

- *“The TOR seem to focus squarely on the “outputs” of the financial model i.e. visibility, processes, budgeting, capability / capacity and systems.*
- *The actual problem is the “inputs” i.e. cost shifting, emergency levies, red fleet, FAG that have not kept up with inflation / capital growth of Councils and the big one - getting one-off capital grants from the Government (while we are grateful for them), without the ongoing respective operational grants to support the maintenance and depreciation of those capital items, which are then burdened on the community to carry.*

*I know there may be some misunderstanding around the fact that depreciation is a true financial item for Councils – and that’s a key in trying to understand the sustainability issues because without ongoing grants or an SRV, every Council is going backwards every year because if they are not cutting service to make up for the growth in depreciation, they are locking in losses – both of which cement financial sustainability issues. We either need increasing operating grants to reduce the burden on the ratepayer... or if we are needing to pass it to the ratepayer, have the rate peg take these into consideration – and seeing that the rate peg review has just happened, I suspect the boat has long gone on fixing it that way... so the former is the last remaining mechanism to turn the dial...”*