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FOR IMMEDIATE RELEASE

ATTENTION: CHIEF REPORTERS
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Council grappling with price increases and rates affordability

Price increases for essential items like electricity are hitting the Invercargill City Council, which is grappling with how to maintain services to ratepayers and keep rates down, Invercargill City Council Director of Finance and Corporate Services Dean Johnston said today.

Mr Johnston said that while inflation is decreasing, the true cost of providing services is increasing.

An example of this, discussed at the first Council meeting of the year, is that Council will have to pay 12.8% more for its electricity over the next three years.

Another example, to be discussed at Council's Community Services Meeting next week, is the contract price adjustment for bus services, which was estimated to be 6% but the actual contract price adjustment is 14%.

Mr Johnston said over the past six months, as part of the Council's Ten Year Plan, Councillors have been reviewing and adopting the Asset Management Plans for major services provided to the residents and ratepayers of Invercargill. This sets out the level of service residents and ratepayers can expect for each activity.

"Based on these Asset Management Plans and the expected levels of service, staff have prepared initial budgets as to how much these services will cost.

"In order to meet the required levels of service, the draft budgets indicate that Council would have to increase the rates by ten percent," he said.

Mr Johnston emphasised that this was the first draft and that Councillors and staff were combing through budgets to see where savings could be made without affecting services.

"Councillors are mindful of the current economic situation and trying to balance the affordability of rates while maintaining the levels of service and standard of assets that our ratepayers require," he said.

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Mr Johnston said Council's Draft Ten Year Plan, containing next ten years' projected rates increases, would be available for public consultation in April, which was the opportunity for residents and ratepayers to have their say on how their money should be spent.

ENDS.

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