

COLUMN FROM MAYOR TIM SHADBOLT

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THE HOTSEAT

Council is once again involved in setting the rates and the greatest problem we face is the impact of the recession. As a Council we are, for example, dependent on oil for both transportation and tarseal. Will it be \$30 per barrel or \$200 per barrel? We just don't know to what extent the worldwide global meltdown will impact on our local economy. Will we see mass unemployed or will it pass us by with barely a whisper? Economic experts are divided. Both positive and negative views abound. I believe the only honest is simply – we don't know.

As to the positive impact of huge economic stimulant packages that pump billions of dollars into the world economy will have on global markets? Once again we don't know. John Key's Government is investing \$500 million into infrastructure and this is only the beginning. Will that mean Councils will benefit? Auckland definitely will, but as for the rest of us, we don't know. The other variable is having Rodney Hide as the new Minister of Local Government. Will the Invercargill City Council even exist in two years time? We simply don't know.

How on Earth are we expected to prepare a budget when there are so many variables? In the past we blamed recessions on dole bludgers, solo mums and the welfare state. Words like 'dole bludger' had a familiar ring that gave us all a secure target. Insulting the disadvantaged made us feel good. In this recession the finger is pointing at the rich but somehow the term 'bank bludger' or 'car manufacturing bludger' makes us feel uncomfortable. We prefer to use softer terms like 'bank bailout'. It's like winning a 'get out of jail free' card while playing Monopoly, rather than creating the image of a banking parasite who keeps all the profits in the good times but wants to suckle on the mammary gland of the nanny state when economic times get tough.

For most Councillors dealing with so many unknowns is a real challenge. We prefer economic stability when setting the rates.

Invercargill has been through plenty of tough times before but we were saved by the Zero Fees 'education industry'; cows and their white gold, and the survival of the smelter, but modern economic success stories these days are almost bizarre. We do know that an almost bankrupt Turkish shoemaker has now become a millionaire because a journalist in Iraq through a pair of 'his' shoes at President Bush.

We do know that 'Slumdog Millionaire' is the world's hottest movie at present and should clean up at the Oscars even though it is set in the slums of Mumbai (Bombay).

And if you think New Zealand's got economic problems, what you need is a trip to India.