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<b><i>Information Only – no decision required</i></b>	

## REPORT

**Report to:** Corporate Services Committee  
**Meeting Date:** 10 November 2011  
**Report Author:** Cr Tim King  
**Subject:** **Chair's Report – RFN11-11-02**

Welcome to the Corporate Services Committee meeting.

### 1. LONG TERM PLAN CHALLENGES

The key area I wish to cover in my report is the many challenges facing the Council as it begins the decision-making process around the draft Long Term Plan.

Over the last three years the national and international situation has continued to lurch from one mini crisis to another, just as it appears progress is being made, something happens that puts everything back. The proverbial one step forward, two steps back scenario seems well entrenched. What this means for Council is that the situation we find ourselves in is very different from what it was even three years ago when we developed the current LTP.

Nationally, the government has clearly indicated that there is no new money available and that any newly funded activities are coming from reductions or savings elsewhere. This has a number of both direct and indirect impacts on Council's own planning – indirectly, certain activities that central government has traditionally paid for may be reduced and there maybe a community expectation that Council fills any gaps. Directly, the impact is felt most keenly in the roading budget where the decision to not fund inflation by NZTA means, if it continues over the ten year period, that even if budgets stay the same, in real terms, somewhere around 20% less will be able to be done for that money by the end of the ten year period.

While Council can reduce the capital programme to over time lessen the cost to ratepayers, the real challenge is in the operations and maintenance and as unpalatable as it may be, levels of service may have to be reviewed in order to keep the impact on ratepayers to an acceptable level.

Hopefully the impacts of the current economic climate will be short-lived, and maybe by the next LTP review, the Council at that time will have more scope to deliver levels of service that the community has come to expect. But at this stage, it is just that, a hope, and not something that can be banked on.

Over the ten years from 2000 – 2010 the Council has been very fortunate to gain community support for a large number of capital projects right across the spectrum of Council activities, both core services and the so-called “nice to have” areas of community facilities. I think that the Nelson Tasman Region is significantly better off in terms of the Council-owned assets that people utilise every day, than they were prior to this period, but, it may be that for the next period of time, that level of investment is unable to be continued until such times as the ability for people to pay the costs associated improve.

This will require careful explanation and discussion within the community, so the next few months will be challenging for both Councillors and staff as the impact of these tough decisions are consulted on.

## **2. RECOMMENDATION**

That the report be received.

## **3. DRAFT RESOLUTION**

**THAT the Corporate Services Committee receives the Chair’s Report –  
RFN11-11-02.**