Christchurch City Annual Report 2019

Christchurch Ōtautahi



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Published by Christchurch City Council PO Box 73015, Christchurch, New Zealand Tel: +64 3 941 8999 Web: ccc.govt.nz

ISBN: 978-1-877313-88-2

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## **Council vision**

## The Christchurch City Council has a vision for this city:

Christchurch is a city of opportunity for all. We're open to new ideas, new people and new ways of doing things – a city where anything is possible.

## Introduction

## Welcome to the Christchurch City Council's Annual Report 2019.

The introduction to this report describes the city we live in and its vision for the future. It includes a message from Christchurch Mayor Lianne Dalziel and Council Acting Chief Executive Mary Richardson, reflecting on the Council's achievements over the past year.

## Introduction What is the Annual Report?

#### Introduction

Each year, local bodies across New Zealand are required to present to their community an annual report that includes a set of audited financial statements.

#### What you will find in the annual report

The annual report sets out what the Christchurch City Council (the Council) did in the past year, why we did those things, how much they cost, and how they were funded.

This report shows how the Council is delivering on the commitments made to our community – after we asked Christchurch residents what they wanted for their city as part of our three year planning process. It also shows how the Council continues to respond to the rebuild of our city.

#### About the councillor/management statements

The annual report is adopted by Council on the recommendation of Council staff and the Audit and Risk Management Committee. This ensures that both the management and governance functions have responsibility.

#### About the Council activities and services statements

The Council activities and services section shows the Council's performance in each activity, measured by its achievement against performance indicators. Performance indicators are the levels of service (LOS) and their expected net cost, which were agreed in the 2018-28 Long Term Plan approved by the Council on 26 June 2018.

#### About the primary financial statements

The financial statements incorporate four primary statements:

## 1. The statement of comprehensive revenue and expense

More commonly referred to as the income statement or profit and loss, this summarises the Council's financial performance for the year, listing all income and expenses, and records other comprehensive income such as changes in the fair values of the Council's infrastructure and property, plant and equipment.

#### 2. The statement of financial position

Commonly referred to as the balance sheet, this is a 30 June snapshot of the Council's financial position indicating its assets, liabilities and net wealth.

#### 3. The statement of changes in net assets/equity

Often known as the statement of changes in equity, this details the overall change for the year of the Council's net wealth.

#### 4. The statement of cash flows

This statement indicates where the Council's cash came from and where it was spent.

These four statements also display the budget, adopted by Council at the end of the prior year, to allow comparison between what was projected and what actually occurred.

#### About the notes to the financial statements

The notes to the financial statements give greater detail and more information on the four primary financial statements.

The content of the four statements and their notes are directed by the requirements of the accounting standards. The financial statements are prepared using Public Benefit Entity (PBE) accounting standards.

#### About the auditor's report

The Council's external auditor, Audit New Zealand, is required to audit the Annual Report.

## Introduction Message from the Mayor and Acting Chief Executive

We would like to begin by acknowledging the tragic events of 15 March 2019, when 51 lives were taken in the terrorist attack on two of our city's mosques, Al-Noor and Linwood Islamic Centre.

This act of violence was a devastating shock, but we will always remember the unity, compassion, love and kindness which followed. We are enormously proud of how Council staff responded in the days and weeks that followed and how they continue to support the on-going recovery of our Muslim communities.

The Annual Report is our report back to the community on our activities and services.

Following the loss of secure status and being forced to chlorinate the drinking water supply, we embarked on a \$35-million wellhead upgrade programme, bringing forward work in our 10-year Long Term Plan.

Considerable progress has been made on improving our water supply infrastructure, including new and deeper wells and reservoir repairs, along with the wellhead upgrades. Further improvements are proposed in anticipation of stricter drinking water standards being introduced by central government. We are totally committed to providing our city with safe drinking water from our aquifers. Elected members have made it clear that this is a top priority and we will continue to progress the work.

Another of our strategic priorities is to provide climate change leadership. In May 2019 elected members declared a global climate and ecological emergency to raise awareness of the need for action to reduce carbon emissions to net zero. We had previously set ourselves a target of being carbon neutral by 2030. One of the biggest contributors to our carbon footprint is private transport and we have taken steps to promote emissions-free modes of transport.

The Major Cycle Route programme is now well under way with three routes complete and four more either in construction or partially built. They have generated a strong uptake of cycling with a 49 per cent increase in cyclists counted entering the central city between 2016 and 2019.

The regeneration of the Central Business District continued, with significant milestones to celebrate. The Christchurch Town Hall reopened in February after a repair and restoration. We are also proud of Tūranga, the new central library, a cutting edge 21st century facility. The \$92 million building opened in October 2018 and has proved popular with residents.

These facilities, along with private sector investment in retail, hospitality and entertainment are attracting hundreds of thousands of visitors, both local and international, to the heart of the city. Results of the annual Life in Christchurch Central City survey indicated that two thirds of respondents felt positively about the central city.

But a vibrant central city also needs permanent residents and work continues on our goal of having 20,000 residents living within the four avenues within 10 years. In September 2018 elected members adopted the Central City Action Plan, which extends our focus to looking at how investment in the city can be strengthened and creating an environment where business can thrive.

We have also invested in our suburban centres and the restoration of our heritage facilities, with several buildings closed since the 2011 earthquake reopening, including the Akaroa Service Centre, Nurses' Memorial Chapel, Rose Historic Chapel and Risingholme Homestead.

We continued to work closely with our regeneration partners. Most recently, as joint shareholders of Regenerate Christchurch, we signalled our desire for regeneration activities to transition to us for ongoing management, including important work in Southshore and South New Brighton.

We have a strong relationship with central government through the Minister for Greater Christchurch Regeneration, Hon. Megan Woods. In September 2018 the government announced that \$220m of the Canterbury Regeneration Acceleration Facility was to be ring fenced for the Canterbury Multi-Use Arena, bringing the available budget to \$473 million. At the time of writing, an investment case was being finalised.

Construction of the Metro Sports Facility by Ōtākaro Ltd, the Crown's rebuild company, began in June 2019. It is expected to open in early 2022 and will provide for a wide range of indoor sports. It will be owned and operated by us.

Significant progress was made negotiating a global earthquake settlement with the Crown.

In November 2018, in conjunction with the Department of the Prime Minister and Cabinet, we hosted a symposium on the lessons learned from the 2010 and 2011 Canterbury earthquakes. This was a further opportunity to bring together disaster recovery experts and members of the wider community to distil important lessons from our experience.

Our relationship with the Papatipu Rūnanga of our area has deepened this year to the point where we have been able to offer mutual support when needed and work together to achieve the aspirations of our communities. The joint standing committee, Te Hononga Council-Papatipu Rūnanga, continues to work on matters of mutual interest, such as improving water quality.

We remain focused on improving the quality of our roads, footpaths and parks, are putting new flood protection in

place and upgrading other infrastructure to bring it up to the standard our residents expect.

As the financial year drew to a close we said farewell to departing Chief Executive, Dr Karleen Edwards, who had

**Lianne Dalziel** Mayor of Christchurch 26 September 2019

led the organisation through some of the most challenging years it has faced. She can reflect on many satisfying achievements, and we appreciate her commitment and contribution.

May that

Mary Richardson Acting-Chief Executive 26 September 2019

## Statement of compliance

#### Compliance

The Council and management of the Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

**Lianne Dalziel** Mayor of Christchurch 26 September 2019

May ful

**Mary Richardson** Acting Chief Executive 26 September 2019

# **Highlights**

The Council provides the services needed to keep the city running, including supplying water, removing wastewater and collecting rubbish. In addition to leading many significant rebuild projects, it carries out large infrastructure, building and community projects as part of its long-term programme to improve the city. Outlined below are some of the highlights of the past year.

## Highlights Our achievements

From new facilities to infrastructure planning and delivery, we have delivered a range of amenities and services to the people of Christchurch.

#### Communities and citizens

#### Christchurch Art Gallery Te Puna o Waiwhetu

Christchurch Art Gallery successfully met its visitor target of 329,022 visitors with 367,376 people visiting the gallery.

25,271 visitors took part in public programme events during the twelve months. This result is well above the target of 20,000 per annum. 12,910 children took part in gallery-led lessons in the gallery's education centre. This result is above the target of 11,000 per annum.

148 works were added to the city's collection during the year; 36 were purchased, 2 were co-purchased and 110 gifted.

#### Museums

40,547 people visited the Akaroa Museum, 65% above target of 24,500 and 10,563 more than 2017/18. Cruise ship passengers represent 30% of the visitor total.

3 new temporary exhibitions were presented.

The Museum's collection grew with the addition of 126 objects (41 accessions), all documented, insured and safely stored. Access to the collections was maintained, with 171 collection enquiries received and answered.

#### Libraries

The major highlight and achievement was the opening of Tūranga, the new central library, on 12 October 2018. The completion of this anchor project and major civic facility was eagerly anticipated by Christchurch residents with high visitation and attendance at events and programmes over the initial months and for the rest of the year.

Since opening: 755,224 people have visited; 354,550 items have been issued; 18,692 people have attended programmes and there have been 17 million touches on the Discovery Wall.

Overall, performance for the network of libraries was strong with visitor numbers increasing by 6.9 %. Circulation of physical items decreased by 3.9 % but digital collections continued to perform very well with a 31.1% growth in digital issues, which equates to 668,870 digital downloads.

Attendance at library programmes continued to be high with 121,418 attendees, a 7% increase over last year. Performance was 313 programmes per 1000 population and the KPI target is 230-300 per 1000. Resident satisfaction with Council's library services is 94%, a drop of 1% from the previous year. Library membership has increased by 11% to 198,088. This is 51% of the total population.

#### **Community development and facilities**

#### Community funding

We distributed \$7,552,204 in grants from the 2018/19 Strengthening Communities and Creative Communities funding schemes to community groups and not for profit organisations for projects and initiatives that benefitted the city, local communities and communities of interest, (assisting 1,065 applicants).

#### **Community facilities**

There are 60 community facilities available for community use; All Council-managed facilities have occupancy rates of 38% or higher.

#### Recreation, sports, community arts and events

#### Recreation and Sport

Ngā Puna Wai was officially opened in March and received great feedback on the local, national and international competitions that have been held. The opening of Taiora:QEII Recreation and Sport Centre has had a net increase of 846,405 participations. Resident's passion for physical activity continues with over four million visits to recreation and sport centres, stadia and services over the past year.

We collaborated with Water Safety New Zealand to provide 121,164 affordable swim lessons to communities in need.

#### Events and festivals

We supported a full calendar of events at all levels. Highlights include international cricket and hockey, Treetech fireworks, House of Travel Botanical D'lights, and Sparks. Events allow us to promote the Christchurch story and attract visitors to the city. Equally importantly we supported over 300 community groups in hosting their own events.

#### **Citizen and customer services**

We completed 416,045 telephone enquiries, a 1% reduction on last year down from 420,306. Email enquiries decreased by 3.7% from last year to 93,013. Our financial face to face transactions for the year has also reduced to 122,463, down 2.4% compared to last year's 125,427.

#### Parks, heritage and coastal environment

#### Parks and foreshore

#### <u>Parks</u>

We continue to see an increased awareness from citizens of the service we provide around our local parks. We still have some way to go in regards to bridging the gap between perceived performance through our resident satisfaction survey and our Levels of Service targets.

We are increasing investment in local community initiatives with year on year increased volunteer activity and partnerships. The importance and opportunity associated with volunteers has been recognised by the creation of a dedicated team within the parks unit to strengthen and grow, volunteer input, generate training and development opportunities and explore social enterprise opportunities.

In particular, specific community partnerships funding which is dedicated to supporting:

- community-led projects to enhance and regenerate Council-owned greenspaces;
- parks and reserves through planting; and
- weeding, cleaning and monitoring of waterways.

These partnerships have been hugely successful.

#### Environmental education programmes

We delivered environmental education programmes at various Council sites such as parks, water and waste facilities to over 10,000 children, teachers and accompanying parents.

#### <u>Heritage</u>

We provided regulatory advice regarding heritage places for the replacement District Plan in line with the guidelines for historic heritage.

We have embarked on the creation of a 'New Direction for Heritage' with a new heritage strategy which is being drafted in partnership with Ngāi Tahu.

We have completed a heritage grants review to ensure that the grant process is efficient, robust and achieves the best positive outcomes for heritage buildings.

#### Water supply

We upgraded 65 well heads at 30 pump stations so that they comply with the secure criteria under the Drinking Water Standards for New Zealand and likely future changes to those standards. Once all wells at a pump station were compliant, temporary chlorination at that pump station was turned off, with 39% of the city's water chlorine free by the end of June.

We renewed 6.3 kilometres of water supply mains and 12.1 kilometres of water supply submains for the year.

We drilled two wells for the new Ben Rarere pump station in Aranui. Drilling of two replacement wells at the Wrights pump station is underway.

We completed construction of the new water supply main along Prestons Road to service the Highfield greenfield area (in conjunction with the wastewater project).

We secured a lease to use the new water supply pipe in the Lyttelton Road tunnel that was installed by NZTA for its new deluge system. This supplies water from Christchurch to Lyttelton, Governors Bay and Diamond Harbour, and improves the security of supply for those settlements.

We continue to test the drinking water in accordance with the requirements of the Drinking Water Standards for New Zealand.

#### Wastewater

We are underway with construction of water supply and wastewater replacement pipes in Riccarton Road, between Harakeke and Matipo Streets. In addition, we replaced 2.3 kilometres of other wastewater pipes.

Construction is nearly complete on the wastewater main upgrades on Colombo Street (between Dyers Pass Road and Fisher Avenue) and Beckenham Street, with only the siphon under the Heathcote River left to complete. These upgrades are to reduce wastewater overflows to the Heathcote River.

We built two new odour control units at Peacocks Gallop in Sumner and Highsted Road to prevent odour from wastewater pipes causing a nuisance.

We upgraded equipment at eight water supply pump stations and upgraded the SCADA server for the Council's water supply, wastewater and stormwater systems.

#### Stormwater drainage

We've completed network renewal and upgrade work in many areas, including improvements to inlet structures across the city and Banks Peninsula. A number of old and missing tide gates have been replaced with fish-friendly alternatives and monitoring is being undertaken to assess their performance. Some minor capital infrastructure renewals have been carried out such as a new pipeline along Ilam Street.

We continued to monitor and maintain the Avon / Ōtākaro temporary stop banks, and initiate works to address issues identified. The stopbanks protect against tidal events in the short term while we await a decision on the Residential Red Zone.

#### Flood protection and control works

We have progressed a number of noteworthy storage basins and wetland projects in the upper Heathcote this year to reduce flooding including: Curlett's Basin, Sutherlands Basin, and Eastman Wetlands. In addition to these we have installed non-return valves on multiple catchment outfalls into our rivers to mitigate nuisance flooding problems.

A number of projects incorporating drain naturalisation have been completed or are in construction, including Henderson's Drain, Buller's Steam and No. 1 Drain construction, supporting the Council strategic priority of improved waterways and the six-values approach to stormwater management.

#### Roads and footpaths

We resealed 47 kilometres of roads through our road maintenance contracts. In addition, we added 8 kilometres of new roads to the network through subdivision development.

We completed the renewal of 33.7 kilometres of footpaths throughout the city.

We completed construction of North Avon Road, Randall Street, and Petrie Street renewals.

We completed significant works along Sumner Road. This included completion of rockfall mitigation, construction of a 400m long catch bench and a 7m high interception bund, installation of 2.6km of safety barrier, the repair of 30 retaining walls and the resurfacing of 2.2km of road.

#### Transportation

We completed construction of Section 1 of the Major Cycleway Quarrymans Trail and 80% of Section 2.

We constructed 90% of the Major Cycleway Heathcote Section 1b and started construction on Section 1a.

We completed construction of a new signalised pedestrian crossing and improvements outside TeWaka Anua school.

We installed 27 new bus stops and six bus stops were relocated. We installed 52 new bus stop seats, of which 14 replaced old seats that were no longer fit for purpose. Council also changed to seats made from recycled plastic rather than the basic timber seat.

We undertook a number of speed limit reviews resulting in safe and appropriate speed limits being set including: Summit Road, Prestons subdivision, Knightstream and Longhurst subdivisions, Main Rd – Redcliffs, Templeton and St Asaph St. The reduction of the speed limit on St Asaph St allowed the completion of the extension of the central city slow speed zone and the associated speed thresholds.

We installed two school speed zones for Avonside Girls'/ Shirley Boys' and Hoon Hay Primary/ Our Lady of Assumption.

#### **Refuse disposal**

452,185 wheelie bins have had the identification tags fitted representing a 95% completion rate.

Burwood Resource Recovery Park (BRRP) has continued to take construction and demolition waste. In 2019 the plant sorted 22,975 tonnes (2018: 150,000 tonnes). Since it opened, the site has received 825,234 tonnes. Due to declining construction and demolition tonnages BRRP is scheduled to stop receiving this material in December 2019.

We continue to work as part of the Canterbury Waste Joint Committee towards regional waste minimisation projects and identifying opportunities to further improve on reducing waste.

#### Housing

#### Social housing

We provide social housing services through the 2,198 units leased to the Ōtautahi Community Housing Trust (OCHT). We also assisted the growth in social housing through the capitalisation of OCHT, with 170 units transferred in 2018/19, and through a \$30 million loan, repayable over a term of up to 27 years.

Over the year, 342 tenants vacated tenancies in Council owned units and 273 tenants commenced new tenancies. We also held a further 29 leases with other community organisations.

Over this period 52 units were repaired as part of the earthquake repair programme. Of these, 44 units were open and tenanted prior to works commencing and required the tenants to be relocated during repairs. The remaining eight units, closed since the 2011 earthquakes, have been repaired, reopened and returned to service.

Five new units were built in Akaroa, an increase of two. Three owner occupied units were purchased at Aldwins Courts and upgrade work completed prior to adding them to the lease. There are still 3 units to be purchased and returned to the portfolio when they become available.

Through the variations process with OCHT we have undertaken full interior redecorations at 15 units. There have been carpet replacement in 56 units and vinyl replacement in 43 units.

#### Regulatory and compliance

Council monitors Christchurch City's environment to ensure the community and environment is safe and healthy.

#### **Regulatory compliance and licencing**

#### Freedom campers

We completed a campaign that consisted of education, monitoring, and enforcement regime that took place throughout the Christchurch and Banks Peninsula area. Overall complaints decreased significantly from last year.

#### Noise control

We have noticed an overall reduction in the complaint numbers for excessive noise, while equipment seizures remain steady.

#### Alcohol licensing

Alcohol licence numbers have plateaued, with a total of 1,002 current on/off/club licences held in Christchurch at 30 June 2019.

#### **Building services**

We note that residential consents numbers have returned to pre earthquake levels with the forecast showing that residential activity will remain at those levels for the foreseeable future.

#### **Building consents**

We have recorded a drop off of building consent volumes and as the workload decreases the unit has also begun insourcing the processing of building consents to help other Councils.

#### Earthquake prone buildings

We continue to identify earthquake prone buildings with in excess of 5,000 building to be checked by 2022.

#### Land and property information services

Land information memorandum requests continue to remain high, while project information memorandums decline which reflects the decrease in the building consent application volumes.

Certificates of acceptance continue to rise reflecting an increase in commercial development activity.

#### **Resource Consenting**

Resource consent application numbers stabilised in 2019. However, the complexity of applications has remained higher than normal.

#### Strategic planning and policy

#### **Strategic Planning and Policy**

Land use planning - On 18th March 2019, the Government gave Christchurch City Council control over district planning process by revoking the Canterbury Earthquake (Christchurch Replacement District Plan) Order 2014.

We have been working with Regenerate Christchurch on the South New Brighton and South Shore Regeneration Planning, and Regeneration Christchurch have passed the responsibility for this to Council.

#### Strategic Transport

Council and NZTA established a partnership to ensure a Travel Demand Management approach was applied to the current State Highway projects.

#### **Strategic Policy**

Two new regulatory policy documents were developed -Trading and Events in Public Places Policy and the Cemeteries Handbook and the Gaming and TAB Policy was reviewed and updated.

A new Healthy Food & Drink Policy for Council facilities and events was adopted.

We continued to progress the Christchurch Housing Initiative shared equity home ownership scheme, and work with Government and the community housing sector to support social and affordable housing

#### Urban design policy, planning and grants

The Christchurch Urban Design Panel provided design review, mainly at the pre-application stage of proposals. Staff have provided urban design advice on consent applications and Council capital projects.

Our work on warmer, drier homes has continued through a partnership with ECan to establish the Healthier Homes Canterbury service, and an Eco Design Advisor service. Sustainability advice and initiatives have included supporting the Food Resilience Network, Councils Sustainable Procurement Policy and Climate Change Programme.

#### Heritage Education, Advocacy and Advice

We adopted the Heritage Strategy, "Our Heritage, Our Taonga, Heritage Strategy 2019/2029" on World Monuments Day. Work is progressing to develop an implementation plan and to work with the community to identify community and agency roles in this.

Natural Environment including hazards policy and planning and resource efficiency

We lead reviews of ECan resource consent applications, having received several dozen consent applications for discharges to water and land during 2017/18. Key ones are the Cloud Ocean Water Ltd resource consent application and Wogan Hills resource consents for Kaitoreti Spit.

We have developed and implemented the Resource Efficiency Greenhouse Gas Emissions Dashboard for Council, which will assist with tracking and reducing emissions to meet the zero emissions 2030 target for Council operations.

We secured the Electric Vehicle World South event for Christchurch in November 2018, launched the Take Charge Christchurch programme in April 2019, secured Energy Efficiency Commission Agency funding for Parks to purchase a battery electric van, and charging infrastructure has been rolled out across the city.

#### **Economic Development**

The Council provides ChristchurchNZ with operational funding to lead the economic development of Christchurch.

The success of ChristchurchNZ's performance has been measured to ensure that it is delivering key functions including but not limited to providing economic and strategic leadership to support focus and collaboration toward Christchurch's 10-year prosperity goals and marketing and promotion of Christchurch as a vibrant, prosperous and sustainable 21st century city to visitors and residents.

#### **Public Information and Participation**

We have responded to 3,278 media inquiries. The Council's Facebook page has grown by 13 per cent in the past year,

our Instagram page by 68 per cent and our followers across all social media channels has increased by 19,884.

We will continue to manage, adapt and grow our channels – the web, Newsline, Facebook, e-newsletter, direct mail, Instagram, residents' groups, texts, elected members' networks and the media.

We will reach more people about the things they want to know about, in the way they want to receive it.

#### Governance

We have continued with the planning and implementation of programmes of work related to the Local Authority Triennial elections to be held on 12 October 2019. This has included working with LGNZ, SOLGM and the Electoral Commission, and regular forums with regional electoral officers.

We have provided information to the Remuneration Authority to support its work looking at local government elected member remuneration and allowances. This has included provision of information on the funding and delegations to Christchurch community boards, and comments to consultation opportunities on matters like implementation of an allowance for childcare for elected members.

We continued to extend the implementation of paperless meetings at both Council and Community Board level, and will continue to support Elected Members to use the new technology to govern effectively. The long term financial and environmental impact of this change is significant, having already saved the cost of printing, binding and distributing papers.

We continued to develop our Citizen Hub strategy with an integrated one door approach to local services or one stop shops, libraries, pools, community development and customer services.

## Highlights Annual survey of residents

The Residents Survey has two components: a General Service Satisfaction Survey and a range of Point of Contact surveys.

#### **Overview of Results**

The 2019 residents' survey shows:

41 per cent of services surveyed with a resident satisfaction component met their level of service targets, up from 38<sup>1</sup> per cent last year. Ten services returned satisfaction scores of 85 per cent or above (down from 13 last year).

Services that residents rated highly that scored over 85 per cent, include our kerbside recycling and residual waste, environmental education, libraries, customer services, Botanic Gardens, Mona Vale, Hagley Park, Christchurch as a walking friendly city and support provided to the events industry.

#### **General Service Satisfaction Survey**

The General Service Satisfaction Survey measures satisfaction for services most people in the city will have had experience using such as roads, water and waste.

The General Service Satisfaction Survey was conducted from 4 March to 16 April 2019.

Interviews were conducted by landline and cellphone.

Anyone who had not lived in Christchurch for a 12-month minimum was excluded, as was anyone who elected not to identify their suburb or age.

In all, there were 779 respondents (2018:772). The resulting data provided a maximum margin of error of  $\pm 3.5$  per cent.

Overall satisfaction with Council is measured via the General Service Satisfaction Survey and is up, with a shift since last year from ambivalent and dissatisfied to satisfied. Overall satisfaction sits at 62 per cent, a 7 per cent increase on last year's result of 55 per cent.

74 per cent of General Service Satisfaction Survey respondents agreed the Council as a whole was easy to interact with (up from 65 per cent in 2018).

What we do well:SatisfactionActivitySatisfactionRecycling and residual waste88%collection85%Walking friendly city85%Organic collection84%Community parks82%presentation84%

Roading has remained the main underperformer for the last few years.

Only 27 per cent of those surveyed are satisfied with the condition of city roads, up from 20 per cent last year, and 41 per cent are satisfied with the footpaths, up from 34 per cent last year.

What we could improve:

Activity	Satisfaction
Satisfaction with road	27%
condition	
Understanding how Council	32%
makes decisions	
Water quality	37%
Satisfaction with footpath	41%
condition	

#### **Point of Contact Survey**

Point of contact surveys measure service satisfaction at a customer's point of contact with the service. These surveys are used for a range of services where there is a specific customer base such as consents, libraries and event attendees.

Point of Contact Service Satisfaction Surveys are conducted at service sites, or users are contacted by either telephone, email, post or mail drop. Respondent sample sizes range from five to 1,500 per service, depending on user numbers and the scale of site services.

Overall, more than 6,700 point of contact surveys were completed (2018: 6,099).

What we do well are:

Activity	Satisfaction
Delivery of environmental, conservation, water and civil defence education	100%
programmes	
Hagley park presentation	97%
Botanic Gardens and Mona Vale	96%
Libraries	94%

One Point of Contact Service Satisfaction Survey recorded a 100 per cent satisfaction rating: education programmes.

What we could improve:

inde we could improve.	
Activity	Satisfaction
Adequate marine structure	55%
facilities	
Cemetery administration	60%
services meet	
customer expectations	
Satisfaction with community	67%
parks	
Equitable access for	71%
recreational, commercial	
and transportation purposes	

<sup>1</sup> Subsequently reduced to 33 per cent following additional analysis.

## **Your Council**

Christchurch City Annual Report 2019 Christchurch Ōtautahi

### Your Council How the Council works Elected members

Christchurch residents and ratepayers are represented by the Council and Community Boards. Every three years the Council holds elections for the people who will act and speak for our community. The last triennial election was on 8 October 2016.

#### Council

The Mayor and 16 Councillors, govern the city and ensure the needs of its residents are met. The Mayor is elected from the whole city and one Councillor is elected from each of the 16 wards that make up the city:

- Banks Peninsula
- Burwood
- Cashmere
- Central
- Coastal
- Fendalton
- Halswell
- Harewood
- Heathcote
- Hornby
- Linwood
- Innes
- Papanui
- Riccarton
- Spreydon
- Waimairi

The Council makes decisions for Christchurch's future, plans the way forward and is accountable for delivering what the community has identified as necessary to provide good quality local infrastructure, local public services and to perform regulatory functions.

The main direction of the Council for the period of this Annual Report is outlined in the LTP 2018-2028, which the Council consulted on then adopted in June 2018.

The elected members agree on the Community Outcomes that they want to achieve as the city evolves. They are published in the LTP and together with the community and its strategic partners, the Council prepares a work programme aimed to achieve these outcomes:

- Liveable city
- Strong communities
- Healthy environment
- Prosperous economy

There is more information on Community Outcomes in our Community Outcomes section of this report.

#### **Community Boards**

At a local level, seven Community Boards represent and advocate for the interests of their communities. Community Boards make decisions on some local matters and advise the Council on local needs, community views and how Council proposals will affect their communities.

The Community Boards are made up of 37 Community Board members and the 16 Councillors elected from each ward. The Community Boards are:

- Banks Peninsula
- Coastal-Burwood
- Fendalton-Waimairi-Harewood
- Halswell-Hornby-Riccarton
- Linwood-Central-Heathcote
- Papanui-Innes
- Spreydon-Cashmere

## Your Council Community Outcomes

#### What are Community Outcomes?

Community Outcomes describe what the Council aims to achieve in promoting the social, economic, environmental and cultural interests of the district now and in the future. They focus on what the Council is able and can afford to influence, and describe the city's aspirations. The Community Outcomes helped set the direction for the LTP 2018-2028. All Council activities described in the LTP contribute towards them.

#### The Community Outcomes

The Outcomes relate to four strategic directions – strong communities, liveable city, healthy environment and a prosperous economy.

The Community Outcomes are as follows:

#### **Strong communities**

Strong sense of community

- Citizens have a strong sense of belonging and are actively involved in the life of their city
- Communities are supported to undertake activities that activate their communities
- Vibrant and resilient community and volunteer groups provide support, encourage participation and mobilise resources
- People have strong social networks
- Appropriate services are available within local communities

Active participation in civic life

- Our communities share a spirit of citizenship and participate in civic matters
- The community's goals and aspirations are reflected in council activities
- Māori have opportunities to contribute to the decision-making process
- Youth are engaged with civic matters
- Communities have positive relationships and experiences when engaging with the Council

#### Safe and healthy communities

- People feel safe in their homes, neighbourhoods and the central city
- Community facilities and public places are safe, healthy, and welcoming
- An increasing proportion of people participate in active recreation and sporting activities
- Equitable access to parks, open spaces, recreation facilities, and libraries across the city
- Christchurch is well prepared for natural hazards and can respond and recovery quickly
- Increased public awareness and understanding of natural hazards and climate change, and their associated challenges

Celebration of our identity through arts, culture, heritage, and sport

- The city's heritage and taonga are conserved for future generations
- Arts and culture thrive in the city
- Sites and places of cultural significance to tangata whenua are respected and preserved
- Cultural and ethnic diversity is valued and celebrated

Valuing the voices of children and young people

- Children and young people are specifically targeted during community engagement on issues which affect them
- The views of young people are valued and contribute to decisions on long term challenges facing the city (e.g. climate change, natural hazards, environmental, red zone etc.)

#### Liveable city

Vibrant and thriving central city, suburban and rural centres

- More people, including families, live in the central city
- The central city is a place where residents, workers, and visitors enjoy being
- The central city is a diverse and prosperous business
   centre
- Well-designed public spaces enhance the central city and draw people in, day and night
- Suburban and rural centres are well-designed and meet the needs of the community, providing appropriate local services, employment, and opportunities for social interaction

A well connected and accessible city

- We have a fully integrated and reliable transport system that is responsive to the needs of citizens and adapts to new technologies.
- An increased proportion of journeys are made by active, public, or shared transport
- Residents have equitable access to public transport and cycleways across the city
- Improved transport safety

Sufficient supply of, and access to, a range of housing

- There is sufficient housing supply to accommodate residents
- Affordable housing options are available
- Housing location and density are in line with urban development targets
- Good quality housing
- A range of different housing types are available to meet residents' needs

21st century garden city we are proud to live in

- Residents are proud of the city and celebrate its identity
- Public places and buildings incorporate green spaces and vegetation

• Area of green coverage/biomass within the urban boundary

#### **Healthy environment**

Healthy waterways

- Water quality in our rivers, streams, lakes, and wetlands progressively improves
- Waterways and beaches are safe for recreation
- An increasing proportion of our waterways support mahinga kai

High quality drinking water

- The secure supply of safe drinking water is maintained in sufficient quantities to provide for the community's reasonable needs
- Water quality in aquifers is protected from the effects of land use
- Communities demonstrate a commitment to water conservation, promoting water quality

Unique landscapes and indigenous biodiversity are valued

- Indigenous biodiversity and ecosystems are protected
- Significant landscapes and natural features are enhanced
- The range of indigenous habitats and species we have are improved
- People feel a connection with, and responsibility towards the natural environment

Sustainable use of resources

- Energy is used efficiently, with a greater proportion from renewable sources
- Water is used efficiently and sustainably
- Each person and organisation works towards zero waste
- We transition to being a low carbon city

#### **Prosperous economy**

Great place for people, business, and investment

- Christchurch residents enjoy a high quality of life
- Christchurch is recognised for its ease of doing business
- We have highly skilled and educated workforce
- Christchurch has a reputation for innovation and creativity, and is an attractive place for entrepreneurs

An inclusive, equitable economy with broad-based prosperity for all

- Increasing economic resilience for low-income households
- Increased levels of income equality
- There is an increase in Christchurch businesses acting in a socially responsible way
- Christchurch has a thriving 'social enterprise' sector

A productive, adaptive and resilient economic base

- Christchurch has globally competitive businesses driving exports and generating wealth
- Christchurch is recognised as the global gateway to the South Island and Antarctica
- There is adequate and appropriate land for commercial, industrial and agricultural use

Modern and robust city infrastructure and facilities network

- Council infrastructure is able to function following an extreme event
- Christchurch's infrastructure supports sustainable economic growth
- Equitable repair of infrastructure across the city

#### How do we achieve these outcomes?

Everything the Council does focuses on meeting these outcomes. We align our activities with our strategies and plans. All our capital and operating spending is aimed at moving the city towards these outcomes now or in the future.

#### Who do we work with to achieve our outcomes?

We work with a variety of community groups and other agencies to meet our Outcomes. We are more likely to achieve lasting results in the community when we promote partnerships and work with Māori, other local and regional organisations, central government, non-governmental organisations, and the private sector.

#### **Strong Communities**

A strong community includes people having a safe place to live, the chance to take part in a wide range of recreation and feeling connected to the community. We help build strong communities by working with central government agencies such as the:

- Ministry of Social Development
- Department of the Prime Minister and Cabinet
- Regenerate Christchurch
- Ōtākaro Limited
- Department of Internal Affairs
- Ministry of Health
- Canterbury District Health Board
- New Zealand Police
- Creative New Zealand
- Sport and Recreation New Zealand.

We also work with many community groups. By working closely with these agencies our programmes are more likely to be complementary and effective.

#### Liveable City

A good built environment improves residents' lives by ensuring we have the right mix of houses, buildings and urban spaces. We have a unique chance to rebuild our urban areas in a way that enhances our lives. When planning we need to work very closely with neighbouring councils and ECan, as well as with central government agencies such as DPMC, the Ministry of Transport, the New Zealand Transport Agency (NZTA) and the Ministry of Business, Innovation and Employment (MBIE).

Professional bodies, such as the New Zealand Planning Institute and the New Zealand Institute of Architects, sector organisations such as the New Zealand Historic Places Trust, and educational and research institutes are important partners for planning good urban design. Working with private developers and the wider community, who plan and build much of the city's urban environment, is also crucial for successful development.

#### **Healthy Environment**

Our district has landscapes and indigenous biodiversity that are unique and important to the area and we work with many groups to protect the environment. Research centres such as the National Institute of Water and Atmospheric Research (NIWA), Landcare Research and Canterbury and Lincoln universities provide technical information. Conservation and recreation groups organise projects to protect and restore the environment. A Māori perspective helps us understand and consider cultural matters.

#### **Prosperous Economy**

A prosperous economy is integral to us achieving our goals. Much of our economic development is led by ChristchurchNZ (CNZ). The Council through Christchurch City Holdings Limited, is a majority shareholder in a number of infrastructure companies including the Lyttelton Port Company Limited, Christchurch International Airport Limited and Orion New Zealand Limited. We work with other organisations such as the Crown Research Institutes, New Zealand Trade and Enterprise, the Foundation for Research, Science and Technology, MBIE and the Ministries of Foreign Affairs and Trade, and Social Development.

We also work with local business groups to give us a strong economic base and make Christchurch a good place to do business.

## How do we know if we are achieving our Community Outcomes?

We must be able to measure our Outcomes. We monitor our progress by using a variety of indicators. We publish the monitoring results from time to time on our website. You can view the latest online at:

https://ccc.govt.nz/the-council/how-the-councilworks/reporting-and-monitoring/residents-survey/

## Your Council The elected Council



Back Row (from left):

Councillor Glenn Livingstone, Councillor Yani Johanson, Councillor Deon Swiggs, Councillor Anne Galloway, Councillor Tim Scandrett, Councillor Jimmy Chen, Councillor Vicki Buck, Councillor Aaron Keown, Councillor Mike Davidson, Councillor Raf Manji.

#### Front Row (from left):

Councillor Phil Clearwater, Councillor Sara Templeton, Deputy Mayor Andrew Turner, Mayor Lianne Dalziel, Councillor James Gough, Councillor Pauline Cotter, Councillor David East.

## Your Council Chief Executive and Executive Leadership Team



#### From left:

Leonie Rae Carolyn Gallagher Brendan Anstiss Carol Bellette Brent Smith Mary Richardson David Adamson Acting General Manager Corporate Services Acting General Manager Consenting and Compliance General Manager Strategy and Transformation General Manager Finance and Commercial Acting General Manager Citizens and Community Acting Chief Executive Officer General Manager City Services

## Your Council Community Board Members

#### **Banks Peninsula Community Board**

Pam Richardson (Chairperson) – Akaroa subdivision Tyrone Fields (Deputy Chairperson) – Lyttelton subdivision Felix Dawson – Mount Herbert subdivision Janis Haley – Akaroa subdivision John McLister – Mount Herbert subdivision Jed O'Donoghue - Lyttelton subdivision Tori Peden – Wairewa subdivision

<u>Councillor</u> Andrew Turner – Banks Peninsula ward

#### **Coastal-Burwood Community Board**

Kim Money (Chairperson) – Coastal ward Tim Sintes (Deputy Chairperson) – Coastal ward Tim Baker – Burwood ward Linda Stewart – Burwood ward

<u>Councillors</u> David East – *Coastal ward* Glenn Livingstone – *Burwood ward* 

#### Fendalton-Waimairi-Harewood Community Board

Sam MacDonald (Chairperson) – Waimairi ward David Cartwright (Deputy Chairperson) – Fendalton ward Aaron Campbell – Harewood ward

Linda Chen – Harewood ward Shirish Paranjape – Waimairi ward Bridget Williams – Fendalton ward

<u>Councillors</u> James Gough – Fendalton ward Aaron Keown – Harewood ward Raf Manji – Waimairi ward

#### Halswell-Hornby-Riccarton Community Board

Mike Mora (Chairperson) – Hornby ward Helen Broughton (Deputy Chairperson) – Riccarton ward Natalie Bryden – Hornby ward Catherine Chu – Riccarton ward Ross McFarlane – Halswell ward Debbie Mora – Halswell ward

<u>Councillors</u> Vicki Buck – *Riccarton ward* Jimmy Chen – *Hornby ward* Anne Galloway – *Halswell ward* 

#### Linwood-Central-Heathcote Community Board

Sally Buck (Chairperson) – *Central ward* Jake McLellan (Deputy Chairperson) – *Central ward* Alexandra Davids – *Linwood ward* Darrell Latham – *Heathcote ward* Tim Lindley – *Heathcote ward* Brenda Lowe-Johnson – *Linwood ward* 

#### <u>Councillors</u>

Yani Johanson – *Linwood ward* Deon Swiggs – *Central ward* Sara Templeton – *Heathcote ward* 

#### Papanui-Innes Community Board

Ali Jones (Chairperson) – *Innes ward* Emma Norrish (Deputy Chairperson) – *Papanui ward* Jo Byrne – *Innes ward* John Stringer – *Papanui ward* 

<u>Councillors</u>

Pauline Cotter – *Innes ward* Mike Davidson – *Papanui ward* 

#### Spreydon-Cashmere Community Board

Karolin Potter (Chairperson) – Spreydon ward Melanie Coker (Deputy Chairperson) – Spreydon ward Helene Mautner – Cashmere ward Lee Sampson – Cashmere ward

<u>Councillors</u> Phil Clearwater – Spreydon ward Tim Scandrett – Cashmere ward

## Your Council Governance and management

The Council works for the people of Christchurch, providing essential services and planning for the future, based on the desires of the community.

Governance is about setting direction and achieving the vision and goals of the city. This is the role of the Mayor and Councillors who set priorities and policies, and review progress. The Mayor and Councillors employ the Chief Executive and delegate to her the management and delivery of Council services. The Chief Executive and her staff are then responsible for implementing the policies and strategies set by the Council.

The Council's elected members and staff work within a range of systems and processes that help ensure they comply with New Zealand laws and follow good business practice. These checks and balances help the community to interact with the Council, and assure the public that the Council is acting in their best interests. The checks and balances include:

#### Training elected representatives

After every election, Council staff and others, such as Local Government New Zealand, assist in training incoming elected members. Training is ongoing and includes meeting procedures, conflicts of interest, and an overview of the boundaries that local authorities operate within.

#### Listening to the community

On many occasions the Council is required to listen to the community and consider the views of residents and ratepayers when making decisions. It does this by holding formal public consultation on city projects that include public hearings, and receiving petitions and deputations at Council, Committee and Community Board meetings. It also receives public opinion via social media and the internet, through programs such as 'Have Your Say', which actively solicits public views on many matters.

#### Legislative compliance

The Council uses in-house lawyers and hires consultants to help ensure it complies with the wide range of laws and regulations governing local authority activities.

#### Accountability

The law requires Council activities to be clear and transparent. The Council does this by holding open meetings, live-streaming full Council meetings on the web and posting meeting agendas and reports on its website for public and media scrutiny. It also distributes printed copies of these documents through its network of service centres and libraries.

The Council complies with the Local Government Official Information and Meetings Act 1987, which provides for Council information to be made available on request unless there is good reason to withhold it. The Council informs residents of Council decisions and projects through its website, social media, newspaper features, radio interviews, public notices, e-newsletters, at public meetings and by informing the media.

#### Audit

The law requires the Council to prepare financial statements that fairly reflect the organisation's financial position, performance and cash flows. In addition, the Council must report on how well it achieved non-financial objectives, set three-yearly as part of the LTP process. The Auditor-General contracts Audit New Zealand to audit these financial and non-financial statements on his behalf.

#### Internal audit

The Council's internal audit team monitors its internal controls framework via a 3 year risk based internal audit plan. Deloitte provide resource and expertise to aid delivery of this function.

#### **Risk management**

The Council has an Audit and Risk Management Committee, comprising Council representatives and external members experienced in financial and risk management.

#### Monitoring Council Controlled Organisations

The Council has financial and governance interests in other organisations. CCHL is a significant wholly-owned subsidiary. It groups trading activities under one umbrella and keeps the Council at arm's length from the activities of Council Controlled Organisations (CCOs), which operate as profit-making enterprises.

The major CCOs are:

- Christchurch City Holdings Limited (CCHL)
- Orion New Zealand Limited (Orion)
- Christchurch International Airport Limited (CIAL)
- City Care Limited (City Care)
- Lyttelton Port Company Limited (LPC)
- Red Bus Limited (Red Bus)
- Enable Services Limited (ESL)
- EcoCentral Limited (EcoCentral)
- Development Christchurch Limited (DCL)
- ChristchurchNZ Holdings Limited (CNZ)

The Council also has interests in other smaller CCOs:

- Civic Building Limited (CBL)
- Vbase Limited (Vbase)
- Transwaste Canterbury Limited (Transwaste)
- Christchurch Agency for Energy (CAfE)
- Riccarton Bush Trust (RBT)
- Rod Donald Banks Peninsula Trust (RDBPT)

Each CCO is required to produce a Statement of Intent (SOI) that it develops in consultation with the Council. This sets out the objectives, the nature and scope of its activities, its performance targets and how its performance will be measured. CCOs are required to report to their shareholder bi-annually.

For more detail go to: Group Structure and Council Controlled Organisations.

### Your Council Māori involvement in decision making

The partnership with manawhenua has continued to strengthen this year, with both parties working well together for the benefit of Greater Christchurch.

The Te Hononga – Ngā Papatipu Rūnanga and Christchurch City Council Committee improves Māori capacity to contribute to decision making. This year the committee discussed infrastructure development with a long term view to manage disposal of waste water, stormwater and the infrastructure requirements to enable building on the Kāinga Nohoanga/ Māori Reserves. In partnership with Te Rūnanga o Ngāi Tahu Council have produced a series of four booklets called 'Building within the Papakāinga/Kāinga Nohoanga' zones. These booklets will help whanau understand consenting requirements as outlined in the Christchurch District Plan.

Council and Rūnanga have joined forces to deliver interesting and uplifting events this year. Such highlights include the new citizen's ceremony held at Ōnuku Marae, in Akaroa on Waitangi Day. The Council joined with manawhenua and 52 new citizens and their families, to commemorate this special day. These new New Zealanders were welcomed onto the marae followed by a hangi lunch.

Council and Rūnanga also welcomed the new Chancellor and Vice Chancellor of the University of Canterbury at Tuahiwi Marae. The day was a significant opportunity to thank former Vice Chancellor Dr Rod Carr and Chancellor Dr John Wood for their expert leadership during the dark days of post-earthquake Christchurch. It was also a time to celebrate and to welcome Vice Chancellor Professor Cheryl de la Rey and Chancellor Sue McCormack.

The Principal Ngāi Tahu Advisor and Chief Advisor Ngāi Tahu/ Māori Relationships are two roles within Council that continue to provide Māori advice and leadership.

The Council continues to develop staff cultural capability and provides pathways for staff to participate and engage

to extend their understanding of Ngāi Tahu / Māori. As well as providing Treaty of Waitangi workshops for all newcomers to the organisation, Council employees can:
learn te reo

- learn te reo
- join the waiata lunch time group
- request a marae based Ngāi Tahu one day workshop
- request a Māori protocol half day experience at a local marae
- attend a clinic every Tuesday with the Ngāi Tahu / Māori team to discuss any aspects of their project that involves Māori.

Māori specialists' organisations also have an important part of the Council / Māori relationship.

The Mahaanui Kurataiao Limited relationship has grown and developed. This is the vehicle where the six Rūnanga have input into decision-making on resource management and in forming policy statements and plans. Council are the appointed environmental experts.

Mataapopore, a charitable trust that is mandated by manawhenua has provided design, arts and urban planning advice. Their contribution to the rebuild of Christchurch has created a Ngāi Tūāhuriri aesthetic in the city that is exciting and unique.

The Council has an operational and functional relationship with Mataawaka, who are Māori whose tribal affiliations are from outside of the region and are part of the wider Māori community as residents and rate payers. Situated at Ngā Hau e Wha Marae - Te Rūnanga o Ngā Maata Waka is a valuable stakeholder. Te Rūnanga o Ngā Maata Waka is an urban Māori authority which provides social services to the Māori community.

Council values these relationships with Ngāi Tahu/ Māori and will continue to promote opportunities for partnership and greater community benefit.

# **Council activities and services**

The work of the Council is divided into 14 groups of activities and services. Here you will find information about what each group does, how it performed over the past financial year and what work is going to be carried out in the future.

### Council activities and services Activities and services summary

The Council has allocated its service delivery activities into groups, to facilitate management and reporting.

The following pages contain information on the Council activities and services listed below.

_				2019	2018
	Costs (after internal recoveries) \$000	Income \$000	Net Cost \$000	Plan Net Cost \$000	Net Cost \$000
Communities and citizens	134,603	24,416	110,187	109,527	90,892
Parks, heritage and coastal environment	63,467	33,961	29,506	43,210	26,823
Water Supply	69,149	6,051	63,098	58,284	61,237
Wastewater	109,259	17,916	91,343	80,158	84,425
Stormwater drainage	30,334	13,855	16,479	30,106	30,529
Flood protection and control works	4,242	2,035	2,207	4,190	1,913
Roads and footpaths	115,110	64,358	50,752	46,888	50,827
Transportation	21,172	31,885	(10,713)	(63,372)	(24,507)
Refuse disposal	51,786	13,297	38,489	38,059	30,714
Housing	33,263	15,583	17,680	12,881	15,282
Regulatory and compliance	33,723	41,580	(7,857)	8,835	11,284
Strategic planning and policy	42,603	802	41,801	41,576	41,329
Governance	17,088	46	17,042	15,731	16,346
Corporate	127,490	754,593	(627,103)	(645,063)	(633,281)
Total cost of service delivery	853,289	1,020,378	(167,089)	(218,990)	(196,187)
Total cost of service delivery (excl Corporate)	725,798	265,785	460,014	426,073	437,094

Major net cost of service variance explanations are provided for each activity in their individual "What did it cost?" sections.

The table below reconciles the Council's cost of services outlined in this section of the Annual Report with the total revenue and expenses per the financial statements.

#### Group of Activities Reconciliation to Financial statements

	Parent	Parent
	30 Jun 19	30 Jun 18
	Actual	Actual
	\$000	\$000
Council activities and services revenue excluding Corporate activities	265,785	274,032
Rates revenue	496,216	460,992
Other revenue (primarily interest and dividends)	258,377	256,680
Total revenue	1,020,378	991,704
Council activities and services expenditure excluding Corporate activities	725,799	712,265
Other expenditure	127,490	86,861
Total expenditure	853,289	799,126

#### Capital expenditure summary for the year

2019         2019         2018           Plan         Plan           Net Cost         Net Cost         Net Cost           \$000         \$000         \$000           Communities and citizens         68,708         85,932         140,469           Parks, heritage and coastal environment         15,854         26,217         28,867           Water Supply         33,717         35,812         23,891           Water Supply         33,717         35,812         23,891           Water Supply         49,666         63,683         60,623           Stormwater drainage         20,016         18,834         47,950           Flood protection and control works         45,557         16,325         32,452           Roads and footpaths         80,439         94,023         44,866           Transportation         21,862         59,036         45,104           Refuse disposal         1,010         2,532         429           Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         4403         896         1,147           Governance         48	capital expenditure summary for the year			
Net CostNet CostNet Cost\$000\$000\$000Communities and citizens68,70885,932140,469Parks, heritage and coastal environment15,85426,21728,867Water Supply33,71735,81223,891Wastewater49,66663,68360,623Stormwater drainage20,01618,83447,950Flood protection and control works45,55716,32532,452Roads and footpaths80,43994,02394,866Transportation21,86259,03645,104Refuse disposal1,0102,532429Housing3,8192,8043,225Regulatory and compliance11Strategic planning and policy48Corporate66,86173,55722,161			2019	2018
\$000         \$000         \$000           Communities and citizens         68,708         85,932         140,469           Parks, heritage and coastal environment         15,854         26,217         28,867           Water Supply         33,717         35,812         23,891           Wastewater         49,666         63,683         60,623           Stormwater drainage         20,016         18,834         47,950           Flood protection and control works         45,557         16,325         32,452           Roads and footpaths         80,439         94,023         94,866           Transportation         21,862         59,036         45,104           Refuse disposal         1,010         2,532         429           Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         403         896         1,147           Governance         48         -         -           Corporate         66,861         73,557         22,161			Plan	
Communities and citizens68,70885,932140,469Parks, heritage and coastal environment15,85426,21728,867Water Supply33,71735,81223,891Wastewater49,66663,68360,623Stormwater drainage20,01618,83447,950Flood protection and control works45,55716,32532,452Roads and footpaths80,43994,02394,866Transportation21,86259,03645,104Refuse disposal1,0102,532429Housing3,8192,8043,225Regulatory and compliance11Strategic planning and policy48Corporate66,86173,55722,161		Net Cost	Net Cost	Net Cost
Parks, heritage and coastal environment       15,854       26,217       28,867         Water Supply       33,717       35,812       23,891         Wastewater       49,666       63,683       60,623         Stormwater drainage       20,016       18,834       47,950         Flood protection and control works       45,557       16,325       32,452         Roads and footpaths       80,439       94,023       94,866         Transportation       21,862       59,036       45,104         Refuse disposal       1,010       2,532       429         Housing       3,819       2,804       3,225         Regulatory and compliance       11       -       -         Strategic planning and policy       48       -       -         Corporate       66,861       73,557       22,161		\$000	\$000	\$000
Water Supply         33,717         35,812         23,891           Wastewater         49,666         63,683         60,623           Stormwater drainage         20,016         18,834         47,950           Flood protection and control works         45,557         16,325         32,452           Roads and footpaths         80,439         94,023         94,866           Transportation         21,862         59,036         45,104           Refuse disposal         1,010         2,532         429           Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         48         -         -           Corporate         66,861         73,557         22,161	Communities and citizens	68,708	85,932	140,469
Wastewater       49,666       63,683       60,623         Stormwater drainage       20,016       18,834       47,950         Flood protection and control works       45,557       16,325       32,452         Roads and footpaths       80,439       94,023       94,866         Transportation       21,862       59,036       45,104         Refuse disposal       1,010       2,532       429         Housing       3,819       2,804       3,225         Regulatory and compliance       11       -       -         Strategic planning and policy       48       -       -         Corporate       66,861       73,557       22,161	Parks, heritage and coastal environment	15,854	26,217	28,867
Stormwater drainage       20,016       18,834       47,950         Flood protection and control works       45,557       16,325       32,452         Roads and footpaths       80,439       94,023       94,866         Transportation       21,862       59,036       45,104         Refuse disposal       1,010       2,532       429         Housing       3,819       2,804       3,225         Regulatory and compliance       11       -       -         Strategic planning and policy       403       896       1,147         Governance       48       -       -         Corporate       66,861       73,557       22,161	Water Supply	33,717	35,812	23,891
Flood protection and control works       45,557       16,325       32,452         Roads and footpaths       80,439       94,023       94,866         Transportation       21,862       59,036       45,104         Refuse disposal       1,010       2,532       429         Housing       3,819       2,804       3,225         Regulatory and compliance       11       -       -         Strategic planning and policy       403       896       1,147         Governance       48       -       -         Corporate       66,861       73,557       22,161	Wastewater	49,666	63,683	60,623
Roads and footpaths       80,439       94,023       94,866         Transportation       21,862       59,036       45,104         Refuse disposal       1,010       2,532       429         Housing       3,819       2,804       3,225         Regulatory and compliance       11       -       -         Strategic planning and policy       403       896       1,147         Governance       48       -       -         Corporate       66,861       73,557       22,161	Stormwater drainage	20,016	18,834	47,950
Transportation         21,862         59,036         45,104           Refuse disposal         1,010         2,532         429           Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         403         896         1,147           Governance         48         -         -           Corporate         66,861         73,557         22,161	Flood protection and control works	45,557	16,325	32,452
Refuse disposal         1,010         2,532         429           Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         403         896         1,147           Governance         48         -         -           Corporate         66,861         73,557         22,161	Roads and footpaths	80,439	94,023	94,866
Housing         3,819         2,804         3,225           Regulatory and compliance         11         -         -           Strategic planning and policy         403         896         1,147           Governance         48         -         -           Corporate         66,861         73,557         22,161	Transportation	21,862	59,036	45,104
Regulatory and compliance11-Strategic planning and policy4038961,147Governance48Corporate66,86173,55722,161	Refuse disposal	1,010	2,532	429
Strategic planning and policy         403         896         1,147           Governance         48         -         -           Corporate         66,861         73,557         22,161	Housing	3,819	2,804	3,225
Governance         48         -           Corporate         66,861         73,557         22,161	Regulatory and compliance	11	-	-
Corporate <u>66,861</u> 73,557 22,161	Strategic planning and policy	403	896	1,147
·	Governance	48	-	-
Total capital expenditure         407,971         479,651         501,184	Corporate	66,861	73,557	22,161
	Total capital expenditure	407,971	479,651	501,184

Major capital expenditure variance explanations are provided for each activity in their individual "What did it cost?" sections.

#### Depreciation and amortisation summary for the year

	2019	2018
	Plan	
Expensed	Expensed	Expensed
\$000	\$000	\$000
21,368	21,755	21,356
22,252	13,444	9,559
35,662	34,651	34,138
52,245	53,014	51,611
12,923	12,882	12,107
29	96	3
58,426	57,066	55,451
3,960	4,163	3,911
2,473	2,453	2,317
6,573	7,702	7,024
74	75	110
85	130	71
-	-	-
18,941	17,569	16,234
235,012	225,000	213,892
	<b>\$000</b> 21,368 22,252 35,662 52,245 12,923 29 58,426 3,960 2,473 6,573 74 85	Plan           Expensed         Expensed           \$000         \$000           21,368         21,755           22,252         13,444           35,662         34,651           52,245         53,014           12,923         12,882           29         96           58,426         57,066           3,960         4,163           2,473         2,453           6,573         7,702           74         75           85         130           -         -           18,941         17,569

## Council activities and services Communities and citizens

## What is communities and citizens, and what does the Council do?

Communities and citizens provides:

- community facilities: Christchurch Art Gallery Te Puna o Waiwhetu, museums and libraries;
- community: funding, events and festivals;
- facility and community-based programmes;
- recreation & sports facilities and sports parks;
- sector co-ordination, support and advice;
- civil defence and emergency management; and
- first point of contact service for enquiries and interactions for the citizens and customers of Christchurch.

Citizens increasingly expect accessible and joined-up services, easy one-stop interactions and choice in how they engage with Council. The focus of customer services is to deliver first point of contact services ensuring an integrated and citizen-centric experience that makes it simple and easy to interact with Council.

Our community facilities, community development and funding activities support and encourage residents to volunteer and participate in community initiatives and to build community capacity and social connectedness.

The City's galleries, museums and libraries provide residents and visitors with access to art, historical and other educational material. Their collections will continue to be enjoyed by future generations.

Our sport and recreational facilities deliver facility and community-based programmes. Sport and recreation activities contribute to the social and economic well-being of the community by offering a wide range of facilities such as pools, recreation centres, stadia and sporting facilities as well as services, programmes and events, many of which are based around those facilities.

Civil defence and emergency management (CDEM) work with communities to build resilience to disasters, promote understanding of hazards and risks, and to develop emergency preparedness. Along with other organisations and the community, the team responds to emergencies.

#### Why is the Council involved?

Local government's purpose includes meeting the current and future needs of communities by developing cost effective local infrastructure and public services, and promoting the cultural and social well-being of communities for the present and future. We contribute to this by running art galleries, libraries and museums and by offering various services to those using them.

We supply community and social infrastructure such as public amenities and facilities that allow residents to meet, socialise and develop strong and inclusive networks. Events strengthen community pride, promote the understanding of different cultures and a healthy lifestyle, and showcase the good quality of lifestyle available in Christchurch.

We contribute to the community outcomes by helping make the city a place of diverse and inclusive communities, a city for recreation, fun and creativity and of life-long learning. These activities contribute to cultural identity and social cohesion, and enrich the lives of present and future citizens.

We contribute to the Strong Communities and Liveable City Community Outcomes. We do this through CDEM initiatives, by supporting community groups with development and funding, and by providing services and facilities such as social housing. Community support helps build community and individual resilience by involving and encouraging local input into council decision-making.

We enhance the experience of visitors to the wider city, assisting their understanding of the influences that have shaped communities. Galleries, museums and libraries have an important place in the region's tourism infrastructure, contributing to economic wellbeing.

The ability to participate in sport and recreation is seen as a fundamental component of community life in Christchurch.

The Council aims for a number of outcomes. For sport and recreation these include that:

- people have equitable access to parks, open spaces, recreation facilities and libraries
- more and more people take part in recreation and sport
- Christchurch is recognised as a great place to work, live, invest and do business
- services are available locally in urban areas
- people are actively involved in their communities, local issues and decision-making.

Sport and recreation activities contribute to the social and economic well-being of the community by offering a wide range of facilities such as pools, recreation centres, stadia and sporting facilities as well as services, programmes and events, many of which are based around those facilities.

Sport and recreation services also contribute to achieving four of the City's Community Outcomes:

- people have a sense of connection to and participate in their community
- people participate in a wide range of recreational activities
- Christchurch's culture and heritage is valued
- Christchurch is a good place to do business.

We do this by giving everyone the opportunity and encouragement to take part in leisure, sport and physical activities. We also promote the city economy through enabling the industry associated with providing residents opportunity to live a healthy and active lifestyle.

#### How does it affect me?

Community services helps you live in a safer, stronger community. We offer communities expert advice on developing groups and projects. We fund projects that make your neighbourhood a better and safer place, and we provide neighbourhood facilities for socialising and recreation.

We stage community events throughout the year such as New Zealand Cup and Show Week, Sparks, Christchurch Lantern Festival, Guy Fawkes fireworks and KidsFest. We also support events such as sport events (Black Caps cricket internationals, and All Blacks Test matches) and the Christchurch Arts Festival.

Every time you visit Christchurch Art Gallery Te Puna o Waiwhetū or local museums and city libraries, you are using our cultural and learning services. You can find interesting material, collections and other programmes such as exhibitions and public events. There are also many online services and learning opportunities.

You may use our recreation and leisure facilities like the Pioneer, Graham Condon or Jellie Park Recreation and Sport Centres or our specialist sports grounds and facilities around the City.

#### What activities are involved?

#### Christchurch Art Gallery Te Puna o Waiwhetū

The Art Gallery collects, preserves and presents our region's artistic heritage to residents and visitors. Christchurch Art Gallery Te Puna o Waiwhetū is a vibrant, dynamic space which caters to a strong and growing art audience.

#### Museums

We run and support museums so that our region's heritage is collected, preserved and made accessible to residents and visitors. Akaroa Museum preserves and displays the history of Akaroa and Banks Peninsula.

We also contribute funds to the Canterbury Museum.

#### Libraries

City libraries provide recreational and learning resources, public programmes to support literacy and learning and community spaces for citizens. Our libraries are very well patronised and rated highly by customers.

#### **Community development and facilities**

We distribute grants to community groups and notfor-profit organisations for projects and initiatives that benefit the city, local communities and communities of interest. We own many community centres, halls and cottages that can be used for activities such as public meetings, dance or exercise classes, social gatherings, craft groups and sports workshops. While Council manages a number of these community facilities, we also empower and support community organisations to manage facilities for the benefit of the whole community.

#### Recreation, sports, community arts and events

Recreation and sport centres, swimming pools and stadia enable residents to take part in recreation and sport. As well as running these facilities, we support other groups running recreation and sport programmes, and secure regional, national and international sporting events for Christchurch.

We provide a variety of specialised sports grounds and facilities to cater for organised sports and other associated recreational activities. Examples include the Rawhiti Golf course, the Fencing Centre and the Denton Park velodrome.

We provide an all year-round programme of free and affordable community arts and events, supporting a range of festivals that enhance the city's lifestyle qualities, and build capacity in the local events industry. Our major events attract visitors and support key industries in Christchurch and Canterbury.

#### **Civil Defence and Emergency Management**

We co-ordinate local CDEM activities, train Emergency Operations Centre (EOC) staff and community volunteers and respond to civil defence emergencies in a collaborative manner with partner agencies.

We promote community awareness of the likely impact of a disaster and encourage individuals, community groups, other organisations and businesses to be prepared.

#### **Citizen and customer services**

Citizen and customer services delivers multi-channel first point of contact services to the Council's citizens and customers. A 24/7 contact centre is maintained which includes phone, email and social media interaction and face to face services at suburban service desks. We provide information, take payments, bookings, registrations, and create and manage requests for service for a wide range of Council services. There are walk-in customer service points at 12 sites in greater Christchurch, from Papanui in the north to Akaroa in the south.

#### What did we achieve?

#### Christchurch Art Gallery Te Puna o Waiwhetu

Christchurch Art Gallery successfully met its visitor target of 329,022 visitors with 367,376 people visiting the gallery.

The gallery has produced a total of 16 exhibitions including 3 new artists' projects over the period. The gallery also toured 1 exhibition to Dunedin Public Art Gallery. 25,271 visitors took part in public programme events during the twelve months. This result is well above the target of 20,000 per annum. 12,910 children took part in gallery-led lessons in the gallery's education centre. This result is above the target of 11,000 per annum.

148 works were added to the city's collection during the year; 36 were purchased, 2 were co-purchased and 110 gifted.

The gallery published and distributed four editions of its quarterly magazine Bulletin, as well as 3 exhibition and collection related publications. The gallery received 5 publication awards in 2018/19.

We supported public art in line with Public Art Advisory Group recommendations.

#### Museums

40,547 people visited the Akaroa Museum, 65% above target of 24,500 and 10,563 more than 2017/18. Cruise ship passengers represent 30% of the visitor total.

3 new temporary exhibitions were presented.

The Museum's collection grew with the addition of 126 objects (41 accessions), all documented, insured and safely stored. Access to the collections was maintained, with 171 collection enquiries received and answered.

#### Libraries

Libraries met the agreed Levels of Service for the 2018/19 year for library services, spaces, programmes and collections.

The major highlight and achievement was the opening of Tūranga, the new central library, on 12 October 2018. The completion of this anchor project and major civic facility was eagerly anticipated by Christchurch residents with high visitation and attendance at events and programmes over the initial months and for the rest of the year.

Tūranga continues to attract strong interest from residents and visitors alike. Since opening: 755,224 people have visited; 354,550 items have been issued; 18,692 people have attended programmes and there have been 17 million touches on the Discovery Wall.

Tūranga has won numerous building and design awards including being shortlisted for a prestigious international Public Library of the Year award.

Overall, performance for the network of libraries was strong with visitor numbers increasing by 6.9 %. Circulation of physical items decreased by 3.9 % but digital collections continued to perform very well with a 31.1 % growth in digital issues, which equates to 668,870 digital downloads.

Attendance at library programmes continued to be high with 121,418 attendees, a 7% increase over last year.

Performance was 313 programmes per 1000 population and the KPI target is 230-300 per 1000.

Resident satisfaction with Council's library services is 94%, a drop of 1% from the previous year. Library membership has increased by 11 % to 198,088. This is 51 % of the total population.

#### **Community development and facilities**

#### Community funding

We distributed \$7,552,204 in grants from the 2018/19 Strengthening Communities and Creative Communities funding schemes to community groups and not-for-profit organisations for projects and initiatives that benefitted the city, local communities and communities of interest, (assisting 1,065 applicants). The organisations that received this funding contributed more than one million volunteer hours of community work across the city.

#### **Community facilities**

There are 60 community facilities available for community use; All Council-managed facilities have occupancy rates of 38% or higher.

The Community facilities plan has not been adopted by Council. The Plan has been presented to the Social, Community Development and Housing Committee who have endorsed its progress to socialise with Community Boards which is currently underway. The plan has been socialised with 5 Boards out of 7.

#### Recreation, sports, community arts and events

#### **Recreation and Sport**

We continue the planning and design work on three major recreation and sport facilities including: Metro Sports Facility, the South West Recreation and Sport Centre, and Linwood Pool. Construction has started on the New Brighton Hot Salt Water Pools.

Ngā Puna Wai was officially opened in March and received great feedback on the local, national and international competitions that have been held.

There was a net increase of 846,405 participations across all the Recreation & Sport Centres, primarily boosted by the opening of the Taiora:QEII facility. Residents' passion for physical activity continues with over four million visits to recreation and sport centres, stadia and services over the past year.

We collaborated with Water Safety New Zealand to provide 121,164 affordable swim lessons to communities in need.

#### **Events and festivals**

We supported a full calendar of events at all levels. Highlights include international cricket and hockey, Treetech fireworks, House of Travel Botanical D'lights, and Sparks. Events allow us to promote the Christchurch story and attract visitors to the city. Equally importantly we supported over 300 community groups in hosting their own events.

#### **Civil Defence and Emergency Management**

This year, the Civil Defence Emergency Management (CDEM) unit continued to engage with community groups to identify hazards in the community and to assist in planning for emergencies. We enabled this by geographically allocating our Community Resilience Coordinators (CRC) to work within dedicated areas across Christchurch City and Banks Peninsula. This communityfocused approach to developing resilience was also supported on the education front by our Stan's Got a Plan School programme, delivered by our colleagues from the Parks team.

Plans covering local readiness, response and recovery arrangements were reviewed throughout FY18/19. The key focus was placed on those plans that have high or medium impact hazards for which CDEM are the lead agency such as earthquake, tsunami, flooding (severe weather) and land instability.

We have continued to recruit, train and equip emergency operations centre (EOC) staff, New Zealand Response Team (NZRT) volunteers, and Welfare Response Team (WRT) volunteers across the city. For the first time, we have been including volunteers in EOC training as part of increasing the overall standard of our volunteer base.

Last year we moved into the new Justice and Emergency Services Precinct in the City. As a result of this, we have been perfectly placed to assist in recent incidents such as the Nelson/Tasman fires, and also the March Terrorist Attack. On both of these occasions, CDEM have been able to provide close support to the emergency services and other partner agencies, as well as providing direct support to our Muslim community during the March event.

#### **Citizen and customer services**

The success of our team is measured by the feedback we get from our citizens and customers in response to the service we provide. This year we achieved a Residents satisfaction rating from satisfied to very satisfied from our Community of 86%.

Significant projects completed this year include: The Service Request transformation project which is part of the My Council programme. The purpose of the Service Request transformation is to design services that are citizen-centric and standardised, enabling simple and easy interactions with Council. The New Service Request approach was implemented throughout September and October 2018.

Further development and implementation of our Citizen Hub Strategy has progressed this year with the implementation of Post and Post Plus services at our Papanui Service Centre.

Refurbishments were completed at Akaroa, Little River, Hornby and Fendalton Service Centres.

We completed 416,045 telephone enquiries, a 1% reduction on last year down from 420,306. Email enquiries decreased by 3.7% from last year to 93,013. Our financial face to face transactions for the year has also reduced to 122,463, down 2.36% compared to last year's 125,427.

