

Candidates claim current debt unacceptable

ELECTIONS
2010

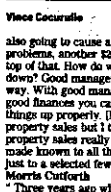
Whangarei residents will be able to watch a repeat screening tonight of *Elections 10* on Channel North television. *Elections 10* is a six-episode series, which screens Thursday nights at 7pm, and again on Fridays at the same time. *Elections 10* is a joint venture with the *Northern Advocate* and will cover key local issues in the Whangarei district, ask people on the street what they think, and tell people about their voting wards. Whangarei's mayoral candidates have also been invited to sit in the *Elections 10* hot seat, and answer six questions. Tonight the mayoral candidates are asked: "What's an acceptable level of council debt, and how do we keep it there?"

Terry Burkhardt
"I think the main question is not what level of debt, it's what debt policy that we would incorporate into the council's business plan. Currently we have a rates capping policy which is actually detrimental to long-term planning. When we do not trust their elected officials they tend to go to rates-capping or limiting revenue raising for the elected officials there is a way around this and that is through the use of higher planning, increased information and increased community engagement in council decisions. These are all ways we can turn away from a rates-capping policy. Basically the current rates-capping policy is creating a generational debt so we are not creating a debt today but we are passing that debt on to the future. So it is very important that council takes into consideration the debt situation."

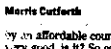


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Vince Cocuarulo
"I'd want it as low as possible but \$130 million is a bit high at that level it shouldn't go over. At the moment the council is \$151 million in debt, which is too high. And we also have a bridge coming up which is also going to cause a lot of problems, another \$20 million on top of that. How do we keep it down? Good management is the way. With good management and good finances you can actually be things up properly. [Maybe] some property sales but I think property sales really need to be made known to all the public, not just to a selected few."



Vince Cocuarulo
"Acceptable level of debt. Within council at the moment we've got a debt level. It was supposed to stay at \$130 million. Unfortunately we haven't done that, we've actually gone further than what that is \$130 million is not right for the council and the amount of land we own. Personally, from someone who owns a house, I don't like debt."



Morris Cutforth
"An affordable council, it's not very good, is it? So council debt is something that I really want to have a look at. The reason I'm standing is that I want an audit done of the council books as soon as I get in there to find out exactly what is the council debt. It's a lot higher than you think."

Don Hodges
"The debt is unacceptable at the rate it's going, especially for infrastructure spending. It's a big burden on the ratepayers and the future ratepayers of the area and the economy for land owners. I think it should be able to be serviced within a very limited time, maybe, I'd like to see it reduced to at least half what it is now. And the burden of the interest rates accumulating on top of the debt is an aggravating factor and it's all borrowed money."



Paul Jeeves
"An acceptable level of debt would be a debt you can service you know. How do you control and keep it at the level?"

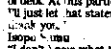


Paul Jeeves
"It's a matter of going through the accounts with a fine tooth comb and ensuring that there's not wasted expenditure. It's a matter of ensuring that your income matches your expenditure and doing projects that are going to possibly have a return for the council particularly on council-owned assets. You need to watch spending and concentrate on efforts that are a benefit to the community, which in turn will generate interest and income."

Mia Kayal Raut
"That's a tricky one, that one there. Me and my nephew, we look ahead and we look at the positivity there. Debt. Well, we need to come out of that quagmire. We need to go forward and we need to be prosperous now because certainly there is a need out there on the general populace. And I'm looking at the Whangarei region and as I come before you I may come with a statement. The ordained order of mathematical intelligence and if elected in this position as mayor I certainly will be using that statement and I know I will have a good team with me there that will address that matter of debt. At this particular moment "I just left that statement stand, thank you."

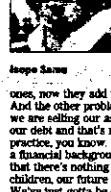


Mia Kayal Raut
"I don't know what that figure would be. I mean you have different people and their ability to cope with numbers is totally different from one individual to another. What we've got to do is smart about our spending. We've got to spend in a smarter, look at our projects. There seems to be some projects that have actually leapfrogged some of the existing ones, now they add to our debt. And the other problem I see is that we are selling our assets to reduce our debt and that's not good practice, you know. Even I, without a financial background, understand that there's nothing left for our children, our future and so on. We've just gotta be clear about what we are going to be spending money on, clear on the projects we are going to implement and work on them. Then anything new coming in we jump on that as well. Stress management. Well, keeping any debt at any level is about managing the debt."



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"I think the current debt level is not acceptable and I think the selling of our assets to balance the books is definitely not on. We have to go to our community before we sell any assets and if it's agreed upon to sell assets, it's got to be done on an open, honest playing field. It hasn't happened in the past. The debt level, until I actually get in there and see the books for myself the figures that we've heard range from \$80 million to \$180 million. Until we can get in there and actually take the top off the can and have a look we really don't know what the figures are. And I don't think it's important to establish that and talk to the people in the positions in the accounts department to find out what's really happening, and then we can work from there. Simon Vallings "Well, in answer to that question I'd say there isn't really any acceptable level of debt. It's not spending more than we can actually afford because we want something new, instead of saving up for it in the future. So I think we need to look at some projects we do need to borrow money for because it's got a clear economic return that is going to be paid back. But in general council through out New Zealand have had much too high a level of debt putting an onerous burden on to future ratepayers, rather than budgeting it out carefully to live within our means now."



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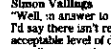


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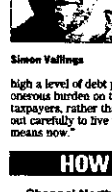


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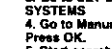


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HOW TO

- Channel North is transmitted off Mt Paritaka and can be picked up between Waipoua and Hikurangi. However, hills block reception in some areas within that range.
- 1. Go to a channel not in use.
- 2. Press MENU on your TV remote control.
- 3. Go to SET UP/ SYSTEMS
- 4. Go to Manual search. Press OK.
- 5. Start searching or Press UHF 40/623.25 MHz.
- 6. Store U/confirm. Push OK.

MEET THE CANDIDATES: People wanting to see Whangarei's mayoral candidates in person can do so at a meet-the-candidates meeting at Ruatangata Hall from 7pm tonight. There will be another meet-the-candidates event at Tikipunga High School from 7pm on September 30.