

# Annual Report 2006

Christchurch O-Tautahi



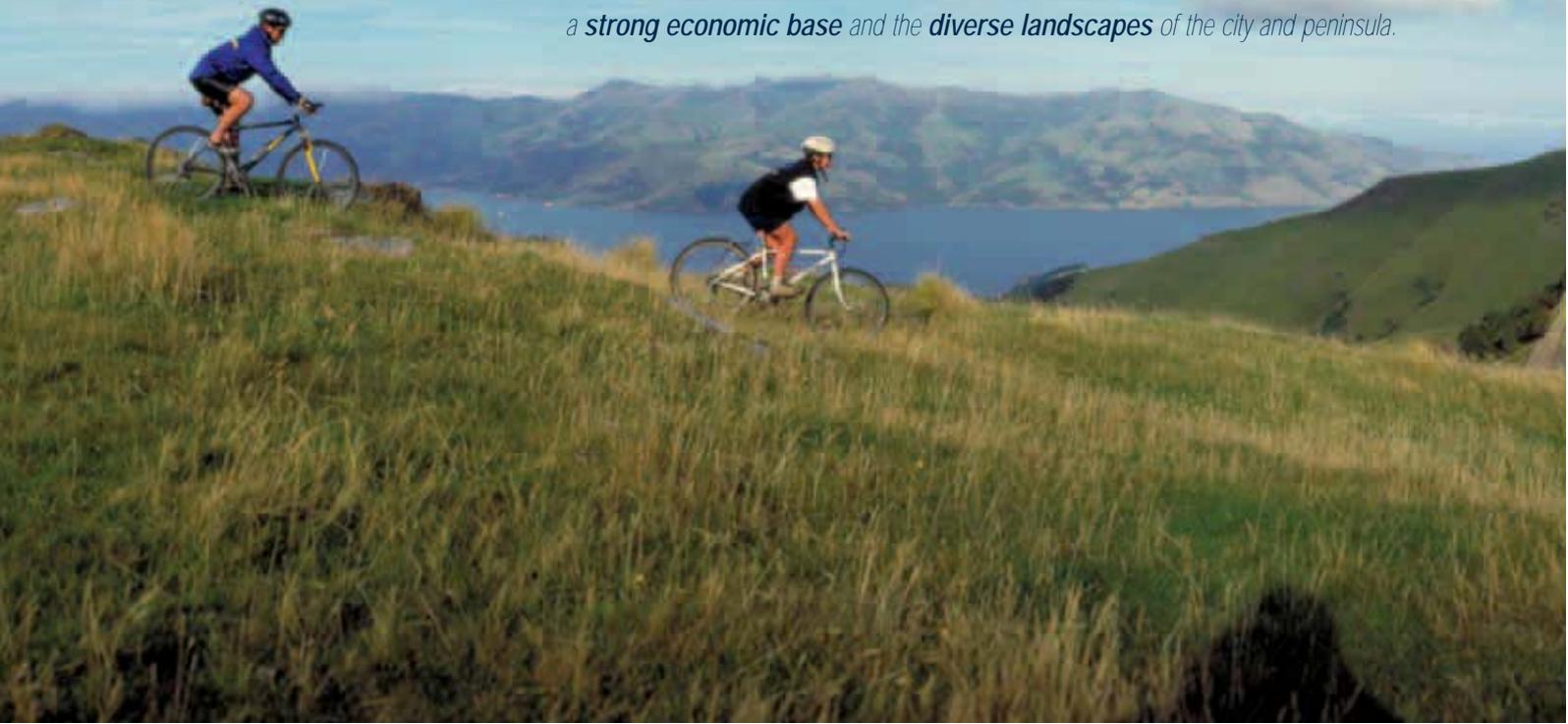
**CHRISTCHURCH**  
CITY COUNCIL · YOUR PEOPLE · YOUR CITY





# Our future

*Christchurch is a **world-class** boutique city,  
where people enjoy a **sustainable lifestyle**, a **healthy environment**  
a **strong economic base** and the **diverse landscapes** of the city and peninsula.*



## Christchurch will be...



### ... a place where people enjoy living

We're making the most of our place in the world, while keeping our distinct local character. Our people enjoy diverse living environments, from thriving urban villages and a vibrant central city to the hills, harbours and open spaces of the peninsula. We're leaders in heritage protection and urban renewal, and at the forefront of innovative urban design that reinforces our sense of community.



### ... the most attractive city in New Zealand

Our Garden City reputation is second to none. Visitors and locals alike delight in our iconic parks and gardens, and the kaleidoscope of creative arts, festivals, events, sports and recreation that make the place hum. As the world's gateway to the South Island and Antarctica, we offer world-class accommodation choices and an array of attractions that provide unforgettable experiences for our visitors.



### ... a place of inclusive communities

People are the heart of our communities. We work alongside others to support health and wellbeing, and to ensure all citizens are safe and supported. We're proud to be a 'peace city' – committed to diversity, tolerance and social equity. People have opportunities to make positive contributions through paid and voluntary work, and enjoy access to healthy leisure and lifestyle choices.



### ... a global economic destination

Our city has found its niche in the global economy. We're expanding our traditional economic base, but also investing in global connections to support emerging technologies, and to attract investment in creative, knowledge-based industries. We offer world-class education and training to give our children future-proof skills, and we're attracting the world's sharpest thinkers and innovators.



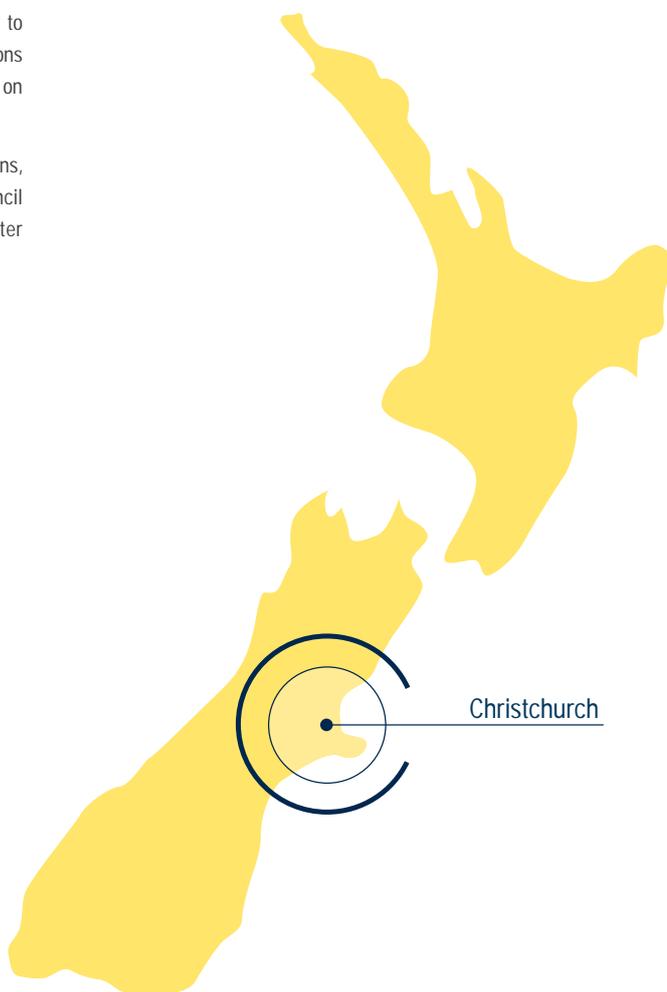
### ... a thriving, healthy environment

Our distinctive environment and landscapes have been protected through sound, sustainable development. We've maintained the abundant recreational, social and economic opportunities across the city and peninsula for future generations, while safeguarding our natural resources – and we continue to enjoy clean water in our homes and waterways, and clean air in the city.

## Introduction

The Christchurch City Council produces an Annual Report each year to account for the money provided to it by ratepayers, financial institutions and government agencies. It shows how the Council is delivering on the outcomes the community wants.

This report makes reference to the Council's strategies and plans, particularly the 2005/06 Annual Plan, and the Long Term Council Community Plan 2004-14 (LTCCP), adopted in June 2004 after consultation with ratepayers and other important stakeholders.



The annual report and audited financial statements of Christchurch City Council, together with the report of the Audit Office, were adopted by the Council on 21 September 2006.

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## Highlights

Christchurch City Council's roles are enormously diverse. From maintaining and updating the city's infrastructure -- such as supplying water, treating wastewater, providing a transport system -- to planning the city's development, entertaining residents with festivals and displaying fine art, your Council delivers a range of services aimed at supporting and enhancing residents'/visitors' quality of life.

What follows is a glimpse of Council's key results for the year 1 July 2005 to 30 June 2006.

### Art gallery, museum and Our City

- The Art Gallery developed the Paradigm Shift five-year strategic plan to increase visitor numbers to 400,000 by 2009/10.
- A record 557,263 people visited the Canterbury Museum with over 88% rating their experience as excellent or very good.
- Two flexible community exhibitions spaces were created at Our City O-Tautahi and exhibition attendances reached 22,546 visitors.



### City development

- Monitoring began to measure Council progress on achieving the community's desired outcomes.
- Grants were made to protect heritage assets in 22 buildings.



### Community services

- There were a record 4 million visits to Council-operated pools and leisure centres.
- Over 150 Council housing units were refurbished.
- The Southern Centre Multi Sensory unit at QEII won a World Leisure Innovation Award.



### Democracy and governance

- A record 2,000 submissions were made on the Long Term Council Community Plan.
- The 2005 by-elections were held to elect one councillor and 10 community board members from Banks Peninsula.
- The community boards developed objectives to align with the community's desired community outcomes.



### Economic development

- Initiatives addressed workforce participation and transitions from school to work.
- Partnerships were formed to deliver support for small and medium sized enterprises.
- Application was made for Government assistance to develop the fibre-based metropolitan broadband network.



### Library services

- The Parklands Library and Waitikiri Learning Centre opened on 6 August 2005.
- The award winning Upper Riccarton Community and School Library opened 23 January 2006.
- Council invested \$4.3M to increase the library collections.



### Parks and open spaces

- The community volunteered over 40,000 hours to ecological projects.
- Master plans for future development were prepared for the Christchurch Botanic Gardens and Hagley Park.



## Refuse minimization and disposal

- Approximately 20 hectares of the rehabilitated Burwood landfill was added to Bottle Lake Forest Park.
- Over 98 tonnes of hazardous household waste was collected for safe disposal.
- Green waste was shredded into 31,772 tonnes of compost.



## Regulatory services

- Approvals were given for 9,504 building consents, 1,781 resource consents and 780 subdivision consents.
- The animal control register was linked to the national dog database.
- Substantial progress was made on making the soil around 12 houses on the former Sandilands landfill site safe.



## Streets and transport

- Significant progress was made on the Blenheim Road deviation project.
- Opawa Road was upgraded from Garlands Road to Curries Road greatly improving its efficiency and appearance.
- A new one-way road was constructed through the previously pedestrian-only New Brighton mall.



## Wastewater collection, treatment and disposal

- A large capital works programme helped reduce the frequency of wet weather overflows into rivers.
- Work began on the construction of two new sludge digesters at the Christchurch Wastewater Treatment Plant.
- Planning began on the integration of wastewater services on Banks Peninsula.



### Water supply

- New wells were drilled for Belfast, Hills Road and Carter Road pumping stations.
- A new standby generator was installed at Mays Road.
- Design work began for the renewal of the Cashmere Reservoir.



### Waterways and land drainage

- Work continued on the development of the Charlesworth and Bexley Wetlands.
- Major improvements were undertaken for various storm water schemes.
- Storm water quality improvement work was done in conjunction with road renewal around Cambridge Terrace, Addington and east Papanui.



### Welcoming Banks Peninsula

The inclusion of the former Banks Peninsula district brings an additional perspective to the city, by increasing the size and diversity of our geography and population, and by providing opportunities for Council to contribute urgently needed planning resources and public investment to the peninsula communities. Our long-term plan includes \$132.5M over 10 years for projects and services designed to align with the environmental, cultural, economic and social values of peninsula residents. We look forward to our joint future, knowing we have combined operations in a manner that supports community expectations as expressed in the joint Memorandum of Understanding.





## From the Mayor

It has been an exhilarating time leading the Council for the last 12 months. For the first time the Council went through the full Long Term Council Community Plan (LTCCP) process and, also for the first time, we welcomed the people of Banks Peninsula to be part of this long-term planning for our future. Our city now stretches from McLeans Island through to the Akaroa Heads. It is a more interesting city as a result.

Council's long-term vision is simple; we want to be a world class boutique city, where people enjoy a sustainable lifestyle, a healthy environment, a strong economic base and the diverse landscapes of the city and the peninsula.

Throughout the LTCCP process we had these clear goals in mind. Consultations with the community occurred through more than 70 public meetings. Council received more than 2000 submissions as our community gave us feedback and suggestions on our proposed plan.

The theme that came through loud and clear was our resident's love of their parks and gardens. Council has responded to this by increasing the budget for trees and tree renewals in the city. We also set money aside for the rejuvenation of the Botanic Gardens and Hagley Park.

Water is another crucial issue for our future, for the city and the rural hinterland. Council has made a strong statement about the value we place on our water resources. The quality of water our residents enjoy is non-negotiable. In the near future I predict one of our more interesting and absorbing public debates will be over water and its conservation.

The LTCCP also recognises Christchurch's commitment and support for the Greater Christchurch Urban Development Strategy process. This exercise is addressing the issue of the regional city in collaboration with our neighbours in Selwyn and Waimakariri. To help ensure a positive outcome, money has been set aside to implement the Strategy's recommendations.

The long-term planning process was a strong example of democracy in action, with give-and-take on most issues and no one person or group dominating the proceedings. At the end, with a 10-year plan that I think positions the Council well to deliver on community expectations, I am confident the Local Government Act 2002 has injected greater fairness and better outcomes into local affairs and I want to thank everyone who made a contribution.

My thanks also to all those who have been a part of producing this Annual Report.



**Garry Moore**  
Mayor of Christchurch



## From the chief executive

### From the Chief Executive

We measure our success by how well we plan and deliver services. This report explains what we did from 1 July 2005 to 30 June 2006 to achieve the actions set out in the 2004 – 2014 Community Plan. It reports how we spent ratepayer money and what was delivered in return.