#### How did we measure up?

## Christchurch Art Gallery Te Puna o Waiwhetu

Level of Service	Target	Achieved	Result	Prior Years
Develop, maintain an	d provide access to a col	lection of nationa	lly significant art	
Hours of opening	Hours of opening: <b>No fewer than 2,749</b> pa	Achieved	The Art Gallery was open for <b>2,758.5</b> hours	2018: 2,756 hours
	from re-opening			2017: 2,757 hours
				2016: 1,477 hours since
				reopening on 19 December 2015. The
				pro-rated target (195
				days) was 1,472
Visitors per annum	Increase visitors by 5% per annum	Achieved	<b>367,376</b> visits for year ending 30 June 2019	2018: 388,968 visits
	In 2018/19 = 329,022			2017: 298,433 visits
				2016: 200,313 visitors
				since reopening. The
				pro-rated target range
Minitor potiofontion with	At least 000/ of visitors	Ashisusad	000% of your orderets	was 197,671-219,041.
Visitor satisfaction with the Gallery experience	At least 90% of visitors satisfied with the overall	Achieved	<b>98%</b> of respondents rated the Gallery	2018: 98% satisfaction
the Gattery experience	Art Gallery experience.		'excellent' or 'good' in	2017: 94% satisfaction
			our quarterly visitor	20211017000000000000
			surveys	2016: 98% satisfaction
Develop and host art	exhibitions and present	a range of public p	programmes	
Exhibitions &	No fewer than 12	Achieved	<b>16</b> new exhibitions	2018: 15 exhibitions
publications presented	exhibitions presented		opened at the Gallery	
	ра		(including 3 artist	2017: 22 exhibitions and
			projects)	2 artist projects
				2016: 30 exhibitions
	4-6 publications pa,	Achieved	4 editions of Bulletin	2018: 4 editions of the
	with at least 1 significant publication every 2		magazine and <b>3</b> publications have been	Bulletin magazine.
	years		produced this financial	2017: 4 editions of the
			year	Bulletin magazine, 5
				exhibition publications,
				4 collection related publications
				2016: 4 editions of the
				Bulletin magazine, 1
				significant publication, 1
				exhibition catalogue.
Public and school-	Average of at least	Achieved	<b>12,910</b> attended school	2018: 12,635 attendees
specific programmes delivered	<b>11,000</b> attend school		specific programmes	2017: 12,299 attendees
	specific programmes per annum.			2011. 12,299 dilenuees
	d. mann			2016: 12,132 attendees
	Average of at least	Achieved	25,271 people attended	2018: 27,124 attendees
	20,000 people attend		advertised public	
	advertised public		programmes	2017: 22,035 attendees
	programmes per			2016, 16 762 attandage
	annum.			2016: 16,763 attendees

## Museums

Level of Service	Target	Achieved	Result	Prior Years
Hold and distribute t	the Canterbury Museum	levy		
Canterbury Museum levy paid annually.	Canterbury Museum levy funding paid as required	Achieved	The Canterbury Museum received planned levies in line with the amounts	2018: Levies agree with the Annual Plan targets.
			budgeted	2017: Levy paid on time.

#### Council activities and services – Communities and citizens

Level of Service	Target	Achieved	Result	Prior Years
				2016: Levy paid on time.
Operate the Akaroa M	luseum			
Visitors per annum to Akaroa Museum	Visitors per annum of at least <b>24,500 pa</b>	Achieved	Visitor total <b>40,547</b>	2018: 29,984 visitors
				2017: 23,962 visitors
				2016: 24,398 visitors
Hours of opening at	Minimum 2,093	Achieved	2,093 hours of opening	2018: 2,105.5 hours
Akaroa Museum	opening hours per annum			open
				2017: 2,110 hours open
				2016: 2,295 hours open
Exhibitions presented	No fewer than 2 exhibitions presented.	Achieved	3 exhibitions presented	2018: 3 exhibitions
	exhibitions presented.			2017: 2 exhibitions
				2016: 2 exhibitions. No
				exhibitions from July -
				November 2015 due to
				earthquake repairs.
Collections developed	Collection grows in line	Achieved	126 objects, 41	New measure
and maintained with	with policy, with at least		accessions and 100%	
access provided.	98% accessioned within		documented within 3	No comparative results
	3 months.		months	
	All collection items	Achieved	Collections safely stored	New measure
	stored safely and		and insured with access	
	securely with access		maintained.	No comparative results
	maintained.			

## Libraries

Level of Service	Target	Achieved	Result	Prior Years
Collections – including	general, specialist, her	itage and digital conten	t, are available to meet	the needs of the
community.				
Collections in a variety of formats are available to meet the needs of the community	Maintain collections at <b>3</b> - <b>3.5 items</b> per capita	Achieved	3.19 items per capita	2018: 3.21 items per capita 2017: 3.2 items per capita. 2016: 3.2 items per
				capita.
Community spaces the	rough a comprehensive	network of libraries, the	e mobile service and dig	itally
Residents have access to a physical and digital library relevant to local community need or profile – provide weekly opening hours for existing libraries.	Metropolitan and Suburban <b>52 to 74</b> <b>hours</b>	Achieved	Metropolitan and large suburban libraries were open on average <b>52-74</b> <b>hours</b> per week.	2018: Metropolitan: 52- 59 hours. Large Suburban: 67 hours. 2017: Metropolitan & Suburban: 72 to 52 hours. 2016: Temporary Metropolitan & Large Suburban: 52 to 59 hours
	Suburban Medium <b>48 to</b> 57 hours	Achieved	Medium suburban libraries were open <b>48-</b> <b>57 hours</b> per week.	2018: Suburban Medium: 57 hours. 2017: Suburban Medium: 48 to 57 hours. 2016: Achieved
	Neighbourhood <b>36 to 57</b> hours	Achieved	Small community libraries were open <b>36-</b> <b>57 hours</b> per week.	2018: Neighbourhood: 48 hours 2017: Neighbourhood 36 to 57 hours.

Level of Service	Target	Achieved	Result	Prior Years				
				2016: Achieved.				
	Free 24/7 Wifi access is available at Metropolitan, Suburban,	Achieved	Free Wifi available at all libraries	2018: Free Wifi available at all libraries 24/7.				
	and Neighbourhood Libraries			2017: Free Wifi available at all libraries 24/7.				
				2016: Free Wifi available at all libraries.				
Provide a mobile library service to extend the library reach in order to	Maintain a mobile library service of <b>up to</b> 40 hours per week	Achieved	The mobile van has been available an average of <b>at least 40</b>	2018: 45 hours per week. 2017: 45 hours per week.				
increase community participation and	40 Hours per week		<b>hours</b> a week over the past year.	2016: 40 hours per week.				
reduce isolation Library user satisfaction	At least 90% of library	Achieved	94% satisfaction	2018: 95% satisfaction				
with library service at Metro, Suburban and	users satisfied with the library service			2017: 95% satisfaction				
Neighbourhood libraries				2016: 93% satisfaction				
Equitable access to re	levant, timely informati	on and professiona	al services					
Free access to online information using public	Access to online information using public	Achieved	Access is freely available	New measure				
computing devices and the internet and access	computers and customer devices is			No comparative results				
to mainstream and new technologies	freely available at all libraries							
Access to information via walk-in, library website, phone, email,	Maintain ratio of public internet computers <b>at</b> <b>least 4 per 5,000</b> of	Achieved	Ratio of <b>6 per 5,000</b> of population	2018: 6 public internet computers per 5,000 of population				
professional assistance and on-line customer self service. In library	population			2017: 4.5 per 5,000 of population				
access to online information using public computing devices and the internet and access to mainstream and new				2016: 4 public internet computers per 5,000 of population				
technologies								
Programmes and ever	Programmes and events designed to meet customers' diverse lifelong learning needs							
Programmes and events designed to meet customers' diverse	Maintain participation of <b>230-300 per 1,000</b> of	Achieved	Achieved <b>313</b> per 1,000 of population	2018: 296 per 1,000 population				
customers' diverse lifelong learning needs	population			2017: 303 per 1,000 population				
				2016: 292 participations per 1,000 of population				

## **Community Development and Facilities**

Level of Service	Target	Achieved	Result	Prior Years			
Manage Community Grants funding and Community Loans, on behalf of Council and other funding bodies							
Effectively administer the grants schemes for Council	<b>95%</b> of reports demonstrate benefits that align to Council outcomes and priorities	Achieved	<b>100%</b> of reports demonstrate benefits that align to Council outcomes and priorities	New measure No comparative results			
Community facilities provision and operation, including the provision of facilities for volunteer libraries							
Provide a range of well utilised community facilities, including voluntary libraries	All Council-managed facilities have occupancy rates of <b>35%</b> or higher.	Achieved	<b>38%</b> average utilisation rate	New measure No comparative results			
# Recreation, Sports, Community Arts & Events

Level of Service	Target	Achieved	Result	Prior Years
Provide citizens access	4 Multi-purpose	Achieved	Indoor recreation	2018: Achieved
to fit-for-purpose	recreation and sport	nemeved	and sports facilities	2010. / emeved
recreation and sporting	centres, QEII, Graham		operational and	2017: Achieved
facilities	Condon, Jellie Park and		open for business	2017. Achieved
lacinties	Pioneer open 364 days		open for business	2016: Achieved
	1 2			2010. Achieved
	pa for 106 hours per week.			
		Achieved		2018: Achieved. All 8
	8 outdoor pools and 8	Achieved	All <b>8</b> paddling pools and all <b>8</b> outdoor pools	
	paddling pools are open			paddling and 7 outdoor
	seasonally		open.	pools open
				2017 Ashinnad
				2017: Achieved
				2016: Achieved
		A alstance d		
	<b>5 stadia</b> (Nga Puna Wai	Achieved	All <b>5</b> stadia open.	2018: Not achieved; Nga
	added) are available for			Puna Wai did not open
	use 364 days p.a.			in 2017/18 due to
				vandalism of the track &
				hockey artificial surfaces
				delaying their opening
				to Spring 2018
				2017: Achieved
				2016: Achieved
	13 leased recreation	Achieved	13 sports facilities	2018: Achieved. 16
	and sporting facilities		available for lease	sports facilities available
	are available for			for lease
	community use.			
				2017: 16 achieved
				2016: 16 achieved
	4 campgrounds are	Achieved	4 campgrounds	New measure
	available for use 365		available for lease	
	days p.a.			No comparative results
Provide well utilised	The number of	Achieved	3,987,079 participants	2018: 4.12 million
facility based	participants using			
recreational and	multipurpose recreation			2017: 4.06 million
sporting programmes	and sport centres,			
and activities.	outdoor pools and			2016: 3.62 million
	stadia <b>at least 3.5</b>			
	million			
	At least 100,000	Achieved	121,164 participants.	2018: 109,298
	Swimsafe lessons			
	delivered.			2017: 111,348
				2010 100 500
				2016: 100,580
Support citizen and	4,000 of hours of staff	Achieved	4,091 hours provided to	2018: 12,968 hours
partner organisations to	support provided to 100		<b>114</b> organisations.	provided to 384
develop, promote and	community			organisations
deliver recreation and	organisations.			
sport in Christchurch				2017: 5,194 hours
				provided to 109
				organisations
				2016 4 602 551
				2016: 4,692 staff hours
				provided to support 102
				organisations
	80% satisfaction with	Not achieved	76% satisfaction with	New measure
	the quality of Council		support	
	recreation and sport			No comparative results
	support.			

Level of Service	Target	Achieved	Result	Prior Years
Deliver a high level of satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM international benchmark) Note: Jellie Park and Pioneer will have rolling closures for EQ repair.	Achieved	<b>93%</b> satisfaction with range and quality of facilities and a 6.0 CERM rating.	2018: Survey not run in time for 2017/18 annual reporting 2017: 5.9 CERM rating or 84% satisfaction 2016: 5.9 CERM rating achieved
Provide facilities that have current PoolSafe accreditation and meet national standards for water quality	Maintain PoolSafe accreditation for all eligible pools	Achieved	Achieved at all eligible pools	2018: Achieved 2017: Achieved 2016: Achieved
	Pool water quality standards are maintained <b>at least</b> <b>85%</b> of NZS 5826-2010	Achieved	PoolSafe audits confirm standards <b>over 85%</b> achieved.	2018: Achieved 2017: Achieved
Produce and deliver an engaging program of community events	A <b>minimum of 11</b> events delivered annually of which three are marquee events. (Outdoor events subject to weather)	Achieved	<b>11</b> events delivered	New measure Comparative result available for only 2017: 11 events 2016: 12 events
	At least 90% satisfaction with the content and delivery across three delivered events.	Not achieved	81%	2018: 68% 2017: 64% 2016: 63%
Support community based organisations to develop, promote and deliver community events and arts in	<b>15,000 hours</b> of staff support provided to <b>600</b> community organisations.	Not achieved	<b>16,440</b> hours provided to <b>563</b> organisations	New measure No comparative results
Christchurch.	<b>80%</b> satisfaction with the quality of Council event support.	Achieved	90% satisfaction	New measure No comparative results

# **Civil Defence Emergency Management**

Level of Service	Target	Achieved	Result	Prior Years
Public education to in	crease community awar	eness and preparednes	S	
Build resilience through public education and community engagement programmes	At least 60 CDEM public education activities occur annually, including tsunami public education and Stan's Got Plan school programmes.	Achieved	<b>71</b> CDEM public education activities occurred	2018: 55 CDEM activities occurred 2017: This was not measured due to Kaikoura earthquake & Port Hills fires EOC activations 2016: 86 CDEM activities occurred
	At least 20 communities have developed community resilience planning documentation, resources, or activities.	Achieved	<b>22</b> communities engaged in resilience planning	New measure No comparative results

## **Citizens & Customer Services**

Level of Service	Target	Achieved	Result	Prior Years
Provide a "first point of	of contact" Council cust	omer service		
Provide a walk-in service that meets future citizen and customer demand	7-13 walk in customer service hubs. Number, locations and hours to be determined by population growth and demand.	Achieved	<b>12</b> Service desks located within the Greater Christchurch area.	2018: 12 walk in customer service desks provided 2017: 12 walk in customer service desks provided 2016: Achieved
Ensure Citizen and Customer Services are available to answer enquiries	Citizen and Customer Services are maintained 24 hours per day, <b>at</b> least 99% of the time.	Achieved	24/7 operation maintained <b>99.97%</b> of 2018/19 year.	2018: Achieved 2017: Achieved 2016: Achieved
	Telephone enquiries have an average speed to answer of <b>no more</b> <b>than 90 seconds</b> .	Not achieved	Average speed to answer <b>142.02</b> seconds	2018: 70% answered within 25 seconds 2017: 75% answered within 25 seconds 2016: 60% answered within 25 seconds
	Email enquiries have an average response time of <b>no more than 48</b> <b>hours</b> .	Achieved	Average response time to emails of <b>26.23</b> hours	New measure No comparative results
	Social media enquiries have an average response time of <b>no</b> <b>more than 4 hours</b> .	Achieved	Average response time of <b>&lt;4</b> hours achieved. (Call centre covers after hour responses only).	New measure No comparative results
	Online/chat/private messaging to be defined by industry standards and service analysis.	Not measured	Interaction channel to be developed in conjunction with review of 2021-31 LTP	New measure No comparative results
Citizens and customers are satisfied or very satisfied with "first point of contact" across all service channels	At least 87% of citizens and customers are satisfied or very satisfied by the quality of the service received at the first point of contact	Not achieved	<b>86%</b> customer satisfaction with all first point of contact services.	2018: 93% customer satisfaction 2017: 90% customer satisfaction 2016: 90% customer satisfaction

#### Where are we heading?

## Christchurch Art Gallery Te Puna o Waiwhetū

We aim to grow visitor numbers by continuing to build a nationally significant collection with identified major acquisitions, including gifts. We will continue to provide an excellent range of collection-based exhibitions, themed exhibitions, artist projects, publications, education and public programmes with broad audience appeal, as well as continuing to present a programme of late-night themed events that help attract new and repeat audiences.

#### Museums

We expect the growth in visitor numbers to continue into the 2019/20 financial year as Akaroa remains a port of call for cruise ships.

## Libraries

Tūranga will continue to be a key focus for the year ahead, building upon the very successful first nine months of operation. Staff will continue to develop services and sustain and grow visitation and community participation. This will include expansion of signature programmes, collaboration with foundation partners and further extending the usage of premium spaces.

Library input will continue to inform the planning and design brief for the new Hornby pool, library and community hub.

Implementation of the citizen hub model will continue across the city, including integration of postal services at specific sites. These changes will combine with the ongoing programme of building renewal and refurbishment. Fendalton and Papanui facilities will reopen early in the 2019/20 year with a more integrated, citizen friendly service. Redwood and Akaroa libraries will also be refurbished in the coming year.

## **Community development and facilities**

We will continue to provide contestable community grants to support community organisations including supporting partnerships with other funding providers to allow them to seek and leverage funding opportunities that meet the needs and aspirations of their members.

Community facilities are working towards:

- Completing the rebuild programme.
- Improving asset management and budget to a sustainable level.
- Ensuring facilities are fit for purpose.
- Empowering community groups to operate facilities.
- Developing a Community Facilities Network Plan.

#### Recreation, sports, community arts and events

The Council remains committed to building the Metro Sports Facility, a Recreation and Sport Centre in Hornby, the Linwood pool, and the New Brighton Hot Salt Water Pools. A facilities rebuild programme is guiding the Council and the community through the repair of other damaged facilities. We will focus on assisting community organisations to plan ahead and succeed in the changed environment.

We continue to work with our communities to ensure everyone can take part at whatever level they choose

As with all of our community parks we are working to increase the concept of community led management by encouraging and providing opportunities for volunteer input into parks maintenance. We will count and report on the hours of volunteer input. Equity remains a focus with a programme of work aimed at ensuring that all sporting codes have access to appropriate facilities.

We work closely with the sporting community to ensure that the community's needs are aligned to the service provision required.

Council has completed the review of its Events Strategy and support ChristchurchNZ in attracting and delivering an engaging programme of major events to Christchurch into the future. Community events will continue to be supported within Council.

We have a focus on returning event activity into central city spaces and delivering a quality annual programme of free and accessible events whilst focusing on environmental sustainability.

The draft co-created strategy, *Toi Ōtautahi* – *Christchurch Arts* that outlines the steps Christchurch will take to be seen as the best place in Aotearoa to live and be creative will be completed.

#### **Civil defence and emergency management**

The CDEM Unit will continue to advise our partners and community stakeholders. This means:

- Reviewing and updating CDEM related plans, procedures, guidelines etc.
- Testing the tsunami alert system when daylight saving begins and ends.
- Supporting and enabling communities to develop their own community emergency response/resilience plans.
- Delivering public education programs to increase community awareness of hazards, risks and how to be prepared.
- Working with Canterbury CDEM Group Emergency Management Office and partner agencies on joint planning, training and community resilience projects.
- Implementing recommendations identified in post event reporting, implementation and recovery plans.
- Enhancing the professionalism of our volunteers and Emergency Operations Centre personnel.

#### **Citizen and customer services**

Our service principle is to have the flexibility to respond to changing customer demand for hours, locations and channels. Citizens and customers increasingly expect professional, responsive, consistent quality service as well as accessible, joined-up, simple interactions with choice in how they engage with us.

We have undertaken research and surveys and our Citizens and Customers have identified these priorities:

- Know me and value me
- Understand my needs
- Personalise our interaction
- Provide easy access to quality services online, 24/7
- Connect me with Council
- Communicate with me
- Empower and guide me

Citizen and Customer Services is a key building block in bringing these priorities to life through supporting the Council in listening, understanding and designing for our citizens, customers and communities.

## Service delivery in 2019/20

#### Christchurch Art Gallery Te Puna o Waiwhetū

The Gallery is planning to present at least 15 new exhibitions including 2 artist projects during 2019/20. We anticipate that the new exhibitions, a broad range of activities for visiting school students, our audience-focused programmes, and the Gallery's design store and restaurant will assist us in meeting the levels of service agreed in the LTP.

#### Museums

The Akaroa Museum is planning to continue to deliver services consistent with those existing in 2018/19 (as outlined in the "How did we measure up" section above). At least 2 temporary exhibitions are planned for the year.

#### Libraries

Library hours of opening will be extended for Diamond Harbour residents, improving access to this well valued service. The library will be open 23 hours per week, from Monday to Saturday.

In terms of service promotion, efforts will be targeted on increasing library membership, supported by a marketing campaign to encourage more people to join the library and to build greater awareness of the diverse range of collections, programmes and services on offer.

Library staff will be developing skills in co-design to engage with citizens to better understand their needs and work with them to refine existing and develop new service offerings.

#### **Community development and facilities**

Council aim to work more strategically with other funding organisations and key community groups to increase the overall value of community funding to Christchurch. Concurrently supporting more funding decisions to be made at a local level by Community Boards. Completion of a funding review covering a more user friendly process and more targeted ways of working with funded groups.

We are focused on repairing any remaining damage to community facilities, developing a network plan and working in partnership with communities to meet their needs.

#### Recreation, sports, community arts and events

The New Brighton Hot Salt Water Pools will open in the summer of 2020 providing a regional attraction to support the New Brighton Regeneration Project.

The Graham Condon Recreation & Sport Centre will close for two months while scheduled maintenance is completed for the first time since opening in 2010.

Recreation and sports services will continue through 2019/20 enabling over 4 million active participations.

We will continue to invest in repair and renovation programmes of sports parks post the earthquakes. Upgrade works to other sports parks will be identified through the Sports Parks Network plan due for implementation in 2019/20.

#### **Civil defence and emergency management**

Civil Defence's focus for 2019/20 will be on ensuring we are ready as a city to effectively respond to emergencies; to work with our communities to build resilience through community education programmes and, to enhance our staff and volunteering capability and capacity through advanced training and engagement.

#### **Citizen and customer services**

Citizen and Customer Services focus for 2019/20 will be on:

- Continuing to improve the customer experience
- Increasing digital services and service channel choice
- Simplifying the way things happen for customers, the community and our staff
- Providing the organisation with insight and improvement support to enhance the citizen experience and service delivery. Facilitating process re-engineering and digitisation of services

Continued implementation of the Citizen Hub Strategy is also vital to ensure greater integration of external customer-facing Council services and ensuring that we deliver a walk in service that meets the needs of our Citizens.

Post Plus and Metrocard support our commitment for services that meet the needs of individual communities.

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## What did it cost?

## Statement of cost of services for the year ending 30 June

	2019	2019	2018
	Actual	Plan	Actual
	\$000	\$000	\$000
Cost of services			
Christchurch Art Gallery	12,042	12,216	12,184
Museums	8,573	8,753	8,173
Libraries	47,010	46,464	38,849
Community development and facilities	15,859	16,060	15,288
Recreation, sports, comm arts & events	40,557	39,895	34,523
Civil defence emergency management	1,776	1,885	1,331
Citizen and customer services	8,786	8,821	8,220
	134,603	134,094	118,568
Operating revenue from services			
Christchurch Art Gallery	991	961	933
Museums	48	33	38
Libraries	2,142	2,253	1,706
Community development and facilities	1,339	1,096	1,239
Recreation, sports, comm arts & events	14,492	12,989	12,256
Civil defence emergency management	-	-	-
Citizen and customer services	219	108	144
	19,231	17,440	16,316
Capital revenues	3,443	7,127	10,245
Vested assets	1,742	-	1,115
Net cost of services	110,187	109,527	90,892

## **Explanation of significant variances**

<u>Christchurch Art Gallery Te Puna o Waiwhetu</u> There were no significant variances.

## Museums

Operating costs were \$0.4 million higher than 2018 due to increased operating funding for the Canterbury Museum.

## **Libraries**

The cost of service was \$0.5 million higher than plan. This was due to \$1 million of additional depreciation for Tūranga (New Central Library) offset by savings in staffing and operational costs primarily due to the library's opening being deferred by three months.

The cost of service was \$8.2 million higher than 2018. This was driven by the opening in 2019 of Tūranga, approximately \$5.4 million relates to additional personnel costs and \$2.2 million relates to additional depreciation on the new facility. The remaining variance is primarily due to additional corporate overheads across the Libraries activity.

Operating revenue was \$0.4 million higher than 2018. \$0.3 million was due to the Christchurch Foundation grants received as part of the 10 year sponsorship from Spark, TBS Bank and Southbase. \$0.1 million was due to revenue received in Tūranga library from venue hire and library charges. **Community Development and Facilities** 

The cost of services was \$0.6 million higher than 2018 as a result of higher costs of depreciation for community facilities and early learning centres, and higher operating costs for community facilities.

<u>Recreation, Sports, Community Arts & Events</u> The cost of service was \$0.7 million higher than plan primarily because of increased costs at Taiora QEII due to continued high public usage. In addition, grants were \$0.9 million higher than plan due to the grant paid to Christchurch School of Gymnastics which was funded by the proceeds from the sale of the QEII land to the Ministry of Education.

These variances are partially offset by depreciation being \$0.7 million lower than plan due to rescheduling of multiyear projects, primarily Linwood Pool and South West Leisure Centre. Additionally, operating cost savings of \$0.2 million were realised for the New Brighton Hot Water Salt Pools due to the opening being scheduled for 2020.

The cost of service was \$6.0 million higher than 2018 primarily due to the staffing and operating costs relating to the opening of Taiora QEII, \$3.1 million and Ngā Puna Wai, \$0.4 million. In addition depreciation is \$1.6m higher than 2018 due to the opening of Taiora QEII and Ngā Puna Wai and the renovation of Jellie Park. Also a grant of \$0.9 million was made to the Christchurch School of Gymnastics (as mentioned above). Operating revenue was \$1.5 million higher than plan due to strong public participation at Taiora QEII and increased revenue pool operations, swim education, fitness operations and retail across network.

Operating revenue was \$2.2 million higher than 2018 primarily due to Taiora QEII's opening.

## **Civil Defence and emergency management**

The cost of service was \$0.4 million higher than in 2018, mainly due to costs for the March 15 incident and reduced office rental in 2018 due to delays in moving to the Justice Precinct.

## Citizen and customer services

The cost of service was \$0.6 million higher than in 2018, primarily due to more overheads and internal staff costs allocated to contact centre services.

#### Capital revenues

Capital revenues were \$3.7 million lower than plan mainly due to \$4.5 million of planned revenue for Ngā Puna Wai that is now expected to be received in 2020. This is partially offset by \$0.2m of unplanned development contributions and \$0.2m in relation to the Christchurch Stadium Turf replacement.

Capital revenues were \$6.8m lower than 2018 primarily due to the grants received for Taiora QEII in 2018.

## Vested assets

Vested assets were \$1.7 million higher than plan due to more art works gifted to the Council during the year. Notable gifts include Ron Mueck's chicken / man.

#### Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	112,723	111,142	111,142	106,116
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,056	1,026	1,026	815
Fees and charges	18,046	16,298	16,298	16,987
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other				
receipts	230	115	115	277
Total operating funding (A)	132,055	128,581	128,581	124,195
Applications of operating funding				
Payments to staff and suppliers	86,479	86,273	86,273	76,966
Finance costs	1,799	1,799	1,799	1,511
Internal charges and overheads applied	5,530	5,530	5,530	4,686
Other operating funding applications	19,405	18,737	18,737	25,421
Total applications of operating funding (B)	113,213	112,339	112,339	108,584
Surplus (deficit) of operating funding (A-B)	18,842	16,242	16,242	15,611
· · · · · · ·				
Sources of capital funding	2 9 4 2	7 1 2 9	7 1 2 9	10 000
Subsidies and grants for capital expenditure Development and financial contributions	2,842 395	7,128	7,128	10,000
Increase (decrease) in debt	46,090	- 62,442	- 62,442	- 89,702
Gross proceeds from sale of assets			- 02,772	
Lump sum contributions	_	-	-	_
Other dedicated capital funding	105	-	-	_
Total sources of capital funding (C)	49,432	69,570	69,570	99,702
Anniissaissa of equital funding				
Applications of capital funding Capital expenditure				
- to replace existing assets (1)	42,606	71,685	71,685	109,072
- to improve the level of service	3,295	569	569	2,544
- to meet additional demand	22,807	13,678	13,678	7,037
Increase (decrease) in reserves	(434)	(120)	(120)	(3,340)
Increase (decrease) of investments	(101)	(120)	(120)	(3,310)
Total applications of capital funding (D)	68,274	85,812	85,812	115,313
Surplus (deficit) of capital funding (C-D)	(18,842)	(16,242)	(16,242)	(15,611)
Funding balance ((A-B) + (C-D))		-	-	-
Footnotes	20.070	22 140	22.140	05.070
1 Earthquake rebuild application of capital funding	30,970	22,148	22,148	95,879

#### **Explanation of significant variances**

**Operating funding** 

The operating funding surplus was \$2.6 million higher than plan. This was due to \$1.6 million higher rates funding and \$1.7 million higher revenue from the Recreation, Sports, Community Arts and Events activity due to continued high usage at Taiora QEII. The increased revenue was partially offset by increased operating costs, the grant paid to the Christchurch School of Gymnastics and a transfer of budget to the Heritage activity for the Robert MacDougall Art Gallery.

## Capital expenditure

Capital expenditure was \$17.2 million lower than plan. \$18.7 million of projects, were either deferred: Jellie Park Recreation and Sports Centre (\$9.7million), New Brighton Salt Water Hot Pools (\$7.0 million), Linwood Pool (\$3.4 million), Metro Sport (\$0.6 million), St Albans Community Centre (\$0.4 million), or delivered in the prior year; Taiora QEII (\$2.1 million) and Woolston Community Facility (\$0.4 million). Offsetting this underspend, the following projects spent more than planned in 2019 due to updated timeframes: Tūranga (\$2.3 million), Spencer Park Campground upgrade (\$0.7 million), Risingholme Homestead and Hall repair (\$1.3 million) and Recreation and Sport capital renewals (\$0.6 million). In addition, \$1.5 million incurred for the turf replacement at Orangetheory Stadium (formerly AMI Stadium) was unplanned.

## Significant capital expenditure

Significant capital expenditure included: Ngā Puna Wai Sports Hub \$22.1 million, Tūranga \$12.0 million, Jellie Park Recreation and Sports Centre \$7.6 million, Metro Sports (Multi-Sport Facility) \$5.1 million, Libraries content \$4.7 million, Hot Salt Water Pools \$2.6 million, Risingholme Homestead & Hall \$2.5 million, Turf replacement Orangetheory Stadium \$1.5 million, Riccarton Community Centre \$1.2 million and Spencer Park Campground \$1.1 million. Other minor work included: digital Library equipment \$0.8 million, Art Gallery renewals \$0.7 million, Fendalton Library \$0.6 million, Recreation and Sport facilities renewals \$0.6 million, Art collections \$0.5 million, Parklands Queenspark Library \$0.5 million, Community Facilities' renewals \$0.5 million, fitness equipment \$0.4 million, Woolston Community Facility \$0.4 million and Recreation Sports renewals \$0.4 million.

The remaining was spent on smaller projects throughout the City.

# Council activities and services Parks, heritage and coastal environment

# What is parks, heritage and coastal environment, and what does the Council do?

We maintain and manage 1194 park sites covering 9,144 hectares in Christchurch City and Banks Peninsula. They include the Botanic Gardens, Hagley Park, heritage gardens, neighbourhood, sports and regional parks, including some foreshore areas, as well as open and closed cemeteries.

We also manage and maintain heritage buildings, public art, monuments for the city and harbour and marine structures.

## Why is the Council involved?

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Christchurch residents have a strong affinity with their parks, heritage and coastal environment which contribute strongly to their quality of life. The notion that Christchurch is New Zealand's 'Garden City' resonates with its citizens. Peoples' relationships with their parks, heritage and coastal environment is a key component in building resilient and sustainable communities through the provision of eco-services, business opportunities, physical and psychological health benefits, historical and environmental education and awareness, and sense of community.

Our network of parks, heritage and coastal environment areas contribute to the cultural, economic, environmental and social well-being of the community by providing a diverse range of recreation, sport, community and environmental opportunities for all ages and abilities. Cemeteries offer places for burial, remembrance, and reflection. Christchurch is acknowledged as a garden city, and the appearance of its public spaces is a high priority for citizens.

Parks help achieve our Community Outcomes (Good Governance, Liveable City, Strong Communities, Healthy Environment and Prosperous Economy). There are 18 goals within these five Community Outcomes of which Parks and open spaces contribute significantly to nine of these. We do this by providing opportunities for people to engage in a range of healthy activities in a diverse range of settings, enabling them to achieve personal and social benefits and contribute to environmental projects and providing a wellcared-for environment.

Significant parks such as the Botanic Gardens, Mona Vale, major sports parks and the regional parks also contribute to the economic wellbeing of the city due to the high number of tourists visiting these sites and large events. Current Trip Advisor rankings rate highly the Christchurch Botanic Gardens (2), Margaret Mahy Family Playground (7), Hagley Park (10), Banks Peninsula (11) and the Port Hills (15) as key attractions within the city.

Our aim within Heritage is to protect and promote the built, cultural and natural heritage of Christchurch City and Banks Peninsula. These features and places contribute to our sense of place, community and city identity, as well as to the character and economic wellbeing of the city.

## How does it affect me?

Everyone benefits by having access to areas for recreation and sport. We provide an attractive liveable urban environment and pristine natural areas for all to enjoy up close or from a distance. The tourism, sporting and cultural events associated with Council's significant parks helps Christchurch businesses to thrive. Participating in park activities improves our physical and mental health and builds strong social connections.

Understanding, valuing and enjoying our heritage helps develop our sense of place, identity and belonging to a place, city and country. By raising awareness and helping to protect Christchurch's heritage buildings, as well as, its cultural and natural heritage, we can build this understanding and facilitate this enjoyment.

The Council provides marine structures to facilitate access to the marine environment for citizens, visitors and commercial operators for recreation, sport, tourism, commercial activities and transport.

The natural environment programmes are free and available to all school aged children in Christchurch. They offer a real opportunity to become immersed in the civic, ecological and infrastructure environments of Christchurch, and support students and adults to take a proactive role in ensuring a sustainable future for our City.

## What activities are involved?

## **Parks and foreshore**

We provide, manage and maintain parks and associated assets, including planning, advocacy, education and conservation, for a range of activities including neighbourhood parks in the local community for individuals or groups to relax and enjoy informal and spontaneous outdoor recreation and community activities.

Community parks also provide for the incorporation of amenity gardens and trees and play spaces for all ages. Christchurch's foremost community park is Hagley Park. This encloses three sides of the Christchurch Botanic Gardens, with the Avon River running between the two. Centrally located within the city, the Park is renowned for its extensive area (165 hectares), its wide open spaces, diverse tree collection, avenues and mature woodlands.

The Botanic Gardens and heritage parks are home to an impressive collection of flora and associated biodiversity

from New Zealand and around the globe. Botanic gardens are institutions holding documented collections of living and preserved (held as dried specimens) plants, from bulbs to trees, for the purposes of scientific research, conservation, display and education.

We provide and maintain specialist garden collections for community and visitors to enjoy and study botanical diversity, while contributing to plant conservation and research, and contributing to our ongoing Garden City image. Our sports parks and facilities cater for international to local community sport. Hagley Park is our largest sports park attracting users from around the world for international sporting events while also catering for local school sport. It is part of a diverse network of sports parks spread across the city.

We also provide extensive naturalised parks and reserves on the coast, hills and plains for all to enjoy. They protect the region's natural landscape and biodiversity values while accommodating extensive outdoor recreation and education opportunities. Halswell Quarry regional park houses many sister city gardens and displays.

We provide and maintain cemeteries and administer burials and plot purchases. In addition we manage and maintain closed cemeteries and the heritage associated with them.

We provide, manage and maintain piers, wharves, moorings, jetties and boat ramps along the coast and in harbours for both recreational and commercial use.

Educating the community about the environment through the 'Learning through Action' programmes (biodiversity, civics, water and waste) are based at sites around Christchurch. This programme is for school groups with a focus on sustainability. The programmes encourage people to use parks and reserves, waterways, facilities, roads and spaces respectfully and safely, and work through some of the challenges we face as a community to create a sustainable open space environment.

## Heritage

Besides the heritage parks, Christchurch City Council also owns and looks after the city's publically owned heritage buildings and sites on behalf of Christchurch's citizens. Many of these buildings reside on parks. Notable buildings include the Provincial Chambers, Municipal Chambers, Mona Vale homestead. In addition there are several more important historic buildings within suburban communities such as Risingholme, Sign of the Takahe along with various statues and monuments.

## What did we achieve?

## Parks and foreshore

We continue to see an increased awareness from citizens of the service we provide around our local parks. We still have some way to go in regards to bridging the gap between perceived performance through our resident satisfaction survey and our Levels of Service targets. It is however very pleasing to continue to see year on year improvements in survey results. This is particularly so given the budget constraints experienced and a significant change in weed control from a glyphosate chemical control approach to a fully organic weed control approach in parks.

The process of continuous improvement has commenced for Hagley Park and the Botanic Gardens. Several kilometres of tired and damaged park barriers have been replaced with low visual impact bollards giving an open and expansive feel to the park, and a full tree assessment has been completed evaluating the qualitative risk. Work has commenced to protect and enhance tree root zones to support the ongoing sustainability of the magnificent specimens with the gardens.

Our Foreshore and Marine Access staff have focussed on some significant and complex projects such as the initial analysis and options scoping for the renewal of the Akaroa and Diamond Harbour wharves as well as progressing the Naval Point plan in the Lyttelton area.

Cemetery staff have focussed on improving access and constructing additional cemetery berms to meet the increased demand projected for the future.

Once again a significant number of voluntary planting programmes have been overseen by our Regional Parks team. These have enabled the ongoing restoration of natural habitats on the port hills and peninsula and as well as the coast and wetlands.

We are increasing our investment in local community initiatives with year on year increased volunteer activity and partnerships. The importance and opportunity associated with volunteers has been recognised by the creation of a dedicated team within the Parks unit to strengthen and grow volunteer input, generate training and development opportunities and explore social enterprise opportunities.

Specific community partnerships funding is dedicated to supporting:

- community-led projects to enhance and regenerate Council-owned greenspaces;
- parks and reserves through planting; and
- weeding, cleaning and monitoring of waterways.

These partnerships have been hugely successful.

An accessible pathway for funding of plants and gear for community groups helped to forge close and sustainable partnerships between the Parks unit and community groups dedicated to the guardianship of the city's parks and reserves.

Council staff working alongside schools have activated and sparked tremendous interest in our young people. The concept of school students looking after their 'own back yards' has created a tidal wave of interest and action that has led to schools building nurseries, running projects to protect river wildlife and taking part in large scale planting projects.

We delivered environmental education programmes at various Council sites such as parks, water and waste facilities to over 10,000 children, teachers and accompanying parents. Customer satisfaction across the suite of programmes was again almost perfect at 99 per cent. Additional resourcing has enabled us to expand and tailor a programme for early childhood centres as well as teenage students. This was achieved without additional funding by reprioritising marketing funds to front line services.

## Heritage

We have continued to focus effort in progressing the rebuild of our city owned heritage buildings, particularly those in the wider community areas. The restoration projects follow an expression of interest and tender process for occupation of the buildings to enable sustainable management. This work will continue next year.

## How did we measure up?

## **Parks and Foreshore**

Level of Service	Target	Achieved	Result	Prior Years
Community Parks, Cer	neteries, Botanic Garde	ns, Hagley Park, Re	gional Parks, Environmental	Education
Parks are provided	The ratio of trees	Achieved	This been achieved and	New measure
managed and	removed and replaced is		exceeded in all parks	
maintained in a clean,	1:1.		related areas	No comparative results
tidy, safe, functional and equitable manner	Gardens - condition	Achieved	100%	New measure
(Asset Condition)	average or better: <b>70%</b>			No comparative results
(, 10000 0011111011)	Sports fields - condition	Achieved	84%	New measure
	average or better: <b>50%</b>			
	-			No comparative results
	Playgrounds - condition	Achieved	100%	New measure
	average or better: 90%			N
	Church und fintunes and	Achieved	95%	No comparative results
	Structures, fixtures and furniture - condition	Achieved	95%	New measure
	average or better: <b>95%</b>			No comparative results
	Public Convenience -	Achieved	90%	New measure
	condition average or			
	better: <b>90%</b>			No comparative results
	Recreational tracks and	Achieved	79%	New measure
	pathways - condition			No comporativo regulto
	average or better: <b>70%</b> Vehicle access and	Not achieved	86%	No comparative results New measure
	parking - condition	Not achieved	8070	New measure
	average or better: <b>90%</b>			No comparative results
Parks are provided	100% of CSRs addressed	Not achieved	85%	New measure
managed and	within priority			
maintained in a clean, tidy, safe, functional and equitable manner	timeframes			No comparative results
	Annual reduction in	Achieved	-6% reduction in	New measure
	CSRs		Customer Service Requests (CSRs) from	No comparative results
			year-end 2018	No comparative results
	Annual increase in rate	Achieved	Increase of <b>53%</b> in rate	New measure
	of CSR clearance		of CSR clearance to year-	
			end 2019	No comparative results
Cemeteries	Funeral directors	Not achieved	80%	New measure
administration services	satisfaction with			
meet customer expectations	internment application process: <b>100</b> %			No comparative results
expectations	Satisfaction with	Not achieved	60%	New measure
	response time for			
	internment applications:			No comparative results
	100%			
Provide community	Regional Parks: <b>80</b>	Achieved	80 volunteer hours /	New measure
participation opportunities across the	volunteer hours/1000		1000 people	No comparative results
parks network	people Botanic Gardens: <b>5</b>	Not achieved	<b>4.12</b> volunteer hours /	New measure
parksnetwork	volunteer hours/1000	Not achieved	1000 people	New measure
	people			No comparative results
				•
	Community Parks &	Achieved	6 volunteer hours / 1000	New measure
	Cemeteries: 5 volunteer		people	No
	hours/1000 people 100% of funded	Achieved	100%	No comparative results
	conservation group	ACHIEVEU	100%	New measure
	project agreed outcomes			No comparative results
	met			
Overall customer	Regional Parks	Achieved	79%	2018: 71%
satisfaction with the	presentation: resident			
presentation of the City's	satisfaction ≥70 %			2017: 69%
Parks				2016: 70%
	Botanic Gardens & Mona	Achieved	96%	2018: 96%
	Vale presentation:			

Level of Service	Target	Achieved	Result	Prior Years
	resident satisfaction <b>≥95</b> %			2017: 96%
	%0			2016: 98%
	Hagley Park presentation: resident	Achieved	97%	New measure
	satisfaction ≥90 %			No comparative results
	Inner City presentation: resident satisfaction	Achieved	82%	New measure
	≥80% Cemeteries	Not achieved	78%	No comparative results 2018: 80%
	presentation: resident satisfaction ≥85 %	Notachieved	10,0	2017: 88%
				2016: 73%
	Community Parks presentation: resident	Not achieved	67%	2018: 58%
	satisfaction <b>≥70 %</b>			2017: 62%.
Catiofaction with the	Desident esti-f-stire	Not oblassed	740/	2016: 60%.
Satisfaction with the range and quality of recreation opportunities within parks	Resident satisfaction with range and quality of recreation facilities within Parks: ≥ <b>85%</b>	Not achieved	74%	2018: 66% 2017: 63%.
and an parks	Within Farks, <b>203</b> 70			2016: 69%.
Delivery of Environmental,	Education programmes: <b>26</b> Participants/ 1000	Achieved	<b>39.62</b> participants per 1000 people (15,388	New measure
Conservation, Water	people		participants)	No comparative results
and Civil Defence education programmes	Teachers satisfied with education programmes delivered: <b>95%</b>	Achieved	Teacher satisfaction at 99% for regional park programmes, 98% for 3 waters and waste programmes, and	New measure No comparative results
			<b>99%</b> satisfaction with CDEM programmes	
Provision of a network of publicly available marine	Customer satisfaction with marine structure facilities: <b>90 %</b>	Not achieved	55%	New measure No comparative results
structures that	Wharves and Jetties	Not achieved	74%	New measure
facilitate recreational and commercial access to the marine	ramps and slipways (condition average or better): <b>80%</b>			No comparative results
environment for citizens and visitors.	Seawalls (condition average or better): <b>50 %</b>	Achieved	57%	New measure
	-			No comparative results
	Customer satisfaction with equitable access	Achieved	71%	New measure
	provided to the marine environment for recreational, commercial and transportation			No comparative results
	purposes: ≥ 50%			
	Annual increase in partnership agreements	Achieved	Increased input from community partnerships on marine structures this year.	2018: Planned maintenance schedule implemented.
			year.	2017: On track.
				2016: On track to meet timeframe.
Conserve, enhance and	Increase of native	Achieved	Native coastal plants	New measure
restore natural coastal features and landforms.	coastal plant species to enhance natural coastal protection		planted to enhance natural coastal protection at some	No comparative results

## Heritage

Level of Service	Target	Achieved	Result	Prior Years
Manage and maintain	the network of Parks he	ritage buildings, public r	nonuments, sculptures,	artworks.
To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance	Resident satisfaction with presentation of Public Monuments, Sculptures & Artworks: ≥ <b>90%</b>	Not achieved	71%	New measure No comparative results
	Resident satisfaction with presentation of Parks Heritage Buildings <b>:≥70%</b>	Not achieved	63%	New measure No comparative results

## Where are we heading?

## Parks and foreshore

Our efforts in expanding opportunities for strengthening relationships with citizens and their communities continue to gain momentum. Following the restructuring of our unit to create a team focused entirely on partnership programmes, Council has now determined to increase the parks maintenance services delivered through in house teams for some activities. These are focused on key garden and heritage parks and cemeteries.

This garden and heritage level of service will continue to grow as we reassume responsibility for the final components of the inner city post rebuild.

We are readying ourselves to work closely with a wide range of citizen led initiatives leading to Council resuming responsibility for the residential red zone.

We will continue to focus on reinstating standards associated with the Botanic Gardens and Hagley Park to ensure that they meet expectations. We continue to acknowledge that citizens have told us that they want to be once again proud of Christchurch as the 'Garden City'.

Development of several parks asset network plans including the urban forest plan, playground plan and sports field provision plan continues. This is to recognise the changes within the city post- earthquake and to inform future investment in parks related infrastructure line with the changes.

The Environmental Education team will continue to develop and deliver high quality programmes to schools around greater Christchurch. We continue to focus on promoting active citizenship by promoting the positive outcomes of environmentally aware people.

## Heritage

We will continue to focus on earthquake related repair of heritage buildings. The current process of identifying partners for rebuild and or future use is gaining momentum and will enable a secure future for the buildings.

We have been working closely with Scape and Other entities to install significant public artworks. We will continue to do this into the future

## Service delivery in 2019/20

## Parks and foreshore

In general, services in 2019/20 will be consistent with previous years. We continue to monitor the implications of moving to organic weed control products replacing glyphosate. The focus moving forward will be on improvements in all parkland areas with an emphasis on improvements in planted spaces. Residents have indicated they would like to see an improvement in these amenity gardens and our renewal programmes reflect this.

In 2019/20 Environmental Education Services previously included within the Natural Environment activities will fall under the 'Parks and Foreshore' activities. The services and programmes delivered remain broadly consistent with those existing in 2018/19 (with participant numbers and teacher satisfaction being the key measures of service performance).

## Heritage

The heritage protection activity will focus on the regeneration of the city and there will be no change to the Council's capacity to deliver this activity.

## What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Parks and foreshore	61,328	51,839	50,612
Heritage	2,139	3,076	2,799
	63,467	54,915	53,411
Operating revenue from services			
Parks and foreshore	4,385	4,002	3,568
Heritage	396	300	367
	4,781	4,302	3,935
Capital revenues	9,100	2,582	6,784
Vested assets	20,080	4,821	15,869
Net cost of services	29,506	43,210	26,823

## **Explanation of significant variances**

#### Parks and foreshore

The cost of service was \$9.5 million higher than planned. The increase was principally due to \$8.7 million additional depreciation because of the revaluation of parks asset improvements in 2018. Other significant drivers include plants inventories adjustment, additional Community planting programme costs (funded by FY2018 carryforwards) and increased Cemeteries costs following the 15 March incident.

The cost of service was \$10.7 million higher than in 2018. This was mainly due to \$8 million of additional depreciation and \$1.3 million additional salaries and wages due to new staff. The balance was due to the inventories adjustment indicated above and more maintenance work on new sub-divisions and parks.

Operating revenue was \$0.4 million higher than planned, primarily due to additional Akaroa Cruise ships revenue.

Operating revenue was \$0.8 million higher than in 2018. This was mainly due to \$0.4 million more cruise ships revenue, additional rental revenue and more Cemeteries plot sales.

## <u>Heritage</u>

The cost of service was \$0.9 million lower than planned. This was due to delays in the maintenance repair programme for heritage buildings.

The cost of service was \$0.7 million lower than 2018, primarily due to a diminishing earthquake repair program.

## Capital revenues

Capital revenues were \$6.5 million higher than plan. The increase was due to development contributions being \$5.6 million higher than plan, primarily due to timing. Unplanned grants of \$0.9 million were also received for park developments.

Capital revenues were \$2.3 million higher than 2018, mainly due to higher development contributions and grants received in 2019.

## Vested assets

The Council received \$20 million of additional assets during the year, this was \$15.2 million higher than plan and \$4.2 million higher than 2018. The increase was principally due to receiving Rauora Park.

## Funding impact statement for year ended 30 June

	2019	2019 Annual	2019 Long Term	2018 Long Term
	Actual	Plan	Plan	Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	46,545	45,892	45,892	40,603
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	61	10	10	10
Fees and charges	4,668	3,912	3,912	3,396
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	60	380	380	170
Total operating funding (A)	51,334	50,194	50,194	44,179
Applications of operating funding				
Payments to staff and suppliers	37,710	36,962	36,962	32,281
Finance costs	1,139	1,139	1,139	1,078
Internal charges and overheads applied	2,208	2,208	2,208	1,730
Other operating funding applications	561	1,162	1,162	518
Total applications of operating funding (B)	41,618	41,471	41,471	35,607
Surplus (deficit) of operating funding (A-B)	9,716	8,723	8,723	8,572
Sources of capital funding				
Subsidies and grants for capital expenditure	888	-	-	-
Development and financial contributions	8,153	2,582	2,582	2,086
Increase (decrease) in debt	6,185	14,710	14,710	30,831
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	15,226	17,292	17,292	32,917
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	10,067	19,527	19,527	27,951
- to improve the level of service	3,083	1,042	1,042	9,392
- to meet additional demand	2,704	5,648	5,648	4,472
Increase (decrease) in reserves	9,088	(202)	(202)	(326)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	24,942	26,015	26,015	41,489
Surplus (deficit) of capital funding (C-D)	(9,716)	(8,723)	(8,723)	(8,572)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	2,127	1,495	1,495	21,569

## **Explanation of significant variances**

#### **Operating funding**

The operating funding surplus was \$1 million higher than planned. This was principally the result of increased revenue from Akaroa cruise ships and a delay in the payment of the grant to the Governors Bay Restoration Trust for the restoration of the Governors Bay Wharf.

## Capital expenditure

Capital expenditure was \$10.4 million lower than planned. \$8.8 million was the result of revised time frames for the new parks projects and renewals programme, and Heritage Protection capital expenditure was \$1.5 million lower than plan due to less earthquake repairs being undertaken. These are now planned for delivery in future years.

## Significant capital expenditure

Significant capital expenditure included: parks development and replacement programme \$5.1 million (including community parks \$2.3 million, regional parks \$1.2 million, heritage buildings, public art and monuments \$1.6 million), park surface and track renewals programme \$2.2 million, park planting programme \$2.3 million, playground assets upgrade \$1.5 million, sports field replacement \$1.6 million, vehicles and equipment purchases \$0.8 million, Thomson Park \$0.7 million, marine structures renewals \$0.6 million, Scarborough Steps repair \$0.5 million and Nurses Memorial Chapel \$0.5 million.

# Council activities and services Water supply

## What is water supply, and what does the Council do?

Water supply is the network of wells, pump stations, treatment facilities, reservoirs and underground reticulation pipes that distribute clean drinking water in the city.

## Why is the Council involved?

The Council has obligations under the Health Act 1956, Health (Drinking Water) Amendment Act 2007 and the Local Government Act 2002 to provide a drinking water supply for Christchurch and some Banks Peninsula settlements, to maintain its capacity, to protect it from contamination, and to ensure that it complies with the Drinking Water Standards for New Zealand 2005 (revised 2018).

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities. Council is required "to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses".

Water supply contributes to this purpose statement and to the environmental and economic well-being of the community by giving the community and industry a reliable potable water supply. We supply clean drinking water to protect the health of the community, for commercial users, and to ensure there is an adequate water supply for fighting fires.

The service also contributes toward the achievement of the Council's Healthy environment Community Outcome through sustainable use of resources to provide high quality drinking water to achieve safe and healthy communities, and the Prosperous economy Community Outcome by providing modern and robust infrastructure. This contribution is made by reliably supplying enough drinking water and encouraging water conservation.

The service also contributes to achieving the Council's strategic priority of safe and sustainable water supply and improved waterways.

## How does it affect me?

Ideally when you turn on your tap at home the water that flows is fresh and clean. We make sure that the supply is reliable and safe, the quality maintained, and that any interruption to the service is as short as possible.

## What activities are involved?

## Water supply (including water conservation)

We aim to provide a clean and reliable water supply. We monitor and control water quality and maintain the network of water supply assets, and water treatment plants on Banks Peninsula.

## What did we achieve?

We upgraded 65 well heads at 30 pump stations so that they comply with the secure criteria under the Drinking Water Standards for New Zealand and likely future changes to those standards. Once all wells at a pump station were compliant, temporary chlorination at that pump station was turned off, with 39% of the city's water chlorine free by the end of June.

We renewed 6.3 kilometres of water supply mains and 12.1 kilometres of water supply submains for the year.

We drilled two wells for the new Ben Rarere pump station in Aranui. Drilling of two replacement wells at the Wrights pump station is underway.

We completed construction of the new water supply main along Prestons Road to service the Highfield greenfield area (in conjunction with the wastewater project).

We secured a lease to use the new water supply pipe in the Lyttelton Road tunnel that was installed by NZTA for its new deluge system. This supplies water from Christchurch to Lyttelton, Governors Bay and Diamond Harbour, and improves the security of supply for those settlements.

The Rawhiti water supply zone pressure reduction trial commenced, with the pressure reduced by 10 kilopascals so far. Further reductions in pressure will be made over the next year to reduce energy consumption, leakage and pipe bursts.

Equipment renewals at seven pump stations were completed. The Hays 2 concrete reservoir in Governors Bay was replaced with plastic tanks.

The updated water safety plan for Christchurch was approved by the Drinking Water Assessor. Draft water safety plans for Little River, Duvauchelle and Wainui were submitted to the Drinking Water Assessor for review and approved.

We continue to test the drinking water in accordance with the requirements of the Drinking Water Standards for New Zealand.

## How did we measure up?

# Water supply

Level of Service	Target	Achieved	Result	Prior Years
	ter to properties, throug		nfrastructure to take, treat (v	where appropriate),
store, deliver, mainta	in, manage and monitor t	he supply		
Council operates water supplies in a reliable and responsive manner	Proportion of residents satisfied with the reliability of Council	Not achieved	81%	New measure No comparative result
	water supplies: >=85%			
	Proportion of residents satisfied with the responsiveness of Council water supplies:	Not achieved	60%	New measure No comparative result
	>=85% Number of unplanned interruptions per 1,000	Achieved	<b>15.01</b> per 1,000 properties.	New measure
	properties served per year: <b>≤ 16</b>			No comparative result
	Number of continuity of supply complaints per 1,000 customers served	Achieved	<b>1.57</b> per 1,000 properties.	2018: 1.13 complaints per 1,000 customers.
	per year: <b>≤ 2</b>			2017: 1.3 complaints per 1,000 customers.
	Madian Kina Gauss	Ashtarad	Malian	2016: 1.24 complaints per 1,000 customers.
	Median time from notification to attendance of urgent	Achieved	Median response time 0.62 hours	2018: Median response time 0.55 hours.
	call-outs: <b>≤ 1 hour</b>			2017: Median response time 0.55 hours.
				2016: Median response time 0.55 hours(33 minutes)
	Median time from notification to resolution of urgent call-outs: <b>≤ 5</b>	Achieved	Median resolution time <b>2.02 hours</b> .	2018: Median resolution time 1.78 hours.
	hours			2017: Median resolution time 1.71 hours.
				2016: 1 hour 43 minutes.
	Median time from notification to attendance of non-	Achieved	4 hours 36 minutes.	2018: Median response time 2.1 days.
	urgent call-outs: <b>≤ 3 days</b> (72 hours)			2017: Median response time 1.4 days.
				2016: 4 hours 38 minutes.
	Median time from notification to resolution of non-urgent call-outs: ≤	Achieved	5 hours 53 minutes.	2018: Median response time 2.18 days.
	4 days (96 hours)			2017: Median resolution time 1.63 days.
				2016: 11 hours 38 minutes.
	Number of pressure or flow complaints per 1,000 connections per	Achieved	<b>0.85</b> per 1,000 connections.	2018: 1.27 complaints per 1,000 connections.
	year: <b>≤ 2</b>			2017: 1.45 complaints per 1,000 connections.
				2016: 1.77 complaints per 1,000 connections.

Level of Service	Target	Achieved	Result	Prior Years
	Number of complaints regarding Council's response to complaints	Achieved	0.03 per 1,000 97.3%	2018: 97.7% 2017: 90%
	about drinking water taste, odour, pressure or			2016: 99.6%
	flow, or continuity of supply per 1,000 properties connected to			
	the Council's water supply system per year: ≤			
Council water supplies are safe to drink	0.6 Number of highest risk properties assessed and	Achieved	<b>110</b> properties assessed.	New measure
	required to install backflow prevention devices each year: ≥ 100			No comparative result
	Proportion of urban	Achieved	100%	2018: 98.9%
	residents supplied water compliant with the DWSNZ bacterial			2017: 100%.
	compliance criteria: ≥ 99.8%			2016: Achieved.
	Proportion of rural residents supplied water	Not achieved	<b>98.9%</b> , Level of service not met due to one	2018: 89.4%
	compliant with the DWSNZ bacterial		transgression.	2017: 100%
	compliance criteria: ≥ 99.5%			2016: Achieved.
	Proportion of urban residents supplied water	Not achieved	<b>0%</b> , Level of service not met. All urban water	2018: 0% of urban residents supplied with
	compliant with the DWSNZ protozoal compliance criteria: ≥		supplies lost "secure groundwater" status on 22 December 2017. Since	DWSNZ protozoal compliant water.
	79%		there are currently no protozoa treatment systems installed in the	2017: 76.6% of urban residents supplied with DWSNZ protozoal
			urban water supplies, all urban water supplies are non-compliant.	compliant water. 2016: 76.6% of urban
			non-compliant.	residents supplied with DWSNZ protozoal
	Proportion of rural	Not achieved	<b>0%</b> , Level of service not	compliant water. 2018: 0%.
	residents supplied water compliant with the		met. Most of the rural water treatment plants	2017: 100%.
	DWSNZ protozoal compliance criteria: ≥ <b>8.5%</b>		have been fully upgraded, except Duvauchelle and Wainui.	2016: 8.5%
	0.0 /0		There are currently no operational and	
			compliance reports available via SCADA that confirm the treatment	
			plants operate and treat the water in accordance	
			with the parameters set out in the DWSNZ. These reports are being set up.	
	Proportion of water supply zones with a MoH	Achieved	100%	2018: 100%
	approved Water Safety Plan: <b>100%</b>			2017: 100%
Council provides high	Proportion of residents	Not achieved	37%	2016: 100% New measure
quality drinking water	satisfied with the quality of Council water supplies: >=65%	NOT ACHIEVED	5170	No comparative results

Level of Service	Target	Achieved	Result	Prior Years
	Number of water clarity complaints per 1,000 connections per year: ≤ 1.0	Achieved	<b>0.35</b> per 1,000 connections.	2018: 0.54 per 1,000 connections. 2017: 0.82 per 1,000 connections. 2016: 0.74 complaints
	Number of water taste complaints per 1,000 connections per year: ≤ 0.5	Not achieved	<b>0.81</b> per 1,000 connections.	per 1,000 connections.         2018: 1.12 per 1,000         connections.         2017: 0.53 per 1,000         connections.         2016; 0.39 complaints
	Number of water odour complaints per 1,000 connections per year: ≤ 0.5	Achieved	<b>0.44</b> complaints per 1,000 connections	per 1,000 connections.2018: 1.34 complaints per 1,000 connections.2017: 0.15 complaints per 1,000 connections.2016: 0.17 complaints per 1,000 connections.
	Average consumption of drinking water per day in litres per resident per day: <b>≤ 298</b>	Achieved	<b>209</b> litres per resident per day average use	2018: 201 litres per resident per day average use. 2017: 230 litres per resident per day average use. 2016: 272 litres per resident per day average
Council water supply networks and operations demonstrate environmental stewardship	Percentage of real water loss from Council's water supply network: <b>≤ 15.0%</b>	Not achieved	23%	use. 2018: 18.4% water loss. 2017: 14.90% water loss. 2016: 11.7% water loss.

## Where are we heading?

We will complete the upgrade to well heads and pump stations so that secure groundwater status under the Drinking Water Standards for New Zealand can be achieved. Temporary chlorination will cease at a pump station as soon as all the wells at that pump station have been signed off by an expert and the Drinking Water Assessor as being secure.

Building on this work we will turn our focus to improving the rest of our water supply network. The aim is to deliver demonstrably safe water without the need for chlorine disinfection where we have secure groundwater. This will include working with customers to improve backflow prevention. We will also install new pressure sensors to detect damaging pressure fluctuations in our network, and acoustic sensors to detect leaks.

We will drill new deep wells at Grassmere, Belfast and Mays water supply pump stations, to replace shallow wells that are more vulnerable to contamination. We will complete the design and start building the new Ben Rarere Water Supply Pump Station to replace the earthquake damaged Bexley Water Supply Pump Station.

Design of the Jeffreys and Sydenham Water Supply Pump Station replacement suction tanks will be completed with construction to follow. Both were severely damaged by earthquakes.

The design of the replacement Duvuachelle water treatment plant will start.

We will renew 3.7 kilometres of water supply mains and 5.9 kilometres of water supply submains in the next year. This will maintain the average condition of water supply network.

Water supply pipe asset management process improvements will be completed by the end of 2019. These processes will improve the way we develop and prioritise our pipe renewal programme.

We will provide continuous potable water to all customers in 2019/20 and levels of service in the Water Supply Service Plan will be met.

## What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Water supply	69,149	62,722	67,177
	69,149	62,722	67,177
Operating revenue from services			
Water supply	411	625	487
	411	625	487
Capital revenues	4,241	3,589	4,244
Vested assets	1,399	224	1,209
Net cost of services	63,098	58,284	61,237

## Explanation of significant cost of service variances

The cost of service was \$6.4 million higher than planned due to additional depreciation expense of \$4.1 million, \$2.7 million in maintenance costs and \$1.0 million of internal charges, offset by lower than planned insurance costs \$1.4 million.

The cost of service was \$2.1 million higher than 2018 due to \$1.5 million in chlorination costs and \$0.6 million additional insurance costs.

#### **Capital revenues**

Capital revenues were \$0.6 million higher than plan as a result of additional development contributions received.

## Vested assets

The Council also received \$1.4 million of water supply network vested assets from new subdivisions this year which was \$1.2 million higher than plan and \$0.2 million higher than 2018.

## Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	53,580	53,060	53,060	35,237
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	289	625	625	613
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other				
receipts	(68)	-	-	8
Total operating funding (A)	53,801	53,685	53,685	35,858
Applications of operating funding				
Payments to staff and suppliers	25,055	22,536	22,536	14,934
Finance costs	2,999	2,999	2,999	2,424
Internal charges and overheads applied	2,532	2,532	2,532	1,641
Other operating funding applications	(12)	4	4	4
Total applications of operating funding (B)	30,574	28,071	28,071	19,003
Surplus (deficit) of operating funding (A-B)	23,227	25,614	25,614	16,855
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,994	2,324	2,324	1,848
Increase (decrease) in debt	6,043	6,609	6,609	7,294
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	1,453	1,265	1,265	1,373
Total sources of capital funding (C)	10,490	10,198	10,198	10,515
				-
Applications of capital funding				-
Capital expenditure				-
- to replace existing assets (1)	17,851	33,049	33,049	17,783
- to improve the level of service	14,246	652	652	2,114
- to meet additional demand	1,620	2,111	2,111	7,473
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments		-	-	-
Total applications of capital funding (D)	33,717	35,812	35,812	27,370
Surplus (deficit) of capital funding (C-D)	(23,227)	(25,614)	(25,614)	(16,855)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	864	1,439	1,439	3,133

#### Explanation of significant cost of service variances

#### **Operating funding**

-

The operating surplus is \$2.4 million lower than plan due to increased maintenance costs \$2.7 million offset by \$0.3 million reduction in other payments to suppliers.

## Capital expenditure

Capital expenditure was \$2.1 million lower than plan, mainly as a result of less work delivered in water supply

mains and pump station renewal projects, which are now planned for delivery in future years.

#### Significant capital expenditure

Major expenditure included: temporary chlorination \$2.3 million, Guildford St to Wayside Ave renewal \$1.9 million, Main Pumps UV treatment \$1.8 million, Riccarton Road (Harakeke to Matipo) renewal \$1.7 million, Cannon Hill Crescent/Michael Av renewal \$1.7 million, Highfield water supply mains \$1.5 million, well head security upgrades \$1.3 million, new water connections \$1.2 million, pump and storage MEICA renewals \$1.0 million and water submain renewals (Package C) \$1.0 million.

Other minor work included: Ben Rarere pump station \$0.9 million, Governors Bay & Sumner Road renewal

\$0.8 million, mains renewals (Leacroft St and Grahams) \$0.8 million, Dunbars well head conversion \$0.8 million, Denton well head conversion \$0.7 million, reactive mains renewals (Otamuhua Lane/Ilam Rd) \$0.7 million, Wrights pump station well renewal \$0.7 million, Kilmarnock St/Withells Road renewals \$0.6 million, Hillmorton well head conversion \$0.6 million, Prestons pump station additional well development \$0.6 million, Trafalgar well head conversion \$0.5 million, St Johns well head conversion \$0.5 million and Grampian Well replacement project \$0.5 million.

The remaining funds were spent on smaller projects throughout the City.

# Council activities and services Wastewater

## What is wastewater, and what does the Council do?

Wastewater is grey water and sewage collected from household drains, and from commercial and industrial premises. It is generally referred to as wastewater. It is collected through an underground network of pipes and pumped to treatment plants, where contaminants are removed before it is discharged safely back into the natural environment.

## Why is the Council involved?

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities. Council is required under the Local Government Act "to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses".

Wastewater services contribute to this purpose statement and to the environmental and economic well-being of the community. We collect wastewater in a reliable and safe way that protects public health, and treat and dispose of it efficiently and in an environmentally acceptable manner.

The service also contributes toward the achievement of the Council's Healthy environment Community Outcome through sustainable use of resources and healthy waterways, and the Prosperous economy Community Outcome by providing modern and robust infrastructure. This contribution is made by providing a sanitary wastewater collection and treatment service.

## How does it affect me?

The collection and treatment of our wastewater keeps people safe from waterborne illnesses and protects our environment.

## What activities are involved?

## Wastewater collection

The Council provides for the continuous collection and conveyance of wastewater from properties, via an underground wastewater network, to treatment plants. The Christchurch treatment plant is at Bromley and there are seven smaller treatment plants on Banks Peninsula.

#### Wastewater treatment and disposal

The City's wastewater is processed through treatment plants before being disposed of through outfalls to the sea, and to land at Wainui and Tikao Bay. An accredited laboratory monitors results from the treatment plants to ensure that discharged treated effluent meets the required quality standards.

## What did we achieve?

Construction continued on the Lyttelton wastewater scheme, which is a project to convey wastewater from Lyttelton, Diamond Harbour and Governors Bay to the Christchurch wastewater treatment plant. This project will remove discharges of treated wastewater into Lyttelton Harbour. The marine pipelines from Diamond Harbour and Governors Bay to Lyttelton are complete, along with the pipeline through the Lyttelton road tunnel and the pump station at Governors Bay. The discharge of treated wastewater via the Governors Bay outfall to the harbour has ceased. Construction is underway on the pump stations at Diamond Harbour and Lyttelton, and on the pipeline from the tunnel to Woolston.

We are underway with construction of water supply and wastewater replacement pipes in Riccarton Road, between Harakeke and Matipo Streets. In addition, we replaced 2.3 kilometres of other wastewater pipes.

Construction is nearly complete on the wastewater main upgrades on Colombo Street (between Dyers Pass Road and Fisher Avenue) and Beckenham Street, with only the siphon under the Heathcote River left to complete. These upgrades are to reduce wastewater overflows to the Heathcote River.

The earthquake damaged network operations building at the Christchurch wastewater treatment plant has been replaced. Earthquake repairs to the channels have continued. A new approach was taken to reduce midges in the maturation ponds, which was successful with a 31% reduction in midge numbers compared with the previous year.

We built two new odour control units at Peacocks Gallop in Sumner and Highsted Road to prevent odour from wastewater pipes causing a nuisance.

We upgraded equipment at eight water supply pump stations and upgraded the SCADA server for the Council's water supply, wastewater and stormwater systems.

## How did we measure up?

# Wastewater collection, treatment & disposal

Level of Service	Target	Achieved	Result	Prior Years
Collecting wastewate	er from properties within t	he reticulated area	and conveying the wastewate	r to treatment plants
Council wastewater services are reliable	Proportion of residents satisfied with the reliability and responsiveness provided by Council wastewater services: ≥ <b>79%</b>	Not achieved	71%	New measure No comparative results
	Median time from notification to attendance of overflows resulting from network faults: <b>≤ 1 hour</b>	Achieved	Median response <b>0.55</b> of an hour.	2018: Median response 0.55 of an hour. 2017: Median response 0.53 of an hour. 2016: Median response time of 29 minutes.
	Median time from notification to resolution of overflows resulting from network faults: ≤ 24 hours	Achieved	Year end result was <b>2.41</b> hours.	2018: Median response of 1.59 hours. 2017: Median response of 1.85 hours. 2016: Median response time 1 hour 50 minutes.
	Number of wastewater odour complaints per 1,000 properties connected to the wastewater network per year: <b>≤ 0.6</b>	Achieved	<b>0.36</b> per 1,000 properties	2018: 0.36 per 1,000 properties 2017: 0.39 per 1,000 properties 2016: 0.52 per 1,000 properties
	Number of wastewater system fault complaints per 1,000 properties connected to the wastewater network per year: ≤ 0.6	Achieved	<b>0.56</b> per 1,000 properties	2018: 0.46 per 1,000 properties 2017: 0.69 per 1,000 properties 2016: 0.53 per 1,000 properties
	Number of wastewater system blockage complaints per 1,000 properties connected to the wastewater network per year: <b>≤ 10</b>	Achieved	<b>4.17</b> per 1,000 properties	2018: 2.43 per 1,000 properties 2017: 5.17 per 1,000 properties 2016: 6.19 per 1,000 properties
	Percentage of wastewater gravity network pipework identified as condition grade 5 through physical inspection rather than theoretical modelling: ≥ 95%	Achieved	98.2%	New measure No comparative results
Council wastewater services are responsive	Number of complaints regarding Council's response to issues with the Council wastewater system per 1,000 properties connected to the wastewater network per year: <b>≤ 0.1</b>	Achieved	<b>0.1</b> per 1,000 properties.	2018: 95% 2017: 100% 2016: 99%

Level of Service	Target	Achieved	Result	Prior Years
Council maximises public health through wastewater services	Number of dry weather overflows from wastewater systems per 1,000 connected properties per year: <b>≤ 0.7</b>	Achieved	<b>0.54</b> per 1,000 properties	2018: 0.63 per 1,000 properties 2017: 0.63 per 1,000 properties
				2016: 0.54 per 1,000 properties
Operate and maintain	treatment plants, discha	rge structures/out	alls and biosolids reuse/dispos	al
Council disposes of wastewater in a responsible manner	Number of abatement notices regarding Council resource consents related to discharges from wastewater systems per year: <b>0</b>	Achieved	No abatement notices.	2018: No abatement notices. 2017: No abatement notices. 2016: No abatement
				notices.
	Number of infringement notices regarding Council resource consents related to discharges from wastewater systems per year: <b>0</b>	Achieved	<b>No</b> infringement notices.	2018: No infringement notices. 2017: No infringement notices. 2016: No infringement notices.
	Number of enforcement orders regarding Council resource consents related to discharges from wastewater systems per year: <b>0</b>	Achieved	<b>No</b> enforcement orders.	2018: No enforcement orders. 2017: No enforcement orders. 2016: No enforcement orders.
	Number of convictions regarding Council resource consents related to discharges from the wastewater systems per year: <b>0</b>	Achieved	<b>No</b> convictions.	2018: No convictions. 2017: No convictions. 2016: No convictions.

