# REPORT

**TO:** Corporate Services Committee

**FROM:** Chair, Corporate Services

**DATE:** 31 March 2011

**SUBJECT:** Chair’s Report – RFN11-04-10

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As we travel around the region to the draft annual plan discussion meetings, it has been interesting to note that most of the enquiries have related more to specific activities, eg rivers, roading projects etc as opposed to the rates increase . However, outside those official meetings, it is quite clear talking to people that with a range of other increases such as petrol prices, power prices and potential increases in items such as insurance as a result of recent national and international events, that whatever the final outcome in terms of Council’s rate rises are, we will need to be satisfied that what we are proposing is necessary and not just “nice to have”.

In terms of the risks that Council faces in the term of the next annual plan, many of these are similar to those that affect the wider community, ie fuel prices, cost of insurance. We will need to be well informed about the potential impacts as soon as these are clear so we can make any alterations necessary in a timely fashion to as much as possible offset any negative impacts on our budgets and therefore on our ratepayers.

Should the Council, as a result of submissions, wish to look at reducing the rating impact in the upcoming year, as well as considering items that may be able to be deferred or not done, we also need to consider options to improve income from sources other than rates. One such possibility on today’s agenda is the use of carbon credits from Council’s forestry estates which after allowing for repayment over time as harvesting falls due should still provide a surplus of cash available to Council. Another potential area to look at is Council’s property holdings to assess if there are any properties that are not held for a strategic purpose, either immediately or in the future and whether some of these could be sold.

During the latter part of this calendar year, Quotable Value will again be reviewing property valuations across the region. While this will not affect how rates are allocated for the coming financial year, it will have an impact in the year following, 2012/2013 which will also be the first year following through the review of the Long Term Plan (LTP). While valuations over the last three years may have been less volatile than in the decade previously, it is still likely that these will have some perverse impacts on different property types.

I look forward to the rest of the meetings and to the submissions, however the decision making process will no doubt be as challenging as always, trying to balance those who want more activity and those who want lower rates.

Tim King
Chair
Corporate Services Committee