

of loan to fund growth

they took the loan. Tauranga councillors have expressed concern over it on multiple occasions over the past year.

According to Labour's housing spokesman, Phil Twyford, the Government was essentially writing big lines of credit instead of fixing a broken infrastructure funding system.

"It doesn't solve the problem; it just loads councils up with more debt they can ill afford."

Tauranga City councillor Gail McIntosh said the council had a debt limit of \$500m and a budget for the year that would take its debt level to \$442m.

Add to that, a policy of keeping the ratio of external debt to operating revenue below 225 per cent.

By June 30 next year, the council expected the ratio to be about 210 per cent.

"So if we accept all of the Government's housing infrastructure funding as debt, then

Approved projects

Te Tumu Eastern Corridor in Papamoa East

- Total funding: \$60 million
- \$39m for a new Papamoa East Interchange — connecting the Tauranga Eastern Link to the new Te Tumu housing area.
- \$21m for water — stormwater ponds, overflow paths and wider catchment plus wastewater and water network mains.
- Te Tumu is a large new housing area planned for Papamoa East.

Te Maunga Wastewater Treatment Plant for Mount Maunganui and Papamoa

- Total funding: \$55.9m
- Increasing the capacity of the wastewater treatment plant. The extension plans already have resource consent.

Waiari Water Treatment Plant south of Te Puke

- Total funding: \$114.6m
- Adding more capacity to the public water supply.

we will be exceeding our ratios," Cr McIntosh said.

To make it work, council staff would need to work with government staff to figure out how to keep some of that new debt off the council's balance sheet.

Yesterday, Tauranga mayor Greg Brownless was feeling confident it could be done — even if he was not sure exactly how.

"Everyone assures me that there is a way to keep it off our balance sheet."

Christine Jones, the council's general manager of growth and infrastructure, said having no interest on the loan would take a lot of pressure off — to the tune of about \$10m a year.

Without the loan, the council may have had to defer some of the infrastructure work, slowing development, she said.

"It's still debt, but it's interest-free."

Both Ms Jones and Mr Brownless were happy with Tauranga's slice of the fund, even though a fourth project was not approved.

The council had requested \$45.8m for infrastructure in the Tauriko West new urban growth area. Planning for that project would continue regardless, the council said.

The next step is for the council and the Government to work together on the details of the funding agreements over the next few months.

Briefly

Bridge ready to cross

Katikati's newest stream crossing will be officially opened on Friday. The new 45m-long single-span suspension bridge over the Uretara Stream will be opened by Western Bay of Plenty District Council Mayor Garry Webber. The bridge follows where the old railway line used to go and connects to the footpath along the stop-bank on Uretara Drive. The opening will be at Katikati's Haikau Pathway at 11am.

Blue Subaru sightings

Hamilton police are asking for help to track down a Blue Subaru station wagon, registration FCG72 linked to three aggravated robberies. The car was stolen from a Hamilton address and used in the robbery of a McDonald's restaurant on Monday morning. If you are able to help with information, please call Waikato police on 07 858 6200 or Crimestoppers anonymously on 0800 555 111.

Kiwifruit contract won

Southern Cross Horticulture in Tauranga won the contracts for a Te Tumu Paeroa project to build 10 kiwifruit orchards on Maori land in the Bay of Plenty and Gisborne.

Clarification

The results of the a GfK independent radio survey reported last week covered commercial radio only. The results of the Radio New Zealand survey will be released tomorrow.

at Classic Flyers Museum



RESTORATION PROJECT: The fuselage of a World War II Grumman Avenger is unloaded beside Classic Flyers Museum at Tauranga Airport. PHOTOS/BENT JANSEN



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