

15 May 2020

Media Statement – Draft Annual Plan amended in response to COVID-19

Carterton District Council has updated its approach to the 2020/21 Annual Plan to acknowledge the effect COVID-19 will have on our local economy.

A paper is being presented at next week’s Audit and Risk Committee meeting which forecasts a slight deficit due to reductions in revenue and the desire by our elected members to keep rates increases as close as possible to the 1.2 per cent increase outlined in Year 3 of the 2018-2028 Ten-Year Plan. This deficit will be paid for by our general reserves, which is from prior year surpluses.

The draft Annual Plan prior to the Alert Level 4 lockdown contained no new activities, so finding savings has been challenging. The council was not willing to consider any reductions to levels of service, or undue delays to capital work programmes - the reason for this being that the council is committed to delivering our agreed work programmes for our community. However, the actions we have taken in the amended approach will enable us to deliver a plan with average rates increases of between 1.2 and 2 percent, while minimising the effect on rates rises in future years.

“We know this has been a really tough time for our residents and local businesses and this revised approach to our Annual Plan reflects that,” said Jane Davis, Carterton District Council Chief Executive.

“Our council staff have been doing everything they can to give our Carterton community the support they need. This includes working one-on-one with Carterton business owners to get them open during the various COVID alert levels and waiving late payment penalty fees for rates accounts where people have made payment arrangements with us.

“We’re hopeful that the work we’re doing to help Carterton recover will see us in a better place than we were in prior to COVID-19.”

The recommendation to council is that it approves the amended approach to the 2020/21 Annual Plan. The amended approach asks council to agree to the following:

- Increase average rates between 1.2% and 2%
- Deliver on services at levels that were intended by Year 3 of the Ten-Year Plan 2018-28 where possible given the ongoing national response to Covid-19.
- Continue capital expenditure on planned projects.
- Adopt a plan that is unbalanced in that revenues will not cover expenditure, ie: a small operating deficit is now estimated to occur for 2020/21
- Adopt a plan which will not materially impact on the balance sheet, ie: and which reflects an approach that is considered financially prudent in these circumstances.

The Audit and Risk committee meeting can be viewed by the public via Facebook livestream. A recording will also be made available later on our YouTube channel, Carterton District Council, NZ.

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