



OFFICE OF THE MAYOR
HAMILTON

8 May 2025

Waikato District Council

Tēnā koe Mayor Jacqui and Waikato District Councillors

Submission on Long Term Plan, including the Proposal to Form a Joint Waters Company with Hamilton City Council

I am pleased to write on behalf of Hamilton City Council, in support of your Long-Term Plan, including the proposal to form a joint waters company (a CCO) with Hamilton City Council.

Councils need to deliver water differently

Our country needs huge investment in waters infrastructure. Successive governments have recognised this.

All councils have been directed by the government to consider how they can more cost-effectively, provide waters services in the future. There is little 'choice' involved.

Councils are being strongly encouraged to join with neighbours to create scale and drive efficiencies so that, over time, cost increases to ratepayers are minimised. This proposal does exactly that.

Together, our Councils have done a huge amount of analysis on the options. Our proposal – supported unanimously by all Hamilton City councillors – is to form a joint waters company, a CCO, with Waikato District Council.

The CCO would build, maintain and operate three waters infrastructure, based on expectations from the council shareholders. Stormwater services and assets would remain the responsibility of each council but would be provided by the CCO.

The benefits are clear. The CCO will:

1. **Be more strategic in terms of investment in water.** A larger company is far better able to maximise scale and the benefit of streamlined and bundled procurement and integrated planning. Together, we will be a much stronger entity.
2. **Have more debt headroom.** That means we can borrow the money we need to build infrastructure and spread it more fairly over generations, given that water infrastructure is a multi-generational asset. This is fairer on today's ratepayers.

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3. **Be better able to support growth.** A joint waters company will make it easier and more cost-effective to work and invest in critical waters infrastructure, across council boundaries. This will have city and regional benefits and will allow us to meet the government's growth obligations faster and more cost-effectively.
4. **Be more affordable for ratepayers over the long term.** There is a much greater ability to smooth costs over a longer period of time (rather than costs being borne unfairly by today's ratepayers).
5. **Be more transparent and accessible for customers.** End-use customers will have a dedicated and specialised water company to liaise with around water issues (rather than dealing with a council which has multiple responsibilities). That is something developers, in particular, may welcome.
6. **Be better for specialist waters staff.** Our workforce is in high demand and ageing. A larger organisation that specialises in water will offer water specialists better career opportunities and more peer support, and ensure ongoing access to the critical water expertise our community needs.
7. **Be more resilient, including in natural disasters.** The company would operate independently, free of political cycles and decision-making. It would be solely focused on delivering water infrastructure services across boundaries, irrespective of political agendas, or the local government framework councils must currently work within.
8. **Be better for the Waikato River.** This option allows both councils to work together to protect 150km of the river, something we know is vitally important to both organisations.
9. **Be better able to respond to third parties.** The CCO will deal directly with government agencies and work closely with regional bodies to meet regional and national objectives.

Hamilton City Council is also consulting with our communities on this option. We will be deliberating and making decisions on 29 and 30 May 2025, immediately following your decisions.

While we cannot pre-determine our Council's outcome, I would like to relay the strong support around the Council table for progressing with the preferred option.

We have also heard through engagements in the community that there is considerable support from our community for this option as well.

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Stormwater Revenue

Hamilton City Council is concerned about the adequacy of projected revenue in relation to necessary stormwater expenditure. We encourage Waikato District Council to review stormwater revenue through next year's Annual Plan. We also encourage Waikato District Council to consider who benefits from stormwater expenditure and whether the impact of the stormwater targeted rate could be broadened to better align with those who derive a benefit from stormwater activity, not just those who are physically connected to a stormwater network.

Other Issues

The partnership between Hamilton City Council and Waikato District Council has gone from strength to strength. Through Future Proof, strategic infrastructure projects such as the Metro Spatial Plan Rapid Transport work, the Southern Wastewater Treatment Plant, the Pukete Wastewater Treatment Plant, and other wastewater upgrades have been agreed. We encourage Waikato District Council to continue progress sub-regional priorities, noting that they can only be delivered in partnership.

As outlined in your Long Term Plan, local government continues to face significant funding challenges, along with a substantial volume of legislative change impacting the sector. Hamilton City Council seeks to continue to work closely with neighbouring councils on opportunities for shared services that may provide cost savings for ratepayers.

Working across jurisdictional boundaries is becoming even more important with additional urban development enabled through Fast Track and other government policy settings. This makes working together on integrated planning (be it transport, community infrastructure or other services) vital to achieve quality outcomes for our future growing communities.

I would be pleased to speak to this letter at your verbal submissions meeting.

We wish you well with your decisions.

Ngaa mihi nui

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