



mayor and chief executive's foreword

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Thank you for taking the time to consider the proposals in the Draft 2009-2019 Ten Year Plan. Your comments and feedback will help Council decide on the priorities for the next three years in particular, then out to 2019.

Preparing these plans is complex and time-consuming. The period since the last plan was produced in 2006 has been a good one for many of the people and businesses in the community.

The world is in economic crisis. Council has taken note of that. While we remain positive about the future, especially for Gisborne, Council has adopted some strategies to ensure that the organisation is sustainable financially.

We began in November last year by considering our approach to budgeting in an economic downturn. Some options, like a nil rate increase were foreclosed because of the financial servicing costs of previous capital works. The 'Finances at a Glance' section details these. Rates revenue will increase from \$41.35M in 2009 to \$44.25M in 2010. This is an overall increase of \$2.9M or a 7% increase in rates. Very few properties will actually have a 7% increase. The actual rates increases will vary throughout the district, with some rates increases higher than 7%.

Staff have to take \$1M of operating cost out of the organisation to achieve that. So what has our strategy been?

- ▶ During the first three years of the Plan priority has been given to capital expenditure that we are committed to (the wastewater treatment plant) and which is essential to the functioning of the community and the economy.
- ▶ Operational costs have been cut back but we are trying to maintain current levels of service.

- ▶ Projects which improve community infrastructure (library, pool, recreation facilities) have been pushed back until the community is better placed to fund them.
- ▶ Capital projects which attract external funding have been given priority which means the rating dollar goes further.
- ▶ We are relying on collaborations with community funders to deliver some projects in the future.
- ▶ The affordability of rates, backed by a report BDO Spicers completed for the wastewater project, is forcing us to consider other revenue sources.
- ▶ We are benchmarking our performance against similar Councils.
- ▶ Debt levels have been smoothed and we are positioning for future growth.
- ▶ We are trying to retain the staff resources in the organisation to maintain services, especially those which people rely on day to day and in emergencies.
- ▶ The Council has been asked by the Crown to contribute to the settlement of Treaty claims by Ngati Porou and the Turanga claimants. These settlements offer the prospect of enhanced economic and social wellbeing in the district.
- ▶ Some asset sales may occur but the proceeds will be secured in other long-term investments.

Despite taking these steps, we remain positive and confident that the natural attributes of the region, the productive potential of the land, and resilience of our communities will help see us all through the challenges of the next year or so.

Council needs to be prepared for growth and so has already invested in providing room for industry and to make our region attractive for you and for visitors. Council's past

planning has ensured that there is a large industrialised zone in the Willows Road area and a light industrial zone near the airport. The Awapuni light industrial zone is being considered for residential development over time. Being prepared is the most important part of our business.

The value in forward planning can be seen in the investments that Hikurangi Forest Farms, Bunnings, Mitre 10 and Ryman Health Care, among others, are planning to make.

Over the next three years further work will occur on several major projects that will enhance our district. Whether or not these projects eventuate depends on your support as a community and willingness to pay.

With a lot of effort, Gisborne will be New Zealand's region of choice for lifestyle based on the quality of its environment, the jobs you create, the enterprise of its people and our special identity. This Plan recognises the current difficult times and, we believe, sets the district up for a successful future. We hope that you can see that also.

Meng Foon
MAYOR

Lindsay McKenzie
CHIEF EXECUTIVE