mortgage, or any kind of debt, it's likely that you are aware of the impact rising interest rates is having on households, businesses, organisations and councils around the country. It's true that Council holds a lot of debt. As we've already mentioned, it's the appropriate way to fund our capital projects – basically anything that Council builds. And we've been building a lot over the last few years, as the city has become one of the fastest growing regions in the country.

This means that any jump in interest rates comes with a significant increase in our repayments. We're expecting to pay \$14 million more in interest next year than previously forecast.

Year by year capital spend



Running the city costs more than ever

Your household or business will also be experiencing inflation-driven price increases for the likes of food, fuel, electricity and insurance. We're facing those increases too.

The impact of record inflation is forecast to add \$17 million in costs to Council's budget in 2024/25 alone.

Rising costs have hit hard. The financial environment we all operate in has changed significantly over the last two years, and economists have said this is expected to continue to be challenging. The impact of record inflation is forecast to add \$17 million in costs to Council's budget in 2024/25 alone. Here are some examples of what this means for our city:

- In 2023, the cost of construction of roads, pipes and other infrastructure increased by 15%. Site preparation for construction has gone up by 27%, and civil engineering – the cost of designing infrastructure – has increased by 26%.
- Structural metal products (e.g. steel for construction) increased by nearly 30% in 2022.
- Independent forecasts are expecting concrete and quarrying expenses to increase by 12.5% and 10.7% respectively in this financial year.

- Costs for contracted cleaning of our facilities are expected to rise by 13.2% next year. This is a combination of increased labour costs and the addition of new facilities to look after such as Te Kete Aronui Rototuna Library.
- At Hamilton Pools, the price for water quality chemicals has jumped by 25% over the last two years.
- Maintaining the city's parks has become costlier due to hikes in the cost of sand (15%), fungicide (31%) and fertiliser (48%-57%) in the last year alone.
- Costs to feed impounded dogs at Council's Animal Education and Control facility have climbed 20% in the same timeframe.

This means that providing the same level of services as we have been and continuing to build the infrastructure we had planned in our previous Long-Term Plan will cost far more than was previously forecast.

There are many things that we wish we could do, but simply cannot afford.

We want to hear from you about services we could reduce or remove to find further savings.

Increasing expectations from central government

There are also additional costs for the city to meet increasing central government compliance demands. Central government is imposing increasingly stricter measures for Council activities such as capacity of our drinking water network, treatment of wastewater and stormwater, planning for housing development and traffic management. These greater regulations, which add costs such as construction, maintenance, and personnel, come with no funding from central government to deliver them.

The scope of local government

In 2018, the promotion of social, economic, environmental and cultural well-being of communities was added to the statutory purpose of local government, significantly impacting the role and scope of territorial authorities. This comes with increased expectations from central government for what councils should provide to their residents, alongside increasing expectations from communities for what

local government should be delivering. This has seen growth in the number of strategies, policies, and plans Council has made decisions to be responsible for, and with that an increase in the performance measures Council aims to achieve.

The increased scope of local government, and the variables that our city and this Council operates in – increasing demands, expectations, and compliance – means that what Council delivers (and what it costs) is not linear to our population growth (21% in the last 10 years). Over the last 10 years, Hamilton City Council has increased its capital programme by 398%. Our city's growth brings increased demand for consents, permits and inspections. Private developers hand over millions of dollars of assets like roads and pipes each year for Council to look after, while also providing for ratepayer growth that brings additional revenue. There would be very few Council activities that have been exempt from year-on-year growth. Our Long-Term Plan from 10 years ago (2015-25) forecast operating expenditure of \$2.4 billion. This Long-Term Plan is proposing \$6.3 billion over 10 years, a 162% increase. In that time, our staff costs have increased 70%, consultant spend has gone up 466% largely driven by the increased capital programme and Plan Changes. Over the same time period, fees and charges have increased by an average of 2.8% per year, and rates have increased by an average of 4.95%.



The benefits of a growing city

Hamilton Kirikiriroa is New Zealand's fourth biggest city, yet we've got a footprint of just 110km². We're a thriving city located within the golden triangle where more than half of New Zealand's population live and two-thirds of its recent population growth has occurred. Our prime location and accessibility enables key freight and transport links which bring opportunities for growth and means more people and businesses are choosing to make Hamilton Kirikiriroa home.

We have strong population growth that is set to continue for a number of years. A thriving economy, relative housing affordability (compared to other big cities) and Hamilton's quality of life will continue to attract people who want to live here, and businesses that want to invest here.

If we fail to provide for growth, we simply won't have the infrastructure our city requires. This could be disastrous – for example, if we don't have the water capacity for new classrooms, or a growing hospital, or the University of Waikato's planned medical school.

Growth doesn't just benefit new residents or new parts of our city: by continually investing in good growth outcomes, we address infrastructure needs, enable jobs and industry, facilitate housing, and deliver community facilities that make our city a great place to live.

To ensure we retain these qualities, we need to balance our financial situation with investing to grow our city well. We need to embrace the opportunities growth brings, by investing in the right places at the right time.

Our city currently has around 60,000 homes for around 180,000 people. It's projected that over the next 50 years these numbers will roughly double to around 120,000 homes for about 310,000 people.



Implications of water services costs being retained by Council

Providing three waters services makes up 30% of the city's operating and capital expenditure – and that's before the introduction of new regulation and the resulting impact on budgets. The repeal of Three Waters Reform means Council remains responsible for significant essential work and the associated costs.

This Long-Term Plan reflects policy direction from the new Government in relation to costs for water services delivery.

Three Waters Reform recognised that the costs and, in the case of some smaller councils, the ability to safely and effectively deliver waters services, would be better met by regional organisations that could access more borrowing power through economies of scale.

The new Government has retained much of the new regulatory and compliance requirements and has indicated further economic regulation will be introduced – both of which will place further cost pressures on Council.

Despite recent changes brought about by the new Government, the additional costs to deliver waters services remain but there is not yet any clarity on how these could be funded.

As a result, the city's water service delivery budgets face increasing pressure to maintain existing levels of service, address existing unfunded waters projects, provide increased funding for growth infrastructure, meet new regulatory and consenting requirements, provide resilience and respond to the changing climate.

Council is advocating to government and other partners on options to address the rising costs of three waters services including funding and financing tools, as well as investigating alternative delivery models. These changes may mean we would not need as high rates rises to fund these services in later years. However, to be prudent, this Long-Term Plan is based on the situation as it currently stands.