## Where are we heading?

The second stage of the upgrade of the Riccarton Road wastewater pipe will be completed, in conjunction with stormwater and water supply pipe renewals, pavement reconstruction and the bus priority project, between Matipo Street and Harakeke Street.

Design is underway for the next section, between Matipo Street and Hansens Lane, where we will be replacing water supply and wastewater pipes.

The construction of the Lyttelton Harbour wastewater scheme will be completed. All wastewater from Lyttelton, Governors Bay and Diamond Harbour will be piped through to Christchurch, meaning that there will be no discharge of treated wastewater to Lyttelton Harbour.

We will renew 6.6 kilometres of wastewater mains in the next 12 months. This level of renewals will maintain the current condition of the wastewater network.

We will complete the construction of the new operations and management building at the Christchurch wastewater treatment plant at Bromley.

Work to explore land-based alternatives for Akaroa's treated wastewater will continue. Council expects to consult with the community on the options later in the year, and will then make a decision.

We will update and calibrate the computer model of the wastewater network. This is an important tool in determining compliance with our wastewater overflow consent, and for planning capital projects to reduce overflows and accommodate growth.

## Service delivery in 2019/20

Levels of service detailed in the Wastewater Service Plan will be delivered in 2019/20 financial year.

#### What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Wastewater collection, treatment and disposal	109,259	94,781	105,981
	109,259	94,781	105,981
Operating revenue from services			
Wastewater collection, treatment and disposal	4,918	6,774	5,670
	4,918	6,774	5,670
Capital revenues	11,240	7,625	13,482
Vested assets	1,758	224	2,404
Net cost of services	91,343	80,158	84,425

#### **Explanation of significant variances**

#### Wastewater collection, treatment and disposal

The cost of service was \$14.5 million higher than plan. This was due to an additional \$10.2 million depreciation expense resulting from the revaluation of assets and handover of the final SCIRT projects in 2017, an additional \$1.7 million of maintenance expenses, \$1.0 million of insurance costs. \$0.8 million of internal costs and \$0.7 million of electricity costs.

The cost of services was \$3.3 million higher than 2018. This was due to \$5.3 million higher depreciation expense and \$0.9 million additional insurance costs, offset by \$1.3 million lower maintenance costs, \$1.3 million lower internal service costs and \$0.3 million lower operating costs.

Operating revenues were \$1.9 million lower than plan and \$0.8 million lower than 2018 due to Trade Waste revenue previously including Gelita which has shut down due to a fire in 2017 and a new customer planned for 2019 who is not yet discharging.

## Capital revenues and vested assets

Capital revenues were \$3.6 million higher than plan due to higher development contributions.

Capital revenues were \$2.3 million lower than 2018 due to \$2.1 million earthquake funding received in 2018 that does not apply in 2019.

The Council also received \$1.8 million of additional sewerage network vested assets from developers' new subdivisions this year, \$1.5 million higher than plan and \$0.7 million lower than 2018.

## Funding impact statement for year ended 30 June

Actual	Annual	Long Term	Long Torm
	Plan	Plan	Long Term Plan
\$000	\$000	\$000	\$000
-	-	-	-
68,875	68,208	68,208	56,162
-	-	-	-
4,684	6,127	6,127	4,526
-	-	-	-
235	647	647	279
73,794	74,982	74,982	60,967
38,487	33,356	33,356	26,727
4,587	4,587	4,587	4,275
3,824	3,824	3,824	2,882
(43)	-	-	-
46,855	41,767	41,767	33,884
26.939	33.215	33.215	27,083
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	-	-	-
		-	6,273
11,482	22,843	22,843	42,155
-	-	-	-
-	-	-	-
	-	-	-
22,727	30,468	30,468	48,428
		•	49,009
			8,356
4,035	3,019	3,019	18,146
-	-	-	-
-	-	-	-
49,666	63,683	63,683	75,511
(26,939)	(33,215)	(33,215)	(27,083)
-		<u> </u>	-
2,396	4,659	4,659	22,469
	4,684 235 73,794 38,487 4,587 3,824 (43) 46,855 26,939 26,939 11,482 30 10,939 11,482 - 22,727 23,509 22,122 4,035 - 49,666 (26,939) -	4,684       6,127         235       647         73,794       74,982         38,487       33,356         4,587       4,587         3,824       3,824         (43)       -         26,939       33,215         30       -         10,939       7,625         11,482       22,843         -       -         276       -         22,727       30,468         22,122       12,896         4,035       3,019         -       -         49,666       63,683         (26,939)       (33,215)	4,684       6,127       6,127         235       647       647         73,794       74,982       74,982         38,487       33,356       33,356         4,587       4,587       4,587         3,824       3,824       3,824         3,824       3,824       3,824         46,855       41,767       41,767         46,855       41,767       41,767         30       -       -         30       -       -         10,939       7,625       7,625         11,482       22,843       22,843         -       -       -         22,727       30,468       30,468         23,509       47,768       47,768         22,512       12,896       12,896         4,035       3,019       3,019         -       -       -         49,666       63,683       63,683         (26,939)       (33,215)       (33,215)

## **Explanation of significant variances**

## **Operating funding**

The operating funding surplus was \$6.3 million less than plan due to increased payments to suppliers for maintenance \$1.8 million, insurance \$1.0 million, electricity \$0.7 million, professional fees \$0.3 million and other operating costs \$0.2 million. Funding from fees and charges was down \$1.4 million due to lower than planned revenue from Trade Waste.

These were offset by an increase in funding from targeted rates of \$0.6 million.

## Capital expenditure

Capital expenditure was \$14 million lower than plan, largely driven \$24.3 million lower Waste Water Renewals programme, which has been reprogrammed into future years, offset by expenditure on the Lyttelton Harbour treatment plant works.

## Significant capital expenditure

Significant capital expenditure includes: Lyttelton Harbour waste water treatment plant \$21.5 million, trunk main renewals \$9.1 million, main renewals \$3.2 million, Akaroa treatment plant improvements \$2.5 million, legacy lateral renewals \$2.1 million, CWTP channels restoration \$1.7 million and Highfield connection to Northcote Collector \$1.0 million.

Other minor work includes: CWTP Lagoon 3 upgrade \$0.9 million, vacuum sewer automatic air admittance

system \$0.8 million, CWTP mechanical renewals \$0.7 million, Treatment Plant Reactive Renewals \$0.5 million, CWTP buildings \$0.5 million, CWTP biosolids holding tank replacement \$0.4 million, wet weather wastewater model construction \$0.4 million, pressure tank installation \$0.4 million, CWTP ponds midge control \$0.3 million and other renewal projects individually less than \$0.3 million totalling \$3.7 million.

# Council activities and services Stormwater drainage

# What is stormwater drainage, and what does the Council do?

The stormwater drainage activity, together with the flood protection and river control activity, works to protect the community from the harmful effects of flooding within levels defined in the Long Term Plan (LTP). This helps Council meet its legislative obligations as a Territorial Authority and supports the Council's strategic priorities and community outcomes

Stormwater drainage collects and conveys stormwater whilst protecting the community from surface flooding by controlling river levels and managing stormwater flows. The activity also manages the effects of stormwater on the environment.

We have focussed on rebuilding the network through the SCIRT delivery programme, (now complete), and have undertaken an extensive condition assessment programme within LDRP. These programmes have helped us to understand the effects of the earthquakes on land drainage. These works are tied with our asset renewals programme which sets out to renew an ageing pipe and waterway network to ensure that Council is able to continue to provide this core service.

## Why is the Council involved?

Delivering this activity helps Council meet its legislative obligations under the Local Government Act 2002, the Building Act 2004, the Christchurch District Drainage Act 1951, the Water Supply, Wastewater and Stormwater Bylaw 2014, the Resource Management Act 2017, the National Policy Statements on Urban Development Capacity and on Freshwater Management, and relevant consents from Environment Canterbury.

This activity also supports Council's Strategic priorities (Safe and sustainable water supply and improved waterways, Informed and proactive approaches to natural hazard risks, Climate change leadership) and Community Outcomes (Healthy environment and Strong (safe and healthy) communities and Prosperous economy).

An appropriately provided and well maintained stormwater drainage system helps to decrease flood risk, safeguard public health, protect water quality, maintain the health of ecosystems, provide for growth of the city and allow transport and other infrastructure networks to function.

## How does it affect me?

Good quality stormwater infrastructure provides the basis for a functioning city through dry streets, homes, businesses and properties. Such infrastructure also protects public health by reducing the potential for pollution getting into natural waters. The improvements made to the network will also increase ecological, landscape, recreational and cultural values and facilitates the ongoing regeneration and growth of the city.

## What activities are involved?

## **Stormwater Drainage**

Council provides, operates and maintains the stormwater drainage system to agreed levels to enable the management of surface water through the provision and renewal of reticulation infrastructure, to help protect vulnerable areas from the effects of flooding and to improve water quality.

## What did we achieve?

Our focus has remained on asset repairs and planning for the rebuild or renewal of damaged or deteriorated assets. We have continued to fix earthquake damage to the drainage network, for example, removing accumulated silt from parts of the network, repairing damaged waterway linings and replacing essential flood protective equipment such as the Avoca Valley tide gates.

We've completed network renewal and upgrade work in many areas, including improvements to inlet structures across the city and Banks Peninsula. A number of old and missing tide gates have been replaced with fish-friendly alternatives and monitoring is being undertaken to assess their performance. Some minor capital infrastructure renewals have been carried out such as a new pipeline along Ilam Road.

The upgrading of the stormwater maintenance contract has continued with the moving of a portion of reactive work to planned work in order to provide a more cost effective model. Considerable work has been undertaken following the river bank 'no-cut' trial to find the right balance between appearance and providing improved ecological values. The weed harvesting programme continues to be closely monitored to ensure optimised benefit in managing river water levels. We have progressed the planning of equipment renewal in four storm water pumping stations, and the replacement of aging assets and maintaining the current infrastructure.

The Land Drainage Recovery Programme (LDRP) continues to deliver a major physical works and investigations programme, which extends across much of the city. Two major projects, Dudley Creek and Bells Creek, have both been completed. Each are major milestones in the City's floodwater management programme and of huge benefit to the Flockton Street area and to Woolston. Other important, significant projects completed this year include Cranford Basin storage and the Matuku waterway upgrade (Heathcote Valley).

We continued to monitor and maintain the Avon /  $\bar{O}t\bar{a}karo$  temporary stop banks, and initiate works to address issues identified. The stopbanks protect against tidal events in the

short term while we await a decision on the Residential Red Zone.

The Flood Intervention Policy was adopted by Council in November 2017. This was initially applied within the Flockton Area and has been applied now to affected properties in the Heathcote River. To date 20 properties with earthquake impact and at high risk of flooding have been purchased in the Heathcote catchment with a further 6 offers being considered.

Alongside these we have progressed other significant stormwater drainage projects this year, to improve the management of both the quantity and quality of stormwater, including the Cashmere Valley Storage, Horseshoe Lake pump station upgrade (PS205), and Wigram East retention basin and wetland. A revised Wet Weather and Tidal Flooding Response Plan, along with improved forecasting and real time sea and river level monitoring, has helped us to better deliver the services necessary to minimize the impact of rain events and king tides.

A new tool, the Asset Assessment Intervention Framework (AAIF), has been deployed, enabling decisions for asset renewals to be based on multiple schema such as location, age, groundwater depth, proximity to trees, in addition to pipe structural condition, to provide a condition 1 to 5 grading value giving a more comprehensive tool for selection of renewal candidates.

## How did we measure up? Stormwater drainage

	-20			
Level of Service	Target	Achieved	Result	Prior Years
			er management systems	, such as streams,
	ys, basins, structures, p			
Council responds to flood events, faults and blockages promptly and effectively	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site: ≤60 mins urban ≤120 mins rural	Achieved	No flooding events in 18/19	<ul> <li>2018: One flooding event, response time within 30 minute target.</li> <li>2017: No flooding events in 16/17</li> <li>2016: Median response time greater than 30 minutes. Only one flooding event to a single property.</li> </ul>
Council manages the	Resident satisfaction	Achieved	47%	2018: 35%
stormwater network in a responsible and sustainable manner	with Council's management of the stormwater network: <b>≥37%</b>			2017: 52% 2016: 50%
	Number of abatement notices regarding Council resource consents related to discharges from the stormwater networks	Achieved	No abatement notices	2018: No abatement notices 2017: No abatement notices
	per year: <b>0</b>			2016: No abatement notices
	Number of infringement notices regarding Council resource consents related to discharges from the stormwater networks per year: <b>0</b>	Achieved	No infringement notices	2018: No infringement notices 2017: No infringement notices 2016: No infringement notices.
	Number of enforcement orders regarding Council resource consents related to discharges from the stormwater networks per year: <b>0</b>	Achieved	No enforcement orders	2018: No enforcement orders 2017: No enforcement orders 2016: No enforcement orders
	Number of successful prosecutions regarding Council resource consents related to discharges from the stormwater networks per year: <b>0</b>	Achieved	No prosecutions	2018: No convictions 2017: No convictions 2016: No convictions
Stormwater network is managed to minimise risk of flooding, damage and disruption	Proportion of residents satisfied with the management of Council stormwater systems to ensure flood risk is minimised: <b>250%</b>	Not measured	Removed via Annual Plan 2019/20	2018: 35% 2017: 52% 2016: 50%

Level of Service	Target	Achieved	Result	Prior Years
	The number of flooding events that occur: <b>&lt;2</b>	Achieved	<b>No</b> 'above floor' flooding event since July 2017.	2018: One flooding event in 2017/18. 2017: No flood events in 2016/17. 2016: One flood event in
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.): <0.1	Achieved	<b>No</b> 'above floor' flooding event since July 2017	2015/16. 2018: 8.6 per 100,000 properties, were flooded 2017: No flood events in 2016/17 2016: Average of 0.66 habitable floors affected per 100,000 properties
	Number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system: <b>&lt; 10</b>	Achieved	<b>6.74</b> per 1,000 properties	2018: 4.2 per 1,000 2017: 8.2 per 1,000 2016: 8.4 per 1,000

## Where are we heading?

As well as continuing to provide capacity for growth, over the coming years there will be an increased focus on the renewal of aging assets (in conjunction with the flood protection and control activity) and building effectiveness and resilience within the existing and future stormwater drainage infrastructure. There will be a particular focus on planning and delivery of projects related to climate change and working to improve stormwater discharges including meeting stormwater consent obligations.

We will continue with the application of current and new network inspection techniques and methods of analysis, including "root cause" analysis.

Maintenance activity will increase markedly over coming years, with corresponding increased demand on opex funding, due to the large increase in stormwater infrastructure assets and the need for Council to adequately protect its investment in these assets.

It is also planned to further develop our aquatic pest management of the Styx, Avon and Heathcote rivers.

Where practicable, drains will be naturalised instead of having their linings repaired. We will continue our programme of repairing timber lined drains with condition grading of 1 to 3, while the renewals programme will prioritise the drains in a poorer condition with a 4 & 5 rating.

## Service delivery in 2019/20

We will continue to progress the planning of equipment renewal in four storm water pumping stations, and the replacement of aging assets and maintaining the current infrastructure.

Significant stormwater projects will be progressed to further renew parts of the piped and unpiped network, reduce contaminants in stormwater discharges and provide an integrated basis for stormwater management in areas of urban growth.

There will be increased planning for and action on capital projects and Council operational activity which will be required to support the Strategic Directions and Community Outcomes and meet Council's consents' obligations, in particular those under the Comprehensive Stormwater Network Discharge Consent.

## What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Stormwater drainage	30,334	30,575	33,617
	30,334	30,575	33,617
Operating revenue from services			
Stormwater drainage	16	21	7
	16	21	7
Capital revenues	-	-	-
Vested assets	13,839	448	3,081
Net cost of services	16,479	30,106	30,529

## **Explanation of significant variances**

#### Stormwater drainage

The cost of service was \$0.3 million lower than planned, due to lower maintenance costs \$2.7 million, and lower operating costs \$0.1 million, offset by additional depreciation \$1.1 million, staff costs correcting prior year project costs \$0.5 million, residual allocations \$0.7 million, insurance \$0.2 million and capital write offs \$0.2 million.

The cost of service was \$3.3 million lower than 2018. This is the result of \$2.2 million lower maintenance expenditure, \$0.7 million lower depreciation and \$0.2 million lower corporate overhead costs.

## Capital revenues and vested assets

The Council received \$13.8 million of stormwater network vested assets from developers' new subdivisions this year \$13.4 million higher than planned, and \$10.7 million higher than 2018.
# Funding impact statement for year ended 30 June

	2019	2019 Annual	2019 Long Term	2018 Long Term
	Actual	Plan	Plan	Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	26,935	26,674	26,674	24,833
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	16	21	21	21
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	26,951	26,695	26,695	24,854
Applications of operating funding				
Payments to staff and suppliers	13,416	15,330	15,330	14,586
Finance costs	1,114	1,114	1,114	1,115
Internal charges and overheads applied	1,249	1,249	1,249	943
Other operating funding applications		-	-	-
Total applications of operating funding (B)	15,779	17,693	17,693	16,644
Surplus (deficit) of operating funding (A-B)	11,172	9,002	9,002	8,210
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	8,865	9,832	9,832	59,715
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	8,865	9,832	9,832	59,715
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	19,554	16,472	16,472	67,531
- to improve the level of service	413	-	-	52
- to meet additional demand	49	2,362	2,362	342
Increase (decrease) in reserves	21	-	-	-
Increase (decrease) of investments		-	-	-
Total applications of capital funding (D)	20,037	18,834	18,834	67,925
Surplus (deficit) of capital funding (C-D)	(11,172)	(9,002)	(9,002)	(8,210)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	16,601	11,659	11,659	62,793

# **Explanation of significant variances**

## **Operating funding**

The operating funding surplus is \$2.2 million higher than plan due to the lower than planned maintenance expenses \$2.7 million offset by the additional staff costs adjusted from prior years projects \$0.7 million.

# Capital expenditure

The capital expenditure is \$1.2 million higher than planned, due to the unplanned Global Stormwater Consent intangible asset \$1.3 million.

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# Significant capital expenditure

Significant capital expenditure includes: flood intervention \$3.4 million, Wigram East retention basin \$3.1 million, Bells Creek \$2.7 million, Cashmere Worsleys flood storage \$2.2 million, Global Stormwater Consent \$1.3 million, Matuku waterway \$1.1 million and Dudley Creek \$1.1 million. Minor capital expenditure includes Cranford Basin active management \$0.8 million, Pump Station 205 upgrade \$0.6 million, temporary stop bank management \$0.5 million, Land Drainage Recovery Programme city wide modelling \$0.5 million, Ilam Drain 6 Clonbern Place \$0.3 million, Knights Drain - Stage 2 \$0.3 million, Jacksons Creek brick barrel renewal \$0.3 million and Estuary Drain \$0.2 million.

# Council activities and services Flood protection and control works

# What is flood protection and control works, and what does the Council do?

The flood protection and river control activity, together with the stormwater drainage activity, works to protect the community from the harmful effects of flooding within levels defined in the Long Term Plan (LTP). This helps Council meet its legislative obligations as a Territorial Authority and supports the Council's strategic priorities and community outcomes

Flood protection and river control delivers floodplain and stormwater management plan objectives to provide for growth, reduce the harm from flooding to our community and to improve the quality of ground and surface water. This involves the development and management of waterways and associated structures and systems, along with the provision and management of flood protection infrastructure.

We have focussed on providing facilities to manage resource consent requirements, support growth and progress the Land Drainage Recovery Programme (LDRP). This has involved planning investigations, designing future works and progressing projects through to construction.

# Why is the Council involved?

Delivery of this activity helps Council meet its legislative obligations under the Local Government Act 2002, the Building Act 2004, the Christchurch District Drainage Act 1951, the Water Supply, Wastewater and Stormwater Bylaw 2014, the Resource Management Act 2017, the National Policy Statements on Urban Development Capacity and on Freshwater Management and relevant consents from Environment Canterbury.

This activity also supports Council's Strategic priorities (Safe and sustainable water supply and improved waterways, Informed and proactive approaches to natural hazard risks, Climate change leadership) and Community Outcomes (Healthy environment, Strong (safe and healthy) communities and Prosperous economy).

Flooding is one of our most common natural hazards. It can have disastrous consequences for residents and communities and significant impacts on the local economies. Flood protection systems help to decrease flood risk, safeguard public health, protect water quality, maintain the health of ecosystems, provide for growth of the city and allow transport and other infrastructure networks to function.

# How does it affect me?

Good quality flood protection and river control infrastructure better protects residents against the likelihood of flood damage to their homes and property in extreme storms. This infrastructure helps build confidence in the city and reduces the adverse public health and ecological effects associated with flooding.

# What activities are involved?

#### Flood protection and control works

We maintain natural waterways and associated structures and systems, provide and operate flood protection infrastructure and carry out hydrometric monitoring to protect vulnerable areas from the effects of flooding and improve water quality.

# What did we achieve?

Significant progress has been made in reducing the effects of flooding and flood risk this year with projects now operational across the city and a number of other projects underway or nearing completion.

The Land Drainage Recovery Programme (LDRP) continues to deliver a major physical works and investigations programme, which extends across much of the city. Completion of the Heathcote bank stabilisation and Stage 1 of the Heathcote dredging project are major milestones in the City's floodwater management programme in these areas.

Other important, significant projects completed this year include Bells Creek stormwater filtration treatment device (the largest of its kind in Australasia), No. 1 Drain (Shirley) remediation and basin, Buller's wetland, Sparks Road wetland and Worsley's spur stormwater pipe and drain system.

We have progressed a number of noteworthy storage basins and wetland projects in the upper Heathcote this year to reduce flooding including: Curlett's Basin, Sutherlands Basin, and Eastman Wetlands. In addition to these we have installed non-return valves on multiple catchment outfalls into our rivers to mitigate nuisance flooding problems.

A number of projects incorporating drain naturalisation have been completed or are in construction, including Henderson's Drain, Buller's Steam and No. 1 Drain construction, supporting the Council strategic priority of improved waterways and the six-values approach to stormwater management.

Significant upgrading has been carried out on the setting of flood floor levels with reference to updated tide level analysis and a major upgrade of the Floor Level Map on the website. Implementation of city-wide hydraulic modelling is being progressed.

Operational and maintenance teams have continued to provide instruction to Councils Maintenance provider in advance of predicted rain events that may cause flooding around the city. The team also continues to respond to calls from the public to investigate flooding and drainage problems.

# How did we measure up?

# Flood protection and control works

Level of Service	Target	Achieved	Result	Prior Years
Maintaining the natura	l waterways and associa	ted structures and syste	ms	
Reduce risk of flooding to property and dwellings during extreme rain events	Annual reduction in the modelled number of properties predicted to be at risk of habitable floor level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration greater than 1.5 hours excluding flooding that arises solely from private drainage: 50 properties	Achieved	Achieved above floor flood risk reduction by 57 properties.	<ul> <li>2018: No 1 in 50 year flooding events occurred. Completion of Dudley Creek bypass and other LDRP projects reduced flooding risk.</li> <li>2017: Dudley Creek has delivered above floor flood risk reduction for 50 properties.</li> <li>2016: No reported cases</li> </ul>
				of above floor flooding.
			renewed to key standard	
Major flood protection and control works are maintained, repaired and renewed to key standards	Stopbank crest surveys are carried out at required intervals: Annually	Achieved	Avon stopbank crest surveys being carried out throughout 2019.	<ul> <li>2018: All stopbanks have been resurveyed as part of the LDRP temporary stopbank works</li> <li>2017: Survey is planned to be done by drone in late 2017.</li> <li>2016: Stopbank crest survey carried out.</li> </ul>
	Cross sectional surveys of selective waterways are carried out at required intervals: 2-5 yearly or as required	Achieved	Cross sectional surveys carried out for Heathcote dredging project and regularly for CREAS surveys.	<ul> <li>2018: Partial survey as a consequence of delivering LDRP or other BAU projects.</li> <li>2017: All major waterways have been resurveyed since the earthquakes and have been/are subject to further partial survey as a consequence of delivering LDRP or other projects.</li> <li>2016: Surveys undertaken.</li> </ul>
	Stopbanks identified as being below their original design standard are repaired within 9 months. Measured as proportion of stop bank length identified as not meeting standard that is repaired within required timescale: 70%	Achieved	100%	New measure No comparative results

#### What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Flood protection and control works	4,242	9,200	3,496
	4,242	9,200	3,496
Operating revenue from services			
Flood protection and control works	23	-	10
	23	-	10
Capital revenues	2,012	5,010	1,573
Vested assets		-	-
Net cost of services	2,207	4,190	1,913

# **Explanation of significant variances**

#### Flood protection & control works

The cost of service for flood protection was \$5.0 million lower than plan due to a \$4.1 million underspend on the Heathcote River dredging project and a \$0.8 million underspend on the multi hazard analysis project. These projects are programmed for completion in the next two years. The cost of service for flood protection is \$0.7 million higher than 2018 due to the delivery of the Heathcote River dredging project which was not undertaken in the previous year.

#### Capital revenues and vested assets

Capital revenues were \$3.0 million lower than planned and \$0.5 million higher than 2018 due to timing differences between planned developments and actual contributions.

# Funding impact statement for year ended 30 June

	2019	2019 Annual	2019 Long Term	2018 Long Term
	Actual	Plan	Plan	Plar
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	-	-	-	
Targeted rates	9,672	9,578	9,578	1,63
Subsidies and grants for operating purposes	-	-	-	
Fees and charges	23	-	-	
Internal charges and overheads recovered	-	-	-	
Local authorities fuel tax, fines, infringement fees, and other				
receipts	-	-	-	
Total operating funding (A)	9,695	9,578	9,578	1,637
Applications of operating funding				
Payments to staff and suppliers	2,934	8,706	8,706	2,48
Finance costs	8	8	8	
Internal charges and overheads applied	390	390	390	3
Other operating funding applications	(4)	-	-	
Total applications of operating funding (B)	3,328	9,104	9,104	2,52
Surplus (deficit) of operating funding (A-B)	6,367	474	474	(883
Sources of capital funding				
Subsidies and grants for capital expenditure	52	-	-	
Development and financial contributions	1,958	5,010	5,010	4,55
Increase (decrease) in debt	37,005	10,841	10,841	17,48
Gross proceeds from sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	-	-	-	
Total sources of capital funding (C)	39,015	15,851	15,851	22,04
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	14,378	3,151	3,151	5,31
- to improve the level of service	739	-	-	10
- to meet additional demand	30,440	13,174	13,174	15,49
Increase (decrease) in reserves	(175)	-	-	25
Increase (decrease) of investments	-	-	-	
Total applications of capital funding (D)	45,382	16,325	16,325	21,16
Surplus (deficit) of capital funding (C-D)	(6,367)	(474)	(474)	88
Funding balance ((A-B) + (C-D))	-	-	-	
Footnotes				

# Explanation of significant variances

#### Significant capital expenditure

#### **Operating funding**

The operating funding surplus was \$5.9 million higher than plan due lower payments to suppliers (\$5.8 million). The planned dredging works of the Heathcote River were delayed due to spawning season (\$4.8 million) and the suspension of the multi hazard analysis project (\$0.8 million) while a peer review is conducted. Budget carry forwards of \$4.6 million have been requested into the next two financial years for these projects.

#### Capital expenditure

Capital expenditure was \$29.2 million higher than planned. \$18.2 million relates to the capitalisation of land costs to the Cranford Basin and Henderson Basin/ Upper Heathcote schemes that have been substantially completed. \$10.8 million additional LDRP works were delivered, \$8.1 million carried out earlier than planned and \$2.7 million planned for in a prior year. Significant capital expenditure includes: Cranford flood basin land purchases \$10.8 million, Upper Heathcote flood basin land purchases \$7.5 million, Curletts Road flood storage \$5.2 million, mid Heathcote bank stabilisation \$2.3 million, repair and naturalisation of No 1 Drain \$2.2 million, Coxs-Quaifes flood protection facility \$2.0 million, Sparks Road development drainage works \$2.0 million, Eastman wetlands flood storage work \$1.8 million, Worsley's Spur stormwater pipe and drain system \$1.8 million, Welsh Basin \$1.4 million, Bullers Stream naturalisation \$1.2 million and Heathcote River dredging \$1.1 million.

Other minor works include Rossendale flood protection infrastructure provision \$0.8 million and Prestons/Clare Park development \$0.6 million.

# Council activities and services Roads and footpaths

What is roads and footpaths, and what does the Council do?

We maintain the assets that comprise Christchurch's local roading network including the carriageways, footpaths, bridges, retaining walls, and associated drainage.

We also maintain the landscaping, street lighting, street furniture, signage, road markings, traffic signals and traffic information systems that support the network.

In addition, we maintain the on-street infrastructure that supports the central city tram operation.

We plan for and deliver the renewal and replacement of roading assets when age and use has deteriorated their condition.

We plan and deliver improvements to mitigate safety hazards, reduce crashes on our network and provide increased safety for all users of the road corridor.

We plan and deliver improvements or new roading infrastructure to provide for growth, address congestion and encourage a modal shift to passenger transport and active travel.

We plan and deliver education and communication programmes to enhance road user safety and network efficiency.

# Why is the Council involved?

We provide streets, roads and paths so that people have safe, easy and reliable access to homes, shops, businesses and leisure activities.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Roading activities contribute to the social, environmental and economic well-being by planning, providing and maintaining safe road networks and pedestrian linkages within attractive, functional streetscapes.

These activities also help achieve our Community Outcomes by:

- providing for travel options that meet community needs
- providing people with access to economic, social and cultural activities
- providing streetscapes that enhance the look and amenity of the city
- improving safety for all road users
- using construction resources more efficiently and sustainably

- providing efficient use of public assets
- supporting sustainable economic growth
- supporting a vibrant and prosperous business centre.

# How does it affect me?

A well maintained and managed transport network makes it easier and safer to get around the city.

A well planned and maintained transport network promotes growth and economic sustainability.

Replacing, upgrading and maintaining footpaths will encourage residents to adopt walking as a healthy, pleasant and easy sustainable travel option.

# What activities are involved?

The key activities within the roads and footpaths activity include:

# **Road maintenance**

We are responsible for maintaining the assets that fall within the road corridor including road pavements, footpaths, bridges, retaining walls and drainage.

We are responsible for the operation and maintenance of street lighting and road marking together with traffic lights, signage and information systems.

We are responsible for street cleaning, sump cleaning, litter collection, graffiti removal and removal of dumped rubbish from within the road corridor.

# Landscapes

We are responsible for maintaining the berms, verges and vegetation within the road corridor including street trees.

#### Asset Renewal

We are responsible for renewing roading assets to ensure that the assets can continue to provide the desired level of service economically.

# Network improvements

We are responsible for planning and providing new roading infrastructure and upgrading existing infrastructure to improve network performance, address safety issues, encourage increased use of passenger transport and active travel options and support economic growth.

# What did we achieve?

We resealed 47 kilometres of roads through our road maintenance contracts. In addition, we added 8 kilometres of new roads to the network through subdivision development.

We completed the renewal of 33.7 kilometres of footpaths throughout the city.

We completed construction of North Avon Road, Randall Street, and Petrie Street renewals.

Although no bridges were totally renewed we undertook significant maintenance or component renewal to 6 bridges under an ongoing programme of this type of work. 10 new retaining walls were constructed and 3 retaining walls were renewed under an ongoing programme of work across the city and Banks Peninsula. The upgrade of the Riccarton Road and provision of bus priority measures, between Harakeke Street and Matipo Street has started.

We completed significant works along Sumner Road. This included completion of rockfall mitigation, construction of a 400m long catch bench and a 7m high interception bund, installation of 2.6km of safety barrier, the repair of 30 retaining walls and the resurfacing of 2.2km of road.

Work has continued on the \$200 million joint project with NZTA to construct the new Christchurch Northern Corridor route into the city.

An ongoing programme of works to convert existing lights to LED technology continued through the year.

# How did we measure up?

# **Roads and footpaths**

Level of Service	Target	Achieved	Result	Prior Year
Journeys are comforta				
Maintain roadway condition, to an appropriate national	The average roughness of the sealed local road network measured along	Achieved	119	2018: 71 2017: 125
standard	the longitudinal profile of the road (NAASRA roughness counts): <b>≤125</b>			2016: 131
	Calculate the average quality of the sealed local road network, measured	Achieved	74%	2018: 72.6% 2017: 67%
	by smooth travel exposure (STE): <b>≥69</b> %			2016: 68.6%
	The percentage of the sealed road network that is resurfaced each year: ≥2%	Achieved	2.25%	2018: 2.3% 2017: 2.4%
				2016: 2.6%
Maintain the condition of footpaths	Condition rate the footpaths on a 1 to 5 (excellent to very poor) scale and confirm what percentage are rated as 3 or better: ≥ <b>75%</b>	Achieved	88%	2018: 71.7% 2017: 68% 2016: Was not able to be measured.
Maintain the condition of road carriageways	Reduce the number of customer service requests received for maintenance: <b>5,150</b>	Achieved	4,693	New measure No comparative results
Improve resident satisfaction with road condition	≥38%	Not achieved	27%	2018: 20% 2017: 34% 2016: 37%
Improve resident satisfaction with footpath condition	≥52%	Not achieved	41%	2018: 34% 2017: 48%
<b>.</b>				2016: 51%
	o the needs of Customers			
Reduce the number of complaints received	295	Achieved	182	New measure No comparative results
Respond to customer service requests within appropriate timeframes	≥95%	Achieved	98%	2018: Measured by assignment of CSR to contractor as proof of action. 2017: 97.5% contract KPI score achieved. 2016: 95% Contract KPI
Reduce the number of customer service requests relating to sweeping of the kerb and channel	4,500	Achieved	2,461	score achieved. New measure No comparative results

## Where are we heading?

We will continue to plan, build, and maintain the public road network to provide a safe, sustainable, integrated, attractive and affordable link for all users to all parts of the city.

Restoration of damaged assets, particularly road surfacing and footpaths, will continue to be a priority for the roading programme.

#### Service delivery in 2019/20

Next year, priority will be given to increased road maintenance and road safety improvements in the areas of greatest need.

Work will be continuing on addressing northern access congestion through the Christchurch Northern Corridor project and other upgrade projects on these routes.

We are looking at how we can better engage with the community on how street works, particularly resurfacing of roads and footpaths, is undertaken and prioritised. Repairs, extensive capital programmes and private development will continue to impact some parts of the network.

#### What did it cost?

### Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Roads and footpaths	115,110	108,902	112,928
	115,110	108,902	112,928
Operating revenue from services			
Roads and footpaths	14,875	14,574	13,332
	14,875	14,574	13,332
Capital revenues	33,028	45,599	41,296
Vested assets	16,455	1,841	7,473
Net cost of services	50,752	46,888	50,827

#### **Explanation of significant variances**

The roads and footpaths cost of service was \$6.2 million higher than plan due to \$3.8 million of additional depreciation from asset write offs, assets vested to Council and large multi-year projects that were completed in the year. There was \$1.2m of additional spend on road landscapes from the reduction of glyphosate use. There was also \$1.2 million of additional spend on kerb and channel and \$0.9 million of additional spend on traffic signage. These were partially offset by \$1.2 million of reduced spend on walking networks. These changes in road maintenance priorities were signalled through the 2019/20 Annual Plan process and future budgets have been amended to reflect the changes.

The cost of service was \$2.2 million higher than 2018 due to \$4.2 million of additional depreciation from asset write offs, assets vested to Council and large multi-year projects that were completed in the year. In addition there was an increase in kerb and channel \$1.0 million, streetscapes \$1.1 million and pedestrian mall areas \$1.8 million. These were offset by a lower spend in carriageways \$3.0 million, street trees maintenance \$0.6 million, SCIRT repairs \$1.5 million and footpaths and berms \$0.4 million. 2018 costs in these areas were higher as a result of emergency works incurred due to weather events.

Operating revenue was \$1.5 million higher than 2018 as NZTA introduced a new subsidy for spend on footpaths, and the re-prioritisation of the road maintenance spend meant more work was done on NZTA-subsidised activities.

#### Capital revenues and vested assets

Capital revenues were \$12.6 million lower than plan and \$8.3 million lower than 2018 because NZTA approved funding for fewer projects than planned, and \$4.6 million of NZTA subsidy relating to delayed projects that will now be completed in future years.

The Council received \$16.3 million of additional roads and footpaths as vested assets this year, \$14.6 million more than planned and \$9.0 million more than 2018. These assets were largely central city assets handed over by Otakaro.

## Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	56,494	55,702	55,702	58,849
Targeted rates	2,788	2,761	2,761	-
Subsidies and grants for operating purposes	13,590	11,728	11,728	11,643
Fees and charges	819	1,232	1,232	848
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other				
receipts	499	1,615	1,615	601
Total operating funding (A)	74,190	73,038	73,038	71,941
Applications of operating funding				
Payments to staff and suppliers	44,145	42,516	42,516	43,585
Finance costs	4,910	4,910	4,910	5,178
Internal charges and overheads applied	4,396	4,396	4,396	3,952
Other operating funding applications	(4)	15	15	15
Total applications of operating funding (B)	53,447	51,837	51,837	52,730
Surplus (deficit) of operating funding (A-B)	20,743	21,201	21,201	19,211
Sources of capital funding				
Subsidies and grants for capital expenditure	25,037	42,941	42,941	10,597
Development and financial contributions	230	2,658	2,658	2,755
Increase (decrease) in debt	26,702	27,223	27,223	42,091
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	7,727	-	-	48,643
Total sources of capital funding (C)	59,696	72,822	72,822	104,086
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	57,691	58,876	58,876	97,153
- to improve the level of service	11,323	18,192	18,192	16,614
- to meet additional demand	11,425	16,955	16,955	9,530
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	80,439	94,023	94,023	123,297
Surplus (deficit) of capital funding (C-D)	(20,743)	(21,201)	(21,201)	(19,211)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	22,032	-	-	68,733

#### **Explanation of significant variances**

#### **Operating funding**

The operating funding surplus was \$0.5 million lower than planned.

Operating funding was \$1.2 million higher than planned due to \$0.8 million higher rates funding and \$0.3 million higher subsidies and other funding. This was offset by \$1.6 million payments to staff and suppliers. The additional payments to staff and suppliers was the result of higher maintenance costs as discussed above.

# Capital expenditure

Capital expenditure was \$13.5 million lower than planned due to project delays including Halswell Junction Road extension, Lower Styx/Marshland intersection, Victoria Street and Sumner Road unused contingency of \$3.1 million. This reduced spend has been carried forward to future year plans.

#### Significant capital expenditure

Significant capital expenditure included: Sumner Road \$14.8 million, carriageway smoothing, sealing and surfacing including footpaths \$17.7 million, Northern Arterial extension \$9.3 million, road lighting \$4.6 million, Major Cycleway routes programme \$3.4 million, North Avon Road \$2.9 million, traffic signals \$2.5 million, An Accessible City projects (Salisbury Street and Hereford St) \$2.9 million, Street asset renewals programme \$2.2 million, Sumner Village Centre masterplan \$1.5 million, Banks Peninsula road metalling \$1.5 million, retaining walls \$1.6 million, Red Rock retaining walls \$1.1 million and minor road safety improvements \$1.1 million. Other minor work included: subdivisions transport network \$0.9 million, road pavement replacement \$0.7 million, Woolston Park transportation improvements \$0.6 million, rural drainage \$0.6 million, Peacocks Gallop \$0.6 million, bridge renewals \$0.5 million, intersection improvements \$0.8 million, Cathedral Square paving \$0.4 million and Halswell Junction Road extension \$0.4 million.

The remaining funds were spent on smaller projects throughout the City.

# Council activities and services Transportation

# What is transport, and what does the Council do?

Transport is the safe and efficient movement of people and goods from one place to another using the road network. The road network includes the road, footpaths and cycle facilities.

We protect and control use of the road corridor by other parties such as service authorities and developers.

We operate Christchurch's road network including operating and maintaining the traffic signals, traffic cameras and traveller information portals.

We plan, build, operate and maintain Christchurch's major cycleway network.

We plan, build and maintain infrastructure to support the operation of the public transport network.

We operate and maintain Christchurch's public parking facilities.

We plan and provide transport safety education and behaviour change initiatives to encourage people to use different modes of transport for some of their trips, and to use them safely.

# Why is the Council involved?

We manage the road network and the facilities associated with transport services provided so that people have safe, easy and reliable access to homes, shops, businesses and leisure activities from a variety of mode choices.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Transport activities contribute to the social, environmental and economic well-being by providing transport infrastructure, providing for passenger transport and active travel options, operating the road network safely and efficiently, and providing transport education.

These activities also help achieve our Community Outcomes by:

- providing for travel options that meet community need
- providing people with access to economic, social and cultural activities
- increasing the proportion of active travel journeys
- improving safety for all road users
- keeping people safe from crime
- using energy more efficiently
- supporting sustainable economic growth
- supporting a vibrant and prosperous business centre.

#### How does it affect me?

A well-managed transport network makes it easier and safer to get around the city and promotes growth and economic sustainability.

Good, safe cycling facilities encourage the "interested but concerned" group of residents to rediscover that cycling is a healthy, pleasant and safe travel option that will support a modal shift to active travel.

Safety and behaviour change programmes assist people in using transport networks safely and promote a shift to increase the use of other modes of transport with the aim of reducing congestion

#### What activities are involved?

#### **Road network operations**

We are responsible for planning for, and implementing safe and efficient use of the transport networks by all modes. This is achieved through operation of traffic control systems, traveller information and education initiatives.

We control the use of the road corridor by third parties through corridor use procedures and temporary traffic management approvals.

We protect the roads and footpaths by coordinating when and where contractors can dig them up to install and repair utilities like ultrafast broadband, water supply, wastewater pipes and electricity.

# **Major cycleways**

We are planning and constructing a network of 13 dedicated new cycle routes totalling 90 kilometres that will provide high quality safe facilities to encourage a high level of modal shift to cycling.

#### Parking

We provide on and off-street parking facilities that are safe, accessible and attractive, and allow easy access to work and leisure activities.

#### Public transport infrastructure

We provide the integrated bus infrastructure used by the bus companies that operate public passenger transport. This includes bus stops, suburban hubs, super stops, seats, shelters, bus priority lanes and passenger real-time information systems.

# Transport safety education and behaviour change programmes

We run programmes and initiatives that encourage people to use roads safely and sustainably.

#### What did we achieve?

We completed construction of Section 1 of the Major Cycleway Quarrymans Trail and 80% of Section 2.

We constructed 90% of the Major Cycleway Heathcote Section 1b and started construction on Section 1a.

We completed construction of a new signalised pedestrian crossing and improvements outside TeWaka Anua school.

We installed 27 new bus stops and six bus stops were relocated. We installed 52 new bus stop seats, of which 14 replaced old seats that were no longer fit for purpose. Council also changed to seats made from recycled plastic rather than the basic timber seat.

We undertook a number of speed limit reviews resulting in safe and appropriate speed limits being set including:

Summit Road, Prestons subdivision, Knightstream and Longhurst subdivisions, Main Rd – Redcliffs, Templeton and St Asaph St. The reduction of the speed limit on St Asaph St allowed the completion of the extension of the central city slow speed zone and the associated speed thresholds.

We installed two school speed zones for Avonside Girls'/ Shirley Boys' and Hoon Hay Primary/ Our Lady of Assumption.

Safety improvements were made to the transport network through the installation of a signalised crossing at St Andrews School, Kea crossings being installed at Wigram Primary and Knightstream and the improvements to the Stanmore Road pedestrian crossing.

# How did we measure up?

# Active Travel

Level of Service	Target	Achieved	Result	Prior Year
Journeys are comforta				
Improve the perception that Christchurch is a cycling friendly city	Percentage of people that agree that Christchurch is a cycling friendly city, based on the Annual Resident Survey: ≥53%	Achieved	64%	2018: 51% 2017: 56% agree or strongly agree in the 2017 General Satisfaction Survey. 2016: 52% agree or strongly agree that Christchurch is a cycle friendly city.
Improve the perception that Christchurch is a walking friendly city	Percentage of people that agree that Christchurch is a walking friendly city, based on the Annual Resident Survey: <b>&gt;84%</b>	Achieved	85%	2018: 76% 2017: 81% agree or strongly agree in the 2017 General Satisfaction Survey. 2016: 84% agree or strongly agree that Christchurch is a walking friendly city.
Customers have choic	es			
More people are choosing to travel by bike	Increase in the number of average daily cyclists, from citywide cycle counts: ≥2.5%	Achieved	<b>10%</b> increase in average daily trips	New measure No comparative results
	Increase in the number of average daily cyclists, from citywide cycle counts: <b>4,825</b>	Achieved	<b>7,636</b> trips	New measure in 2018
Increase the numbers of people cycling into the central city	Increase in the number of morning peak hour cyclists coming into the central city, from cordon cycle counts: ≥7.5%	Not measured	This level of service was not able to be measured in 2018/19.	New measure No comparative results
	Increase in the number of morning peak hour cyclists coming into the central city, from cordon cycle counts: <b>319</b>	Achieved	<b>834</b> trips	New measure No comparative result
Journeys are safe				
Reduce the number of reported cycling and pedestrian crashes on the network	Number of deaths or serious injuries to pedestrians and cyclists from crashes on the local road network per calendar year: <b>&lt; 45</b>	Not Achieved	<ul> <li>1 deaths</li> <li>44 serious injuries</li> <li>from 43 crashes</li> <li>(involving cyclists and pedestrians) leading to deaths or serious injuries.</li> </ul>	2018: Reduction not achieved overall, though less deaths occurred. (1 death and 22 serious injuries.)23 2017: 8.7% decrease (2 deaths and 20 serious injuries.) 22 2016: 37% reduction
				overall (2 deaths and 22 serious injuries.)24

# Parking

Level of Service	Target	Achieved	Result	Prior Year
Journeys are safe				
Improve customer perception of vehicle	Percentage of people that agree with vehicle	Achieved	59%	2018: 48%

and personal security at Council off-street parking facilities	and personal security at Council off-street parking facilities, based on the Annual Resident Survey: <b>≥50%</b>			2017: 51% 2016: 47%
Journeys are comforta	ble			
Improve customer perception of the ease of use of Council on- street parking facilities	Percentage of people that agree with the ease of the use of Council on- street parking facilities, based on the Annual Resident Survey: <b>≥50%</b>	Not achieved	49%	2018: 39% 2017: 48% 2016: 51%
Customers have choice	25			
Provide an appropriate number of parking spaces in the central city, so that occupancy is optimised	Average occupancy of on and off street car parks within the inner city zone between 9am and 5pm Mon – Fri inclusive: <b>60</b> - <b>85%</b>	Achieved	<b>64.63%</b> parking occupancy (on street 64.48%, and off street 64.78%)	New measure No comparative results

# Public Transport Infrastructure

Level of Service	Target	Achieved	Result	Prior Year	
Journeys are comforta	ble				
Improve user satisfaction of public transport facilities	Users satisfaction rate with the number and	Not achieved	7.1	2018: 7.0 2017: 7.1	
racilities	quality of bus shelters, based on the Annual			2017: 7.1	
	Environment Canterbury Metro user satisfaction			New measure in 2017	
	Survey: <b>≥7.2</b> (mean score of an eleven point scale)				
Council is responsive to the needs of Customers					
Reduce the number of customer service	Numbers of customer service requests relating	Achieved	<b>149</b> tickets associated with the quality and	2018: 144 tickets	
requests relating to quality and cleanliness	to quality and cleanliness of public		cleanliness of public transport infrastructure	New measure in 2018	
of public transport	transport infrastructure facilities: <b>312</b>		facilities (more than 2017-18)		
Customers have choice			2011 10/		
More people are	The change in number of	Achieved	An increase of <b>0.84%</b> of	New measure	
choosing to travel by bus	people travelling by bus		people travelling by bus.		
	from the previous			2017-2018, July to June	
	financial year: ≥+0%		2018-2019, July to June	total patronage =	
	(13,467,570 pax)		total patronage = 13,686,740.	13,572,240.	
			13,000,110.	No comparative results	
Journey times are relia	ible				
Improve the reliability of passenger transport	The percentage of bus movements that occur	Not achieved	<b>75%</b> (Over the previous 12 month period the	New measure	
journey time	within -1:00 min early to 4:00 mins late, measured at designated timing stages: <b>85%</b>		average)	No comparative results	

# Traffic Safety and Efficiency

Level of Service	Target	Achieved	Result	Prior Year
Journey times are rel	iable			
Maintain journey reliability on strategic routes	Average journey time on 22 strategic routes, as measured by CTOC: Peak 25 minutes	Achieved	<b>13 minutes</b> Peak (morning peak (AMP) and afternoon peak (PMP))	Routes: Belfast to City, Airport to CBD, Hornby to CBD, Barrington to Innes
	Day 15 minutes Night 10 minutes		<b>12 minutes</b> Interpeak (IP) Night (OP) <b>not measured</b>	2018: AMP = 14 – 15 min IP = 12 – 15 min

Level of Service	Target	Achieved	Result	Prior Year
			Night data not available but likely to be less than 10mins.	PMP = 12 - 16 min $OP = 11 - 13 min$ 2017: $AMP = 14 - 16 min$ $IP = 12 - 14 min$ $PMP = 12 - 19 min$ $OP = 10 - 12 min$ 2016: Baseline         established. $AMP 25min$ IP 15min         PMP 25min         OP 10min
Maintain the number of	of private vehicle trips at	current levels		
Maintain the number of private vehicle trips at current levels	Number of citywide commuter trips, as recorded by traffic count data: <b>54 million to 58 million</b> < +/-3%	Not measured	This level of service was not able to be measured in 2018/19. Previous methods of measurement were based on the MOT Annual Household Travel Survey. MOT has changed the survey methodology for the 2015- 2017 survey and again in 2018. Level of service change has been adopted for the 2019/20 Annual Plan.	New measure No comparative results
Maintain the number of private vehicle trips at current levels	Number of citywide all- purpose trips, as recorded by traffic count data: 280 million to 298 million < +/-3%	Not measured	This level of service was not able to be measured in 2018/19. Previous methods of measurement were based on the MOT Annual Household Travel Survey. MOT has changed the survey methodology for the 2015- 2017 survey and again in 2018. Level of service change has been adopted for the 2019/20 Annual Plan.	New measure No comparative results
Journeys are safe				
Reduce the number of reported crashes on the network	Number of deaths or serious injuries from all crashes on the local road network per calendar year, as reported from the Crash Analysis System (CAS), provided by NZTA: ≤129 (reduce by 5 or more per year)	Not achieved	11 deaths 122 serious injuries <b>133 total</b> 119 crashes 2018 : 123 crashes 2017 : 122 crashes 2016 : 135 crashes In 2018/19 the number of fatalities and serious injury <b>crashes</b> on the local road network reduced by four.	<ul> <li>2018: deaths = 15; serious injury = 120; total = 135</li> <li>2017: deaths = 7, serious injury = 117 total = 124</li> <li>2016: The number of fatalities and serious injury crashes on the local road network reduced by five.</li> </ul>

# Where are we heading?

Building of the Major Cycle Routes network is well underway with the first routes open and the entire network programmed for completion by 2028. We will continue to operate and optimise the public road network to provide an efficient, safe and sustainable network for all users to all parts of the city.

We will continue to encourage people out of private passenger cars into public and active travel options.

More bus priority measures are programmed for key transport routes, including Riccarton Road, Main North Road and Lincoln Road.

# Service delivery in 2019/20

Repairs to improve the condition of the road network and extensive capital programme will continue in 2019/20. This work together with private development may cause inconvenience and congestion on some parts of the network, particularly in the central city. We will co-ordinate Traffic Management Plans and signal operations to minimise the actual and potential effects on traffic flow. Work will continue to progress on the Major Cycle Routes programme with the continued delivery of Rapanui to Shag Rock and the Heathcote Expressway, along with the start of construction for the Nor'West Arc and South Express and the completion of Quarryman's Trail.

A programme of capital works planned for 2019/20 will result in a continued improvement to safety for road users and network congestion.

A number of education initiatives and school campaigns are planned for the year that will target current issues particularly intersection safety and safe cycling.

#### What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual	2019 Plan	2018 Actual
	\$000	\$000	\$000
Cost of services			
Traffic safety & efficiency	11,419	9,565	12,042
Active travel	468	1,510	580
Parking	7,288	6,936	7,406
Public transport infrastructure	1,997	2,411	1,935
	21,172	20,422	21,963
Operating revenue from services			
Traffic safety & efficiency	5,885	4,131	5,715
Active travel	80	260	96
Parking	10,720	11,494	8,810
Public transport infrastructure	685	632	511
	17,370	16,517	15,132
Capital revenues	14,515	13,316	31,338
Vested assets	-	53,961	-
Net cost of services	(10,713)	(63,372)	(24,507)

#### **Explanation of significant variances**

#### Traffic safety and efficiency

Traffic safety and efficiency cost of service was \$1.8 million higher than plan because of additional Christchurch Transport Operations Centre maintenance costs which were unplanned.

Traffic safety and efficiency cost of service was \$0.6 million lower than last year because of traffic operations staff charging more of their time to capital projects.

Operating revenue was \$1.8 million higher than plan due to Christchurch Transport Operations Centre recoveries of maintenance costs (as above).

#### Active Travel

The cost of service was \$1.0 million lower than plan largely because of \$0.7 million of depreciation planned on Major Cycleway Routes but the actual cost comes under the roads and footpaths activity.

There were no significant revenue variances.

#### <u>Parking</u>

There were no significant cost variances.

Parking revenues were \$0.8 million lower than plan because the Ministry of Justice wrote off more unpaid fines than expected in alternative sentences.

Parking revenues were \$1.9 million higher than 2018 due to a full year of Lichfield Street carpark revenues, after its opening partway through the 2018 financial year, and the subsequent CDHB shuttle partnership (\$1.5 million). There were also additional bus lane infringements issued of \$0.5 million.

#### Public transport infrastructure

The cost of service was \$0.4 million lower than plan because of a delay in the planned handover of the bus interchange which has meant less depreciation than planned.

There were no significant revenue variances.

#### Capital revenues

Capital revenues were \$1.2 million higher than plan because of \$5.8 million of additional development contributions received. These were offset by \$4.6 million reduction in NZTA subsidies, largely from projects that we expected to be eligible for subsidy but NZTA but are now unlikely to be.

Capital revenues are \$16.8 million lower than 2018 because the Major Cycleway Route programme was accelerated in 2018 to take advantage of increased NZTA funding for these projects.

#### Vested assets

The \$54.0 million planned for the bus interchange will now occur in the 2019/20 year.

#### Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	2,603	2,566	2,566	1,190
Targeted rates	310	307	307	2,874
Subsidies and grants for operating purposes	4,112	3,758	3,758	3,742
Fees and charges	8,306	7,013	7,013	3,816
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4,975	5,747	5,747	5,397
Total operating funding (A)	20,306	19,391	19,391	17,019
Applications of operating funding				
Payments to staff and suppliers	15,514	14,232	14,232	14,688
Finance costs	360	360	360	421
Internal charges and overheads applied	851	851	851	799
Other operating funding applications	656	816	816	832
Total applications of operating funding (B)	17,381	16,259	16,259	16,740
Surplus (deficit) of operating funding (A-B)	2,925	3,132	3,132	279
Sources of capital funding				
Subsidies and grants for capital expenditure	9,064	12,300	12,300	30,830
Development and financial contributions	5,428	1,016	1,016	593
Increase (decrease) in debt	4,941	42,588	42,588	41,851
Gross proceeds from sale of assets	, -	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	19,433	55,904	55,904	73,274
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	6,640	2,215	2,215	23,825
- to improve the level of service	15,129	54,026	54,026	49,728
- to meet additional demand	93	2,795	2,795	-
Increase (decrease) in reserves	496	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	22,358	59,036	59,036	73,553
Surplus (deficit) of capital funding (C-D)	(2,925)	(3,132)	(3,132)	(279)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	6,193	-	-	22,881

# **Explanation of significant variances**

#### **Operating funding**

Operating funding from fees and charges is \$1.3 million higher than planned because of Christchurch Transport Operations Centre recovery of costs from NZTA. This is partially offset by \$0.6 million lower than planned recoveries from fines due to the decision of the Ministry of Justice.

Applications of operating funding were \$1.1 million higher than planned, largely from additional Christchurch

Transport Operations Centre costs which were recovered from NZTA as above.

#### Capital expenditure

Capital expenditure was \$37.1 million lower than planned because the plan included \$22.9 million for the handover of the bus interchange which will occur in the new year, \$9.2 million of Major Cycleway Routes work that was accelerated into previous financial years, \$1.9 million of Riccarton Road Bus Priority work that was delayed so it could be delivered in one pass along with the 3 Waters work and \$1.8 million of Core Passenger Transport Route work that has been delayed due to consultation.

# Significant capital expenditure

Significant capital expenditure included: Major Cycleway Routes programme \$14.0 million, Coastal Pathway \$4.5 million and Riccarton Road Bus Priority \$1.5 million.

# Council activities and services Refuse disposal What is refuse disposal, and what does the Council do?

We collect and dispose of some of the City's solid waste and work with the community to reduce the waste we send to landfill. We put a lot of time into encouraging residents and businesses to recycle and reduce their waste.

We monitor closed landfills around the City and are responsible for the capping and aftercare of the old Burwood landfill.

As a shareholder in BRRP we facilitate the sorting, reuse and safe disposal of Canterbury Earthquake construction and demolition waste.

# Why is the Council involved?

We provide solid waste collection, processing and disposal to protect the health of the community. Our involvement in waste reduction, reuse and recycling reflects the importance we place on using resources sustainably.

Waste minimisation and disposal contribute to the environmental and economic well-being of the community. It ensures the reliable removal of rubbish, the recycling of any resources in that rubbish, and the disposal of any residue in a cost-effective and environmentally acceptable way.

It also contributes towards achieving two of the five goals in our Community Outcomes - by helping to make a healthy environment and a prosperous economy with modern and robust infrastructure and facilities network. We do this by enabling and encouraging waste separation and reusing, and by safely collecting and disposing of waste.

# How does it affect me?

When we dispose of waste properly and reduce the amount we send to landfill we help create a healthy, safe environment for all to live in. This also creates business opportunities and employment in our communities.

# What activities are involved?

#### **Recyclable materials collection and processing**

We aim to reduce the amount of waste we send to landfill by collecting recyclable material from households and public places, advising the public of recycling options (for example EcoDrops and a register of recyclers), and by sorting and processing recyclable materials.

#### Organic material collection and composting

We collect kitchen and garden waste from households and turn it into compost for resale. We also encourage home composting and worm farms.

#### Residual waste collection and disposal

Not everything can be recycled so we collect and transport this remaining waste to landfill. We also look after closed landfills to make sure they don't harm the environment. At the old Burwood landfill site, methane gas is captured, piped underground and used to power some city buildings and parts of the Christchurch Wastewater Treatment Plant (CWTP).

#### Education

Education is an important aspect enabling residents to make informed decisions on the best waste practices focusing on the best environmental and social outcomes.

#### Working with others

We are working with other councils across the country on the national 'Love food, Hate waste' campaign with regular workshops informing communities how to minimise the food waste generated by households.

# What did we achieve?

Gas extracted from the Burwood Landfill is used at the Civic Building for heating, cooling and lighting, the Christchurch Art Gallery for heating and the CWTP for drying biosolids.

The kerbside collection system continues to perform well and rates highly in our annual residents' survey. As part of our commitment to continuous improvement we are nearing completion of a 3 year project to retrofit Radio Frequency Identification Tags to kerbside wheelie bins. 452,185 wheelie bins have had the identification tags fitted representing 95% a completion rate. This will enable us to ensure residents have their correct wheelie bin entitlement as well as identify any stolen bins. We will continue to identify and implement changes that will provide the best value for money and efficient services to residents.

Burwood Resource Recovery Park has continued to take construction and demolition waste. In 2019 the plant sorted 22,975 tonnes (2018: 150,000 tonnes). Since it opened, the site has received 825,234 tonnes. Due to declining construction and demolition tonnages BRRP is scheduled to stop receiving this material in December 2019.

We continue to work as part of the Canterbury Waste Joint Committee towards regional waste minimisation projects and identifying opportunities to further improve on reducing waste.

#### How did we measure up?

# Solid Waste

Level of Service	Target	Achieved	Result	Prior Years
	lection service for recyc		Kesutt	
Recyclable materials collected by Council services and received for processing at the Materials Recovery Facility (MRF)	<b>105 kg</b> +40%/-10% recyclable materials / person / year collected and received by Council services	Achieved	<b>106 kg</b> per person	2018: 109.17 kg per person. 2017: 108.41 kg per person.
Kerbside wheelie bins for recyclables emptied by Council services	At least 99.5% collection achieved when items correctly presented for collection	Achieved	99.51%	2016: 106 kg per person. 2018: 99.72% 2017: 99.7%.
	,			2016: 99.6%.
Domestic kerbside col businesses (domestic		nunity collection points	for residual waste (refus	se) for households and
Tonnage of residual waste collected by Council services	No more than 120 kg / person / year from collection services disposed to Kate Valley	Achieved	111.87 kg per person	2018: 114.16 kg per person. 2017: 117.21 kg per person. 2016: 117.7 kg per person.
Kerbside residual waste collection –emptied by Council services	At least 99.5% collection achieved when items correctly presented for collection	Achieved	99.57%	2018: 99.9% 2017: 99.8%. 2016: 99.7%.
Maximise beneficial use of landfill gas collected from Burwood landfill.	Landfill gas to be available to facilities that utilise the gas <b>at least</b> <b>95%</b> of the time	Achieved	95.98%	2010: <i>93</i> , 7%. 2018: 98.33% 2017: 98.16%. 2016: 97.28%.
Domestic kerbside col	lection for organic mate	rial (food and garden wa	aste).	
Amount of organic material collected at Council facilities and diverted for composting	Greater than 190 kg +30%/- 10% organic material collected at Council facilities and diverted for composting facility / person / year	Achieved	214.95 kg per person	2018: 206.84 kg per facility / person / year. 2017: 197.73 kg per facility/ person/year. 2016: 192.14kg per facility/ person/year.
Kerbside wheelie bins for organic material emptied by Council services.	At least 99.5% kerbside wheelie bins for organic material, emptied when correctly presented for collection	Achieved	99.58%	2018: 99.8% 2017: 99.8%. 2016: 99.8%.

## Where are we heading?

We will continue working with residents to maximise the level of recycling and organics diverted from landfills, through the kerbside collection system. Education programmes aim to maximise the separation of organic and recyclable waste and ensure we minimise contamination of the organic and recyclable streams.

We will continue to take an active part in the Canterbury Waste Joint Committee, WasteMINZ, and Ministry for Environment with programmes for waste reduction, waste avoidance, product stewardship and monitoring the reduction of waste to landfill from across Canterbury.

Volumes of construction and demolition waste into BRRP have been in decline over the last few years. As a result, BRRP will not be accepting any construction and demolition waste after December 2019.

Landfill gas from the old Burwood landfill will continue to provide energy to the CWTP, Council's Civic Offices and the Christchurch Art Gallery.

Landfill gas is also collected from Kate Valley landfill and converted into electricity. The first Electric kerbside collection truck is now operational in Christchurch that forms a part of a 'circular economy' – the collection truck is powered by the refuse that it is collecting.

We continue to work with businesses to reduce the waste sent to landfill and to be more energy and water efficient.

## Service delivery in 2019/20

We will deliver the levels of service detailed in the LTP and Activity Management Plans in the 2019/20 year.

We will review our Waste Management and Minimisation plan and an updated plan developed during 2019 will be going out for public consultation early 2020.

The Radio Frequency Identification (RFID) tagging programme of wheelie bins in our Kerbside Collection will be completed this year ensuring the correct allocation of wheelie bins to properties and a reduction in the number of stolen wheelie bins as they will not be emptied if at the wrong address.

We will develop a new kerbside collection system for the inner-city area moving away from plastic bags to a more sustainable system that will include organics collection.

#### What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Wastewater collection, treatment and disposal	51,786	49,484	43,776
	51,786	49,484	43,776
Operating revenue from services			
Wastewater collection, treatment and disposal	13,297	11,425	13,062
	13,297	11,425	13,062
Capital revenues	-	-	-
Vested assets	-	-	
Net cost of services	38,489	38,059	30,714

#### **Explanation of significant variances**

#### Solid Waste

The cost of service was \$2.3 million higher than plan due to \$1.6 million additional maintenance costs for landfill aftercare, \$1.1 million additional collection and disposal costs, offset by \$0.3 million lower promotion costs and \$0.1 million lower maintenance costs.

The cost of services was \$8.0 million higher than 2018 due to \$3.2 million additional recycling processing fees paid, \$2.9 million additional contingency costs \$1.6 million

additional service contract costs and \$0.3 million internal costs.

Operating revenue was \$1.9 million higher than plan due to an additional \$1.1 million revenue from the BRRP, \$0.4 million additional funding from the Ministry for Environment and \$0.3 million unplanned insurance recovery.

Operating revenue is \$0.2 million higher than 2018 due to an additional \$0.3 million insurance recovery.

# Funding impact statement for year ended 30 June

	2019	2019 Annual	2019 Long Term	2018 Long Term
	Actual	Plan	Plan	Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	16,892	16,655	16,655	13,561
Targeted rates	20,996	20,793	20,793	19,229
Subsidies and grants for operating purposes	1,375	1,092	1,092	1,072
Fees and charges	6,557	6,392	6,392	6,471
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other				
receipts	4,629	3,206	3,206	3,641
Total operating funding (A)	50,449	48,138	48,138	43,974
Applications of operating funding				
Payments to staff and suppliers	47,297	44,867	44,867	42,318
Finance costs	212	212	212	222
Internal charges and overheads applied	1,953	1,953	1,953	1,775
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	49,462	47,032	47,032	44,315
Surplus (deficit) of operating funding (A-B)	987	1,106	1,106	(341)
Sources of capital funding				
Subsidies and grants for capital expenditure	_	-	_	_
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	102	1,426	1,426	1,171
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	102	1,426	1,426	1,171
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	986	2,532	2,532	802
- to improve the level of service	24	-	-	28
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	79	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,089	2,532	2,532	830
Surplus (deficit) of capital funding (C-D)	(987)	(1,106)	(1,106)	341
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake rebuild application of capital funding	-	1,030	1,030	-

# **Explanation of significant variances**

#### **Operating funding**

The operating funding surplus was \$0.1 million lower than planned. Operating funding was \$2.3 million higher than planned due to an additional \$1.1 million BRRP revenue, \$0.4 million additional rates funding, \$0.4 million additional grant funding and \$0.3 million unplanned insurance recovery. Payments to suppliers were \$2.4 million higher due to \$1.6 million landfill aftercare funding and \$0.8 million increased collection and disposal costs.

# Capital Expenditure

Capital expenditure was \$1.5 million lower than planned. The Inner City waste collection system was \$1 million lower due to the late start of the project and Burwood Gas Treatment Plant renewals was \$0.5 million lower than planned, which are now both planned for delivery in future years.

# Significant capital expenditure

Significant capital expenditure included: waste transfer stations and bins renewals and replacement \$0.5 million,

stormwater channel renewals at the refuse station \$0.2 million and Burwood closed landfill aftercare (Stage 2) \$0.2 million.

# Council activities and services Housing

# What is housing, and what does the Council do?

Social housing is affordable housing provided by government agencies (including local government) or nonprofit organisations. A key function of social housing is to provide affordable accommodation to people on low incomes including the elderly and those with disabilities.

Our housing activity provides social housing through ownership of social housing complexes. The housing units are owned by Council and are leased to a Community Housing Provider (CHP) and other organisations that then sub-let the units to those in need. The trusts have their own tenant eligibility criteria, however most are based on affordability issues and other housing needs.

Our social housing assets mainly comprise studio and one bedroom units with a small percentage of two, three and four bedroom units.

Housing is a key area through which the Council's social and economic well-being objectives are influenced.

# Why is the Council involved?

Our provision of social housing contributes to the community's well-being by ensuring safe, accessible and affordable social housing is available to people on low incomes, including the elderly and people with disabilities. Council has been involved in housing since 1938.

Housing contributes to achieving a number of the city's Community Outcomes including:

# Liveable city

• Christchurch has a sufficient supply of, and access to, a range of housing – by providing social housing, Council contributes to the supply of housing for those in need who would otherwise find it hard to access warm, dry and secure housing.

# Strong communities

- Strong sense of community having access to housing is a major key to a sense of community as it enables people to take part in the community and access services and facilities.
- Active participation in civic life not having a home inhibits participation in civic life. A home address makes it easier to take part in or use basic services in the community such as enrolling to vote, getting a bank account or even a library card.
- Safe and Healthy communities having a home is the first step to keeping a person safe and healthy. Providing homes to those in need helps keep both the occupant and the public feeling safe.

Healthy environment

- Sustainable use of resources Our social housing is built, maintained and renewed in a way which promotes sustainability and energy efficiency.
   Prosperous economy
- An inclusive, equitable economy with broad-based prosperity for all - housing is a key area through which social and economic well-being is influenced. Adequate housing is strongly linked to economic performance.

# How does it affect me?

If you or someone you know is elderly, is on a low income or has particular needs, you (or they) may be eligible to apply for social housing.

