

STAFF REPORT

TO: Councillors
FROM: Chief Executive
REFERENCE: C780
DATE: 23 June 2005
SUBJECT: Chief Executive's Report for May/June 2005

STAFFING

Negotiations are underway with Union officials for a new collective employment contract for Council Officers. While negotiations are still at a preliminary stage, it remains to be seen whether a two year contract term can be achieved and at what price.

BIG GOVERNMENT

Governor of the Reserve Bank, Mr Alan Bollard, recently advised that the average increase in general rate for the 86 councils in New Zealand for the year ended 30 June 2004 was 7.5%. This is approximately two and a half times the increase in the consumer price index. Total revenue for the average council also rose by approximately 8.8% over the same time period.

These figures clearly underline the heavy financial pressures on nearly all New Zealand councils. The causes, while fairly well understood by Councillors and staff, are not generally accepted by the general public. Continuing pressure for new and higher legislative requirements, increasing demand for environmentally sensitive infrastructure, and community aspirations for major civic amenities are all obvious reasons driving these rating increases on typical New Zealand councils. It is also interesting to note that the central government tax take has increased from \$33.8 billion in 1999 to \$49 billion in 2005, a 45% increase.

CAPITAL DEVELOPMENT FUND

The Chief Executive has delegated power under certain specified conditions to make a Council contribution to certain subdivision capital costs. These criteria are outlined in the attached 1996 Council resolution. This delegation is used rarely, but was recently used to make a \$50,000.00 capital contribution to a new bridge across Reservoir Creek on Templemore Drive - an enhancement to an adjoining subdivision.

PORT NELSON LIMITED NINE MONTH RESULT

I enclose PNL's report to Shareholders for the nine months' to March 2005. Port cargo growth has plateaued and we would not anticipate quite such a good result as that for the 2003/2004 year.

NEW ZEALAND CONSTITUTIONAL INQUIRY

I enclose a submission made by Local Government New Zealand into New Zealand's Constitutional Inquiry. The submission contains a lot of interesting and illuminating perspectives on how New Zealand is governed, and perspectives on the New Zealand constitutional framework (such as exists).

2005 BUDGET - KEY INITIATIVES FOR LOCAL GOVERNMENT

I enclose a list developed by Local Government New Zealand summarising key initiatives in the 2005 Budget as they affect local government.

PEAK OIL

This theory currently being espoused predicts the end of civilisation as we know it and assumes the motor car will become obsolete. While no-one would dispute that World petroleum stocks will eventually be depleted, that does not by any means mean that the human race will not find alternative fuel sources for the highly convenient/desirable motor car transport system. I enclose a recent news clipping regarding seaweed farms which can absorb prodigious quantities of greenhouse gasses and provide a rich source of biomass energy.

FONTERRA PLANT FIRE - GOLDEN BAY

Council staff have been actively involved in the recovery phase of this fire.

R G Dickinson
Chief Executive