

REPORT

TO: Enterprise Subcommittee

FROM: Councillor Higgins

REFERENCE:

DATE: 21 August 2008

SUBJECT: Chair's Report

Following on from our last meeting, I would like to see the Enterprise Subcommittee establish some objectives for the business units we are dealing with. In order to do that, we need to clarify what it is that we are trying to achieve. From my point of view, the prime objective is earnings or cash flow rather than social objectives. If social objectives do exist, then the Community Services Department should be meeting that cost.

For Motueka Airfield, the long term objective should be to earn a commercial rate of return which when combined with the value of the social objective ensures that the ratepayers achieve a proper return on what is a significant investment.

For Port of Golden Bay, there should be a similar objective.

If these objectives are accepted it would then focus Council on real earning options and a plan to achieve them.

For Forestry, it will be interesting to apply the same principle and see if it can be achieved. I believe that we should consider how to achieve that return. It could lead to a reallocation of investment.

For our property portfolio, it is difficult because it is made up of many pieces. Nevertheless, it would be good to set an earnings target and work at it.

I ask Councillors and staff to bring ideas to the meeting in order to clarify our direction and then we will be able to work at it.

Michael Higgins
Chair Enterprise Committee