# What activities are involved?

Our housing activity provides asset management; maintenance, replacement; intensification and a partnership programme that supports the provision of affordable accommodation to people on low incomes.

The tenancy management function is managed by the Ōtautahi Community Housing Trust (OCHT). They cover the day to day management of tenancy matters. These include application and allocation services; inspections; risk management, minor maintenance and health and safety; partnerships with welfare and support agencies and a social activity and engagement programme. We continue to undertake strong consultation and engagement with OCHT tenants involved in its major repair and renewal programme.

# What did we achieve?

Council provides social housing services through the 2,198 units it leases to the Otautahi Community Housing Trust (OCHT). It also assists the growth in social housing through the capitalisation of the OCHT, with 170 units transferred in 2018/19, and through a \$30 million loan, repayable over a term of up to 27 years.

Over the year, 342 tenants vacated tenancies in Council owned units and 273 tenants commenced new tenancies. Council also held a further 29 leases with other community organisations.

Over this period 52 units were repaired as part of the earthquake repair programme. Of these, 44 units were open and tenanted prior to works commencing and required the tenants to be relocated during repairs. The remaining eight units, closed since the 2011 earthquakes, have been repaired, reopened and returned to service.

Five new units were built in Akaroa, an increase of two.

Three owner occupied units were purchased at Aldwins Courts and upgrade work completed prior to adding them to the lease. There are still 3 units to be purchased and returned to the portfolio when they become available.

Through the variations process with OCHT we have undertaken full interior redecorations at 15 units. There have been carpet replacement in 56 units and vinyl replacement in 43 units.

Under the planned programme of works we have completed full exterior painting at 12 complexes, internal redecoration at 8 units and major tree maintenance at 13 complexes. Two complexes have also been re-roofed, including, spouting replacement. The end of our earthquake repair programme in December 2019 allows for a future increased focus on redecoration and other renewals works.

Apart from works, we provided advice to Council specifically regarding options for future use of complexes that require substantial repairs and upgrades to bring them to required standards. In collaboration with the Trust we are developing an implementation strategy to ensure all tenancies meet the new Healthy Homes legislation that requires Community Housing Providers to be compliant by 01 July 2023.

# How did we measure up?

# Housing

Level of Service	Target	Achieved	Result	Prior Years
Assisted Housing Council makes a contribution to the social housing supply in Christchurch	Number of social housing units in Council's portfolio: <b>2,052 units</b>	Achieved	<b>2,241</b> units	<ul> <li>2018: Of the portfolio of 2,478 units 2,273 are open.</li> <li>2017: Of the portfolio of 2,478 units; 2,446 are associated with OCHT and 32 are leased to other organisations.</li> <li>2016: At least 2,304 units were provided.</li> </ul>
Council makes a contribution to the social housing supply in Christchurch	Number of operable Council-owned social housing units that are available for lease: <b>1,972</b> <b>units</b> (96% utilisation rate)	Achieved	<b>2,045</b> units (97.87% utilisation rate)	New measure No comparative results

# Where are we heading?

Council's focus for 2019 /20 includes completion of the earthquake repair programme and delivery of ongoing repair and renewal works.

In June 2019, Council completed its insulation assessment and installation programme. This work was carried out both to meet regulatory requirements and as part of Council's ongoing drive to achieve safe, warm and dry social housing units.

For 2019/20 the focus of the warm and dry programme is on planning and implementing the upgrades required to meet the recently approved Healthy Homes standards. Additionally, Council is focused on finding practical alternatives for units where it has not been possible to install the required levels of insulation.

Otautahi Community Housing Trust (OCHT) will continue managing all tenancy related affairs including minor maintenance of the social housing stock it leases from Council. Ownership and strategic management of the majority of the housing assets will be retained by Council.

Council is also exploring ways to grow social housing within Christchurch. We understand that we cannot do this alone and are working with partners to deliver the outcomes.

# Service delivery in 2019/20

We anticipate that service delivery in 2019/20 will meet the levels of service indicated in the LTP, including the changing arrangements to minor maintenance delivery and tenancy management undertaken by OCHT.

The unit is focussed on the continuation of planned and reactive repair and renewal programmes. Growing social housing also remains a key strategic direction for the Housing team through the exploration of partnership projects.

#### What did it cost?

## Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Housing	33,263	27,252	32,133
	33,263	27,252	32,133
Operating revenue from services			
Housing	15,176	14,371	16,851
	15,176	14,371	16,851
Capital revenues	407	-	-
Vested assets	-	-	-
Net cost of services	17,680	12,881	15,282

#### **Explanation of significant variances**

#### Housing

The cost of services were \$6 million higher than plan as a result of the loss on sale of property transferred to OCHT, \$9.6 million, and additional rates expense, \$0.3 million. This was offset by a delay in the earthquake repair programme, \$1.1 million and reduced depreciation, \$1.1 million and maintenance costs, \$1.9 million.

The cost of service was \$1.1 million higher than 2018. This was due to a \$9.6 million loss on sale this year while in the previous year \$3 million more was spent on the earthquake repair programme. This was offset by a 2018 OCHT \$3.5m million grant and \$0.5m waiver of OCHT loan. 2018 also saw increased maintenance \$1.0 million and increased depreciation \$0.5 million.

Operating revenues were \$0.8 million higher than planned. The increased revenue reflects the increased rental received by OCHT on the properties it manages (including IRRS uptake on tenant turnover) and less vacant properties.

Operating revenues were \$1.7 million lower than the previous year as a result of lower insurance proceeds received.

## Capital revenues

The \$0.4 million of capital revenues is earthquake insurance proceeds received.

#### Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	15,134	14,332	14,332	12,070
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other				
receipts	43	40	40	39
Total operating funding (A)	15,177	14,372	14,372	12,109
Applications of operating funding				
Payments to staff and suppliers	16,213	18,697	18,697	8,243
Finance costs	-	-	-	-
Internal charges and overheads applied	854	854	854	620
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	17,067	19,551	19,551	8,863
Surplus (deficit) of operating funding (A-B)	(1,890)	(5,179)	(5,179)	3,246
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	
Increase (decrease) in debt	422	-	-	(12)
Gross proceeds from sale of assets	-	-	-	
Lump sum contributions	-	-	-	
Other dedicated capital funding	407	-	-	-
Total sources of capital funding (C)	829	-	-	(12)
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	3,819	2,804	2,804	3,434
- to improve the level of service	-	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	(4,880)	(7,983)	(7,983)	(200)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(1,061)	(5,179)	(5,179)	3,234
	1,890	5,179	5,179	(3,246)
Surplus (deficit) of capital funding (C-D)	1,850			

1 Earthquake rebuild application of capital funding

# **Explanation of significant variances**

#### **Operating funding**

Total operating funding was \$0.8 million higher than plan due to increased rental from the units managed by OCHT.

Payments to staff and suppliers were \$2.5 million lower than planned as a result of delay in the EQ Repair Programme \$1.2 million and reduced maintenance costs \$1.9 million offset by additional rates \$0.3 million.

#### Capital expenditure

2,071

Capital expenditure was \$1 million higher than planned due to Social Housing development work reprogramed from prior years.

#### Significant capital expenditure

-

Significant capital expenditure included: Bruce Terrace -Social Housing Infill Dev \$1.2 million, Housing Improvements/Remodelling (for instance interior redecorations) - \$1.0 million. Other minor work included HP Smith \$0.4 million, Walsall Street \$0.3 million and Huggins Place \$0.3 million.

# Council activities and services Regulation and Compliance

# What is regulation and compliance, and what does the Council do?

The Council prepares plans, policies and regulations in accordance with its legal obligation to guide the city's future development, and help make the city a safe and healthy place for people to live, work and visit. Our regulation and compliance teams make sure we follow all laws and rules that apply to the city.

# Why is the Council involved?

Local government is responsible for, among other things, promoting sustainable management of the natural and physical resources under the Resource Management Act 1991 (RMA). Under the Act, councils are required to prepare a District Plan which contains objectives, policies and rules to manage the effects of land use on the community and wider environment. The RMA sets out the matters to which the Council must have regard in preparing its District Plan, and the processes it must follow.

Regulation and enforcement services are needed to administer the laws that govern where activities occur and their effects, building and development work, the health and safety of licensed activities, and the keeping of dogs. The Council enforces compliance with regulations, monitors individual licences and approvals, investigates complaints and non-compliance, and assesses the potential effects of various activities while still enabling builders, developers and property owners reasonable use of their property and opportunities to carry on their business.

Regulation and enforcement activities contribute to the environmental, social, cultural and economic well-being of the community through the provision of resource consents, building consents, licensing approvals, inspections of construction work, and enforcement of health, noise, and other bylaws.

They contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment, a healthy city and an attractive and welldesigned city – four of the nine goals for our city that are included in our Community Outcomes. This contribution is made by ensuring legislative requirements are complied with and nuisances are minimised while the consenting process minimises adverse effects and ensures a safe and attractive built and natural environment.

# How does it affect me?

You use the Council's regulation and compliance services if you build a new home or commercial building, open a business, request a property report before buying a home, or express concern about noise. These services affect how you handle dogs and stock, and where you can buy and consume alcohol. They also ensure that the places you go to eat and drink are healthy and safe.

# What activities are involved?

#### **Regulatory compliance and licensing**

Our regulatory compliance team protects the health and safety of the city by minimising potential hazards – this includes controlling dogs and wandering stock, controlling where alcohol can be sold and consumed, and carrying out health inspections at food outlets. The team ensures that residents and businesses comply with rules for building, and with the District Plan and bylaws. It also responds to complaints about noise. Educating the public about the rules is a key part of the regulatory compliance team's work.

#### **Building services**

The processing and issuing of building consents, subsequent inspections and the issuing of code compliance certificates and compliance schedules are fundamental to ensuring Christchurch city has a safe and healthy environment. Collectively these functions are designed to ensure that new and existing buildings fully meet the requirements of the Building Act 2004, Building Regulations, Building Code and various Building Standards as required.

The environment in post-earthquake Christchurch is made more complex by the many hazards that must be taken account of, i.e. flooding, rock fall and other land instabilities. In addition, land damage means that the related building work requires specific engineering design.

Provision of public advice is undertaken through web pages, duty phones and pre-application meetings which assist property owners, builders and developers. The Partnership Approvals unit continues to operate at an effective level for predominantly commercial clients.

Regular and targeted stakeholder engagement is undertaken, including Engineering NZ, Master Builders, Certified Builders, Architectural Designers NZ, Housing NZ and a number of group home builders being the most predominant. Collaboration with other Councils both locally and nationally is undertaken through the Mainland Building Consent Authority Cluster, and the Metro Strategic Building Managers Group.

The Building Policy services support the Council's continued registration as a Building Control Authority (BCA) and responding to Building Act-related claims.

# **Resource consenting**

Resource consents are required when activities, development or building does not meet the requirements set out in the District Plan. The Plan has been developed in consultation with the community and sets a benchmark for environmental and amenity outcomes. Resource consents are processed to ensure outcomes are achieved and are
required to be processed within statutory time frames to ensure development is not held up by lengthy regulatory processes. Information about the process and requirements can be obtained by viewing Council's website, by phoning the duty planner, or by arranging a pre-application meeting.

# Land and property information services

This service provides Council's customers with property specific information to ensure building or property development decisions are based on good information. This assists customers in making informed decisions on regulatory related projects. We provide this through general public advice services, project specific advice via pre-application meetings, and Land Information Memorandum (LIMs) and property file information upon request.

# What did we achieve?

Our priority is always to maintain or enhance the quality of service. This was accomplished by the regular review and enhancement of our business processes, work practices and communications. There was a strong emphasis in the past year on delivering effective client relationship management services and improving the tone of our communications.

# **Regulatory compliance and licencing**

Council monitors Christchurch City's environment to ensure the community and environment is safe and healthy. We do this in a number of ways.

# Freedom Camping

This year's proactive freedom camping campaign came to an end on Monday 29 April 2019. The campaign consisted of an education, monitoring, and enforcement regime that took place throughout the Christchurch and Banks Peninsula area, seven days a week.

We received \$415,000 in additional funding from the Ministry of Business Innovation and Employment from the Responsible Camping Fund, which enabled us to improve and implement initiatives relating to freedom camping this season. This included education material, new and updated signage, road markings and a new toilet installation at Thomson Park New Brighton. This funding also enabled additional monitoring and enforcement officers to be employed across the Akaroa and Christchurch city areas.

There was a large decrease in complaints this season, with Council receiving 133 complaints between 5 November 2018 and 29 April 2019, compared to the 271 complaints received for the same period last year.

# <u>Noise Control</u>

Activities carried out under the Resource Management Act saw an increase in written notices to cease noise and the number of equipment seizures remains steady when compared with the previous year. Overall, there continues to be a reduction in the complaint numbers for excessive noise.

# Alcohol Licensing

Alcohol licence numbers have plateaued, with a total of 1,002 current on/off/club licences held in Christchurch at 30 June 2019, up from 970 the previous year. These numbers are still well below pre-earthquake numbers (mainly in the central city) of around 1,112 total licences.

# **Building services**

As the city continues to recover from the 2011 earthquakes the demand and complexity of commercial Resource and Building Consenting remained high. Residential consents numbers have returned to pre earthquake levels with the forecast showing that residential activity will remain at those levels for the foreseeable future.

# **Building Consents**

Building consent volumes have continued to fall year on year with a shortfall against the budgeted revenue target. The building consenting unit have taken every step to mitigate this shortfall including reducing staff (not replacing staff as they leave), reducing our use of contractors (\$1m less than budget) and growing our business externally. Over the past year, these actions have resulted in a \$2.8 million reduction in costs.

Towards the end of the 2018/19 financial year the building consenting unit finalised its contractual arrangements to enable technical staff to assist other councils with building inspections.

The unit has also begun insourcing the processing of building consents to help other Councils as our workload decrease.

# Earthquake Prone Buildings

Identification, consultation and approval have been completed on the city's strategic routes. So far we have identified 213 priority buildings where the previous time frame of 15 years to strengthen or demolish will be reduced to seven and a half years. There are approximately 5,892 pre 1976 (category B) buildings to check. We have until 2022 to complete this task, however we expect to have this completed by early 2020.

# **Building Warrant of Fitness**

There were 456 building warrant of fitness audits performed over the last financial year. The number of audits continues to increase each year, and are well above the measure set in previous years of 350 audits per year.

#### Eco Design Advisor

The total number of consultations carried out in 2018/19 reached 368, which is well above the target of 300, and 19 more than last year. On top of individual consultations, our advisor has continued to promote the service by attending and presenting at a number of community events and conferences, and has collaborated with key stakeholder groups.

# External Stakeholder Engagement

We continue to engage with a wide group of stakeholders representing the building industry, and have built strong relationships with these groups, enabling constructive feedback about the service we provide. Wherever possible we work to improve our systems, processes and customer service in response to this feedback.

### Land and property information services

While the property market has eased since the 2014/2015 high it remains stable with 2018 remaining the third highest year for Land Information Memorandums (LIM) processed in the last ten years.

100% of LIMs were processed within the 10 day goal.

Project Information Memorandums (PIM) have dropped 26% overall which is in line with the decrease in building consents shown above.

We continue to achieve 100% of PIMs processed within the 20 day goal.

Certificates of Acceptance (COA) have increased 15% driven by an increase in commercial applications, a reflection of building activity.

# **Resource Consenting**

Resource consent application numbers stabilised in 2019. However, the complexity of applications has remained higher than normal. This is largely due to the new District Plan provisions, along with an increase in the number of large scale and complex development proposals.

Compliance with processing timeframes is however being maintained at 98%.

The Resource Consents Unit is also experiencing a sustained high number of public enquiries, as expected following the implementation of the new District Plan.

# How did we measure up?

# **Regulatory Compliance and Licencing**

Level of Service	Target	Achieved	Result	Prior Years
Animal Management.	, i i i i i i i i i i i i i i i i i i i			
Animal Management	98% of investigations of	Achieved	99%	2018: 95%
Services prioritise	priority 1 complaints			
activities that promote	(aggressive dog behaviour and			2017: 99.3%.
and protect community safety	wandering stock)			2016: 97.8%.
Salety	initiated within 10			202010110701
	minutes			
Animal management	<b>50</b> Bite prevention	Achieved	50 schools	2018: 58 schools
services encourage responsible dog	programmes delivered to schools annually			2017: 56 schools
ownership through				
education, registration				2016: 56 schools
and enforcement	<b>20</b> Dog wise	Not achieved	<b>16</b> schools	2018: 58 schools
	programmes delivered	Notachieveu	10 SCHOOLS	2010. 36 SCHOOLS
	per annum			2017: 56 schools
				2016: 56 schools
		Resource Management A		2212 1220
Protect community safety through the timely	<b>100%</b> of all investigations of	Achieved	100%	2018: 100%
and effective response to	dangerous building			2017: 100%.
complaints about public	reports are initiated, and			
safety	identified hazards			2016: 100%.
	secured, within 24 hours, 7 days a week			
	<b>100%</b> of all	Achieved	100%	2018: 100%
	investigations into			
	reports of incidents			2017: 100%.
	covered by the Resource Management Act that			2016: 100%.
	meet serious risk to			
	public safety criteria are			
	initiated within 24 hours, 7 days a week			
Protect the safety of the	All pools are inspected	Achieved	<b>30.5%</b> of swimming &	2018: 43%
community by ensuring	in accordance with the		spa pools inspected. This	1,931 inspections
swimming pools comply	legislative requirements		was a total of 1,455	2017 020/
with legislative requirements	in Section 162D of the Building Act 2004		inspections. (Building Act requires	2017: 82% 3,649 inspections
			inspection of all pools	-,
			once every 3 years)	2016: 28.8% of
Protect the health and	<b>95%</b> of high risk	Achieved	100%	1,496 inspections 2018: 100%
safety of the community	Resource Management	Achieved	100%	2018.100%
by ensuring Resource	Act consents and clean			2017: 100%.
Management Act	fill sites monitored at			
activities comply with legislative requirements	least once every 3 months			2016: 100%.
Protect the safety of the	Upon request <b>100%</b> of	Achieved	<b>100%</b> of applications	New measure
community by ensuring	applications are		processed, sites	
Amusement Devices	processed, sites		inspected and where	No comparative results
comply with legislative requirements	inspected and permits issued		applicable permits issued.	
Alcohol licensing.				
Protect the health and	100% Very High/High	Achieved	100%	2018: 100%
safety of the community	risk premises are visited			2017-100%
by Licensing and	at least once per year			2017: 100%.
monitoring high risk				

Food Safety and Healt	h Licencing.			
Food premises are safe	98% of scheduled Food	Achieved	<b>98</b> %	2018: 85% inspected
and healthy for the	Control Plan verification			
public	visits are conducted			2017: 76% inspected
				2016: 80% inspected
	95% of premises issued	Achieved	95%	New measure
	with corrective actions			
	are visited within 5			No comparative results
	working days of the time			
	specified for compliance			
	, including noise and env			
The community is not	90% of complaints in	Not achieved	85%	2018: 93.2%
subjected to	relation to excessive			
inappropriate noise	noise are responded to			2017: 95.3%
levels	within one hour			
				2016: 91%
Protect community	<b>100%</b> of investigations	Achieved	100%	2018: 100%
safety through the timely	into matters that pose a			2017 1000/
and effective response to notifications of public	serious risk to public health are received.			2017: 100%
health incidences	assessed and if			2016: 100%
neattrincidences	appropriate started			2016: 100%
	within 24 hours (i.e.			
	asbestos, P-labs,			
	contaminated land,			
	hazardous substances)			
Customers have access	Staff are available to	Achieved	100%	New measure
to information on	respond to public			
compliance	information requests			No comparative results
responsibilities	between 8 – 5pm,			
	Monday to Friday			

# **Building Services**

Level of Service	Target	Achieved	Result	Prior Years
<b>Consenting and Comp</b>	liance General Advice an	d Investigations		
Consenting and Compliance general advice and response to public and elected member enquiries	Response meets legislative and/or agreed timeframes	Achieved	100%	New measure No comparative results
<b>Building consenting</b>				
Grant building consents within 20 working days.	The minimum is to issue <b>95%</b> of building consents within 19 working days from the date of acceptance	Achieved	<b>95.8%</b> processed within 19 days, 97.7% within 20 working days.	2018: 97.9% processed within 20 working days. 2017: 92.5% processed within 19 days & 96.7% within 20 working days. 2016: 93.9% processed within 19 working days and 95.3% issued in 20 working days.
Ensure % satisfaction with building consents process.	Quarterly review of survey results and feed common issues to issues register for resolution Benchmark first year	Achieved	75.96%	2018: 78.2% (survey from Dec 2017 to June 2018) 2017: 63.9% (survey for November to April). 2016: 59.6%

Level of Service	Target	Achieved	Result	Prior Years
Building inspections a	nd Code Compliance Cer	tificates.		
Grant Code Compliance Certificates with 20	Issue minimum <b>95%</b> of Code Compliance	Achieved	98.3%	2018: 98.9%
working days.	Certificates with 19 working days from the			2017: 99.1%.
	date of acceptance			2016: 93.9% (95.3% issued in 20 working days)
<b>Building Consenting p</b>	ublic advice			
Eco Design Advice	Provide a quality eco design service	Achieved	<b>368</b> consultations provided	New measure
				No comparative results
Annual building Warra			· · · · · ·	
Audit Building Warrant of Fitness to ensure public safety and confidence	Complete annual audit schedule	Achieved	There were <b>456</b> building warrant of fitness audits performed over the last	2018: 405 audits completed.
			financial year which completed the annual	2017: 445 audits completed.
			audit schedule	2016: 240 commercial audits were completed.
<b>Building accreditation</b>	review.			
Building Consent Authority status is maintained.	'Building Consent Authority' status is maintained.	Achieved	BCA accreditation maintained.	2018: BCA Accreditation maintained.
				2017: Reaccreditation undertaken in August 2017.
				2016: BCA Accreditation maintained.
Building policy				
Maintain a public register of earthquake prone buildings in Christchurch	Update the Earthquake Prone Building Register whenever the Council becomes aware of a change of a building's earthquake-prone status	Achieved	The public register of earthquake prone buildings has continued to be updated and maintained over the past year.	2018: 572 Christchurch buildings on the national earthquake prone building register. Between December 2017 and June 2018, 70 '133AH' notices sent to owners requesting Detailed Seismic Assessment reports to clarify status of their buildings.

# Land and Property Information Services

Level of Service	Target	Achieved	Result	Prior Years
Land Information Mem	oranda and property file	e requests		
Process land information memoranda applications	Process <b>99%</b> of land information	Achieved	100%	2018: 100%
within statutory timeframes	memorandum applications within 10			2017: 100%
	working days			2016: 99%
<b>Property File Requests</b>	i			
Provide customers with access to property files	Provide <b>99%</b> of customers with access to	Not achieved	<b>89.1%</b> of property files made available to	2018: 99%
	property files within 5 working days of request		customers	2017: 98%
	(subject to payment of fees)			2016: 100%
Provide customers with access to property files	Provide <b>99%</b> of customers with access to	Not achieved	<b>89.1%</b> of property files made available to	New measure
that are already stored	property files within 2		customers	No comparative results
electronically	working days of request			
	(subject to payment of			
	fees)			

Council activities and services - Regulation and compliance

Level of Service	Target	Achieved	Result	Prior Years
Project Information Mo	emorandum			
Process project information memoranda applications within statutory timeframes	Process <b>99%</b> of project information memorandum applications within 20	Achieved	Achieved <b>99%</b> of PIM's with time frame. 1 of total volume exceeded time frame.	2018: 100% 2017: 100%.
	working days			2016: 100%.

# **Resource Consenting**

Level of Service	Target	Achieved	Result	Prior Years
Resource Management	t Applications			
% of non-notified resource management applications processed within statutory timeframes	<b>99%</b> within statutory timeframes	Achieved	99%	Simple land use resource management applications 2018: 100%
				2017: 92%
				2016: 96%
				Complex non-notified resource management applications 2018: 97% 2017: 98%. 2016: 99%. Subdivision consents 2018: New District Plan has resulted in there being no simple subdivision applications. 2017: 100%. 2016: 99%
% of notified resource management applications processed within statutory timeframes	<b>99%</b> within statutory timeframes	Achieved	100%	2010: <i>35</i> % 2018: 93% 2017: 95% 2016: 92%
Ensure resource consent decision-making is robust and legally defensible	No decisions are overturned by the High Court upon judicial review	Achieved	No applications were successfully judicially reviewed in this financial year.	New measure No comparative results
% satisfaction of applicant with resource consenting process	70% satisfaction achieved	Achieved	74%	2018: 68% 2017: 64% 2016: 74%
Ensure quality process and decision making with resource consenting	Undertake an annual audit and implement recommendations through an action plan	Achieved	<b>Two</b> audits have been completed.	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years			
Development Contribu	Development Contribution Assessments						
Ensure quality process and decision making with development contribution assessments	Undertake an annual audit and implement recommendations through an action plan	Achieved	Audit of a sample of development contribution assessments has been completed by Senior Development Contributions Officer. Audit was focused on the accuracy of assessments being in accordance with the Development Contributions Policy.	New measure No comparative results			

#### Where are we heading?

The Group remains committed to delivering consenting, licensing and compliance/enforcement activities that support the ongoing needs of the Christchurch community.

The consenting and licensing activity has slowed from peak levels following the earthquakes, which means the Group can now focus on the continuous improvement of regulatory functions.

For example, we are continuing to promote the Strategic Partnerships service. This is where case managers support applicants through consenting and licensing processes. This includes the promotion of pre-application meetings, electronic processing and managing compliance activities appropriately.

# Service delivery in 2019/20

#### **Building Services**

Now that residential building consent activity has returned to pre-earthquake levels, the unit has begun supporting other Council Building Consent Authorities with consent processing and building inspections.

A similar opportunity exists within the commercial consent activity where volumes have decreased by approximately 20% from last year's monthly average and we are assisting our neighbouring Building Consent Authorities with their larger commercial projects.

Earthquake Prone Building identification continues with the completion of consultation for priority buildings resulting in reduced time frames and a number of revised Earthquake Prone Building notices being issued. The national register of earthquake prone buildings continues to be updated as required.

The building warrant of fitness regime continues to be upgraded with the on-site audit process moving to a digital format, and a review of the audit selection methodology is also underway with the intention to increase the numbers of on-site audits.

#### **Resource Consents**

The District Plan is now operative although there are already a number of potential plan changes being investigated. Therefore, some changes to the District Plan can be expected in 2019/20.

While resource consent application numbers have stabilised, the complexity associated with the processing of these resource consents has increased. This is a result of the types of resource consent applications being received and also the added complexity associated with the new District Plan.

The focus for resource consents will be processing applications within statutory timeframes, ensuring decisions made are in accordance with the requirements of the Resource Management Act, and also exploring opportunities for improved customer service.

#### **Regulatory Compliance**

This year has seen a continued increase in demand and complexity of regulatory compliance investigations and monitoring of activities, specifically in the areas of illegal building works, environmental compliance, and Bylaw enforcement. Work will also continue across national regulatory initiatives to achieve consistency in compliance practices. The number of complex enforcement matters that the investigations team manages is expected to continue increasing in 2019/20.

#### What did it cost?

#### Statement of cost of services for the year ending 30 June

	2019	2019	2018
	Actual	Plan	Actual
	\$000	\$000	\$000
Cost of services			
Regulatory compliance & licencing	10,158	10,636	9,656
Building services	11,761	31,108	35,466
Resource consenting	9,248	8,904	9,406
Land & property information services	2,556	2,845	3,126
	33,723	53,493	57,654
Operating revenue from services			
Regulatory compliance & licencing	5,689	5,928	5,288
Building services	23,708	27,137	28,652
Resource consenting	7,788	7,000	7,915
Land & property information services	4,395	4,593	4,515
	41,580	44,658	46,370
Capital revenues	-	-	-
Vested assets	-	-	-
Net cost of services	(7,857)	8,835	11,284

#### **Explanation of significant variances**

#### Regulatory compliance & licencing

The cost of services was \$0.5 million lower than plan as a result of lower costs of staff and suppliers for service delivery in Environmental Health.

The cost of services was \$0.5 million higher than 2018 as a result of higher costs of staff and suppliers for service delivery in Animal Management, Food Safety & Health licensing, Alcohol Licensing and other regulatory compliance activities.

Operating revenue was \$0.4 million higher than 2018 principally as a result of the \$0.4 million grant from MBIE's Responsible Camping Fund.

#### **Building services**

The cost of service was \$19.3 million lower than plan and \$23.7 million less than 2018. The primary reason for both was the reduction in the provision for Weathertight Homes and Building Negligence claims of \$16.4 million compared to plan and \$20.1 million compared to 2018. The reduction aligns the provision with normal accounting practice which is to limit it to loss expected over the next 18-24 months. The balance of the whole of life loss is reflected as a contingent liability.

In addition, operating costs were \$2.9 million lower than plan and \$3.6 million lower than 2018, due to vacancy management and reduced utilisation of contractors in consent processing in response to the continued decline in consent numbers. Operating revenue was \$3.6 million lower than plan and \$5.2 million lower than 2018, primarily due to the decline in consent volumes.

Consents granted in 2019 were 28.8% lower than 2018 with a third of that decline relating to Solid Fuel Heater consents. This was a greater decline than has been anticipated in the plan.

#### **Resource consenting**

The cost of service was \$0.3 million more than plan, mainly due to the high number of enquiries from the public following the implementation of the new District Plan

Operating revenue was \$0.8 million higher than plan. Overall volumes have stabilised but the greater complexity of applications was higher than expected resulting in additional consent revenues.

#### Land & property information services

The costs of services are \$0.3 million lower than plan principally due to staff vacancies during the year.

The cost of service was \$0.6 million lower than 2018 mainly due to the new practice of transferring costs to other Council activities that use these services as part of a fee charging service.

Operating revenue is \$0.2 million lower than planned as a result of lower than planned demand.

# Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	9,077	8,950	8,950	7,105
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	168	-	-	-
Fees and charges	41,151	44,524	44,524	45,850
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	201	122	100	221
receipts	261	133	133	221
Total operating funding (A)	50,657	53,607	53,607	53,176
Applications of operating funding				
Payments to staff and suppliers	31,274	51,141	51,141	51,947
Finance costs	-	-	-	-
Internal charges and overheads applied	2,535	2,241	2,241	2,067
Other operating funding applications	15	35	35	21
Total applications of operating funding (B)	33,824	53,417	53,417	54,035
Surplus (deficit) of operating funding (A-B)	16,833	190	190	(859)
		150		(000)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	1	-	-	-
Increase (decrease) in debt	(16,692)	(4)	(4)	943
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	(16 601)	- (4)	- (4)	943
Total sources of capital funding (C)	(16,691)	(4)	(4)	943
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	11	-	-	11
- to improve the level of service	-	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves Increase (decrease) of investments	131	186	186	73
Total applications of capital funding (D)	142	186	186	84
ו טנמו מאטוויג טו במאונמו ושוושווא (ש)	142	100	190	84
Surplus (deficit) of capital funding (C-D)	(16,833)	(190)	(190)	- 859
Funding balance ((A-B) + (C-D))	-	-	-	-

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#### Footnotes

1 Earthquake rebuild application of capital funding

#### **Explanation of significant variances**

#### **Operating funding**

The operating surplus of was \$16.6 million greater than planned. The primary reason was the \$16.4 million reduction in the provision for Weathertight Homes and Building Negligence claims.

The reduction in operating revenues was offset by a reduction in operating costs as costs were managed in line with application volumes.

<u>Capital expenditure</u> There were no significant variances.

#### Significant capital expenditure

There was no significant capital expenditure.

# Council activities and services Strategic Planning and Policy

# What is strategic planning and policy, and what does the Council do?

Strategic planning and policy encompasses the development of strategies, plans and policies that guide the future development of Christchurch. It includes citywide planning, including district planning and postearthquake recovery and regeneration including urban design and heritage. Making our city a smarter, more resilient place to live, work and play continues to be a vital element of our development. Our aim is to promote the well-being of our community in social, cultural, economic and environmental terms and to ensure that the city's strategic planning and policies not only meet the needs of current residents, but the needs of future generations.

Economic development occurs when communities and policymakers act together over to time to increase the standard of living by improving the city's economic health and prosperity. The Council leads economic and key sector development, the regional innovation system, and support for high growth potential exporting businesses. We are also focused on attracting more visitors, while our civic and international relations programmes foster international partnerships and extend cultural understanding in the community.

# Why is the Council involved?

Local Government is responsible for promoting the cultural and social well-being of communities for the present and future. We contribute to this by promoting engagement with and understanding of the City's natural, civic and infrastructure environments, and our impact on these. The Council's performance affects the economic and social well-being of the community by ensuring that there are plans to shape the form and function of the city in years to come, and to protect the city's key environmental resources and assets including natural and cultural heritage sites. The strategic planning and policy work contributes to several community outcomes relating to good governance, a liveable city, strong communities, a healthy environment and a prosperous economy.

The city needs a strong economy if it is to achieve its goals. Economic development activities help expand the economy so residents have better employment and business opportunities and good quality facilities and services. These in turn benefit our community's social wellbeing, making Christchurch a great place to work, live, visit, invest in and do business.

# How does it affect me?

We all want to live in a city that is well designed, and offers exciting opportunities for work and recreation. By protecting our environment, managing growth and guiding the use and development of our resources and infrastructure, we help make Christchurch a great place to live and do business. Further, by actively creating temporary streetscapes, activating vacant spaces and supporting the creative sector, the Council is supporting the ongoing regeneration of the city. A strong economy benefits everyone because there are more and better jobs and business opportunities. A strong economy and good quality of living also makes it easier to attract high-value migrants, returning residents, investment and innovation.

# What activities are involved?

#### Strategic planning and policy

By protecting our environment, managing growth and guiding the use and development of our infrastructure, we are ensuring that Christchurch is a great place to live, work and visit. The strategic planning and policy work contributes to several community outcomes relating to good governance, a liveable city, strong communities, a healthy environment and a prosperous economy. The Council develops strategies, policies and plans that set out how we intend to work in the future, and guide development across Christchurch City and Banks Peninsula. We monitor their effectiveness as well as the city's progress towards achieving our community outcomes. We maintain our commitment to heritage protection to conserve our heritage and find new uses for historical buildings as integral elements of a revitalised city.

#### **Economic development**

Our economic development activities help expand the economy to benefit residents through more jobs, better prospects and quality facilities and services. We also continue to focus on attracting more visitors and tourists to the city. Our efforts combine to help make Christchurch a vibrant place to work, live and visit as we open the doors to investment and greater business opportunity. Christchurch is the main business area for Canterbury and the South Island. Regionally, we work in four broad areas:

- economic development;
- sector and business development;
- supporting the innovation system; and
- promotion of Christchurch and Canterbury to visitors.

#### **Public information and participation**

We help build strong and effective relationships with the community by:

- Informing residents and community groups about what the Council does every day, including services and activities and decisions made.
- Communicating with the media and community in 'real time' through our social media and digital channels including the digital news channel, Newsline.
- Developing and delivering marketing, communications and engagement strategies and campaigns in a customer-focussed, user-friendly way to support the organisation's strategic priorities.

- Listening to our residents by coordinating public consultation and engagement about Council activities.
- Providing internal communications support for news, projects or programmes that impact on all staff.

# What did we achieve?

#### **Strategic Planning and Policy**

#### Land use planning

We prepared a proposal for exercise of power under section 71 of the Greater Christchurch Regeneration Act to amend Christchurch District Plan to provide a policy framework that supports the Residential Unit Overlay within the High Flood Hazard Management Area. This was approved by the Minister along with the section 71 proposal for Canterbury Sports Limited in Yaldhurst.

Council staff finalised an initial framework for ongoing monitoring of the District Plan, as required by s35 of the Resource Management Act.

We provided feedback on the Ōtākaro/Avon River Corridor Regeneration Plan.

On 18<sup>th</sup> March 2019, the Government gave Christchurch City Council control over district planning process by revoking the Canterbury Earthquake (Christchurch Replacement District Plan) Order 2014. Immediately following this (on 20 March 2019), Council notified proposed Plan Change 1 to the Christchurch District Plan (Woolston Risk Management Area). Council staff have also prioritised further plan changes to be developed, and have started working on them.

We have been working with Regenerate Christchurch on the South New Brighton and South shore Regeneration Planning, and Regeneration Christchurch have passed the responsibility for this to Council.

Another major work stream has been working with the Greater Christchurch Partnership (GCP) to complete housing and business land capacity assessments, and a Future Development Strategy required by the National Policy Statement for Urban Development Capacity. Following public consultation and a hearing of submissions, a hearings panel of representatives of the GCP released its findings and a recommendations report, and in June the GCP Committee endorsed Our Space as the Future Development Strategy for the sub-region.

#### Strategic Transport

The Council and its strategic partners established the Joint Public Transport Committee and developed the first joint Regional Public Transport Plan which incorporated a long term direction for public transport.

The long term direction came from the partnership work on the Future Public Transport Business case process which has through evidence, established a case for transformation investment in public transport for Christchurch and greater Christchurch. This work continued into the detailed stages into the new -year. This work also formed the basis for the transport guidance and direction was provided for the Future Development Strategy – Our Space.

Council and NZTA established a partnership to ensure a Travel Demand Management approach was applied to the current State Highway projects. The intent for the Northern Arterial is to reduce impacts on the new motorway on the down-stream communities. Work is underway on similar approaches for the Southern Motorway and it connection into the Sydenham and Addington areas.

A monitoring report on the Christchurch Transport Strategy was completed and has led to the initiation of a project to update the Strategy to accommodate the growth and climate change challenges.

# **Strategic Policy**

The following regulatory work was carried out in 2018/19 in accordance with the ten-year bylaw review schedule and statutory requirements resulting in two new replacement bylaws and two amended bylaws:

- Brothels (Location and Commercial Sexual Services Signage) Bylaw (this bylaw was amended)
- Cemeteries Bylaw (this bylaw was amended)
- Alcohol Restrictions in Public Places Bylaw (new replacement bylaw), and
- Public Places Bylaw (new replacement bylaw).
- The Freedom Camping Bylaw was amended to respond to emerging needs and to address concerns in the Akaroa community.

Two new regulatory policy documents were developed -Trading and Events in Public Places Policy and the Cemeteries Handbook and the Gaming and TAB Policy was reviewed and updated.

A new Healthy Food & Drink Policy for Council facilities and events was adopted.

We continued to progress the Christchurch Housing Initiative shared equity home ownership scheme, and work with Government and the community housing sector to support social and affordable housing.

The development contribution policy review has continued to develop options for introducing catchment based assessments for water, wastewater, active travel and public transport. Economic policy advice was contributed to a range of projects such as the Dangerous and Insanitary Buildings Policy and the targeted rate approach to community funding for the Akaroa Community Health Centre.

The Council's Strategic Framework was consolidated in work programmes and budgets and reflected in the organisations strategy and policy forward work programme. Since June 2018, the Council has made 19 submissions on priority issues to external agencies, for example, the Mandatory Phase-Out of Single-Use Plastic Shopping Bags, Regional Public Transport Plan, and the Public Inquiry into EQC. Council staff also made 29 staff (technical, operational) submissions on matters such as amendments to building methods and verifications, heritage proposals, healthy homes standards, and Road User Rule amendments. Banks Peninsula Community Board made four submissions on issues affecting the harbour.

#### Urban design policy, planning and grants

The Central City Action Plan is a cross-agency response to Regenerate Christchurch's 'Central City Momentum' report. The Council has:

- led Project 8011 (Central City Residential Programme)
- with a cross-agency steering group, created a 'Best or City' Decision Making Framework and an Outcomes Framework. This is a set of shared Central City objectives to align the effort of public agencies.
- funded a central city activator' position to curate Central City Activation during winter months, including 'winter circus'.
- commissioned a Central City Retail Review which will include a range of ideas for the business community to implement.

The Barrier Sites Programme continues to address central city properties that are barriers to regeneration.

The Council's Enliven Places Programme has delivered projects, many of them involving significant community and partner involvement.

The Enliven Places Project Fund of \$150,000 has been fully allocated for 2018/19. The Fund has supported a wide range of community projects across the city and suburban areas, adding to Christchurch's creative, cultural and community identity.

Many of the community-delivered projects align with the Central City Action Plan and include support for: Matapopore to deliver Christchurch's only public hāngi pits; the Arts Centre Trust to reactivate Market Square with its Mākete as well as a Pop Up Art Exhibition; and Andromeda Arts Trust for the six-week pop-up theatre Little Andromeda in 2018 and 2019.

Suburban projects saw partnerships with individuals, a theatre company and three community groups in New Brighton.

Commercial Centre fact sheets for the city's neighbourhood centres were completed. Bishopdale revitalisation investigations commenced, supported by DCL, including inquiry by design workshop with stakeholders.

Uptake of the Shape Your Place toolkit continues and the Council won both the NZ Planning Institute's Best Practice Award for non-statutory planning and the Nancy Northcroft Supreme Practice Award for the approach taken to supporting community-led planning and placemaking post-earthquakes. The Christchurch Urban Design Panel provided design review, mainly at the pre-application stage of proposals. Staff have provided urban design advice on consent applications and Council capital projects.

Our work on warmer, drier homes has continued through a partnership with ECan to establish the Healthier Homes Canterbury service, and an Eco Design Advisor service. Sustainability advice and initiatives have included supporting the Food Resilience Network, Councils Sustainable Procurement Policy and climate change programme.

The Innovation and Sustainability Fund has run for its second year with available funds of \$500,000 allocated to a wide range of projects.

<u>Heritage Education, Advocacy and Advice</u> We adopted the Heritage Strategy, "*Our Heritage, Our Taonga, Heritage Strategy 2019/2029*" on World Monuments Day. Work is progressing to develop an implementation plan and to work with the community to identify community and agency roles in this.

Fourteen Heritage Incentive Grant applications were approved, allocating \$697,700 to support the conservation, repair, and upgrade of the districts heritage buildings and structures. Two Central City Landmark Heritage grants were approved for \$900,000 each for the former Chief Post Office in Cathedral Square and the Sargood Son and Ewen building in Lichfield Street.

Heritage Week was held successfully in October 2018 with the theme of 'Strength from Struggle, Remembering our Courageous Communities'. An expanded event-based 'Festival of Heritage' is planned for October 2019. Advice was provided on over fifty resource consent applications for works to heritage buildings and structures.

Heritage advice has been provided to support the repair and restoration of Council assets.

# Natural Environment including hazards policy and planning and resource efficiency

Christchurch Biodiversity Funding of \$200,000 was allocated for fencing, pest control and planting, to private landowners with Sites of Ecological Significance. Funding applications have been phased with ECan's Immediate Steps Fund to enable greater funding opportunities for private landowners to undertake protection of waterways and improve biodiversity values in those areas.

We are continuing the:

- sites of Ecological Significance programme, meeting with landowners to finalise site statements and to progress new surveys across Banks Peninsula.
- contribution to the Partnership Steering Group and reporting on programmes that contribute to the implementation of the Whaka-Ora Healthy Harbour Catchment Management Plan.
- support for the Te Waihora Co-Governance Group, primarily through the provision of participation in, and advice to, the Te Waihora Co-Governance Joint

Officials Group. We also provide advice and support to the Council's Co-Governor. Through the Te Waihora Agencies Group we provide technical and policy advice in this multi-agency group.

• provision of technical support to the joint governance water forums with ECan, and the CWMS Banks Peninsula and Christchurch-West Melton Zone Committees.

The draft Integrated Water Strategy has gone out for public consultation.

We lead reviews of ECan resource consent applications, having received several dozen consent applications for discharges to water and land during 2017/18. Key ones are the Cloud Ocean Water Ltd resource consent application and Wogan Hills resource consents for Kaitoreti Spit.

In the natural hazards area we commissioned Tonkin and Taylor to conduct Liquefaction mapping for Christchurch City.

We have developed and implemented the Resource Efficiency Greenhouse Gas Emissions Dashboard for Council, which will assist with tracking and reducing emissions to meet the zero emissions 2030 target for Council operations.

We secured the Electric Vehicle World South event for Christchurch in November 2018, launched the Take Charge Christchurch programme in April 2019, secured Energy Efficiency Commission Agency funding for Parks to purchase a battery electric van, and charging infrastructure has been rolled out across the city.

# **Economic Development**

The Council provides ChristchurchNZ with operational funding to lead the economic development of Christchurch.

The success of ChristchurchNZ's performance has been measured to ensure that it is delivering key functions including:

- providing economic and strategic leadership to support focus and collaboration toward Christchurch's 10-year prosperity goals
- marketing and promotion of Christchurch as a vibrant, prosperous and sustainable 21st century city to visitors and residents.
- the development and implementation of a city narrative showcasing Christchurch as innovative, creative and an attractive place to explore
- facilitating the attraction and development of businesses with high growth potential.
- attracting business events and conferences.
- attracting and sponsoring major events increasing city vibrancy and visitation.
- increasing value to Christchurch of the city's Antarctic gateway status

# **Public Information and Participation**

The Council is committed to being a citizen-focused, outward looking organisation. To achieve this we need to provide our community with information that is timely, relevant and accurate through channels that meet our residents' needs.

The organisation's communications' strategy is based on:

- building trust and confidence that we're listening to our residents, and focused on what's important to them.
- telling our own stories, and not relying on mainstream media and third parties.
- focusing on communicating the things that our residents tell us are important, or will make a difference to their lives, and
- enabling all staff to confidently and consistently communicate.

Increasingly the Council is shifting toward a more two-way form of communications with the community. We want to ensure they are aware of the opportunities to take part in the democratic process.

We are also making better use of new media – online, social media and targeted electronic communications to interest groups – to supplement and improve on traditional communications.

In the past year we have carried out 75 engagements and consultations. We are trying to make our consultations easy and accessible for those who haven't participated in high numbers in the past, including youth and migrant groups.

We have developed and implemented 215 communications/marketing plans on a range of Council issues.

We have responded to 3,278 media inquiries. The Council's Facebook page has grown by 13 per cent in the past year, its Instagram page by 68 per cent and our followers across all social media channels has increased by 19,884.

Page views to our digital news channel "*Newsline*" have also increased as has the use of its content in other media channels.

We have a new Council identity and tone of voice. Staff have been trained in this.

We will continue to manage, adapt and grow our channels – the web, *Newsline*, Facebook, e-newsletter, direct mail, Instagram, residents' groups, texts, elected members' networks, and the media.

We will reach more people about the things they want to know about, in the way they want to receive it.

# How did we measure up?

# Strategic planning and policy

Level of Service	Target	Achieved	Result	Prior Years
Land use planning				
Guidance on where and how the city grows through the District Plan.	Ensure Christchurch District Plan is operative.	Achieved	The District Plan Review is fully operative	New measure No comparative results
	Set up an efficient and effective monitoring system to monitor the District Plan.	Achieved	Council staff finalised an initial framework for ongoing monitoring of the District Plan, as required by s35 of the Resource Management Act.	New measure No comparative results
Plan for a focused and expedited regeneration of the residential red	Cranford Regeneration Plan (and associated actions) completed.	Achieved	Cranford Regeneration Plan completed.	New measure No comparative results
zone and earthquake affected areas of the city.	Southshore and South New Brighton regeneration strategy commenced.	Achieved	Council have been working with Regenerate Christchurch on the South New Brighton and Southshore Regeneration Planning, and Regeneration Christchurch have passed the responsibility for this to Council. Earthquake Legacy options to go to Council 22 Aug 2019. Adaptation approach in review process.	New measure No comparative results
	Comments on Regeneration Plans produced by partners are provided within statutory timeframes.	Achieved	Council provided feedback on the Ōtākaro/Avon River Corridor Regeneration Plan within statutory timeframes.	New measure No comparative results
Process private plan change requests.	100% of any proposed private plan changes comply with statutory processes and	Achieved	No private plan changes have been lodged.	2018: No changes 2017: No changes
	timeframes			2016:100%
Strategic transport				
A strategic vision for transport to guide the planning and delivery of transport programmes.	Christchurch Transport Strategic Plan is updated and implementation framework developed.	Achieved	Still in progress	New measure No comparative results
	All pertinent projects in the 2018 LTP are aligned with the Council's business cases	Achieved	Completed in 2018	New measure No comparative results
	Regional Public Transport Plan is completed or updated as agreed.	Achieved	Completed in 2018	New measure No comparative results
	Elected members are briefed before key governance committee meetings.	Achieved	Elected Members have been briefed for key decisions	New measure No comparative results

# Council activities and services – Strategic planning and policy

Level of Service	Target	Achieved	Result	Prior Years
Heritage education, ac				
Maintain the sense of place by conserving the city's heritage places.	Heritage strategy (policy / charter) confirmed by Council.	Achieved	The Heritage Strategy was adopted by Council on 28 February 2019 and launched on 18 April	New measure No comparative results
			(World Monuments Day). https://ccc.govt.nz/cultu re-and- community/heritage/her itage-and-its-	
	Provide advice as	Achieved	importance/ Consent advice was	2018: Achieved
	required in a timely manner – within 10 working days for		provided within 10 working days	2017: Achieved
	consents.			2016: Current systems have not recorded the data to measure performance against this target.
Support the conservation and	<b>100%</b> of approved grant applications are	Achieved	100% compliance	2018: 100% compliance
enhancement of the city's heritage places	allocated in accordance with the policy.		All grants have been allocated in accordance	2017: 100% compliance
			with the policy	2016: 100% compliance
Strategic policy		A 12 - 1		
Advice to Council on high priority policy and planning issues that affect the City.	Annual strategy and policy work programme is aligned to Council Strategic Framework, and is submitted to Executive Leadership Team, and Council as required.	Achieved	The annual strategy and policy work programme has been aligned to Council's Strategic Framework. The organisational-wide 2019/20 Forward Work Programme in strategy and policy work will be submitted to the Executive Leadership Team, and Council, in July 2019.	<ul> <li>2018: Comprehensive work programme for all strategic policy work developed for the whole of Council.</li> <li>2017: This measure has been superseded by the work with Council on their priority directions and updated Community Outcomes. The work programme is an operational document that gives effect to the Council priorities and Community Outcomes. The work programme has been submitted to the Executive Leadership Team.</li> <li>2016: Draft work programme has been submitted to General Manager and is on Executive Leadership Team agenda for July 2016 (has subsequently been approved).</li> </ul>
	Policy advice to Council on emerging and new issues is prioritized to ensure delivery within budget and time requirements.	Achieved	The strategy and policy Forward Work Programme has been reviewed, updated and reported to the Executive Leadership Team. All policies and strategies on the Forward Work Programme identify their alignment with the strategic framework. Reports to the Council include a section where report authors identify	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years
			the alignment between the report subject matter and the Council's strategic framework.	
Bylaws and regulatory policies are reviewed to meet emerging needs and satisfy statutory timeframes.	Carry out bylaw reviews in accordance with ten- year bylaw review schedule and statutory requirements.	Achieved	Bylaw reviews were carried out in accordance with the ten- year bylaw review schedule and statutory requirements, and amended to respond to emerging needs.	2018: Achieved 2017: Review program on track 2016: Achieved
<b>Urban Regeneration P</b>	olicy, Planning and Gran	ts		
Place-based policy and planning advice to support integrated urban regeneration and planning.	Working collaboratively with Community Boards (and in light of Community Board plans), DCL, RC and others, identify and address priority areas for CCC-led and community- led regeneration effort.	Achieved	Due to the delay in receiving Census data the existing heat map was used as a base layer for suburban biannual reporting as part of a new template. In the priority areas identified by Council already - Bishopdale and Linwood/Inner City East - community planning discussions continued.	New measure No comparative results
	Council agreement to the regeneration prioritization framework that will guide effort across the city (jointly with Resilient Cities).	Achieved	Priority areas identified received ongoing attention – the Central City, Bishopdale, Inner City East, and a number of suburban areas where masterplan capital delivery was planned or programmed.	New measure No comparative results
	Allocate grant funds as per operational policy and terms of reference.	Achieved	All grants have been allocated in line with operational policy and terms of reference	New measure No comparative results
Urban Design Policy, P	Planning and Grants			
Provide design review advice for developments across the city	Coordinate and support a panel of suitably qualified professionals to provide timely advice on the urban design aspects of resource consent applications	Achieved	The Urban Design Panel has been operating in Christchurch during 2018/19	<ul> <li>2018: Provided urban design advice for public projects, both within CCC and through regeneration partners and consenting processes.</li> <li>2017: Urban Design Panel review recommendations implemented, including membership refresh completed in January 2017. Panel continuing to operate and review proposals as they arise.</li> <li>2016: Urban Design Panel has operated</li> </ul>
				Panel has operated throughout the year to review developments, mainly at the pre- application stage, with recommendations provided.

Level of Service	Target	Achieved	Result	Prior Years
Natural Hazards Policy				
Information and advice on natural hazards	Community engagement to produce scenarios for	Achieved	A Tsunami modelling report has been	New measure
affecting the city. Advice on efficient and	coastal communities	Achieved	undertaken. The liquefaction map has been updated, providing information to residents and businesses, and will be reported to Council in September 2019. The tsunami modelling and liquefaction maps contribute to identifying natural hazard risk and will be delivered on time to inform the 2021 LTP Infrastructure Strategy. Over this last year we	No comparative results
sustainable use of natural resources.	emissions through EnviroMark and CEMARS accreditation.	Achieved	have monitored Councils carbon emissions and established the Resource Efficiency Greenhouse Gas Emissions dashboard, and this automatically takes account of our carbon and energy use. We maintained accreditation with CEMARS and EnviroMark and membership in the Global Covenant of Mayors. The Energy Action Plan	No comparative results
Current husing and a state	sustainability and resource efficiency Strategy as informed by the Councils' commitment to the Global Covenant of Mayors for Climate and Energy.	Achieved	has rolled out electric vehicle charging stations infrastructure. The Climate Change Team have established an External Advisory Group to advise on the review of the Climate strategies and a public consultation for greenhouse gas emissions in underway. <b>37</b> business activities	No comparative results
Support business sector resource efficiency	<b>Up to 30</b> business activities occurring as part of a resource efficiency project or programme each year.			New measure No comparative results
21st Century Resilient	At least 5 case studies demonstrating the results of implemented resource efficiency initiatives.	Achieved	<b>5</b> case studies completed	New measure No comparative results
Smart technologies,	Implement new	Achieved	<b>5 new</b> initiatives	New measure
concepts, and approaches piloted.	initiatives within the Smart Cities programme, including building upon open data, IoT technology and Council's strategic direction to be an innovation and sustainable city.		This was achieved through: 10 sensor pilot has resulted in a 150 sensor trial of EQRNet: Seismic Resilience as a Service for NZ (which received the SOLGM 2019 Innovation in Infrastructure award).	No comparative results

Level of Service	Target	Achieved	Result	Prior Years
			Pedestrian flow (phase 1 completed) Sensibel (completed) Christchurch digital twin (completed) SmartView replicated to Hutt City	
Greater Christchurch extracts value from 100RC relationship	Deliver the projects as identified in the Greater Christchurch Resilience Plan as resources permit.	Achieved	The relationship with 100RC is on track and ongoing.	New measure No comparative results
Support the Greater Christchurch Partnership	Contribute to the settlement pattern review as and if agreed by Council and as funding permits.	Achieved	Council has contributed to, and approved, the settlement pattern review	New measure No comparative results

# **Public Information and Participation**

Level of Service	Target	Achieved	Result	Prior Years
Provide advice, leaders		agement and con	sultation planning and process	ses
Provide advice and leadership in community engagement and consultation planning and delivery	Community consultation occurs for all projects / issues of high significance or as directed by Council	Achieved	Consultation has occurred for all projects/issues of high significance, or as directed by the Council.	New measure No comparative results
	Community Boards are informed of engagement plans for all relevant projects, and where appropriate, have sign off for local engagement activities: <b>95%</b>	Achieved	100%	New measure No comparative results
	Implement a dedicated youth engagement strategy in conjunction with a youth intern from the Christchurch Youth Council	Achieved	Our youth engagement strategy developed with a former intern from the Youth Council. The strategy aligns with the Council's communication strategy, and through this connection we are now in the process of developing an implementation plan to get meaningful youth engagement on issues that are of interest to youth.	New measure No comparative results
Provide external commopportunities to partic		ristchurch citizen	s about the Council's services,	decisions and
Provide external communications, marketing and engagement that are timely, relevant, accessible and cost effective, and that appeal to all citizens – regardless of age,	Respond to all media calls within 24 hours, 7 days a week: <b>90%</b>	Achieved	<b>95%</b> of all calls within 24 hours.	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years
Activity includes preparation and	Use 2016/17 statistics as a baseline but expect a	Achieved	Total net follower growth of <b>19,884 (18%)</b>	New measure
distribution of material about the Council and city via channels including print, web, social media, digital news channel, CCC.govt.nz, project	5% increase given the trend for residents to use social media and the focus we are putting on this.		new followers across our main social channels (11 Facebook, 1 twitter, 1 instagram, 1 linkedin) taking the total to 131,567.	No comparative results
specific and area specific information newsletters and community board newsletters. Brand strategy delivery and management ensures communications are consistent and recognisably from the Christchurch City Council	All Community Boards are supported with communications advice and appropriate templates to share as they see fit with their communities	Achieved	We produced 11 Community board newsletters for each of the community boards - so 77 in total. These newsletters were viewed by 17,086 recipients	New measure No comparative results
Provide internal comm	unications to ensure sta	ff are informed about o	rganisation-wide project	s and initiatives
Develop and implement internal communications that are effective for elected members and staff	Communications plans are produced and implemented for all relevant internal organisational projects: <b>100%</b>	Achieved	All 16 internal projects have communications plans and each considered elected members <b>100%</b> of the time.	New measure No comparative results

# **Economic Development**

Level of Service	Target	Achieved	Result	Prior Years
Economic developmen	t and business support			
ChristchurchNZ provides leadership in inclusive and sustainable	ChristchurchNZ monitors and reports on CEDS programme twice yearly	Achieved	2 (reports on CEDS programme completed twice through the year)	New measure No comparative results
economic development for Christchurch	Quarterly Economic Report is produced and available on the ChristchurchNZ website	Achieved	4 reports produced for the year: August 2018 November 2018 March 2019 June 2019	2018: Not measured 2017: Economic Infrastructure Situation Report published quarterly. 2016: Economic Infrastructure Situation Report published 5 times throughout year.
	At least <b>6</b> Christchurch or Canterbury economic research reports completed	Achieved	8 research reports completed: CREDS: analysis of productivity in the Canterbury food value chain AirBnB research, in partnership with University of Canterbury. Tourism Sustainability project in partnership with University of Canterbury (part 1 and 2) Visitor Strategy Review background paper Prosperity Framework economic projections model Quality of life in NZ cities report	2018: Not measured 2017: Three Economic reports produced. 2016: Five economic reports produced.

Level of Service	Target	Achieved	Result	Prior Years
			Christchurch Social Enterprise Report (part 1 and 2) Tourism Expenditure in Post-Earthquake Christchurch, NZ	
	2 economic update events are delivered	Achieved	<b>2</b> large events were held (150+ participants) plus a range of economic updates have been presented to multiple groups by CEO and GMs.	New measure No comparative results
	ChristchurchNZ provides input to <b>at least 4</b> stakeholder working groups	Achieved	7 provided: Central City Action Plan Steering Group Christchurch Mobility Lab Steering Group International Relations Strategy Working Group Arts Strategy Steering Group VBase Transition Working Group Canterbury Water Management Strategy Regional & National Economies Task Group	New measure No comparative results
ChristchurchNZ facilitates the development of businesses with high growth potential	At least 500 businesses access business support or advice	Achieved	518 businesses	2018: 617 2017: 596 businesses received mentoring services. 2016: 786 businesses received mentoring services.
	Net promotor score for business support services is <b>+50</b> or greater	Achieved	<b>+67</b> net promotor score. Continued strong performance in NPS score.	New measure No comparative results
	<b>At least 3</b> initiatives to support targeted business challenges	Achieved	<b>4</b> initiatives. Xstart programme – 16 businesses participating. Tourism Digital programme – 5 businesses supported High Growth Programme (HGP) – 10 businesses participating Tech Week – target to increase the profile of tech companies in Christchurch.	New measure No comparative results
ChristchurchNZ supports an environment that encourages innovation, entrepreneurship and investment	ChristchurchNZ facilitates <b>at least 2</b> opportunities to secure innovative businesses or investment into the city	Achieved	3 opportunities achieved. NZ Aerospace Challenge - 33 applicants. Amplifier Programme – 9 Businesses participating. Contracted Lightning Lab - to increase commercialisation of up to 10 tourism related businesses/ solutions.	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years
	Support <b>at least 10</b> start-up companies and <b>40</b> innovation, entrepreneurship and investment related events	Achieved	<ul> <li>15 start up support:</li> <li>1 new start up tenant</li> <li>(Greenhouse)</li> <li>14 early stage businesses</li> <li>(Xstart programme)</li> <li>107 businesses</li> <li>supported through</li> <li>mentoring programme</li> <li>MoA Activator Sessions</li> <li>(250 YTD)</li> <li>41 events innovation,</li> <li>entrepreneurship and</li> <li>investment related</li> <li>events delivered</li> </ul>	New measure No comparative results
	ChristchurchNZ chairs <b>at</b> <b>least 4</b> meetings of the innovation precinct tenant group and produces <b>4</b> newsletters for the groups	Achieved	<ul> <li>4 Innovation precinct tenant group meetings</li> <li>4 Innovation precinct tenant group communications</li> </ul>	New measure No comparative results
Attraction				
ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors	Christchurch Visitor Industry Situation report produced annually and available on ChristchurchNZ website	Achieved	Website updated	New measure No comparative results
	Christchurch Visitor Strategy reviewed by June 2019	Achieved	Review completed	New measure No comparative results
	At least 50 famils hosted and 20 trade events led or attended	Achieved	<ul> <li>95 Media famils YTD (ending 30 June)</li> <li>82 international</li> <li>13 domestic</li> <li>44 international trade famils YTD</li> <li>31 trade events led or attended.</li> </ul>	New measure No comparative results
ChristchurchNZ promotes Christchurch and Canterbury as a	Prepare <b>at least 30</b> city bids to attract business events to Christchurch	Achieved	34 city bids.	New measure No comparative results
great place to hold business events and conferences	At least 25% success rate for business event bids	Achieved	35%	New measure No comparative results
	Total visits to online convention bureau information is <b>at least</b> <b>15,000</b>	Achieved	<b>19,938</b> visits. 14.7% increase compared to previous year.	New measure No comparative results
	<b>1</b> major business event in place (new activity, TRENZ, subject to additional funding)	Achieved	<b>3</b> major business events in place: TRENZ 2020 Lantern Business Forum Pinot Noir NZ 2021	New measure No comparative results
ChristchurchNZ attracts, manages and sponsors the delivery of major events	<b>At least 2</b> events delivered at major event level as defined by the Major Events strategy	Achieved	9 events delivered at major event level: Bread and Circus NZ Cup and Show Week Black Clash Black Caps ODI Kathmandu Coast to Coast Godzone	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years
			South Island Lantern Festival Phil Collins (with VBase) NZ Track and Field Championship	
	Establish and have <b>at</b> <b>least 2</b> meetings of the Major Event Strategy Advisory Group	Achieved	<b>2</b> meetings of the Major Event Strategic Advisory Group	New measure No comparative results
City Profile				
ChristchurchNZ provides residents and visitors with information about events, activities and attractions on in Christchurch	Total sessions on online promotional and digital platforms about visiting, working and living in Christchurch is <b>at least</b> <b>600,000</b>	Achieved	Christchurchnz.com 1 July 2018 – 30 June 2019 Users – 742,430 Sessions – 1,101,823 Pageviews – 2,395,434 Christchurchnz.org.nz 1 July 2018 – 30 June 2019 Users – 36,974 Sessions – 47,260 Pageviews – 70,892 Findchch.com 1 July 2018 – 30 June 2019 Users – 148,661 Sessions: – 182,669 Page Views: 280,145	New measure No comparative results
ChristchurchNZ leads collaborative development and implementation of a city narrative	Online toolkit of materials for city narrative is maintained & utilisation is monitored	Achieved	Toolkit.Christchurchnz.c om 1 July 2018 – 30 June 2019 Users – 2,945 Sessions – 5,144 Pageviews – 11,945 Asset downloads – 7,394	New measure No comparative results
	At least 4 meetings of the City Narrative	Achieved	6 meetings	New measure
Christchurch Visitor Information Centre provides services that	Steering Group Christchurch i-SITE visitor number is at least: Establish baseline	Achieved	Footprint YTD 151,432	No comparative results New measure No comparative results
visitors use	Christchurch i-SITE visitor e-mail response number is at least: Establish baseline	Achieved	Email YTD 9,995	New measure No comparative results
	i-SITE customer satisfaction level is at least 8.5 out of 10	Achieved	Annual survey completed - Visitor Satisfaction level at 8.73 out of 10	New measure No comparative results

Level of Service	Target	Achieved	Result	Prior Years
Antarctic gateway				
Christchurch is recognised by Antarctic programme partners as being a quality	Antarctic Gateway Strategy is approved	Achieved	Strategy approved in May 2018.	New measure No comparative results
Gateway city	Antarctic Gateway Strategy progress report is produced	Achieved	Antarctic Strategy Implementation Plan presented to Council Jan 2019	New measure No comparative results

#### Where are we heading?

#### **Strategic Planning and Policy**

#### Land use planning

We will continue to work with the community on changes to the Christchurch District Plan to manage the effects of land use and development while protecting what is valued. This will be guided by legislation, changes in the environment e.g. climate change, and what our communities tell us.

We will also undertake spatial planning with a vision of what Christchurch looks like in 2050 and how we achieve that through investment, including transport.

#### Strategic Transport

Transport Strategy will continue to champion the strategic transport direction and provide policy advice with an increasingly integrated approach with land use. Work will be undertaken with input from internal and external partners to progress a revision of the strategic transport plan to better support the City's four community well-being goals and the Government direction for transport.

Continuing to progress the Regional Public Transport Plan will directly support the mobility needs of the community whilst supporting emerging Climate Change Strategy goals. Through undertaking a strategic transport review, direction will be provided on three key areas of uncertainty; the typology, pace and location of residential and business growth, the quantity and source of transport revenue and how it is applied and the travel demand issues of how, when, where, if and why people travel.

#### Strategic policy

We will continue to champion the delivery of the four community wellbeings through the Council's Strategic Framework, providing advice during the organisation's preparation for the 2021 Long Term Plan. The ongoing Managing for Outcomes programme will enhance strategic linkages between programme delivery, Council priorities and community outcomes.

We will provide technical advice and co-ordinate submissions on national and regional policy development of importance to the Council, ensuring Council's views contribute to the national policy debate.

The review programme of the city's bylaws, as required by statute, will continue with the scheduled review and community consultation in 2019/20 of the following bylaws and associated regulatory policies:

- A proposed amendment to the Alcohol Restrictions in Public Places Bylaw 2018
- Freedom Camping Bylaw 2015
- Water Supply, Wastewater and Stormwater Bylaw 2014
- Public Places Bylaw 2018 associated policies

Social and economic policy advice will focus on enabling the implementation of Business Improvement Districts and a rolling review of the Development Contributions Policy; strategic policy assessment frameworks; and supporting the Resilient Greater Christchurch Plan as well as the Social Housing Strategy review.

#### Urban design and regeneration

We will work with city agencies and the community to develop agreed strategic views on regeneration priorities across the city and the best means to deliver on those priorities.

We will continue to focus on the central city – supporting the ongoing implementation of the Central City Action Plan including to support and incentivise residential development.

We will continue to provide temporary amenity and activation improvements of vacant spaces, support community place making projects, and will take a long term view of how such initiatives best supports ongoing regeneration.

We will continue to provide advice on Council, community and partner agency projects which shape our places and our city. In addition we will provide advice, including via the urban design panel, into the development and consenting process.

#### Heritage education, advocacy and advice

Our work to support Council's role as a champion of heritage in the city will continue. Along with the Community and Heritage interest groups, we will develop an implementation plan for the Heritage Strategy.

We will continue to process Landmark and Heritage Incentive Grant Funding applications for governance decision-making. The Heritage Festival will occur annually.

We will continue to work with other council units to promote and preserve heritage fabric and values through regulatory and non-regulatory means.

The updated Urban Development Strategy and Resilient Greater Christchurch Plan will establish new partnerships and projects to tackle urban issues and manage the growth of the City and surrounding towns to enhance the resilience of our city.

The Greater Christchurch Partnership will continue to provide collaborative leadership through the next phase of recovery, regeneration and planning for the long term wellbeing of the community.

#### Natural hazards policy and planning

We will continue to provide strategic natural resource advice to other areas of Council, particularly the Three Waters and Waste Unit for floodplain management and improved water quality. Advice and support will continue with our partnerships with Environment Canterbury on the CWMS Zone Committees, Whakaraupo / Lyttelton Harbour Catchment Management Plan, and regional management of natural hazards. Updated technical information on coastal hazards will support community engagement on adaptation to climate change for our coastal settlements. As part of our climate change programme, we will develop Council's strategic direction/strategy and implementation plans to mitigate and adapt to the effects of climate change.

Our work on sustainability will continue to focus on healthy and energy efficient homes and on active travel to reduce the use of private motor vehicles. There is a work programme to encourage the uptake of electric vehicles and associated charging infrastructure. Target Sustainability services will continue to support businesses with resource efficiency and greenhouse gas emission reduction. The planting of edible plants will be encouraged as our Food Resilience Policy is implemented.

#### **Economic Development**

ChristchurchNZ delivers economic development and city profile functions on behalf of the Council.

ChristchurchNZ will deliver services agreed with the Council and will focus on:

- Working with city partners to deliver Christchurch 2050

   the city prosperity strategy providing direction for local and national decision making.
- *Growing quality jobs* through building industry clusters (supernodes), attracting high value businesses and supporting existing businesses to improve capability, productivity and profitability.
- *Telling the story* using our city narrative to shift perceptions, attract visitors (spring focus), talent and businesses and build residents pride and engagement (winter focus)
- Enhancing our place through delivering major events and attracting business events, new visitor attractions and an international film or TV series.

#### **Public Information and Participation**

We will continue to inform residents about the Council's services and activities. We want to communicate with more people, more often on what they want to know about. We will also encourage more people to participate in the Council's democratic process, particularly in 2019 which is an election year for local bodies.

We want more citizens to feel listened to and feel they can have their say and be heard on issues that affect them. We inform people through a number of channels, including the website, Newsline (our digital news channel), Facebook, e-newsletters, direct mail, Instagram, residents' groups, text, elected members' networks, as well as local and mainstream media.

