



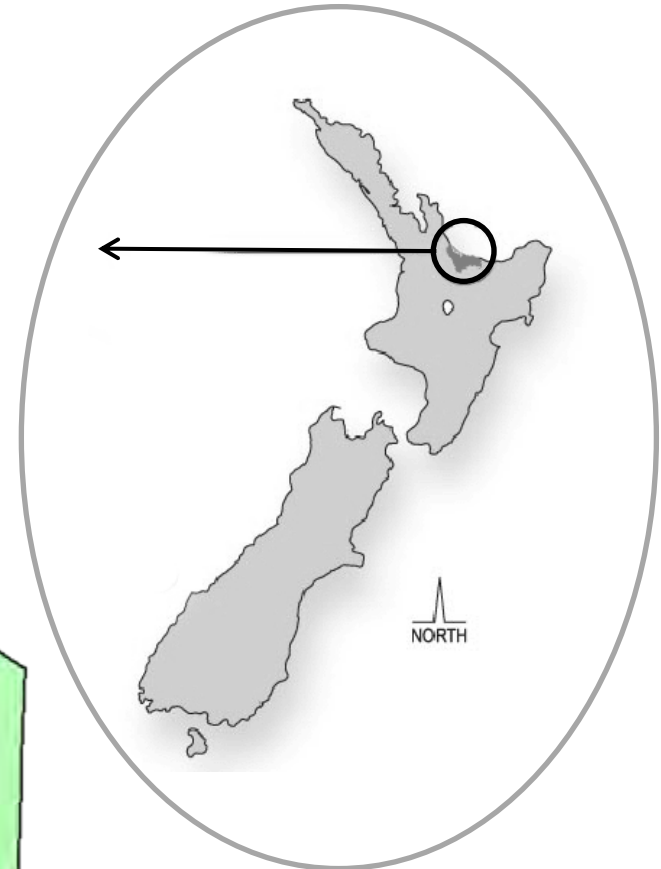
# Navigating through the financial perfect storm - a Western Bay perspective

Presentation to  
Road Controlling Authorities Forum  
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Plenty District Council

# My neck of the woods

- One of the New Zealand's fastest growing areas



# The perfect storm

- Flat economy
- Severe slow down in development
- \$140m of debt, \$92m related to growth related projects
- Forecast \$12m from financial contributions
- 2009/10 Received \$5m in 2009/10
- 2011/12 Expect to receive just \$3.5m in 2011/12
- No significant changes to operating environment for next 18 – 24 months

# Navigating through the storm

- Destination – retain A+ credit rating in 2011/2012
- How we'll get there:
  - Reduce growth related capex by deferring \$7.5 - structure plan lead infrastructure
  - Contract protection of road maintenance spend via PBC
  - Combined roading and general rate limited to, on average, XX%
  - Slashed \$2.4m from internal spending, of which \$1m were direct cuts to opex, without causing significant risk to levels of service
  - Increase income via 10% increase in UACs to meet costs of servicing \$79m of debt for water and wastewater infrastructure

# Navigating through the storm

- How we'll get there (*cont*)
  - Reduce borrowing costs via economies of scale from 'Bond Bank' (partnership with eight other councils)
  - Further efficiencies from BOPLASS (Bay of Plenty Local Authority Shared Services)
    - Insurance
    - Back office – IT, phone systems, GIS, data
    - Some procurement on the radar
  - Continue to harness efficiencies generated through integrated operations management model - only TLA to receive Silver Award on first application to New Zealand Business Excellence Foundation)
  - We remain focused – next Long Term Plan (three year review) commenced.

# Thank you