During the year we had to make tough decisions due to the rising costs of fuel, steel, concrete and other products required to build infrastructure. Council, informed by community priorities, had to decide which projects went ahead and what levels of service to deliver. You can read about the impact of these decisions throughout this report.

Christchurch's growing population and rising public expectations mean our demand for roads, water supply, wastewater and other infrastructure grows continually.

Council must plan well in advance to determine how to meet these needs. We have an obligation to forecast our service delivery and consult with the community about our plans, to ensure they meet their expectations. These plans—known as Long Term Council Community Plans (LTCCP)—are our contract with the community.

During the year Council focused on effective delivery of services to the city. Our community tells us that we achieved or surpassed 75% of our targets. For more detail on monitored performance indicators, take a look at the Group of Activities section and the Appendix.

Where we fell short of our targets, we are continuing to focus on improvement within the organization through our Business Excellence programme.

It is especially gratifying to report that the Council received the only New Zealand Performance Excellence Study Award for local government in 2006. The award is a milestone for the Council, particularly in its first-ever application. It sets a benchmark for future performance, and acknowledges that the Council is already one of the best-performing organisations in the country.

This recognition means Christchurch residents can have confidence in their Council's operations, and confirms that we are on track to become a world-class organisation. It is also an endorsement of the vision and direction that has been introduced to the Council over the past three years.

My heartfelt thanks go to the employees who have contributed their energy and passion to ensure we have delivered to our community during the past year, and to the many organisations and agencies which have worked alongside us to help achieve a positive and sustainable future for Christchurch.



**Dr. Lesley McTurk**  
Chief Executive



## Your Council

### The Council and Community Boards

Thirteen city councillors and the Mayor represent the people of Christchurch. These 14 elected members govern the Council's activities, and oversee and consider plans and strategies for the Council's staff to deliver. Representation at a more local level is provided by 40 elected members in eight community boards.

In local body elections, every three years, voters across the city, including Banks Peninsula, elect the Mayor, and the city is divided into seven wards for the election of the 13 councillors. The seven wards are:

- Burwood/Pegasus (elects two Councillors);
- Fendalton/Waimairi (elects two Councillors);
- Hagley/Ferrymead (elects two Councillors);
- Spreydon/Heathcote (elects two Councillors);
- Shirley/Papanui (elects two Councillors);
- Riccarton/Wigram (elects two Councillors); and
- Banks Peninsula (elects one Councillor).

There are eight Community Boards, comprising five elected board members each. Six of the boards also have two councillors appointed by the Council. The Banks Peninsula Ward councillor is appointed to the two Peninsula Boards, Lyttelton/Mt Herbert and Akaroa/Wairewa.

The Community Boards represent and advocate on behalf of the interests of their communities, deal with issues sent to them by the Council, and are responsible for some funding and projects within their areas.

The City Council meets weekly, while Community Boards meet either fortnightly or monthly. The City Council's meeting timetable is available on the Council website at

[www.ccc.govt.nz/Council/Members/Meetings/ScheduleOfMeetings.pdf](http://www.ccc.govt.nz/Council/Members/Meetings/ScheduleOfMeetings.pdf)

Community Board meeting dates and venues are available on the Council website at

[www.ccc.govt.nz/Council/CommunityBoards/Meetings/](http://www.ccc.govt.nz/Council/CommunityBoards/Meetings/)

Each of the 13 city councillors are also members of one or more of three Portfolio Groups. The responsibilities of these groups correspond with and seek to further the Council's Strategic Directions. The portfolio groups are:

- Creating Strong Communities;
- Environmental Diversity; and
- Liveable City.

The portfolio groups monitor the progress of work as it is being prepared for presentation at full Council meetings.

The Council and Community Board meetings are generally open to the public.

The Council also regularly holds seminars for elected members. At seminars, staff and others present material to inform the elected members. These are not decision-making meetings and are generally open to the public.

### How the council works



## Your Council

### The Council's Planning Framework

The Christchurch City Council works to an outcome-based planning framework. This means that our strategies, plans and budgets are determined with a view to outcomes which have been developed by the community itself.

In this way the Council can keep its activities and priorities relevant to residents and business, and prioritise its work effectively.

Council's Planning Framework



### Implementation

The desired Community Outcomes are translated into increasingly detailed and specific actions for staff to implement.

The Local Government Act 2002 made changes to the way councils work with their communities. The Act sets out a clear purpose for local government – to promote their community's social, economic, cultural and environmental well-beings.

Community Outcomes provide a way for the community to have its say about what it wants the city to be like in the future. The outcomes identified by the community are used to guide and inform central government and others about community needs.

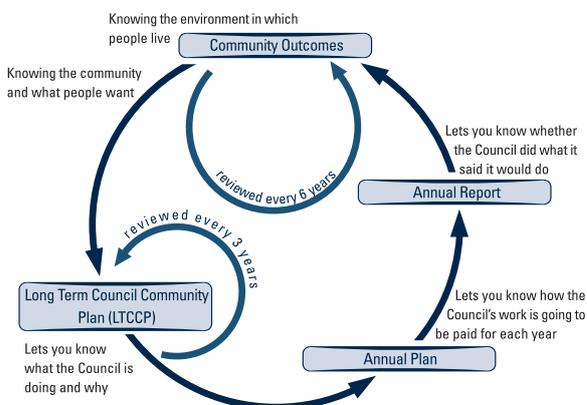
The Long Term Council Community Plan (LTCCP) sets out the activities the Council intends to undertake over the next ten years, then publishes these as a draft Plan for community consultation. Feedback from residents and business is used in determining the final Plan.

The LTCCP demonstrates why the Council chooses to undertake its activities, what the costs will be and what standard of performance is expected over the 10-year period of the plan. The LTCCP is the main way people can influence what their council does.

Every three years the community has a chance to share their views on this plan. During the intervening years the Council publishes an Annual Plan, focussing on year-to-year budgets.

The Annual Report shows how well the Council has performed against its LTCCP undertakings each year, as measured by using key performance indicators (KPIs) and what it has spent to do so.

Performance Management Process



Mayor and Councillors



Garry Moore



Carole Evans



Helen Broughton



Sally Buck



Graham Condon



Barry Corbett



David Cox



Anna Crighton



Pat Harrow



Bob Parker



Bob Shearing



Gail Sheriff



Sue Wells



Norm Withers

Mayor

Garry Moore CA FNZIM

Deputy Mayor

Carole Evans QSO JP

Councillors

Helen Broughton MA DipEd (GC)

Sally Buck MEd (Dist.)

Graham Condon QSM JP

Barry Corbett

David Cox FNZIM

Anna Crighton QSO JP MA (Hons)

Pat Harrow DipHort

Bob Parker

Bob Shearing

Gail Sheriff JP

Sue Wells BA

Norm Withers

### Community Board Members (Cr = City Councillor)

#### Akaroa-Wairewa



Stewart Miller (Chair)



Steve Lowndes (Deputy Chair) BA Dip Post Graduate



Winston McKean MB ChB DPH DHA FACPHM JP



Bryan Morgan



Bob Parker (Cr)



Eric Ryder

#### Burwood-Pegasus



Glenda Burt (Chair)



Carmen Hammond (Deputy Chair)



Carole Evans QSO JP (Cr)



Caroline Kellaway JP



Tina Lomax Dip Tchg B.Ed PGChAd (Dist)



Don Rowlands MA MEd



Gail Sheriff JP (Cr)

#### Fendalton-Waimairi



Mike Wall (Chair)



Val Carter (Deputy Chair)



Sally Buck MEd (Dist) (Cr)



Faimeh Burke MA



Cheryl Colley JP MA (Hons) BBS Dip Tchg



Pat Harrow DipHort (Cr)



Andrew Yoon JP

#### Hagley-Ferrymead



Bob Todd OBE JP (Chair)



Yani Johanson (Deputy Chair)



David Cox FNZIM (Cr)



Anna Crighton QSO JP MA (Hons) (Cr)



John Freeman JP MA



Brenda Lowe-Johnson JP



Dr Brendan Smith MB ChB

# Your council

## Lyttelton-Mt Herbert



Claudia Reid (Chair)



Jeremy Agar MA (Deputy Chair)



Stuart Bould C Eng



Ann Jolliffe



Bob Parker (Cr)



Dawn Te-Riaki Kottier QSM

## Riccarton-Wigram



Peter Laloli (Chair)



Dr Neville Bennett JP BSc (Hons) PhD (Deputy Chair)



Lesley Keast QSM JP



Helen Broughton MA (Hons) DipEd (GC) (Cr)



Mike Mora



Bob Shearing (Cr)



Tony Sutcliffe JP ABINZ DipBus DipMgmt

## Shirley-Papanui



Yvonne Palmer QSM JP (Chair)



Myra Barry QSO JP (Deputy Chair)



Bill Bush MNZM



Ngaire Button



Graham Condon QSM JP (Cr)



Megan Evans



Norm Withers (Cr)

## Spreydon-Heathcote



Phil Clearwater MA (Hons) (Chair)



Oscar Alpers LLB Notary Public (Deputy Chair)



Barry Corbett (Cr)



Paul de Spa BA Dip Tchg



Chris Mene



Sue Wells BA (Cr)



Megan Woods BA (Hons) MZ PhD

## Statement of Compliance and Responsibility

### Compliance

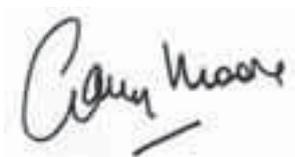
The Council and management of the Christchurch City Council confirm that all the statutory requirements of Section 98 of the Local Government Act 2002 have been complied with.

### Responsibility

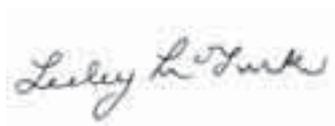
The Council and management of the Christchurch City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.

The Council and management of the Christchurch City Council accept responsibility for establishing, and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Christchurch City Council, the annual Financial Statements for the year ended 30 June 2006 fairly reflect the financial position and operations.



Garry Moore - Mayor  
21 September 2006



Dr Lesley McTurk - Chief Executive  
21 September 2006

## Chief Executive and Executive Team

The Chief Executive of Christchurch City Council is Dr Lesley McTurk. Dr McTurk is the only employee of the elected Council, and is responsible to the Council for carrying out its decisions.

The Chief Executive employs all of the other staff in the Council. With an executive team of nine, Dr McTurk manages a staff of more than 2,300 people.

### The executive team:

Dr Lesley McTurk - Chief Executive



Roy Baker

**General Manager - Corporate Services**

Corporate services supports the organisation through the provision of accounting, information technology, procurement and a variety of administrative services.



Peter Mitchell

**General Manager - Regulatory and Democracy Services**

Regulatory and Democracy Services provides a secretariat for the elected Council and community boards, as well as monitoring and enforcing the Council's regulatory responsibilities.



Michael Theelen

**General Manager - Strategy and Planning**

Strategy and Planning leads and co-ordinates Council's long-term planning and policy development, and ensures that this is aligned to Council's strategic directions and integrated across all Council functions and activities.



Jane Parfitt

**General Manager - City Environment**

City Environment is responsible for planning and delivery of the Council's primary infrastructural responsibilities: water, wastewater treatment, solid waste, transport, parks and other public open spaces.



Stephen Hill

**General Manager - Public Affairs**

Public Affairs manages the Council's relationship with its customers, covering its customer service, marketing, communications and consultation functions.



Ian Hay

**General Manager - Strategic Development**

Strategic Development leads the Council's economic development and planning, as well as providing project management services.



Philippa Jones

**General Manager - Human Resources**

Human resources develops workforce strategy and policy to support the achievement of Council goals. This includes leadership development, employment relations, recruitment and selection, and health and safety.



Robert Lineham

**Director - Strategic Investment**

Strategic Investment oversees the Council's significant investment in local strategic assets through Christchurch City Holdings Limited.



Stephen McArthur

**General Manager - Community Services**

Community Services delivers a range of social, cultural and recreational services, including the libraries network, the Christchurch Art Gallery, recreation facilities, social housing and community support functions.





## Governance

Council complies with the laws of New Zealand, and adheres to good business practice, by relying on the processes and systems which constitute the fabric of the organization. Stakeholders rely on these processes to obtain information on Council operations, and to obtain assurance that Council is working in the best interest of the community. This section identifies the parameters within which the business of Council is run.

### Division of responsibility between Council and management

A key to the efficient running of the Council is the clear division between the role of Council and that of management. The Council concentrates on setting policy and strategy, then reviews progress. Management is concerned with implementing the policies and strategies.

While many of the Council's functions have been delegated, the overall responsibility for achieving the vision and goals of the city ultimately rests with the Council. The Council discharges this responsibility by maintaining effective systems of internal control. Internal control includes the policies, systems and procedures established to provide measurable assurance that specific objectives of the Council will be achieved. The Council has acknowledged its responsibility with their signing of the Statement of Compliance and Responsibility.

### Training elected representatives

After each election the Council holds training sessions for all councillors to review their responsibilities as elected members. These sessions include meeting procedures, and an overview of the legislative parameters within which local authorities operate.

### Legislative compliance

Being a regulatory body, the Council administers various regulations and laws. As such, it is vital the Council also complies with all relevant legislation. The Council makes use of an internal legal department and external consultants to ensure this happens.

### Audit

The Local Government Act 2002 requires the Council to prepare financial statements that fairly reflect the organisation's financial position, performance and cash flows. In addition, the Council is required to report on the achievement of non-financial objectives, set three yearly as part of the Long Term Council Community Plan process.

Section 15 of the Public Audit Act 2001 requires the auditor-general to audit both financial and non-financial statements. Audit New Zealand is contracted to perform the audit on behalf of the auditor-general.

### Internal audit

The Council has an internal audit function which is responsible for monitoring the Council's systems of internal control and the quality and reliability of financial information reported to the Council. The work programme is developed and overseen by PricewaterhouseCoopers who report on a quarterly basis to the CEO and the Audit and Risk Committee. Internal audit staff help deliver the programme. The Council liaises closely with the external auditors who review the internal control systems to support their audit opinion.

### Risk management

The Council has an Audit and Risk Committee made up of representatives of the Council and staff. The committee was strengthened during the year with the appointment of two external members experienced in financial and risk management.