#### Service delivery in 2019/20

Strategic planning activities will continue to have a recovery and regeneration focus and there will be no change to the Council's capacity to deliver this activity. The focus on the District Plan will continue and be complemented by policy and planning initiatives using the Resource Management Act and Greater Christchurch Regeneration Act. Regeneration priorities include supporting Central City recovery, Southshore and South New Brighton, future use of the residential red zone and residential development capacity. Adaptation to the issues and opportunities generated by climate change will form an important component of these plans.

#### **Public Information and Participation**

There will be a lot of interest in the Council in 2019, given there is a local government election in October 2019. Our residents are telling us they want information on our basic services – our roads and our water. We will make it easy for people to find out what's happening with services in their community, their neighbourhood, their street and their property.

Councillors have signalled that providing the city with healthy drinking water is a priority. We will provide information on how this is being achieved.

Residents also want information on community facilities, events, central city development and the District Plan. Providing information on how the Council is adapting to climate change and natural hazards is also a priority.

In the year ahead, we want more people to get involved in decision making and to feel that their views are heard. We will develop our channels to better target communities of interest. We need to continue to let people know about our consultations and focus our engagement and consultation resource on the priorities.

#### **Economic Development**

ChristchurchNZ has partnered with key stakeholders to develop the Prosperity Framework (10-year goals) and Canterbury Supernodes to provide direction for local and national decision making. The coming year will see the development of Christchurch 2050 a city-wide strategy to deliver a clear long-term vision for Greater Christchurch. Christchurch 2050 will align urban planning, regeneration and economic development and provide a clear and consistent voice in engagement with Central Government aligning all of our Greater Christchurch strategies with our long-term aspiration for the city.

#### What did it cost?

#### Statement of cost of services for the year ending 30 June

	2019 Actual	2019 Plan	2018 Actual
	\$000	\$000	\$000
Cost of services			
Strategic planning & policy	18,936	18,538	19,785
Public information and participation	6,554	6,602	6,059
Economic development	17,113	17,136	17,167
	42,603	42,276	43,011
Operating revenue from services			
Strategic planning & policy	554	565	906
Public information and participation	63	-	133
Economic development	185	135	643
	802	700	1,682
Capital revenues	-	-	-
Vested assets	-	-	
Net cost of services	41,801	41,576	41,329

#### Explanation of significant cost of service variances

# Strategic policy and planning

There were no significant variances to plan.

The cost of strategic planning and policy service was \$0.8 million lower than 2018, mainly due to lower heritage incentive and earthquake heritage protection grants paid out in 2019 compared to 2018.

<u>Public information and participation</u> There were no significant variances to plan.

The cost of public information and participation was \$0.5 million higher than 2018. Spending for libraries

marketing activities was transferred from libraries to public information and participation in 2019 following a decision to centralise marketing spending. This resulted in a higher spending compared to prior year.

#### Economic development

There were no significant variances to plan or prior year.

Revenue from economic development was \$0.5 million lower than 2018. Council received funding from ChristchurchNZ in 2018 for Antarctic activities which did not continue this year.

#### Funding impact statement for year ended 30 June

	2019	2019	2019	2018
	Actual	Annual Plan	Long Term Plan	Long Term Plan
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	36,822	36,306	36,306	36,325
Targeted rates	1,010	1,000	1,000	-
Subsidies and grants for operating purposes	119	35	35	31
Fees and charges	240	200	200	122
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other	142	465	465	1 201
receipts	442	465	465	1,291
Total operating funding (A)	38,633	38,006	38,006	37,769
Applications of operating funding				
Payments to staff and suppliers	22,036	21,963	21,963	22,481
Finance costs	-	-	-	-
Internal charges and overheads applied	1,707	1,707	1,707	1,411
Other operating funding applications	18,889	18,476	18,476	15,368
Total applications of operating funding (B)	42,632	42,146	42,146	39,260
Surplus (deficit) of operating funding (A-B)	(3,999)	(4,140)	(4,140)	(1,491)
Sources of capital funding				
Subsidies and grants for capital expenditure	1	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	1,549	2,396	2,396	2,762
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding Total sources of capital funding (C)	1,550	2,396	2,396	2,762
rotat sources of capital funding (c)	1,550	2,390	2,390	2,102
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	-	-	-	-
- to improve the level of service	350	-	-	-
- to meet additional demand	53	896	896	332
Increase (decrease) in reserves	(2,852)	(2,640)	(2,640)	939
Increase (decrease) of investments		-	-	-
	(2,449)	(1,744)	(1,744)	1,271
Total applications of capital funding (D)				
Total applications of capital funding (D) Surplus (deficit) of capital funding (C-D)	3,999	4,140	4,140	1,491

### Footnotes

1 Earthquake rebuild application of capital funding

# Explanation of significant cost of service variances

#### **Operating funding**

Rates revenue was \$0.5 million higher than planned due to a higher than expected rating growth during the year.

#### Capital funding

Increase in debt is \$0.8 million lower than planned mainly due to delays in capital programme.

# Significant capital expenditure

-

-

\$0.4 million was spent on Smart Cities projects including earthquake sensors, innovation hub, smart view improvements, and website enhancement.

# Council activities and services Governance

# What is governance, and what does the Council do?

Through its governance activities, the Council enables local decision-making and action by, and on behalf of, communities to promote the well-being of the district now and for the future.

The Council is governed by two complementary decisionmaking parts:

- The Council, which comprises the Mayor and sixteen councillors and focuses on city issues that affect the whole district.
- Seven community boards each of which has between six and nine members and makes decisions on local community issues, activities and facilities, and helps build strong communities.

Governance activities ensure that Council and Community Board decision-making processes are effective, open and transparent and democratically accountable.

This involves ensuring that the community has opportunities to be involved in decision-making.

# Why is the Council involved?

The people of Christchurch elect a mayor, city councillors and community board members at elections every three years. The Council 'governs' by making strategies, policies and decisions that direct the city's future. The Council regularly seeks community input on many issues, such as draft policies, local capital works projects, and the Annual and Long Term Plans.

Local government is responsible for meeting the residents' current and future needs for good quality local infrastructure, public services and regulatory functions, in a cost-effective way for households and businesses.

Governance activities and services contribute to active democracy by ensuring that individuals and groups have many opportunities to be involved in local government decision-making.

They also contribute towards achieving the Community Outcomes in a manner consistent with Council's strategic direction and help make Christchurch a well-governed city and one of inclusive, connected communities. This is done by empowering community groups and organisations to develop and manage initiatives that encourage active participation and create a sense of belonging in their own local communities.

# How does it affect me?

The activities of the Council have a direct effect on everyone in Christchurch – whether it be by collecting kerbside rubbish, supplying safe drinking water, maintaining parks or hosting festivals and events.

Residents can influence how the Council runs the city by voting for their representatives in local elections every three years, and by becoming involved in the decisionmaking process by giving comments and feedback during public consultations.

# What activities are involved?

The public participation in the democratic processes, city governance and decision-making activity within governance includes the following services:

#### Public participation in democratic processes

Residents are encouraged to take part in the democratic processes of Council by having their say during consultations and decision-making. It is important that elected members take the views of the community into account, in particular from those directly affected.

#### Managing decision-making processes

This ensures that the Council and Community Board's formal meetings and hearings result in effective and informed decisions. The processes include ensuring that meetings comply with all the legal requirements and decision-makers receive the appropriate advice to enable informed decision-making.

#### **Local Government Elections**

This includes organising elections and by-elections. Local government elections are held every three years. Elections are scheduled for October 2019.

# What did we achieve?

We have continued with the planning and implementation of programmes of work related to the Local Authority Triennial elections to be held on 12 October 2019. This has included working with LGNZ, SOLGM and the Electoral Commission, and regular forums with regional electoral officers.

We have provided information to the Remuneration Authority to support its work looking at local government elected member remuneration and allowances. This has included provision of information on the funding and delegations to Christchurch community boards, and comments to consultation opportunities on matters like implementation of an allowance for childcare for elected members.

We continued to extend the implementation of paperless meetings at both Council and Community Board level, and will continue to support Elected Members to use the new technology to govern effectively. The long term financial and environmental impact of this change is significant, having already saved the cost of printing, binding and distributing papers. We continued to develop our Citizen Hub strategy with an integrated one door approach to local services or one stop shops, libraries, pools, community development and customer services.

#### How did we measure up?

# **Governance and Decision-Making**

Level of Service	Target	Achieved	Result	Prior Years	
Holding elections of Elected Members to the Council and Community Boards, polls and representative reviews					
Provide processes that ensure all local elections,	100% compliance	Achieved	<b>100 %</b> full statutory compliance with	2018: 100%	
polls and representation reviews are held with full			processes that support local elections, polls and	2017: 100%	
statutory compliance.			representation reviews.	2016: 100%	
Participation in democratic processes					
Participation in and contribution to Council	Percentage of respondents who	Not achieved	32%	2018: 29%	
decision-making	understand how Council makes decisions: At least			2017: 41%	
	41%			2016: 37%	

#### Where are we heading?

The Council is committed to increasing citizens understanding and participation in Council's decisionmaking processes. We will continue to build our connections with the community and ensure that people have opportunities to be involved in decision-making and understand Council issues and processes.

Wherever appropriate Council will work toward devolving decision making on localised community issues to Community Boards. Council will also support community boards having earlier engagement in the development of city – wide strategy and policy.

#### Service delivery in 2019/20

In 2019/20 the services previously included within the Strategic Governance activities will fall under the 'Governance and Decision Making' activities. These services remain broadly consistent with those existing in 2018/2019 (as outlined in the "How did we measure up" section above) with two exceptions; the delivery of the triennial election to be held in October 2019 and supporting localised decision making from Council to community boards.

#### What did it cost?

#### Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Governance & Decision Making	17,088	15,731	17,411
	17,088	15,731	17,411
Operating revenue from services			
Governance & Decision Making	46	-	1,065
	46	-	1,065
Capital revenues	-	-	-
Vested assets		-	-
Net cost of services	17,042	15,731	16,346

#### **Explanation of significant variances**

The cost of service was \$1.4 million higher than plan primarily due to additional spend from the Community Resilience and Partnership fund. This is a combined partnership between the Ministry of Health and Council, with the expenditure in 2019 funded by unspent grants carried forward from 2018. The cost of service was \$0.3 million lower than 2018 due to a higher spend on activities from the Community Resilience and Partnership fund in 2018 than 2019.

Operating revenue was \$1 million lower than 2018. This is due to \$1.0 million revenue received in the prior year from the Ministry of Health for the Community Resilience and Partnership fund.

### Funding impact statement for year ended 30 June

	2019 Actual	2019 Annual	2019 Long Term Plan	2018 Long Term Plan
		Plan		
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	15,955	15,731	15,731	16,033
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	46	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	16,001	15,731	15,731	16,033
Applications of operating funding				
Payments to staff and suppliers	15,146	15,064	15,064	15,846
Finance costs	-	-	-	-
Internal charges and overheads applied	667	667	667	629
Other operating funding applications	1,546	-	-	-
Total applications of operating funding (B)	17,359	15,731	15,731	16,475
Surplus (deficit) of operating funding (A-B)	(1,358)	-	-	(442)
Sources of capital funding				
Subsidies and grants for capital expenditure	_	_	_	_
Development and financial contributions	_	_	_	_
Increase (decrease) in debt	1,406	-	-	442
Gross proceeds from sale of assets	1,400	-	-	
Lump sum contributions	_	-	_	_
Other dedicated capital funding	_	-	_	_
Total sources of capital funding (C)	1,406	-	-	442
Applications of capital funding				
Capital expenditure				
- to replace existing assets (1)	38	-	-	-
- to improve the level of service	10	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	48	-	-	-
Surplus (deficit) of capital funding (C-D)	1,358	-	-	442

#### Footnotes

1 Earthquake rebuild application of capital funding

# **Explanation of significant variances**

# **Operating funding**

The operating funding deficit is \$1.4 million higher than plan due to additional spend from the Community Resilience and Partnership fund.

# Significant capital expenditure

There was no significant capital expenditure

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# Council activities and services Corporate

# What are Council's corporate activities?

As with other organisations we have back office services such as human resources, legal, finance, and information technology which provide support to other Council departments. We call these units Internal Service Providers (ISPs). The cost of providing these services is charged to the activity receiving the benefit of that service.

In addition, there are some Council wide costs and income which cannot meaningfully be classified into a standalone activity. These items are included within this Corporate activities section.

# What revenue and costs are included?

- revenues and costs relating to Council Controlled Organisations (CCOs):
  - dividend income received from CCOs
  - interest income from funds lent to CCOs
  - interest costs relating to borrowing taken out to:
    - on-lend to CCOs, or
    - invest in the equity (shares) of CCOs, or
    - undertake earthquake recovery work.
- rates income
- interest income from Council investment of general funds and special purpose reserves
- income from services provided by ISPs to organisations outside of Council
- costs incurred in providing the services above
- non-operational property costs and
- other income, such as revenue from petrol tax and subvention receipts.

Overall our corporate activities generate a significant surplus, largely from dividends and interest income. This surplus is used to either reduce the level of general rates collected from ratepayers, or reduce the level of borrowing required.

# What capital expenditure is included?

Corporate capital expenditure includes strategic land purchases, costs relating to Council's office accommodation, information and communication technology, and investment in CCOs, as well as some earthquake rebuild projects.

#### What did it cost?

#### Statement of cost of services for the year ending 30 June

	2019 Actual \$000	2019 Plan \$000	2018 Actual \$000
Cost of services			
Interest - onlending, equity investments and rebuild	76,987	77,800	72,623
Internal service providers (unallocated costs)	18,644	24,739	14,219
Property costs and other expenses	31,859	2,995	1,537
	127,490	105,534	88,379
Operating revenue from services			
Rates	496,216	490,057	460,992
Dividends	195,962	199,662	202,561
Interest from onlending	23,831	25,132	24,229
General and special fund interest	8,483	6,053	8,720
Internal service providers	18,644	24,739	14,219
Earthquake cost recoveries	195	-	81
Other revenue	9,270	2,754	4,367
Subvention receipts (income tax)	1,992	2,200	6,491
	754,593	750,597	721,660
Capital revenues	-	-	-
Vested assets		-	-
Net cost of services	(627,103)	(645,063)	(633,281)

# Explanation of significant variances

Interest costs were \$0.8 million lower than plan mainly due to lower interest rates on funds on-lent to CCHL. The \$4.4 million increase in interest from 2018 relates to the planned increase in debt due to the capital works programme.

The net cost of the internal service providers is allocated to external activities. Internal service provider revenue was \$6.1 million lower than planned although \$4.4 million higher than 2018. Key variances in the lower than plan result were \$5.5 million lower Lancaster Park demolition recoveries due to timing or work and \$3.5 million due to lower Vbase staffing costs that are on-charged. These were partly offset by \$2.5 million recovered from the Crown for preplanning work on the Canterbury Multi Use Arena. The variance to 2018 is largely due to higher recoveries from the demolition (\$2.7 million) and preplanning work (\$2.5 million) less lower Vbase recoveries of \$0.5 million.

Property and other costs were \$3.7 million higher than plan mainly due to \$3.4 million of fair value write downs from the revaluation of advances. Costs were \$5.26 million higher than 2018 for the same reason.

Rates income was \$6.2 million higher than plan largely due to higher than expected rating growth in the rates strike as a result of subdivision development and rebuild work valued late in 2018. The \$35.2 million increase from 2018 is the combined result of the year on year rates increase and the higher than expected rating growth. Dividend revenue is \$3.7 million lower than plan due to delay of part of the CCHL dividend until 2019/20. Dividend income was \$6.6 million lower than 2018 due to a lower planned dividend from CCHL in addition to the delay.

Interest revenue from on-lending was \$1.3 million lower than plan and \$0.4 million lower than 2018. This was principally due to lower income from CCHL than planned due to lower interest rates.

General interest was \$2.4 million higher than plan. This is due to interim investment of pre funded debt renewals which occurred again this year.

Other revenue was \$1.0 million lower than 2018 due to receipts from the Earthquake Commission (EQC) received in that year.

Subvention income is lower than 2018 due to fewer taxable profits available to transfer within the Group.

# Funding impact statement for year ended 30 June

	2019	2019 Annual	2019 Long Term	2018 Long Term
	Actual	Plan	Plan	Plar
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties Targeted rates	14,941	14,730	14,730	30,852
Subsidies and grants for operating purposes	2,658	5,710	5,710	1,02
Fees and charges	8,233	10,818	10,818	2,62
Internal charges and overheads recovered	28,695	28,400	28,400	23,16
Local authorities fuel tax, fines, infringement fees, and other				
receipts (1) Total operating funding (A)	241,785 <b>296,312</b>	243,319 <b>302,977</b>	243,319 <b>302,977</b>	285,76 <b>343,43</b>
	250,512	502,511	302,511	545,45
Applications of operating funding				
Payments to staff and suppliers	28,598	36,038	36,038	1,31
Finance costs	76,987	77,800	77,800	66,32
Internal charges and overheads applied	-	-	-	
Other operating funding applications	2,737	2,526	2,526	(4,012
Total applications of operating funding (B)	108,322	116,364	116,364	63,62
Surplus (deficit) of operating funding (A-B)	187,990	186,613	186,613	279,80
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	
Development and financial contributions	-	-	-	(102.00
Increase (decrease) in debt	(46,297)	(226,265)	(226,265)	(193,967
Gross proceeds from sale of assets Lump sum contributions	3,059	465	465	5,90
•	-	-	-	
Other dedicated capital funding		-	-	/100.007
Total sources of capital funding (C)	(43,238)	(225,800)	(225,800)	(188,065
Applications of capital funding				
Capital expenditure				
- to replace existing assets (2)	66,187	27,208	27,208	70,05
- to improve the level of service	13,397	47,375	47,375	11,28
- to meet additional demand	(12,723)	(1,026)	(1,026)	5,05
Increase (decrease) in reserves	3,700	(120,744)	(120,744)	5,34
Increase (decrease) of investments	74,191	8,000	8,000	
Total applications of capital funding (D)	144,752	(39,187)	(39,187)	91,74
Surplus (deficit) of capital funding (C-D)	(187,990)	(186,613)	(186,613)	(279,805
Funding balance ((A-B) + (C-D))	-	-	-	
Footnotes				
1 Interest and Dividends from investments	228,291	230,155	230,155	264,19
2 Earthquake rebuild application of capital funding	3,139	230,133	230,133	
Earthquake reputte application of capital funding	3,133	-	-	56,73
xplanation of significant variances	Applicatio	on of operatin	a fundina	

# Explanation of significant variances

#### **Operating funding**

Revenue items lower than budget generally reflect the lower recharge to Vbase, lower dividends and interest as mentioned above.

#### Application of operating funding

Payments to staff and suppliers was \$7.4 million lower than plan principally due to the delayed demolition of Lancaster Park.

Finance costs were \$0.8 million lower than plan as explained above.
#### Capital funding

Asset sales exceeded plan by \$2.2 million due to the disposal of several properties.

Debt was significantly higher than planned, partly due to the need to borrow \$40 million for CCHL onlending, \$5 million for CCHL equity and \$45 million for Vbase equity. Much of the Councils debt is fixed term and covered by fixed term swaps meaning repayment opportunities are limited. The unknown timing of the global settlement also inhibited repayment decisions. Lower delivery of the capital programme than planned and receiving part of the CCHL capital release at year end also meant Council held cash rather than repaying debt.

For the above reasons, while Council planned to utilise existing cash in 2018/19, reserves and investments ended up significantly higher than planned.

#### Capital expenditure

Replacing existing assets and improved level of service expenditure were together \$5 million higher than plan. This reflects an unplanned equity investment in CCHL to fund investment in the Christchurch Adventure Park. There was also higher than planned investment in Vbase to fund additional Town Hall rebuild costs, although this was offset by planned expenditure on the Performing Arts Precinct not occurring this year.

Actual results for additional demand reflect the purchase of \$6.8 million of strategic land, offset by the transfer to other Groups of Activities of \$19.6 million of land.

#### Significant capital expenditure

Significant capital expenditure included \$50 million of equity investments, including \$39.4 million for the Town Hall Rebuild. Strategic Land Acquisitions were \$6.8 million, although \$19.6 million of earlier purchases were reallocated to other Groups of Activities. Expenditure on IT projects of \$24.7 million accounts for the majority of the balance.

## **Financial statements**

This section contains details about the Council's finances over the past year, how your rates were spent, where additional funding came from and some of the year's financial highlights.

## Council – 2019 in review

**Total assets** 

# \$13.3 billion

2018 \$13.1 billion
Planned \$13.2 billion

### Total borrowing

# \$2.1 billion

2018 \$2.0 billion
Planned \$1.9 billion

Total capital expenditure

## \$408 million

2018 \$501 million
Planned \$480 million

Total revenue

# \$1.0 billion

↔ 2018 \$1.0 billion
↔ Planned \$1.0 billion

Total operating expenditure \$853 million

2018 \$799 million
Planned \$809 million

Total rates levied \$496 million

2018 \$461 million
Planned \$490 million

## **Total revenue**



The results for the year ended 30 June 2019 include the impact of the growth in the number of rating units within the city.

#### **Sources of Revenue Actual \$millions**



### Over the past six years

- The increase in value of rates revenue, reflects both the change in the number of rating units and higher rates charges.
- The reduction in grants and subsidies reflects the decline in earthquake grants from central government.
- Other revenue has returned to a more consistent level since the insurance receipts of 2016.

## Where do my rates go?



### **Total expenditure**



## **Council operations**

We recorded an accounting charge of \$235 million for the depreciation and amortisation of our assets. Our policy is to rate for the long run average cost of asset renewals and replacements. Personnel costs of \$195 million represents 23% of total expenditure which is consistent with previous years. Other expenditure includes finance costs of \$94 million on total borrowing of \$2.1 billion.



#### **Expenditure Categories Actual \$millions**

### Over the past six years

- Personnel costs have remained consistent for the six years, at between 21% and 24% of total expenditure.
- Depreciation fluctuated in the year following the revaluation of major assets. This occurred in 2016 after infrastructure assets were revalued in 2015.
- Maintenance and Services was consistent during the period in review and in line with previous years
- Other expenditure included asset impairment and the reversal of the previous year's impairments as assets were repaired.

## **Capital expenditure**

We spent \$408 million on significant asset investment in:

- · infrastructure works including flood basins and major cycle routes
- community facilities and libraries, including Tūranga
- sports facilities, including Ngā Puna Wai Sports Hub.



#### Financial statements Financial ratios and prudence benchmarks

The Council has five financial ratios which form a key part of its financial risk management strategy and are the key limits for the Council's borrowing from the Local Government Funding Agency (LGFA).

The five ratios are:

- Net debt as a percentage of equity;
- Net interest as a percentage of total revenue;
- Net debt as a percentage of total revenue;
- Net interest as a percentage of annual rates revenue;
- and
- Liquidity.

These ratios define the limits within which the Council must maintain its balance sheet and borrowing ratios. For 2019 Council has continued to operate within these limits.

In addition, the Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 to report on the following affordability and benchmark ratios:

- Rates (revenue) affordability,
- Rates (increases) affordability,
- Debt affordability,
- Balanced budget benchmark,
- Essential services benchmark,
- Debt servicing benchmark,
- Debt control benchmark, and
- Operations control benchmark.

These ratios and benchmarks enable the reader to determine that the Council is prudently managing its revenues, expense, assets, liabilities and general financial dealings.

Council has met all but one of these benchmarks in 2019.

#### Financial statements Financial prudence benchmarks

#### Disclosure statement - Parent Annual report disclosure statement for the year ending 30 June 2019

#### What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to required benchmarks in order to assess whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Should you require more information, including definitions of some of the terms used in this statement, please refer to the regulations.

#### Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increase equals or is less than each quantified limit on rates increases.

#### Rates (revenue) affordability

The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's LTP.



Actual rates revenue exceeded the quantified limit in 2018 and 2019 because of higher than expected rating growth due to ratepayers completing their rebuild work.

#### Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy as included in the Council's LTP.



This benchmark looks at the year on year percentage increase in rates revenue. This measure was exceeded in 2018 because of a higher than expected in-year growth in rates revenue, which resulted in the actual percentage increase exceeding the set limit.

#### Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has six measures for debt affordability and these are set out below.

#### Total borrowing

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy as included in the Council's LTP.



quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is net interest as a percentage of total operating revenue being less than or equal to 20 per cent.

The following graph compares the Council's actual ratio of

Net interest as a percentage of total revenue

net interest as a percentage of total revenue with a

2015

equal to 20 per cent.

25%

20%

15%

10%

0%

Net debt<sup>2</sup> as a percentage of equity

The following graph compares the Council's actual ratio of

net borrowing as a percentage of equity with a quantified

limit stated in the financial strategy as included each year in the Council's Plan. The quantified limit is net debt

subsidiaries) as a percentage of equity being less than or

Net debt as a percentage of equity

comprised of total borrowings less liquid assets and investments (excluding shares and advances to

Benchmark met Quantifying limit Benchmark not met

#### Net debt<sup>2</sup> as a percentage of total revenue<sup>3</sup>

2016

The following graph compares the Council's actual ratio of net borrowing as a percentage of total revenue with a quantified limit on borrowing stated each year in the financial strategy of the Council's Plan. The quantified limit is net debt as a percentage of total revenue being less than or equal to 250 per cent.

2017

2018

2019



#### Financial statements - Financial ratios and prudence benchmarks



#### Net interest as a percentage of annual rates revenue

The following graph compares the Council's actual ratio of net interest as a percentage of annual rates revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is net interest as a percentage of annual rates revenue being less than or equal to 30 per cent.



#### Liquidity

The following graph compares the Council's actual liquidity with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is liquidity being greater than 110 per cent.

For debt affordability liquidity is calculated as total borrowings including committed but undrawn facilities plus liquid assets and investments compared to total term borrowings.



2 Net debt is defined as total financial liabilities less financial assets (excluding trade and other receivables).

3 Total revenue is total cash operating revenue excluding development contributions and non government capital contributions.

In 2019, the LGFA re-defined its definition of Liquid Investments to include LGFA and CCO deposits held by Council on their behalf. Prior year comparatives have not been updated with this change.

#### Balanced budget benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

### The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



#### Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



#### Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate and therefore, the debt servicing benchmark is met if its borrowing costs are equal to or are less than 10 per cent of its revenue.



#### Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt as set out each year in the Council's Plan. However where the Council has net assets (its financial assets (excluding trade and other receivables) exceeds financial liabilities) it meets the benchmark if its net financial assets exceed its planned net financial assets.



#### **Operations control benchmark**

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



This graph needs to be read in conjunction with the Cash flow statement in the "*Financial Statements*" section.

#### Independent Auditor's Report

#### To the readers of Christchurch City Council and Group's annual report for the year ended 30 June 2019

The Auditor-General is the auditor of Christchurch City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 26 September 2019. This is the date on which we give our report.

#### Opinion on the audited information

In our opinion:

- the financial statements on pages 160 to 229:
  - present fairly, in all material respects:
    - the City Council and Group's financial position as at 30 June 2019;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 164, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;
- the activities and services statements on pages 27 to 144:
  - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, including:

### AUDIT NEW ZEALAND

Mana Arotake Aotearoa

- the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 28 to 144, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 43 to 143, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

#### Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 28 to 193, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

#### Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report. The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

### Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

• We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activities and services statements, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 265, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information. Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have carried out other audit assurance engagements for the City Council and subsidiary companies. These audit and assurance engagements, as described in note 4 on page 183, are compatible with those independence requirements. We have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.

Andy Burns Audit New Zealand On behalf of the Auditor-General Christchurch, New Zealand

#### Financial statements Financial statements

Statement of comprehensive revenue and expense

Statement of changes in net assets/equity

Statement of financial position

Cash flow statement

Funding impact statement (whole of Council)

Notes to the financial statements

### Statement of comprehensive revenue and expense

For the year ended 30 June 2019

				Parent		Group
	Note	30 Jun 19	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
		Actual	Plan	Actual	Actual	Actual
		\$000	\$000	\$000	\$000	\$000
Rates revenue	1.1	496,216	490,057	460,992	484,087	450,418
Subsidies and grants	1.2	68,240	85,728	98,703	67,239	98,817
Development and financial contributions		30,097	21,215	26,205	30,097	26,205
Other revenue	1.3	393,496	397,987	372,842	1,137,528	1,034,284
Finance revenue		32,329	31,185	32,962	13,166	16,939
Share of associate and JV's surplus/(deficit)	17	-	-	-	6,027	6,263
Total revenue	-	1,020,378	1,026,172	991,704	1,738,144	1,632,926
Depreciation and amortisation		235,012	225,000	213,892	372,546	342,126
Finance costs	2	94,116	94,929	89,342	141,205	130,512
Personnel costs	23.1	195,379	202,764	189,007	477,982	472,936
Other expenses	3	272,242	286,689	289,033	564,574	557,948
Net (gains) / losses	5a	56,540	-	17,852	58,157	(19,687)
Total operating expenses	-	853,289	809,382	799,126	1,614,464	1,483,835
Surplus before income tax expense	-	167,089	216,790	192,578	123,680	149,091
Income tax expense/(credit)	8.1	208	(2,200)	(3,605)	42,762	49,979
Surplus for the period	-	166,881	218,990	196,183	80,918	99,112
Other comprehensive revenue and expense						
Property, plant and equipment valuation movement	9	35,216	73,840	121,071	63,140	332,508
Unrealised gains/(losses) from:	-	,	,	,		,
Investment revaluation gain/(loss)	5b	(78,758)	-	(19,712)	1,468	866
Cash flow hedges gain/(loss)	5b	(95,932)	-	(14,455)	(132,059)	(16,933)
Income tax relating to components of other		())		( ) )	( - ))	( -))
comprehensive revenue and expense	8.1	-	-	678	10,980	(30,501)
Total other comprehensive revenue and expense	-	(139,474)	73,840	87,582	(56,471)	285,940
Total comprehensive revenue and expense	-	27,407	292,830	283,765	24,447	385,052
Sumus for the period attributable to:	-					
Surplus for the period attributable to:		166 001	219 000	106 192	61 000	71 000
Parent entity		166,881	218,990	196,183	61,898	71,099
Non controlling interests	-	166,881	218,990	196,183	19,020 80,918	28,013 99,112
	=					
Total comprehensive revenue and expense attributable to:						
Equity holders of the parent		27,407	292,830	283,765	1,402	321,128
Non controlling interests		-	-	-	23,045	63,924
-	-	27,407	292,830	283,765	24,447	385,052
	=					

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of changes in net assets/equity Forthevear ended 30 June 2019	uity								
						Accumulated	Attributable		
	Asset	Available				comprehensive	to equity	Non	
	revaluation	for sale	Hedging	Reserve	Capital	revenue and	holders of	Controlling	TrtoT
Parent	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2017	3,144,656	1,952,655	(137,460)	182,158	1,733,853	3,708,144	10,584,006		10,584,006
Surplus for the period		•		1		196,183	196,183		196,183
Other comprehensive revenue and expense for year	121,071	(19,712)	(14,455)	ı	ı	678	87,582	ı	87,582
Transfer to/from acc. compr. revenue and expense	1	ı	ı	100,869	I	37,635	138,504	I	138,504
Transfer to/from reserves	(21,735)	ı	·	(116,769)			(138, 504)		(138,504)
Balance as at 30 June 2018	3,243,992	1,932,943	(151,915)	166,258	1,733,853	3,942,640	10,867,771		10,867,771
Surplus for the period				'		166,881	166,881		166,881
Other comprehensive revenue and expense for year	35,216	(78,758)	(95,932)	I	ı		(139,474)	ı	(139,474)
Transfer to/from acc. compr. revenue and expense		1	ı	97,476	I	41,048	138,524	I	138,524
Transfer to/from reserves	(46,294)			(92,230)			(138,524)		(138,524)
Balance as at 30 June 2019	3,232,914	1,854,185	(247,847)	171,504	1,733,853	4,150,569	10,895,178		10,895,178
Group									
Balance as at 1 July 2017	3,658,276	2,543	(154,663)	182,525	1,724,071	4,616,432	10,029,184	275,370	10,304,554
Surplus for the period	ı	ı	ı	I	ı	71,099	71,099	28,013	99,112
Other comprehensive revenue and expense for year	263,986	866	(16, 315)	ı	ı	678	249,215	36,725	285,940
Transfer to/from acc. compr. revenue and expense	ı	ı	I	105,749	I	37,635	143,384	I	143,384
Transfer to/from reserves	(21,955)	ı	·	(116,769)	ı	(4,660)	(143, 384)	ı	(143, 384)
Other items	62	I	I	ı	I	4,029	4,091	I	4,091
Dividends paid or provided for				ı	ı	2,606	2,606	(15, 714)	(13, 108)
Balance as at 30 June 2018	3,900,369	3,409	(170,978)	171,505	1,724,071	4,727,819	10,356,195	324,394	10,680,589
Effect of correction of errors			ı	19		(72)	(53)		(53)
As restated	3,900,369	3,409	(170,978)	171,524	1,724,071	4,727,747	10,356,142	324,394	10,680,536
Surplus for the period		I	I	1	ı	61,898	61,898	19,020	80,918
Other comprehensive revenue and expense for year	56,159	1,468	(118,123)	I	ı		(60,496)	4,025	(56,471)
Transfer to/from acc. compr. revenue and expense	ı	ı	I	97,476	I	41,048	138,524	I	138,524
Transfer to/from reserves	(46,575)	ı	·	(92,230)	ı	281	(138, 524)	ı	(138,524)
Other items	·	ı	I	ı	ı	1,209	1,209	3,683	4,892
Issue of shares	ı		1		(1,981)		(1,981)		(1,981)
Dividends paid or provided for			ı	1				(16,892)	(16,892)
Balance as at 30 June 2019	3,909,953	4,877	(289,101)	176,770	1,722,090	4,832,183	10,356,772	334,230	10,691,002

The accompanying notes form part of and are to be read in conjunction with these financial statements.

#### Statement of financial position

As at 30 June 2019

				Parent		Group
	Note	30 Jun 19	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
		Actual	Plan	Actual	Actual	Actual
Current assets		\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	15	276,545	22,692	243,748	299,239	270,531
Recoverables from non-exchange transactions	6	68,982	75,126	76,427	67,150	72,186
Receivables from exchange transactions	6	13,668	40,410	15,113	106,942	102,459
Investment in CCOs and other similar entities	16	98,128		119,504	3,128	4,504
Other financial assets	19.1a	6,288	9,193	32,046	14,852	100,219
Inventories	13.14	3,261	3,293	3,529	21,261	21,998
Current tax assets	8.2	15		3,323	86	4,028
Assets classified as held for sale	13	26,889	_	7,300	26,891	7,848
Other assets	15	20,005	-	1,500	197	73
Total current assets		493,776	150,714	497,671	539,746	583,846
Non current accate						
Non-current assets Receivables from exchange transactions	6				6,596	7,474
Investments in associates and joint arrangements	17	- 6 106	-	- 6 106	18,377	
Investment in CCOs and other similar entities	16	6,196	-	6,196		21,442
Other financial assets		2,728,627	2,557,872	2,697,549	33,355	27,046
	19.1a	4,233	97,954	13,987	32,987	42,182
Inventories	18	-	-	-	11,139	28,787
Property, plant and equipment	9	9,933,266	10,347,337	9,807,109	13,645,669	13,244,851
Investment property	14	-	-	-	491,202	428,848
Intangible assets	10	84,645	71,101	72,660	126,828	110,026
Deferred tax assets	8.3	4,088	-	4,691	29,612	19,304
Other assets		-	-	-	38	
Total non-current assets		12,761,055	13,074,264	12,602,192	14,395,803	13,929,960
Total assets		13,254,831	13,224,978	13,099,863	14,935,549	14,513,806
Current liabilities						
Taxes and transfers payable	7	50,036	-	51,176	52,739	50,759
Payables under exchange transactions	7	95,275	145,274	120,934	200,465	212,042
Borrowings and other financial liabilities	19.2	282,624	250,053	375,763	450,240	498,955
Employee entitlements	23.2	20,811	23,359	21,679	52,425	54,482
Current tax liabilities	8.2	-	-	-	(592)	2,722
Provisions	24	4,501	4,092	4,381	6,026	5,212
Other liabilities	25	20,649	-	33,882	33,193	41,693
Total current liabilities		473,896	422,778	607,815	794,496	865,865
Non-current liabilities						
Payables under exchange transactions	7	2,650	-	-	2,650	
Borrowings and other financial liabilities	19.2	1,853,941	1,663,323	1,576,864	3,010,749	2,515,891
Employee entitlements	23.2	4,038	4,950	4,590	6,760	7,340
Deferred tax liabilities	8.3	4,296	4,283	4,691	409,023	407,180
Provisions	24	18,195	34,476	34,760	18,195	34,760
Other liabilities	25	2,637	3,372	3,372	2,674	2,181
Total non-current liabilities	20	1,885,757	1,710,404	1,624,277	3,450,051	2,967,352
Total liabilities		2,359,653	2,133,182	2,232,092	4,244,547	3,833,217
Net assets		10,895,178	11,091,796	10,867,771	10,691,002	10,680,589
Fauity						
Equity		10 00E 170	11 001 700	10 007 771	10 350 773	10 250 100
Parent entity interest		10,895,178	11,091,796	10,867,771	10,356,773	10,356,195
Non controlling interest		-	-		334,229	324,394
Total equity		10,895,178	11,091,796	10,867,771	10,691,002	10,680,589

The accompanying notes form part of and are to be read in conjunction with these financial statements.

### Cash flow statement

For the year ended 30 June 2019

Cash flows from operating activities     494,393     490,057     467,393     494,148     456,819       Receipts from rates revenue     264,881     243,012     254,320     1,188,441     1,135,645       Interest received     32,942     30,494     34,474     14,279     20,933       Subvention receipts     2,200     2,200     2,886     -     -     -     1,169     -     1,169       Payments to suppliers and employees     (494,629)     (475,621)     (1,055,715)     (1,20,21,29)     (1,32,20)     (13,302)     (13,404)     100,073     (13,937)     (30,978)     Net CST movement     (8,243)     -     -     -     (4,185)     100,074     455,564     425,800     425,800     425,800     100     0ther     -     -     -     -     (4,184)     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,824     116,826     116,926     129,745     18,945     138,		Note	30 Jun 19 Actual \$000	30 Jun 19 Plan \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Receipts from other revenue     264,881     243,012     264,320     1,188,441     1,135,445       Interest received     32,942     30,494     34,474     14,279     20,593       Subvention receipts     2,200     2,206     64,75     7,261       Payments concertes     -     1,169     -     1,169       Payments to suppliers and employaes     (494,629)     (49,929)     (88,530)     (143,982)     (134,404)       Income tax paid     (12)     -     -     -     (4,185)       Net CST movement     (8,243)     -     1,605     (6,930)     10       Other     -     -     -     -     (4,186)       Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from repayment loans and advances     148,461     -     116,981     -     -     -     (4,186)       Proceeds from sale of fixed assets     3,059     465     15,626     5,217     19,745     -     -     -     -     -     -	Cash flows from operating activities						
Receipts from other revenue     264,881     243,012     264,320     1,188,441     1,135,445       Interest received     32,942     30,494     34,474     14,279     20,593       Subvention receipts     2,200     2,206     64,75     7,261       Payments concertes     -     1,169     -     1,169       Payments to suppliers and employaes     (494,629)     (49,929)     (88,530)     (143,982)     (134,404)       Income tax paid     (12)     -     -     -     (4,185)       Net CST movement     (8,243)     -     1,605     (6,930)     10       Other     -     -     -     -     (4,186)       Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from repayment loans and advances     148,461     -     116,981     -     -     -     (4,186)       Proceeds from sale of fixed assets     3,059     465     15,626     5,217     19,745     -     -     -     -     -     -	Receipts from rates revenue		494,393	490,057	467,393	494,148	456,819
Interest received     32,942     30,494     34,474     14,279     20,593       Dividends received     194,775     199,661     20,2561     6,475     7,261       Subvention receipts     2,200     2,886     -     -     -       Payments to suppliers and employees     (494,629)     (479,804)     (475,421)     (1,055,715)     (1,026,129)       Interest and other finance costs paid     (12)     -     -     (33,752)     (30,978)       Net GST movement     (8,243)     -     1,605     (6,930)     10       Other     -     -     (4,186)     -     -     (4,186)       Proceeds from repayment lons and advances     148,461     -     116,5427     148,461     -     (880)       Proceeds from repayment lons and advances     148,461     -     -     (880)     -     (880)       Payment for investment     (345,546)     (272,19)     (146,998)     (49,511)     -     (880)       Payment for investment in subsidiaries     -     -     (465,000)     -     (880) <			264,881	243,012		1,188,441	
Dividends received     194,775     199,661     202,561     6,475     7,261       Subwrnion receipts     2,200     2,200     2,886     -     -       Earthquake recoveries     -     -     1,169     -     1,169       Payments to suppliers and employees     (494,629)     (479,804)     (475,421)     (1,055,715)     (1,04,042)       Income tax paid     (1,21)     -     -     -     -     (4,143)       Net GST movement     (8,243)     -     1,605     (6,930)     10       Other     -     -     -     -     -     (4,145)       Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Payment for investment nassociates     3,059     455     15,626     5,217     19,446       Insurance recoveries     - <td>Interest received</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Interest received						
Subvention receipts   2,200   2,286   -   -   -     Earthquake recoveries   -   -   1,169   -   1,169     Payments to suppliers and employees   (494,529)   (478,804)   (475,421)   (1,057,715)   (1,025,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)   (1,015,715)	Dividends received			199,661			
Payments to suppliers and employees   (494,629)   (479,804)   (475,421)   (1,055,715)   (1,026,129)     Interest and other finance costs paid   (93,237)   (94,929)   (88,530)   (143,982)   (124,044)     Income tax paid   (12)   -   -   (93,723)   (30,978)     Net GST movement   (8,243)   -   1,605   (6,530)   10     Other   -   -   -   -   -   (4,166)     Net cash provided by/(used in) operating activities   27   333,070   390,691   410,457   456,964   425,800     Cash flows from investing activities   27   333,070   366,961   409,592   345,492   708,013     Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   -   (880)     Payment for investment in subsidiaries   -   -   -   (530)     Payment for investment in subsidiaries   -   -	Subvention receipts					-	-
Payments to suppliers and employees   (494,629)   (479,804)   (475,421)   (1,055,715)   (1,026,129)     Interest and other finance costs paid   (93,237)   (94,929)   (88,530)   (143,982)   (124,044)     Income tax paid   (12)   -   -   (93,723)   (30,978)     Net GST movement   (8,243)   -   1,605   (6,530)   10     Other   -   -   -   -   -   (4,166)     Net cash provided by/(used in) operating activities   27   333,070   390,691   410,457   456,964   425,800     Cash flows from investing activities   27   333,070   366,961   409,592   345,492   708,013     Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   -   (880)     Payment for investment in subsidiaries   -   -   -   (530)     Payment for investment in subsidiaries   -   -	Earthquake recoveries		-	-	1,169	-	1,169
Income tax paid   (12)   -   -   (39,752)   (30,978)     Net GST movement   (8,243)   -   1,605   (6,930)   10     Other   -   -   -   -   (4,186)     Net Cash provided by/(used in) operating activities   27   393,070   390,691   410,457   456,964   425,800     Cash flows from investing activities   27   393,070   390,691   410,457   456,964   425,800     Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment in subsidiaries   -   -   1,149   -     Loans made to external parties   (370,542)   (465,080)   (419,465)   (333,892)     Payment for investment in subsidiaries   -   -   -   (4,401)   -     Payment for investment in sasoiates   (370,542)   (465,080)   (493,714)   (739,585)   (876,146	Payments to suppliers and employees		(494,629)	(479,804)	(475,421)	(1,055,715)	(1,026,129)
Income tax paid   (12)   -   -   (39,752)   (30,978)     Net GST movement   (8,243)   -   1,605   (6,930)   10     Other   -   -   -   -   (4,186)     Net Cash provided by/(used in) operating activities   27   393,070   390,691   410,457   456,964   425,800     Cash flows from investing activities   27   393,070   390,691   410,457   456,964   425,800     Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment in subsidiaries   -   -   1,149   -     Loans made to external parties   (370,542)   (465,080)   (419,465)   (333,892)     Payment for investment in subsidiaries   -   -   -   (4,401)   -     Payment for investment in sasoiates   (370,542)   (465,080)   (493,714)   (739,585)   (876,146					(88,530)		
Other     -     -     -     -     -     (4,186)       Net cash provided by/(used in) operating activities     27     393,070     390,691     410,457     456,964     425,800       Cash flows from investing activities     Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from sale of fixed assets     3,059     465     15,526     5,217     19,745       Insurance recoveries     -     -     (880)     -     (880)       Payment for investment     (342,546)     (27,219)     (146,998)     (419,465)     (333,892)       Payment for equity investment in subsidiaries     -     -     (4,001)     -       Payment for investment in subsidiaries     -     -     -     (530)       Payment for purchase of fixed assets     (370,542)     (465,080)     (493,714)     (739,585)     (876,146)       Anounts advanced to related parties     (40,000)     -     (125,477)     -     -       Payment for investment properties     -     -     72     (11,632)			(12)	-	-	(39,752)	
Net cash provided by/(used in) operating activities     27     393,070     390,691     410,457     456,964     425,800       Cash flows from investing activities     Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from sale of fixed assets     3,059     465     15,626     5,217     19,745       Insurance recoveries     -     (880)     -     (880)     -     (880)       Payment for investment     (342,546)     (27,219)     (146,998)     (419,465)     (333,892)       Payment for investment in subsidiaries     -     -     -     (4,401)     -       Payment for investment in subsidiaries     -     -     -     (530)       Payment for investment aparties     (370,542)     (465,080)     (493,714)     (739,585)     (876,146)       Amounts advanced to related parties     (40,000)     -     (125,427)     -     -       Proceeds from sale of businesses     -     -     941     -       Other     -     -     941     -     -	Net GST movement		(8,243)	-	1,605	(6,930)	10
Net cash provided by/(used in) operating activities     27     393,070     390,691     410,457     456,964     425,800       Cash flows from investing activities     Proceeds from sale of investment     153,489     136,961     409,592     345,492     708,013       Proceeds from sale of fixed assets     3,059     465     15,626     5,217     19,745       Insurance recoveries     -     (880)     -     (880)     -     (880)       Payment for investment     (342,546)     (27,219)     (146,998)     (419,465)     (333,892)       Payment for investment in subsidiaries     -     -     -     (4,401)     -       Payment for investment in subsidiaries     -     -     -     (530)       Payment for investment aparties     (370,542)     (465,080)     (493,714)     (739,585)     (876,146)       Amounts advanced to related parties     (40,000)     -     (125,427)     -     -       Proceeds from sale of businesses     -     -     941     -       Other     -     -     941     -     -	Other		-	-	-	-	(4,186)
Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from repayment loans and advances   148,461   -   116,427   148,461   116,584     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,892)     Payment for investment in subsidiaries   -   -   -   (4,401)   -     Payment for investment in associates   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (455,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -   -     Proceeds from sle of businesses   -   -   941   -   -   -     Other   -   -   11,632   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Repayment of financing activities   (3,240)	Net cash provided by/(used in) operating activities	27	393,070	390,691	410,457	456,964	
Proceeds from sale of investment   153,489   136,961   409,592   345,492   708,013     Proceeds from repayment loans and advances   148,461   -   116,427   148,461   116,584     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,892)     Payment for investment in subsidiaries   -   -   -   (4,401)   -     Payment for investment in associates   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (455,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -   -     Proceeds from sle of businesses   -   -   941   -   -   -     Other   -   -   11,632   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Repayment of financing activities   (3,240)	Cash flows from investing activities						
Proceeds from repayment loans and advances   148,461   -   116,427   148,461   116,584     Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,892)     Payment for equity investment in subsidiaries   -   -   -   (4,401)   -     Payment for equity investment in associates   -   -   -   (149,465)   (333,892)     Payment for equity investment in associates   -   -   -   (4,401)   -     Payment for investment associates   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -     Payment for investment properties   -   -   -   941   -   -     Other   -   -   -   72   (11,632)   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Proceeds from	e e		153,489	136,961	409,592	345,492	708,013
Proceeds from sale of fixed assets   3,059   465   15,626   5,217   19,745     Insurance recoveries   -   -   (880)   -   (880)     Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,692)     Payment for investment in associates   -   -   -   (4,401)   -     Loans made to external parties   -   -   -   1,149   -     Loans made to external parties   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -   -     Payment for investment properties   -   -   941   - </td <td>Proceeds from repayment loans and advances</td> <td></td> <td>148,461</td> <td>-</td> <td>116,427</td> <td></td> <td></td>	Proceeds from repayment loans and advances		148,461	-	116,427		
Insurance recoveries   -   -   (880)   -   (880)     Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,892)     Payment for equity investment in subsidiaries   -   -   -   (4,01)   -     Payment for investment in associates   -   -   -   1,149   -     Loans made to external parties   -   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -   -     Payment for investment properties   -   -   (44624)   - <td< td=""><td>Proceeds from sale of fixed assets</td><td></td><td></td><td>465</td><td></td><td></td><td></td></td<>	Proceeds from sale of fixed assets			465			
Payment for investment   (342,546)   (27,219)   (146,998)   (419,465)   (333,892)     Payment for equity investment in subsidiaries   -   -   -   (4,01)   -     Payment for investment in associates   -   -   -   (4,01)   -     Loans made to external parties   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   125,427)   -   -   -     Payment for investment properties   -   -   -   941   -   -     Proceeds from sale of businesses   -   -   -   941   -   <	Insurance recoveries		-	-		-	
Payment for equity investment in subsidiaries   -   -   -   (4,401)   -     Payment for investment in associates   -   -   -   1,149   -     Loans made to external parties   -   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -   -     Payment for investment properties   -   -   -   941   -	Payment for investment		(342,546)	(27,219)		(419,465)	
Payment for investment in associates   -   -   -   1,149   -     Loans made to external parties   -   -   -   -   (530)     Payment for purchase of fixed assets   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -     Payment for investment properties   -   -   -   (49,221)   (4,624)     Proceeds from sale of businesses   -   -   72   (11,632)     Net cash (used in)/provided by investing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Proceeds from binancing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Proceeds from borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of binrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment for share buy back   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,1	Payment for equity investment in subsidiaries		-	-	-	(4,401)	-
Payment for purchase of fixed assets   (370,542)   (465,080)   (493,714)   (739,585)   (876,146)     Amounts advanced to related parties   (40,000)   -   (125,427)   -   -     Payment for investment properties   -   -   (49,221)   (4,624)     Proceeds from sale of businesses   -   -   941   -     Other   -   -   72   (11,632)     Net cash (used in)/provided by investing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Cash flows from financing activities   456,500   18,916   291,000   1,231,714   612,388     Repayment of borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of finance leases   (32,40)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   <			-	-	-		-
Amounts advanced to related parties   (40,000)   -   (125,427)   -   -     Payment for investment properties   -   -   (49,221)   (4,624)     Proceeds from sale of businesses   -   -   941   -     Other   -   -   72   (11,632)     Net cash (used in)/provided by investing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Cash flows from financing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Cash flows from financing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Repayment of borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of finance leases   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment for share buy back   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708 <td>Loans made to external parties</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>(530)</td>	Loans made to external parties		-	-	-	-	(530)
Payment for investment properties   -   -   (49,221)   (4,624)     Proceeds from sale of businesses   -   -   941   -     Other   -   -   72   (11,632)     Net cash (used in)/provided by investing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Cash flows from financing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Proceeds from borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of borrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543	Payment for purchase of fixed assets		(370,542)	(465,080)	(493,714)	(739,585)	(876,146)
Proceeds from sale of businesses   -   -   -   941   -     Other   -   -   72   (11,632)     Net cash (used in)/provided by investing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Cash flows from financing activities   (448,079)   (354,873)   (225,374)   (711,340)   (383,362)     Proceeds from borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of borrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Amounts advanced to related parties		(40,000)	-	(125,427)	-	-
Other     -     -     72     (11,632)       Net cash (used in)/provided by investing activities     (448,079)     (354,873)     (225,374)     (711,340)     (383,362)       Cash flows from financing activities     Proceeds from borrowing     456,500     18,916     291,000     1,231,714     612,388       Repayment of borrowings     (365,454)     (44,275)     (283,315)     (927,402)     (456,907)       Repayment of finance leases     (3,240)     -     (1,563)     (4,347)     (2,570)       Dividends paid - non controlling interests     -     -     -     11     -       Payment for share buy back     -     -     -     11     -       Net cash provided by/(used in) financing activities     87,806     (25,359)     6,122     283,084     139,803       Net increase in cash and cash equivalents     32,797     10,459     191,205     28,708     182,241       Cash and cash equivalents at beginning of year     243,748     12,233     52,543     270,531     88,290	Payment for investment properties		-	-	-	(49,221)	(4,624)
Net cash (used in)/provided by investing activities     (448,079)     (354,873)     (225,374)     (711,340)     (383,362)       Cash flows from financing activities     Proceeds from borrowing     456,500     18,916     291,000     1,231,714     612,388       Repayment of borrowings     (365,454)     (44,275)     (283,315)     (927,402)     (456,907)       Repayment of finance leases     (3,240)     -     (1,563)     (4,347)     (2,570)       Dividends paid - non controlling interests     -     -     -     11     -       Net cash provided by/(used in) financing activities     87,806     (25,359)     6,122     283,084     139,803       Net increase in cash and cash equivalents     32,797     10,459     191,205     28,708     182,241       Cash and cash equivalents at beginning of year     243,748     12,233     52,543     270,531     88,290	Proceeds from sale of businesses		-	-	-	941	-
Cash flows from financing activities     Proceeds from borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of borrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   (16,892)   (13,108)     Payment for share buy back   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Other		-	-	-	72	(11,632)
Proceeds from borrowing   456,500   18,916   291,000   1,231,714   612,388     Repayment of borrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   -   (16,892)   (13,108)     Payment for share buy back   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Net cash (used in)/provided by investing activities	-	(448,079)	(354,873)	(225,374)	(711,340)	
Repayment of borrowings   (365,454)   (44,275)   (283,315)   (927,402)   (456,907)     Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   (16,892)   (13,108)     Payment for share buy back   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Cash flows from financing activities						
Repayment of finance leases   (3,240)   -   (1,563)   (4,347)   (2,570)     Dividends paid - non controlling interests   -   -   (1,563)   (16,892)   (13,108)     Payment for share buy back   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Proceeds from borrowing		456,500	18,916	291,000	1,231,714	612,388
Dividends paid - non controlling interests   -   -   -   (16,892)   (13,108)     Payment for share buy back   -   -   -   11   -     Net cash provided by/(used in) financing activities   87,806   (25,359)   6,122   283,084   139,803     Net increase in cash and cash equivalents   32,797   10,459   191,205   28,708   182,241     Cash and cash equivalents at beginning of year   243,748   12,233   52,543   270,531   88,290	Repayment of borrowings		(365,454)	(44,275)	(283,315)	(927,402)	(456,907)
Payment for share buy back11-Net cash provided by/(used in) financing activities87,806(25,359)6,122283,084139,803Net increase in cash and cash equivalents32,79710,459191,20528,708182,241Cash and cash equivalents at beginning of year243,74812,23352,543270,53188,290	Repayment of finance leases		(3,240)	-	(1,563)	(4,347)	(2,570)
Payment for share buy back11-Net cash provided by/(used in) financing activities87,806(25,359)6,122283,084139,803Net increase in cash and cash equivalents32,79710,459191,20528,708182,241Cash and cash equivalents at beginning of year243,74812,23352,543270,53188,290	Dividends paid - non controlling interests		-	-	-	(16,892)	(13,108)
Net increase in cash and cash equivalents     32,797     10,459     191,205     28,708     182,241       Cash and cash equivalents at beginning of year     243,748     12,233     52,543     270,531     88,290	Payment for share buy back		-	-	-		-
Cash and cash equivalents at beginning of year 243,748 12,233 52,543 270,531 88,290	Net cash provided by/(used in) financing activities	-	87,806	(25,359)	6,122	283,084	139,803
	Net increase in cash and cash equivalents		32,797	10,459	191,205	28,708	182,241
Cash and cash equivalents at end of year     276,545     22,692     243,748     299,239     270,531	Cash and cash equivalents at beginning of year		243,748	12,233	52,543	270,531	88,290
	Cash and cash equivalents at end of year	-	276,545	22,692	243,748	299,239	270,531

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## Funding impact statement (whole of Council) For year ended 30 June 2019

	30 Jun 19	30 Jun 19 Annual	30 Jun 18 Annual	30 Jun 18 Annua
	Actual	Plan	Report	Plar
Sources of operating funding	\$000	\$000	\$000	\$000
General rates, uniform annual general charge, rates penalties	312,052	307,675	311,483	307,719
Targeted rates	184,164	182,382	149,509	147,893
Subsidies and grants for operating purposes	23,140	23,359	21,334	21,538
Fees and charges	108,211	111,492	110,748	107,400
Interest and dividends from investments	228,291	230,155	235,523	237,93
Local authorities fuel tax, fines, infringement fees, and other				
receipts	24,798	25,512	25,038	13,36
Total operating funding (A)	880,656	880,575	853,635	835,84
Applications of operating funding				
Payments to staff and suppliers	424,303	447,682	432,206	408,65
Finance costs	94,115	94,929	89,342	89,97
Other operating funding applications	43,746	41,771	42,669	40,63
Total applications of operating funding (B)	562,164	584,382	564,217	539,26
Surplus (deficit) of operating funding (A-B)	318,492	296,193	289,418	296,57
Sources of capital funding	27.014	c2 270	57 705	44.70
Subsidies and grants for capital expenditure	37,914	62,370	57,795	44,70
Development and financial contributions Increase (decrease) in debt	30,097 87,806	21,215 (25,359)	26,205 6,122	18,11
Gross proceeds from sale of assets	3,059	(25,559) 465	15,626	40,75 2,52
Other dedicated capital funding	9,968	1,265	22,487	2,52
Total sources of capital funding (C)	<b>168,844</b>	59,956	128,235	128,81
Application of capital funding				
Capital expenditure				
- to replace existing assets (1)	263,336	285,287	328,185	313,06
- to improve the level of service	84,132	134,752	82,286	98,34
- to meet additional demand	60,503	59,612	90,711	82,23
Increase (decrease) in reserves	5,174	(131,502)	(15,909)	(68,251
Increase (decrease) of investments	74,191	8,000	(67,620)	
Total applications of capital funding (D)	487,336	356,149	417,653	425,39
Surplus (deficit) of capital funding (C-D)	(318,492)	(296,193)	(289,418)	(296,579
Funding balance ((A-B) + (C-D))	-	-	-	
Footnotes				

#### Notes to the financial statements

#### **Reporting entity**

The Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity consists of the entities listed in the Group structure section.

The primary objective of the Council is to provide goods or services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a public benefit entity (PBE) for financial reporting purposes. Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The financial statements of the Council are for the year ended 30 June 2019. The financial statements were approved by the Council on 26 September 2019.

#### Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 Section 98 and Section 111, and Part 3 of Schedule 10, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the Public Benefit Entity Accounting Standards (PBE Standards), and other applicable financial reporting standards, as appropriate for Tier 1 Public Sector PBEs for periods beginning on or after 1 July 2014.

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#### Statement of significant accounting policies

#### Basis of preparation

#### **Measurement base**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council and Group is New Zealand dollars.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain noncurrent assets and financial instruments. The accrual basis of accounting has been used unless otherwise stated.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### New accounting standards and interpretations

#### Changes in accounting policy and disclosures

#### 2017 Omnibus Amendments to PBE Standards

The revised standards are effective from the year commencing 1 July 2018. These amendments and improvements have not resulted in material changes to the Council's reporting requirements.

#### Early adoption of PBE IFRS 9 Financial instruments

The Council has early adopted all requirements of PBE IFRS 9 *Financial instruments* as of 1 July 2018. PBE IFRS 9 supersedes part of PBE IPSAS 29 *Financial instruments: Recognition and Measurement* (PBE IPSAS 29). PBE IFRS 9 includes three areas of change:

- Classification and measurement of financial instruments;
- A single, forward looking, 'expected credit loss' impairment model; and
- Substantially reformed approach to hedge accounting.

<u>Classification and measurement of financial instruments</u> The Council classifies its financial instruments in the following categories:

- at fair value through surplus or deficit (FVTSD);
- at fair value through other comprehensive revenue and expenditure (FVTOCRE); or
- at amortised cost.

The Council determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Council's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTSD. For other equity instruments, on the day of acquisition the Council can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCRE. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTSD (such as instruments held for trading or derivatives) or the Council has opted to measure them at FVTSD.

The Council completed a detailed assessment of its financial assets and liabilities as at 1 July 2018. The following table shows the original classification under PBE IPSAS 29 and the new classification under PBE IFRS 9:

Financial assets	Classification under PBE IPSAS 29	New classification under PBE IFRS 9
Cash and cash equivalents	Amortised cost	Amortised cost
Term deposits	Amortised cost	Amortised cost
Rates receivables	Amortised cost	Amortised cost
Non-exchange receivables from user charges	Amortised cost	Amortised cost
Community loans	FVTSD	FVTSD
Other trade receivables	Amortised cost	Amortised cost
Related party receivables	Amortised cost	Amortised cost
Prepayments	Amortised cost	Amortised cost
Chargeable work in progress	Amortised cost	Amortised cost
Contract retentions	Amortised cost	Amortised cost
GST receivables	Amortised cost	Amortised cost
Other Endeavour iCap	Amortised cost FVTSD	Amortised cost FVTSD
Finance lease receivable	Amortised cost	Amortised cost
Loans advanced	Amortised cost	Amortised cost
Investment in debt securities	Amortised cost	Amortised cost
Unlisted shares	FVTOCRE	FVTOCRE
Derivative instruments	FVTOCRE	FVTOCRE

The requirements of PBE IPSAS 29 for classification and measurement of financial liabilities were carried forward in PBE IFRS 9, so the Council's accounting policy with respect to financial liabilities is unchanged. There was no material impact arising as a result of re-measurement of financial assets that have been classified differently under PBE IFRS 9.

#### New impairment model

PBE IFRS 9 prescribes an 'expected credit loss' model instead of a previous incurred loss model, so it is no longer necessary for a trigger event to have occurred before recognising credit losses. PBE IFRS 9 requires the Council to base the measurement of expected credit losses on forward-looking information, as well as current and historic information. There was no material expected credit loss

#### allowance recognised as a result of adoption, as the Council has not experienced a history of significant credit

losses, and no current or forward-looking information at 30 June 2019 indicated a significant increase in credit risk.

		PBE I	FRS 9 measurement	category
	PBE IPSAS 29 measurement	Fair value through surplus or deficit	Amortised cost	Fair value through other comprehensive revenue and expense
PBE IPSAS measurement category	\$000	\$000	\$000	\$000
Trade receivables	65,328	-	66,043	-
Community loans	11,607	3,110	-	-

\*The change in carrying amount is a result of a reduction/additional impairment allowance.

#### Hedge accounting

PBE IFRS 9 introduces a new hedge accounting framework with an aggregate exposure concept, being the combination of an exposure and a derivative which, together, can be designated as a hedged item. PBE IFRS 9 also includes a more qualitative and forward-looking approach to assessing hedging effectiveness. There was no material financial impact on early adoption.

The Council applied hedge accounting prospectively. At the date of initial application, all of the Council's existing hedging relationships were eligible to be treated as continuing hedging relationships. Before the adoption of PBE IFRS 9, the Council designated the change in fair value of the entire swap contract in its cash flow hedge relationships. Upon adoption of the hedge accounting requirements of PBE IFRS 9, the Council designates only the spot element of swap contracts as hedging instrument.

The swap contract element is recognised in other comprehensive revenue and expense and accumulated as a separate component of equity under the hedging reserve. This change only applies prospectively from the date of initial application of PBE IFRS 9 and has no impact on the presentation of current financial period figures.

#### Impact of adoption

The adoption of the new standard requires the Council to disclose the impact of the treatment of cash flow hedges in surplus or deficit or other comprehensive revenue and expense that result from the change. This impact is shown in the following PBE IPSAS 29 and PBE IFRS 9 disclosure tables.

#### PBE IPSAS 29

Under PBE IPSAS 29, any gains and losses that were as a result of Council's cash flow hedging relationships no longer meeting the 80 – 125% effectiveness threshold test, would have been recognised to surplus or deficit. The below table shows the removal of one hedged relationship that did not meet the test:

	PBE IPSAS 29 measurement category				
	Total hedging gain/(loss) recognised in other comprehensive revenue and expense	Ineffectiveness recognised in surplus or deficit	Cost of hedging recognised in other comprehensive revenue and expense	Amount reclassified from other comprehensive revenue and expense to surplus and deficit	
	\$000	\$000	\$000	\$000	
Parent					
Interest rate swaps	(96,103)	(29)	-	167	
Group					
Interest rate swaps	(131,572)	(47)	-	167	

#### PBE IFRS 9

#### Cash flow hedges

#### Parent

Under PBE IFRS 9 the recognition in surplus or deficit of the ineffective portion has not changed. The table below includes the hedged relationship that failed the regression test which no longer applies.

#### Group

Under PBE IFRS 9 the recognition in surplus or deficit of the ineffective portion has not changed.

		NZ PBE IFRS 9 mea	surement category	
	Total hedging gain/(loss) recognised in other comprehensive revenue and expense	Ineffectiveness recognised in surplus or deficit	Cost of hedging recognised in other comprehensive revenue and expense	Amount reclassified from other comprehensive revenue and expense to surplus and deficit
	\$000	\$000	\$000	\$000
Parent				
Interest rate swaps	(95,936)	(196)	-	-
Group				
Interest rate swaps	(109,704)	(214)	-	-

#### Fair value hedges

#### Parent

The Council does not enter into any Fair Value hedges.

#### Group

Members of the Council group hold Fair Value hedges for Financial Instruments. The recognition of gains and losses on Fair Value hedges remains unchanged under PBE IFRS 9

### Accounting standards and interpretations issued but not yet effective

The following new standards, interpretations and amendments have been issued but are not yet effective as at 30 June 2019. Council has not early adopted these standards and interpretations.

#### 2018 Omnibus Amendments to PBE Standards

The 2018 annual omnibus amendments to all PBE standards contains general updates and improvements to PBE standards was released in November 2018. The revised standards are effective for the Council for the year ending 30 June 2020 financial statements with the exception of the amendments to PBE IPSAS 2 Cash Flow Statements which comes into effect for the 30 June 2022. These amendments and improvements are not expected to result in material changes to the Council's reporting requirements.

PBE Standards on interests in other entities – PBE IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investments in Associates and Joint Ventures, PBE IPSAS 38 Disclosure of Interests in Other Entities.

These new standards will replace *PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates,* and *PBE IPSAS 8 Interest in Joint Ventures.* They amend the definition of control, introduce a new classification of joint arrangement, and require additional disclosures for interests in other entities. These new standards are effective from the year ending 30 June 2020. They have potential impact on how Council consolidate and account for its interest in other entities.

Amendment to PBE IPSAS 21 Impairment of Non-Cash-Generating Assets, and PBE IPSAS 26 Impairment of Cash-Generating Assets.

The amendment amends the scope of these two standards to include assets measured at revalued amounts under the revaluation model. The amendment is effective from the year ending 30 June 2020, and does not have any material impact on the Group.

#### PBE FRS 48 Service Performance Reporting

This standard establishes requirements to PBEs to select and present service performance information. This standard is effective from the year ending 30 June 2022, and does not have any material impact on the Group.

#### Principles of consolidation

#### Subsidiaries

Subsidiaries include special purpose entities and those entities where the Council has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. The potential to exercise or convert voting rights are considered when assessing whether the Council controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council and de-consolidated from the date of control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Council. This includes the application of PBE accounting standards for those entities reporting under NZ IFRS.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive revenue and expense and the statement of financial position.

#### Associates

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the parent's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post acquisition profits or losses is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent's surplus or deficit, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

#### Joint ventures

Joint ventures are those over whose activities the Group has joint control and established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements on a line-by-line basis using the proportionate method.

#### Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or nonexchange transactions.

#### Revenue from exchange transactions

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

#### Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which Council provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Council's revenue will be categorised non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Group satisfies an obligation which has been recognised as a liability, it reduces the carrying amount of the liability and recognises an amount of revenue equal to the reduction.

Specific accounting policies for the major categories of revenue are outlined below:

#### Rates

Rates are set annually by a resolution from Council and revenue is recognised in surplus or deficit at the time of invoicing.

#### Goods sold and services rendered

Revenue from the sale of goods is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

#### **Construction contracts**

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in surplus or deficit in proportion to the stage of completion of the contact. The stage of completion is assessed by reference to surveys of work performed.

An expected loss on a contract is recognised immediately in surplus or deficit.

#### **Finance revenue**

Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised in surplus or deficit as it accrues, using the effective interest rate method.

#### **Rental revenue**

Rental revenue from investment and other property is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Rental revenue is classified as exchange revenue where it is considered to reflect a market/arm's length rental.

#### Grants revenue (including government grants)

Grant revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.

Grant revenue is categorised as non-exchange revenue.

#### **Dividend revenue**

Dividend revenue is classified as exchange revenue and is recognised when the shareholder's right to receive payment is established.

#### **Finance lease revenue**

Finance lease revenue is classified as exchange revenue and is allocated over the lease term on a systematic basis. This revenue allocation is based on a pattern reflecting a constant periodic return on the Council's net investment in the finance lease.

#### **Development contributions**

Development contributions are classified as exchange revenue and recognised as revenue in the year in which they are received.

#### **Other gains**

Other gains include gains from the sale of property, plant and equipment and investments and gains arising from derivative financial instruments (see Hedging Policy).

### Earthquake subsidies, recoveries, and insurance receipts

Earthquake subsidies and recoveries include payments from Government agencies, Ministries and Departments as well as payments from Council's insurers. Earthquake subsidies and recoveries are recognised in the financial statements when received or when it is probable or virtually certain that they will be received under the insurance contracts in place.

The classification of earthquake subsidies and recoveries as exchange or non-exchange is dependent on the nature of the subsidy or recovery.

#### Vested assets

Where a physical asset is received for no or minimal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council and goods donated are recognised as revenue when control over the asset is obtained. Vested assets and donated goods are categorised as non-exchange revenue.

#### Expenses

Specific accounting policies for major categories of expenditure are outlined below:

#### **Operating lease payments**

Payments made under operating leases are recognised in surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised in surplus or deficit as an integral part of the total lease expense.

