

STAFF REPORT

TO: Councillors

FROM: Tina

REFERENCE:

DATE: 4 July 2006

SUBJECT: CEOs Report for June/July 2006

RICHMOND MAIN OFFICE OPENING

The building opening took place on schedule on Wednesday 21 June 2006 and the function was well attended by a good cross section of staff and ratepayers. It is very pleasing to conclude this project on time and within budget.

LTCCP

The LTCCP was finally adopted with an unqualified audit opinion on Thursday 29 June 2006. This will enable Council to strike its new rate effective from 1 July 2006.

A number of New Zealand Councils have not made this deadline and will need to be very careful not to pass any controversial resolutions during July, which could be challenged on grounds of ultra vires.

This is a very pleasing result for all staff and Councillors involved. The next challenge is to start implementing Year 1 of the Plan.

RATING AFFORDABILITY

There has been quite a bit of newspaper correspondence recently concerning rating and affordability. Federated Farmers recently provided an analysis of all New Zealand Councils' rating demands for the next two years. This information is based on Councils' draft LTCCPs and whilst likely to some variations can be taken as a relatively good guideline. In most cases Councils' final rates strikes were slightly greater than the draft LTCCP figures.

These figures suggest average rate increases for all New Zealand Councils for the next two years at 2006/2007 7.3% and 2007/2008 7.4%. I enclose a copy showing each Council's proposed rate increases.

Local Government New Zealand has advised that they intend to carry out a professional study using a reputable economic consultancy on the whole subject of cost shifting, as part of their 2006/2007 work programme. This should be a particularly interesting study. Hopefully it will quantify in a credible way the true effect of central government cost shifting onto local government over recent years.

WASTEWATER AND WATER SUBSIDY SCHEMES

I enclose a copy of recent correspondence with the Minister of Local Government, Hon Mark Burton concerning the very narrow targeting of these central government infrastructural subsidies. This is of great concern to Councils such as ourselves.

The Minister has undertaken "to consider the matter".

PORT NELSON NINE MONTHS' RESULT

I enclose a copy of the report to shareholders for the nine month period ended 31 March 2006.

NETWORK TASMAN TRUST ELIGIBILITY

Following a Council meeting of 20 April 2006, the CEO was authorised to make a submission to Network Tasman Trust opposing their amendment to the Trust Deed. We duly made the submission and Mayor John Hurley presented the submission in person.

We can advise a partial success in that the Network Tasman Trust has now agreed to amend the Trust Deed so that a maximum of two Trustees can be local government elected members or employees.

R G Dickinson
Chief Executive

<http://tdctoday:82/Shared Documents/Meetings/Council/Full Council/Reports/2006/RCN060713 Report CEOs.doc>