Risk management is organisation wide. During the year the Council undertook a "health check" of the risk management framework and reporting. Improvements will be made during 2007.

The Council manages its infrastructure assets in accordance with New Zealand Standard 4360.

### Monitoring Council-controlled organisations

The Council has interests in other organisations. The most important of these is Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Council. CCHL was established to group the Council's trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its Council-controlled trading organisations (CCTOs). CCHL also borrows in the capital markets to provide a cost-efficient source of funding for the Council. CCHL's key subsidiaries are Orion Group Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Red Bus Ltd and City Care Ltd.

Other subsidiaries of the Council are Christchurch City Facilities Ltd, Jade Stadium Ltd and Tuam Ltd. Each CCTO is required to produce a Statement of Intent, developed in consultation with the Council. This document sets out the organisation's objectives, the nature and scope of its activities, its performance targets and the measures by which these can be judged. CCTOs are required to report both quarterly and annually.



# Community outcomes

## Community Outcomes

The Local Government Act 2002 has prompted changes in the way in which the Council plans for the future of the city. It also provides greater scope for communities to make their own choices about what Council does and the way in which it does these things.

This legislation requires the Christchurch City Council to undertake a process, at least once every six years, to identify Community Outcomes.

These outcomes are determined by the community, rather than by Council. However, they do provide Council with clear direction in planning by forming the basis for our Long-term Council Community Plan.

Since 2002, the Christchurch City Council has been consulting with members of the community, local businesses and community organisations to discover the aspirations of the people of Christchurch for their city.

The Community Outcomes for 2003-2006 were developed based on information gathered on social trends, service provision, and people's perceptions of our City's strengths, priorities and needs. These outcomes are set out on pages 24-25.

We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings. Under the Local Government Act 2002, we are required to measure our progress on outcome achievement every three years. We anticipate measuring this achievement in 2006/07.

For ease of reading, we have abbreviated each of the nine Community Outcomes with an icon and a single word description. The following is the key to the icons and descriptions which will appear in the Groups of Activities pages which follow.

They are as follows:



**Safety**

A Safe City



**Health**

A Healthy City



**Community**

A City of Inclusive and Diverse Communities



**Recreation**

A City for Recreation, Fun and Creativity



**Environment**

A City of People who Value and Protect the Natural Environment



**Knowledge**

A City of Lifelong Learning



**Governance**

A Well-Governed City



**City Development**

An Attractive and Well-Designed City



**Prosperity**

A Prosperous City

# Community outcomes

Community Outcome	We will know we are succeeding when	Progress will be measured using these headline indicators
 <b>A Safe City</b>		
<p>We live free from crime, violence, abuse and injury. We are safe at home and in the community. Risks from hazards are managed and mitigated.</p>	<p>Rates of crime and injury decline. People feel safe at all times in Christchurch. We have excellent safety networks, support people and services.</p>	<ul style="list-style-type: none"> <li>• Hospital treatment for accidents</li> <li>• Total offences</li> <li>• Notifications to Child Protection Agencies</li> <li>• Perceptions of safety</li> <li>• Road casualty statistics</li> </ul>
 <b>A City of Inclusive and Diverse Communities</b>		
<p>Our diversity is seen, heard, valued and celebrated. All people feel a sense of belonging and participate in the community.</p>	<p>Our city is built on strong communities. A diverse range of people feel at home in Christchurch. Everybody is able to participate, particularly those who are most vulnerable.</p>	<ul style="list-style-type: none"> <li>• New Zealand Deprivation Index</li> <li>• Income gap between low and high income earners</li> <li>• Perceptions of ethnic diversity</li> <li>• Maori language speakers</li> <li>• Perceptions of quality of life</li> <li>• Perceptions of community support</li> </ul>
 <b>A City of People who Value and Protect the Natural Environment</b>		
<p>Our lifestyles reflect our commitment to guardianship of the natural environment in and around Christchurch. We actively work to protect, enhance and restore our environment for future generations.</p>	<p>Everybody takes responsibility for their impact on the natural environment. Biodiversity is restored, protected and enhanced. We manage our city to minimise damage to the environment.</p>	<ul style="list-style-type: none"> <li>• Tonnes of waste to landfill</li> <li>• Liquid waste</li> <li>• Total ground water use</li> <li>• Renewable versus non- renewable energy consumption</li> <li>• Waste recycling</li> <li>• Recreational water quality</li> <li>• Number and area of ecological heritage sites</li> </ul>
 <b>A Well-Governed City</b>		
<p>Our values and ideas are reflected in the actions of our decision-makers. Our decision-makers manage public funds responsibly, respond to current needs and plan for the future.</p>	<p>Everybody actively participates in public decision-making. Everybody feels represented by their decision-makers. Our decision-makers plan for a sustainable Christchurch.</p>	<ul style="list-style-type: none"> <li>• Confidence in council decision-making</li> <li>• Representation on school boards of trustees</li> <li>• Census response rates</li> <li>• Voter turnout at council elections</li> <li>• Voter turnout at general elections</li> </ul>
 <b>A Prosperous City</b>		
<p>We have a strong economy that is based on a range of successful and innovative businesses. We value sustainable wealth creation, invest in ourselves and in our future.</p>	<p>Christchurch has a strong, healthy economy. Standards of living improve for everyone. Our economic development prioritises future wellbeing.</p>	<ul style="list-style-type: none"> <li>• Economic Activity Index</li> <li>• Full and part-time employment rates</li> <li>• Unemployment rate</li> <li>• Personal, family and household income</li> <li>• Volume of commercial waste recycling</li> </ul>

# Community outcomes

Community Outcome	We will know we are succeeding when	Progress will be measured using these headline indicators
 <b>A Healthy City</b>		
<p>We live long, healthy and happy lives.</p>	<p>We all have access to affordable health services that meet our needs.                      More people in Christchurch live healthy lifestyles.                      Our city environment supports the health of the community.</p>	<ul style="list-style-type: none"> <li>• Self reported health status</li> <li>• Life expectancy</li> <li>• Frequency of physical activity</li> <li>• Type 2 diabetes rates</li> <li>• Barriers to accessing medical services</li> <li>• Number of days exceeding air quality guidelines</li> </ul>
 <b>A City for Recreation, Fun and Creativity</b>		
<p>We value leisure time and recognise that the arts, sports and other recreational activities contribute to our economy, identity, health and wellbeing.</p>	<p>More people participate in leisure activities.                      More people participate in physical and sporting activities.                      Everybody is included in the creation and enjoyment of the arts.</p>	<ul style="list-style-type: none"> <li>• Main leisure pursuits in free time</li> <li>• Satisfaction with free time</li> <li>• Numbers of people taking part in the arts</li> <li>• Culturally rich and diverse arts scene</li> </ul>
 <b>A City of Lifelong Learning</b>		
<p>Our learning opportunities help us to participate in the community and the economy.                      Quality education is available for people of all ages.</p>	<p>Everybody receives a good basic education.                      Christchurch people are skilled people.                      A broad range of learning opportunities is available in Christchurch.</p>	<ul style="list-style-type: none"> <li>• Highest qualification gained</li> <li>• Numbers of children who have attended early childhood education</li> <li>• School leavers with no qualifications</li> <li>• Literacy and numeracy performance</li> </ul>
 <b>An Attractive and Well-designed City</b>		
<p>Christchurch has a vibrant centre, attractive neighbourhoods and well-designed transport networks.                      Our lifestyles and heritage are enhanced by our urban environment.</p>	<p>Christchurch is attractive and well-maintained.                      Our heritage is protected for future generations.                      We design our city to meet current needs and future challenges.</p>	<ul style="list-style-type: none"> <li>• Perceptions of look and feel of the city</li> <li>• Bus patronage figures</li> <li>• Modes of transport to work</li> <li>• Residual income after housing costs</li> <li>• Hectares of public open space</li> <li>• Perceptions of problems in Christchurch</li> <li>• Number of heritage buildings, sites and objects</li> </ul>

# Community outcomes

This table shows how the Community Outcomes are supported by Council's service delivery activities. This interaction is also highlighted in the Groups of Activities section of this report.

	 Safety	 Community	 Environment	 Governance	 Prosperity	 Health	 Recreation	 Knowledge	 City Development
Art gallery, museum and Our City		■					■	■	
City development	■	■	■		■	■	■	■	■
Community services	■	■		■	■	■	■	■	■
Democracy and governance		■		■					
Economic development		■			■				
Library services	■						■	■	
Parks and open spaces	■	■	■	■	■	■	■	■	■
Refuse minimisation and disposal	■	■	■	■	■	■		■	■
Regulatory services	■		■			■			■
Streets and transport	■	■	■	■	■	■	■	■	■
Wastewater collection, treatment and disposal	■	■	■	■	■	■		■	■
Water supply	■	■	■	■	■	■	■	■	■
Waterways and land drainage	■	■	■	■	■	■	■		■

# Community outcomes









## Groups of activities

### Performance reports for groups of activities

Christchurch City Council has allocated its service delivery activities into groups, to facilitate management and reporting. The following pages contain information on the Groups of Activities listed below, and explain how they tie to the Community Outcomes.

#### Cost of Services for the year ending 30 June 2006

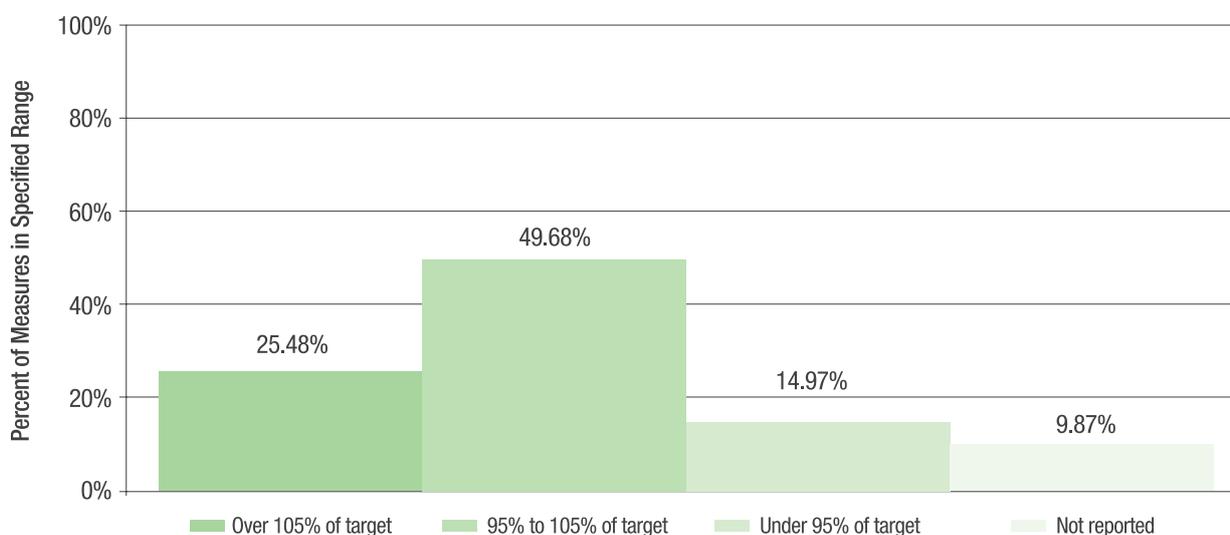
	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Art gallery, museum and Our City	14,167	1,183	12,984	13,085	12,360
City development	14,076	1,190	12,886	12,973	10,583
Community services	63,024	24,863	38,161	36,573	32,427
Democracy and governance	9,473	3	9,470	10,036	9,063
Economic development	10,749	144	10,605	11,143	11,274
Library services	27,549	2,085	25,464	25,161	23,228
Parks and open spaces	31,255	12,292	18,963	21,112	16,022
Refuse minimisation and disposal	17,541	5,819	11,722	9,063	125
Regulatory services	18,654	12,927	5,727	5,264	4,544
Streets and transport	67,668	33,121	34,547	28,740	28,258
Wastewater collection, treatment and disposal	25,600	5,434	20,166	19,873	17,930
Water supply	16,576	4,372	12,204	13,010	11,147
Waterways and land drainage	11,698	531	11,167	11,474	10,203
<b>Total Cost of Service Delivery</b>	<b>328,030</b>	<b>103,964</b>	<b>224,066</b>	<b>217,507</b>	<b>187,164</b>
Add back service provider income / (cost)	(422)	-	(422)	25	(6,673)
<b>Activity Results represented in Statement of Financial Performance</b>	<b>327,608</b>	<b>103,964</b>	<b>223,644</b>	<b>217,532</b>	<b>180,491</b>

\*2006 Plan includes the former Banks Peninsula District Council 2005/06 Annual Plan from 6 March 2006.

## Groups of activities

Council, in conjunction with the community, has set its performance goals based on the Community Outcomes. Council uses key performance indicators (KPIs) to measure progress towards these goals. KPI results are reported in the table below, throughout the Groups of Activity pages, and in the Appendix.

### KPI Achievement graph



Reasons the results are not available for some KPIs include:

- Data provided from external sources, for example the 2006 Census, is not yet available; and
- Changing circumstances have led to certain services not being provided.

Monitored performance indicators noted within this report do not include those of the former Banks Peninsula District Council.

# Art gallery, museum and Our City



## Art gallery, museum and Our City

The Christchurch Art Gallery Te Puna O Waiwhetu collects, presents, interprets and conserves quality works of art to educate, inspire discovery, and preserve the legacy of artistic achievement for today's and future generations. Its exhibitions, programmes and events contribute to the cultural development of the city.

Akaroa Museum Te Whare Taonga incorporates heritage buildings (Langlois-Etevenaux cottage, old Courthouse and custom house), changing exhibitions with a local history focus, displays of local Maori and early French history, whaling, cockfooting and sawmilling displays, and costume collections.

Canterbury Museum collects, preserves and makes available to the public, material and information relating to the natural and cultural heritage of New Zealanders, with an emphasis on the greater Canterbury region, and the Antarctic and Sub-Antarctic. The Council provides funding to the Museum to enable proper care of its collection items, to provide lifelong learning and research opportunities, and to welcome residents and visitors to explore our cultural heritage and the diversity of the natural world.

Our City O-Tautahi, housed in the beautiful and historic Queen Anne building on the corner of Worcester Boulevard and Oxford Terrace, provides space for community exhibitions and functions. Built in 1887 as the Christchurch City Council's original Municipal Chambers, it was registered as a national heritage building in 1985.

