

MEDIA RELEASE

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Council considers economic situation

Mayor Ron Keating and Waimakariri District Council CEO Jim Palmer have outlined the approach the Council proposes to take when preparing its draft 2009-19 Long Term Council Community Plan (LTCCP) in response to the effects of the global economic situation.

Mr. Palmer has briefed the Council and its staff on the current global credit crisis, the effect it is having in New Zealand, and the likely flow-on impact to the Waimakariri district.

In his assessment the slowing of new building and sub-division development that has already occurred could continue for up to three years. In addition, there is likely to be a general spending contraction which will impact all sectors, which could see an extended slowdown for up to three years.

On average 300 new households per annum are projected for the next three years - a decline of approximately 50% on that previously projected. Population numbers are also projected to grow more slowly over the ten-year term - whereas the original estimate was for a population base of 58,000 for the district in the year 2019, this has now been trimmed to 56,000 as a result of reduced building activity in the short term.

Once recovery occurs, Mayor Keating considers that the Waimakariri District and Council will

be well placed to cater for an upswing in development activity. In the interim, the Council will be focussing on leaner operations and caution in infrastructure spending ahead of development, but continuing to progress plans for future district development.

Mr Palmer has indicated that draft LTCCP operating expenditure budgets to be put before the Council's Community Plan Committee in December will concentrate on maintaining current service levels, factoring in increased external costs where they are known and keeping other cost increases to 3% or less, where possible.

Budgeted capital expenditure renewals will be retained, as will already committed 2008/2009 projects. Where significant commitment has already been made to new spending, this will be budgeted for - any other new spending will be deferred, with the exception of those projects for which there is a compelling business case to support investment now rather than later.

Mayor Ron Keating believes the extent of the international downturn has yet to hit home, that this was a precautionary approach and that the global situation is still in a state of flux, necessitating close monitoring of the impact it is likely to have at both the national and local level.

All draft budgets will be reviewed by the Council's Community Plans Committee in mid-December and the Council's draft LTCCP will be available for public consultation in mid February.

For more information contact:.....

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