

REPORT

TO: Corporate Services Committee

FROM: Chairman

REFERENCE:

DATE: 24 August 2005

SUBJECT: Report for August 2005

As we approach the Annual Report and audit process it is timely to reflect on how the recent slow-down in the local economy may affect Council's financial results for the year. As economic activity slows the impact is felt on a number of Council's cost recovery activities particularly. Most obviously a drop in consents and permits for building and development etc, this highlights the difficulties of long term planning with any certainty especially on specifics and the importance on getting the underlying assumptions correct.

Also on the horizon is the triennial district revaluation and if the difficulties facing a number of primary industries within the Region are any guide, this may lead to some significant distortion on the impact of rating decisions over the next three years.

It is important, as we continue through the consultation process for the LTCCP, that all these factors are debated and discussed and as much as possible we avoid it becoming just another list of projects people are either for or against, and concentrate on developing a broader direction under which future projects can be assessed for priority.

Having taken a reasonable interest in the lolly scramble of National electioning it is fairly obvious that with promises from both main parties of large tax cuts and more spending on health and education, it appears unlikely any significant financial assistance in the implementation of current government policy, such as air quality and potential new water standards, is likely to be forthcoming. Even more remote appears any major restructuring of local government revenue streams. Indeed, the sceptic in me wonders how much of any tax relief may end up being spent in increased rates and charges.

Cr T B King
Chairman