

# Harbour bridge work a casualty of cost-cutting

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by Rosemary Roberts

A \$20 million slash-and-burn cost-cutting exercise has seen the start of work on Whangarei's second harbour crossing pushed back to the 2011-2012 financial year.

Whangarei District Council's Finance & Support Committee earlier this week approved deferring a wide range of projects and a reconfiguring of the accounts to stay within budget.

The clawback compensates for the \$20 million factored into this year's budget that was to have come from the sale of the Old Boys

Rugby Football Club land. That is now unlikely to be in the bag until after the end of the 2010-2011 financial year.

The committee approved a revised budget for the 2010-2011 year, cutting capital expenditure from \$68 million to \$47 million.

Group manager of support services Alan Adcock told the committee that the council had to "balance the books".

"It's about deferring expenditure to match income just as any household would do," he said.

The council said the \$20 million sale of the Old Boys Rugby Football

Club — which will part-fund the bridge — proceeded more slowly than expected.

This put the brakes on preparations to build the bridge, which meant that the council has not yet been able to uplift the New Zealand Transport Agency 50 per cent subsidy for the project.

Contributing to the potential deficit was an increase in roading costs, which were about \$1.5 million over budget, and unpaid levies and penalties. Committee chairman Warwick Syers said finances were "pretty much on track" and would be boosted as some council-owned

commercial sites were sold. Some owners had been desperate to buy the sites for years, wanting security of tenure to proceed with major developments.

Sales were expected to proceed when the economy improved.

"Ironically now these owners can buy the land, right now, they can't," he said.

Among works cancelled or deferred are improvements at the Whangarei treatment plant and solid waste rural transfer stations; the Parihaka lookout; jetties, wharves and pontoons and the swimming pool.

Additional parking provision, water main replacements, stormwater pump replacements, and \$350,000 set aside for land purchases will all be on hold for a time.

A wide range of recreational projects from picnic sites to landscaping, a swimming pool upgrade, drainage of the Tikipunga/Belmont sportspark upgrade and the Whale Bay/Matapouri headland Coastal Walkway are marking time, saving \$1,254,225.

Maintenance and upgrading work at Forum North are also on hold, keeping about \$600,000 in the system.