Finance/Performance – Chair's Report – Tabled

Our council calendar year ends 30th of June so this month's report covers first month of the council year.

A few takeaways from this report, our annual plan and the pre-election report. The average rate rises came out at 7.9% down from 9.1% consulted on, thanks to staff's line by line examination for proficiencies and savings.

Our year end revenue is 55 million of which 32 million in rates revenue 65% of this is spent on water and roading infrastructure. The main other revenue is from NZTA and roading grants. The system works something like this. We can fill out our asset management plan and apply to NZTA for works required to be done. We get a 64% FAR rate subsidy on works approved by NZTA. However, in the last round of applications, 12.2 million was declined for that 3 year 24-to-27-year period. In short, government is trying to build highways, but this puts enormous pressure on our roading network.

Our year end debt is looking to be at 54 million.

Rangitikei District Council recently signed our water services delivery plan alongside Horowhenua and Palmerston North councils. Our council is undergoing in the midst of significant change and what we look like going forward needs to be worked through. But regarding Local Water Done Well I think it's important to consider. We were too small to go it alone. This collaboration puts us above the 50,000-connection mark that ensures significant financial advantage. Finally, I think this puts us in the top five to six in the country for numbers of connections, meaning we hope this will attract top staff and capability. I understand a 100 million saving is expected over the next 10 years to be shared between the three councils. Although there will be some stranded overheads and in it and we expect to lose some 20% of revenue, we will also lose 60% of debt enabling more debt room for other services. There's a lot of work ahead of us.