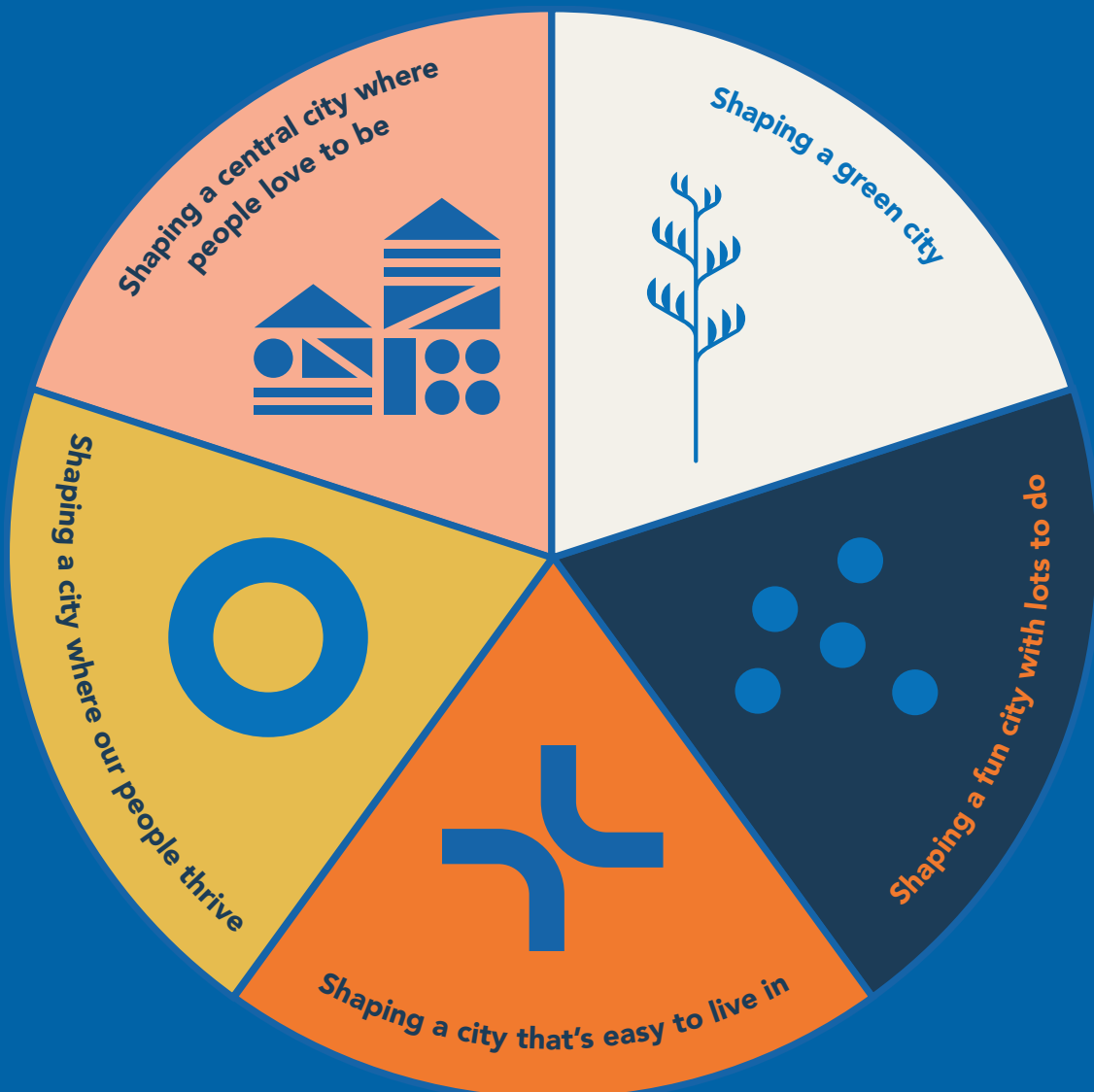


Our five priorities

Everything we do is aimed at improving the wellbeing of Hamiltonians.

During the development of the 2021-31 Long-Term Plan, we asked you, the community, what you love about Hamilton Kirikiriroa and what would make our city an even better place to live.

This feedback was used to create our five long-term priorities for Hamilton Kirikiriroa over the next decade:



Council remains committed to these priorities, which will also guide our 2024-34 Long-Term Plan.

Shaping a city that's easy to live in

Ahuahungia teetehi
taaone e tau ai te
noho ki roto



We want a city that's easy to live in, explore, and connect

What we will focus on:

1. We'll prioritise building **connected and safe** walkways and cycleways that allow us to move around our city quickly and easily and bring neighbourhoods together.
2. We'll revitalise our existing neighbourhoods and invest in the creation of our new neighbourhoods to make sure we have a **liveable, sustainable city**.
3. We'll encourage new developments in Hamilton Kirikiriroa to include a mix of housing, including **affordable housing options**.
4. We'll enable and support strong public transport connections that help Hamiltonians get **easy access to essential services** such as education, health centres and supermarkets.
5. We'll put more focus on our neighbourhoods having community identity and **supporting community spaces** across our city.

Council's operating budget for 2024/25 is \$445.8 million. The operating costs to deliver Priority 1 are \$129.6 million. For more information on Priority 1, including the funded and unfunded capital projects, go to hamilton.govt.nz/futurehamilton-priorityone

* The \$445.8 million operating budget excludes \$8.3 million in support unit costs that are not allocated to any specific priority.

Shaping a city where our people thrive

Ahuahungia teetehi
taaone e puaawai ai
ngaa taangata katoa



We want to actively create opportunities for our people to thrive in their jobs, careers, and lives so they can leverage the wonderful lifestyle and opportunities our city has to offer

What we will focus on:

1. We'll work with partners like central government and other councils to deliver **fast and efficient transport connections** to connect Hamilton Kirikiriroa quickly to places like Auckland Tāmaki Makaurau and Tauranga.
2. We'll look beyond our borders and work with our regional partners to **maximise the opportunities from Hamilton Kirikiriroa** being the hub of the Waikato region.
3. We'll make sure our economic strength is further leveraged and that **Hamilton Kirikiriroa is known as a great place to work and do business.**
4. We'll empower and enable our diverse communities to **share their voice, and shape their city.**
5. We'll **invest in the right infrastructure** to make sure Hamilton Kirikiriroa is an attractive place for businesses to succeed.

Council's total operating budget for 2024/25 is \$445.8 million. The operating costs to deliver Priority 2 are \$106.1 million. For more information on Priority 2, including the funded and unfunded capital projects, go to hamilton.govt.nz/futurehamilton-prioritytwo

* The \$445.8 million operating budget excludes \$8.3 million in support unit costs that are not allocated to any specific priority.

Shaping a central city where people love to be

Ahuahungia te pokapuu o teetehi taaone e arohaina ai e te taangata



We want our central city to be the beating heart of Hamilton Kirikiriroa which always has something going on for our diverse communities to come together and enjoy.

What we will focus on:

1. We'll **strengthen the connection and access** between the city centre and the Waikato River.
2. We'll **promote daytime and evening activity**.
3. We'll create performance spaces such as the new regional theatre and leverage existing central city spaces to **support arts and culture initiatives** which offer something unique to our city.
4. We'll support mixed inner-city living options in Hamilton Kirikiriroa which **encourage people to live in the central city** alongside vibrant retail, hospitality, and entertainment sectors.
5. We'll make it **easy to get into and around the city** through a range of alternative travel options.

No specific group of activities has been allocated to this priority, as it is recognised that the activation of the central city is contributed to by all parts of Council activity and by key capital projects.

Priority four

Shaping a fun city with lots to do

Ahuahungia teetehi taaone
ngahau e tini ai ngaa
kaupapa papai hei whai



We want Hamilton Kirikiriroa to be an even better place for everyone to play, with things to do or see around every corner.

What we will focus on:

1. We'll **develop open community spaces** like Korikori Park in Rototuna and Minogue Park in Forest Lake that are accessible to everyone to enjoy.
2. We'll invest in and enhance Waikato Museum, Hamilton Gardens, Hamilton Zoo and Waiwhakareke Natural Heritage Park to **create new and unique experiences for our people and visitors**.
3. We'll **host and celebrate city events** like the Hamilton Gardens Arts Festival and Balloons over Waikato.
4. We'll actively celebrate and promote a city **where residents have the opportunity to have fun** with their friends and family.
5. We'll **support local sports events** by investing in play spaces and we'll work hard to **attract national and international sports events** to our city.

Council's total operating budget for 2024/25 is \$445.8 million. The operating costs to deliver Priority 4 are \$94.1 million. For more information on Priority 4, including the funded and unfunded capital projects, go to hamilton.govt.nz/futurehamilton-priorityfour

* The \$445.8 million operating budget excludes \$8.3 million in support unit costs that are not allocated to any specific priority.

Priority five

Shaping a green city

Ahuahungia teetehi
taaone tiaki taiao



We want to do it right together, so our city will get better by the day and we can leave a legacy we can all be proud of.

