

Lets Chat : 31 October 2009

Hello everyone,

I am writing these words as news comes through that central Government has taken two significant steps, firstly changes to the Local Government Act 2002 to provide for increased transparency, accountability and financial management of Local Government and secondly the formal investigation into Environment Canterbury because its poor performance is holding the Canterbury region back.

Personally, I am very happy with both of these initiatives. They are both very consistent with overall themes and directions that I have commented on, and committed to, since becoming Mayor in late 2004.

With regard to the Environment Canterbury situation, I and the other Mayors of Canterbury Councils make no apology for the actions we took to alert Government to our concerns, both content and seriousness, once the leadership issues and vote of no confidence were signalled publicly to us all. The view of all of us is that collectively we need to be making a philosophy of "Canterbury Incorporated" bridging the various perceived paradigms of town versus country, rural versus urban, environment versus development. I must acknowledge that early discussions and meetings with newly appointed Chair Alec Neill gave hope and confidence, but I suspect the actions that were unfolding from Wellington were unstoppable.

The issues of financial performance, responsibility and accountability are particularly timely, given our Council meeting on 29 October to adopt and approve the Annual Report for Hurunui District Council for the 2008/09 financial year. The bottom line for us was an operating deficit for the year of \$1.5 million, compared with a budgeted surplus of \$2 million (which would have been consistent with prior years' performance). In other words, the overall result was \$3.5 million worse than where we had planned to be.

The detailed analysis of that \$3.5 million adverse result is interesting and reflects the same challenges we have all found during those same months. Costs directly attributable to the July/August floods totalled \$902,000, and issues of declining revenue due to the recession in many areas such as development contributions, building consents etc were \$1.5 million below budget. A further \$700,000 of the \$3.5 million deterioration is explained by changes in accounting methodology for development contributions and the provision to refund a portion of Queen Mary contributions.

The point that I want to emphasise is that the 2008/09 results are not being taken lightly, and all of our efforts are now focussed recovering as much of the \$1.5 million deficit as we can.

The good news is that the Hanmer Springs Pools and Spa performed well in 2008/09 despite the recession, and is going even better right now!

Sincerely

Garry

(etc)