#### **Finance lease payments**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **Finance costs**

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in surplus or deficit using the effective interest rate method. Interest payable on borrowings is recognised as an expense in surplus or deficit as it accrues.

#### **Other losses**

Other losses include revaluation decrements relating to investment properties (see Investment Property Policy), losses on the sale of property, plant and equipment and investments and losses arising from derivative financial instruments (see Hedging Policy).

#### **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant and any grant criteria are met.

#### Income tax

Income tax on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the reporting date.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internallygenerated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Where no internallygenerated intangible asset can be recognised, development expenditure is recognised in surplus or deficit in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the

same basis as intangible assets that are acquired separately.

#### Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Translation differences on equities held at fair value through surplus or deficit are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

#### Property, plant and equipment

The following assets are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation:

- Land (other than land under roads)
- Buildings
- Electricity distribution network
- Airport sealed surfaces
- Infrastructure assets
- Heritage assets
- Works of art

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred. Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as shown in the following table: Estimated

	Useful Life
Operational assets:	
Buildings	1-100 yrs
Office and computer equipment	1-10 yrs
Mobile plant including vehicles	2-30 yrs
Buses	17-26 yrs
Sealed surfaces (other than roads)	9-100 yrs
Container cranes	30 yrs
Harbour structures	3-50 yrs
Seawalls	100 yrs
Telecommunications infrastructure	12-50 yrs
Electricity distribution system	60 yrs
Electricity load control equipment	60 yrs
Leasehold land improvements	5-100 yrs
Land improvements	10-60 yrs
Library books	3-8 yrs
Vessels	5-25 yrs
Resource consents and easements	5-10 yrs

#### Infrastructure assets:

init user acture assets.	
Formation	Not depreciated
Pavement sub-base	Not depreciated
Basecourse	40-120 yrs
Footpaths and cycleways	25-80 yrs
Surface	2-80 yrs
Streetlights and signs	5-50 yrs
Kerb, channel, sumps and berms	80 yrs
Tram tracks and wires	40-100 yrs
Parking meters	10 yrs
Railings	20-50 yrs
Landscape/medians	8-80 yrs
Drain pipes/culverts/retaining walls	20-115 yrs
Bridges	70-100 yrs
Bus shelters and furniture	6-40 yrs
Water supply	2-130 yrs
Water meters	25-40 yrs
Stormwater	20-150 yrs
Waterways	10-100 yrs
Sewer	40-150 yrs
Treatment plant	15-100 yrs
Pump stations	5-100 yrs

#### **Restricted assets:**

Planted areas	15-110 yrs
Reserves – sealed areas	10-60 yrs
Reserves – structures	10-80 yrs
Historic buildings	20-125 yrs
Art works	1000 yrs
Heritage assets	1000 yrs

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date in accordance with the requirements of *PBE IPSAS 17 – Property, Plant and Equipment.* 

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of *PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets* and *PBE IPSAS 26 - Impairment of Cash-Generating Assets*.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included as revenue or expenses. When revalued assets are sold, the amounts included in the revaluation reserves in respect of those assets are transferred to retained earnings.

#### Distinction between capital and revenue expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

#### Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

#### Intangible assets

#### Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to CGUs and is tested annually for impairment (see Impairment Policy). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in surplus or deficit.

#### **Computer software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are capitalised and recognised as intangible assets. Capitalised costs include the software development employee direct costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

#### Other intangible assets

Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy).

#### Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

#### Amortisation

An intangible asset with a finite useful life is amortised on a straight-line basis over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

Estimated useful lives are:

Software	1-10 yrs
Resource consents and easements	5-10 yrs
Patents, trademarks and licenses	10-20 yrs

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

#### Derivative financial instruments

The Council uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective Group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially and subsequently at fair value. Changes in fair value are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging Policy).

#### Hedging

The Council uses derivatives to hedge its exposure to interest rate risks. The derivatives are designated as either cash flow hedges (hedging highly probable future transactions (borrowing)) or fair value hedges (hedging the fair value of recognised assets or liabilities).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense, limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting any gain or loss recognised in other comprehensive revenue and expense and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in surplus or deficit. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in surplus or deficit.

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in surplus or deficit, together with changes in the fair value of the hedged asset or liability. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to surplus or deficit from that date.

#### Investments

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets (other than financial assets at fair value through surplus or deficit). Transaction costs directly attributable to the acquisition of financial assets at fair value through surplus or deficit are recognised immediately in surplus or deficit.

The Council classifies its investments in the following categories:

a) Financial assets measured at amortised cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost.

### b) Fair value through other comprehensive revenue or expense (FVTOCRE)

Financial assets held for collection of contractual cash flows and for selling where the cash flows are solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value through other comprehensive revenue or expense (FVTOCRE).

Changes in the carrying amount subsequent to initial recognition as a result of impairment gains or losses, foreign exchange gains and losses and interest revenue calculated using the effective interest method are recognised in surplus or deficit. The amounts that are recognised in surplus or deficit are the same as the amounts that would have been recognised in surplus or deficit if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive revenue and expenses. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive revenue and expenses.

On initial recognition the Council may make the irrevocable election to designate investments in equity investments as at FVTOCRE. Designation at FVTOCRE is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which PBE IFRS 3 applies. Subsequent to initial recognition equity investments at FVTOCRE are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

#### c) Fair value through surplus or deficit

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

#### Investment in subsidiaries and unlisted shares

The Council's equity investments in its subsidiaries and unlisted shares are classified as financial assets at fair value through other comprehensive revenue or expense.

<u>Loan advances and investments in debt securities</u> Investment in debt securities are classified as financial assets measured at amortised cost.

General and community loan advances are classified as financial assets are measured at fair value through surplus or deficit.

#### Investment property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- the occupants provide services that are integral to the operation of the Council's business and/or these services could not be provided efficiently and effectively by the lessee in another location.
- the property is being held for future delivery of services.
- the lessee uses services of the Council and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal, the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in surplus or deficit. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent recording. When the Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

#### Trade and other receivables

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit losses (ECL) over the life of the asset (see Impairment Policy).

#### **Construction work in progress**

Construction work in progress is stated at cost plus profit recognised to date (see Revenue Policy) less a provision for foreseeable losses and less progress billings. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in contract activities based on normal operating capacity.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The cost of other inventories is based on the first-in, firstout principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

#### Impairment

#### Impairment of financial assets

The Council recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Council recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of ECL.

The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition, instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represent the portion of lifetime ECL that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### Impairment of non-financial assets

For the purpose of assessing impairment indicators and impairment testing, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as noncash-generating assets.

Property, plant and equipment measured at fair value is not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the offcycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property (see Investments Policy) and deferred tax assets (see Income Tax Policy), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount.

Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

#### **Calculation of recoverable amount**

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic benefits or service potential. For the Group, where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

The value in use for cash-generating assets is the present value of expected future cash flows. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset.

#### **Reversals of impairment**

An impairment loss in respect of a financial instrument is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through surplus or deficit. If the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss shall be reversed, with the amount of the reversal recognised in surplus or deficit.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the statement of financial position.

#### Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in surplus or deficit over the period of the borrowings on an effective interest basis.

#### Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **Employee entitlements**

The Group's employee compensation policy is based on total cash remuneration: a single cash payment in compensation for work, where the employee is responsible for and able to individually decide how best to use their remuneration to meet their needs over time in the mix and type of benefits purchased. Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

#### **Short-term entitlements**

Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately before the reporting date.

Liabilities for accumulating short-term compensated absences (e.g. sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately before the reporting date that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

#### Long-term entitlements

The retiring gratuity and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in surplus or deficit when incurred.

Superannuation is provided as a percentage of remuneration.

#### Leases

#### As lessee

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

#### As lessor

Leases in which substantially all of the risks and rewards of ownership transfer to the lessor are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

#### Net Assets / Equity

Net Assets or equity is the community's and ratepayers' interest in the Council. It is measured as the difference between total assets and total liabilities. Net Assets or equity includes the following components:

- Asset revaluation reserve.
- Fair value through other comprehensive revenue and expense reserve.
- Hedging reserve.
- Reserve funds.
- Capital reserves.
- Retained earnings.

#### Third party transfer payment agencies

The Council collects monies for many organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

#### Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

#### Donated goods and services

Council receives the benefit of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms and for this reason, are not included in the financial statements, as their value from an accounting point of view is considered immaterial in relation to total expenditure.

#### **Cost allocations**

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the recipient of an internal service can be identified, the cost recovery is made by way of a direct charge. Where this is not practical or the linkage is indirect, the costs are allocated by way of corporate overhead.

Corporate overhead is allocated either directly or indirectly to external service activities as follows:

- Property costs: pro rata based on the number of desks held for use for each unit.
- IT costs: pro rata based on the total number of active IT users.
- Human Resources and Payroll Services cost: pro rata based on the total number of planned employee work hours.
- All other costs: pro rata based on the gross cost of external service activities.

#### Plan values disclosed

The plan values shown in the financial statements represent the 2018/19 budget included in the 2018-28 Long Term Plan.

### Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform to PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or in future periods if it also affects future periods.

In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

 The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.

- The valuation of the Council's facilities and infrastructural assets at depreciated replacement value involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets. Independent valuers were commissioned to perform the valuation and valuations of these asset classes will continue on a regular basis to ensure that the depreciated replacement value does not differ materially from their carrying value.
- The determination of the impairment to a small number of facilities and to the CWTP required the Council to assess the level of unrepaired damage and estimate the cost of repair.
- Management are required to exercise judgement when determining whether earthquake related expenditure to assets is repairs and maintenance and should be expensed in the current year or capital expenditure. In making this assessment they make judgements about the expected length of service potential of the asset, betterment and the likelihood of it becoming obsolete as a result of other more permanent repairs.
- The non-current provisions note discloses an analysis of Council's exposure in relation to estimates and uncertainties surrounding the landfill aftercare and building related claims provisions.
- Management are required to exercise judgement in calculating provisions, assessing the level of unrecoverable work in progress, assessing expected credit loss and calculating provisions for employee benefits.
- Management of subsidiary companies determine useful lives for particular assets. In making this assessment, they make judgements about the expected length of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the company ceasing to use the asset in its business operations.
- Management of the subsidiary companies assess whether individual assets or groupings of related assets (which generate cash flows co-dependently) are impaired by estimating the future cash flows that those assets are expected to generate. Assumptions such as rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for discounting future cash flows are required.
- Management of most of the subsidiary companies use independent valuers to determine the fair value of

certain assets. The valuation process requires the use of assumptions and estimates which are based on market conditions at the time. Any changes in market conditions subsequent to balance date will impact future valuations. A movement in fair value of an asset is subsequently recorded within the Statement of Comprehensive Revenue and Expense or other comprehensive revenue and expense depending on asset classification.

• The determination of whether entities which the Council has an interest in are controlled for accounting purposes requires management to exercise judgement to determine whether the nature of the interest and the benefits, rights and obligations which accrue are sufficient for Council to control the entity. In addition to the above factors, the following areas specific to individual companies within the Group require critical judgement estimates and assumptions.

CIAL use judgement in identifying which components of property, plant and equipment are to be reclassified as investment property. A key factor for this classification is whether the property is used for aircraft-related activities. The classification has implications as to whether revaluation gains and losses are recognised through net surplus or deficit or through other comprehensive revenue and expense.
#### 1. Revenue

#### 1.1 Rates revenue

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
General rates	307,775	307,203	300,254	300,155
Targeted rates attributable to activities:				
- water	53,248	37,077	51,946	36,227
- land drainage	36,617	28,435	35,722	27,783
- sewerage	69,173	60,309	67,482	58,926
- active travel	4,085	3,058	3,985	2,988
- waste minimisation	20,935	20,528	20,423	20,057
- fire service	107	103	104	101
- targeted loan servicing	-	-	-	-
Rates penalties	4,276	4,279	4,171	4,181
Total rates revenue	496,216	460,992	484,087	450,418
Less remissions	(4,058)	(3,760)	(4,058)	(3,760)
Rates revenue net of remissions	492,158	457,232	480,029	446,658

The annual rates revenue of the Council for the year ended 30 June 2019 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the "Rates revenue net of remissions" shown above.

#### **Rating base information**

Rating units within the district or region of the local authority at the end of the preceding financial year.

	30 Jun 18 Actual	30 Jun 17 Actual
Number of rating units	172,173	169,502
Total land value of rating units	46,034,154,310	45,816,963,166
Total capital value of rating units	105,243,988,350	101,652,296,090

#### 1.2 Subsidies and grants

				Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
NZ Transport Agency	60,519	89,673	60,519	89,673
Other grants and subsidies	7,721	9,030	6,720	9,144
Total subsidies and grants	68,240	98,703	67,239	98,817

#### 1.3 Other revenue

	30 Jun 19 Actual	Parent 30 Jun 18 Actual	30 Jun 19 Actual	Group 30 Jun 18 Actual*
	\$000	\$000	\$000	\$000
Fees and charges	71,063	71,638	70,520	70,937
Vested assets	55,272	31,153	55,272	31,205
Sale of goods and services	-	-	610,144	623,354
Construction contract revenue	-	-	137,613	152,224
Rental revenue on investment property	-	-	29,099	25,969
Rental revenue	34,344	35,039	75,991	69,580
Dividends	195,962	202,561	1,282	103
Subvention receipts	2,200	2,886	-	-
Petroleum tax	2,545	2,244	2,545	2,244
Insurance receipts	-	120	3	120
Sundry revenue	32,110	27,201	155,059	58,548
Total operating and other revenue	393,496	372,842	1,137,528	1,034,284

#### 2. Finance costs

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest expense				
Interest on bank borrowings	87,164	82,275	107,468	105,114
Interest on debt instruments	-	-	28,270	20,874
Interest on finance leases	6,952	7,067	4,524	4,603
Other interest expense	-	-	943	(79)
Total finance costs	94,116	89,342	141,205	130,512

#### 3. Other expenses

			Parent		Group
		30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
		Actual	Actual	Actual	Actual
		\$000	\$000	\$000	\$000
Audit fees	4	345	558	1,648	1,766
Directors' fees		-	-	2,789	2,659
Donations and grants		43,818	45,851	30,795	35,617
Net foreign exchange (gains) / losses		-	-	19	107
Minimum lease payments under operating leases		2,696	3,214	13,690	13,733
Raw materials and consumables used		-	-	49,199	51,348
Provision of services and maintenance of assets		157,113	154,984	119,049	74,207
Consultants and legal fees		28,543	32,241	43,761	45,558
Other operating expenses		39,727	52,185	303,624	332,953
Total other expenses	=	272,242	289,033	564,574	557,948

Other operating expenses includes a reduction for capitalised payroll and other expenses of \$36.1 million (2018: \$36.0 million).

annual customised price-quality path compliance

the Specified Airport Services Information Disclosure,

the company's compliance with bond conditions.

regulatory information disclosures, and

Christchurch International Airport Limited:

#### 4. Remuneration of auditors

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Fees to Audit New Zealand				
- For audit of financial statements	337	332	1,301	1,222
- For other assurance services	8	226	162	331
Fees to KPMG for audit of financial statements	-	-	96	102
- For other assurance services	-	-	27	39
Fees to Grant Thornton for audit of financial statements	-	-	62	72
Total	345	558	1,648	1,766

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and

Orion New Zealand Limited:

fraud risk review.

statement,

The auditor of the Council and the rest of the Group, excluding LPC and ChristchurchNZ Holdings Limited (CNZH) is Audit New Zealand. LPC is audited by KPMG and CNZH is audited by Grant Thornton. All are appointed by the Auditor-General.

Other assurance services provided by Audit New Zealand in relation to:

#### Council:

- the Debenture Trust Deed, and
- the Mayor's Welfare Fund.

#### 5. Other gains and losses

#### 5a Other gains and losses in surplus

Non-financial instruments	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Gains/(losses) on disposal of property, plant and equipment	(25,069)	(18,221)	(25,332)	(18,071)
Gains/(losses) on disposal of investment	-	-	(681)	-
Gains/(losses) on disposal of investment property or held for sale assets	(3,623)	(393)	(3,623)	(393)
Gains/(losses) on revaluation of other assets	- (3,023)	(333)	13,133	53,701
(Impairment)/reversal of impairment on other assets	-	-	(2,333)	(3,914)
(Impairment)/reversal of impairment on property, plant and equipment	-	-	(9,870)	(11,012)
	(28,692)	(18,614)	(28,706)	20,311
Financial instruments				
Gains/(losses) through ineffectiveness of cash flow hedges	(193)	422	(208)	270
Gains / (losses) through ineffectiveness of fair value hedges Gains/(losses) on investments held at fair value through	-	-	(88)	41
surplus and deficit	-	-	-	450
Fair value through income statement financial instruments				
fair value change	(27,655)	340	(29,155)	(1,385)
	(27,848)	762	(29,451)	(624)
Net other gains/(losses)	(56,540)	(17,852)	(58,157)	19,687

#### 5b Unrealised gains & losses in other comprehensive revenue and expense

Investment revaluation gain/(loss)	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Revaluation of shares held in:				
Christchurch City Holdings Limited	(45,101)	(97,484)	-	-
Vbase Limited	(36,512)	71,739	-	-
Other	2,855	6,033	1,468	866
	(78,758)	(19,712)	1,468	866
Cash flow hedges gain/(loss)				
Unrealised loss on changes in fair value of cash flow hedges	(95,932)	(14,455)	(132,059)	(16,933)
	(95,932)	(14,455)	(132,059)	(16,933)

#### Investment revaluation gain/(loss)

External valuations are obtained for Christchurch City Holdings Limited and Vbase Limited. All other subsidiaries are valued using an internal fair value model.

#### Cash flow gain/(loss)

This unrealised loss on cash flow hedges has occurred mainly because the fixed interest rates in the hedge contracts are higher than market interest rates at balance date. During the year, the swap market factored a decline in the official cash rate (OCR) of between 75 and 100 basis points into its pricing and is reflected in a drop in average swap rates of 110 basis points between June 2018 and June 2019. In the year to 30 June 2019 the OCR only eased by 25 basis points but a further 50 basis point drop occurred in August 2019. This highlighted the potential for further easing in rates in the New Zealand swap market. The Council provides sensitivity analysis in note 19.5(a) to highlight potential impacts of changes in market interest rates.

#### 6. Receivables and prepayments

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Recoverables from non-exchange transactions				
- Current	68,982	76,427	67,150	72,186
Receivables from exchange transactions			-	-
- Current	13,668	15,113	106,942	102,459
- Non-current	-	-	6,596	7,474
Total debtors and other receivables	82,650	91,540	180,688	182,119
This comprises of:				
Rates receivables	14,559	12,418	14,559	12,418
Non-exchange receivables from user charges	2,353	1,525	2,353	1,525
Other trade receivables	34,641	49,334	97,977	104,499
Related party receivables	7,479	11,045	-	-
Subtotal: Trade receivables	59,032	74,322	114,889	118,442
Prepayments	5,415	6,180	23,145	22,851
Chargeable work in progress	-	-	22,420	26,356
Contract retentions	-	-	3,385	3,427
GST receivables	11,192	5,152	8,597	2,094
Dividends receivable	1,187	-	1,187	-
Other	5,993	6,753	7,530	10,177
Finance lease receivable	-	-	125	134
	82,819	92,407	181,278	183,481
Provision for impairment				
Individual impairment	-	(555)	(404)	(1,042)
Collective impairment	(169)	(312)	(186)	(320)
	(169)	(867)	(590)	(1,362)
Total receivables and prepayments	82,650	91,540	180,688	182,119

Movement in provision for impairment of receivables:

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Movement in provision for impairment of receivables				
At 1 July	(867)	(1,118)	(1,362)	(1,827)
Provisions made during year	(391)	(291)	(512)	(457)
Provisions reversed during year	1,031	426	1,221	760
Receivables written off during year	58	116	63	162
At 30 June	(169)	(867)	(590)	(1,362)

#### Credit risks aging of trade receivables

				2019			2018
	Estimated gross amount at default \$000	Expected credit loss rate %	Impairment \$000	Net \$000	Gross \$000		Net \$000
Council							
Not past due	46,990	0.0%	(22)	46,968	50,339	-	50,339
Past due 1-60 days	1,394	1.1%	(15)	1,379	9,380	-	9,380
Past due 61-120 days	7,712	0.4%	(31)	7,681	5,615	(642)	4,973
Past due over 120 days	2,936	3.4%	(101)	2,835	8,988	(225)	8,763
Total	59,032		(169)	58,863	74,322	(867)	73,455

For the purpose of aging analysis, trade receivables above includes rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables.

As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

No impairment is provided on rates receivables as the Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. The expected credit loss rates for trade receivables are based on the payment profile of revenue on credit over the past year at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forwardlooking macro-economic factors that might affect the recoverability of receivables. The balance of the movement was recognised in net surplus and deficit for the current financial year.

#### 7. Payables

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Taxes and transfers payable	50,036	51,176	52,739	50,759
Payables under exchange transactions - current	95,275	120,934	200,465	212,042
Payables under exchange transactions - non-current	2,650	-	2,650	-
Total creditors & other payables	147,961	172,110	255,854	262,801
This comprises of:				
Trade payables and accrued expenses	108,948	125,264	216,397	222,768
Amounts due to related parties	13,225	17,600	1,321	-
Interest payable	12,200	11,321	19,443	18,176
Deposits held	-	-	1,672	494
Amounts due to customers under construction contracts	-	-	110	110
Other	-	-	-	-
Retentions	13,588	17,925	16,911	21,253
Total creditors and other payables	147,961	172,110	255,854	262,801

#### 8. Income taxes

#### 8.1 Components of tax expense

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Current tax expense/(income)	-	-	42,536	34,867
Adjustments to current tax of prior years	-	-	(2,133)	(3,165)
Deferred tax expense/(income)	208	(3,605)	2,359	18,277
Total tax expense/(income)	208	(3,605)	42,762	49,979
Reconciliation of prima facie income tax:				
Surplus/(deficit) before tax	167,089	192,578	123,680	149,091
Income tax expense at 28% (2018: 28%)	46,784	53,923	34,630	41,745
Non-deductible expenses	-	-	1,918	1,486
Non-assessable income and non-deductible items	(44,095)	(54,744)	4,205	(12,109)
Tax loss not recognised as deferred tax asset	-	-	(1,420)	-
Deferred tax assets on previously unrecognised and unused tax				
losses	-	-	6,854	18,639
(Over)/under provision of income tax in previous year	-	-	(2,457)	(352)
Imputation adjustment	(2,481)	(2,784)	-	-
Other	-	-	(968)	570
Total tax expense/(income)	208	(3,605)	42,762	49,979
Income tax recognised in other comprehensive income				
Deferred tax				
Asset revaluations	-	(678)	-	(30,911)
Revaluations of financial instruments treated as cash flow hedges	-	-	10,980	410
	-	(678)	10,980	(30,501)

The tax rate in the above reconciliation is the corporate tax rate of 28 per cent (2018: 28 per cent) payable by New Zealand companies on taxable profits under New Zealand tax law.

Council is a member of the CCC Tax Group. The tax group includes the Council, Christchurch City Holdings Limited and Vbase Limited. The CCC Tax group has total losses carried forward of \$35.0 million.

During the year, the CCC Tax group distributed \$16.7 million of Tax losses and \$6.5 million of Subvention payments to Eco Central Limited, Red Bus Limited, Lyttelton Port Company Group, Christchurch International Airport Limited and Development Christchurch Limited.

#### 8.2 Current tax assets and liabilities

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Current tax assets				
Tax refund receivable	15	4	86	4,028
Total current tax assets	15	4	86	4,028
Current tax payables				
Income tax payable	-	-	(592)	2,722
Total current tax liabilities	-	-	(592)	2,722

#### 8.3 Deferred tax balance

				Parent					Group
		Charged t	o:			Charged to	<b>D:</b>		
30 June 2019	Opening balance \$000	Net surplus and deficit \$000	Other compr. revenue and expense \$000	Closing balance \$000	Opening balance \$000	Net surplus and deficit \$000	Other compr. revenue and expense \$000	Acquired through business comb.	Closing balance \$000
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	4,621	-	-	-	4,621
Property, plant and					.,021				.,021
equipment	4,691	(395)	-	4,296	338,301	(4,666)	-	-	333,635
Intangible assets	-	-	-	-	332	65	-	-	397
Other	-	-	-	-	63,926	6,173	-	271	70,370
	4,691	(395)	-	4,296	407,180	1,572	-	271	409,023
<b>Deferred tax assets:</b> Cashflow/Fair value hedges	_	-	-	_	9,538	834	10,980	_	21,352
Provisions and employee					,		,		
entitlements	-	-	-	-	9,040	(1,388)	-	-	7,652
Doubtful debts and impairment losses	-	-	-	-	123	(51)	-	115	187
Tax losses	4,691	(603)	-	4,088	-	-	-	-	-
Other	-	-	-	-	603	(182)	-	-	421
	4,691	(603)	-	4,088	19,304	(787)	10,980	115	29,612
Net deferred tax									
liability/(asset)	-	208	-	208	387,876	2,359	(10,980)	156	379,411

		Chaused 4		Parent		Chavrade			Group
		Charged t Net	o: Other compr.			Charged to Net	o: Other compr.	Acquired	
	Opening balance \$000	surplus and deficit \$000	revenue and expense \$000	Closing balance \$000	Opening balance \$000	surplus and deficit \$000	revenue and expense \$000	through business comb.	Closing balance \$000
30 June 2018									
<b>Deferred tax liabilities:</b> Cashflow/Fair value									
hedges Property, plant and	-	-	-	-	4,621	-	-	-	4,621
equipment	5,593	(224)	(678)	4,691	305,388	2,002	30,911	-	338,301
Intangible assets	-	-	-	, -	486	(154)	-	-	332
Other	-	-	-	-	62,370	1,556	-	-	63,926
	5,593	(224)	(678)	4,691	372,865	3,404	30,911	-	407,180
<b>Deferred tax assets:</b> Cashflow/Fair value									
hedges	-	-	-	-	9,213	(85)	410	-	9,538
Provisions and employee entitlements	-	-	-	-	8,433	609	-	-	9,042
Doubtful debts and impairment losses	-	-	-	-	136	(13)	-	-	123
Tax losses	1,310	3,381	-	4,691	-	-	-	-	-
Other	-	-	-	-	15,985	(15,384)	-	-	601
	1,310	3,381	-	4,691	33,767	(14,873)	410	-	19,304
Net deferred tax liability/(asset) 	4,283	(3,605)	(678)	-	339,098	18,277	30,501	-	387,876

#### 8.4 Unrecognised tax losses

There are no unrecognised tax losses in both parent and group.

#### 8.5 Imputation credit balances

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Imputation credits available for use in subsequent reporting				
periods	-	-	23,995	124,720

		<b>Opening balances</b>				Current yea	Current year movements				<b>Closing balances</b>	
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Net disposals/ Transfers*	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
Council 2019	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational assets												
<b>Freehold land</b>	502,773	(46)	502,727	14,593	(31, 843)	ı		(2,678)	1	485,522	(2,723)	482,799
Buildings	735,971	(2,285)	733,686	124,894	(24,240)	ı	ı	(28,697)	8,203	844,489	(30,643)	813,846
Plant & equipment	157,994	(122,067)	35,927	13,954	(662)		ı	(9,083)	ı	145,480	(105,377)	40,103
Work in progress	135,152	ı	135,152			ı	(95,782)		I	39,370	ı	39,370
Landfill at cost	8,217	(8,217)				ı	ı		I	8,217	(8,217)	
Library books at cost	125,231	(111,146)	14,085	4,000	-			(4,535)	-	129,231	(115,681)	13,550
	1,665,338	(243,761)	1,421,577	157,441	(56,778)		(95,782)	(44,993)	8,203	1,652,309	(262,641)	1,389,668
Infrastructure assets												
Roading network	2,574,265	(57,761)	2,516,504	138,227	(2,780)	I	ı	(61,318)	19,513	2,610,304	(158)	2,610,146
Sewerage	2,246,742	(53,855)	2,192,887	44,114	(10,739)	I	ı	(52,507)	2,984	2,282,735	(105,996)	2,176,739
Water	1,515,997	(35,281)	1,480,716	22,894	(3,177)	I	ı	(35,731)	I	1,535,627	(70,925)	1,464,702
Stormwater	917,828	(12,334)	905,494	61,426	(1,079)	I	ı	(12,619)	I	978,158	(24,936)	953,222
Work in progress	236,529	ı	236,529	ı		ı	(16,207)		ı	220,322		220,322
	7,491,361	(159,231)	7,332,130	266,661	(17,775)		(16,207)	(162,175)	22,497	7,627,146	(202,015)	7,425,131
<b>Restricted assets</b>												
Land and buildings	889,712	(2,115)	887,597	80,073	(710)	I	ı	(13,327)	(725)	968,350	(15,442)	952,908
Marine structure	26,502	(1,126)	25,376	2,283		I	ı	(1,273)	I	28,786	(2,400)	26,386
Artworks	71,048	(211)	70,837	2,241		I	ı	(13)	5,241	78,246	1	78,246
Heritage assets	23,195	(275)	22,920		(32)	I	ı	(24)	I	23,021	(157)	22,864
Public art	14,735	(14)	14,721	381	32	I	ı	(15)	I	15,198	(62)	15,119
Library books	7,720	ı	7,720	255	ı	ı	·	ı	I	7,975	ı	7,975
Work in progress	24,231	ı	24,231	I	ı	I	(9,262)	ı	I	14,969		14,969
	1,057,143	(3,741)	1,053,402	85,233	(110)	•	(9,262)	(14,712)	4,516	1,136,545	(18,078)	1,118,467
<b>Total Parent PPE</b>	10,213,842	(406,733)	9,807,109	509,335	(75,263)		(121,251)	(221,880)	35,216	10,416,000	(482,734)	9,933,266

\* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

9. Property, plant & equipment

Current buildingCurrent densitiesCurrent densitie			<b>Opening balances</b>				Current ye	<b>Current year movements</b>				<b>Closing balances</b>	
500         500 <th></th> <th>Cost/ valuation</th> <th>Accumulated depreciation</th> <th>Carrying amount</th> <th>Additions</th> <th>Net disposals/ Transfers**</th> <th>Impairment charged to surplus</th> <th>Net movement in WIP</th> <th>Depreciation</th> <th>Revaluation movement</th> <th>Cost/ valuation</th> <th>Accumulated depreciation</th> <th>Carrying amount</th>		Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Net disposals/ Transfers**	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
3         43,304         (11,56)         53,30         (2,22)         ·         (1,72)         49,24         502,73         (46)         ·           701,76         (4,64)         65,412         87,831         1,533         1,533         735,91         735,91         (2,23)         1           95,160         (11,54)         65,412         87,83         1,533         1,533         73,91         (2,230)         1         1,533,12         (2,303)         1           82,17         (8,21)          6,153         (1,120)          1,53,123         (2,303)         1         1,513,123         (46)          1,53,123         (2,163)          8,217         (8,21)          8,217         (8,21)          8,217         (8,21)          1,53,123         (11,40)          1,53,123         (11,40)          1,53,123         (11,40)          1,53,123         (11,40)          1,53,123         (11,40)          1,53,133         1,40          1,53,133         1,40          1,53,133         1,40          1,41,133         1,41         1,41,133         1,41,43		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
3         44,4,4         42,34         55,30         55,30         55,30         55,30         55,30         55,30         55,30         52,33         16           19,9,40         (1,9,4)         36,413         37,33         (1,2,00)         1,51,32         75,911         2,256         1           95,380         (1,2,12)         34,66         11,619         1,520         1,520         15,31         (1,2,00)         1         1,52,31         75,911         (2,256)         1           95,380         (1,2,12)         3,66         1,651         1,657         96,46         1,52,067         1,53,167         1,44,66         1,52,067         1,44           95,140         (1,2,00)         1,469,66         1,4527         4,066         1,655,39         (1,2,2,067         1,43           1,141,02         (1,00)         1,469,667         1,469,66         1,465,39         2,144,166         1,43,465         5,743         1,43 <th>Council 2018</th> <th></th>	Council 2018												
44,304         (11,964)         62,330         35,301         (5,62)         5         69,43         50,773         (60)         7           1         139,803         (1,2,17)         6         1,758         1,7594         1,2036         1           95,189         (2,1,2,17)         5,18         1,132         (1,3,1)         1,132         1,136         1,136         1,136         1,136         1,136         1,136         1,136         1,136         1,136         1,116<	<b>Operational assets</b>												
(11,16) $(4,64)$ $65,123$ $8,731$ $15,732$ $73,591$ $12,793$ $7$ $9,903$ $(12,1,27)$ $36,673$ $14,577$ $4,676$ $11,639$ $(12,1,67)$ $12,794$ $(12,1,67)$ $8,217$ $(8,217)$ $4,657$ $1,657$ $4,089$ $  9,0449$ $12,7697$ $12,7697$ $12,7697$ $8,217$ $(8,217)$ $4,651$ $1,4577$ $4,089$ $   -$ <	<b>Freehold land</b>	434,304	(11,954)	422,350	35,301	(2,622)		ı	(1,726)	49,424	502,773	(46)	502,727
It         159,03         (12,15,17)         34,67         11,610         (12,067) $\cdot$	Buildings	701,766	(47,643)	654,123	87,831	1,758		,	(25,298)	15,272	735,971	(2,285)	733,686
95,189 $3,11$ $3,216$ $3,7161$ $2,24,751$ $1,4$ $1,491,02$ $(1,00)$ $1,38992$ $2,3660$ $(7,165)$ $2,139$ $2,139$ $2,139$ $2,3461$ $2,751$ $1,146$ $1,491,02$ $(1,00)$ $1,489922$ $2,16,30$ $2,166$ $7,165$ $3,761$ $2,27,425$ $5,7761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$ $2,27,761$	Plant & equipment	159,803	(125,127)	34,676	11,619	(1,320)	ı	ı	(9,048)	1	157,994	(122,067)	35,927
8,217         6,217         -         -         -         -         -         -         8,217         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (8,217)         (11,1,16)         (11	Work in progress	95,189	ı	95,189		I	ı	39,963	I	1	135,152	ı	135,152
311         112,142         1105,615         14,571         4,089         -         -         (45,31)         -         112,521         (111,146)           445         1,520,421         (239,556)         1,220,863         56,746         7,83         (24,761)         1,46           445         2,476,787         (2,46,72)         2,574,266         (57,761)         2,574,266         (57,761)         2,5           2,187,396         (2,164)         1,430,323         6,6,65         -         -         (3,4,211)         -         2,574,266         (57,761)         2,5           2,187,396         (2,164)         1,430,323         6,6,65         -         -         (3,4,211)         -         2,574,266         (57,761)         1,4           2,187,396         (2,164)         7,685         -         -         (3,4,211)         -         2,574,266         (57,761)         1,4           2,143,03         2,3141         2,3246         1,453,93         3,761         2,546,72         (3,5,301)         1,3           1,17,363         3,761         1,223,596         (15,643)         3,761         2,546,529         1,2         3,761         1,243,937         1,2         3,731         1,3	Landfill at cost	8,217	(8,217)	I		ı		ı	ı		8,217	(8,217)	
1,520,421         (299,556)         1,220,666         1,36,603         5,164         7,166         7,166,73         2,374,266         5,7761         7,46           2,476,787         (2,46)         2,164         2,185,232         61,624         (6,053)         2         2,574,266         (5,761)         2,3           2,187,396         (2,164)         2,185,232         61,624         (6,053)         2         3,761         2,46,742         (5,333)         2,1           1,491,032         (1,070)         1,489,62         2,5590         (7,883)         2,1         2,374,56         (5,761)         2,3           873,330         (6,163)         2,2650         (7,883)         2,346         (1,2334)         1,4           1,491,032         (1,070)         1,489,62         237,435         (1,1,994)         2         2,46,742         (5,3333)         2,3           1,491,032         (1,3761)         2,346         (1,1,994)         2,346,742         (3,3333)         1,3           1,736,133         3,761         (1,1,994)         2,346,742         (3,3333)         1,3           1,736,133         3,761         (1,1,994)         2,346,742         (3,3333)         1,3           1,736,133 <td< td=""><td>Library books at cost</td><td>121,142</td><td>(106,615)</td><td>14,527</td><td>4,089</td><td></td><td></td><td></td><td>(4,531)</td><td>-</td><td>125,231</td><td>(111, 146)</td><td>14,085</td></td<>	Library books at cost	121,142	(106,615)	14,527	4,089				(4,531)	-	125,231	(111, 146)	14,085
ets         2,476,761         (24)         2,476,763         96,746         733         -         6,7730         2,574,565         (57,761)         2,5           2,187,336         (2,164)         2,185,322         6,1624         (6,055)         -         (51,675)         3,761         2,46,742         (53,855)         2,1           1,491,032         (1,070)         1,489,962         32,650         (7,685)         -         (11,944)         1         1,534597         (53,853)         2,1           1,491,032         (1,070)         1,489,962         32,550         (7,61)         2,46,742         (53,853)         2,1           1,97,283         (1,070)         1,489,962         37,61         7,33,40         (31,234)         9           1,726,028         (37,761)         7,32,466         (7,192)         (7,1194)         1,41,23         (31,334)         9           1,7436         (1,0         (39,262)         74,32         (13,234)         9         9         7,33         7,33           1,7436         (1,71         1,41,429         (33,234)         9         9         7,41         7,491,361         (14,92,31)         7,41           1,7436         (1,71,420         (1,764)		1,520,421	(299,556)	1,220,865	138,840	(2,184)	•	39,963	(40,603)	64,696	1,665,338	(243,761)	1,421,577
2,476,787 $(24)$ $2,476,763$ $66,746$ $733$ $5$ $5,7761$ $2,574,265$ $(57,761)$ $2,574,265$ $(57,761)$ $2,254,742$ $(53,855)$ $2,13,5397$ $(53,1552)$ $2,155,597$ $(53,855)$ $2,13,3395$ $1,491,032$ $(1,070)$ $1,489962$ $3,2650$ $(7,685)$ $ (34,211)$ $ (34,67,7,76)$ $(53,852)$ $2,13,339$ $87,3530$ $(1,070)$ $1,489,962$ $33,763$ $(2,13,94)$ $(35,28)$ $1,3$ $97,783$ $(4,01)$ $(7,33)$ $(4,11)$ $(2,255)$ $(1,19,4)$ $(1,32,21)$ $7,3$ $7,226,028$ $(3,460)$ $7,22,568$ $(2,3,25)$ $(1,3,94)$ $(3,1,3,2)$ $(1,2,2,3,$	Infrastructure assets												
2,187,396 $(2,164)$ $2,185,222$ $61,624$ $(6,055)$ $ (1,070)$ $1,489,962$ $32,650$ $(7,685)$ $ (1,194)$ $2,155,997$ $(5,355)$ $2,1$ $873,530$ $(2,070)$ $873,328$ $46,415$ $(2,255)$ $ (1,194)$ $ 917,828$ $(1,2,334)$ $9$ $873,530$ $(202)$ $873,328$ $46,415$ $(2,255)$ $ 39,246$ $(1,294)$ $ 23,6529$ $ 2$ $17,235$ $237,460$ $7,225,68$ $237,435$ $(1,29,231)$ $7,3$ $ 23,652$ $(1,2,2,2,1)$ $7,3$ $7,26,028$ $(39,262)$ $7,435$ $237,436$ $(1,2,2,34)$ $7,3$ $7,736,028$ $(39,62)$ $7,334$ $9,246$ $(1,25,618)$ $3,761$ $(1,99,321)$ $(1,39,231)$ $7,3$ $7,736,028$ $(39,72)$ $(1,76,2)$ $39,246$ $(1,25,618)$ $3,741$ $(1,99,321)$ $(1,39,221)$ $(1,39,221)$ $(1,39,221)$ <td>Roading network</td> <td>2,476,787</td> <td>(24)</td> <td>2,476,763</td> <td>96,746</td> <td>733</td> <td>'</td> <td>ı</td> <td>(57,738)</td> <td>1</td> <td>2,574,265</td> <td>(57,761)</td> <td>2,516,504</td>	Roading network	2,476,787	(24)	2,476,763	96,746	733	'	ı	(57,738)	1	2,574,265	(57,761)	2,516,504
1,491,032 $(1,070)$ $1,489,662$ $32,650$ $(7,685)$ $ (3,421)$ $ (3,523)$ $1,3$ $873,530$ $(202)$ $873,328$ $46,415$ $(2255)$ $ 33,246$ $ 236,529$ $ 2$ $197,283$ $ 197,283$ $(15,263)$ $2$ $33,246$ $(13,94)$ $ 236,529$ $ 2$ $7,25,628$ $(39,262)$ $796,137$ $(15,263)$ $1,56,134$ $7,33$ $7,33$ $7,25,628$ $(39,262)$ $796,137$ $45,492$ $133,296$ $(15,613)$ $2,764$ $(12,34)$ $7,33$ $7,726,028$ $(139,262)$ $799,136$ $7,32,564$ $13,736$ $139,261$ $7,33$ $7,33$ $7,740,566$ $(140)$ $69,916$ $99,06$ $   23,196$ $(12,16)$ $7,33$ $7,748$ $7,749$ $80,712$ $1,770$ $ 1,770$ $1,770$ $23,195$ $(17,1)$	Sewerage	2,187,396	(2,164)	2,185,232	61,624	(6,055)		ı	(51,675)	3,761	2,246,742	(53,855)	2,192,887
873,530         (20)         873,328         46,415         (2,255)         -         -         (11,94)         -         917,828         (12,334)         5           197,283         .	Water	1,491,032	(1,070)	1,489,962	32,650	(7,685)	ı	ı	(34,211)	1	1,515,997	(35,281)	1,480,716
197,283 $197,283$ $197,283$ $197,283$ $197,283$ $197,283$ $17,25,028$ $237,435$ $15,5613$ $3,761$ $7,991,361$ $7,100$ $7,100$ $7,100$ $7,0056$ $(1,10)$ $6,90,166$ $  (1,11,19)$ $ 26,502$ $(1,12,6)$ $7,1126$ $7,0056$ $(1,10)$ $6,90,166$ $   7,1048$ $(2,112)$ $8$ $7,0056$ $24,333$ $24,44$ $(2,764)$ $ (7,11)$ $ 7,1048$ $(2,11)$ $ 13,779$ $24,331$ $  -$	Stormwater	873,530	(202)	873,328	46,415	(2,255)	ı	ı	(11,994)	I	917,828	(12,334)	905,494
7,226,028         (3,460)         7,222,568         237,435         (15,262)         5         3,761         7,491,361         (159,231)         7,3           17,226,028         (39,262)         796,137         45,492         139         -         3,9246         (15,563)         3,761         (159,231)         7,3           17,436         (7)         17,429         9,066         -         -         (1,119)         -         26,502         (1,126)         (211)           70,056         (140)         69,916         992         -         -         (1,119)         -         7(1,048         (211)           70,056         (140)         69,916         992         -         -         (1,119)         -         7(1,048         (211)           70,056         (140)         69,916         956         -         -         (1,119)         -         7(1,048         (211)           70,056         (140)         69,916         956         -         -         (1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)         7(1,126)	Work in progress	197,283		197,283				39,246		-	236,529		236,529
s         833,399         (39,262)         796,137         45,492         139         -         (1,119)         51,784         889,712         (2,115)         8           17,436         (7)         17,429         9,066         -         -         (1,119)         -         26,502         (1,126)         (1,126)         (1,126)         (1,126)         (2,116)         8           70,056         (140)         66,916         992         -         -         (71)         -         71,048         (2,112)         (2,1126)           24,686         (253)         24,433         444         (2,764)         -         -         (71)         -         71,048         (211)           24,686         (253)         24,433         444         (2,764)         -         (71)         -         71,048         (211)           7,488         -         7,488         233,05         -         -         -         14,735         (14)           7,488         -         -         -         -         -         -         7,720         -         -         7,720         -         -         -         -         -         -         -         -         -		7,226,028	(3,460)	7,222,568	237,435	(15,262)		39,246	(155,618)	3,761	7,491,361	(159,231)	7,332,130
s         835,399         (39,262)         796,137         45,492         139 $  (5,555)$ $51,784$ 889,712 $(2,115)$ $8$ $17,436$ $(7)$ $17,429$ $9,066$ $   (119)$ $ 26,502$ $(1,126)$ $(1,126)$ $(1,126)$ $70,056$ $(140)$ $66,916$ $922$ $  (7,11)$ $ 26,502$ $(1,126)$ $(112)$ $24,686$ $(253)$ $24,433$ $444$ $(2,764)$ $ (7,11)$ $ 71,048$ $(211)$ $24,686$ $(253)$ $24,433$ $444$ $(2,764)$ $ (71)$ $ 71,048$ $(211)$ $13,779$ $ 13,779$ $ 7,448$ $233,195$ $(275)$ $(14)$ $7,488$ $ 7,488$ $233,092$ $           -$	<b>Restricted assets</b>												
17,436 $(7)$ $17,429$ $9,066$ $  (1,119)$ $ 26,502$ $(1,126)$ $70,056$ $(140)$ $69,916$ $992$ $   (71)$ $ 23,195$ $(211)$ $24,686$ $(253)$ $24,433$ $444$ $(2,764)$ $  (71)$ $ 23,195$ $(211)$ $24,686$ $(253)$ $24,433$ $444$ $(2,764)$ $  (71)$ $ 14,735$ $(14)$ $13,779$ $ 13,779$ $956$ $   (14)$ $ 14,735$ $(14)$ $7,488$ $ 7,488$ $232$ $        30,921$ $ 30,921$ $          90,765$ $(33,662)$ $960,103$ $57,182$ $(2,625)$ $   -$	Land and buildings	835,399	(39,262)	796,137	45,492	139	ı		(5,955)	51,784	889,712	(2,115)	887,597
70,056 $(140)$ $69,916$ $992$ $  (71)$ $ 71,048$ $(211)$ $24,686$ $(253)$ $24,433$ $444$ $(2,764)$ $  (23)$ $830$ $23,195$ $(275)$ $13,779$ $ 13,779$ $956$ $  (2,764)$ $  (14)$ $ (14,735)$ $(14)$ $7,488$ $ 7,788$ $232$ $   (14)$ $ 7,720$ $ 30,921$ $ 30,921$ $   (6,690)$ $  24,231$ $ 30,921$ $ 30,921$ $   (6,690)$ $  24,231$ $  99,765$ $(39,662)$ $960,103$ $57,182$ $(2,625)$ $ (6,690)$ $(7,182)$ $52,614$ $1,057,143$ $(3,741)$ $1,0$ $99,765$ $(33,662)$ $9403,536$ $433,457$ $(20,71)$ $ 7,519$ $(203,403)$ $121,071$ $10,213,842$ $(406,733)$ $9,8$	Marine structure	17,436	(1)	17,429	9,066	I	ı	I	(1,119)	1	26,502	(1,126)	25,376
24,686 $(253)$ $24,433$ $444$ $(2,764)$ $ (23)$ $830$ $23,195$ $(275)$ $13,779$ $ 13,779$ $ 13,779$ $   -$ <td< td=""><td>Artworks</td><td>70,056</td><td>(140)</td><td>69,916</td><td>992</td><td>I</td><td>ı</td><td>I</td><td>(71)</td><td>1</td><td>71,048</td><td>(211)</td><td>70,837</td></td<>	Artworks	70,056	(140)	69,916	992	I	ı	I	(71)	1	71,048	(211)	70,837
13,779 $13,779$ $956$ $  (14)$ $ 14,735$ $(14)$ $1$ $7,488$ $ 7,488$ $232$ $    7,720$ $  7,720$ $     7,720$ $  -$	Heritage assets	24,686	(253)	24,433	444	(2,764)	ı	ı	(23)	830	23,195	(275)	22,920
7,488       232       -       -       -       -       7,720       -         30,921       -       30,921       -       30,921       -       24,231       -       2         999,765       (39,662)       960,103       57,182       (2,625)       -       (6,690)       (7,182)       52,614       1,057,143       (3,741)       1,05         999,765       (33,662)       960,103       57,182       (2,625)       -       (6,690)       (7,182)       52,614       1,057,143       (3,741)       1,05         9,746,214       (342,678)       9,403,536       433,457       (20,071)       -       72,519       (203,403)       121,071       10,213,842       (406,733)       9,80	Public art	13,779	ı	13,779	956	I	ı	I	(14)	I	14,735	(14)	14,721
30,921     -     30,921     -     -     -     (6,690)     -     -     24,231     -       999,765     (39,662)     960,103     57,182     (2,625)     -     (6,690)     (7,182)     52,614     1,057,143     (3,741)       99,765     (39,662)     960,103     57,182     (2,625)     -     (6,690)     (7,182)     52,614     1,057,143     (3,741)       9,746,214     (342,678)     9,403,536     433,457     (20,071)     -     72,519     (203,403)     121,071     10,213,842     (406,733)	Library books	7,488	ı	7,488	232	I	ı	I	I	1	7,720	ı	7,720
999,765         (39,662)         960,103         57,182         (2,625)         -         (6,690)         (7,182)         52,614         1,057,143         (3,741)           9,746,214         (342,678)         9,403,536         433,457         (20,071)         -         72,519         (203,403)         121,071         10,213,842         (406,733)	Work in progress	30,921		30,921		ı		(6,690)	ı	I	24,231		24,231
9,746,214 (342,678) 9,403,536 433,457 (20,071) - 72,519 (203,403) 121,071 10,213,842 (406,733)		999,765	(39,662)	960,103	57,182	(2,625)	•	(6,690)	(7,182)	52,614	1,057,143	(3,741)	1,053,402
	Total Parent PPE	9,746,214	(342,678)	9,403,536	433,457	(20,071)		72,519	(203,403)	121,071	10,213,842	(406,733)	9,807,109

		Opening balances				Current vea	Current vear movements			•	<b>Closing balances</b>	
		0			Net	Impairment	Net				D	
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	disposals/ Transfers*	charged to surplus	movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Group 2019 Operational assets												
Freehold land	1,104,665	(11,306)	1,093,359	35,738	(41,654)	ı	ı	(2,685)	I	1,098,747	(13,990)	1,084,757
Buildings	1,317,533	(152, 124)	1,165,409	130,516	107,931			(55,585)	8,203	1,563,844	(207,370)	1,356,474
Plant & equipment	578,630	(402,391)	176,239	66,601	16,542	(4,370)	179	(40,033)	I	631,798	(416, 641)	215,157
Electricity	1 011 603	(10 500)		305 73	1000 17			(258.05)		1 000 170	(101, 98)	1 010 222
distribution	1,U41,bU3	(295,24)	C50,588	CK5,390	(1,320)	(000,0)	ı	(39,833)		т, иуу, т к	(T04,88)	т, и ти, и и
Airport infrastructure	353,865		353,865	I	11,789	I	I	(11,226)	27,924	393,578	(11, 226)	382,352
Harbour structures	322,348	(135,472)	186,876	83,403	(3,774)	·	ı	(4,918)	I	401,977	(140, 390)	261,587
Optical fibre network	484,801	(9,582)	475,219	60,033	(1)	I	I	(18,910)	ı	544,833	(28,492)	516,341
Work in progress	397,362	I	397,362	51,741	(130, 263)		(61, 634)	ı	1	257,206	ı	257,206
Landfill at cost	8,217	(8,217)	I	'	ı			ı	1	8,217	(8,217)	ı
Library books at cost	125,231	(111, 146)	14,085	4,000	ı			(4,535)	1	129,231	(115,681)	13,550
	5,734,255	(878,806)	4,855,449	496,427	(40,750)	(0,870)	(61,455)	(177,725)	36,127	6,128,609	(1,030,408)	5,098,201
Infrastructure assets	7,495,231	(159,231)	7,336,000	266,661	(17,775)		(16,207)	(162,175)	22,497	7,631,016	(202,015)	7,429,001
Restricted assets	1,057,143	(3,741)	1,053,402	85,233	(710)		(9,262)	(14,712)	4,516	1,136,545	(18,078)	1,118,467
Total Group PPE	14,286,629	(1,041,778)	13,244,851	848,321	(59,235)	(9,870)	(86,924)	(354,612)	63,140	14,896,170	(1,250,501)	13,645,669
Group 2018												
<b>Operational assets</b>												
<b>Freehold land</b>	908,031	(23,205)	884,826	46,039	23,875	(3)	ı	(1,733)	140,355	1,104,665	(11,306)	1,093,359
Buildings	1,288,271	(258,498)	1,029,773	118,465	4,857	(30)	·	(50,339)	62,683	1,317,533	(152, 124)	1,165,409
Plant & equipment	562,940	(397,402)	165,538	47,335	(319)	(130)	ı	(36,185)	I	578,630	(402, 391)	176,239
Electricity												
distribution	980,700	(4)	980,696	63,289	(1,256)	(10, 849)	ı	(38,845)		1,041,603	(48,568)	993,035
Airport infrastructure	317,508	(8,746)	308,762	ı	16,834		ı	(10, 307)	38,576	353,865		353,865
Harbour structures	279,529	(128, 158)	151,371	35,009	6,088	I	I	(5,592)	ı	322,348	(135, 472)	186,876
Optical fibre network	400,238	(22,589)	377,649	80,657	(1)			(17,605)	34,519	484,801	(9,582)	475,219
Work in progress	295,289		295,289	'	ı		102,073		'	397,362		397,362
Landfill at cost	8,217	(8,217)	I	ı	ı				1	8,217	(8,217)	ı
Library books at cost	121,142	(106, 615)	14,527	4,089	ı			(4,531)	1	125,231	(111, 146)	14,085
	5,161,865	(953,434)	4,208,431	394,883	50,078	(11,012)	102,073	(165,137)	276,133	5,734,255	(878,806)	4,855,449
Infrastructure assets	7,229,898	(3,460)	7,226,438	237,435	(15, 262)		39,246	(155, 618)	3,761	7,495,231	(159, 231)	7,336,000
Restricted assets	999,765	(39,662)	960,103	57,182	(2,625)		(6,690)	(7,182)	52,614	1,057,143	(3,741)	1,053,402
Total Group PPE	13,391,528	(996,556)	12,394,972	689,500	32,191	(11,012)	134,629	(327,937)	332,508	14,286,629	(1,041,778)	13,244,851

\*\* Specialised assets include finance lease assets, airport sealed surfaces, harbour structures and other specialised assets.

#### 9.1 Work in progress

Property, plant, and equipment under construction by class of asset is detailed below:

	30 Jun 19 \$000	Council 30 Jun 18 \$000
Wastewater	49,194	40,339
Water	26,695	13,484
Stormwater	55,765	76,810
Roading	88,668	105,896
Total infrastructural	220,322	236,529
Intangibles	14,938	11,703
Building	54,339	159,383
Total work in progress	289,599	407,615

#### 9.2 Core Assets

Included within the infrastructure assets above are the following core Council assets.

	Closing Book Value \$000	Assets constructed for the year \$000	Assets transferred for the year \$000	Replacement Cost as at year end \$000
2019				
Treatment Plants	20,426	-	-	28,101
Reticulation	1,444,276	21,495	1,399	2,538,914
Water Supply	1,464,702	21,495	1,399	2,567,015
Treatment Plants	244,076	4,693	-	467,070
Reticulation	1,932,663	37,664	1,757	3,397,900
Sewerage	2,176,739	42,357	1,757	3,864,970
Stormwater Drainage	840,261	32,088	3,172	1,224,197
Flood Protection and Control Works	112,961	26,166	-	123,571
Roads and Footpaths	2,610,146	121,772	16,455	3,935,732
2018				
Treatment Plants	-	81	-	28,101
Reticulation	1,480,716	31,360	1,209	2,525,070
Water Supply	1,480,716	31,441	1,209	2,553,171
Treatment Plants		21,648		462,377
Reticulation	2,192,887	37,571	2,405	3,383,765
Sewerage	2,192,887	<b>59,219</b>	2,405 2,405	3,846,142
JEWEI ABE	2,192,887	55,219	2,405	3,040,142
Stormwater Drainage	817,842	33,942	2,297	1,190,352
Flood Protection and Control Works	87,652	10,176	-	97,404
Roads and Footpaths	2,516,504	89,273	7,473	3,709,063

The Council completed the construction of \$243.6 million (2018: \$224.1 million) of assets relating to its core infrastructure assets and received a further \$22.8 million (2018: \$12.0 million) of assets. These assets are carried at their net book value using their respective historical costs or deemed costs as revalued. The replacement cost is based on the replacement cost estimate at the last valuation of the asset class, water supply (2017), sewerage (2017), stormwater drainage including flood protection and control works (2017) and roads and footpaths (2019), plus assets constructed and transferred since the last revaluation date.

#### 9.3 Revaluations and review for impairment

#### 2019 Revaluations

The following revaluations were undertaken in 2019 in accordance with PBE IPSAS 17.

Roading assets were revalued by WSP-OPUS at 30 June 2019. The fair value of the roading assets was determined using the depreciated replacement cost method in accordance with PBE IPSAS 17. The roading class of assets includes \$428.6 million of land under roads which has not been revalued. Council's policy is not to revalue land under roads. Depreciated replacement cost was calculated using the following assumptions:

Useful lives of assets were reviewed using accepted national standards and comparison to other councils. Current asset condition data was used to adjust useful lives.

Unit costs were calculated with reference to the unit rates to reproduce the assets. The unit rates include all incidental costs such as project costs including reinstatement costs. These have been reviewed for the national market. In 2019, the fair value of roading assets was revalued to \$2.1 billion excluding land under roads before impairment.

Works of art housed at the Christchurch Art Gallery (CAG) and Akaroa Museum have been valued as at 30 June 2019 by Art + Object Limited. The fair value of the art works is assessed at the estimated market value. The market value has been assessed at \$77.7 million.

#### **Other revaluations**

Other than the revaluations undertaken in 2019, the most recent valuations for the other asset classes were as follows:

Park improvement were valued as at 30 June 2018 by Council staff and reviewed by WSP-Opus. The fair value of park improvements is \$160 million using optimised depreciated replacement cost.

Land and buildings were valued as at 30 June 2018 by Quotable Value (QV). The fair value of all land and buildings was determined using market based evidence with adjustments to reflect the designation of the land.

The fair value of the residential and commercial buildings were determined using market based evidence while specialised buildings such as libraries, swimming pools and heritage assets were valuesd using optimised depreciated replacement cost in accordance with PBE IPSAS 17. Quantity surveyors are engaged to determine the replacement cost of material assets. The fair value of all land and buildings is \$1.9 billion.

Sewerage assets were valued as at 30 June 2017, 2016 and 2015 by GHD. The fair value of sewerage infrastructure assets was determined using the depreciated replacement cost method in accordance with PBE IPSAS 17.

Water supply infrastructure assets were revalued by Opus at 30 June 2017 using depreciated replacement cost method.

Stormwater, waterways and wetlands infrastructure assets were revalued by Opus at 30 June 2017 using the depreciated replacement cost method in accordance with PBE IPSAS 17.

Marine structure assets were revalued by Beca Projects NZ Limited at 30 June 2017 using depreciated replacement cost method.

Public art was revalued by Art + Object Limited as at 30 June 2017 using depreciated replacement cost method in accordance with PBE IPSAS 17.

Heritage assets were valued by Plant & Machinery Valuers Limited and Dunbar Sloane Limited as at 30 June 2009. Heritage assets were valued at a depreciated reproduction cost. Public Art has been split into a separate asset class and revalued as detailed above.

#### Accounting for earthquake damage

Accounting standards require that when an asset has been destroyed it should be de-recognised, or written off. Similarly, where there is an indication that the value of an asset as recorded in the financial statements is greater than its actual value, the value of that asset must be reduced (this is known as impairment). As the Council revalues its assets it, technically, does not have impairment but rather a revaluation that reduces the value of asset. Given the general understanding of the term, impairment continues to be used in these financial statements.

# Recognition of impaired assets in these financial statements

The table below details the impairment/(impairment reversals) that have been taken against property plant and equipment since the earthquakes.

	2019 \$000	2012-2018 Accumulated \$000	Total \$000
Buildings/ facilities	(7,478)	29,437	21,959
	(7,478)	29,437	21,959
Infrastructural assets			
Sewerage	(2,984)	14,824	11,840
	(2,984)	14,824	11,840
	(10,462)	44,261	33,799

The negative amounts in 2019 relate to reversals of previous impairments or disposals of properties for which an impairment was recognised in prior years.

#### **Buildings / Facilities**

The Council has impaired buildings and facilities in the following situations:

- it is possible to estimate value of damage incurred but not yet repaired; and
- insurance recoveries have been received.

The impairment of the affected buildings was recognised by reducing the value of the assets in the Council's financial statements and by reducing the value of the Council's asset revaluation reserves by an equal amount.

The impairment will be reversed when the buildings are revalued or if repairs are expensed. \$21.9 million of impairment remains at 30 June 2019 (2018 \$29.4 million).

#### Infrastructure

The infrastructure assets of Council were initially impaired at 30 June 2012 following the earthquakes and the impairment provision has been reviewed annually. The impairment of each network is detailed above.

The valuers for the infrastructural assets have taken into account the current condition of these assets, and included an assessment of earthquake damage in the valuations. As a result, the only remaining impairment at 30 June 2019 reflects the remaining earthquake repairs at the CWTP. All other impairment has been reversed.

#### Group

#### **Orion New Zealand Limited**

### Electricity distribution network and substation buildings (the network)

The network was revalued to fair value of \$981 million as at 31 March 2017 by Ernst & Young Transaction Advisory Services Limited (the valuer). The valuer used a discounted cash flow methodology and based their forecast cash flows on Orion's forecasts. Including capital work in progress this resulted in a total network valuation of \$1,028 million.

#### Land and non-substation buildings

Orion's land and non-substation buildings were revalued by CBRE (Chch), to fair value as at 31 March 2017. The valuer selected a representative sample of Orion's substation sites and revalued the land at those sites using sales comparisons and unit metre frontage methodology to develop standard site multipliers which were applied to the rateable land values for approximately 2,300 substation sites.

The head office land and buildings were valued using a market rental assessment and capitalisation rate of 7.5 per cent. The Waterloo Road depot site was valued using a sales comparison method and the buildings under construction using a depreciated cost method.

This resulted in a land and non-substation valuation of \$86 million.

#### **Christchurch International Airport Limited**

On 30 June 2019 car parking assets were revalued by independent valuers Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd.

Land and buildings were revalued by independent valuers Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd as at 30 June 2018. Terminal assets, sealed surfaces, infrastructure assets and specialised buildings were valued by independent valuers Opus International Limited as at 30 June 2018.

#### Lyttelton Port Company Limited

Net carrying value at 30 June 2019 was \$525 million (2018: \$391 million). Due to the specialised nature of the entity, all the Port assets are deemed as being inextricably linked and are therefore treated as a single cash generating unit (CGU) for valuation and impairment purposes. LPC's assets are carried at cost less accumulated depreciation and impairment charges.

LPC have prepared a value in use valuation using internal cash flow projections and received external expert valuation assistance to assist with their impairment assessment. The forecasts and valuation contain a number of assumptions around future growth, profitability, capital expenditure and discount rates. Using the base case assumptions, the estimated recoverable amount of the CGU exceeded the carrying amount by approximately \$7 million. The Directors have considered and have concluded there is no impairment of the LPC net assets at 30 June 2019 at the CGU carrying value.

The key assumptions in the value in use	%
calculation include:	
Discount Rate	6.42
Terminal Growth Rate	1.50
EBITDA Percentage at Terminal Cash Flows	36.80

Changes in any of the valuation assumptions could have a material impact on the valuation of LPC and cause the Director's to re-assess their assumptions around impairment in the future. The valuation is particularly sensitive to discount rate, terminal growth rate and EBITDA assumptions. The table below shows the sensitivity in those rates on the valuation.

Valuation Sensitivity Table	Valuation Headroom Above \$000	Valuation Headroom Below \$000
Discount Rate	01.000	(52,000)
(+0.5%, -0.5%) Terminal Growth Rate	81,000	(53,000)
(+0.5%, -0.5%)	62,000	(38,000)
EBITDA (+20%, -20%)	46,000	(32,000)

Capital work in progress comprises all costs directly attributable to the construction of an asset including cost of materials, professional services, direct labour, finance costs and an appropriate allocation of overhead. Costs cease to be capitalised as soon as the asset, or a significant component of the asset, is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work in progress included in the net carrying value \$168 million (2018: \$68 million).

#### **Enable Services Limited**

The net carrying value of assets was \$517 million (2018: \$475 million). The assets include the original fibre

optic network and the subsequent cost of deploying the UFB network covering all of Christchurch, Rolleston and Lincoln and parts of Rangiora, Kaiapoi and Woodend. The Ultra–Fast Broadband (UFB) network assets, together with the central offices, were revalued to fair value by independent valuers Ernst Young Transaction Advisory Services Limited using a discounted cashflow methodology at 30 June 2018.

#### City Care Limited, Red Bus Limited, EcoCentral Limited and Development Christchurch Limited

The net carrying value of the property, plant and equipment of these companies at 30 June 2019 comprised less than 3% of the total CCHL group assets. Assets of these companies are either independently revalued at regular intervals or carried at cost less accumulated depreciation.

#### 9.4 Insurance of assets

	2019 \$000	2018 \$000
Insurance		
Insured value of assets covered by insurance	2,636,566	2,507,085
Book value of assets covered by insurance	5,574,950	5,436,499
Financial risk sharing arrangements		
Insured value of assets covered by financial risk sharing arrangements	-	-
Book value of assets covered by	-	-
financial risk sharing arrangements		
Overcall cover		
The maximum amount to which assets are insured under Council insurance policies	2,636,566	2,507,085
Total book value of Property, plant and equipment	9,933,266	9,807,109

#### Insurance cover

At 30 June 2019 Council had full replacement cover for a number of significant buildings, and fire only cover for major buildings which are still unrepaired. The total value of this cover is \$2.1 billion. The Council self-insures any buildings with a value below \$250,000.

Council has \$500 million of insurance cover available for its underground infrastructure assets. This cover allows access to Crown funding of up to 60 per cent of the cost of reinstating the assets giving total cover of approximately \$5.4 billion on assets with a replacement value of \$8.2 billion.

#### **Vbase Limited**

The Douglas Lilburn Auditorium of the Christchurch Town Hall along with other areas opened in March 2019. Other facilities within the complex opened progressively in April and May 2019. Vbase has recorded the valuation of the Town Hall at cost less accumulated depreciation.

The Arena was revalued as at 30 June 2018 on an optimised depreciated replacement value basis. The valuation was undertaken by QV with quantity surveyors engaged to provide a replacement cost estimate.

	0	<b>Opening balances</b>				Current yea	Current year movements				<b>Closing balances</b>	
	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000	Additions \$000	Additions from internal development \$000	Net disposals/ Transfers \$000	Net movement in WIP \$000	Impairment charged to Surplus \$000	Amortisation \$000	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000
Council 2019												
Goodwill	1		1		1		ı		1	ı		ı
Other intangible assets												
Software	118,712	(61,809)	56,903	20,746	ı	218	ı	I	(12,444)	128,600	(63,177)	65,423
Work in progress	11,703	ı	11,703	ı		ı	3,235	ı	I	14,938	ı	14,938
Trademarks	3,304	(3,299)	5	I	ı		ı	I	İ	3,304	(3,299)	5
Other	6,768	(2,719)	4,049	918				I	(688)	7,687	(3,408)	4,279
	140,487	(67,827)	72,660	21,664	1	218	3,235	ı	(13,132)	154,529	(69,884)	84,645
<b>Total Parent intangibles</b>	140,487	(67,827)	72,660	21,664	•	218	3,235		(13,132)	154,529	(69,884)	84,645
Group 2019												
Goodwill	44,590	(37,389)	7,201	1,743	ı	1	ı	(2,068)	1	46,333	(39,457)	6,876
Other intangible assets												
Easements & resource												
consents	17,726	(3,549)	14,177	5,534	I	(3,375)	1	1	(106)	19,885	(3,655)	16,230
Software	171,751	(102, 651)	69,100	23,249	522	5,519		(113)	(17,022)	189,852	(108,597)	81,255
Work in progress	14,456	ı	14,456	5,022		(5,305)	3,235	ı	I	17,408	ı	17,408
Trademarks	3,304	(3,300)	4	ı		I	ı	ı	I	3,304	(3,300)	4
Other	9,112	(4,024)	5,088	925		i		(152)	(806)	9,884	(4,829)	5,055
	216,349	(113,524)	102,825	34,730	522	(3,161)	3,235	(265)	(17,934)	240,333	(120,381)	119,952
Total Group intangibles	260,939	(150,913)	110,026	36,473	522	(3,161)	3,235	(2,333)	(17,934)	286,666	(159,838)	126,828

10. Intangible assets

		Onening halances				Current vea	Current vear movements				Closing halances	
		Accumulated amortisation	Carrying amount	Additions	Additions from internal development	Net disposals/ Transfers	Net movement in WIP	Impairment charged to Surplus	Amortisation		Accumulated amortisation	Carrying amount
Council 2018	\$000	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000
Goodwill	1		1	1	1	1	-	1	1	1		,
Other intangible assets												
Sottware Work in progress	12,896 13 475	(52,804) -	50,092 13 475	16, <i>1</i> 35 -			-		(9,924) -	11 703	(61,809) -	56,903 11 703
Trademarks	3,304	(3,299)	5		ı	ı	-			3,304	(3,299)	5
Other	9,396	(5,760)	3,636	978	-		-	I	(565)	6,768	(2,719)	4,049
	129,021	(61,863)	67,158	17,713			(1,722)		(10,489)	140,487	(67,827)	72,660
Total Parent intangibles	129,021	(61,863)	67,158	17,713			(1,722)	•	(10,489)	140,487	(67,827)	72,660
Group 2018												
Goodwill	44,590	(34,899)	9,691			1		(2,490)		44,590	(37,389)	7,201
<b>Other intangible assets</b> Easements & resource												
consents	14,742	(6,075)	8,667	6,256	1	(579)	'	ı	(168)	17,726	(3,549)	14,177
Software	151,900	(93,071)	58,829	21,133	2,362	(15)	'	ı	(13,209)	171,751	(102, 651)	69,100
Work in progress	14,634	ı	14,634	3,384	(1, 840)	I	(1, 722)	I	I	14,456	I	14,456
Trademarks	3,304	(3,300)	4		·	1	'	I	I	3,304	(3,300)	4
Other	11,135	(6,721)	4,414	1,486	·	I	ı	ı	(812)	9,112	(4,024)	5,088
	195,715	(109,167)	86,548	32,259	523	(594)	(1,722)	•	(14,189)	216,349	(113,524)	102,825
Total Group intangibles	240,305	(144,066)	96,239	32,259	523	(594)	(1,722)	(2,490)	(14,189)	260,939	(150,913)	110,026

#### 10.1 Goodwill

The carrying amount of goodwill allocated to cash-generating units (CGU) for the purposes of goodwill impairment testing is as follows:

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Christchurch City Holdings Limited (Group)		-	6,876	7,201
	-	-	6,876	7,201

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

#### 11. Service concession arrangements

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Service concession asset				
Fair value of service concession asset on initial recognition	11,037	11,037	-	-
Accumulated depreciation to date	(5,340)	(4,828)		-
Net book value	5,697	6,209	-	-
Service concession liability				
Opening balance	4,108	4,844	-	-
Service concession revenue recognised	(736)	(736)	-	-
Closing balance	3,372	4,108	-	-
Total current service concession liability	736	736	-	-
Total non-current service concession liability	2,636	3,372		-
	3,372	4,108	-	-

In May 2008 the Council (as grantor) entered into an arrangement with Meta Processing Limited (Meta) (as operator) to construct the Material Recovery Facility (MRF) located at 21 Parkhouse Road. The arrangement required the operator to build, own and operate the service concession assets (composing of building and plant & machinery) for a period of 15 years. After 15 years, the ownership of the service concession assets will be transferred to the Council at no cost.