What we will focus on:

1. We'll protect and restore our natural gully network and the biodiversity of Hamilton Kirikiriroa to increase how green our city is, **making it healthier and stronger**.
2. We'll **reduce the carbon footprint** of Hamilton Kirikiriroa and build a city that is resilient to the effects of climate change.
3. We'll **mitigate the impact of the city** on the health and wellbeing of the Waikato River and Lake Rotoroa (Hamilton Lake).
4. We'll **encourage and enable alternative ways to move safely and quickly** around our city.
5. **We'll plan our future as a sustainable city** – balancing the natural and built environments so they can live in harmony.

Council's total operating budget for 2024/25 is \$445.8 million. The operating costs to deliver Priority 5 are \$116 million. For more information on Priority 5, including the funded and unfunded capital projects, go to hamilton.govt.nz/futurehamilton-priorityfive

* The \$445.8 million operating budget excludes \$8.3 million in support unit costs that are not allocated to any specific priority.

What's changing in this Long-Term Plan?

While much of this Long-Term Plan is a continuation of work planned through the previous one, there have been some cuts and some new additions to save costs or increase revenue.

These include:

Introducing demand-responsive pricing for parking in the central city

Since 2017, Council has been running a trial of two hours free (to the user) parking in the central city. Offering free parking was identified at that time as one incentive Council could adopt to revitalise the central city. We want the central city to be a place that's easy to get to. We want to manage our car parks so that you can come to the central city and have a better chance of finding a park.

We can manage parking using levers such as time and price, and base any changes to those levers on parking data. Occupancy rates of 85% is widely recognised as the optimum level.

When the two hours free parking trial was introduced, parking occupancy in the central city was

below 85%. With the current two-hour free parking and all-day paid parking, most of the central city is more than 85% occupied. This is not supporting business productivity through efficient parking turnover (and therefore potentially reducing the number of people visiting the central city), and not meeting the public expectation of being easily able to find a parking space.

We're proposing to introduce 'demand responsive pricing' for 333 parks in the central city from 1 January 2025. Demand-responsive pricing allows Council to set parking fees at levels that can increase and/or decrease so that the ideal 85% parking occupancy is always achieved. The starting point will be \$3 per hour for the first two hours (and \$6 per following hour) in high demand areas of the central city, and \$1 per hour for the first two hours (and \$6 per following hour) in lower demand areas of the central city. This is competitive with the other parking options in the central city, and businesses which offer their own customer parking will still be able to do so.

The free parking trial would end with the introduction of demand-responsive pricing. When the two hours free



parking trial was introduced, a central city rate was introduced to meet a portion of the foregone revenue of the trial. When the two hours free parking trial began, a central city targeted rate was introduced for commercial properties in the Business Improvement District (BID). As the free parking trial ends, we are proposing to phase out the targeted rate, charging a reduced amount in 2024/25, and removing it entirely in subsequent years.

Ending the free parking trial and introducing demand-responsive pricing for short-term and all-day paid parking (and removing the central city rate) will improve our financial position by \$4.3 million in total over the first three years of the Long-Term Plan, reducing the burden on ratepayers by around 0.5%. The revenue generated increases in the subsequent years of the Long-Term Plan.

Commercial rates in the central city

We've worked with Hamilton Central Business Association on some changes to rating of commercial properties in the central city. We're proposing to increase the Business Improvement District (BID) targeted rate each year by the same amount as the approved general rate increase, capped at 5%. We're also proposing to increase rates for commercial properties in the Central City BID Boundary from the current 95% to 100% of Commercial category rates, transitioned over three years.

These changes are part of our draft Revenue and Financing Policy

Business Improvement District boundary extension

HCBA has also proposed to extend the BID area to include a portion of Hamilton East, and accordingly businesses within this area may be charged the BID targeted rate to this area, effective from 1 July 2024. This is subject to:

- Council approving a change to the BID Policy to allow online polls; and
- the results of a BID Poll to be undertaken by HCBA with the businesses in the proposed Hamilton East BID extension area; and
- a final decision by Council.

Rates review

Council has agreed to conduct a comprehensive rates review over the next year. This will consider whether there are further changes that could be introduced to Council's rating system in the 2025/26 Annual Plan. The review will consider:

- the cost and implications of developing new rates to address specific issues
- options around underdeveloped land – including new subdividable land and vacant land and underdeveloped commercial land
- equity of rates on land with multiple separately used and inhabited parts of a rating unit (SUIP)
- assessment of exceptional land use (for example, high users or negative impacts)
- assessment of the equity of the Uniform Annual General Charge (UAGC).

How we plan to manage the city's finances

To fund what is in our draft Long-Term Plan, and have the city's everyday costs met by everyday revenue from 2026/27, we're proposing average rates increases of 19.9% (\$11 per week for a median-value residential property) in 2024/25, and 15.5% for the following four years (2025/26 to 2028/29).

Given the unprecedented pressure on our budgets, a key focus of the draft Long-Term Plan is to make the rates rises as low as we possibly can next year. However, there is a strict debt cap that Council must not go over, which means we cannot balance the books any later than 2026/27, as we would be breaching our debt-to-revenue limit. We have ensured that the budget is focusing on the essentials, and deferred projects wherever possible. So in the short term, only the rates rises we're proposing would enable us to stay within our financial limits.

Year	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
Average rates increase	19.9%	15.5%	15.5%	15.5%	15.5%	9%	5%	5%	5%	5%
Balancing the books (millions)	-\$38	-\$10	\$27	\$72	\$121	\$154	\$169	\$183	\$196	\$224
Debt-to-revenue ratio	281%	273%	268%	268%	275%	274%	267%	257%	246%	234%
Net debt (millions)	\$1238	\$1404	\$1638	\$1847	\$2027	\$2164	\$2288	\$2337	\$2325	\$2356

Our debt-to-revenue limit, as set by the Local Government Funding Agency, is 285% (i.e. \$285 of debt for every \$100 of income) in 2024-25, and 280% in all other years. To protect the city against unexpected cost rises or revenue falls, the debt-to-revenue ratio in our proposed budget is at least four percentage points below the limit in every year. The significant operating surpluses from 2026/27 are necessary to ensure we remain within the debt-to-revenue ratio.

Rates figures are included to provide an indicative impact to a median-value residential property. Individual property changes will vary dependent upon property value and rating category.

The alternative would be to balance the books more quickly. The faster we balance the books, the less debt we build up, and the less we have to spend in interest payments - but rates rises would need be higher in 2024/25 and 2025/26.

We want to hear from you on our proposal to balance the books within three years. Go to hamilton.govt.nz/futurehamilton or fill out a hardcopy submission form.

To see what the rates would be for your property for the next three years go to hamilton.govt.nz/futurehamilton

Reducing Council services and costs

Our budget for 2025/26 and beyond proposes reducing the everyday costs to run the city. We're proposing reducing Council's personnel costs by around \$10.4 million per year (above existing reductions of around \$8 million per year that are currently being implemented), and reducing our consultant budget by about \$1 million.

These cuts would likely mean reductions to some back-office functions and community-facing services. Reducing community services could look like stopping or removing a particular service or facility altogether. Or there could be more widespread, smaller scale reductions. A reduction in everyday services or activities would mean it costs less to run our city, and therefore we would not need to collect as much everyday revenue through rates. We have not yet identified which services will be affected, but will ensure critical services that are required by legislation will not be impacted. For more information on what Council's services are, please see the next page.

At this stage we are seeking feedback on whether you support Council finding savings through reducing its personnel and consultant costs, impacting our everyday services and support functions. If Council includes these savings in its final Long-Term Plan, we will seek community feedback on the specific savings Council proposes in the 2025/26 Annual Plan (and if required Long-Term Plan amendment).

The impact of not proceeding with these personnel and consultant reductions would be that our balancing the books position deteriorates compared to the draft Long-Term Plan by \$104 million over the ten years, and we would need to increase rates by an additional 0.4% (an average of 15.9% in total) from 2025/26 to 2028/29. This means a median-value residential property would pay an additional \$1.64 more per week by 2028/29.

