

# CHAIRMAN'S REPORT

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## FINANCE AND PERFORMANCE 28 MARCH 2024

I'd like to open my report and thank Council for the opportunity to attend the Zone 3 Meeting in Gisborne last week. I accept this is a huge privilege and reiterate I find the topical presentations and the chance to mix and mingle with other Mayors and Councillors incredibly thought provoking and definitely gives us lots to think about and how a whole variety of issues that might impact our Council. Not to mention the 6 1/2 hours each way being chauffeured by HWTM - plenty of ear time to ask questions! I now must apologize Coral, Gill and I will present our report at the next Council meeting as only Coral was able to meet today's deadline with her notes.

We are currently consulting on our LTP and I encourage everyone to submit by 7 April. Currently our average rate increases sit at 11.5%. LGNZ surveyed 48 councils and the rate increases range from 6-25% (medium 15.3%) Similar high increases likely over next 10 years. Councils have taken on huge debt and unfunded mandates from Central Government are problematic.

I have been thinking about the significant inflationary pressures on our capital projects and wondering at what stage do we increase our budgets for inflation. Infometrics are saying bridges alone are 38% more expensive than 3 years ago. Roads are 27% more expensive and non-residential buildings have got 25% more expensive in the last three years. We need to recognize this in our budgets otherwise it is near impossible to deliver a project under budget and on time.