During the 15 year period, the operator will earn revenue from operating the MRF while the Council continues to control the use of the service concession assets as specified in the agreement.

There have been no changes in the service concession arrangement during the current period.

#### Service concession asset

The service concession assets were completed in February 2009 and were recognised at fair value by the Council as part of its property, plant and equipment (see Note 9). The building and plant & machinery had an estimated useful life of 30 years and 20 years, respectively, and are depreciated on a straight-line basis.

#### Service concession liability

The Council also recognised \$11.0 million of liability in relation to the service concession arrangement at the same time it recognised the service concession assets. This liability is reversed as a revenue equally over the term of the arrangement consistent with the Grant of a right to the operator model under PBE IPSAS 32. The service concession liability is included in the Council's *Other liabilities* under Note 25.

#### 12. Commitments and operating leases

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
(a) Capital and other operating commitments				
Capital commitments				
Property, plant and equipment	296,878	316,240	410,330	442,418
Electricity distribution network	-	-	17,757	18,923
Intangible assets	3,278	2,895	3,914	2,969
Ultra-Fast Broadband Network		-	14,450	41,850
Total capital commitments	300,156	319,135	446,451	506,160
Other operating commitments				
Other operating commitments	51,361	47,024	51,405	47,065
(b) Non cancellable operating lease liabilities				
No later than one year	988	1,100	8,141	5,261
Later than one year and not later than five years	2,824	2,297	19,767	10,128
Later than five years	6,189	4,225	19,624	22,186
Total non-cancellable operating lease liabilities	10,001	7,622	47,532	37,575
(c) Non cancellable operating lease receivables				
No later than one year	24,931	9,738	90,499	50,927
Later than one year and not later than five years	95,266	36,251	310,843	162,440
Later than five years	103,208	128,870	247,411	192,046
Total non-cancellable operating lease receivables	223,405	174,859	648,753	405,413

# Capital commitments and other operating commitments

#### Rebuild

The property plant and equipment commitment above includes the Council's commitments for anchor projects including \$126.1 million for the Metro Sports Centre with the Crown (2018: \$130.8 million).

Given the ongoing uncertainty regarding the final ownership of the Multi-Use Arena this has been disclosed as a contingency in Note 26 of the financial statements rather than as a capital commitment.

#### **Ultra-Fast Broadband Network**

The estimated cost of network connections through to December 2019 is \$14 million.

#### Infrastructure works

Council has a \$13.9 million capital commitment with Connetics for power and lighting renewals and a \$13.4 million capital commitment with City Care for three waters and waste renewals.

Council has a \$2.3 million capital commitment with Hawkins Construction to perform a full restoration and repair of the Town Hall. Council is undertaking this on Vbase's behalf.

#### Other

Council has a commitment to provide \$2 million of funding to Regenerate Christchurch over the next two years. This funding commitment was agreed with the Crown when Regenerate Christchurch was established by the Greater Christchurch Regeneration Act 2016.

Council has a commitment to provide \$6 million of funding to Development Christchurch Limited for services as per the agreed contract for services. In addition, the Council has a \$10.5 million capital commitment with DCL to develop the Hot Salt Water Pools in New Brighton.

#### Non-cancellable operating lease liabilities

#### Parent

The Council leases computer equipment, property, and a number of car parks across the City. These leases have terms of renewal, but no purchase options and escalation clauses. There are no restrictions placed upon the Council by entering into these leases.

#### Non-cancellable operating lease receivables

#### Parent

The Council leases properties to various parties.

#### Group

CIAL and LPC lease properties to various parties. The terms of the leases vary and the majority are renewable.

#### Assets held for sale 13.

#### Parent

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Land and buildings held for sale	26,889	7,300	26,889	7,534
Plant and equipment held for sale		-	2	314
Total amounts held for sale	26,889	7,300	26,891	7,848

Properties with a value of \$23.7 million have been transferred in 2018/19 to the OCHT as part of the Council's commitment to provide the Trust with \$50 million of assets. A further \$19.6 million will be transferred in the 2019/20 financial year.

#### The future transfer of the Milton Street property to Development Christchurch Limited by Council remains recorded as held for sale.

#### 14. Investment property

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at beginning of financial year	-	-	428,848	370,523
Net transfer from property, plant & equipment	-	-	-	(25,974)
Additional capitalised expenditure	-	-	49,221	30,598
Net gain/(loss) from fair value adjustments	-		13,133	53,701
Balance at end of financial year	-	-	491,202	428,848

#### Group

#### **Christchurch International Airport Limited**

The valuation as at 30 June 2019 was completed by Crighton Anderson Property and Infrastructure Limited trading as Colliers International Limited. The basis of valuation is fair value, being the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. The valuation methodologies used

were a direct sales comparison or a direct capitalisation of rental revenue using market comparison of capitalisation rates, supported by a discounted cash flow approach. The valuation methodologies are consistent with the prior year.

Included in the amount above is \$33 million (2018: \$6.1 million) relating to investment properties under construction but sufficiently advanced to enable a fair value to be assessed. These properties are carried at fair value on completion less estimated costs to complete.

#### 15. Cash and cash equivalents

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Cash and cash equivalents	276,545	243,748	299,227	270,322
Cash and cash equivalents (USD)	-	-	7	203
Cash and cash equivalents (EUR)	-	-	2	1
Cash and cash equivalents (AUD)	-	-	-	3
Other	-	-	3	2
Total cash and cash equivalents	276,545	243,748	299,239	270,531

#### 16. Investment in CCOs

	30 Jun 19	Parent 30 Jun 18	30 Jun 19	Group 30 Jun 18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Current				
Loans advanced	95,000	115,000	-	-
Investment in debt securities	3,128	4,504	3,128	4,504
	98,128	119,504	3,128	4,504
Non-current				
Loans advanced	501,873	446,873	-	-
Investment in debt securities	24,275	20,531	24,275	20,531
Share Investment in CCOs	2,193,399	2,223,630	-	-
Unlisted shares	9,080	6,515	9,080	6,515
	2,728,627	2,697,549	33,355	27,046
Total investment in CCOs	2,826,755	2,817,053	36,483	31,550

#### Fair value

#### Loans advanced

The fair value of the Council's loans to related parties is \$597 million (2018: \$562 million). Fair value has been determined using cash flows discounted at a rate based on the borrowing rates ranging from 2.03 per cent to 7.81 per cent (2018: 2.20 per cent to 9.22 per cent). The average effective interest rate on the loans to related parties is 3.77 per cent (2018: 4.22 per cent).

#### Share investment in CCOs

The fair value of the Council's investments in its subsidiary companies was assessed by independent valuers, PwC, as at 30 June 2019.

The value of the Council's investment in its subsidiaries is the value based on financial accounting standards and may not reflect what the value would be in a sale process.

The Council's investment in CCHL decreased in the year by \$40.1 million (2018: \$87.1 million decrease) to \$2,028.7 million. This is the result of the increase of \$5 million from the issuing of new shares to the Council, and offset by a \$45.1 million fair value decrease from the PWC valuation which was based on the sum of the parts approach of the value of CCHL's subsidiaries.

Vbase was assessed as at 30 June 2019 by PwC. It was determined that the value of the investment had increased by \$8.5 million to \$151.6 million (2018: \$143.1 million) on a net asset value basis. This is the result of the increase of \$45 million from the issuing of new shares to the Council and is offset by the \$36.5 million fair value decrease from the PwC valuation.

The value of the Council's investment in CNZH was assessed as at 30 June 2019 by PwC. The value of the

investment had decreased by \$0.7 million to \$6.9 million. The decrease was a in part effected by CRIS Limited's divestment in (Food Innovation South Island) Limited to the Callaghan Institute in June 2019.

CBL owns 50 per cent of the joint venture between CBL and Ngāi Tahu Property Limited (NTPL) - see note 17. As at 30 June 2019, PWC undertook a valuation of the company however Council has decided not to adopt the revised valuation as its investment as CBL's major source of revenue is the Council rental on the Civic Building valuation.

#### Investment in debt securities

Investment in debt securities includes LGFA borrower notes.

#### **Unlisted shares**

Unlisted shares in other than Council organisations include \$2.4 million (2018: \$1.7 million) in Civic Financial Services Limited (formerly New Zealand Local Government Insurance Corporation) and \$5.7 million (2018: \$4.9 million) in LGFA.

The fair value of unlisted shares of Civic Financial Services Limited has been determined by using the asset valuation from their latest published accounts.

Due to the size and nature of the Council's investment in LGFA, the Council has estimated the fair value of this investment based on their net asset backing as at 30 June.

The \$1 million in Theatre Royal Charitable Foundation was previously classified within Investment in debt securities, but is now inline with disclosures under PBE IFRS 9.

#### 17. Investments in associates and joint arrangements

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at start of year	6,196	6,196	21,442	22,456
Acquisitions/ transfers	-	-	3,031	1,305
Share of total recognised revenues and expenses	-	-	6,027	6,263
Dividends from associates and joint ventures	-	-	(6,380)	(7,158)
Share of revaluations	-	-	(4,180)	-
Disposal	-	-	(1,063)	-
Impairment	-	-	(500)	(1,424)
Balance at end of year	6,196	6,196	18,377	21,442

There is no goodwill included in the carrying value of associates (2018: Nil).

The following entities are equity accounted by the Group:

	Country of	Effec	tive
Name of entity	Incorporation	Ownership	Interest
		30 Jun 19	30 Jun 18
Transwaste Canterbury Ltd - Parent	NZ	39%	39%
Christchurch Civic Building Joint Venture (CCBJV)	NZ	50%	50%
City Care Limited John Fillmore Contracting Limited Joint Venture	Not Incorporated	50%	50%
Food Innovation South Island Ltd	NZ	0%	50%

No public price quotations exist for these investments.

#### **Transwaste Canterbury Limited**

The Council has a 39 per cent ownership interest in Transwaste. Transwaste was incorporated in March 1999 to select, consent, develop, own and operate a nonhazardous regional landfill in Canterbury. The landfill opened in June 2005.

With a 39 per cent interest the Council has significant influence but cannot control the operations therefore accounts for it as an associate.

#### **City Care Limited**

In December 2014 City Care entered into an unincorporated joint venture – City Care Limited John Fillmore Contracting Limited Joint Venture. The joint venture is a 50:50 strategic partnership to tender for relevant contracts. There are no commitments or contingent liabilities in respect of the joint venture.

#### **ChristchurchNZ Holdings Limited**

Food Innovation (South Island) Ltd

On the 28 June 2019 the remaining 50.1 per cent of the shares of Food Innovation (South Island) Limited (FISIL) were transferred from CRIS to Callaghan Innovation Ltd and the existing shareholders and funding agreements were revoked releasing CRIS from all obligations in respect of FISIL.

#### **Development Christchurch Limited**

Between 1 July 2018 and 30 April 2019, the 14.9 per cent investment in Leisure Investments NZ Limited (operator of the Christchurch Adventure Park) was recorded as an investment in associate. From 1 May 2019 the shareholding increased to 54.6 per cent and is now consolidated as part of the group.

#### **Civic Building Limited**

CCBJV is in a joint venture partnership with NTPL. The amount above represents the 50 per cent share of CBL in the joint venture.

Summarised financial statements of associates, joint ventures and joint operations

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Assets	90,566	85,917	91,468	115,486
Liabilities	41,028	33,328	41,930	45,682
Revenue	49,997	50,351	50,442	81,498
Net surplus/(deficit)	13,448	13,535	11,373	19,533

#### 18. Inventories

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
(a) Current inventories				
Inventory - raw materials and maintenance items	-	-	12,185	13,247
Inventory - finished goods	3,261	3,529	9,379	9,006
	3,261	3,529	21,564	22,253
Inventory - allowance for impairment	-	-	(303)	(255)
Total current inventories	3,261	3,529	21,261	21,998
(b) Non current inventories				
Inventory - work in progress	-	-	-	-
Inventory - finished goods	-	-	11,549	28,787
	-	-	11,549	28,787
Inventory - allowance for impairment	-	-	(410)	
Total Non current inventories	-	-	11,139	28,787

Certain inventories are subject to security interests created by retention of title clauses.

#### 19 Financial instruments

#### 19.1a Other financial assets

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Loans and advances (excl CCOs)	3,914	9,014	27,803	34,331
Investment in debt securities	6,361	36,641	12,123	105,530
Investment in equity securities (excl CCOs)	247	378	521	1,753
Derivative instruments - asset	-	-	7,392	787
Total other financial assets	10,522	46,033	47,839	142,401
Total current other financial assets	6,288	32,046	14,852	100,219
Total non-current other financial assets	4,233	13,987	32,987	42,182
	10,521	46,033	47,839	142,401

#### Loans and advances

Loans and advances disclosed above relate to community, special funds and other loans made by the Council to various community groups and entities to fund specific activities or purposes. This includes non-interest bearing loans with a face value of \$31.7 million (2018: \$10.5 million) which are discounted over the term of the loan using the Council's effective borrowing cost.

These loans include a new loan to the Ōtautahi Community Housing Trust, and other existing loans to the Theatre Royal Charitable Foundation, the Christchurch Stadium Trust, the Piano Centre for Music and Arts and UWC Limited and other community groups.

These are classified as *Loans and receivables* in the financial statements.

#### Investment in debt securities

Investment in debt securities include the following:

#### **Term deposits**

These include bank term deposits with original terms of more than three months and are classified as *Loans and receivables*. The face value of term deposits approximates their fair value.

The Council's term deposits amounted to \$4.6 million (2018: \$34.6 million). Group's term deposits amounted to \$6.4 million (2018: \$108 million).

#### Stocks and bonds

The Group's balance includes \$22.0 million (2018: \$24.9 million) of loans advanced by CCHL to Christchurch Engine Centre which is carried at fair value.

The loan is contracted in USD with USD14 million @ 0.6349 (2018: USD17 million @ 0.6838). This investment is classified as a *financial asset through surplus or deficit*.

Groun

#### Investment in equity securities

This relates to equity investments in other entities which are held by the Council for trading purposes. This is classified as *financial asset through surplus or deficit* in the financial statements and are carried at their fair value.

#### 19.1b Community loans

#### **Derivative financial instruments**

Parent

This includes interest rate swaps and forward foreign exchange contracts. These are discussed in detail under note 19.3.

	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Principal	8,032	8,032	8,032	8,032
Accumulated fair value adjustments	(1,425)	(805)	(1,425)	(805)
Balance at 1 July	6,607	7,227	6,607	7,227
Amount of new loans granted during the year	23,705	65	23,705	65
Fair value adjustment on initial recognition	(18,034)	(28)	(18,034)	(28)
Loans repaid during the year (principal and interest)	(204)	(448)	(204)	(448)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	(467)	(209)	(467)	(209)
Balance before expected credit loss adjustment	11,607	6,607	11,607	6,607
Less expected credit loss (under PBE IFRS 9)	(8,497)	-	(8,497)	
Balance community loans 30 June	3,110	6,607	3,110	6,607

The fair value of community loans is \$3.1 million (2018: \$6.6 million). Fair value has been determined using cash flows discounted at a rate based on the loan recipient's risk factors of 5.44% (2018: 5.50%)

The Council's community loans scheme is designed to help organisations to develop or improve new or existing

facilities and other major projects that benefit the community. Loans are for a maximum of 10 years and interest is between 0% - 4.5% interest per annum.

The fair value of loans at initial recognition has been determined using cash flows discounted at a rate based on the loan recipient's assessed financial risk factors.

#### 19.2 Borrowings and other financial liabilities

		30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000		30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Borrowings from external parties		1,785,902	1,696,418		3,079,753	2,769,493
Borrowings from group entities		4,539	4,539		-	-
Finance lease liabilities	21	96,432	98,110	_	59,329	61,277
Total borrowings		1,886,873	1,799,067		3,139,082	2,830,770
Derivative instruments - Liability		249,692	153,560	_	321,907	184,076
Total borrowings and other financial liabilities		2,136,565	1,952,627	=	3,460,989	3,014,846
Total current borrowings		281,565	374,804		446,247	492,776
Total non-current borrowings		1,605,308	1,424,263		2,692,835	2,337,994
		1,886,873	1,799,067	=	3,139,082	2,830,770
Total current borrowings and other financial liabilities		282,624	375,763		450,240	498,955
Total non-current borrowings and other financial liabilities		1,853,941	1,576,864	_	3,010,749	2,515,891
	_	2,136,565	1,952,627		3,460,989	3,014,846

#### Parent

During the year, the Council issued \$456.5 million (2018: \$316 million) of debt instruments primarily to advance to subsidiaries, finance the rebuild, and refinance debt maturities. A total of \$367 million (2018: \$279 million) of debts were repaid during the year.

#### Borrowings

The Council's external borrowings are comprised of bonds and bank loan advances issued at either fixed or floating interest rates. These borrowings mature at different intervals ranging from 2019-2030.

The Council's related party borrowings from Vbase will be repaid next year.

Total fixed rate borrowings (excluding finance leases) of \$252 million (2018: \$310 million) have a weighted average interest rate of 4.79 per cent (2018: 4.31 per cent).

Total floating rate borrowings amounted to \$1,537 million (2018: \$1,389 million). The underlying interest rates are based on three-month bank bill reference rate (BKBM) plus a margin. The weighted average margin was 63 basis points (2018: 66 basis points) over BKBM.

Council also has an undrawn \$100 million standby bank facility which will mature in December 2019.

Council has entered into interest rate swap (IRS) contracts to hedge its exposure to interest rate risk. The Council's risk management strategy is discussed further in note 19.5 below.

#### Security

The Council's debts are secured over its assets and rates income.

#### Internal borrowings

Council has borrowed a total of \$99.5 million (2018: \$99.5 million) from its Capital Endowment Fund with terms ranging between 1 - 9 years. Interest of \$3.5 million (2018: \$3.0 million) was charged by the Fund. These borrowings and any associated interest charges all relate to the Corporate activity within Council's groups of activities as they are used to fund earthquake related costs. These are eliminated on consolidation of activities in the Council (parent) financial statements.

#### Group

#### **Christchurch City Holdings Limited**

CCHL's borrowings comprised:

- Floating rate notes of \$40 million (2018: \$90 million) in tranches maturing at various intervals until February 2020. Interest on floating rate notes is based on BKBM plus a margin. The average borrowing cost at balance date on its Floating Rate Notes is 5.85 per cent (2018: 5.85 per cent). CCHL also has an undrawn \$100 million (2018: \$100 million) standby facility. This matures in December 2019 and October 2020.
- In June 2016 CCHL entered into a loan facility agreement with Crown Infrastructure Partners Limited

(formerly Crown Fibre Holdings Limited) (CIP) as part of the reorganisation of ESL. The face value of the loan is \$150.0 million. The loan is interest free and is secured over the assets of the Enable group. The loan is repayable on 31 May 2021. The loan has been fair valued over the life of the loan at \$142.6 million.

The borrowings have been put in place under a \$1.3 billion debt issuance programme. CCHL has issued uncalled capital of \$1.3 billion to support this programme. CCHL has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

#### **Orion New Zealand Limited**

Orion's bank debt of \$291.6 million (2018: \$262.7 million) is unsecured. However, a deed of negative pledge and guarantee requires Orion to comply with certain covenants. The average rate on the facility is 2.58% (2018: 2.57%). Orion has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

#### **Christchurch International Airport Limited**

CIAL has a \$190 million (2018: \$140 million) funding facility with its banks with an additional \$30 million (2018: \$80 million) of undrawn facilities.

Total bond funding is \$275 million (2018: \$275 million).

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The bond funding constitutes direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

Average interest rate on bank facility is 6.04 per cent (2018: 5.6 per cent), and average interest rate on bond funding is 4.34 per cent (2018: 4.9 per cent).

#### **City Care Limited**

Bank loans of \$12.6 million (2018: \$18.4 million) are secured by a debenture over the assets and undertakings of City Care. The loans were made under a committed cash advance facility of \$50 million (2018: \$50 million). Average interest rate 3.26 per cent for the year (2018: 3.3 per cent).

For the last two years, City Care was in breach of its interest cover covenant at 30 June. As a result of the breach all the bank borrowings are reclassified to current liabilities. City Care's bankers (BNZ) waived this breach on 18 June 2019 (2018: 2 August 2018).

#### **Red Bus Limited**

Red Bus has a currently undrawn bank revolving credit facility of \$2 million (2018: \$2 million). The interest rate on the facility is 4.64 per cent (2018: 4.74 per cent).

Lyttelton Port Company Limited, Enable Services Limited, EcoCentral Limited, Development Christchurch Limited, Vbase Limited and Civic Building Limited These companies have no external debt at 30 June 2019 (2018: Nil). DCL and ESL are party to borrowing arrangements with CCHL and Vbase and CBL have borrowing arrangements

with Council. During the year, EcoCentral fully repaid a loan to CCHL.

#### 19.3 Hedging activities and derivatives

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
Derivatives not designated as hedging instruments	-	-	-	187
Derivatives designated as hedging instruments				
Interest rate swaps	-	-	7,392	364
Forward exchange rate contracts	-	-	-	236
Total derivative financial instrument assets		<u> </u>	7,392	787
Derivatives not designated as hedging instruments	-	-	(4,324)	(1,532)
Derivatives designated as hedging instruments				
Interest rate swaps	(249,692)	(153,560)	(317,156)	(182,536)
Forward exchange rate contracts	-	-	(427)	(8)
Total derivative financial instrument liabilities	(249,692)	(153,560)	(321,907)	(184,076)
Net derivative financial instrument assets (liabilities)	(249,692)	(153,560)	(314,515)	(183,289)
Total current derivative assets	-	-	645	236
Total non-current derivative assets	-	-	6,747	551
Total current derivative liabilities	(1,059)	(959)	(3,992)	(6,179)
Total non-current derivative liabilities	(248,633)	(152,601)	(317,915)	(177,897)

The notional values of interest rate swaps are summarised below:

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest rate swaps				
Less than 1 year	70,000	76,200	294,000	70,980
1 to 2 years	99,000	70,000	360,000	64,905
2 to 5 years	408,700	382,700	858,700	372,800
More than 5 years	1,021,000	1,146,000	1,454,051	1,136,258
	1,598,700	1,674,900	2,966,751	1,644,943

Derivative financial instruments are carried at fair value based on the prevailing market rates as at valuation date. Any changes in the value of derivative instruments from inception date are included in either the surplus or deficit (for the ineffective portion of cash flow hedges, fair value hedges and any derivative instruments not designated in a hedging relationship) or in net asset / equity (for effective portion of cash flow hedges).

Derivative contracts are primarily entered into to hedge against any exposure to underlying risks associated with the hedged item. The risk management strategy of the Council and Group are discussed in note 19.5 of the financial statements.

Council and Group derivative financial instruments include the following:

#### Interest rate swaps

Council and Group enter into interest rate swap contracts to hedge their interest rate exposure on outstanding borrowings. The interest rate fluctuation impacts the fair value (for fixed-rated) and cash flow settlement (for floating) relating to the underlying hedged item.

Interest rate swaps contracts are carried at their fair value based on prevailing market interest rates at valuation date.

At 30 June 2019, the Council had interest rate swaps in pl ace with a notional amount of \$1.599 billion (2018: \$1.675 billion) where the Council pays an average fixed interest rate of 5.44 per cent versus a contracted floating rate. This interest rate is used to determine the fair value (mark to market) of the swaps at balance date.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swaps are identical to the hedged risk components. There are two types of hedge economic relationships where the Group match the terms of:

- the interest rate swap contracts with the expected highly probable forecast transactions (i.e., notional amount and expected payment date). To test the hedge effectiveness, the Group uses the forecast loan transactions that are highly probable and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks, or
- the interest rate swap contracts with variable rate loans, the Group matches their terms (.i.e., notional amount, maturity, payment and reset dates). To test for the hedge effectiveness, the Group uses a hypothetical derivative that is a proposed swap and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.

- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The ineffectiveness is recognised in surplus or deficit.

#### Forward exchange rate contracts

Forward exchange rate contracts are intended to hedge exposure to changes in foreign exchange rates on underlying foreign-currency denominated assets and liabilities.

These contracts are carried at their fair value based on prevailing market foreign exchange rates at valuation date.

						Parent				Group
			Cari	Carrying amount		Fair value	Carr	Carrying amount		Fair value
	Fair value	Measurement	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	level	basis	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets carried at amortised cost										
Cash and cash equivalents		Amortised cost	276,545	243,748	276,545	243,748	299,239	270,531	299,239	270,531
Debtors and other receivables		Amortised cost	66,043	80,208	66,043	80,208	148,946	157,174	148,946	157,174
Loans and advances		Amortised cost	597,606	564,234	597,606	564,234	24,622	27,678	24,622	27,678
Investment in debt securities		Amortised cost	33,664	61,608	33,664	61,608	39,426	130,497	39,426	130,497
			973,858	949,798	973,858	949,798	512,233	585,880	512,233	585,880
Financial assets through surplus or deficit										
Held for trading:										
Derivative assets not designated as hedging instrument	2	Fair value						527		527
Investment in equity securities	2	Fair value					274	1,375	274	1,375
Not held for trading:										
Derivative assets designated as hedging instrument	2	Fair value	·	ı	ı	·	7,392	260	7,393	260
Loans and advances	2	Fair value	3,181	6,653	3,181	6,653	3,181	6,653	3,181	6,653
Investment in debt securities	2	Fair value	100	68	100	68	100	68	100	68
Investment in equity securities	2	Fair value	247	378	378	378	247	378	378	378
			3,528	7,099	3,659	7,099	11,194	9,261	11,326	9,261
Financial assets through other comprehensive revenue and expense										
Share investment in subsidiary CCOs	ŝ	Fair value	2,193,399	2,223,630	2,193,399	2,223,630	ı	,		ı
Unlisted shares	S	Fair value	9,080	6,515	9,080	6,515	9,080	6,515	9,080	6,515
			2,202,479	2,230,145	2,202,479	2,230,145	9,080	6,515	9,080	6,515
Financial liabilities through surplus or deficit										
Held for trading:										
Derivative liabilities not designated as hedging instrument	2	Fair value	,	ı	ı	,	4,323	1,532	4,324	1,532
Borrowings	2	Fair value	'				14,485	191,662	14,485	191,662
Financial liabilities through other comprehensive revenue and expense	_									
Not held for trading:										
Derivative liabilities designated as hedging instrument	2	Fair value	249,692	153,560	249,692	153,560	317,584	182,544	317,584	182,544
			249,692	153,560	249,692	153,560	336,392	375,738	336,393	375,738
Financial liabilities carried at amortised cost										
Creditors and other payables		Amortised cost	147,961	172,110	147,961	172,110	255,854	262,801	255,863	262,801
Borrowings		Amortised cost	1,886,873	1,799,067	1,624,359	1,730,768	3,124,597	2,639,108	2,862,081	2,570,809
			2,034,834	1,971,177	1,772,320	1,902,878	3,380,451	2,901,909	3,117,944	2,833,610

Classification and fair value of financial instruments

19.4

#### **Categories of financial assets and liabilities**

Financial instruments are classified into one of the following categories:

- Financial assets and liabilities carried at amortised cost,
- Financial assets and liabilities measured at fair value through surplus and deficit,
- Financial assets measured at fair value through other comprehensive revenue and expense.

The classification into each category depends on the nature and management's intention over the financial instruments.

There were no transfers between categories during the year (2018: nil).

#### Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are categorised within the fair value hierarchy described below:

- Level 1: the fair value is calculated using quoted prices in active markets.
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The following methods and assumptions were used to estimate fair value for each class of financial instrument for which it is practicable to estimate such value:

Interest bearing financial assets and liabilities Fixed rated instruments with quoted market prices are based on the quoted market price as of valuation date (Level 1) and for non-quoted securities, fair values were determined using discounted cash flow based on market observable rates (Level 2).

Instruments with floating interest rates approximate fair value because of recent and regular repricing based on market conditions (Level 2).

The fair values of non-interest bearing debt securities and loans are determined using discounted cash flow based on Council's effective cost of borrowing for the year (calculated based on applicable market rate plus Council's credit spread) (Level 2).

Foreign-currency denominated debt instruments are valued based on discounted future cash flows using the prevailing foreign exchange rate at valuation date (Level 2).

#### Derivative financial instruments

The fair values were computed as the present value of estimated future cash flows using market interest rates as at valuation date. The valuation techniques consider various inputs including the credit quality of counterparties (Level 2).

The fair value forward exchange rate contracts are determined based on the discounted future cash flow using the market currency exchange and interest rates between the New Zealand dollar and relevant foreign currency at valuation date.

#### Investments in equity instruments

Financial investments measured at fair value through other comprehensive revenue and expense consist of equity investments in subsidiaries, associates and other entities. Fair value of equity instruments with quoted market prices were determined using the quoted prices (Level 1).

Where there is no active market, investments are revalued based on available market inputs observable and unobservable entity specific information affecting the assets being revalued less any accumulated impairment losses. These investments primarily include investments in subsidiary entities where Council and Group have involved external valuers to perform the valuation. These investments are classified as Level 3 financial instruments for purposes of fair value determination.

The table below summarises the reconciliation of movements in the Level 3 financial instruments:

	30 Jun 19 \$000	30 Jun 18 \$000
Parent		
Opening carrying value	2,230,145	2,239,513
Valuation movements	(27,666)	(9,368)
Closing carrying value	2,202,479	2,230,145
	30 Jun 19 \$000	30 Jun 18 \$000
Group		
Opening carrying value	6,515	7,654
Shares acquired during the year	-	-
Valuation movements	2,565	861
Transfers		(2,000)
Closing carrying value	9,080	6,515

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

#### 19.5 Financial risk management

#### Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

#### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in the accounting policies to the financial statements.

#### **Financial risks**

The risks associated with the financial assets and liabilities of the Council and Group include market risk, liquidity risk and credit risk.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

#### Interest rate risk

Interest rate risk relates to the risk that the fair value of a fixed debt instrument or future cash flow of a floating debt instrument will fluctuate due to changes in the underlying market interest rate.

The Council and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts.

#### Currency risk

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Council has little exposure to foreign currency risk and under normal circumstances has no exposure to hedge.

The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand dollars. These currencies are primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts.

Group enter into forward foreign exchange contracts or currency swap contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on Group's results and cash flows. The Group has assessed that a reasonably possible change in foreign exchange rates (a 10 per cent variance either way) would not have a significant impact on surplus or equity.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

#### Commodity price and demand risk

EcoCentral Ltd's operations can be significantly impacted by fluctuations in commodity prices and international demand for certain products. A significant decline in commodity prices in 2019 has hit the recycling industry nationwide. A national initiative is being considered to address potential solutions to the marketability of recyclables. Any residual risk is not considered material to the Group.

management
risk i
Interest rate
19.5(a) I

The following tables summarise the Council's and Group's interest rate re-pricing analysis with respect to its financial assets and liabilities subject to interest rate risk:

					Parent					Group
	Carrying amount	Less than 1 year	1 to 2 years	2 to 5 years	5+ years	Carrying amount	Less than 1 year	1 to 2 years	2 to 5 years	5+ years
30 June 19	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	276,545	276,545				299,239	299,239			
Loans and advances - CCOs	596,873	319,000	79,500	69,000	129,373	,	ı	ı		ı
Loans and advances	3,914	408	736	579	2,191	27,803	24,297	736	579	2,191
Investment in debt securities	33,764	30,264	1,244	1,104	1,152	39,526	40,005	(2,735)	1,104	1,152
Borrowings	(1,785,902)	(36,018)	(179,069)	(477,815)	(1,093,001)	(3,079,753)	(355,119)	(496,590)	(837,043)	(1,391,001)
Borrowings - related party	(4,539)	(4,539)	ı	ı		,	ı	ı	ı	ı
Finance lease liability (net settled)	(96,432)	(9,008)	(8, 451)	(22,701)	(56,272)	(59,329)	(4, 510)	(15,332)	(11, 351)	(28,136)
	(975,777)	576,653	(106,040)	(429,833)	(1,016,557)	(2,772,514)	3,912	(513,921)	(846,711)	(1,415,794)

# 30 June 18

Cash and cash equivalents	243,748	243,748	ı	I	I	270,531	270,531	ı	ı	'
Loans and advances - CCOs	561,873	317,461	ı	139,500	104,912		ı	ı	'	ı
Loans and advances	9,014	8		ı	9,006	34,331	465		'	33,866
Investment in debt securities	61,676	53,645	4,539	2,232	1,260	130,565	120,848	5,795	2,662	1,260
Borrowings	(1,696,418)	(337,500)	25,000	(279,200)	(1, 104, 718)	(2,769,493)	(632,640)	(51, 104)	(829,959)	(1,255,790)
Borrowings - related party	(4,539)	ı	(4,539)	ı					'	'
Finance lease liability (net settled)	(98,110)	(8,304)	(8,389)	(22,337)	(59,080)	(61,277)	(4, 313)	(4,196)	(23,228)	(29,540)
	(922,756) 269,058	269,058	16,611	(159,805)	(1,048,620)	(2,395,343)	(245,109)	(49,505)	(850,525)	(1,250,204)

Council and Group have entered into interest rate swap contracts to hedge against the risk due to interest rate fluctuations. The notional amount and maturities of interest rate swap contracts are presented in note 19.3 of the financial statements.

# Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of investments and borrowings affected. With all other variables held constant, the Group's surplus before tax and net asset position are affected through the impact on floating rate investments and borrowings, as follows:

				Parent				Group
		30 June 19		30 June 18		30 June 19		30 June 18
	Surplus or	Net asset /						
	deficit	equity	deficit	equity	deficit	equity	deficit	equity
	(pre-tax)	(pre-tax)	(pre-tax)	(pre-tax)	(pre-tax)	(pre-tax)	(pre-tax)	(pre-tax)
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
100 basis points increase	4,063	89,856	2,858	90,116	5,000	106,582	58,228	102,961
100 basis points decrease	(4,063)	(98,381)	(2,858)	(99,289)	(5,219)	(116, 486)	(58,388)	(112,826)

#### 19.5(b) Currency risk management

The Group's exposure to foreign currency transactions include foreign currencies held on hand as stated in note 15.

#### Foreign currency sensitivity analysis

CCHL is a party to a USD17 million loan agreement with the Christchurch Engine Centre. The loan agreement is fully hedged with a cross currency interest rate swap which reduces the net currency exposure on this transaction to zero.

The impact of a possible change in foreign exchange rates (a 10 percent variance either way) would not have a significant impact on comprehensive revenue and expense or equity.

#### 19.5(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its written investment policies. In general the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Council and Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

#### LGFA Guarantee

The Council is exposed to liquidity risk as a guarantor of all of LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. The exposure relating to the guarantee is classified as a contingent liability by the Council and is explained further in note 26.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

Parent

Carrying amountContractual cash flowsLess than 1 year1 to 2 years2 to 5 years30 June 19\$000\$000\$000\$000\$000Cash and cash equivalents276,545276,545276,545	5+ years \$000 - 251,154
30 June 19         \$000         \$000         \$000         \$000         \$000	\$000 - -
	-
Cash and cash equivalents 276,545 276,545 276,545	- - 251 154
	- 251 154
Debtors and other receivables         66,043         66,043         -         -         -	251 154
Loans and advances - CCOs 596,873 760,431 120,220 178,290 210,767	231,134
Loans and advances 3,914 23,263 491 940 1,137	20,695
Investment in debt securities         33,764         39,653         9,088         7,108         12,885	10,572
Creditors and other payables (147,961) (147,961) (145,311) (2,650) -	-
Borrowings - external (1,785,902) (2,089,706) (336,428) (421,234) (746,222)	585,822)
Borrowings - related parties (4,539) (5,260)	-
Finance lease liability (net settled)(96,432)(177,887)(10,250)(10,323)(31,959)	125,355)
Derivative financial instrument (249,692) (98,693) (20,766) (15,136) (37,264)	(25,527)
Net contractual inflows / (outflows) (1,307,387) (1,353,572) (45,628) (263,005) (590,656) (4	54,283)
30 June 18	
Cash and cash equivalents 243,748 243,748 243,748	-
Debtors and other receivables         80,208         80,208         80,208         -         -         -	-
Loans and advances - CCOs 561,873 669,312 170,750 72,107 251,111	175,344
Loans and advances 9,014 9,014 8	9,006
Investment in debt securities 61,676 67,670 36,109 8,658 13,892	9,011
Creditors and other payables (172,110) (172,110)	-
Borrowings - external (1,696,418) (1,968,700) (429,193) (283,282) (788,048)	468,177)
Borrowings - related parties (4,539) (5,260) - (5,260) -	-
Finance lease liability (net settled) (98,110) (187,334) (9,447) (10,250) (31,443)	136,194)
Derivative financial instruments (153,560) (113,300) (20,081) (15,292) (42,197)	(35,730)
Net contractual inflows / (outflows) (1,168,218) (1,376,752) (100,008) (233,319) (596,685) (4	46,740)

30 June 19         \$000							oroup
Cash and cash equivalents       299,239       298,989       298,989       -       -         Debtors and other receivables       148,946       151,366       157,529       651       (1,385)       (5, 0ther assets)         Caans and advances       235       235       235       -       -       -         Loans and advances       27,803       48,174       518       1,022       11,381       35         Investment in debt securities       41,355       57,764       26,639       7,668       12,885       10         Creditors and other payables       (255,854)       (253,204)       (2,650)       -       -         Borrowings -external       (3,079,753)       (2,712,686)       (398,214)       (833,684)       (894,966)       (585, 786)         Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (70, 70)         Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47, 70)         Net contractual inflows / (outflows)       (31,91,873)       (2,676,869)       (200,463)       (864,969)       (947,857)       (663, 70)         Jother assets       73       73       73 <td< th=""><th></th><th>, ,</th><th></th><th></th><th>1 to 2 years</th><th>2 to 5 years</th><th>5+ years</th></td<>		, ,			1 to 2 years	2 to 5 years	5+ years
Debtors and other receivables         148,946         151,366         157,529         651         (1,385)         (5, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0	30 June 19	\$000	\$000	\$000	\$000	\$000	\$000
Other assets         235         235         235         -         -           Loans and advances         27,803         48,174         518         1,022         11,381         35           Investment in debt securities         41,355         57,764         26,639         7,668         12,885         10           Creditors and other payables         (255,854)         (255,854)         (253,204)         (2,650)         -           Borrowings -external         (3,079,753)         (2,712,686)         (398,214)         (833,684)         (894,966)         (585,           Finance lease liability (net settled)         (59,329)         (100,040)         (6,207)         (6,160)         (16,986)         (70,           Derivative financial instruments         (314,515)         (164,817)         (26,748)         (31,816)         (58,786)         (47,           Net contractual inflows / (outflows)         (3,191,873)         (2,676,869)         (200,463)         (864,969)         (947,857)         (663,           30 June 18         270,531         270,531         -         -         -         -           Loans and advances         34,331         39,846         1,219         5,049         1,853         31           Investment in debt s	Cash and cash equivalents	299,239	298,989	298,989	-	-	-
Other assets       235       235       235       235       -       -         Loans and advances       27,803       48,174       518       1,022       11,381       355         Investment in debt securities       41,355       57,764       26,639       7,668       12,885       100         Creditors and other payables       (255,854)       (255,854)       (253,204)       (2,650)       -       -         Borrowings -external       (3,079,753)       (2,712,686)       (398,214)       (833,684)       (894,966)       (585,         Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (70,         Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47,787)         Net contractual inflows / (outflows)       (3,191,873)       (2,676,869)       (200,463)       (864,969)       (947,857)       (663,79)         Jobbors and other receivables       157,174       158,371       166,076       (444)       (1,363)       (5,79)         Other assets       73       73       73       73       -       -         Loans and advances       34,331       39,846       1,219	Debtors and other receivables	148,946	151,366	157,529	651	(1,385)	(5,429)
Investment in debt securities       41,355       57,764       26,639       7,668       12,885       10         Creditors and other payables       (255,854)       (255,854)       (253,204)       (2,650)       -         Borrowings -external       (3,079,753)       (2,712,686)       (398,214)       (833,684)       (894,966)       (585,         Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (47, 9, 9, 9, 20)         Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47, 9, 9, 9, 20)         Net contractual inflows / (outflows)       (3,191,873)       (2,676,869)       (200,463)       (864,969)       (947,857)       (663, 9, 9, 9, 9, 10)         30 June 18       270,531       270,531       270,531       -       -       -         Cash and cash equivalents       270,531       270,531       270,531       -       -       -         Debtors and other receivables       157,174       158,371       166,076       (444)       (1,363)       (5, 79, 99)         Other assets       73       73       73       -       -       -       -         Loans and advances       34,331	Other assets	235	235	235	-	-	-
Creditors and other payables       (255,854)       (255,854)       (253,204)       (2,650)       -         Borrowings - external       (3,079,753)       (2,712,686)       (398,214)       (833,684)       (894,966)       (585,         Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (70,         Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47,         Net contractual inflows / (outflows)       (3,191,873)       (2,676,869)       (200,463)       (864,969)       (947,857)       (663,7)         30 June 18       270,531       270,531       270,531       -       -       -         Cash and cash equivalents       270,531       270,531       270,531       -       -       -         Debtors and other receivables       157,174       158,371       166,076       (444)       (1,363)       (5,         Other assets       73       73       73       -       -       -       -         Loans and advances       34,331       39,846       1,219       5,049       1,853       31         Investment in debt securities       130,565       147,237       103,377 </td <td>Loans and advances</td> <td>27,803</td> <td>48,174</td> <td>518</td> <td>1,022</td> <td>11,381</td> <td>35,253</td>	Loans and advances	27,803	48,174	518	1,022	11,381	35,253
Borrowings - external       (3,079,753)       (2,712,686)       (398,214)       (833,684)       (894,966)       (585,         Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (70,         Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47,         Net contractual inflows / (outflows)       (314,515)       (164,817)       (26,748)       (31,816)       (587,786)       (47,         30 June 18       270,531       270,531       270,531       -       -       -       -         Debtors and other receivables       157,174       158,371       166,076       (444)       (1,363)       (5,         Other assets       73       73       73       -       -       -       -         Loans and advances       34,331       39,846       1,219       5,049       1,853       31         Investment in debt securities       130,565       147,237       103,377       20,492       14,357       9         Creditors and other payables       (262,801)       (262,801)       -       -       -       -         Borrowings -external       (2,769,493)       (3,209,861)<	Investment in debt securities	41,355	57,764	26,639	7,668	12,885	10,572
Finance lease liability (net settled)       (59,329)       (100,040)       (6,207)       (6,160)       (16,986)       (70, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0	Creditors and other payables	(255,854)	(255,854)	(253,204)	(2,650)	-	-
Derivative financial instruments       (314,515)       (164,817)       (26,748)       (31,816)       (58,786)       (47, (47, (47, (47, (47, (47, (47, (47,	Borrowings -external	(3,079,753)	(2,712,686)	(398,214)	(833,684)	(894,966)	(585,822)
Net contractual inflows / (outflows)         (3,191,873)         (2,676,869)         (200,463)         (864,969)         (947,857)         (663,77)           30 June 18         270,531         270,531         270,531         -	Finance lease liability (net settled)	(59,329)	(100,040)	(6,207)	(6,160)	(16,986)	(70,687)
30 June 18         Cash and cash equivalents       270,531       270,531       270,531       -       -         Debtors and other receivables       157,174       158,371       166,076       (444)       (1,363)       (5, 0ther assets         Other assets       73       73       73       -       -         Loans and advances       34,331       39,846       1,219       5,049       1,853       31         Investment in debt securities       130,565       147,237       103,377       20,492       14,357       9         Creditors and other payables       (262,801)       (262,801)       -       -       -         Borrowings -external       (2,769,493)       (3,209,861)       (628,964)       (519,135)       (1,428,395)       (633,         Finance lease liability (net settled)       (61,277)       (121,567)       (6,806)       (7,203)       (19,885)       (87,	Derivative financial instruments	(314,515)	(164,817)	(26,748)	(31,816)	(58,786)	(47,467)
Cash and cash equivalents270,531270,531270,531Debtors and other receivables157,174158,371166,076(444)(1,363)(5,Other assets737373Loans and advances34,33139,8461,2195,0491,85331Investment in debt securities130,565147,237103,37720,49214,3579Creditors and other payables(262,801)(262,801)Borrowings -external(2,769,493)(3,209,861)(628,964)(519,135)(1,428,395)(633,Finance lease liability (net settled)(61,277)(121,567)(6,806)(7,203)(19,885)(87,	Net contractual inflows / (outflows)	(3,191,873)	(2,676,869)	(200,463)	(864,969)	(947,857)	(663,580)
Debtors and other receivables         157,174         158,371         166,076         (444)         (1,363)         (5, 0,444)           Other assets         73         73         73         -	30 June 18						
Other assets         73         73         73         73         -         -           Loans and advances         34,331         39,846         1,219         5,049         1,853         31           Investment in debt securities         130,565         147,237         103,377         20,492         14,357         9           Creditors and other payables         (262,801)         (262,801)         -         -         -           Borrowings - external         (2,769,493)         (3,209,861)         (628,964)         (519,135)         (1,428,395)         (633,           Finance lease liability (net settled)         (61,277)         (121,567)         (6,806)         (7,203)         (19,885)         (87,	Cash and cash equivalents	270,531	270,531	270,531	-	-	-
Loans and advances34,33139,8461,2195,0491,85331Investment in debt securities130,565147,237103,37720,49214,3579Creditors and other payables(262,801)(262,801)(262,801)Borrowings -external(2,769,493)(3,209,861)(628,964)(519,135)(1,428,395)(633,Finance lease liability (net settled)(61,277)(121,567)(6,806)(7,203)(19,885)(87,	Debtors and other receivables	157,174	158,371	166,076	(444)	(1,363)	(5,898)
Investment in debt securities         130,565         147,237         103,377         20,492         14,357         9           Creditors and other payables         (262,801)         (262,801)         (262,801)         -         <	Other assets	73	73	73	-	-	-
Creditors and other payables         (262,801)         (262,801)         (262,801)         -         -           Borrowings -external         (2,769,493)         (3,209,861)         (628,964)         (519,135)         (1,428,395)         (633,           Finance lease liability (net settled)         (61,277)         (121,567)         (6,806)         (7,203)         (19,885)         (87,	Loans and advances	34,331	39,846	1,219	5,049	1,853	31,725
Borrowings -external(2,769,493)(3,209,861)(628,964)(519,135)(1,428,395)(633,Finance lease liability (net settled)(61,277)(121,567)(6,806)(7,203)(19,885)(87,	Investment in debt securities	130,565	147,237	103,377	20,492	14,357	9,011
Finance lease liability (net settled)         (61,277)         (121,567)         (6,806)         (7,203)         (19,885)         (87,	Creditors and other payables	(262,801)	(262,801)	(262,801)	-	-	-
	Borrowings -external	(2,769,493)	(3,209,861)	(628,964)	(519,135)	(1,428,395)	(633,367)
Devise the financial instruments $(102,200)$ $(172,700)$ $(41,200)$ $(25,200)$ $(47,200)$	Finance lease liability (net settled)	(61,277)	(121,567)	(6,806)	(7,203)	(19,885)	(87,673)
Derivative infancial instruments $(183,289)$ $(172,799)$ $(41,395)$ $(25,365)$ $(58,954)$ $(47,$	Derivative financial instruments	(183,289)	(172,799)	(41,395)	(25,365)	(58,954)	(47,085)
Net contractual inflows / (outflows) (2,684,186) (3,150,970) (398,690) (526,606) (1,492,387) (733,	Net contractual inflows / (outflows)	(2,684,186)	(3,150,970)	(398,690)	(526,606)	(1,492,387)	(733,287)

#### 19.5(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and short-term investments, trade receivables, loans and interest rate swaps. The Council and Group places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective members of the Group.

The Council's investment policy includes parameters for investing in financial institutions and other organisations which, where applicable, have the required Standard and Poor's credit ratings. These credit ratings are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

The Council's applies a lifetime excepted credit loss of 80 per cent to community loans that are assessed as having a high credit risk based on the likelihood of repayment. Recipients that are paying their loans are considered to have a low credit risk have no expected credit loss applied.

The Council has written off lifetime expected credit losses at fair value through surplus and deficit.

The carrying value is the maximum exposure to credit risk for bank balances, accounts receivable and interest rate swaps. No collateral is held in respect of these financial assets.

Group

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due to avoid a possible past due status other than some trade receivables.

#### Debtors and other trade receivables

The Council's receivables mainly arise from statutory functions. Procedures are in place to monitor the credit quality of debtors and other receivables with reference to internal or external credit ratings and where appropriate security must be provided to secure credit terms.

The Council has no significant concentrations of credit risk in relation to these receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

Council's trade debtors and other receivables amounted to \$66.0 million (2018: \$80.2 million).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for

there is no significant credit risk concentration for the

The Group's trade debtors and other receivables amounted

Group outside New Zealand.

to \$148.8 million (2018: \$157.0 million).

groupings of various segments with similar loss patterns. There is some concentration of credit risk within the group in relation to trade receivables, however all of these major customers are considered to be of high credit quality, and as such on a Group-wide basis, it is not considered that there is a significant risk of losses arising. Geographically

#### 19.5(d) Credit risk management (continued)

The following table summarises the Council and Group's counterparty credit risks:

	Credit rating	30 Jun 19 \$000	Parent 30 Jun 18 \$000	30 Jun 19 \$000	Group 30 Jun 18 \$000
Cash and cash equivalents					
	AA	226,545	243,748	247,410	270,531
	А	50,000	-	50,000	-
Loans and advances					
	А	528,500	488,500	-	-
	< BBB / unrated	72,287	82,387	27,803	34,331
Investment in equity securities					
	< BBB / unrated	247	378	247	378
Investment in debt securities					
	AA	31,942	55,035	29,514	123,923
	А	-	-	4,539	1
	BBB	-	-	3,652	-
	< BBB / unrated	1,821	6,641	1,821	6,641
Derivative financial instrument assets					
	AA	-	-	7,392	787
		911,343	876,689	372,378	436,592

Credit risk from balances with banks and financial institutions is managed by the Council's treasury department in accordance with the Council's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the treasury department on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group invests only in quoted debt securities with very low credit risk. The Group's debt instruments at fair value through other comprehensive revenue and expense comprised solely of borrower notes that are graded in the top investment category (Very Good and Good) by Standard and Poor's and, therefore, are considered to be low credit risk investments.

The Group has recognised no provision for expected credit losses on its debt securities at fair value through other comprehensive revenue and expense.
#### 20. Finance lease receivables

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
No later than one year	-	-	177	163
Later than one year and not later than five years	-	-	731	717
Later than five years	-	-	462	624
Minimum lease receivables	-	-	1,370	1,504
Less future finance charges		-	(1,245)	(1,370)
Present value of minimum lease receivables	-	-	125	134
Present value of future minimum lease receivables				
No later than one year	-	-	1	1
Later than one year and not later than five years	-	-	44	46
Later than five years	-	-	80	89
Present value of future minimum lease receivables	-	-	125	136
Represented by				
Current portion	-	-	1	1
Non-current portion	-	-	124	134
Total	-	-	125	135

#### 21. Finance lease liabilities

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
No later than one year	10,250	9,448	7,186	6,810
Later than one year and not later than five years	42,282	41,693	26,169	27,091
Later than five years	125,355	136,194	81,268	87,673
Minimum lease payments *	177,887	187,335	114,623	121,574
Less: future finance charges	(81,455)	(89,225)	(55,294)	(60,297)
Present value of minimum lease payments	96,432	98,110	59,329	61,277
Minimum future lease payments				
No later than one year	9,008	8,304	5,590	5,137
Later than one year and not later than five years	31,152	30,726	17,594	18,307
Later than five years	56,272	59,080	36,145	37,833
Total present value of minimum lease payments	96,432	98,110	59,329	61,277
Represented by:				
Current portion	9,008	8,305	5,590	5,138
Non-current portion	87,424	89,805	53,739	56,139
Total finance leases	96,432	98,110	59,329	61,277

\* Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

#### Parent

Council leased the Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCBJV) in August 2010. CBL is a wholly owned Council subsidiary which owns a 50 per cent interest in the unincorporated joint venture with NTPL. The lease has an initial term of 24 years with three rights of renewal of 24 years and the note above includes only the first lease term. The annual lease payment is \$9 million plus GST.

#### Group

The finance lease liability above primarily relates to agreements between Orion and Transpower New Zealand Limited (Transpower) for Transpower to install new assets at or near its local grid exit points. The agreements have remaining terms of between one and 29 years (2018: two and 30 years). Orion does not own the assets at the end of the lease term and there is no residual value.

#### 22. Construction contracts

		Parent		Group
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contract costs incurred	-	-	36,421	125,729
Progress billings	-	-	38,450	110,987
Gross amounts due from customers	-	-	5,124	15,880
Gross amounts due to customers	-	-	110	110
Retentions included in progress billings	-	-	278	285

#### 23. Employee benefits

#### 23.1 Personnel cost

		Parent		Group
	30 Jun 19 Actual \$000	30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	30 Jun 18 Actual \$000
Salaries and wages	193,566	185,077	469,800	462,632
Defined contribution plan employer contributions	3,233	3,233	6,878	6,694
Defined benefit plan employer contributions	-	-	151	142
Increase/(decrease) in employee entitlements/liabilities	(1,420)	697	(1,029)	1,774
Other personnel costs	-	-	2,182	1,694
Total personnel costs	195,379	189,007	477,982	472,936

#### 23.2 Employee entitlements

		Parent		Group
	30 Jun 19 Actual	30 Jun 18 Actual	30 Jun 19 Actual	30 Jun 18 Actual
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	4,467	5,881	9,323	11,211
Annual leave	14,855	14,341	37,209	37,649
Sick leave	256	256	461	445
Retirement and long service leave	1,233	1,201	2,444	2,582
Bonuses and other	-	-	2,988	2,595
	20,811	21,679	52,425	54,482
Non-current portion				
Retirement and long service leave	4,038	4,590	6,760	7,018
Bonuses and other	-	-	-	322
	4,038	4,590	6,760	7,340
Total employee entitlements	24,849	26,269	59,185	61,822

#### **Employee benefits**

The provision for long service leave is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next five to ten years.

#### 24. Provisions

	30 Jun 19 Actual \$000	Parent 30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	Group 30 Jun 18 Actual \$000
(a) Current provisions				
Landfill aftercare provision	3,299	2,159	3,299	2,159
Building related claims provision	1,202	2,222	1,202	2,222
Other	-	-	1,525	831
	4,501	4,381	6,026	5,212
(b) Non-current provisions				
Landfill aftercare provision	13,389	13,120	13,389	13,120
Building related claims provision	4,806	21,640	4,806	21,640
	18,195	34,760	18,195	34,760

#### **Total provisions**

#### Landfill aftercare

As operator of several closed landfill sites, including Burwood, the Council has a legal obligation to provide ongoing maintenance and monitoring services at these sites after closure. These include:

#### **Closure responsibilities:**

- final cover application and vegetation;
- incremental drainage control features;
- completing facilities for leachate collection and monitoring;
- completing facilities for water quality monitoring; and
- completing facilities for monitoring and recovery of gas.

#### Post-closure responsibilities:

- treatment and monitoring of leachate;
- ground monitoring and surface monitoring;
- implementation of remedial measures needed for cover and control systems; and
- ongoing site maintenance for drainage systems, final cover and vegetation.

#### **Closed landfills**

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is \$16.7 million (2018: \$15.3 million). The discount rate used to calculate this provision is 5.44 per cent (2018: 5.5 per cent).

The Council participates in the regional waste disposal joint venture run by Transwaste through its Kate Valley landfill site. This site has been granted resource consent for 35 years from the opening date of June 2005. The Council's ownership share of Transwaste is 38.9 per cent.

#### **Calculation method**

22,696

The provision is calculated based on:

39,141

 the estimated amount required by the Council to meet its obligations for all equipment, facilities and services. The estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation.

24,221

39,972

- the estimated costs have been discounted to their present value using a discount rate of 5.44 per cent (2018: 5.5 per cent).
- the estimated length of time needed for post-closure care is 35 years.
- the Council's legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for closure and postclosure treatment.

#### **Building related claims**

A provision has been recognised for the estimated cost of known weathertight and other building related claims currently outstanding. This includes those claims that are being actively managed by the Council as well as claims lodged with Council, WHRS and the High Court, but not yet being actively managed.

The provision is calculated based on:

- the number of known claims.
- the average actual settlement costs.
- the average actual claims settled per year.

#### Other provision

Other provisions include plant maintenance and other small provisions.

			Parent				Group
	Landfill aftercare \$000	Building related claims \$000	Total \$000	Landfill aftercare \$000	Building related claims \$000	Other \$000	Total \$000
Balance at 1 July 2017	16,706	22,571	39,277	16,706	22,571	597	39,874
Additional provisions made	1,277	3,729	5,006	1,277	3,729	1,291	6,297
Amounts used	(2,704)	(2,438)	(5,142)	(2,704)	(2,438)	(1,057)	(6,199)
Balance at 30 June 2018	15,279	23,862	39,141	15,279	23,862	831	39,972
Additional provisions made	1,647	375	2,022	1,647	375	1,708	3,730
Amounts used	(238)	(1,009)	(1,247)	(238)	(1,009)	(977)	(2,224)
Unused amounts reversed	-	(17,220)	(17,220)	-	(17,220)	(37)	(17,257)
Balance at 30 June 2019	16,688	6,008	22,696	16,688	6,008	1,525	24,221

#### 25. Other liabilities

			Parent		Group
		30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
		Actual	Actual	Actual	Actual
		\$000	\$000	\$000	\$000
(a) Other current liabilities					
Hire purchase agreement		-	-	70	-
Income in advance		19,914	33,146	33,123	41,693
Service concession agreement	11	735	736	-	-
		20,649	33,882	33,193	41,693
	=				
(b) Other Non-current liabilities					
Income in advance		-	-	730	2,181
Lease incentive liability		-	-	1,276	-
Service concession agreement	11	2,637	3,372	-	-
Other	_	-	-	668	-
	=	2,637	3,372	2,674	2,181
Total other liabilities	=	23,286	37,254	35,867	43,874
Income in advance					
Income in advance Income in advance from non-exchange transactions:					
Grants and other revenue subject to condition		3,287	3,598	3,287	4,911
Advanced receipts		17,030	21,435	17,030	21,435
	-	20,317	25,033	20,317	26,346
Income in advance from exchange transactions		(403)	8,113	13,536	17,528
Total income in advance	-	19,914	<b>33,146</b>	33,853	43,874
	=	19,914	33,140	33,853	43,814

#### Income in advance

The Council's revenue in advance includes prepaid building inspections of \$5.3 million (2018: \$6.8 million).

#### Service concession liability

The Council's service concession arrangement relates to the Material Recovery Facility. Refer to note 11 for the details of the arrangement including the amount of service concession assets and liabilities recognised by the Council.

#### 26. Contingent liabilities and assets

		Parent		Group
	30 Jun 19 Actual \$000	30 Jun 18 Actual \$000	30 Jun 19 Actual \$000	30 Jun 18 Actual \$000
Contingent liabilities				
Performance bonds	-	-	39,239	43,985
Uncalled capital in LGFA	1,866	1,866	1,866	1,866
Uncalled capital in CCHL	1,300,139	1,300,139	-	-
Uncalled capital in Tuam Ltd	-	7,000	-	-
Uncalled capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled capital in Transwaste Canterbury Ltd	1,556	1,556	951	951
Christchurch Symphony Orchestra guarantee	200	200	200	200
Rebuild costs	253,000	253,000	253,000	253,000
Legal disputes	21,800	300	21,800	300
Total contingent liabilities	1,588,561	1,574,061	317,056	300,302
Contingent assets				
Otautahi Community Housing Trust	22,571	-	22,571	-
Total contingent assets	22,571	-	22,571	-

#### Contingencies

#### Parent

#### New Zealand Local Government Funding Agency

The Council is a shareholder of LGFA. LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard and Poor's of AA+.

The Council is one of 31 local government shareholders of LGFA (2018: 31). It has uncalled capital of \$1.86 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2019, LGFA had borrowings totalling \$9.8 billion (2018: \$7.7 billion).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

#### Associate contingencies

The Council's share of the contingencies of associates is \$5.5 million (2018: \$5.5 million). The contingencies relate to bonds with Transwaste's bankers in terms of resource consents granted to Transwaste. It is anticipated that no material liabilities will arise.

#### **Current legal proceedings**

There are current legal proceedings against the Council for eleven specific issues and the potential for claims in three others. The amounts claimed in some proceedings and issues raised in respect of Council decisions in other proceedings are disputed.

Included in Council's current legal proceedings are proceedings on a number of building related matters. These matters span a variety of buildings and situations including earthquake related circumstances.

While every effort is made to calibrate Council response to the situation, the Council may have further liability which it has not yet been made aware of. For further detail on the Council's provisioning for building related claims see note 24.

#### **Rebuild costs and recoveries**

The Council is committed to expenditure under the cost sharing agreement. Rebuild and recovery costs will in part be met from Crown contributions. The balance will be funded by the Council and is a future liability.

The Council has agreed the rebuild cost sharing arrangements for the anchor projects with the Crown. Accounting standards require that revenue, including funding contributions, can only be recognised where there is virtual certainty of receiving the payment. While the Council considers this hurdle has been met, the quantum of the funding remains uncertain as does the final ownership of a small number of anchor projects. There may also be potential liability associated with the cost sharing agreement. The quantum of this liability also remains uncertain.

The final ownership structure and the extent and timing of any Council control of the Stadium/Multi-Use Arena project is still to be determined. As a result the Council's contribution of \$253 million has been treated as a contingent liability. The Crown contribution is equally uncertain and is considered a contingent asset.

The Council has a contingent asset in relation to its cost sharing agreement recoveries from the Crown. The final contribution for the Metro Sports Centre is still to be determined and this has been treated as a contingent asset.

#### Suspensory loan

In 2006 the Council entered into an agreement with the Housing New Zealand Corporation (HNZ) to borrow \$2.4 million from HNZ's Local Government Housing Fund. The loan is for a term of 20 years at 0 per cent interest from the date of drawdown (2008) and will cease to be repayable at the end of the term. The loan has a number of conditions which if not met require it to be repaid.

The Council considers that it will continue to meet the conditions of the loan and as such has not recognised a liability. Should Council fail to continue to meet the conditions of the loan it will need to repay the \$2.4 million plus interest for the remaining term.

#### **Christchurch Symphony Orchestra Guarantee**

The Council has guaranteed a \$200,000 bank overdraft for the Christchurch Symphony Orchestra.

#### **Regenerate Christchurch**

The Greater Christchurch Regeneration Act 2016 provides that in 2021 the net assets of Regenerate Christchurch will be distributed to a council controlled entity. Until then the Council does not have a present ownership interest nor control of the entity. Council has a contingent asset in relation to the ownership interest it will acquire in 2021.

#### **Contingent liabilities**

#### Parent

#### Weather tightness

The Council has assessed its exposure to weather tightness and other general building consent issues and has determined that the amount of any exposure is unquantifiable to be recognised as a provision.

#### **Holiday Act**

Council is addressing payroll system non-compliance issues relating to the Holidays Act 2003 to ensure all current and former Council staff receive their correct leave entitlements. The amount of remediating any historical holiday pay entitlements has not been quantified.

#### Group

#### Performance bonds

The following contingent liabilities exist in respect of contract performance bonds:

- CCHL \$25 million (2018: \$30 million);
- City Care \$12 million (2018: 12.3 million);
- Red Bus \$0.1 million (2018: \$0.9 million); and
- Orion \$2.1 million (2018: \$0.8 million)

CCHL entered into a \$50 million performance bond with ANZ bank in June 2011 in support of ESL's obligation under the UFB initiative. The amount of the bond decreased down to \$25 million as at 1 July 2018, and terminates in 2022.

None of the above companies expect to have these contingent liabilities called upon by external parties and hence no provision has been made.

#### National Provident Fund's Defined Benefit Plan Contributors Scheme

Some members of the Group are participating employers in the National Provident Defined Benefit Scheme (the scheme) which is a multi-employer defined benefit plan. In the unlikely event that the other participating employers ceased to participate in the scheme, the Group could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, the Group could be responsible for an increased share of the deficit. Because it is not possible to determine the extent to which any deficit will affect future contributions by employers, the Group participation in the Scheme is accounted for as if it were a defined contribution plan.

#### **Enable Services Limited**

The Enable group has provided a guarantee of CIP's loan to CCHL. At 30 June 2019 this amounted to \$154 million (2018: \$150 million).

#### **Orion New Zealand Limited**

On 13 February 2017, two fires started on the Port Hills near Christchurch. The fires spread over 1,600 hectares on the Port Hills over several days.

On 30 January 2018, Fire and Emergency New Zealand:

- released its investigation reports into the causes of the fires, with an 'undetermined' cause for both
- stated that it believes that both fires were deliberately lit and that the matter is in the hands of the Police
- stated that its investigations are now closed and will only reopen if new evidence comes to light.

IAG Insurance on behalf of a number of its clients affected by the fires, has filed a claim in the High Court alleging that Orion's electricity network caused the fires. Orion has filed a statement of defence denying IAG's allegations and any liability. Orion insures for liability risks, in line with good industry practice.

#### **Contingent assets**

#### Parent

The Council has entered into a housing agreement with the Ōtautahi Community Housing Trust (OCHT) that will see \$45 million of property assets transferred to the trust in favour of a loan agreement. Should the trust be wound up, the Council is entitled to a repayment of the loan \$45 million in cash or other assets. To date assets of \$23.7 million have transferred to OCHT.

#### Group

#### Lyttelton Port Company Limited

In the year to 30 June 2019, LPC resolved the claim against AON Limited.

#### 27. Reconciliation of surplus for the period to net cash flows from operating activities

	30 Jun 19	Parent 30 Jun 18	30 Jun 19	Group 30 Jun 18
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
	\$000	<b>\$000</b>	<b>J000</b>	<b>J000</b>
Surplus for the period	166,881	196,183	80,918	99,112
Add/(less) non-cash items				
Depreciation and amortisation	235,012	213,892	372,546	342,126
Vested assets	(55,272)	(31,153)	(55,272)	(31,153)
Impairment (gains)/losses	-	-	12,203	14,926
(Gains)/losses in fair value of investment property and assets held for sale	-	-	(13,133)	(53,701)
(Gains)/losses in fair value of derivative financial instruments	193	(422)	296	(311)
Share of associates' (surplus)/deficit (less dividends)	-		353	895
Net foreign exchange (gains)/losses	-	-	19	107
Deferred tax charged/(credited) to surplus	208	(3,605)	2,359	18,277
(Gains)/losses in fair value of Investments	27,655	(340)	29,155	1,385
Non-cash loss on sale of property, plant and equipment	23,705	-	23,705	-
Other non cash movements	(553)	(360)	7,670	(4,214)
Net changes in non-cash items	230,948	178,012	379,901	288,337
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	28,692	18,614	29,636	18,464
Movement in capital creditors	12,830	2,900	(265)	4,164
Recognition of service concession arrangement	(736)	(736)	(736)	(736)
Insurance proceeds classified as investing activities	-	880	-	880
Other	-	-	(2,974)	11,942
Net changes in investing/financing activities	40,786	21,658	25,661	34,714
Add/(less) movement in working capital items				
Receivable and prepayment	8,890	(8,076)	14,808	(17,323)
Inventories	268	(236)	(462)	(6,551)
Other assets	-	-	873	603
Payables	(24,147)	4,657	(16,334)	8,811
Provisions and employee entitlements	(17,313)	921	(17,832)	(3,060)
Income tax receivable/(payable)	(11)	(4)	(335)	(3,010)
Other liabilities	(13,232)	17,342	(10,234)	24,167
Net changes in net assets and liabilities	(45,545)	14,604	(29,516)	3,637
Net cash from operating activities	393,070	410,457	456,964	425,800

#### 28. Related parties

Council is the ultimate parent of the Group. Details of subsidiaries and associates over which Council has significant influence, are set out on in the *Group structure and Council Controlled Organisations* section of the Annual Report.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

The Council provides grants and operational funding to a number of group entities and entities or organisations where the Mayor, Councillors or Executive Leadership Team are members of the organisations or their governing bodies. Such funding is agreed by Council on the same basis as other organisations with no such direct links.

#### Related Party Transactions required to be disclosed:

#### Provision of management/administration services

The Council provided accounting, administrative and IT services to the group entities outlined below. The Council does not provide such services to non-group entities.

	201	9	201	8
Group entity	Services to CCOs	30 June Balance	Services to CCOs	30 June Balance
	\$000	\$000	\$000	\$000
CCHL	940	74	830	67
CBL	20	-	20	-
CAfE	7	-	13	-
DCL	72	-	96	-
RBT	36	-	38	-
Vbase	4,940	125	5,781	125

#### Grants

The Council has provided a number of grants/subsidies to the group entities, and some of these are considered nonarm's length transactions. These grants are outlined in the table below.

	2019	2018	Reason for non-arm's
Group entity	\$000	\$000	length
OCHT	-	4,038	Non-contestable funding
RBT	414	390	In accordance with the
			Riccarton Bush Act
Regenerate	4,000	4,000	Non-contestable funding
CNZ - Seed	900	-	Non-contestable funding
Fund			

No balances were outstanding at year end (2018: nil).