We want to hear from you on our proposal to reduce services and costs. Go to hamilton.govt.nz/futurehamilton or fill out a [hardcopy submission form](#).



These are Council's community services and back-office functions to consider how we can reduce our costs

Most of your rates goes towards paying for these services:

Water

Delivering an average of 22 billion litres of high quality, safe drinking water to 64,000 properties each year, maintaining more than 2800km of pipes, managing stormwater runoff and treating wastewater.

Rubbish and recycling

Picking up 3 million kg of food scraps, 10.5 million kg of recycling and nearly 16 million kg of general waste from 63,000 households each year.

Transport

Maintaining 700km of roads, 178km of cycleways, 1900km of footpaths, as well as 285 bus stops, more than 1900 streetlights and a million m2 of road landscaping.

Growth

Investing in our five key growth areas, managing our climate response, properly planning for the future and enabling 1200 new homes a year in our growing city.

Safety

Registering dogs, responding to animal control complaints, registering and regulating our food and alcohol businesses, removing graffiti and keeping our city safe with patrol officers and CCTV in our central city.

Parks and recreation

Maintaining parks, sports areas, playgrounds and public toilets, cemeteries, community facilities, dog parks and river paths. We also grow 100,000 native seedlings each year to restore nature in the city.

Community services

We lend you a million items each year from our seven libraries, welcome 375,000 visits to our two pool facilities, and respond to more than 220,000 enquiries to Council.

Venues, tourism and events

We host 1000 events each year at our three iconic venues, bringing in half a million attendees. We also provide sponsorship funding to bring in a wide range of events to our city.

Visitor destinations

Welcoming visitors to Waikato Museum Te Whare Taonga o Waikato, Hamilton Gardens, and Hamilton Zoo.

Education

We teach kids how to ride bikes and families how to save water. We help new drivers and motorcyclists stay safe on the road and show households how to minimise waste.

Then there are services that support our organisation to get things done:



Governance, legal and mayoral office

We run local elections, Council meetings, and respond to more than 400 official information requests each year. We support the mayor with policy advice and connecting with the community.



Human resources and health and safety

We hire and retain more than 1400 staff, including zookeepers, lawnmowers, rubbish truck drivers and librarians. Our HR team keeps our staff accountable, performing to a high standard and supports them to develop in their field of expertise.



Communication, marketing and events

We keep you informed about what's happening in your neighbourhood and ask for your feedback on what's important to you. We promote Hamilton to New Zealand and beyond, and bring you events like Your Neighbourhood and Matariki. We keep our staff informed about changes in our organisation.



Finance

We do the budgets, pay our suppliers and buy the things we need to run the city. We report on our finances every year, and we're ready for annual independent audits.



Information services

We look after Council technology and make it easier for you to interact with us online, while keeping your information safe. We manage thousands of online documents and map our changing city.



Strategy and planning

We make plans, like this one, and long-term goals for our city to work towards. We make sure we're following the laws and requirements for local government.



Administration

We make sure your request gets to the right person for the job. We also make bookings, answer questions and provide information to keep things running efficiently.



Asset Management

We manage our fleet and look after what we have. Maintaining all our buildings and facilities, from repainting a public toilet to the new Pukete Neighbourhood House.

Walking and cycling bridge

A walking and cycling bridge has been an aspiration for Hamilton Kirikiriroa since before the millennium.

As more people live in the central city, the bridge will be an attraction that will provide more ways to access the central city and connect to nearby parks, residential areas, and schools. It is important transport infrastructure that will provide safe and alternative options for our rapidly growing population.

After consultation with the community through the 2021-31 Long-Term Plan, its reality was made possible in 2022 with Crown funding contracted to Council from the Infrastructure Acceleration Fund (IAF).

Our infrastructure shortfalls across the city mean we can't grow everywhere at once and we've prioritised growing up and out from our central city and surrounds. By 2035, we're expecting around 4000 new homes for up to 10,000 people in the central city and surrounds.

The bridge is one of several planned projects in Hamilton supported by \$150.6 million from the IAF to build strategic infrastructure to help unlock more affordable housing in the central city. Other IAF-supported infrastructure projects include a new water reservoir to increase our supply of drinking water and capacity for firefighting and investigations into other core water and transport needs.

Budget for the walking and cycling bridge

IAF funding	\$31.5 million
Council Long-Term Plan funding (co-funding required as part of the IAF agreement)	\$10.3 million
Council Long-Term Plan funding for connections to the bridge	\$6.6 million

We want to hear from you on the walking and cycling bridge in the central city. Go to hamilton.govt.nz/futurehamilton or fill out a hardcopy submission form.



Targeted rates for additional services

Our draft budget is focused on delivering our core services – to existing levels of service. There are some areas in which we could go further if the community supports this. But doing so will come at a cost to ratepayers.

We are seeking your views on targeted rates for additional services, over and above what's included in the budget, in two areas: community infrastructure, and community resilience and extreme weather.

If the community supports these initiatives, these additional services would be funded via targeted rates, which would be applied to all ratepayers and calculated in the same way as general rates. The larger the amount of the targeted rate, the greater the additional services Council will be able to provide. Any funding we receive through either targeted rate would be ring-fenced for its specific initiatives, and couldn't be put towards other projects.

If the community does not support these targeted rates, Council will not provide these additional services.

Community infrastructure

A targeted rate on community infrastructure would fund initiatives such as providing additional (and improving existing) sports facilities (for example through the installation of artificial turf and floodlights), upgrades to community centres, or improvements to public toilets.

We want to know whether you support this targeted rate for 40c per week for a median-value residential property (which is the equivalent of a 0.73% rates rise, on top of the general rates increase, providing an extra \$1.8 million to invest on these initiatives) or 80c per week for a median-value residential property (1.46%, providing an additional \$3.6 million). There would be no impact on Council's debt.

Community resilience and extreme weather

A targeted rate on community resilience and extreme weather would fund initiatives such as understanding the risks the city faces from the changing climate and develop our community readiness, providing additional flood protection and preparation, or providing additional respite from heat and drought.

We want to know whether you support this targeted rate for 40c per week for a median-value residential property (which is the equivalent of a 0.73% rates rise, on top of the general rates increase, providing an extra \$1.8 million to invest on these initiatives) or 80c per week for a median-value residential property (1.46%, providing an additional \$3.6 million). There would be no impact on Council's debt.

We want to hear from you on our targeted rates proposal. Go to hamilton.govt.nz/futurehamilton or fill out a hardcopy submission form.

Targeted rate for pool inspections

We're proposing to introduce a targeted rate to cover the cost of a private swimming pool safety inspection. Council is legally required to inspect swimming pools every three years, with the \$237 cost (in 2024/25) invoiced to property owners with swimming pools. To make this process more efficient for Council and property owners, we're proposing an annual targeted rate for swimming pool owners (of \$79 incl GST) to cover these costs. We think this is a fairer system when a property is sold because the previous owner is left with less of the cost burden. There would be a small cost saving for Council in not printing and posting debtor invoices and statements. There is no impact on Council's debt or levels of service.

We want to hear from you on the pool inspection targeted rate. Go to hamilton.govt.nz/futurehamilton or fill out a hardcopy submission form.

Any other feedback

We also want any other comments you have relating to our plans for the next 10 years, Council's Revenue and Financing Policy and/or Rates Remissions and Postponements Policy.

Go to hamilton.govt.nz/futurehamilton or fill out a hardcopy submission form.







