

President Rupert Curd

Members and invited guests

Good afternoon and thank you for inviting me to once again open your annual conference.

Can I begin by congratulating Rupert on his 3 year presiding term and acknowledge the sage advice and support you have given me during this time.

In previous years this meeting has taken place before our Annual Plan submissions process has been completed. However this year we have already had the benefit of the community's response (including Federated Farmers traditional comprehensive submission). This morning we largely finalised our Annual Plan for 2008/09, and this will be finally adopted next Thursday. — Rates

The Ashburton District Council and Local Government New Zealand (National Council) agree with Federated Farmers for the need to undertake to meaningful reform of local government funding. The Shand report was very disappointing and offered no clear direction to the funding of local government. This is hardly surprising given the current climate where we are being asked to do more, with less funding. Roading is our largest item of expenditure and this Government's policy is that there is to be no increase in the FAR for the next 3 years (47%). The Shand report even suggested a reduction in rural areas. While this fund – road user charges and fuel excise duty – will be dedicated to transport issues, it is unlikely to meet future demands. Therefore core activities to meet existing levels of service will come under increasing pressure, especially considering the surge in bitumen from \$700 to \$1100 a tonne and the escalating construction index. Compounding the issue is the fact that Government intends to fund “non contributing” activities from the fund. So therefore search and rescue, police activities, sea charge (coastal shipping) and Gold Card concessions will be funded from within the transport budget.

The Land Transport Management Amendment Bill 2007 is still before Parliament and it is Government's intention to have the Bill passed by the end of June 2008. This Bill sees the merger of Land Transport New Zealand and Transit into a single Crown entity in order to achieve more integrated long term decision making and better accountability. It will also confer additional responsibilities on regional and territorial local authorities in the form of additional administration obligations, and the achievement of certain transport targets towards the year 2040.

Yesterday the Canterbury Regional Land Transport Committee approved a 10 year plan for the Canterbury Region. I am now a member of this committee and was therefore in a position to advocate for the retention of Ashburton's second Bridge in this plan. The plan has a budgeted shortfall of \$410 million which has been reduced by \$244 million following Annette King's announcement on 15 May. This result is primarily due to Canterbury finally getting its act together (after 20 years). The Bill currently before Parliament will hopefully provide the balance and I am referring here to a Regional Fuel Tax (5c / litre to meet the shortfall in 2010/11). There are two other issues of strategic importance that I wish to highlight and they are the trials this year with overweight vehicles (22m – 50 tonne) and the Walking Access Bill (ie unformed roads – paper roads - 57,600 km in total) — both having serious implications for rural New Zealand.

As a result of Mayor McEvedy's retirement and Jim Gerard's non-election last year I have inherited their position on National Council and as chair of the Canterbury Strategic Water Study Group.

The CSWS was initiated by MAF, MfE and Ecan following the severe drought of 1998, when concerns were raised about whether Canterbury would run out of water in the future. Stage ONE (2002) concluded that there was enough water to meet all reasonable future demands, but not in the right place or at the right time. It therefore concluded that water storage should be considered — which comes as no surprise to those of you here today.

The Canterbury Mayoral Forum took over leadership of this project and in 2004 sponsored Stage TWO to identify potential water storages in Canterbury and their hydrological feasibility, including the potential area for additional irrigation and their impacts on river flows.

Stage THREE began in 2006 and involved preliminary evaluation by multi-stakeholder groups of the environmental, social, cultural and economic impacts of the water storage options in Stage 2.

Last month I announced the commencement of Stage FOUR — a comprehensive public engagement programme that will focus on issues such as land intensification, water quality and environmental effects. The strategy has no legal status but will provide a valuable contribution to upcoming engagement and decision-making around water management., including Regional Policy Statement and Natural Regional Resource Plans.

The reason I have taken the time to outline just these two topics is to highlight that the way forward for our District in the two most important areas — water and transport — is that without regional co-operation progress will be very difficult. Both water and transport development require central government assistance and without regional cohesiveness, that assistance will not be forthcoming. (Ecan)

The Regional Council will be heavily involved in both processes and it will be interesting to hear the view of Mayor Parker on rural-urban issues.

In June last year I was invited by Mayor Moore to address his Council which, at that time, showed signs of turning down a Central Plains funding request. Common sense prevailed and the funding was granted. Mayor Parker has a new Council which must be heavily influenced by the propaganda coming out of the Central Plains hearings.

The nonsense about nitrates by Ministry of Health's Dr Adrian Humphries and repeated by the Minister of Rural Affairs just last Friday needs to be challenged. Lincoln University has had field trials testing the levels of nitrates in groundwater for 20 years.

Ecan has information on the aquifer supply for Christchurch's water supply. The reporting of the CPI hearing has the potential to impact on our re-consenting of water takes, unless their nonsense is challenged.

On the local front, our economy is responsible for a huge demographic shift over the last 10 years. Now, law and order and social issues have become far more visible.

As a result I have initiated a social wellbeing forum to explore ways to improve social outcomes in our district. Once again, our district is not, in my opinion, receiving full support from Government agencies, but there are two ways in which rural Ashburton can help itself. Road safety and property security are areas requiring attention and the community being more vigilant and responsible to those moving amongst them.

Broadband is another topic that is in urgent need of infrastructure support, but there is no ready answer for rural New Zealand, except for satellite. If there is a pressing need amongst you then we need to know, as the next year promises some serious funding options.

For those of you who are wondering how our budget is looking for next year, I can tell you that of our operational expenditure of \$37.8 million, \$20.8 million comes from rates (ie 55%). The general rate collects \$3.44 million or 16.4% of the total rates (rural pays 73%). However, like last year, rural wins because 78% of the net roading costs (after subsidies) is spent in the rural area.

Federated Farmers can be assured that this Council is taking better account of inter-generational equity and is more than happy to be performance benchmarked and, in doing so, let us be truly honest with each other, include all charges in the rating pot not just the general rate, and focus on \$ rather than %.

Ladies and Gentlemen

I treasure the opportunity to talk to you — you can be assured that I will champion the rural cause at every opportunity.

Enjoy your conference and I am delighted to officially declare it open.