#### **Other commercial contracts**

The Council has a contract with EcoCentral for waste collection and management. This contract was not tendered. In 2018/19 the Council paid \$12.3 million (2018: \$8.7 million) to EcoCentral and at year end \$1.0 million (2018: \$0.6 million) was outstanding.

#### Subventions

The Council expects to transfer losses of \$7.9 million to other members of the Council group (2018: \$10 million) by way of subvention payment of \$2.2 million (2018: \$3.2 million).

The final Council tax position for the 2018 tax year resulted in Council transferring losses of \$9.9 million (2017: \$10 million) and receiving a payment of \$3.2 million (2017: \$3.9 million).

The total amount of tax losses transferred between group companies was \$21.8 million (2017: \$35.1 million).

#### 29. Major budget variations

#### Comprehensive revenue and expense

### Total revenue is \$5.8 million lower than budget arising from:

Subsidies and grants are \$17.5 million lower than budget mainly due to project delays including Halswell Junction Road extension, Lower Styx/ Marshland intersection, Victoria Street and Sumner Road that have been carried forward to future year plans.

Dividends received is \$3.7 million lower than budget due to delay of part of the CCHL dividend until 2019/20.

Vested assets are \$6.2 million lower than budget due to a combination of lower value assets received from developers than expected and a lower than budgeted value of vested assets from the bus interchange project.

Development and financial contributions are \$8.9 million higher than budget due to higher than expected subdivision volume.

Rates revenue is \$6.2 million higher than budget due to higher than expected rating growth during the year from rebuild work.

Finance revenue is \$1.1 million higher than budget mainly due to higher cash balances held during the year.

### Total expenses are \$43.9 million higher than budget which included:

Net gains/losses of \$56.5 million were not budgeted relating to loss on disposal of PPE and assets held for sale, and fair value adjustments for financial instruments.

Depreciation and amortisation costs are \$10.0 million higher than budget as a result of 2018 infrastructure and building revaluations.

Personnel costs are \$7.4 million lower than budget mainly due to lower than planned Vbase staff costs following the transfer of "Great Host" staff to Spotless Services Limited.

Other expenses are \$14.4 million lower than budget due to the following reasons:

- \$16.4 million unbudgeted decrease in the Weathertight homes and building related claims provision.
- \$5.5 million lower than planned due to the delayed demolition of Lancaster Park.
- The planned \$4.8 million dredging works of the Heathcote River were delayed due to spawning season.
- \$2.5 million lower than planned as a result of delay in the Earthquake Repair Programme and reduced social housing maintenance costs.
- \$1.9 million of lower than planned stormwater maintenance expenses.

Offset by the following:

- \$2.8 million higher spend on wastewater maintenance and insurance.
- \$2.5 million higher spend on water supply maintenance expenses.
- \$2.5 million unbudgeted recoveries from the Crown for preplanning work on the Canterbury Multi Use Arena.
- \$2.4 million higher spend on landfill aftercare and increased collection and disposal costs.
- \$1.8 million higher spend on traffic safety and efficiency because of additional unplanned Christchurch Transport Operations Centre maintenance costs.
- \$1.2 million higher spend on road landscapes from the reduction of glyphosate use.

### Total other comprehensive revenue and expenses are \$213.3 million lower than budget arising from:

Actual revaluation gains of infrastructure assets and investments in subsidiaries are \$38.6 million lower than budget.

Other items included in other comprehensive revenue and expenses are not budgeted for.

These include gains/losses on investment revaluation and cashflow hedges for a detailed description of the movement in 2018/19 see Note 5b.

#### **Financial position**

### Total assets are \$29.8 million higher than budget explained by:

Actual year end cash and cash equivalents are \$253.8 million higher than budget.

Investments and other financial assets are \$178.4 million higher than budget due to a combination of revaluation increases and additional investments made during the year.

Assets classified as held for sale of \$26.9 million were budgeted as property, plant and equipment.

Property, plant and equipment and intangible assets are \$400.5 million lower than budget mainly due to the annual plan overstating the 2018 revaluation forecast movement.

Accounts receivables are \$32.9 million lower than budget mainly due to timing of invoicing and payment.

Deferred tax assets of \$4.1 million were not budgeted.

### Total liabilities are \$226.5 million higher than budget explained by:

Borrowing is \$223.2 million higher than budget due to a combination of unplanned borrowing for on-lending to CCHL, and additional borrowing required for prefunding debt renewals.

Payables are \$2.7 million higher than budget due to timing of invoicing and payment.

Other liabilities are \$19.9 million higher than budget mainly due to unbudgeted income in advance for prepaid inspections, Lancaster Park demolition fees, Christchurch housing initiative grant, and prepaid rates by ratepayers.

Provisions are 15.9 million lower than budget mainly due to unplanned decrease in building related claims provision resulted from weather tightness claim period expiring, partially offset by a higher than planned increase in landfill aftercare provision.

Employee entitlements compared to budget are \$3.4 million lower than budget with a drop in staff costs.

#### 30. Remuneration

#### 30.1 Chief Executive

The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

On 15 June, Dr Karleen Edwards' Fixed Term contract as Chief Executive of the Council expired. An Acting Chief Executive, Mary Richardson (General Manager, Citizens and Communities) was appointed from 17 June 2019 until the new permanent Chief Executive starts and did not receive additional remuneration while in the role.

The total cost to the Council of the remuneration package paid or payable to the Chief Executive, for the year to 30 June 2019 was:

	\$
Dr Karleen Edwards	
1 July 2018 - 14 June 2019	534,377

The \$534,377 paid to Dr Karleen Edwards from 1 July 2018 to 15 June 2019 included base salary (\$419,177) and superannuation contributions (\$15,781). In addition, on termination Dr Edwards was paid out entitled leave (\$43,647) and accruing leave (\$55,773) as per the Holidays Act.

#### 30.2 Cost of severance payments

In accordance with Schedule 10, section 33 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year, and the amount of each severance payment made as defined under the legislation. For the year ended 30 June 2019 the Council made three severance payments totalling \$41,454 - \$2,864, \$17,015 and \$21,575.,

This compares with the year ended 30 June 2018 when the Council made nine severance payments totalling \$199,268 -\$50,822, \$33,305, \$30,327, \$24,302, \$19,600, \$13,500, \$11,258, \$9,505 and \$6,650.

#### 30.3 Key management personnel

Key management personnel compensation	30 Jun 19 Actual \$000	30 Jun 18 Actual \$000
Salaries and other short term benefits	4,141	4,099
Total	4,141	4,099

Total key management personnel remuneration includes that of the Mayor, Councillors, Executive Leadership Team of the Council and Mayor's Chief of Staff. The remuneration details of the Chief Executive, Mayor and Councillors are set out in notes 30.1 and 30.4. Key management personnel represent 25 full time equivalents (2018: 25).

#### 30.4 Elected members

	30 Jun 19 Council	30 Jun 19 Directors	30 Jun 19	30 Jun 18 Council	30 Jun 18 Directors	30 Jun 18
	Remuneration	Fees	Total	Remuneration	Fees	Total
	\$	\$	\$	\$	\$	\$
Lianne Dalziel	193,099	-	193,099	190,242	-	190,242
Andrew Turner	118,220	-	118,220	118,220	-	118,220
Vicki Buck	102,400	-	102,400	102,400	-	102,400
Jimmy Chen	102,400	-	102,400	102,400	-	102,400
Phil Clearwater	102,400	-	102,400	102,400	-	102,400
Pauline Cotter	102,400	-	102,400	102,400	-	102,400
Mike Davidson	102,400	-	102,400	102,400	-	102,400
David East	105,480	-	105,480	103,914	-	103,914
Anne Galloway	102,400	-	102,400	102,400	-	102,400
James Gough	102,400	-	102,400	102,400	-	102,400
Yani Johanson	102,400	-	102,400	102,400	-	102,400
Aaron Keown	102,400	-	102,400	102,400	-	102,400
Glenn Livingstone	102,400	36,720	139,120	102,400	36,000	138,400
Raf Manji	102,400	-	102,400	102,400	-	102,400
Tim Scandrett	104,560	-	104,560	102,400	-	102,400
Deon Swiggs	102,400	-	102,400	102,400	-	102,400
Sara Templeton	102,400	-	102,400	102,400	-	102,400
	1,852,559	36,720	1,889,279	1,845,976	36,000	1,881,976

Council remuneration includes salary and resource consent hearing fees.

		30 Jun 19	30 Jun 18			30 Jun 19	30 Jun 18
		Total	Total			Total	Total
		Remuneration	Remuneration			Remuneration	Remuneration
		\$	\$			\$	\$
	Banks Peninsula Co	mmunity Board			Linwood-Central-Heath	cote Community E	Board
С	Pam Richardson	19,342	12,713	С	Sally Buck	49,476	48,998
dc	Tyrone Fields	9,670	734	dc	Jake McLellan	24,098	23,742
	Felix Dawson	9,910	9,527		Alexandra Davids	24,098	23,742
	Janis Haley	9,670	9,527		Darrell Latham	24,098	23,742
	John McLister	9,670	9,527		Tim Lindley	24,098	23,742
	Jed O'Donoghue	9,670	9,527		Brenda Lowe - Johnson	24,098	23,742
	Tori Peden	9,670	9,527				
	Christine Wilson	-	12,665				
	Fendalton-Waimair	i-Harewood Commi	unity Board		Halswell-Hornby-Riccar	ton Community B	oard
с	Sam MacDonald	45,681	26,384	с	Mike Mora	48,196	47,484
dc	David Cartwright	22,841	41,096	dc	Helen Broughton	24,578	23,742
	Aaron Campbell	22,841	22,503		Natalie Bryden-White	24,098	23,742
	Linda Chen	22,841	22,503		Catherine Chu	24,098	23,742
	Shirish Paranjape	22,841	22,503		Ross McFarlane	24,098	23,742
	Bridget Williams	22,841	22,503		Debbie Mora	24,338	23,742
	Coastal-Burwood C	ommunity Board			Papanui-Innes Commun	ity Board	
с	Kim Money	46,310	45,626	с	Ali Jones	46,310	45,626
dc	Tim Sintes	23,155	22,813	dc	Emma Norrish	25,435	22,813
	Tim Baker	23,155	22,813		Jo Byrne	23,155	22,813
	Linda Stewart	23,155	22,813		John Stringer	23,155	22,813
	Spreydon-Cashmer	e Community Board	I				
с	Karolin Potter	46,310	45,626		c denotes chairperson		
dc	Melanie Coker	23,635	22,813		dc denotes deputy chairp	person	
	Helene Mautner	23,155	22,813				
	Lee Sampson	23,155	22,813				

Total remuneration includes salary and resource consent hearing fees.

See note 28 Related Parties for detail on transactions between Council and elected members and key management personnel that were not at arm's length. Councillors who are directors of CCHL do not receive directors' fees. Councillor Livingstone donated his directors' fees to the Mayor's Welfare Fund (MWF) in 2019, as he also did in 2018.

#### 30.5 Council employees

At balance date, the Council employed 2,935 (2018: 2,889) staff members. These comprised 1,824 (2018: 1,749) full time employees with the balance of employees representing 410 (2018: 386) full-time equivalent employees. An employee is a full-time employee if they normally work 37.5 hours or more per working week.

The tables below provide the total annual remuneration by band for employees at 30 June. Total remuneration also includes non-financial benefits such as superannuation benefits provided to employees.

	30 Jun 19 Actual
Less than \$60,000	1,351
\$60,000 - \$79,999	605
\$80,000 - \$99,999	448
\$100,000 - \$119,999	295
\$120,000 - \$139,999	151
\$140,000 - \$159,999	43
\$160,000 - \$179,999	21
\$180,000 - \$199,999	7
\$200,000 - \$219,999	7
\$220,000 - \$299,999	6
\$300,000 - \$419,999	1
Total employees	2,935
	30 Jun 18
	30 Jun 18 Actual
	30 Jun 18 Actual
Less than \$60,000	
Less than \$60,000 \$60,000 - \$79,999	Actual
	<b>Actual</b> 1,367
\$60,000 - \$79,999	<b>Actual</b> 1,367 592
\$60,000 - \$79,999 \$80,000 - \$99,999	Actual 1,367 592 412
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999	Actual 1,367 592 412 291
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999 \$120,000 - \$139,999	Actual 1,367 592 412 291 144
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999 \$120,000 - \$139,999 \$140,000 - \$159,999	Actual 1,367 592 412 291 144 39
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999 \$120,000 - \$139,999 \$140,000 - \$159,999 \$160,000 - \$179,999 \$180,000 - \$199,999 \$200,000 - \$219,999	Actual 1,367 592 412 291 144 39 22
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999 \$120,000 - \$139,999 \$140,000 - \$159,999 \$160,000 - \$179,999 \$180,000 - \$199,999	Actual 1,367 592 412 291 144 39 22 6
\$60,000 - \$79,999 \$80,000 - \$99,999 \$100,000 - \$119,999 \$120,000 - \$139,999 \$140,000 - \$159,999 \$160,000 - \$179,999 \$180,000 - \$199,999 \$200,000 - \$219,999	Actual 1,367 592 412 291 144 39 22 6 7

#### 31. Capital management

The Council's capital (equity or ratepayer's funds), comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

#### Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Long Term Plan.

#### 32. Legislative requirements

#### **Council Controlled Organisations**

The Local Government Act 2002 requires CCOs to submit their half year accounts and an SOI to their Boards and to their shareholders within specified timeframes.

For the 2018/19 financial year all CCOs submitted their half year accounts and SOIs within the specified timeframes as set out in the legislation.

For the 2017/18 financial year, Development Christchurch Limited missing the statutory 3 months deadline for issuing its audited financial statements and annual report to its parent CCHL.

For the 2017/18 financial year CAfE was late in submitting their draft and final Statement of Intent, and ChristchurchNZ was late in submitting their half year report.

#### 33. Subsequent events

#### **Global Settlement**

In August 2019, the Council ratified the terms of the Global Settlement Agreement (GSA) with the Crown on earthquake related rebuild matters. The GSA is not substantially different from the initial cost sharing agreement. The Crown ratified the agreement on 23 September 2019. The GSA includes details of the timing and amount of asset transfers. Settlement for the cash component of the GSA is set to occur on 30 September 2019.

#### Committed cash facility

The Council increased its Committed Cash Facility from \$100 million to \$200 million. In August 2019, the Council's existing facility with BNZ was reduced to \$70 million. In September 2019, the Council arranged two new facility agreements with Westpac (\$60 million) and ANZ (\$70 million).

#### Christchurch City Holdings Limited

In September 2019, the Council agreed to increase the uncalled capital of CCHL by \$200 million as part of an intra group funding facility for the wider CCHL group of companies.

#### Orion New Zealand Limited / Development Christchurch Limited

A court date has been set (August 2020) for Orion's defence proceedings in relation to the Port Hills fires in 2017.

#### Lyttelton Port Company Limited

In August 2019, the Board declared a dividend of 4.339 cents per share. This is to be paid in September 2019.

# Group structure and Council controlled organisations

In order to achieve the Council's objectives it has established or invested in a number of companies and trusts. These organisations are managed independently to deliver significant services including the operation of infrastructure assets or to enable administrative efficiencies to be achieved.

Through its wholly owned investment arm CCHL, the Council has invested in a number of infrastructure assets which are considered strategic assets for the City.

The Council also has invested directly in other CCOs; Vbase, CBL and CNZH to enable administrative efficiencies to be achieved.

In addition to these trading organisations the Council has interests in a number of trusts which were set up to deliver specific services, events, facilities or benefits to the city.

This section explains what the organisations do, how their performance is measured and how they performed during 2018/19.

# The Group – 2019 in review

Total assets

\$14.9 billion

Total liabilities \$4.2 billion ↑ 2018 \$3.8 billion

Total ratepayers funds \$10.7 billion ↔ 2018 \$10.7 billion Total revenue \$1.7 billion <sup>1</sup> 2018 \$1.6 billion

Total operating expenditure \$1.6 billion ↑ 2018 \$1.5 billion

Total surplus before tax \$0.1 billion ↔ 2018 \$0.1 billion

We have a significant group of trading entities in addition to the services we provide. Most of these trading entities are owned and monitored by Christchurch City Holdings Limited.

Highlights for the year included

- Opening of the Tūrunga library
- Record passenger numbers (6.93 million) for Christchurch International Airport Limited
- Increase in container volumes (437,413 TEUs) at Lyttelton Port Company Limited
- Increase in customer connections by 3,000 in the 2019 year for Orion Limited
- 100,000 connections achieved across Christchurch for Enable Services Limited
- Reopening of the Christchurch Town Hall, hosting 73 events in the first three months by Vbase Limited.

# Group structure as at 30 June 2019



# Summary financial table

For more detail refer to individual company reports.

	Income	Net result (after tax a	nd minority interest)
	2019 \$000	2019 \$000	2018 \$000
Orion New Zealand Ltd	325,621	47,863	53,330
Lyttelton Port Company Ltd	166,957	42,170	12,216
Christchurch International Airport Ltd	200,506	57,472	88,737
City Care Ltd	299,062	(724)	(445)
Enable Services Ltd	58,768	10,830	(3,782)
EcoCentral Ltd	35,321	1,130	381
Red Bus Ltd	20,795	(5,311)	117
Development Christchurch Ltd	6,589	(1,684)	(303)
Vbase Ltd	18,182	(11,962)	(11,381)
Civic Building Ltd	4,734	(33)	309
Tuam Ltd	2	(2)	1
ChristchurchNZ Holdings Ltd	15,750	(1,052)	(3,602)
Transwaste Canterbury Ltd	49,997	13,448	13,436
Riccarton Bush Trust	640	(55)	(142)
The World Buskers' Festival Trust	-	-	(11)
Rod Donald Banks Peninsula Trust	249	(330)	(338)
Christchurch Agency for Energy Trust	13	(844)	(815)
Central Plains Water Trust	70	-	-

#### Group structure and Council Controlled Organisations Christchurch City Holdings Ltd

www.cchl.co.nz

CCHL is the wholly owned investment arm of Council, holding shares in various trading companies and monitoring them and their subsidiaries on the Council's behalf.

#### Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Ltd
- City Care Ltd
- Red Bus Ltd
- EcoCentral Ltd
- Development Christchurch Ltd

#### Nature and scope of activities

CCHL's mission is to support the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

The company's core role is to monitor the Council's existing investments, which largely service the region's existing infrastructure needs. The general objective of the CCHL investments is to deliver strong financial returns and

#### Key performance targets

dividends to the Council. CCHL seeks to encourage and facilitate the subsidiary and associated companies to increase shareholder value and regional prosperity through growth, investment and dividend payments.

### Policies and objectives relating to ownership and control

CCHL was established to group the Council's for-profit trading enterprises under one umbrella, and to provide a single arms-length interface between these CCTOs and the Council.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CCHL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Key performance targets CCHL financial and distribution performance meets the shareholder's expectations.	2019 Target CCHL pays a dividend for the 2019 financial year that meets or exceeds budget, and achieves the other budgeted key performance measures.	2019 Actual Achieved - CCHL paid an ordinary dividend of \$48.3m. The special dividend of \$140m was paid, which was \$3.2m less than the Sol forecast at the request of Council to
CCHL's capital structure is appropriate for the nature of its business.	CCHL will monitor the level and	postpone payment until 2020. <b>Achieved</b> - CCHL issued a 6 year \$150m fixed rate bond in the Debt Capital Markets
for the nature of its business.	composition of its debt facilities in the context of its funding commitments and the requirements of capital from its shareholder.	in November 2018. CCHL continues to monitor its level and composition of debt facilities in line with its financial strategy.
CCHL's investments provide an appropriate return in relation to their business risk, and against external benchmarks.	CCHL will periodically review the performance of subsidiary companies and other investments against external benchmarks, and assess the value of the investment in the individual company in relation to its inherent business risk and community benefits.	Achieved - benchmarking review completed with independent advisors in March 2019.
CCHL's treasury management policies and practices are consistent with best practice.	CCHL's treasury management policies are reviewed on an annual basis.	<b>Achieved</b> Treasury policy reviewed by Bancorp in February 2019 and minor updates approved by the Audit and Risk Committee.

#### **Financial summary**

CCHL only report on the Group position. The Group's net profit for the year of \$132.1 million is lower than the prior year by \$3.6 million. This reduction is explained in the following individual company pages. CCHL paid dividends to the Council of \$188.3 million, which included special dividends of \$140 million as the final component of its capital release.

#### Group structure and Council Controlled Organisations Orion New Zealand Ltd

www.oriongroup.co.nz

Orion is an energy network management company in which Council has an 89.3% shareholding through CCHL (the remaining 10.7% is owned by Selwyn District Council). Orion owns Connectics Ltd, an electrical contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

#### Subsidiary companies

- Connetics Ltd
- Orion NZ Ventures Ltd

#### Nature and scope of activities

Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass. It has approximately 200,000 customer connections, and is New Zealand's third largest electricity distribution business when comparing line revenue, asset size and system length (km).

# Orion

Policies and objectives relating to ownership and control Orion is recognised as a Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin Orion's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

#### Key performance targets

Network reliability targets	2019 Target	2019 Actual
Overall network - Duration of supply interruptions in minutes per year per connected customer (SAIDI).	73	76
Overall network - Number of supply interruptions per year per connected customer (SAIFI).	0.9	0.8

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance. The targets are consistent with the Commission's network reliability limits for Orion for the year, pursuant to Orion's customised price-quality path.

#### **Financial summary**

#### Statement of financial performance for the year ended 31 March 2019

2019 Actual \$000	2018 Actual \$000
325,621	322,191
109	122
259,618	248,279
66,112	74,034
18,249	20,734
47,863	53,300
	Actual \$000 325,621 109 259,618 66,112 18,249

Net profit after tax is lower by \$5 million due to upward cost pressures particularly in employee costs, network maintenance costs and asset revaluation.

Orion paid \$53 million of fully imputed dividends to its shareholders this year, in line with its SoI target.

#### Group structure and Council Controlled Organisations Lyttelton Port Company Ltd



www.lpc.co.nz

Lyttelton Port Company Ltd (LPC) operates under the Port Companies Act 1988. As a fully owned subsidiary of CCHL, it manages the Port assets, including land and facilities on a commercial basis.

Lyttelton Port is the South Island's largest port by volume and the third largest container port in New Zealand. It provides a vital link to international trade routes and plays a key role in the global transport network.

#### Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipping of a wide range of products; the ownership of land and facilities necessary to maintain LPC's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

#### Key performance targets

<u>Health and Safety</u> Significant Incident frequency rate (per 200,000 hours).

#### **Operational**

Gross Crane Rate (containers per hour per crane). Ship rate (TEU per hour per ship). Coal load out rate (tonnes per day)

<u>Environmental</u>

Straddle fleet that is electric/diesel hybrid

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue Finance income	166,957 859	122,173 4,286
Operating and other expenses	120,701	108,334
Operating profit before tax	47,115	18,125
Tax expense	4,945	5,909
Net profit for the year	42,170	12,216

### Policies and objectives relating to ownership and control

LPC is recognised as a Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin LPC's strategic direction and business plans, including the achievement of shareholders' commercial and noncommercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

2019	2019
Target	Actual
7.1	3.4
27	24.1
65.0	61.4
25,000	26,229
50%	57%

LPC has recorded NPAT in 2019 that is higher than 2018 by \$30 million. This increase is the result of increased port operations and other revenue. Details of these movements are recorded in the LPC Annual Report.

LPC made total distributions of \$7.1 million to shareholders this year, \$0.7 million above its SOI target.

#### Group structure and Council Controlled Organisations Christchurch International Airport Ltd

www.christchurch-airport.co.nz

Christchurch International Airport Ltd (CIAL) is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate the Christchurch International Airport efficiently and on sound business principles.

#### Nature and scope of activities

The company operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence. The airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure.

As the gateway for Christchurch and the South Island, the airport is New Zealand's second largest airport based on passenger numbers and the busiest and most strategic air connection for the South Island trade and tourism markets.

CIAL is responsible for the efficient and safe operation of the airport, while aiming to provide the airport's diversity of users with modern, appropriate and efficient facilities and services.

#### Key performance targets

CHRISTCHURCH AIRPORT bringing the world South

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and delivers airport land for retail, commercial and freight logistics' businesses.

### Policies and objectives relating to ownership and control

CIAL is recognised as Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CIAL's strategic direction and business plans, including the achievement of shareholders' commercial and noncommercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local and central government ownership of this company without inhibiting its independent commercial management.

	2019	2019
	Target	Actual
Domestic passengers	5,238,957	5,164,504
International passengers	1,819,275	1,766,937
Health & Safety	Year on year improvements in annual culture and engagement survey	FY19 – overall 82% FY18 – overall 80%
Work with airlines to achieve greater recycling of waste off aircraft.	52.5% diversion rate.	46.2% diversion rate.

#### **Financial summary**

Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	200,506	236,372
Finance income	102	246
Operating and other expenses	120,607	125,770
Operating profit before tax	80,001	110,848
Tax expense	22,529	22,111
Net profit for the year	57,472	88,737

CIAL's after tax profit is lower than in 2018, by \$31.3 million. This is in large part due to the difference in value gains on investment properties between 2018 and 2019 of \$40.6 million. Excluding fair value movements operating profit increased by \$9.3 million is due in part to airport operations and rental property income. The airport recorded 6.93 million passengers this year, up 65k from FY18.

CIAL made total distributions of \$44.8 million to shareholders this year, \$5.6 million above its SoI target.

#### Group structure and Council Controlled Organisations City Care Ltd

www.citycare.co.nz

City Care Ltd (CCL) is a CCTO, wholly owned by CCHL.

#### Nature and scope of activities

CCL is in the business of constructing, maintaining and managing infrastructure and property assets. The company's main service offerings are:

- City Care Water –construction and maintenance for water, wastewater and stormwater networks, with a focus on smarter management and optimisation of water sector infrastructure assets.
- City Care Property encompassing end-to-end construction and maintenance of public and private building and greenspace facilities.
- City Care Civil focusing on national construction and maintenance opportunities in roads, landscapes and subdivisions.

#### Key performance targets

# Citycare Group

### Policies and objectives relating to ownership and control

CCL is recognised as a Strategic Council Asset, servicing assets of a public nature in a commercial manner in a way that benefits the city as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CCL's strategic direction and business plans, including the achievement of shareholders' commercial and noncommercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Operational	2019 Target	2019 Actual
Win new significant (>\$5m) contract or client Health & Safety	1	Achieved
Total recordable injury rate	5% reduction	Not achieved – the workfit programme has been installed across the business. In 2018/19 improvements to the frequency rate for injuries has been seen.
NZ4801 Health and Safety management	Maintain accreditation.	Achieved
<b>Environmental, Social and Innovation</b> Replace vehicles with hybrid or EV	10	Achieved

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue Finance Income	299,062 166	313,925 14
Operating and other expenses	300,279	314,532
Operating profit/(loss) before tax	(1,051)	(593)
Tax expense/(benefit)	(327)	(148)
Net profit/(loss) for the year	(724)	(445)

Net profit after tax in 2019 was lower than 2018 by \$279,000 largely attributable to the highly competitive construction market that has squeezed margins.

Citycare Water and Citycare Property have both delivered profitable performance in 2019.

Due to the above, City Care made no distributions to shareholders this year, this is \$1.2m below its SoI target.

#### Group structure and Council Controlled Organisations Enable Services Ltd



Enable Services Ltd (ESL) is a CCTO, wholly owned by CCHL and trading as Enable Networks.

#### Nature and scope of activities

ESL built and now operates a fibre optic network for greater Christchurch. It provides fibre broadband wholesale services to retail service providers on the UFB network.

The UFB network extends across greater Christchurch and to a number of towns in the Waimakariri and Selwyn Districts. ESL has around 100,000 connections that are expected to grow to 150,000 by 2021.

#### **Associate companies**

Enable Networks Ltd (ENL)

#### Key performance targets



### Policies and objectives relating to ownership and control

ESL is recognised as a Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin ESL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

	2019 Target	2019 Actual
Number of connections (cumulative)	104,000	101,271
Operational service level agreement achieved	>95%	96.0%
<b>Health and Safety</b> Total recordable injuries frequency rate/million hours Serious Harm Site audits and safety observations conducted	<2.5 0 >1,000	Not achieved. 3.50 0 9,691

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	58,768	48,474
Finance income	68	201
Operating and other expenses	55,031	54,080
Operating profit/(loss) before tax	3,805	(5,405)
Tax (benefit)/expense	(7,025)	(1,623)
Net profit/(loss) for the year	10,830	(3,782)

Enable's NPAT in 2019 is \$14.6 million ahead of 2018.

Enable became NPAT-positive for the first time in 2019 as a result of increasing gross telecommunications revenue. This has increased by 38 per cent in 2019 and lower than expected operating costs.

The Group's continues its focus on connections, whilst the Group hit 101,271 connections this year, this is slightly down on the Sol target of 104,000.

2019 saw the release of Enable's sustainability framework.

#### Group structure and Council Controlled Organisations EcoCentral Ltd

www.ecocentral.co.nz

EcoCentral (Eco) is a CCTO, 100 per cent owned by CCHL.

#### Nature and scope of Activities

Eco oversees the processing of household and commercial refuse and the automated sorting of recycling throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finding ways to ensure Christchurch is a leader in recycling.

#### Eco manages:

- EcoShop, on Blenheim Road; the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.
- EcoSort, a large facility that receives all the 'Yellow Bin' recycling from Christchurch and surrounding areas where it is automatically sorted, baled and sold as reclaimed material. Material is sold either domestically or internationally to be made into new products.
- EcoDrop comprises three transfer stations for managing the City's recycling and refuse for both Key performance targets

### Operational

domestic and commercial waste. Each station has a recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.

#### Policies and objectives relating to ownership and control

Eco is recognised as a Strategic Council Asset, reducing the waste stream in a commercial manner in a way that benefits the city as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin Eco's strategic direction and business plans, including the achievement of shareholders' commercial and noncommercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Operational EcoSort - Residual waste.	<b>2019</b> <b>Target</b> No more than 9% of total waste received.	<b>2019</b> Actual Not Achieved 12.1%
Eco Drop – Recovered tonnes for resale.	Investigate at least 2 new initiatives for diversion from waste stream.	<ul> <li>Achieved – the following investigations were initiated during the current year:</li> <li>Tyre recycling alternatives</li> <li>Battery recycling trial</li> <li>Mixed plastic –conversion to diesel and gasification</li> </ul>
EcoShop – number of customer sales.	142,000 per annum.	135,762 per annum
Lost Time injuries per 200,000 hours worked	20	16.38 Achieved

#### **Financial summary**

#### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	35,321	34,402
Finance income	61	70
Operating and other expenses	33,812	33,955
Operating profit	1,570	517
Tax expense	440	136
Net profit for the year	1,130	381

Net profit after tax has improved by \$750,000 as a result of increased processing fees for recycling. This has assisted the company to manage the impacts of the downturn in the global commodities market.

The positive net profit after tax has allowed the full repayment of the company's borrowing. EcoCentral paid a dividend of \$250,000 in 2019 in line with its Sol expectation.

#### Group structure and Council Controlled Organisations Red Bus Ltd



Red Bus Ltd (RBL) is a CCTO, wholly owned by CCHL. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

RBL operates urban and school bus routes within Christchurch city and tourism and coach services across the South Island.

The urban public transport services are predominantly operated under contract to Ecan, the planner and regulator for Canterbury public transport.

#### Nature and scope of activities

RBL provides scheduled urban public passenger transport services in Christchurch. The Company also delivers a broad base of charter and coach services and operates some commercial urban services.

#### Key performance targets

# Policies and objectives relating to ownership and control

rec' bus

RBL is considered an important asset for the city, providing public transport services in a commercial manner in a way that benefits the city as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin RBL's strategic direction and business plans, including the achievement of shareholders' commercial and noncommercial objectives and operating in accordance with sound business practice.

Through the SoI process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Number of urban paceongors	2019 Target At least 3.4 million	2019 Actual 3.9 million
Number of urban passengers	At least 3.4 million	5.9 111001
Percentage of service trips starting on time	At least 97%	98 %
Percentage of bus fleet with Euro 2 or higher emission compliant engines	90%	97%
Lost time injury (LTI) experience (per million worked hours)	Fewer than 15 LTIs	12.2
Customer service (urban)	Achieve at least 85% in annual mystery shopper survey	82% - not achieved

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue Finance income	20,795 14	21,078 6
Operating and other expenses	27,970	20,885
Operating (loss)/profit before tax	(7,161)	199
Tax (benefit)/expense	(1,850)	82
Net (loss)/ profit for the year	(5,311)	117

Red Bus made an after tax loss of \$5 million in 2019, due to the write down in value of the bus fleet. This is a reflection of the allowable maximum age of urban buses in new contracts and a rapidly changing market view on diesel buses. One-off costs were incurred in tendering for new routes.

Red Bus introduced 3 fully electric buses to its fleet late this year, driving towards a more sustainable future.

control

sound business practice.

management of these entities.

Policies and objectives relating to ownership and

sector investment and development in the city.

DCL is considered an important asset to encourage private

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin

DCL's strategic direction and business plans, including the

commercial objectives and operating in accordance with

Through the SoI process, the Council establishes broad

parameters to reflect the public nature of this company

without inhibiting the independent/commercial

achievement of shareholders' commercial and non-

#### Group structure and Council Controlled Organisations Development Christchurch Ltd



www.dcl.org.nz

Development Christchurch Ltd (DCL) is a CCTO, wholly owned by CCHL. It was established in July 2015 at the request of the Council to deliver on the Council's ambition to drive investment opportunities, encourage urban development, aid regeneration and engage the community in activities that will benefit Christchurch.

#### Nature and scope of activities

DCL's core role is to provide the Council with increased capacity and capability that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders. Outside this core activity, there is also a role to add capacity to Council by acting as delivery agent for some nominated capital works.

#### Key performance targets

2019	2019
Target	Actual
<u>Strategic</u>	
DCL keeps its owners informed of all significant matters relating to DCL	DCL has reported to the finance and performance committee and CCHL on a quarterly basis.
<u>Work Programme</u> DCL will lead the revitalisation of New Brighton including construction of the Christchurch Hot Water Pools, the development of the commercial core and the attraction of new investment.	Consents have been granted and construction has commenced on the Hot Water Pools.
DCL will continue to progress and monitor the development of the Peterborough Quarter	DCL continue to work with developers/investors in the amalgamation of key land holdings in the front foreshore zone of the commercial core.
	A request for a development proposal was issued in March 2019. A development strategy will be completed as part of this process.
DCL will lead the delivery of the Investor Ready City Strategy	DCL continues to facilitate interactions between city institutions to provide a mechanism to share market and institutional intelligence to better inform understanding of investor intentions and requirements.

#### **Financial summary**

Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue Finance income	6,589 50	9,746 65
Operating and other expenses	8,978	9,677
<b>Operating (loss) before tax</b> Tax (benefit)/expense	(2,339) (655)	134 437
Net (loss) for the year	(1,684)	(303)

DCL is provided with \$3 million of operational funding each year for services provided to the Council, and one-off funding for specific projects. The net loss for 2019 compared with 2018 of \$0.8 million largely reflects the impact of the Christchurch Adventure Park.

This year saw the entity take a controlling interest in the Christchurch Adventure Park. The financials include 10 months of operating as an associate, and two months as a consolidated subsidiary.

# Group structure and Council Controlled Organisations Vbase Ltd

www.vbase.co.nz

Vbase is a CCTO, 100 per cent owned by the Council, operating under direct Council governance and management.

A review of Vbase's future ownership structure and operational arrangements is being undertaken to assist the company in its return to being a viable and sustainable trading entity.

#### Nature and scope of activities

Vbase has two areas of focus – attracting, hosting and managing events and ownership and/or management of facilities. Vbase owns and/or operates the following venues:

- Horncastle Arena (owned and managed);
- AMI Stadium Addington (managed);
- Wigram Air Force Museum (managed); and
- Hagley Cricket Oval Pavilion (managed).

#### Key performance targets

# vbase

The Town hall re-opened in 2019, with a dedicated space for the Christchurch Symphony Orchestra.

### Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin Vbase's strategic direction and business plans including the achievement of the shareholder's commercial and noncommercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Objective and Strategy	2019 Target	2019 Actual		
Financial targets	EBITDA loss not greater than \$2.5 million.	Not achieved. EBITDA loss \$3.689 million.		
Venue Utilisation				
High utilisation of Horncastle Arena.	At least 100 event days.	Achieved. 112 days delivered.		
Attract events at Christchurch Stadium	At least 1 major event is	Achieved. Delivered Phil Collins concert, Nitro		
outside of the standard Super rugby and provincial rugby fixtures.	delivered.	Circus, Manly vs Warriors NRL game.		
High utilisation of the Town Hall.	At least 12 events are	Achieved. Delivered 73 events since re-		
	delivered.	opening in March 2019.		
<u>Community Benefit</u>				
Secure events that will encourage high	Visitors to venues exceed	Achieved. 713,393 attendees to Vbase venues		
usage of the venues.	500,000.	for the year.		
Facilitate access to the venues for local community and charitable organisations.	Total venue discounts equal \$200,000.	Achieved. Discounts of \$328,848 provided. Increase occurred as a result of the delay in re- opening the Town Hall which led to higher 'cost' discounts being provided to Horncastle Arena, as well as post the 15 March attack, there was high demand for Vbase venues by the community.		
Health and Safety – Vbase will be a safe place to work and visit				
Continue to improve health and safety processes. Environmental considerations	Annual health and safety audit completed.	Achieved. Audit undertaken by independent consultant.		
Ensure recycling of waste is undertaken at	Recycling undertaken at 97%	Achieved, 100% of events.		
events	of events.			

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	18,182	17,668
Operating and other expenses	38,624	34,570
Operating (loss) before tax	(20,442)	(16,902)
Tax (benefit) expense	(8,480)	(5,521)
Net (loss) for the period	(11,962)	(11,381)

The operating loss before tax has increased by \$3.5 million, mostly as a result of costs incurred to remediate land at

Horncastle Arena affected by a diesel spill (\$0.7 million), the Phil Collins' concert (\$0.3 million), Town Hall operations following its opening in April 2019 (\$0.6 million), increased security across all venues following the 15 March attacks (\$0.15 million) and one-off non-recoverable costs incurred in responding to the 15 March attack (\$0.3 million). Added to this was increased depreciation costs of \$1.6 million for Town Hall fixtures and fittings. A net \$0.3 million one-off cost for the demolition of the former Lancaster Park in 2018 (\$11.9 million) offset by the cost of final repairs to the Town Hall (\$12.2 million).

Offsetting these costs was a \$1 million operating grant from the Council less reduced interest revenue on funds held used to acquire furniture and fittings for the Town Hall in 2019 of \$0.7 million.

#### Group structure and Council Controlled Organisations Civic Building Ltd

CBL is a CCTO, 100 per cent owned by the Council.

#### Nature and scope of activities

CBL owns a 50 per cent interest of the Christchurch Civic Building Joint Venture with Ngāi Tahu Property (CCC-JV) Limited. The joint venture owns the Civic building in Hereford Street.

### Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs.

#### Key performance targets

#### **Objective and Strategy**

Meet the financial targets contained within the SOI.

Manage the investment in a commercially astute and prudent manner.

The Civic Building was designed to achieve a high standard in terms of environmental and energy sustainability.

#### **Financial summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	4,725	5,992
Operating and other expenses	4,783	6,060
Operating (loss) before tax	(58)	(68)
Tax (benefit)	(16)	(377)
Net profit/(loss) for the year	(42)	309

2019 Target Budgeted key performance indicators are met or exceeded. Ensure the Civic Building is managed in accordance with the management agreement. Ensure the Civic Building operates in a manner that preserves 6 Green Star accreditation features.

2019 Actual Achieved.

> The building is being managed in accordance with management agreement. The Facilities Management Team considers that the building is operating in a manner consistent with a 6 green star facility.

The operating loss before tax in 2019 is \$10,000 lower than in 2018. This is due to a one-off value gain on investment property in 2018 of \$1.28 million, offset by a reduction in interest expense of \$1.33 million. The lower interest expense reflects the repayment of \$5 million of loans in 2018/19.

These objectives underpin CBL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Civic Building Limited

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

# Group structure and Council Controlled Organisations Tuam Ltd

Tuam is a CCTO, 100 per cent owned by the Council.

Tuam Ltd formerly owned the old civic building and related Tuam Street properties which were sold to the Crown in 2014. The company is no longer trading.

Tuam was amalgamated with Vbase in the 2018/19 financial year.

Group structure and Council Controlled Organisations ChristchurchNZ Holdings Ltd

www.christchurchnz.com

ChristchurchNZ Holdings Ltd (CNZL) is 100 per cent owned by Council. It is the holding company for the Council's investment in ChristchurchNZ and CRIS Ltd. CNZL was established in 1 July 2017 from the amalgamation of Canterbury Development Corporation, Christchurch and Canterbury Convention Bureau and Christchurch and Canterbury Marketing Ltd.

#### Subsidiary and associate entities

CNZL operates to optimise the economic and social opportunities that tourism, major events, city promotion and economic development can bring to Christchurch and Canterbury. CRIS Limited holds the assets and long term contractual arrangements for innovation assets in the region.

CNZL is also a joint venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partners Limited, a regional vehicle funded by the Ministry of Business, Innovation and Employment to drive increased capability in small to medium sized entities. Nature and scope of activities

CNZL's overall purpose is to grow the economy to the benefit of all. It does this by leading the development and promotion of the city profile, attracting visitors, migrants, students, new business and investment, and a business environment that supports successful and sustainable enterprise, encouraging creativity and innovation.

ChristchurchNZ<sup>1</sup>

CNZL, along with its partners is responsible for developing, monitoring and implementing the Christchurch Economic Development Strategy, Christchurch Visitor Strategy, Christchurch Major Events Strategy and Christchurch Antarctic Gateway Strategy, and for developing the Christchurch City Narrative.

### Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin CNZL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

#### Key Performance Targets

Strategic priority ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch	<b>2019</b> <b>Target</b> Quarterly Economic Report is produced and available on the ChristchurchNZ website.	<b>2019</b> Actual Achieved
ChristchurchNZ supports and environment that encourages innovation, entrepreneurship and investment.	ChristchurchNZ facilitates at least 2 opportunities to secure innovative businesses or investment into the city.	Achieved
ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors.	Christchurch Visitor Strategy reviewed by June 2019.	Achieved
ChristchurchNZ promotes Christchurch and Canterbury as a great place to hold business events and conferences.	Prepare at least 30 city bids to attract business events to Christchurch.	Achieved

Christchurch City Annual Report 2019 Christchurch Ötautahi

<b>Strategic priority</b> ChristchurchNZ attracts, manages and sponsors the delivery of major events.	<b>2019</b> <b>Target</b> At least 2 events delivered at major event level as defined by the Major Events strategy.	<b>2019</b> Actual Achieved
ChristchurchNZ leads collaborative development implementation of a city narrative.	Online toolkit of materials for city narrative is maintained and utilisation is monitored.	Achieved
ChristchurchNZ is recognised by Antarctic programme partners as being a quality Gateway city.	Antarctic Gateway Strategy is approved.	Achieved

#### **Financial Summary**

### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	15,750	14,983
Operating and other expenses	16,857	18,580
Operating (loss) before tax	(1,107)	(3,597)
Tax expense/(benefit)	(55)	5
Net (loss)/profit for the year	(1,052)	(3,602)

The net loss before tax for 2018/19 is lower than the previous year by \$2.5 million largely due to reduced costs of \$3.1 million which was a one-off fair value adjustment of Powerhouse Ventures Ltd shares in 2018 offset by a book loss on divestment of Food Innovation (South Island) Limited of \$1 million in 2019. These costs were offset in part by a net \$0.5 million of additional third party business in 2019.

#### Group structure and Council Controlled Organisations Transwaste Canterbury Ltd

Transwaste was incorporated in March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened in June 2005. Transwaste is a joint venture between local authorities in the region and Waste Management NZ Limited, with Council owning 38.9 per cent.

#### Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

#### Key performance targets

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

TRANSWASTE

### Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest (50%) in residual waste disposal activities, as major shareholder, Waste Management Canterbury Ltd.

Through a Statement of Intent, the Council and other shareholders influence the direction of the company, its objectives and its accountability settings.

Objective and Strategy	2019 Target	2019 Actual
To operate a successful business, providing a fair rate of return to shareholders.	Kate Valley Dividends \$11 million	Achieved. Dividends paid \$11.4 million.
	Burwood Resource Recovery Park (BRRP) Dividends \$5 million	Achieved. Dividends paid \$5 million
Meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources.	No proven breaches of Resource Management Act consents.	Achieved. No notifications have been received from Environment Canterbury.
Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.	Reliability of access to the Kate Valley landfill – more than 99% of normal annual transport access hours.	Achieved. No disruption of waste transport services occurred, despite the landfill being closed due to high wind on seven days for 31 hours in total.
	Reliability of access to the BRRP facilities – more than 99% of normal annual transport access hours.	Achieved. No disruptions to BRRP access during operational hours.

#### **Financial summary**

Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	49,997	50,196
Operating and other expenses	31,318	31,534
Operating profit before tax	18,679	18,662
Tax expense	5,231	5,226
Net profit for the year	13,448	13,436

The 2019 result is commensurate with the 2018 result. Dividends paid of \$16.4 million were higher than target by \$0.4 million.

#### Group structure and Council Controlled Organisations Riccarton Bush Trust



www.riccartonhouse.co.nz

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The Trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Riccarton Bush Trust was incorporated under a 1914 Act of Parliament, which was followed by a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012. These give the Riccarton Bush Trust the power to negotiate with the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds.

The Council appoints five of the eight members on the Trust Board.

#### Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

### Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin RBT's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

#### Key performance targets

Performance targets	Target 2019	Actual 2019
Financial performance.	Operating expenses \$556,000.	Operating expenses were lower than target, \$536,924 (3%), due to lower insurance costs (\$3,600) and across the board operational cost savings.
Riccarton House.	Refit and upgrade downstairs toilets to bring them up to code.	Target not met. Construction to commence on 15 July 2019 and scheduled for completion on 6 September 2019.
Riccarton Bush and Grounds.	Bush and Grounds Interpretation – signs to be upgraded to represent relationship with Ngāi Tuāhuriri.	Target not met. Upgrade of panels has commenced and will be completed by mid-October 2019.
Deans Cottage.	Update and increase the interactivity of Deans Cottage Displays.	Target not met. Project has commenced.
Monitor Health and Safety practices in accordance with policy to meet the requirements of the Health and Safety at Work Act 2015	Report to each Board meeting on: Serious harm incidents = 0 Accident = 1 Near misses = 3	Target met. Monthly meetings with reporting on all Health and Safety measures.

#### **Financial summary**

Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	640	570
Operating and other expenses	695	712
Operating profit/(loss) before tax	(55)	(142)
Net profit/(loss) for the year	(55)	(142)

The net loss in 2019 is \$87,000 lower than in 2018 largely due to lower expenses of \$17,000 comprised of reductions

in project costs in 2018 of \$27,000 following decisions the particular projects would not proceed and a reduction in general business expenses in 2019 of \$15,000. These reductions were offset by increased employee costs of \$9,000 partly due to increased visitor numbers and partly a general wage increase and increased depreciation costs of \$20,000 for the Rangers' House following its completion in 2018.

Higher revenue was received in 2019 of \$70,000 from an increase in the Council's levy and capital grant (together \$24,000), and one-off grants of \$24,000 from third parties. Increased rental rate and turnover at Local (the café) brought in higher income of \$14,000. Rental income from the Ranger's House was higher by \$3,000 reflecting a full year's occupation compared with partial year in 2018.
Group structure and Council Controlled Organisations The World Buskers' Festival Trust

www.worldbuskersfestival.com

The World Buskers' Festival Trust is a charitable trust established by the Council in July 2010. The primary purpose of the Trust was to hold an annual international buskers festival in Christchurch and apply surplus funds generated by the festival towards promoting street theatre as a performing art in New Zealand.

The World Buskers' Festival Trust was wound up as at 30 June 2018. The Trust's activities have been amalgamated within the Major Events' portfolio held by ChristchurchNZ Ltd from 1 July 2018.

The Trust was wound up and de-registered in the 2018/19 financial year.

# Group structure and Council Controlled Organisations Rod Donald Banks Peninsula Trust

www.roddonaldtrust.co.nz

The Rod Donald Banks Peninsula Trust is a charitable trust created by the Council in July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and exists for the benefit of the present and future inhabitants of Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pātaka o Rākaihautū – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the Peninsula's natural environment.

# Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its charitable objects and focuses its efforts on engaging with groups and projects which have similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups



Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin RBT's strategic direction and business plans including the achievement of the shareholder's commercial and noncommercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

	account	
Key performance targets		
Performance indicator	2019 Target	2019 Actual
Meet Financial targets.	Operating surplus \$143,584.	Achieved. Operating surplus \$287,144 (measured in cash terms, not P&L terms, therefore the following adjustments reconcile with the \$330,000 operating P&L loss – add receipts of \$234,000 net proceeds for sale of land and additional non-cash expense of depreciation \$9,000 and strategic grants allocated of \$373,000. These items reconcile to the net loss for the year in the financial summary table below.
The Trust has determined four key pillars on which its projects will be based - Access, Biodiversity, Knowledge, and Partnerships.	Assess all potential projects brought to the Trust's attention against these four pillars to determine whether they should be added to the Trust's project list and action those that are deemed a priority.	Achieved – new projects for Pest Free Banks Peninsula were assessed against the framework.
	Make submissions to relevant policy documents in support of the pillars.	Achieved. Submissions were made to ECAN and Christchurch City Council Annual Plans, among others.
Provide leadership and tangible support for the projects achieving access.	Progress Te Ara Pātaka through securing public access and adding user facilities, including continued management of Rod Donald Hut and development of a long-term plan for assets.	Achieved. Public access secured and track maintenance carried out at Te Ara Pataka, track upgrade in Montgomery Reserve (with Dept of Conservation), Rod Donald Hut serviced and maintained and access track to Hut planted with native trees and surface upgraded.
	Sell the property containing Woodills South track after a public walking easement has been secured.	Achieved

#### **Financial summary**

Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	249	138
Operating and other expenses	579	476
Operating (loss)/profit	(330)	(338)
Net (loss)/profit for the year	(330)	(338)

The net loss for the year is \$8,000 lower than in 2018. This has arisen from additional costs of \$22,436 for strategic planning and \$6,775 for minor projects, both incurred to assist decisions on the Trust's future. As well, strategic grants and project expenditure is \$90,792 higher than last year reflecting the redirection of funding focus following the completion of key projects during the year. Offsetting this additional expenditure are lower grant commitments to partners by \$11,000 recognising the Trust's diminishing funds and a gain on divestment of land of \$103,000.

control

commercial objectives.

held accountable.

Deed.

in new and/or renovated buildings and initiatives that

Policies and objectives relating to ownership and

Section 59 of the Local Government Act 2002 sets out the

principal objectives of CCOs. These objectives underpin

achievement of the shareholder's commercial and non-

Through a Statement of Intent, the Council agrees the

strategic direction of the company, its objectives and

measures of performance for which the company will be

CAFE's strategic direction and business plans, including the

result in the use of electricity instead of fossil fuels.

# Group structure and Council Controlled Organisations **Christchurch Agency for Energy Trust**

CAFE is a charitable trust established by the Council on 13 July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

## Nature and scope of activities

In order to pursue its charitable objects CAfE has committed to support the uptake of renewable energy and enhanced energy efficiency in rebuild projects.

The Trust administers the Christchurch Energy Grant Scheme, which aligns with the Council's Climate Smart and Sustainable Energy Strategies. The scheme provides grants for plant purchase and installation of renewable energy initiatives, district energy scheme, energy efficiency measures that go well beyond the building code minimum

# Key performance targets

Performance targets	2019 Target
Christchurch Energy Grants Scheme.	Allocation and payment of the remaining balance of incentive grants for initiatives
Scheme.	within the central city through the
	Christchurch Energy Grants Scheme or other initiatives in line with the Trust Deed

# 2019 Actual

Ten grants have been paid out during the period. Grants that have been allocated but unpaid of \$26,628 will be paid out in the next financial year. Funds that have not yet been allocated of \$63,000 will be allocated in the next financial year.

# **Financial summary**

#### Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	13	28
Operating and other expenses	857	843
Operating (loss)/profit	(844)	(815)
Net (loss)/profit for the year	(844)	(815)

The Trust made a loss of \$844,000 in 2019 which is \$29,000 higher than in 2018. This is a reflection of lower interest income as the Fund depletes (\$15,000), higher value of grants paid (\$19,000) offset by lower general expenses (\$5,000).

# Group structure and Council Controlled Organisations Central Plains Water Trust

www.cpw.org.nz

The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils (the Settlors) to facilitate sustainable development of central Canterbury's water resource.

Resource consents were issued by the Environment Court on 25 July 2012 which allow water to be taken from the Rakaia and Waimakariri rivers for the Central Plains Water Enhancement Scheme operated by Central Plains Water Limited (CPWL).

# Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme (now finalised and issued), and to hold these consents for the use of Central Plains Water Limited.

CPWT undertakes monitoring of CPWL's activities to ensure compliance with the resource consent conditions, operates

# Key performance targets

Performance targets	2019 Target	2019 Actual
Performance monitoring and reporting.	Monitor the performance of CPWL in constructing, commissioning and operating the Scheme, and communicate the results to	Achieved.
Environmental.	the public. Establish and support the Environmental Management Fund (EMF).	Achieved.

#### **Financial summary**

# Statement of financial performance for the year ended 30 June 2019

	2019 Actual \$000	2018 Actual \$000
Operating revenue	70	58
Operating and other expenses	70	58
Operating profit/(loss) before tax	-	-
Tax expense/(benefit)	-	-
Net profit/(loss) for the year	-	-

Expenditure in 2019 is \$12,000 higher than in 2018. This is due to an increase in trustee remuneration and meeting fees. Administration fees are lower by \$5,000 which reflects both the 2017 and 2018 environmental monitoring reports that were charged in 2018, and the 2019 one this year. The costs are negotiated and agreed for payment with the Central Plains Water Company Ltd.



a public complaints procedure, and administers the Environmental Management Fund that receives annual contributions from CPWL.

# Policies and objectives relating to ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the central Canterbury Plains, including significant employment creation. The Council, as a 50 per cent Settlor of the CPWT, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

Through a Statement of Intent, the Council influences the direction of the Trust, its objectives and its accountability settings.

# Group structure and Council Controlled Organisations Canterbury Economic Development Co. Ltd

Canterbury Economic Development Co. Ltd (CED Co) was formed in October 2008 by the ten Canterbury local and regional authorities. The core purpose and mission of the company is to act as a promoter for transformational economic development projects that will benefit Canterbury and to utilise the Canterbury Regional Economic Development Strategy (CREDS) to co-ordinate strategic economic development initiatives.

CED Co was wound up and de-registered in the 2017/18 financial year.

# Monitoring

This section contains information about the Council's reserve and trust funds including the capital endowment fund and includes a directors listing for subsidiary companies.

	<b>Frust Funds</b>
ള	and -
Monitorir	Reserves

The Council maintains a number of special reserves and trust funds which have a specific purpose.

The table below shows the movement in the funds for the year to 30 June 2019:

Reserve	Activities to which the reserve relates	Balance 1 July 2018 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2019 \$000
<b>Trusts and bequests</b> ChCh Earthquake Mayoral Relief Fund	Bequests made for Mayoral Earthquake Relief Fund.	10			10
Housing Trusts & bequests	Various bequests made for the provision of Social Housing	95	2		26
Cemetery bequests	Various bequests made for the maintenance of cemeteries.	68	1		69
CS Thomas Trust - Mona Vale	Funds set aside for restoration work at Mona Vale.	39	1		40
Woolston Park Amateur Swim Club (WPASC)	Scholarship programme including an Annual Talented Swimmer Scholarship and an Annual Potential Swimmer Scholarship utilising the former Woolston Park Amateur Swimming Club monies gifted to the Council.	12	ı	ı	12
Parklands Tennis Club	Residual funds passed to the Council from the windup of the Parklands Tennis Club.	19			19
19th Battalion Bequest	Funds passed to the Council by the 19th Battalion and Armoured Regiment to help fund the maintenance of the 19th Battalion and Armoured Regiment Memorial area.	17	·		17
Yaldhurst Hall Crawford Memorial	Funds left by Mr Crawford for capital improvements to the Hall.	11	ı		11
Sign of Kiwi Restoration Fund	Funds set aside for restoration work at the Sign of the Kiwi.	4			4
Fendalton Library Equipment Bequest	Bequest made to fund equipment at the Fendalton Library.	ε	ı		ε
W A Sutton Art Gallery Bequest	Bill Sutton's bequest that any proceeds and benefits from copyright fees that might be charged be ultised for the acquisition and advancement of Canterbury Art.	1		1	1
Mayor's Welfare Fund	Bequests made for Mayor's Welfare Fund intended to provide assistance to families and individuals in the community who are in extreme financial distress.	894	145	T	1,039
		1,173	149		1,322

Reserve	Activities to which the reserve relates	Balance 1 July 2018	Transfers into fund	Transfers out of fund	Balance 30 June 2019
		\$000	\$000	\$000	\$000
Special Funds & Reserves					
Capital Endowment Fund	An inflation protected fund that generates an ongoing income stream which is applied to economic development and civic and community projects.	104,724	3,700	(3,411)	105,013
Housing Development Fund	A fund used for funding the Council's Social Housing activity.	25,631	16,002	(20,883)	20,750
Wairewa Reserve 3185	To enable drainage works relative to Lake Forsyth.	322	£	(200)	125
Wairewa Reserve 3586	To enable drainage of Lake Forsyth into the sea in times of flood.	48	15	(1)	56
Development & Financial Contributions - Reserves	Development and financial contributions held for growth related capital expenditure.	15,180	9,375	(263)	24,292
Development & Financial Contributions - Leisure	Development and financial contributions held for growth related capital expenditure.		258	(258)	
Development & Financial Contributions - Roading	Development and financial contributions held for growth related capital expenditure.	1,037	6,501	(6,016)	1,522
Development & Financial Contributions - Water supply	Development and financial contributions held for capital expenditure.		3,392	(3,392)	I
Development & Financial Contributions - Waste water	Development and financial contributions held for capital expenditure.	ı	12,465	(12,465)	
Development & Financial Contributions - Storm water	Development and financial contributions held for capital expenditure.	4,063	1,967	(1,946)	4,084
Development & Financial Contributions - Libraries	Development and financial contributions held for capital expenditure.	ı	137	(137)	
Development & Financial Contributions - Cemeteries	Development and financial contributions held for capital expenditure.		9	(9)	
Flood Protection Fund	Funds set aside for flood protection works.	772	14	ı	786
Historic Buildings Fund	To provide for the purchase by Council of listed heritage buildings threatened with demolition, with the intention of reselling the building with a heritage covenant attached.	1,238	14	ı	1,252
Community Loans Fund	Fund used to help community organisations carry out capital projects by lending funds at low interest rates.	3,087	78	ı	3,165
Dog Control Account	Statutory requirement to set aside any Dog Control surpluses.	76	2,464	(2,333)	207
Non Conforming Uses Fund	To enable Council to purchase properties containing non-conforming uses causing nuisance to surrounding residential areas and inhibiting investment and redevelopment for residential purposes.	1,832	31	(77)	1,786

Reserve	Activities to which the reserve relates	Balance 1 July 2018 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2019 \$000
Special Funds & Reserves (continued) QEII sale proceeds	For investment in initiatives that promote the most appropriate and productive use of remaining Council land on QEII site.	4,422		(066)	3,432
Conferences Bridging Loan Fund	To provide bridging finance to organisers to allow them to promote, market and prepare initial requirements for major events and conferences, repaid by first call on registrations.	510	I	ı	510
Cash in Lieu of parking	To hold contributions from property developers in lieu of providing parking spaces. Used to develop parking facilities.	629	11	ı	640
Loan Repayment Reserve	Fund used for facilitating repayment of rate funded loans.	I	39,275	(39,275)	
Sandilands Contaminated Sites Remediation	Fund used for remediation work at Social Housing sites.	254		·	254
Businesscare - Commercial Waste Minimisation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill by 2020.	68	I	ı	68
Burwood Landfill Cell A Remediation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill by 2020.	439	62	,	518
Bertelsman Prize	Fund for the provision of in-house training programmes for elected members and staff which have an emphasis on improving excellence within the Council.	20	ı	·	20
WD Community Awards Fund	To provide an annual income for assisting in the study, research, or skill development of residents of the former Waimairi District (within criteria related to the Award).	23	ı	ı	23
Duvauchelle Reserve	Fund used for Duvauchelle Reserve	121	294	(280)	135
Okains Bay Res Mgmt Committee	Fund used for Okains Bay Reserve	559	305	(292)	572
Cathedral Restoration Grant	A grant of \$10 million (spread over the period of the reinstatement) towards the capital cost of reinstatement, to be made available once other sources of Crown and Church funding have been applied to the reinstatement project. Any interest will be available for other heritage projects.		1,014		1,014
Miscellaneous reserves	Minor reserves.	30	·		30
		165,085	97,400	(92,231)	170,254
TOTAL RESERVE FUNDS		166,258	97,549	(92,231)	171,576

# Monitoring The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and innovation, community, and environment projects.

The investment objectives of the fund were met during 2018/19. All funds were held as cash investments during

the year other than a small venture capital investment. This approach was consistent with the objectives outlined in Council's Investment Policy.

	2019	2018
	Actual	Actual
	\$000	\$000
Fund capital at 1 July	104,163	101,416
Plus inflation protection	-	1,100
Less distributed	(43)	(1,250)
Capital distributions not proceeded with	/-	198
Merge Capital Endowment Fund 2	-	2,699
Fund capital at 30 June	104,120	104,163
Unallocated funds at 1 July	561	259
Plus income received by the fund	3,678	3,725
Less inflation protection to capital of the fund	-	(1,100)
Less distributed	(3,368)	(2,323)
Returned funds	22	-
Unallocated income at 30 June	893	561
Total Capital Endowment Fund balance at 30 June	105,013	104,724
Distribution details		
Capital distributions		
Participatory Democracy Project	43	-
Partnership Fund and Smart Cities projects	-	1,250
	43	1,250
Income distributions		
Economic Development and Innovation	1,940	1,293
Community	1,428	1,030
	3,368	2,323

# Monitoring Subsidiary and associate companies

Listed below are the trading enterprises in which the Council has an interest, together with the directors of the trading enterprises, for the period ended 30 June 2019.

# Christchurch City Holdings Ltd (100% owned)

Jeremy Smith Mary Devine<sup>4</sup> Lianne Dalziel (Mayor) Andrew Turner Gregory Campbell Claire Evans Alex Skinner Vicki Buck (Cr) James Gough (Cr)

# Enable Services Ltd (100% owned)

Mark Bowman Craig Elliott William (Bill) Luff Scott Weenik <sup>6</sup> Katherine Meads Brett Gamble Mark Petrie⁵

# Christchurch International Airport Ltd (75%

owned) Catherine Drayton Christopher Paulsen Paul Reid

Kathryn Mitchell Justin Murray Sarah Ottrey <sup>7</sup>

#### City Care Ltd (100% owned)

Graham Darlow Craig Price Gary Leech Penny Hoogerwerf Mark Todd Jen Rolfe

## Lyttelton Port Company Ltd (100% owned)

Trevor Burt<sup>8</sup> William (Bill) Dwyer Jim Quinn Don Elder Margaret Devlin Malcolm Johns Grant Gilfillan Brian Wood

# Orion New Zealand Ltd (89.3% owned)

Jason McDonald Dr Nicola Crauford John Austin Jane Taylor Geoff Vazey Bruce Gemmell

# Red Bus Ltd (100% owned)

Paul Kiesanowski Sabrina Louise Kunz<sup>10</sup> Bryan Jamison<sup>12</sup> Jason McDonald<sup>14</sup> Pamela Farrell<sup>9</sup> Robert (Bob) Lineham<sup>11</sup> Anthony King<sup>13</sup> Leah Scales<sup>15</sup>

## Development Christchurch Ltd (100% owned)

William (Bill) Dwyer Peter Houghton Darren Wright Dr Jane Gregg Fiona Mules

# ChristchurchNZ Holdings Ltd formerly Canterbury Development Corporation Holdings Ltd (100% owned)

Therese Arseneau Paul Bingham Andrew Turner (Cr) Tim Scandrett (Cr) Roland van Bommel Stephen Barclay Kaila Colbin

## Vbase Ltd (100% owned)

Tim Scandrett (Cr) Paul Lonsdale Paul Munro

Civic Building Ltd (100% owned) Mike Davidson (Cr) David East (Cr) James Gough (Cr)

#### EcoCentral Ltd (100% owned)

David Kerr Sarah Smith Sinead Horgan Mark Jordan

# Transwaste Canterbury Ltd (38.9% owned)

Marsha Cadman<sup>16</sup> W. Gill Cox Thomas Nickels Richard Davison Trevor McIntyre Hans Maehl<sup>17</sup> Gareth James Robert McKenzie Ian Kennedy Glenn Livingstone (Cr)

- <sup>5</sup> Appointed 18 June 2019
- <sup>6</sup> Appointed 20 November 2018
- <sup>7</sup> Appointed 26 March 2019
- <sup>8</sup> Resigned 10 October 2018
- <sup>9</sup> Resigned 1 November 2018
- <sup>10</sup> Resigned 29 October 2018
  <sup>11</sup> Resigned 23 October 2018

- <sup>12</sup> Appointed 1 November 2018
- <sup>13</sup> Appointed 1 November 2018
- <sup>14</sup> Appointed 1 November 2018
- <sup>15</sup> Appointed 1 November 2018
- <sup>16</sup> Appointed 23 August 2018
- <sup>17</sup> Appointed 6 August 2018

<sup>&</sup>lt;sup>4</sup> Resigned 1 July 2019

# Glossary

BCA	Building Consent Authority
BRRP	Burwood Resource Recovery Park
CAFE	Christchurch Agency for Energy Trust
CBD	Central Business District
CBL	Civic Building Limited
CCBJV	Christchurch Civic Building Joint Venture
CCDU	Christchurch Central Development Unit
CCHL	Christchurch City Holdings Limited
CCOs	Council Controlled Organisations
ССТ	Christchurch and Canterbury Tourism
CCTOs	Council Controlled Trading Organisations
CDC	Canterbury Development Corporation
CDCH	Canterbury Development Corporation Holdings Limited
CDEM	Civil Defence Emergency Management
CEDS	Christchurch Economic Development Strategy
Central City Plan	A recovery plan for the Central City
CERA	Canterbury Earthquake Recovery Authority
CIP	Crown Infrastructure Partners Limited (formerly Crown Fibre Holdings Limited,
	renamed 1 September 2017)
CGU	Cash Generating Unit
CIAL	Christchurch International Airport Limited
City Care	City Care Limited
Council	Christchurch City Council
Cr	Councillor
CRIS	Canterbury Regional Innovation System
СТОС	Christchurch Transport Operations Centre
CWTP	Christchurch Wastewater Treatment Plant
DEE	Detailed engineering evaluations
ECE	Early childhood education
EcoCentral	EcoCentral Limited
ELC	Early learning centres
ENL	Enable Networks Limited
EOC	Emergency operations centre
EQ	Earthquake
EQC	Earthquake Commission
ESL	Enable Services Limited
Exchange revenue	Revenue from providing goods and services to another entity and directly receiving approximately equal value in exchange
FAP	Financial assistance package
FIT	Free Independent Traveller
FDA	Financial delegation authority
Group	As outlined in Group Structure section of the Annual Report
IM&CT	Information Management and Communications Technology
IPSAS	International Public Sector Accounting Standards
ISP	Internal service providers
JESP	Justice and Emergency Services Precinct
LGFA	New Zealand Local Government Funding Agency Limited
Three Year Plan	Christchurch City Three Year Plan 2013-16
LDRP	Land Drainage Recovery Programme
LIMs	Land Information Memorandums
LIU LOS	Libraries and Information Unit Level of service
LFC	Level of service Local Fibre Company
LPC	Lyttelton Port Company Limited
LTP	Long Term Plan
LURP	Long Term Plan Land Use Recovery Plan
	במות ספר תכנטיכו אר נמוו

MBIE	Ministry of Business, Innovation and Employment
MKT	Mahaanui Kurataiao Limited
Minister CER	Minister for Canterbury Earthquake Recovery
MOU	Memorandum of Ynderstanding
NABERSNZ	National Australian Built Environment Rating System New Zealand
NBS	New building standard
Non exchange revenue	Revenue from transactions that are not exchange transactions
NPS	National policy statement
NRFA	National Rural Fire Authority
NTPL	Ngāi Tahu Property Limited
NZFS	New Zealand Fire Service
NZ GAAP	General accepted accounting practice in New Zealand
NZIAS	New Zealand equivalent to International Accounting Standard
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZLGIC	New Zealand Local Government Insurance Corporation
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
NZX	New Zealand Stock Exchange
OCHT	Ōtautahi Community Housing Trust
OIC	Order in Council
Orion	Orion New Zealand Limited
PBE	Public benefit entity
PIM	Project Information Memorandum
PRFO	Principal Rural Fire Officer
PVL	Powerhouse Ventures Limited
Red Bus	Red Bus Limited
RFID	Radio frequency identification
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCIRT	Stronger Christchurch Infrastructure Rebuild Team
SOI	Statement of Intent
Transpower	Transpower New Zealand Limited
Transwaste	Transwaste Canterbury Limited
Tuam	Tuam Limited
UDS	Urban Development Strategy
UFB	Ultra-fast broadband
Vbase	Vbase Limited
Vested assets	Assets received by Council for no consideration
WHRS	Weathertight Homes Resolution Services
WIP	Work in progress
WINZ	Water Information New Zealand

Definition of Terms used for the Financial Prudence Benchmarks<sup>18</sup>

Net debt	Total financial liabilities less financial assets (excluding trade and other receivables).
Total revenue	Total cash operating revenue excluding development contributions and non government capital contributions.
Annual rates income	Total rates income (including targeted water supply rates) less rates remissions.
Net interest	The difference between interest income and interest expense recognised by the Council in its financial statements.
Quantified limit	The limit on rates, rates increases, or borrowing for a year that is included in Council's financial strategy.

<sup>&</sup>lt;sup>18</sup> The definition set-out in this section and as used in the relevant sections of this Annual Report is based on the Local Government (Financial Reporting and Prudence) Regulations 2014.