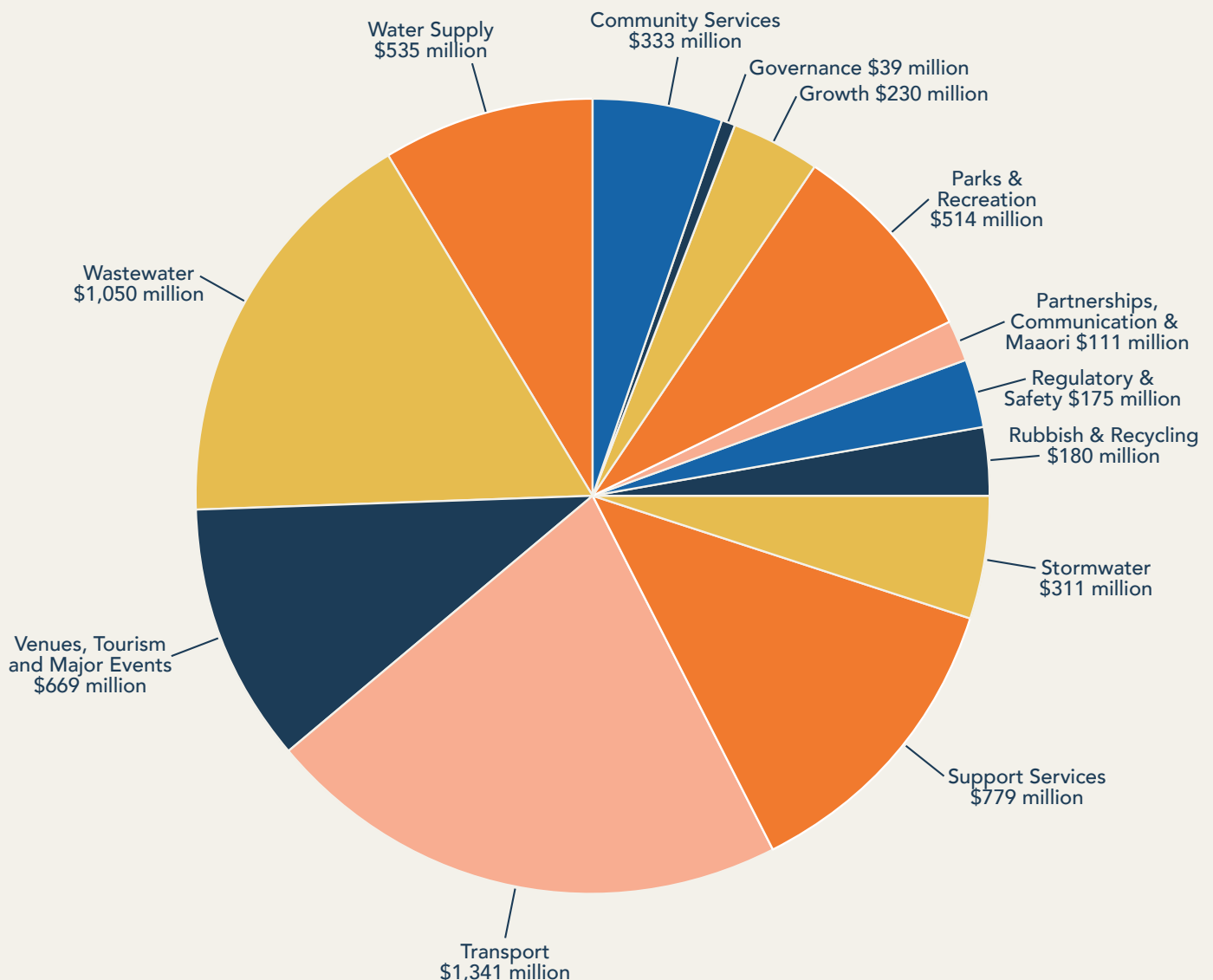
The finances

Our draft Long-Term Plan sets out our proposed Financial Strategy for how Council will sustainably fund its projects and services over the next 10 years. Our Financial Strategy considers the increasing costs of a growing city and how those costs should be shared between Council, our partners, and developers. It also takes into account affordability and certainty for ratepayers.

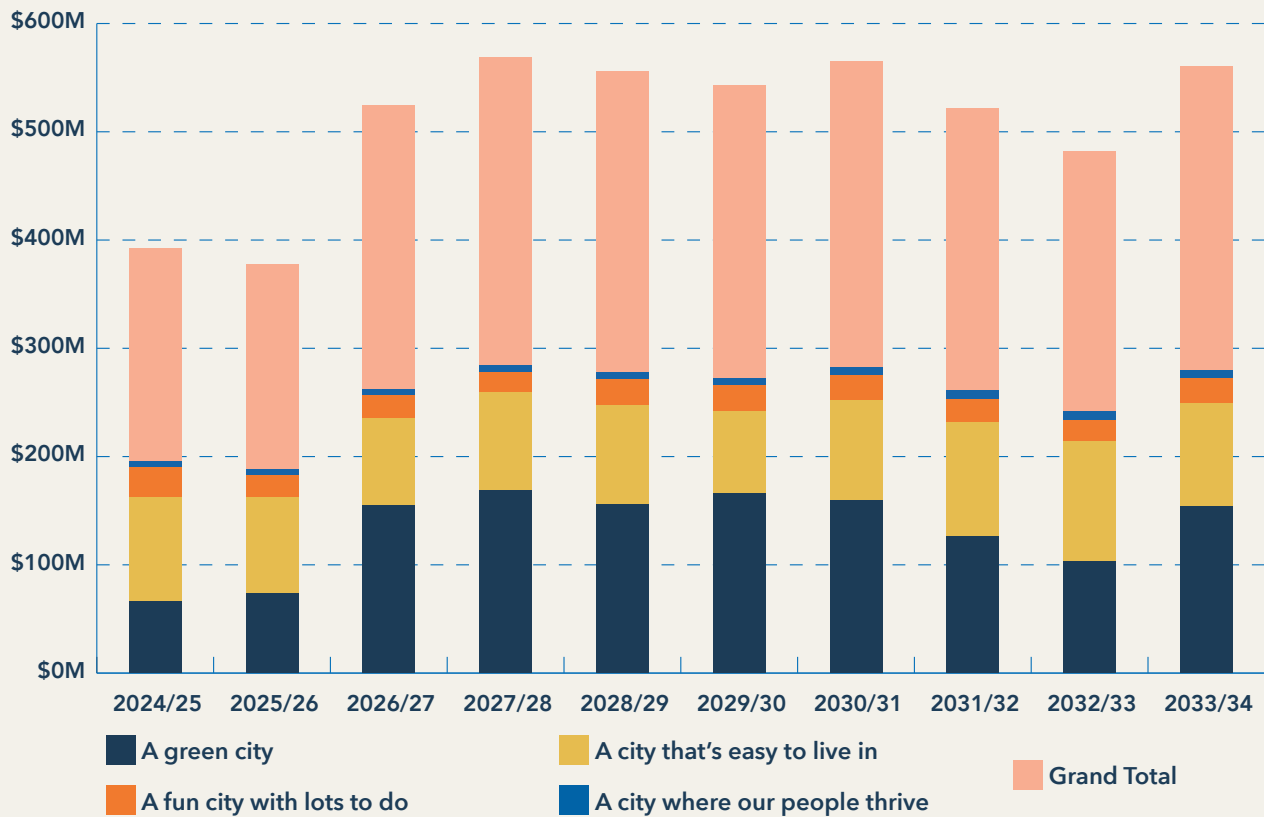
What we're planning to spend

To keep the city running, we will spend \$6.3 billion over the next 10 years.