### What the Council achieved

Throughout the year the Art Gallery undertook extensive consultation with its key stakeholders and staff to develop the Paradigm Shift, also known as the Five-Year Strategic Plan. The plan provides a framework for the gallery to achieve its new vision and includes the target of increasing visitor numbers to 400,000 by 2009/10. The final visitor count for 2005/06 was 288,293 which was 1% less than the previous year. As a result there is a commitment to attract new audiences through a dynamic, challenging and flexible exhibition programme that stimulates the existing loyal arts community but also connects the wider community with art. A stronger emphasis has also been placed on partnerships to create new opportunities and activities that link with city-wide festivals and events. The gallery presented 19 new exhibitions during the year 1 July 2005 to 30 June 2006 which attracted a broad cross-section of visitors. The gallery's quarterly magazine Bulletin won the 2005 Museums Australia publication design award. The gallery's website recorded about 900,000 visits, which included 4,000 visits to the Art on Tour

modules for schools. The gallery was again popular as a venue being hired for lectures, events, and public programmes. A number of high profile purchases were made for the gallery's collection.

Following Banks Peninsula's amalgamation with the city in March 2006, Akaroa Museum became one of the services provided by Council. The Museum increased its visitor numbers by 5.7% during the year.

A record 557,263 people visited the Canterbury Museum, thanks to a vibrant and ever-changing line-up of 20 special exhibitions and 405 public programmes. Over 22,000 school students used the Museum as a learning resource. Eighty-eight percent of visitors rated their Museum experience as excellent or very good. Over 17,000 new objects were acquired, and further progress was made towards full electronic documentation of the more than two million collection items, with 127,874 items processed and 26,678 existing records verified. Work continued on filling the Maori and foreign ethnology collection storeroom (85% complete). The High Court refused resource consents sought by the Canterbury Museum Trust Board for the museum's revitalisation project, and the decision was not appealed.

Two flexible community exhibition spaces were created at Our City O-Tautahi, and 32 fee-paying community and Council exhibitions were held. Our City O-Tautahi curated and presented a major exhibition to celebrate the Year of The Veteran 2006 which attracted over 3,800 visitors over a four week period. Total exhibition attendances reached 22,546 visitors, which represented a 64% increase in visitor numbers on the previous year. Of these 68.6% were local residents. The 'Science in the City' monthly lecture series, in partnership with The Royal Society of New Zealand Canterbury Branch, also attracted good numbers. Topics included Avian Influenza and climate change.



## How the Council performed

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Public Programme at the Gallery		Actual	Target
A broad range of public exhibitions and programmes is offered.	There are at least 400,000 person visits to the Gallery per year.	288,293	400,000
The Gallery contributes towards a sense of belonging to Christchurch	Residents who have visited the Gallery.	45%	30%
Maintaining and Improving the Collection		Actual	Target
The Gallery maintains the appropriate environmental conditions and standards of care for the works in its collection and on display.	Standards detailed in the Gallery procedural manual and by owners of works on loan are met.	100%	100%
Canterbury Museum		Actual	Target
To welcome the people of Canterbury Waitaha and our visitors to explore the diversity of the natural world and our cultural heritage; to make this a fun experience.	Visitors rating the Museum as an excellent or very good visitor experience.	88%	75%
To provide an attraction which assists the growth of regional tourism.	Maintain visitor numbers.	557,263	500,000
Our City		Actual	Target
Disseminate information to ratepayers, about current issues affecting the city, the Council and the environment.	Visitor satisfaction with information – pamphlets, displays and liaison staff.	100%	85%

For further information on monitored performance indicators, please turn to the Appendix.

## Where is the Council heading?

The gallery's Paradigm Shift will be rolled out in 2006/07. The exhibition programme will be more varied in content, style and subject. Art will spill out of the galleries into the foyer, forecourt and garden. The summer 2006/07 schedule will include eight exhibitions which build on the gallery's strengths. Designed to provoke and challenge, this diverse programme will include sculpture, exhibitions, contemporary art shows and photography. The A & P show will connect the gallery with the rural community. 'Art Detectives' will mark the gallery's ongoing commitment to children and families.

Akaroa Museum will present three exhibitions during 2006/07.

Canterbury Museum will maintain a strong focus on customer service and deliver a diverse range of exhibitions and public programmes. It is confident of achieving re-accreditation as a mature "Investor in People" organisation. The new Maori and foreign ethnology collection storeroom and the photographic collections refrigerated storeroom will be completely filled. Design of storerooms for the Maori and Pacific textile collection and the invertebrate zoology collections will also be completed. Collection management processes will be reviewed and work will continue on electronic documentation of the collections. The Canterbury Museum Trust Board will reconsider its revitalisation plans for the effective future operation of the museum.

# Art gallery, museum and Our City



Our City O-Tautahi will continue to host a wide variety of community and Council exhibitions and strive to increase the percentage of local visits. It will also continue to grow its share in the leisure and venue hire

markets and promote its new school programme 'Our City Uncovered' which encourages students to think about the infrastructure needed to make Christchurch a great place to live, work and play.

## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Art Gallery commercial	797	708	89	(134)	15
Canterbury Museum	5,590	33	5,557	5,589	5,312
Our City O-Tautahi	522	38	484	608	408
Public programmes at the gallery	4,602	391	4,211	4,184	4,067
Maintaining and improving the collection	2,656	13	2,643	2,838	2,558
<b>Cost of service</b>	<b>14,167</b>	<b>1,183</b>	<b>12,984</b>	<b>13,085</b>	<b>12,360</b>
<b>Capital expenditure</b>					
Renewals and replacements			105	24	27
Improved service levels			198	1,389	28
Increased demand			1	1,100	276
<b>Total capital expenditure</b>			<b>304</b>	<b>2,513</b>	<b>331</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of Significant Cost of Service Variances

There were no significant variances.

### Significant Capital Expenditure

There was no significant capital expenditure.

### Explanation of Significant Capital Expenditure Variances

Planned expenditure of \$2.2M on the Canterbury Museum revitalisation project did not occur due to the High Court decision.



Growth goes both ways. It's good because it brings different things, new cultural aspects and means the city can develop new parts and things like museums. On the other side it means less room. We're losing our green edges and it's making things like schools more crowded.

The city centre's speciality shops are an attraction but I've got three little kids and it's hard getting around in there and parking's a pain so we don't go very often. Almost wherever you live in the city there's a mall pretty close by with free parking and oodles of shops, all close together.

*Rebecca Cross*

Mother/business operator  
North New Brighton





## City development

The Council plans and carries out projects which contribute to the quality of life in Christchurch. Activities include developing plans for neighbourhoods and other urban areas, helping preserve the city's heritage assets, preparing policies on social issues, supporting the city centre, and organising programmes for protecting the environment and promoting sustainability. Planners, urban designers, policy analysts and researchers work together to focus on developing the future shape of the city.

### What the Council achieved

The Community Outcomes monitoring programme commenced with indicators and measures selected for all current Community Outcomes. Indicator reporting sheets were placed on the Council website and updated as new data became available. City plan and state of the environment monitoring work continued and the 'stats facts and figures' website was developed and launched. Development work for the new biannual survey of residents started. The process of updating data and monitoring systems for inclusion of Banks Peninsula data began. A growth model for future urban development and the city was developed for the development contributions policy.

The city plan was made operative in part and placed on the Council website. Most remaining references (appeals to the Environment Court) were resolved and major progress was made on significant variations.

The 2005/06 urban renewal programme focused mainly on the Charleston, Addington and East Papanui neighbourhoods. Preparation of background reports for priority area plans continues.

An 'issues and options' paper on heritage protection, particularly relating to city plan provisions, was released for public consultation. Council grant funding was provided to protect heritage assets in 22 buildings.

The Council adopted a revised Development Contributions Policy requiring developers to contribute towards the cost of increasing the capacity of the city's open space, transport, storm water, water supply and wastewater networks and leisure facilities. The Council signalled an intention to further review the policy in 2006/07 following strong submissions to the proposal.

A design workshop was held for central city south and proposals for an upgrade to the city mall were prepared. The Turners and Growers site redevelopment continues.

A joint planning and consents protocol for surface water management was adopted by the Council and Environment Canterbury. It anticipates the requirements of the proposed natural resources regional plan and practices to achieve integrated surface water management.





## How the Council measured Up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

City Monitoring and Research		Actual	Target
Supply information and analysis on trends and issues regarding the city's built and natural environments to staff, elected members, government agencies and the general public.	Requests for information from staff, elected members, government agencies and the general public are responded to within 3 working days.	100%	100%
City Plan Urban Renewal and Area Plans		Actual	Target
Promote good urban design by providing guides, advice to the public and displays as required.	Residents' satisfaction with the look of the city.	91%	80%
The city's environment remains satisfactory to its residents.	Residents' satisfaction with the value for rates money spend on overall city and environmental planning.	65%	60%
Heritage Protection		Actual	Target
Promote and advocate for heritage conservation, including facilitating conservation covenants and providing guidelines and articles.	Percentage of identified Group 1 and 2 heritage listed buildings, objects and places which have a conservation plan, conservation management plan, asset management plan or cyclical maintenance plan in place.	25%	30%
Supporting the City Centre		Actual	Target
Carry out projects in the central city that aim to encourage people to return, enjoy and spend time in the heart of the city.	Residents rating the central city area as a lively and happening place.	48%	70%

For further information on monitored performance measures, please turn to the Appendix.

## Where is the Council heading?

Completion of the Greater Christchurch Urban Development Strategy is a priority, as it will generate both city development and urban development in secondary areas. The Council will also be working on open space and surface water strategies to complement this initiative. At the more immediate level, Council will complete a number of area plans over the next year to facilitate ongoing city development. The development of an integrated catchment management plan, and completion of a further review of the development contributions policy will contribute towards these as well.

Revitalisation of the central city remains a key objective. The upgrade of city mall will commence once final plans are approved, as will a range of initiatives to begin revitalisation of the south city area.

Reporting and monitoring outcomes will commence with a baseline report. The first state of the environment monitoring report to incorporate the Banks Peninsula area will commence.

Further refinement of the city growth model will continue. This will provide a comprehensive picture of future city development and will help improve the coordination and timely delivery of key assets and services.

# City development



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
City monitoring and research	607	4	603	649	600
City plan urban renewal and area plans	7,909	142	7,767	7,436	6,196
Heritage protection	3,779	744	3,035	2,780	2,485
Policy development	678	-	678	719	595
Supporting the city centre	616	300	316	326	289
Sustainability and environmental protection	487	-	487	1,063	418
<b>Cost of service</b>	<b>14,076</b>	<b>1,190</b>	<b>12,886</b>	<b>12,973</b>	<b>10,583</b>
<b>Capital expenditure</b>					
Renewals and replacements			-	-	12
Improved service levels			1,190	400	108
Increased demand			-	-	-
<b>Total capital expenditure</b>			<b>1,190</b>	<b>400</b>	<b>120</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

There were no significant variances.

### Significant capital expenditure

The redevelopment of Wainoni Park was the major capital expenditure for the year.

### Explanation of significant capital expenditure variances

Plan expenditure on the Wainoni Park redevelopment was funded by carryforwards from prior years.



I'm a long-time paraplegic and you can see there's a definite drift to Christchurch because of the social scene and the transportation. The buses are just superb. If you've got good housing, good transportation and good public facilities, it's a win for the whole community because it gives people a chance to contribute and give something back. That's what I'm on about.

The Council's reference groups are a great idea. They give communities like ours a way to influence things and allows us to get things right the first time. There's a willingness to listen and when we have struck problems we talk about it and nine times out of 10 they can sort it.

*Graham Tapper*

Rehabilitation programme coordinator,  
Papanui



# Community services



## Community services

This Group of Activities comprises 13 diverse service delivery activities, the highlights of which are explained below.

The Council prepares for civil emergencies by participating in the Canterbury Combined Civil Defence Organisation, and provides a ready response to all rural fires in its area of jurisdiction, including managing seasonal fire restrictions.

Community halls and toilets are provided and maintained across the city for public use.

The Council organises recreation programmes for community groups, including children's school holiday programmes, youth activities, and programmes to encourage physical activity.

The Council works with individuals and groups in the community to improve their social well-being. A number of programmes are provided to help people and organisations.

Three early learning centres are operated by the Council and other childcare facilities are supported through Council funding.

A programme of festivals and events is organised by Council throughout the year.

The Council provides general information and advice to the public through its call centres and website.

Grants are provided to community organisations that contribute to the Council's policies on community development and social well-being.

The Council operates a number of swimming pools and leisure centres, including QEII Park, Centennial Leisure Centre and Pioneer Leisure Centre.

The Council promotes road safety throughout the city. Projects include training for cycle safety, campaigns supporting alcohol-free driving, and promoting safe speeds, pedestrian safety and intersection safety.

Low-cost rental housing is available to individuals and families who have difficulty finding or being able to afford suitable accommodation in the private sector. The principal client group is the elderly, but accommodation is also available to other people on low incomes. Periodic reviews are undertaken of tenant's abilities to continue living independently. The service is self-funding and does not draw on rates.

Sporting organisations that add to the city's sporting and recreational opportunities can apply for grants from Council. The Council promotes sports events which will bring economic benefits to the city.

The Council provides stadia and other sporting facilities such as golf courses, QEII stadium, Cowles stadium, Cuthbert green, and English Park.

## What the Council achieved

The Council will resume responsibility for Civil Defence from 1 July 2006. There was a good response from volunteers keen to get involved and attend training courses.

The rural fire function between Banks Peninsula and the city was merged. A total of 167 rural fire calls were received. Seventy five people did rural fire training. Four new fire plans were prepared and approved.

A large number of Community Board projects were undertaken including Neighbourhood Week, Community Pride garden awards, Community Service awards and Heritage awards.

Staff collaborated with a large number of community groups to produce a diverse range of community events including the Ethnic Soccer Festival, Parklands Energisers Programme, Bottle Lake Orienteering Day, Groyne's Children's Day, Linwood Youth Festival Experience (LYFE), and Culture Galore.

Three carved pou (poles) were unveiled at Cambridge Green, corner of Salisbury and Barbadoes Streets, in August 2005. The works were a major collaboration to provide community art work best suited to the area.

