



mayor and chief executive's foreword

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Thank you for taking the time to read our 2009-2019 Ten Year Plan. The comments and feedback from people who made submissions on the draft has helped 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 although there are early indications of a recovery. Council has taken note of the challenges that the community faces, especially those relating to the level and incidence of rates. While we remain positive about the future, especially for Gisborne, Council has adopted some strategies to ensure that the organisation is sustainable financially and that our services to the community are affordable.

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. The draft plan proposed that rates revenue increase from \$41.35M in 2009 to \$44.25M

in 2010. This was to be an overall increase of \$2.9M or a 7% increase in rates. As a result of the hearings of submissions and further reviews of budgets, this plan contains a \$1.4M increase in rates revenue, from \$41.35M in 2009 to \$42.73M in 2010 or a 3.3% increase in rates revenue. Very few properties will actually have this increase. The actual rates increases will vary throughout the district. The effect of the decisions on submissions has been to smooth some of the variation in rating incidence between different types of properties and locations.

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.
- ▶ Employee benefit costs are not being inflation-indexed in the first year of the plan.
- ▶ Staff have to take \$1M of operating cost out of the organisation in 2009-10.
- ▶ Projects which improve community infrastructure (library, pool, recreation facilities) have been pushed back until the community is better placed to fund them.
- ▶ Some projects such as the mobile library, Makaraka sewerage reticulation and the water metering proposal have been taken out of the budget.
- ▶ 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 for that project.

- ▶ The capital rate for the wastewater treatment plant project is being halved over the next two years.
- ▶ 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.
- ▶ 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. There are opportunities also.

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 settling longstanding grievances as well as opening up opportunities for tangata whenua and enhancing the economic and social wellbeing in the district.

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. The plans for the Inner Harbour, a Civic Space, the Aquatic and Recreation Centre and the War Memorial Theatre are all projects that will enhance the district as a place to live, work and play. Council's commitment to the Wastewater Treatment Plant project and past planning will help to ensure future growth and prosperity. 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