Total operating expenditure over 10 years



Capital projects spend

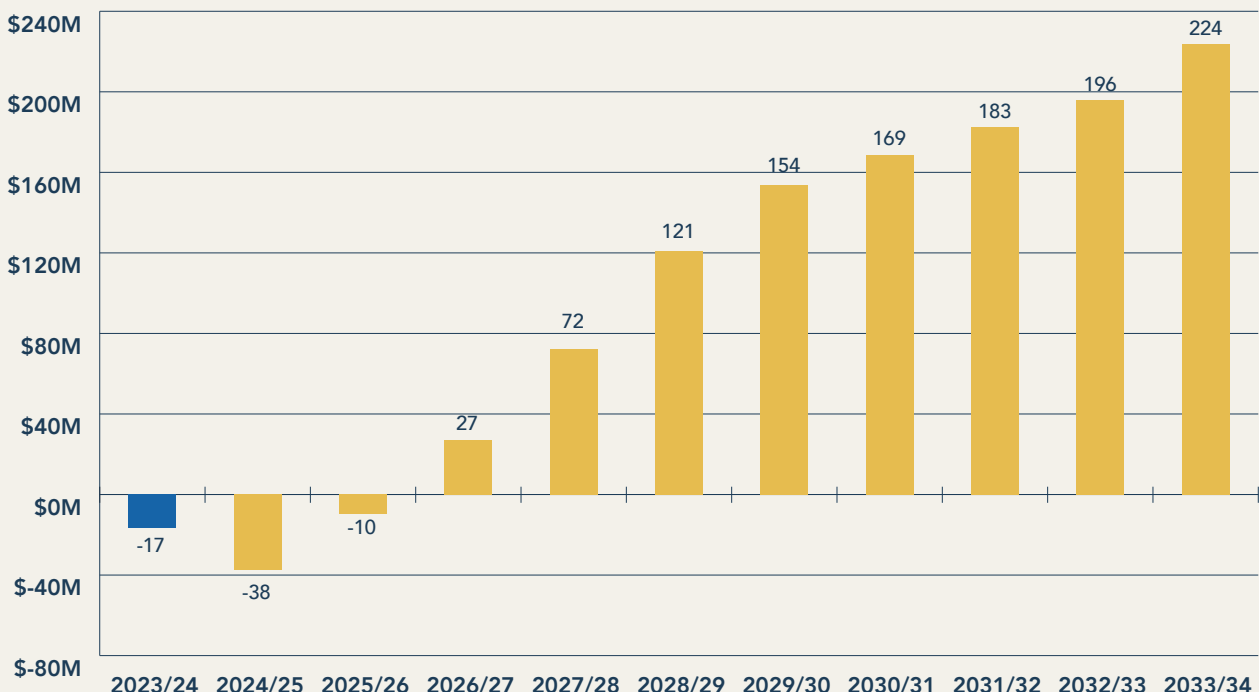


A third of our capital programme is to look after our existing assets and Council is committed to making sure this programme is delivered. Just over half of the capital programme is to fund assets to enable growth across the city. If we can't deliver our planned projects due to external delays or our development partners not being ready, we can move projects between years to stay within our financial strategy limits. The impact of moving the timing of projects may mean services and facilities will be ready for the community in a different year than we have indicated.

Balancing the books measure

Over 10 years, it costs around \$6.3 billion in what we call everyday costs to keep Hamilton Kirikiriroa running. A key principle of our Financial Strategy is to balance the books - this means that everyday costs of running the city are paid for by our everyday revenues. Everyday revenues are rates paid by property owners, fees and charges when people use a Council service, like dog registration or building consents, and grants and subsidies for our operating activities. If we're not balancing the books, it means we're borrowing money (debt) to cover the shortfall. This also means we also have to cover the interest costs on the debt, and our ability to borrow money for future projects is limited. And future generations of Hamiltonians would be helping to fund services that only current residents are receiving, which isn't sensible, sustainable, or fair. For these reasons, we want everyday costs to be covered by everyday revenues as soon as possible. This Long-Term Plan will see us balance the books in 2026/27, with increasing operating surpluses (bringing in more in revenue than we spend in everyday costs) in the following years, which is necessary to ensure we remain within the debt-to-revenue limit.

Balancing the books



Debt-to-revenue ratio

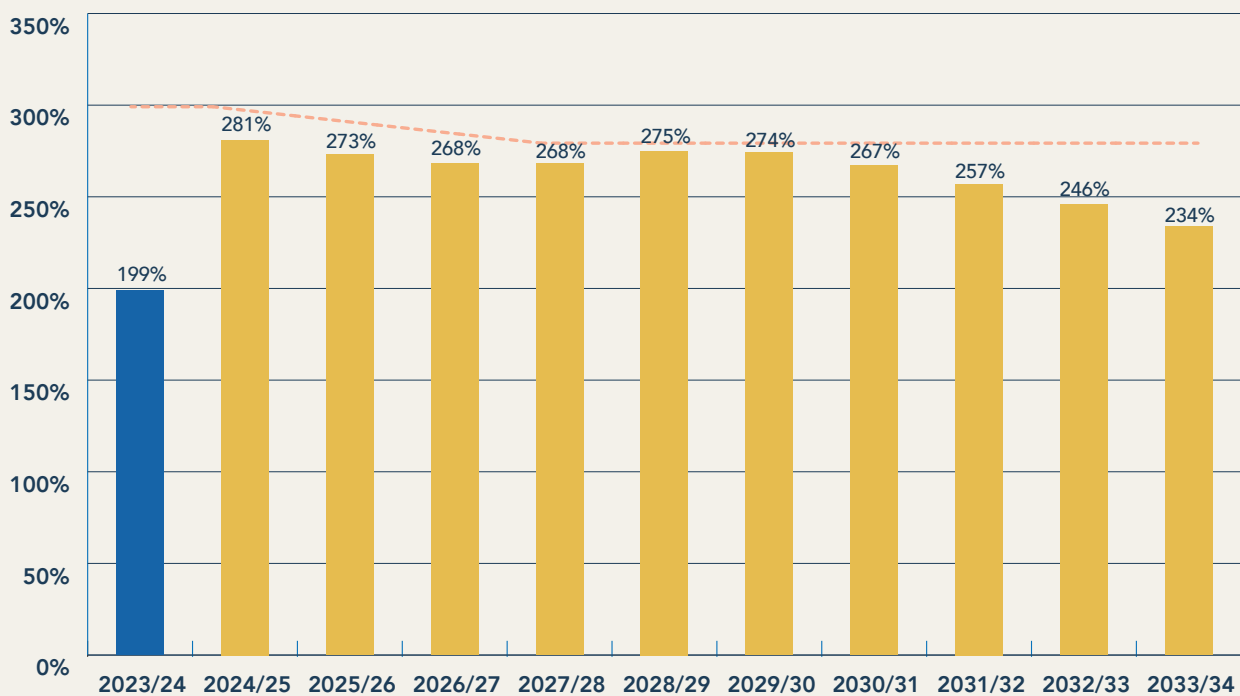
Our Financial Strategy sets debt-to-revenue ratio limits to manage how much we are borrowing (debt) and our ability to pay it back (revenue). Our main source of borrowing is the Local Government Funding Agency (LGFA). The LGFA has its own limits for how much it will lend based on how much revenue the council it is lending to has coming in.

Council is investing \$4.7 billion across the 10 years in its largest capital programme to date. This includes increasing spending on community infrastructure, on renewing existing assets and on delivering projects that meet the objectives of our five priorities.