A collaborative strategy for making Christchurch the safest city in New Zealand was launched. The community violence reduction project was funded.

The Tuam Street Early Learning Centre received a positive Education Review Office audit and a Healthy Eating Heart Foundation Award. The Addington Toy Library was relocated and is now the Church Corner Toy Library.

A full programme of festivals and events was delivered with record crowds attending events during New Zealand Cup and Show Week. The World Buskers Festival was the Champion Host Small Enterprise at the 2005 Champion Canterbury Awards.

The Southern Centre Multi Sensory unit at QEII won a World Leisure Innovation Award. There were a record four million visits to Council-operated pools and leisure centres. This figure is the equivalent of every person living in greater Christchurch visiting these facilities 10 times.

The road safety community development programme included community stopping distance events, a performing zebra at zebra crossings, a scratch test competition and a rear seatbelt youth photo competition.

157 Council housing units were refurbished. A joint partnership to develop 20 units at Gowerton Place with Housing New Zealand was pursued.

'Give Golf a Go' clinics during the New Zealand PGA Championships were so popular, staff ended up running eight each day.

Council stadia hosted the Asia Pacific Special Olympics, the Oceania Masters Athletics, the inaugural International Touch Rugby Tournament, and the National Wheelchair Rugby Championship.



**How the Council measured up**

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Civil Defence and Rural Fire Fighting		Actual	Target
Provide a ready response with trained personnel to all rural fires in the defined rural area of the city, and ensure the public are aware of fire restrictions and bans.	Respond to all fire call-outs within 30 minutes, in accordance with the Rural Fire Management Code of Practice Standard.	100%	100%
Personnel and services are available to respond to civil emergencies caused by natural and other disasters.	An emergency operations centre is available and an appropriate organisational structure is in place to manage civil defence emergencies and adverse events when they occur.	100%	100%
	Volunteers are available within the city's Civil Defence and Emergency Management Structure.	660	> 700
Community Halls and Conveniences		Actual	Target
Community halls and cottages provide a valuable resource for the creation of local communities of interest, as meeting places and for passive and physical leisure.	Overall user satisfaction with community halls and cottages.	86%	80%
Community Recreation		Actual	Target
Achieve an increase in participation in recreation activities by Christchurch residents, in particular children, youth, people with disabilities, older adults and people on limited incomes.	Level of participation in Council recreation programmes.	129,281	90,000
To work with the community to provide healthy, accessible and enjoyable leisure opportunities and encourage greater levels of participation in leisure.	Level of participation in physical activity.	85%	92%
Early Learning Centres & Creches		Actual	Target
People of Christchurch have access to quality early learning education services.	Customer satisfaction with access to quality early learning education services.	98%	80%
	A clean report is received from the Education Review Office for each Early Learning Centre.	100%	100%
Events & Festivals		Actual	Target
Plan, organise and promote the agreed programme of events.	Percentage of residents who attend key events, averaged over 5 events surveyed each year.	28%	25%
	Residents' overall satisfaction with Council events. At least five events are surveyed per year.	88%	80%
Events and festivals contribute to the enjoyment of living in Christchurch.	Residents consider that festivals and events contribute to the enjoyment of living in Christchurch.	93%	80%

## Community services



Grants for Community Projects and Activities		Actual	Target
Funds are provided for city-wide projects and initiatives in accordance with the Council's Community Outcomes.	\$5.7m available for distribution to community groups.	\$6.5m	\$5.7m
Pools and Leisure Centres		Actual	Target
Safe, healthy and pleasant environment provided.	Pool supervision is provided in accordance with NZ guidelines, 100% of the time.	100%	100%
Provide a range of aquatic services including lap pools, recreation pools, learner pools and paddling pools.	Visits to pools and leisure centres per annum.	4.1m	2.4m
Social Housing		Actual	Target
Rents are affordable for qualifying people.	Housing rents are between 25% and 30% of benefit income.	25-30%	25-30%
A reasonable number of rental units is available.	Occupancy rate averaged over all housing complexes for the year.	97%	97%
Sports Support and Promotion		Actual	Target
Promote Christchurch as a national and international sports destination for future events and activities.	Secure major future international sports events/ activities.	4	4
Identify the benefits of regularly hosting major sports events/activities, to the city and especially local businesses.	Economic benefit (including visitor activity) associated with hosting five major sports events/activities.	\$12.2m	\$15m
Residents are encouraged to participate in physically active sports, whether privately or organised by a club or organisation.	Residents surveyed have taken part in or trained for a physically active sport, game or lesson, or have been a member of any sports club or association.	38%	40%
Stadia and Sporting Facilities		Actual	Target
Provide stadia and facilities for a range of organised sports to lease. These include softball, basketball, soccer, rugby league, hockey, rugby union and others.	Residents have visited a Council stadium within the last year.	65%	65%

For further information on monitored performance measures, please turn to the Appendix.



### Where is the Council heading?

The Council is developing a community development strategy which also encompasses a community grants review and community facilities plan. These are expected to be completed by February 2007.

The upgrade to the Jellie Park pool complex will continue throughout 2006/07.

The QEII Concept Plan (2005) will progress with the construction of an extension to the Christchurch School of Gymnastics. Work will continue towards making QEII a centre for high-performance sport through the provision of facilities and technology in partnership with the New Zealand Academy of Sport.

The metropolitan sports facilities plan will determine the Council's role in the provision of sports facilities in the city and also identify how Christchurch can enhance its appeal to sports event organisers, and cement its reputation as New Zealand's premier sporting city. During 2006/07, the first steps will be made towards planning how to make the most of opportunities associated with the 2011 Rugby World Cup.

The Gowerton Place social housing development is expected to be open by the end of October 2007.

A housing strategy is being developed to determine what areas of housing Council will focus on. This will be completed by December 2006.

### What did it cost?

Statement of Cost of Services for the year ended 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Civil defence and rural fire fighting	2,227	652	1,575	1,432	1,357
Community halls and conveniences	2,671	124	2,547	2,916	2,522
Community recreation	3,169	827	2,342	2,432	2,248
Community support for individuals and groups	5,112	473	4,639	4,112	4,103
Early learning centres and creches	1,739	1,384	355	637	564
Events and festivals	2,813	409	2,404	2,721	2,278
General information services	2,196	134	2,062	2,863	1,874
Grants for community projects and activities	5,602	32	5,570	5,695	5,635
Pools and leisure centres	13,997	7,664	6,333	6,804	6,709
Road safety promotion	955	184	771	625	851
Social housing	14,978	11,468	3,510	1,090	(566)
Sports support and promotion	3,328	8	3,320	1,796	2,027
Stadia and sporting facilities	4,237	1,504	2,733	3,450	2,825
<b>Cost of service</b>	<b>63,024</b>	<b>24,863</b>	<b>38,161</b>	<b>36,573</b>	<b>32,427</b>
<b>Capital expenditure</b>					
Renewals and replacements			535	986	796
Improved service levels			2,685	4,630	2,745
Increased demand			925	5,112	1,988
<b>Total capital expenditure</b>			<b>4,145</b>	<b>10,728</b>	<b>5,529</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

## Community services



### Explanation of significant cost of service variances

Internal realignment of staff teams meant reallocation of overhead expenses across activities but this did not affect the overall cost or quality of the service delivered.

Social housing assets were revalued during the year, causing a \$2.3M increase in depreciation expense.

Under the Sports support and promotion activity, \$1.1M was paid to the Bishopdale YMCA and \$0.4M to the Christchurch School of Gymnastics as grants. Both were to assist new building programmes.

### Significant capital expenditure

There were no significant items purchased.

### Explanation of significant capital expenditure variances

Council approved the redevelopment of Jellie Park, and design plans finalized for tender. Construction is slated to commence in March 2007.

Gowerton Place Housing Development Agreement will commence in late 2006 / early 2007, and is expected to be open by October 2007.

The funds designated for both of the above projects (\$4M and 1.7M, respectively) have been carried forward to the next fiscal year.





In the main I think we're well served, but I wish there was a way for Frieda and Fred Bloggs to get to know Councillors better so that when the elections come around we have a better idea who we're voting for. Councillors need to get out of their cars and ride the buses, ride bikes and walk around this city and talk to people and find out what makes them tick.

At the school where I teach we've become an EnviroSchool and are working to create a sustainable environment. The aims are very good and the programme's a good example of the Council working together with the regional council and government. I think helping young children to become aware about long-term issues like sustainability is very important.

*Shirley Langrope*

Primary teacher  
New Brighton



# Democracy and governance



## Democracy and governance

The Christchurch community is represented at the local government level by the mayor, 13 councillors and 40 community board members, who are elected to carry out the functions, duties and powers of the Council. Council provides support to all elected members to carry out their responsibilities and functions by co-ordinating arrangements for elections, undertaking arrangements for meetings and seminars, and co-ordinating the provision of advice.

The Council provides opportunities for the community to participate, receive information and process the community's input to ensure effective decision making that contributes to a well-governed city. The Council also arranges for local government elections to be held every three years.

The Council communicates with residents through a variety of means including the publication and city-wide distribution of the "City Scene" newspaper, use of the internet and by providing information to local media.

## What the Council achieved

The Council's new governance structure, with fewer councillors and the use of portfolio groups instead of committees, has improved the decision-making process. Council and community board decisions have also become more open and transparent.

Residents made use of the opportunity to provide feedback to the Council on the 2006-16 LTCCP. A record 2000 submissions were made in 2006, with 430 submitters wishing to speak to the Council on their submissions.

The community boards have developed objectives to align with the community's desired Community Outcomes. This assists the boards to allocate funding that contribute to their objectives. In addition, the boards fund and support community organisations and community development projects.

The 2005 by-elections to elect one councillor and 10 community board members from the Banks Peninsula ward were completed on time and in accordance with statutory requirements. The Council incorporated two additional community boards. Banks Peninsula staff and elected members were welcomed into Christchurch at a powhiri. A comprehensive induction programme was arranged for the newly elected members.

Just over a third of Christchurch residents read the City Scene publication. Three-quarters of those surveyed were satisfied with the publication as a way of communicating council issues. Council staff also responded to all media inquiries within a day of that inquiry being received.





### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Elected Member Representation		Actual	Target
The public are able to participate in decision-making processes.	The people of Christchurch feel the public have at least some influence on the decisions the Council makes.	90%	65%
Media Relations and External Communications		Actual	Target
Newsletters and other material are provided to the public throughout the year.	Residents satisfaction with the Council newsletter, City Scene.	75%	75%
Supporting Elected Member Decision Making		Actual	Target
To provide leadership in policy advice and support to elected members to enable Council to meet its Statutory obligations and comply with the provisions of the Local Government Information and Meetings Act.	Agendas and reports are available from the Council Office at least 3 working days prior to each meeting.	100%	100%

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

To achieve the community's desired outcome of a well-governed city, the Council will be involved in key projects such as e-democracy, electronic voting and electronic agendas and minutes. The use of information kiosks to educate the community on local government and the role of Council is under consideration. Due to the large geographical distance from Akaroa to Christchurch City, the Council is considering video conferencing facilities for Akaroa. This will enable Akaroa residents to make submissions to Council meetings and observe Council meetings in realtime.

The Council will review the decision-making process, delegations and standing orders in 2006/07. It will also continue to review options for engaging minority communities in its governance processes.

In addition, the Council is reviewing the effectiveness of its City Scene publication in a bid to lift readership further.

# Democracy and governance



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Elected member representation	3,583	-	3,583	4,055	3,989
Elected members projects	416	-	416	660	403
Media relations and external communications	530	3	527	528	454
Supporting elected member decision making	4,944	-	4,944	4,793	4,217
<b>Cost of service</b>	<b>9,473</b>	<b>3</b>	<b>9,470</b>	<b>10,036</b>	<b>9,063</b>
<b>Capital expenditure</b>					
Renewals and replacements			-	-	-
Improved service levels			-	-	-
Increased demand			-	-	-
<b>Total capital expenditure</b>			<b>-</b>	<b>-</b>	<b>-</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of Significant Cost of Service Variances

The variance in the Elected Member Representation activity is as a result of the amalgamation with Banks Peninsula District Council. A new Elected Member structure was put in place on the Peninsula following the Election, and the actual cost of the additional Councillor and two Peninsula Community Boards post merger was \$0.1M. An amount of \$0.5M was planned by the former BPDC for Elected Member remuneration and support for this same period. This has resulted in a favourable variance for the combined CCC and BPDC.

### Significant Capital Expenditure

There were no significant items purchased.

### Explanation of Significant Capital Expenditure Variances

There were no significant variances.



I certainly think there's a role for local government in economic development. Regions have to compete for business, but the difficulty is how you go about it. Is it worth spending on? You have to look at each business case and ask honestly what do you hope to achieve from it.

I think working out what it takes to make sure companies don't want to leave is as important as attracting new ones. Here, there's a strong tie between the university's engineering school and the electronics firms and infrastructure has a lot to do with why companies decide to remain in a place.

*Roger Brough*

Engineer  
Avonhead





## Economic development

Economic development involves understanding the dynamics of the regional economy and developing strategies and projects that are designed to maximise economic growth, job creation, tourism, visitor promotions & international relationships.

The Council engages the Canterbury Development Corporation (CDC) and Christchurch & Canterbury Marketing (CCM) to deliver economic development initiatives including:

- Business support services including training, incubation, mentorship and capability assessment for small and medium enterprises (SME)
- Industry development collaborations
- Foreign direct and local investment and corporate attraction and retention
- Workforce development and skills and talent needs assessment
- Infrastructure provision enablement
- Employment participation
- Commercialisation of research, science and technology
- Regional promotion
- Transformational projects
- Visitor promotions
- City promotion
- International relationships

### What the Council achieved

Partnerships with New Zealand Trade & Enterprise were formed to deliver a suite of training workshops, capability assessments and one to one mentoring for SMEs. Local companies were assisted to secure government funding to advance their business aspirations.

Industry sector groups were formed for electronics, software, international education, fashion and outdoor, natural products, creative industries and assistive devices. Support was also provided to Film South and local screen writers.

CDC continued to operate its exemption notice under the security legislation to assist local companies raise capital without the requirement to furnish a full prospectus. CDC worked with the Canterbury Innovation Incubator to transfer the Canterbury Investor Network database across to Powerhouse.

