

## **Risk and Assurance Committee - Rangitīkei District Council - Chair's Report - June 2023**

Author: Philip Jones, Chair

While I have nothing formally to report on, I do want to raise for discussion by the committee the following risks.

### **Economic uncertainty and impact**

Based on a recent article by Tony Alexander he pointed to five uncertainties that could change the current economic trajectory. These are:

1. There is a record migration boom underway (excluding the early pandemic months) of a net 73,000.
2. Balancing out the net implications of the likes of inflation and interest rates.
3. We are living through a post-pandemic period. None of us has done this before and this at a minimum is good enough reason not to believe anyone's forecast of just about anything
4. After rising strongly for 12 years there is a downward correction in house building activity underway.
5. There is the biggest cost of living shock in three decades underway

While the Council has no control on any of the uncertainties, it should be aware of them and monitor the economic trajectory and associated economic risks.

### **Government reforms and impact on the ability of Council to provide the services to the community in a meaningful way**

In the agenda - Item 10.4- Risk and Assurance Committee Work Programme in section 2.4 Current Areas of Concern raised the following:

*The proposed Three Waters reforms have created a significant level of uncertainty around many aspects of Council's operations. The impact of these reforms continues to be carefully monitored and assessed at all senior levels of Councils.*

*The potential financial impacts of these reforms continue to be reported to Finance/Performance*

In my opinion the proposed Government water reforms poses the highest level of uncertainty not only many aspects of Council's operations as noted in the report but it will affect Council's long term planning. This then raises the further question - what does this District Council look like post three water reforms. This will impact the next 2024/34 Long Term Plan.

In addition, there are other changes including to the RMA and the future of local government.