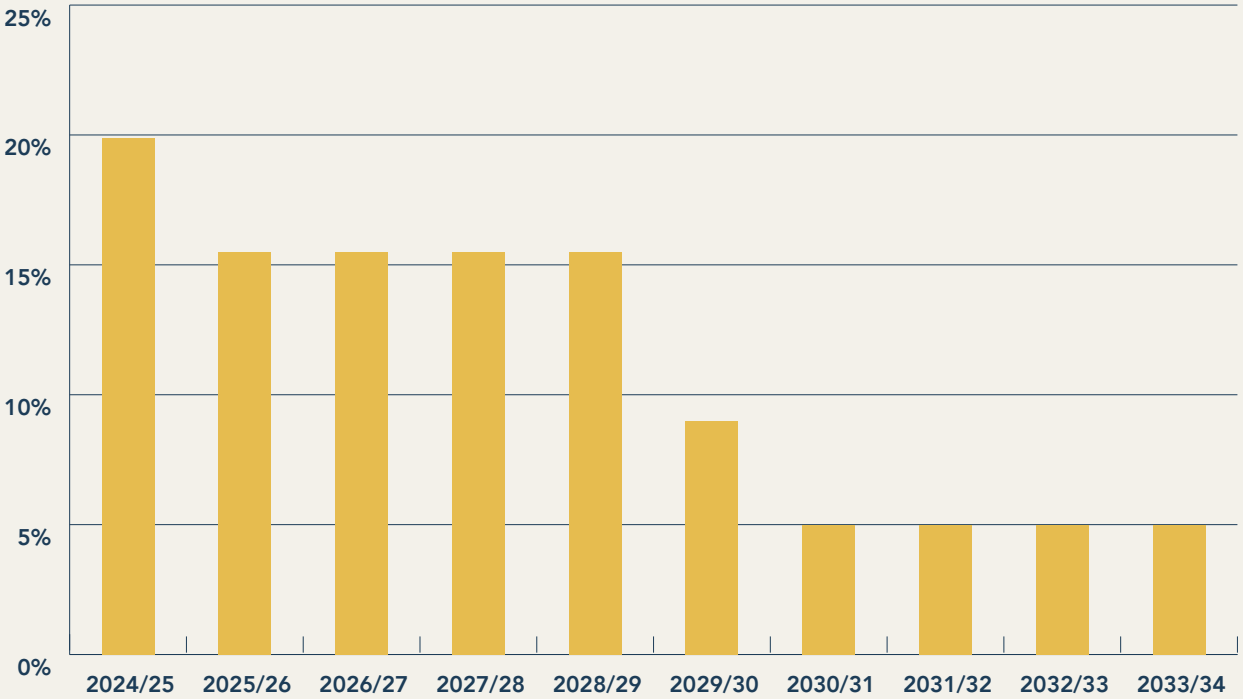
The debt-to-revenue ratio limit of 285% in the first year, and 280% in all subsequent years, is in line with the limits set by the LGFA.

Remaining under these limits supports Council's strong credit rating (AA-). Our ability to fund potential unforeseen events is discussed in the section below.

Debt-to-revenue ratio



Average rates increases to existing ratepayers by year



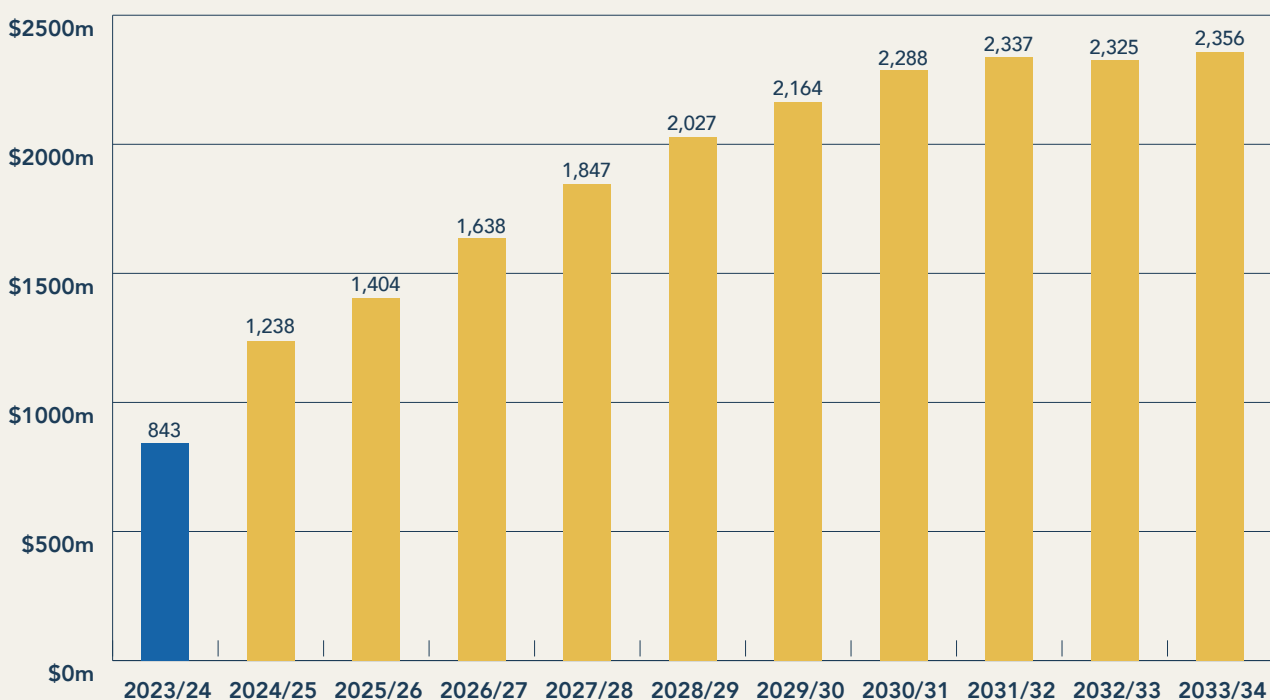
Net debt

Debt is where we borrow money to pay for the entire cost of infrastructure up front. Net debt is the money we owe our lenders, less cash. Borrowing money means we can build now but can spread the payment over many years – meaning that costs are paid by generations of residents who, over time, all benefit from the investment. This is fair because it means that the cost of major infrastructure isn't falling solely on current Hamilton ratepayers.

Projections show net debt increasing to a peak of \$2.4 billion in 2023-34. Rates increases from 2025/26 onwards at 15.5% will create surpluses to contribute to repaying debt.

By 2033-34 Council will have \$459 million in debt capacity within the 280% debt-to-revenue ratio limit. Council's 2021-2051 Infrastructure Strategy shows that debt capacity is needed beyond 2034 for future infrastructure investment.

Net debt



Rates tables

You can find out what your proposed rates will be for the next three years by going to hamilton.govt.nz/futurehamilton-ratescalculator and typing in your address.

General rate differential category	Separate parts (SUIPs)	2021 capital value	Total rates 2023/24	Total rates 2024/25	Total rates change \$	Total rates change %
Residential (median)	1	830,000	2838	3402	565	19.9%
Residential (5th percentile)	1	500,000	1965	2356	391	19.9%
Residential (95th percentile)	1	1,475,000	4543	5447	904	19.9%
Residential	1	2,000,000	5932	7112	1180	19.9%
Residential (with pool)	1	1,000,000	3287	4020	733	22.3%
Residential	4	1,200,000	5745	6889	1143	19.9%
Residential	12	2,950,000	15,517	18,605	3088	19.9%
Other	1	830,000	2267	2718	451	19.9%
Other	1	1,800,000	4165	4994	829	19.9%
Other	1	12,000,000	24,124	28,925	4801	19.9%
Commercial (median)	1	1,075,000	9104	10,916	1812	19.9%
Commercial (5th percentile)	1	500,000	4578	5489	911	19.9%
Commercial (95th percentile)	1	8,910,000	70,770	84,853	14,083	19.9%
Commercial	1	830,000	7176	8604	1428	19.9%
Commercial (no water meter)	1	1,000,000	8982	10,726	1745	19.4%
Commercial	4	2,785,000	24,492	29,366	4874	19.9%
Commercial	10	25,955,000	210,711	252,642	41,932	19.9%
BID Commercial (median)	1	1,075,000	9082	10,861	1779	19.6%
BID Commercial (5th percentile)	1	500,000	4764	5632	868	18.2%
BID Commercial (95th percentile)	1	8,910,000	67,922	82,110	14,189	20.9%
BID Commercial	1	830,000	7242	8633	1391	19.2%
BID Commercial (no water meter)	1	1,000,000	8987	10,179	1192	13.3%
BID Commercial	4	2,785,000	24,951	29,666	4715	18.9%
BID Commercial	10	25,955,000	205,008	246,879	41,871	20.4%

Figures include GST.