A series of initiatives addressed workforce development and transitions from school to work. Research was undertaken to identify the skill needs of a number of major employment sectors in the region. A study was commissioned on the issues migrants face when securing work and the role of employer attitudes.

The Actionworks partnership with the Ministry of Social Development's Work and Income Department continued to assist young people to manage the transition from school to work. Close to 1,000 young people were introduced to business and self employment through the "Outside the Square" youth enterprise initiative. A range of community employment and mentoring programmes assisted employment-focused community groups.

An application was made for Government assistance under the Broadband Challenge Fund to develop a fibre based metropolitan area network around the City. Work was done to secure a new research centre at the University of Canterbury specialising in geospatial research and to scope the establishment of a high performance super computing facility for Christchurch.

Initiatives to commercialise the region's science and technology expertise included:

- Work with Eastman Kodak on breast cancer screening
- Preliminary work on insulin management in intensive care situations
- Opportunities around the City's unique relationship with Antarctica
- Aerospace opportunities
- Information and Communications Technologies opportunities in electronics, software and data management

CCM promoted Christchurch and Canterbury as a tourist destination and operated a visitor centre 364 days of the year. Despite the tourism industry facing a tough year, international visitor numbers increased by 1.7%.

Promotional events included a banner programme featuring city regalia, Christmas banners and decorations as well as 17 event banners for events such as the Lions Tour Christchurch and Summertimes.

Council adopted a new international relations policy. It enables the city to be more innovative and effective in exploiting opportunities for economic development, learn from international best practice, and increase cultural understanding. In April 2006 Mayor Garry Moore led a delegation to Wuhan, China's fourth largest city and signed a Friendship City Agreement with Wuhan's Mayor Li Xiansheng.



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

City Promotion & International Relations		Actual	Target
Promote Christchurch as a good place to live, work, visit and do business.	Residents rate Christchurch as a good or very good place to live.	97%	80%
Sister City Committees receive Council support to meet their annual business plan objectives.	Proposed Sister City activities are achieved to the benefit of the community.	12	12
Economic Development		Actual	Target
Increase the number of new business startups and assist new businesses through their early growth.	New business enterprises assisted.	576	500
Assist organisations and enterprises to secure funding to allow them to make a contribution to the Christchurch and Canterbury economies.	In excess of \$2m of funding sourced.	\$3.4m	> \$2m
Employment Services		Actual	Target
Implement a range of workforce development initiatives that address the supply and demand for skills and talent.	People achieve part or full time employment.	1,522	1,500
Provide opportunities for community employment for adult job-seekers.	Adults placed in community employment schemes.	120	170

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

On behalf of the Council, CDC will deliver initiatives and projects that will advance the City's economic development agenda consistent with the Long Term Council Community Plan, Canterbury Regional Economic Development Strategy and Prosperous Christchurch objectives. This will involve ongoing support services for SMEs and workforce and industry development.

These services will be augmented by projects designed to significantly transform the city and regional economy in areas such as infrastructure services, technology commercialisation and investment and corporate attraction.

CCM will continue to promote Christchurch & Canterbury as a destination of choice. This now includes Banks Peninsula.

# Economic development



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Operational outputs					
City promotion and international relations	989	7	982	1,079	940
Convention and entertainment venues	1,127	100	1,027	861	783
Economic development	4,388	-	4,388	4,926	5,186
Employment services	2,363	-	2,363	2,378	2,354
Visitor promotions	1,882	37	1,845	1,899	2,011
<b>Cost of service</b>	<b>10,749</b>	<b>144</b>	<b>10,605</b>	<b>11,143</b>	<b>11,274</b>
Capital expenditure					
Renewals and replacements			385	336	10
Improved service levels			247	250	13
Increased demand			255	261	-
<b>Total capital expenditure</b>			<b>887</b>	<b>847</b>	<b>23</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

Expenditure for the year was \$0.3M lower than plan due to the unused allocation from the Capital Endowment Fund being carried forward into 2006/07.

An allocation of \$0.1M from the Capital Endowment Fund for the Tourism Strategy was also transferred into the City Development group of activities.

### Significant capital expenditure

There were no significant items purchased.

### Explanation of significant capital expenditure variances

There were no significant variances.



I don't know what I did before the library was here because we're here all the time. We come here because it's a nice warm, friendly environment with great resources for kids, and the café's a great drawcard.

These modern ones have really got everything as well as the usual – computers, good outdoor areas and it's in a good spot. If it's a good day, there's a nice way to walk here from home. I think the libraries the Council's built recently are excellent, cleaner, brighter and a lot nicer.

*Tracey Prince*

*with Caitlin (4) and Joel (seven months)*

Homemaker  
Cashmere



# Library services



## Library services

The Council develops the knowledge, literacy and cultural well-being of the city's residents by providing access to information through its network of 20 community libraries. These facilities contain an extensive collection of books, audio visual resources, and on-line services.

### What the Council achieved

The Parklands Library and Waitikiri Learning Centre opened in August 2005 and proved very popular with the community.

The Upper Riccarton Community and School Library opened in January 2006. The library continues to exceed targets for both foot traffic and items lent, and has become a well-used community facility. It was built by the Council in partnership with Riccarton High School and is New Zealand's first joint-use urban community and school library. It won an NZIA Resene New Zealand Award for Architecture for the design, and the Registered Master Builders Commercial Project of the Year 2006 award.

In January 2006, new library web pages went live, enabling everyone to access information in an easier and more logical way. There has been positive feedback about these improvements and more electronic resources are being used.

With the amalgamation of Banks Peninsula, four new libraries joined the network. Stock at these libraries was added to the library database and on 1 July 2006 they will change over to the Council's Unicorn library system.

Funding from Art in Public Places saw the unveiling at the South Library and Service Centre of 'Engage' by artist Graham Bennett. A sculpture called 'Knowledge', one of the first contemporary public art works by Canterbury artist Phil Price, was unveiled at Upper Riccarton Library.





### How we measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Building Skills for Lifelong Learning		Actual	Target
Provide programmes in libraries and in the community, which support learning and literacy.	Residents who have used a city library service in the last year.	76%	70%
Collections & Materials		Actual	Target
A wide range of materials is available for borrowing.	Per capita number of items in the library system.	3.1	3.5
Lending Services		Actual	Target
Adequate staff and self issue machines for issuing items.	Customers satisfied with helpfulness of staff.	96%	95%

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

In the coming year, the Libraries 2025 plan will be developed. This plan will determine what library facilities the community will need during the next 20 years. With a number of new libraries having been built and changing community dynamics, this work needs to be done now to ensure the best allocation of resources and facilities within the community.

# Library services



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Building skills for lifelong learning	1,236	309	927	991	876
Collections and materials	10,225	160	10,065	9,423	8,837
Lending services	7,855	1,227	6,628	6,660	6,149
On-line access to information	1,275	28	1,247	1,292	1,190
Places for reading listening and viewing	3,073	-	3,073	3,027	2,575
Services to enquirers	3,885	361	3,524	3,768	3,601
<b>Cost of service</b>	<b>27,549</b>	<b>2,085</b>	<b>25,464</b>	<b>25,161</b>	<b>23,228</b>
<b>Capital expenditure</b>					
Renewals and replacements			4,525	4,119	3,872
Improved service levels			3,592	3,454	624
Increased demand			1,551	2,116	4,104
<b>Total capital expenditure</b>			<b>9,668</b>	<b>9,689</b>	<b>8,600</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of Significant Cost of Service Variances

The depreciation life cycle of library books was reviewed to align with national library standards. This resulted in a shorter life span for books and an increase in depreciation expense of \$0.9M in the Collections and materials activity.

### Significant Capital Expenditure

The Parklands Library opened in August 2005. The Upper Riccarton Library, built in partnership with Riccarton High School, opened in January 2006.

### Explanation of Significant Capital Expenditure Variances

There were no significant variances.



The city's gardens and parks are beautiful. Before I came to Christchurch they told me about the Garden City and I really like this aspect of the city; I wouldn't live anywhere else in New Zealand.

In Beijing, where I grew up, most of the parks are beaten earth and you normally have to pay to get into gardens, so the greenery and space of Christchurch is wonderful. They're such restful places, too. If you have a busy life, being able to go to a park or the gardens means you can relax and get rid of the stress. Even if you're having a bad day, having beautiful plants and flowers around will cheer you up and make everything seem OK.

*Yvonne Zhang*

Engineer  
St Albans



# Parks and open spaces



## Parks and open spaces

Christchurch's reputation as The Garden City is highly valued by residents and has won international recognition. Maintaining this image requires being sensitive to the needs of the community and visitors while continuing to develop the extensive parks network.

There are 910 parks in the city covering 6,203 hectares. They include 75 large regional parks such as The Groynes, 107 sports parks, 606 neighbourhood parks, 73 riverbank and wetland parks, 49 garden parks (including the Christchurch Botanic Gardens), 21 cemeteries and two plant nurseries.

The parks network continues to grow as the Council purchases land for parks and developers contribute land when they create subdivisions.

## What the Council achieved

The Council continued to provide and maintain an extensive network of tracks for a growing number of walkers, mountain bikers and horse riders. Rangers provided opportunities for community guardianship of the natural environment with many planting and weeding days on diverse sites including the Port Hills, wetlands, and coastal areas. Several businesses sponsored plantings and over 40,000 volunteer hours were contributed to ecological projects. Active protection and restoration continued with animal and plant pest control, planting and ecological monitoring. There was an increase in some wildlife populations on key sites.

The Botanic Gardens continues to be the top attraction for visitors and residents of the city and enhancing the visitor experience has been the focus of detailed planning. The Council prepared a master plan for the Botanic Gardens and Hagley Park as a whole, and reviewed the existing separate management plans for the Gardens and the Park. There has been a growing emphasis on the seasonality of Christchurch The Garden City. The Botanic Gardens reflected this emphasis in new promotional tools including flags, posters and art.

The draft Asset Management Plan for parks and cemeteries was completed and is ready for adoption. Condition assessments on the structural integrity and appearance of a selection of the critical assets were completed and a new security contract was implemented. A sports ground survey showed a customer satisfaction rate of over 90%.

Over 10,000 requests for service were lodged and completed on urban parks. A new draft parks and street landscape maintenance contract has been completed and is under negotiation.



## Parks and open spaces



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Heritage Parks		Actual	Target
The Christchurch Botanic Gardens plant collections are preserved and displayed for education and scientific purposes. The grounds provide a pleasant environment for passive recreational use.	The Botanic Gardens remains the top attraction for citizens to take visitors within the city.	Yes - 61%	Yes
Landscaping the Transportation Network		Actual	Target
The City's 50,000 street trees are maintained in a safe, healthy and sustainable condition.	Street trees are managed on a three-yearly maintenance cycle, with 1% of street trees being replaced in the current year.	1%	1%
Parks Customer Services		Actual	Target
The community is informed and participates in the governance and management of parks through a range of activities including education programmes, volunteer involvement, community group support and provision of information and advice.	Time spent per year on park projects by volunteers and community service people.	40,202 hours	8,000 hours
	Children participating during the year in the Learning Through Action Environmental Education programme.	10,380	8,000
Parks Reserves and Open Spaces		Actual	Target
Park reserves and open spaces are accessible and distributed equitably across the city. They are located within easy walking distance (five to ten minutes) for all residents in the city's urban area.	Residents in the urban area of the city living within 400 metres of a neighbourhood or district park.	90%	90%
Provide a range of parks and open spaces that deliver a diversity of experiences, and cater for all ages and interests.	Residents are satisfied that parks cater for their respective interests. (average satisfaction across 12 categories of activities available in parks)	87%	70%
The city's parks are safe to use.	Emergency response is undertaken within two hours of notification where there is an immediate health and safety risk.	100%	100%

For further information on monitored performance measures, please turn to the Appendix.

## Parks and open spaces



### Where is the Council heading?

The Council will continue to maintain the city's parks and open spaces for residents and visitors. The system for managing regional park assets will be improved to allow more realistic budgeting and forecasting of costs.

To celebrate Christchurch's peace history, a new Peace Bell will be installed adjacent to the woodlands bridge at the Botanic Gardens.

Planning will be done on how to spend the significant capital funding provided for enhanced facilities for staff and visitors to the Gardens.

The public will have the opportunity to make submissions on the draft Hagley Park/Botanic Gardens Master Plan, draft Hagley Park Management Plan and the draft Christchurch Botanic Gardens Management Plan.

Four new maintenance contracts will be implemented to remove graffiti, improve the standard of shrub borders and street landscapes, maintain gardens and ensure park safety meets Crime Prevention Through Environmental Design guidelines. New toilet maintenance contracts will also be developed and implemented.



## Parks and open spaces



### What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Operational outputs					
Heritage parks	4,459	219	4,240	4,238	3,520
Landscaping the transportation network	4,720	260	4,460	5,110	4,468
Parks customer services	1,836	725	1,111	1,179	1,043
Parks reserves and open spaces	20,240	933	19,307	14,085	14,133
Capital revenue	-	10,155	(10,155)	(3,500)	(7,142)
<b>Cost of service</b>	<b>31,255</b>	<b>12,292</b>	<b>18,963</b>	<b>21,112</b>	<b>16,022</b>
Capital expenditure					
Renewals and replacements			1,819	1,782	1,889
Improved service levels			889	2,164	2,510
Increased demand			4,953	3,842	4,348
<b>Total capital expenditure</b>			<b>7,661</b>	<b>7,788</b>	<b>8,747</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

## Parks and open spaces



### Explanation of significant cost of service variances

Most parks and open spaces assets were revalued as at 30 June 2005, resulting in depreciation charges \$3.7M higher than planned. Fire rehabilitation work done for the January 2006 fires at Spencer Park and Bottle Lake Forest was unrecoverable from the National Rural Fire Authority, as the Authority does not reimburse the costs of rehabilitation efforts.

A planned \$1.0M grant was not received relating to the Lyttelton Marina due to a delay in project commencement.

Capital revenue exceeded that planned due to the continued buoyancy of the building industry and the taking of cash from infill subdivision and apartment developments, plus the lodgement of scheme plans before the new development contributions policy came into force.

More capital revenues were received than planned as subdivision growth in the city continued to exceed the assumption base. These funds are designated for future land purchases and reserve developments required to allow for city growth.

