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Mayor: Debt of \$165m acceptable

By Joseph Aldridge

Whangarei Mayor Morris Cutforth says he's comfortable with the council's debt level, which may reach \$165 million in the next few years, despite having voiced concerns about council debt during his election campaign.

Mr Cutforth said he was "green" when he came into council but now saw things differently.

His comments follow claims by Councillor Brian McLachlan that the council had been financially undisciplined, leading to an unexpected deficit and greater than planned debt.

Mr Cutforth made similar comments about the previous council during his campaign but now says he's comfortable with the council's financial position.

A couple of big capital expenditure projects, the \$29 million second harbour crossing and the \$14 million Ruakaka sewage extension, would stretch the council financially

over the next two years, Mr Cutforth said.

"The reason the debt level is going so high is that with both of those projects we have government subsidies and we'd be absolutely foolish not to take them up.



Morris Cutforth

"All we're doing is lifting [the debt level] to about \$165 million eventually, but that will all be in keeping with the CPI [Consumer Price Index]. We have a bit of a blip in the council overdraft for the next few years, but as properties are sold that will come down to a level that I'm really, really comfortable with."

Mr Cutforth said he placed a lot of faith in Finance and Support Services Committee chairman Warwick Syers and in the "financial gurus" at the council.

Following Cr McLachlan's comments last week, the *Northern Advocate* rang his colleagues to see if they shared his concerns.

Cr Crichton Christie did, saying the council plan to borrow money from the Property Reinvestment Reserve once it sold properties was a worry. "It's just short-term, easy, get out of trouble and not addressing the problem."

Cr Aaron Edwards said the council was unnecessarily raising its debt to fund the Lower Hatea River bridge.