The increase for Business Improvement District (BID) Commercial ratepayers is different to the average general rates increase of 19.9% because:

- the BID rates will increase by the average general rates increase, capped at 5%;
- the Central City rate will be reduced in 2024/25 as the two-hour free parking trial in the CBD is proposed to end from 1 January 2025; and
- the CBD Commercial rates differential will increase from 95% of Commercial rates to 96% of Commercial rates set for the city.

Assumptions

When we are preparing our budgets and forecasting for the next 10 years, there are always factors on which we must make a judgement call on. When we do this, we also think about the impact if the actual situation is different from our prediction. Here are the key assumptions applied to our budgeting that have a high degree of uncertainty:

	What we have assumed	What it could be
Population growth	<p>Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. On 14 June 2023 through the Strategic Growth Committee, Council adopted the NIDEA high projection (2021) to prepare this Long-Term Plan.</p> <p>Population projections from this projection series have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.</p>	<p>As a result of the variability in immigration settings, there is a high degree of uncertainty around these projections. If the government continues with a permissive immigration policy, the rate of growth is likely to be higher than forecast. A move to a restrictive immigration policy would likely result in growth lower than projected.</p> <p>We monitor population growth and projections can be revised if immigration or growth settings change and growth from what is projected.</p> <p>To ensure we have the best information available, we rebase our population projections annually when the latest Statistics New Zealand population estimates are released.</p>

	What we have assumed	What it could be
Ratepayer growth	<p>Ratepayer growth considers the annual increases to the number of rating units, Separately Used or Inhabited Parts (SUIPs), land value, and capital value resulting primarily from subdivision and building works.</p> <p>The ratepayer growth achieved from previous years is compared to the number of completed new dwellings and is projected using the number of total households forecast by NIDEA high.</p> <p>Building and development activities are highly influenced by the economic climate, building industry, and housing market. Ratepayer growth is not linear from year to year and some variance from forecasts is expected.</p>	<p>As a result of this complexity there is a high degree of uncertainty around these forecasts.</p> <p>The percentage increase and additional revenue represent the increase from the previous year due to growth in the:</p> <ul style="list-style-type: none"> • general rate; • Uniform Annual General Charge (UAGC); • Government compliance rate, • Business Improvement District (BID); • council owned property remission; • community organisation with retail shops remission; and • water, wastewater, and refuse collection services remission. <p>As we receive updated data and forecasts, we may need to review our budgets.</p>

	What we have assumed	What it could be
Development contributions revenue	<p>Future revenue has been projected using the Development Contributions (DC) model and is based on the projects included in the funded infrastructure programme.</p> <p>The DC revenue assumption considers projected growth from Hamilton City Council's growth model, assumed market response to high DC charges, the difference between forecast growth and growth that pays DCs, current and historical payment patterns, DC remissions, capping and phasing of DC charges, and takes consideration of growth modelling error margins.</p> <p>Should Hamilton grow more quickly than expected, DC revenue would exceed these expectations. However, the increase in revenue will be offset over time by a need to accelerate growth-related core network infrastructure. Conversely, if growth is slower than expected DC revenue will be lower - offset by new infrastructure that may be deferred until needed. In cases where infrastructure cannot be deferred, infrastructure is supplied ahead of need and the costs will be recouped as the demand (and DCs) is realised. The DC model and its revenue projections is updated every long-term plan to account for what has happened in the past three years.</p>	<p>While development contribution revenue projections are made using the best information and peer reviewed models, the fact of that uncertainty arises because development contribution revenue projections themselves are based on inherently uncertain assumptions including long term growth projections, economic projections, and projected future land use and capital investments. The timing of the receipt of DCs and the capital spend related to the projects for which DCs have been collected, will impact the debt levels. Given the Council is closer to its Debt to Revenue threshold, this requires careful management of the timing of the capital programme to align it with revenue growth.</p>

	What we have assumed	What it could be
Revaluation of non-current assets	Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the Statement of Financial Position. This includes an inflationary allowance calculated in accordance with the GHD cost escalation report provided to Council as at 31 December 2023, in respect of the capital works programme.	There is a high level of uncertainty due to the significant inflationary pressures on the capital programme in a high inflation economy, that has yet to settle. There is also demand pressure on capital resourcing with the additional resource demand caused by the 2023 Hawkes Bay and Auckland flood events. Should inflation be higher than the budgeted assumptions for revaluation, insufficient rates may be collected for debt repayment and for future renewals.

	What we have assumed	What it could be
Transport third party funding	<p>We have assumed that operating and capital expenditure programmes, which have in the past received NZ Transport Agency Waka Kotahi subsidies and/or satisfy the criteria required for subsidy, will continue to receive subsidy funding over the course of this Long-Term Plan.</p> <p>We have further assumed that the NZ Transport Agency Waka Kotahi subsidy rates of 51% that has generally been applied will continue to apply.</p> <p>This assumption is highly uncertain.</p> <p>NZ Transport Agency Waka Kotahi provides confirmation of the programmes of work which will receive funding as part of its three yearly National Land Transport Programme (NLTP). Funding advice has not been received for the 2024-27 period and this is subject to the priorities of the new incoming government.</p>	<p>The government is proposing to change the approach to transport spending in New Zealand. The draft Government Policy Statement on Land Transport 2024 was released on 4 March 2024. While it is a draft at the time of writing, there is a high risk that NZ Transport Agency Waka Kotahi will reduce the amount of subsidy available for Council's capital transport programmes.</p> <p>If funding from NZ Transport Agency Waka Kotahi is lower than we've assumed, we would need to review our planned work to ensure our programmes best align with the new criteria and therefore receive subsidy, or potentially fund any subsidy shortfall. Programmes that we had expected to receive subsidy for may be reassessed and the approved programmes may be adjusted in the final Long-Term Plan. In particular, we would need to be mindful of the implications for our debt-to-revenue ratio, which is already close to the limit set by the Local Government Funding Agency, in most years.</p>

2024-54 Infrastructure Strategy

Looking further ahead

As we plan for the next decade, we're also looking ahead to consider the city's needs 30 years into the future. This planning allows us to establish the necessary infrastructure today, paving the way for future councils to invest in infrastructure that will suit the Hamilton Kirikiriroa of tomorrow.

We've identified significant infrastructure challenges and the big infrastructure decisions we anticipate will need to be made to address these between 2024 and 2054. Factors such as maintaining existing services and looking after what we have, the pressure that growth has on our infrastructure, more stringent legislative and policy standards, climate change, and environmental limits all influence our infrastructure planning.

Our approach to infrastructure investment is constrained by our financial position, characterised by high debt and low revenue. This results in reduced capital and operational budgets, hindering our ability to manage the city's infrastructure while meeting the escalating expectations on local government, including higher compliance standards and a broader scope of responsibility.

With land and construction costs on the rise, there will never be a more cost-effective time to invest in our future than now. Without sustained high levels of investment we will not be able to deliver the infrastructure required to address Hamilton's challenges. Local government system change is required to keep pace with the ever-growing investment required, otherwise we risk leaving future generations in a worse position, with lower quality and fewer public goods such as roads, parks, and water provision.

We can't do it alone so having a plan and strategy that lays out the challenges we face as a city enables collaboration with our partners to ensure we deliver for our city's future.

More information on the city's 30-year strategy for infrastructure can be found in the draft 2024-54 Infrastructure Strategy at haveyoursay.hamilton.govt.nz.

Your Council

Ko taa taatou Kaunihera

Your Mayor and Councillors



Paula Southgate

Hamilton Mayor

E paula.southgate@council.hcc.govt.nz



Angela O'Leary

**Deputy Mayor and West
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