### Significant capital expenditure

\$0.6M of strategic land was acquired. This scheduled expenditure allows for the continued growth and development of the parks and open spaces in Christchurch, and was funded from cash in lieu of reserves contributions. The remaining \$7.0M was spent on a large range of projects, including fencing, toilet renewals, playgrounds, bridges, carparks, irrigation, planting and tree replacement.

### Explanation of significant capital expenditure variances

There were no significant variances.





The idea of getting everything out of the waste stream that can be reused is right, but a lot more legwork's needed. At home we have all the bins for separating stuff out, at school all the kids are learning about it and I think the community's ready to take the next step.

It's important for our environment that the Council and community really need to work harder and push it along. Our old landfill's chokka and we've paid a fortune for this new one at Kate Valley. I don't mind paying a bit more if we really can make sure it's the last dump we're going to need.

*Lisa Rakatau*

Computer operator  
Bromley



# Refuse minimisation and disposal



## Refuse minimization and disposal

The Council provides solid waste collection treatment and disposal services in order to protect the community and environment.

It owns three transfer stations which are operated by Meta NZ Limited.

Waste minimisation is encouraged through kerbside collection of recyclable products and paper. A number of initiatives and education programmes are run to reduce the amount of material residents and businesses send to the Kate Valley landfill.

## What the Council achieved

Work continued on the rehabilitation of the Burwood landfill with approximately 20 hectares of the rehabilitated site being opened for public access and added to the Bottle Lake Forest Park. The public can now walk or cycle through the site and get views of the city and surrounds from the top of the former landfill.

The Council operated the landfill gas flare to control odours. About 2,400 tonnes of methane was destroyed which reduced green house gases (43,200 tonnes of carbon equivalents).

The Council provided drop-off centres at the refuse stations where over 98 tonnes of household hazardous waste was collected for safe disposal.

At the kerbside, 26,300 tonnes were collected, up 2,260 tonnes on the prior year. Green waste was shredded into 31,772 tonnes of compost.

The Council started diverting recyclables from the refuse at the city's three refuse transfer stations. The operator re-branded the stations as EcoDepots.

A regional waste strategy was completed and presented to the Canterbury Waste Subcommittee for consideration and approval of projects for the coming year.

A large amount of information was prepared and presented to the Solid Waste working party, to enable the members to have a detailed understanding of the issues, and decide which option for future waste services they wish to recommend to Council.



## Refuse minimisation and disposal



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Waste Minimisation		Actual	Target
To minimise the amount of solid waste going to landfill.	Recyclables correctly presented at the kerbside are collected 52 weeks of the year.	52	52
	Annual tonnage of recyclables collected at the kerbside.	26,300	18,000
Black Bag Collection and Disposal		Actual	Target
At \$1.00 per bag the rubbish bag collection service delivers value for money.	Customers satisfied the collection service delivers value for money (at \$1 per bag).	61%	80%
Official Council rubbish bags placed at the kerbside are collected each week.	The collection is completed 52 weeks of the year.	52	52

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

A further seven hectares of the rehabilitated Burwood landfill will be opened towards the end of 2006. The remaining 60 hectares will open over the next three years following capping of the landfill, planting and walking and cycling track development.

The Solid Waste Working Party is expected to recommend key waste minimisation initiatives to the Council in August 2006. Adoption of those will enable the waste management plan to be finalised. This may involve a further special consultative process. Planning for the implementation may then commence.

Projects in the regional waste strategy will get under way in 2006/07. For example, business resource efficiency focusing on paper and cardboard, and the development of a sustainable regional market for compost produced in Canterbury.

Resource efficiency programmes will be reinvigorated to encourage Christchurch businesses to reduce waste.

Council will continue to lobby Central Government for effective solid waste legislation.

# Refuse minimisation and disposal



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Operational outputs					
Waste minimisation	3,266	3,637	(371)	(565)	(12,460)
Refuse transfer and disposal	7,483	325	7,158	5,665	8,466
Black bag collection and disposal	6,792	1,857	4,935	3,963	4,119
<b>Cost of service</b>	<b>17,541</b>	<b>5,819</b>	<b>11,722</b>	<b>9,063</b>	<b>125</b>
Capital expenditure					
Renewals and replacements			2,415	3,502	1,647
Improved service levels			2,138	2,066	2,117
Increased demand			239	80	244
<b>Total capital expenditure</b>			<b>4,792</b>	<b>5,648</b>	<b>4,008</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

Black bag collection costs were \$0.5M higher than planned due to contract escalation indices being higher than expected. Black Bag sales were also \$0.4M lower than planned. \$1.1M of planned revenue was unable to be charged to waste operators from 1 March 2006 due to a court ruling that abolished the charging of waste minimization fees and cleanfill levies from that date. Kerbside collection costs were \$0.6M higher than planned due to contract escalation indices being higher than expected.

### Significant capital expenditure

\$1.2M was spent during the year on the Refuse Station Modifications project construction. This project is due for completion in late 2006 at a total cost of \$3.6M. \$1.2M was spent during the year on the Landfill Gas Extraction Pipeline project construction, due for completion in 2007. A total of \$2.2M was also spent on the restoration and capping of Burwood landfill following its closure in late 2005.

### Explanation of significant capital expenditure variances

The variance is largely due an underspend on the Landfill Gas Extraction Pipeline project during the year.



I like living in the "People's Republic of Christchurch." It's a positive city and we enjoy showing people around when they come to visit. I think the Council's helping make sure it stays a good place to live. The Garden City concept carries through and that's great, but I sometimes think we could do with fewer slogans.

We had a change at an intersection near here and I was worried it would increase speeds. I was listened to and answered and that's good. I didn't get what I wanted but I was allowed to have my say and I'm sure it was considered.

*Allan Campbell*

Retired  
Burwood



# Regulatory services



## Regulatory services

The Council administers and enforces the statutory regulations for building and development work, the health and safety of licensed activities, and the keeping of dogs, and aims to do so while minimizing compliance costs. In addition, complaints about nuisances and non-compliance are investigated and the potential effects of various activities monitored and assessed.

### What the Council achieved

Christchurch is in a period of high growth with current applications totalling \$900 million for building development. The associated subdivision, resource management and building consents required to enable this work to proceed are managed by the Council. There is also a process of monitoring and inspecting the work to ensure it complies with statutes, regulations and the City Plan.

There were 9,504 building consents, 1,781 resource consents and 780 subdivision consents approved during the year. In 86% of cases, these were processed within statutory time frames allowing developments to proceed in a timely fashion. The pressure of a record numbers of consents, coupled with shortages of skilled staff, delayed some consents. The issuing of land information memoranda (LIMs), inspection of buildings under construction and issue of code compliance certificates was accomplished, meeting customer requirements in significantly less than the statutory timeframes.

Council adopted the Earthquake-Prone, Dangerous and Insanitary Buildings Policy and applied for Building Consent Authority Accreditation from the Department of Building & Housing.

Work was completed to link the Council's animal control register to the national dog database and setting up a regime for microchipping dogs.

A project in Bromley to make soil safe around 12 houses was substantially completed. The site was originally the Sandilands landfill site.



## Regulatory services



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

		Actual	Target
<b>Animal Control</b>			
Remove wandering stock promptly.	Where practical, wandering stock are apprehended and secured within two hours of receiving an initial request.	100%	100%
Investigate and resolve complaints about nuisances caused by dogs.	Respond to and investigate all complaints relating to aggressive behaviour by dogs within 2 hours.	93%	100%
<b>Building Consents</b>		<b>Actual</b>	<b>Target</b>
Provide project information memoranda (PIMs) and process building consents within statutory timeframes.	Process stand-alone PIMs within eight working days (legislative requirement is 20 days).	89%	100%
	Process building consents within the time limits prescribed by the Building Act 2004 (20 working days)	85%	100%
<b>Enforcing Legislation &amp; Investigating Nuisances</b>		<b>Actual</b>	<b>Target</b>
Monitor activities and projects to ensure compliance with the Building Act, Council bylaws and the City Plan, and mitigate any adverse effects on the environment and people.	Responses to complaints or requests for investigations are completed within: five working days (simple category), or 40 working days (complex category)	55% (simple)	80% (simple)
		82% (complex)	80% (complex)
Respond to complaints of unreasonable and excessive noise.	Respond to complaints of excessive noise within an average of 30 minutes after receiving the complaint.	100%	100%
<b>Health and Liquor Licensing</b>		<b>Actual</b>	<b>Target</b>
Monitor compliance with the terms and conditions of liquor licences granted.	Inspect all operational premises within the central city area (bounded by the four avenues) and report on levels of compliance.	100%	100%
<b>Information on Regulatory Functions</b>		<b>Actual</b>	<b>Target</b>
Provide accurate and timely Land Information Memoranda (LIMs).	Process 80% of LIMs within five working days and 100% within the statutory timeframe of ten working days.	99%	80%
<b>Land Use and Subdivision Consents</b>		<b>Actual</b>	<b>Target</b>
Administer resource consents in an efficient, timely and fair manner for landowners, developers and for the affected community and individuals.	Process non-notified land use consents, which do not require a hearing, within 20 working days.	94%	100%
	Process notified land use consents, to Council decision stage, within 70 working days.	92%	100%

For further information on monitored performance measures, please turn to the Appendix.

## Regulatory services



### Where is the Council heading?

The Council will ensure that the quality of development and building within the city meets high standards. The Council is working toward exceeding Building Consent Authority accreditation requirements and ensuring consistency by working with 12 other territorial authorities.

The Council is seeking to streamline consent processes, inspections and monitoring through a recent restructure into two units. It is focusing on the quality of service provided, timeliness and delivery mechanisms such as increased use of e-business, electronic reporting, targeted compliance and enforcement activities.

### What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Animal control	1,733	1,695	38	107	(3)
Building consents	5,434	5,130	304	98	(276)
Enforcing legislation and investigating nuisances	2,544	65	2,479	2,027	1,877
Health and liquor licensing	1,026	1,336	(310)	(324)	(73)
Information on regulatory functions	4,123	1,815	2,308	2,675	2,142
Land use and subdivision consents	3,794	2,886	908	681	877
<b>Cost of service</b>	<b>18,654</b>	<b>12,927</b>	<b>5,727</b>	<b>5,264</b>	<b>4,544</b>
<b>Capital expenditure</b>					
Renewals and replacements			76	10	26
Improved service levels			-	54	15
Increased demand			5		-
<b>Total capital expenditure</b>			<b>81</b>	<b>64</b>	<b>41</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of Significant Cost of Service Variances

The variance of net cost to plan in the Enforcing Legislation & Investigating Nuisances activity is due to unplanned expenditure of \$0.5M associated with undertaking remedial action on the former Sandilands landfill site, which was identified as requiring treatment to deal with contamination. This amount was not included in the original plan, however funding existed in the Sandilands Contaminated Sites Remedial Fund that had been set aside in June 2004.

A continuation of the buoyant building industry led to record numbers of building consents processed and high numbers of land use and subdivisions consents being issued, and as a result additional staff costs and other operational costs were required to cope with the

increased work volumes and to undertake this work within statutory deadlines. Increased revenue was received to partly offset these additional costs. Increased revenues were achieved through issuing building and subdivision consents, code compliance certificates and LIMs.

### Significant Capital Expenditure

There were no significant items purchased.

### Explanation of Significant Capital Expenditure Variances

There were no significant variances.



It's definitely getting busier on the streets, especially in the mornings and late afternoons, and the city's only going to get bigger. I reckon we need to look at other options, like trains.

I've just converted to a bike for commuting and it's a bit scary at times. I was driving for a few years and in a car you never really notice until you get on a bike how much drivers don't look out for you. It would definitely be better if we could get more people onto bikes; better for the environment and safer for riders too because drivers would be more aware of them.

*Tahu Brown*

Retail assistant  
Linwood



# Streets and transport



## Streets and transport

The Council manages the city's land transport infrastructure. This includes 2,268 km of roads (364 km of which are unsealed), 368 bridges, 2,796 km of kerbs and channels, 2,371 km of sealed footpaths, 239 sets of traffic signals, street markings, signs and street lighting. There are also 17 off-street parking sites (providing approximately 3,800 spaces), paid on-street parking spaces, bus shelters and the Bus Exchange, and the free shuttle bus in the central city.

The Council also monitors and manages traffic patterns, undertakes research and devises plans to meet the city's future access and parking needs.

## What the Council achieved

Significant progress has been made on the kerb and channel renewal programme. Major projects completed under the capital programme include, but are not limited to:

- Opawa Road stage two from Garlands Road to Curries Road
- New Brighton Mall slow road
- Cambridge Terrace kerb and channel refurbishment and street beautification
- Kerb and channel and street beautification for Mary Street, Proctor Street, Grants Road and Perry Street
- Kirkwood Avenue kerb and channel refurbishment and enhanced school/pedestrian crossings
- Morrison Avenue neighbourhood improvement project

Work was initiated to upgrade the city's parking meters to 'pay & display' meters which will be compatible with the new coins. The tender was won by Cash Handling Systems (CHS).

New systems have been established for prioritising safety projects and dealing more efficiently with customer communication including requests for service.



## Streets and transport



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Car Parking Services		Actual	Target
Rules for on-street parking are applied fairly.	Paid compliance in metered areas.	50%	55%
Footpaths		Actual	Target
To provide sealed footpath networks and pedestrian areas that are safe, comfortable, convenient and clean.	Hazardous footpath defects are made safe within 24 hrs of identification or notification.	99%	100%
	Inner city and pedestrian malls cleaned, and litter bins emptied to prevent overflowing.	95	80
Shuttle Buses Bus Exchange and Bus Shelters		Actual	Target
Provide a high frequency and environmentally friendly shuttle service within the central city that is free of charge to users.	The shuttle service runs as scheduled (every 10 minutes, 7 days a week, between Hoyts 8 and the Town Hall during set hours).	100%	100%
Traffic Management		Actual	Target
Traffic is able to move smoothly and safely.	Residents' satisfaction that rates spent on assisting traffic to move smoothly and safely represents value for money.	62%	80%
Vehicle Ways		Actual	Target
Roads are kept smooth to reduce the economic costs of motoring.	Portion of vehicle travel on 'smooth' roads, as defined by Land Transport NZ requirements.	88%	87%
Sufficient roads are provided and alternative modes of transport developed and promoted to contain congestion to acceptable levels.	Congestion on the roads does not exist outside peak periods (7-9 am and 4-6 pm), and during peak periods does not exceed 40 lane kilometres.	>40 lane km	<40 lane km
Provide vehicle ways that are safe.	Hazardous defects, e.g. potholes, are made safe within 24 hrs of identification or notification. Spreading of grit for ice or bleeding bitumen within 30 min of notification. Other defects repaired within four weeks.	90%	100%

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

The Council will continue to enhance the road network to ensure it is safe, sustainable, integrated and economically viable. Research will continue to improve safety, provide choice of travel and identify better construction techniques. Efforts are being made to decrease the dependency on private motor vehicles so there is less traffic congestion and impact on the environment.

The merger with of Banks Peninsula has presented new challenges as the Council strives to improve the transport network. On the parking front, August 2006 will see the introduction of new 'pay & display' units across the city.

# Streets and transport



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Car parking services	7,021	9,761	(2,740)	(3,032)	(2,775)
Footpaths	10,978	1,108	9,870	9,051	9,087
Shuttle buses bus exchange and bus shelters	4,215	597	3,618	3,204	2,753
Street lighting	5,974	2,003	3,971	4,251	3,296
Traffic management	9,500	5,880	3,620	3,205	2,696
Underground wiring conversion	1,785	-	1,785	1,332	1,504
Vehicle ways	28,147	3,795	24,352	23,617	20,895
Capital revenue	48	9,977	(9,929)	(12,888)	(9,198)
<b>Cost of service</b>	<b>67,668</b>	<b>33,121</b>	<b>34,547</b>	<b>28,740</b>	<b>28,258</b>
<b>Capital expenditure</b>					
Renewals and replacements			31,151	30,180	26,335
Improved service levels			10,441	12,803	7,394
Increased demand			3,718	2,847	960
<b>Total capital expenditure</b>			<b>45,310</b>	<b>45,830</b>	<b>34,689</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

The Car parking services activity recorded lower than planned revenues from the operation of off-street parking facilities due to consumer resistance to increased parking fees.

In general, newly tendered maintenance contract rates as well as costs associated with maintaining our level of service has driven a substantial overspend on scheduled and reactive maintenance. Offsetting this large overspend is additional Land Transport New Zealand subsidy revenue which is partially recoverable on this higher expenditure.

Depreciation costs were \$0.3M over budget due to revaluation of assets which took effect from 1 July 2005.

The contract costs renegotiated in September 2005 to run the free inner city bus service were also higher than anticipated.

Capital revenue is \$3.0M less than plan as the Land Transport New Zealand subsidy on \$9.5M of capital works projects has not been received, as the projects are not yet complete.

### Significant capital expenditure

\$6.1M was spent on carriageway sealing and surfacing, and another \$4.0M resurfacing footpaths. \$3.4M was spent on the initial construction stages of the Blenheim Road Deviation project, which is due for completion in 2008. Council also approved the \$3.7M installation of the new pay and display parking meters ahead of the staged renewal over the next 6 financial years, due to the currency change taking effect 31 July 2006. The remaining \$28.1M of capital expenditure was spent on a range of kerb and channel renewals, road network improvements, bridge renewals, bus shelters, lighting upgrades, traffic management and car parking meter replacements.

### Explanation of significant capital expenditure variances

There were no significant variances.



I'm very selective about what I put down the kitchen waste disposal. It all has to be treated doesn't it? I've got a worm farm; they're my silent workers, wonderful. I feed them scraps and use the "worm wine" they produce, diluted, on the garden. It's terrific.

I worry a bit about putting the treated wastewater out to sea, but I suppose the other options would be too expensive. We had a place on Marshland Road and got a treatment system where the final water was used to feed trees. I wonder if we couldn't have something like that on a larger scale for the city.

*Marcia Topp*

Nurse  
Burwood



## Wastewater collection, treatment and disposal



### Wastewater collection, treatment and disposal

The Council provides liquid waste transport, treatment and disposal services in a manner that enhances the health, safety and convenience of the Christchurch community, meets the need of a growing city and conforms with the intentions of district and regional plans. The wastewater collection system services all of the Christchurch city urban area as well as Prebbleton, Lincoln, Tai Tapu and Springston in the Selwyn District. It comprises 1,668 km of sewer mains, 114 pumping stations, approximately 24,300 manholes and 1,071 km of sewer laterals. Treatment works are located at Bromley and Belfast.

#### What the Council achieved

A large capital works programme helped reduce the frequency of wet weather overflows into rivers (Heathcote in particular). The majority of the Belfast district sewer was diverted from the Belfast treatment plant to the Christchurch wastewater treatment plant. This has improved water quality in the Otukaikino Stream.

The overflow reduction works are part of the Council's 10-year major sewer upgrade programme. This year's activities included works in the Beckenham area and the yet to be completed pump station 11 in Linwood. Christchurch treatment plant works were dominated by the commencement of construction of two new digesters, as well as obtaining consent, designing and tendering a new ocean outfall. All the consents for the construction and operation of the outfall have been obtained. The renewals programme for sewers, pumping stations and equipment at the treatment plant continued and included replacement of the rotating arms on the second trickling filter.

A consent variation application was prepared in respect to the amount of ammonia able to be discharged from the Christchurch wastewater treatment plant into the estuary pending completion of the ocean outfall. Planning took place for future works in the major sewer upgrade programme, further plant improvements (biosolids processing) and a review of the trade waste bylaw.

Considerable planning work went into the preparation of the development contributions policy. This involved updating the capital works costs to a separate database which the Council uses to calculate and collect development contributions.

The planned work to update the main sewer trunk model took longer than planned due to differences uncovered between the old model and current Geo-data Information System (GIS). The model is expected to start providing valuable planning information early in the 2006/07 year.

The biosolids strategy progressed well under a tight timetable. An 'issues and options' report was completed, which provides a direction for further work by narrowing down the range of options. This project is a key initiative for 2006/07.

Preliminary planning is under way towards integration of wastewater services on Banks Peninsula.

The Council worked on development of a trade waste software solution. Focussed fieldwork has led to the identification, licencing and billing of new industrial customers (including those in Banks Peninsula).



## Wastewater collection, treatment and disposal



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Wastewater Collection		Actual	Target
Mains blockages and overflows are responded to promptly.	Staff on-site within one hour of Council notification of blockage or overflow.	94%	90%
Overflows are managed to acceptable environmental standards.	Incidents of wet weather overflows comply with consent conditions, that is reducing to an average of once every two years by 2013.	5	<4
Wastewater Treatment and Disposal		Actual	Target
Discharges into the environment are managed to the appropriate environmental standards.	Quality of wastewater discharge to the estuary complies with consent conditions. No major or persistent breaches.	Yes, Ammonia a consistent breach	Nil

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

The next 12 months will see construction of pump station 11 completed (September) and commissioning of the new digesters (September 2007). The major sewer upgrade programme will include the construction of a diversion of part of the sewer flow from the existing trunk system to pump station 11 to ease a capacity bottleneck.

Detailed planning will determine the most effective manner to deal with capacity issues in the Avonhead and Cranford areas.

Construction of the ocean outfall pipeline will also commence in 2006/07, with the tender due to be awarded by September 2006.

A study presently underway to investigate the options and viability for automation of the treatment plant is due for completion in August. Design and installation work will follow. A separate investigation into odour control at the plant will be completed. The information gained from this investigation will be used in a plan for works to reduce the risk of offensive odours at the plant.

The end of 2006 will see all the Council's City Water & Waste operations and staff located at the Christchurch wastewater treatment plant. This will result in immediate operating efficiencies and the ability for the treatment plant and collection networks to be further aligned and jointly optimised.

Work will commence on the three yearly review of the wastewater asset management plan. The water related services bylaw will be reviewed. Integration of the management and operation of the Banks Peninsula systems with the wider city operations will continue in 2006/07.

Further work will be carried out on the short-listed options in the biosolids 'issues and options' report, with a view to arriving at a firm decision during the 2006/07 year. Detailed design work will then commence with the Council aiming to have a new plant commissioned in 2009. This plant will reduce the weight of biosolids and therefore the cost of dumping into the landfill, and provide an opportunity for beneficial reuse of the biosolids as a fuel and/or soil enhancer.

Considerable planning effort is required to finalise the long term strategy for Banks Peninsula wastewater issues. Capital sums are included for waste water treatment plants at Little River and Wainui, and the Akaroa Plant resource consent expires in 2006/07. All the plants discharging into the Lyttelton harbour are subject to a working party coming to a conclusion on future disposal methods within the next three years.

A key Council-wide initiative is the development of a water strategy for the city. Officers will also develop a revised bylaw to replace the current water related services bylaw. This will be available for consultation in late 2006/early 2007.

# Wastewater collection, treatment and disposal



Work has commenced to bring together the Ministry for the Environment, the Council and local waste processors to operate the 'WasteTrack' system. This new initiative will help the Council track the disposal of 'problem' discharges throughout Christchurch. This

is integral to ensuring liquid waste discharged into the wastewater system from source is of the highest quality possible and all possible measures to reduce harmful substance discharges have been utilised.

## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
<b>Operational outputs</b>					
Wastewater collection	15,269	39	15,230	15,236	14,393
Wastewater treatment and disposal	10,330	3,538	6,792	6,262	5,272
Capital revenue	1	1,857	(1,856)	(1,625)	(1,735)
<b>Cost of service</b>	<b>25,600</b>	<b>5,434</b>	<b>20,166</b>	<b>19,873</b>	<b>17,930</b>
<b>Capital expenditure</b>					
Renewals and replacements			5,788	5,000	3,141
Improved service levels			11,849	10,818	4,447
Increased demand			9,227	9,409	4,569
<b>Total capital expenditure</b>			<b>26,864</b>	<b>25,227</b>	<b>12,157</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

## Explanation of significant cost of service variances

The primary driver of the net cost variance in the Wastewater treatment and disposal activity was higher than expected costs for disposal of biosolids at Burwood plantation, following the closure of Burwood landfill.

## Significant capital expenditure

\$7.0M was spent on the Belfast pressure main and pump station which was commissioned in June 2006.

\$5.5M was incurred on the upgrade of Pump Station 11 which is due for completion in late 2006.

\$2.3M was spent on the consent and design stages of the wastewater ocean outfall pipeline, due for commissioning in 2009.

\$5.6M was incurred on the construction of digesters 5&6 at the wastewater treatment plant. This project is due for completion in 2008.

## Explanation of significant capital expenditure variances

Council-approved budget increases of \$1.0M and \$0.5M were allocated to the wastewater treatment plant control room upgrade and pump station 11 construction respectively.



Compared to other places the water here's fantastic. We have to take more care of it and think how lucky we are; we get mineral water quality from the tap here. There's almost no other city in the world where that happens.

In the summer people are using this wonderful water on gardens and I think we should be doing more to conserve it. When I'm washing rice, I collect the water in a bucket and use that on the plants. I have another friend who has rearranged their spouting system and they collect some of the rain water to use for watering the garden. That's a good idea too.

*Yuko Natsuhara*

Artist  
Fendalton



# Water supply



## Water supply

The Council plans and operates the city's water supply and distribution system to provide high quality water to residents, businesses and for fire fighting purposes. The water supply network comprises 1,670 km of water mains, 1,600 km of sub-mains, 95 pumping stations and 50 reservoirs that supply approximately 52 million cubic metres of water annually to 123,000 connections.

### What the Council achieved

New wells were drilled for Belfast, Hills Road and Carters Road pumping stations. A new standby generator was installed at Mays Road and various control systems were upgraded. Design work began for the renewal of the Cashmere Reservoir. Construction will be completed in 2008.

Excellent progress was made with building computer models for assimilating the hydraulic performance of the network. Three of the five major supply zones were modelled and the fourth is under way. These models are invaluable for both planning and operational work activity. The water supply asset management plan was formally reviewed and presented to the Council.

Satisfactory progress has been made in preparation for the next assessment of the quality of the Christchurch water supply, in line with the procedures set out in the new drinking water standards. New testing regimes are in place and new and updated public health risk management plans are being prepared for Christchurch and Banks Peninsula.

Good progress has been made this year working with industry to have backflow prevention devices installed at premises that present a risk to the public water supply network.



# Water supply



## How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

Supply of Water		Actual	Target
High quality water is delivered to customers.	Customer satisfaction with water quality and taste.	96%	90%
Managing water use to appropriate levels.	Water use is reduced to 430 litres per person per day by 2020, measured by a five year rolling average.	439 ltrs	430 ltrs (by 2020)
Water is delivered to customers at a suitable pressure and flow.	Customer satisfaction with pressure and flow.	90%	90%
Human health is not compromised by the quality of the water supplied.	Human health incidents due to water contamination reported to the Ministry of Health.	Nil	Nil

For further information on monitored performance measures, please turn to the Appendix.

## Where is the Council heading?

The water supply public health risk management plan will be updated to incorporate supplies on Banks Peninsula.

Over the next two to three years the Council will continue to improve the security of the ground water supply.

The Council will address the grading of water quality from Banks Peninsula schemes in 2006/07.

The Council will continue to develop a water strategy for the city in 2006/07. The aim of this key strategy is to ensure future generations enjoy the same high quality untreated water available to residents today. The metering of water will be discussed as part of this strategy to assist in the sustainable management of this valuable resource. The current Water Services Bylaw will be revised as part of this strategy.

# Water supply



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Operational outputs					
Supply of water	16,599	2,350	14,249	14,866	13,396
Capital revenue	(23)	2,022	(2,045)	(1,856)	(2,249)
<b>Cost of service</b>	<b>16,576</b>	<b>4,372</b>	<b>12,204</b>	<b>13,010</b>	<b>11,147</b>
Capital expenditure					
Renewals and replacements			3,874	3,311	3,327
Improved service levels			608	678	504
Increased demand			1,520	2,309	1,712
<b>Total capital expenditure</b>			<b>6,002</b>	<b>6,298</b>	<b>5,543</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

Depreciation charges for the Supply of water activity were \$1.2M lower than planned due to the revaluation of these assets as at 30 June 2005.

### Explanation of significant capital expenditure variances

There were no significant variances.

### Significant capital expenditure

\$6.0M was spent on a range of projects, including pump station upgrades, water mains, and water station renewals and replacements.



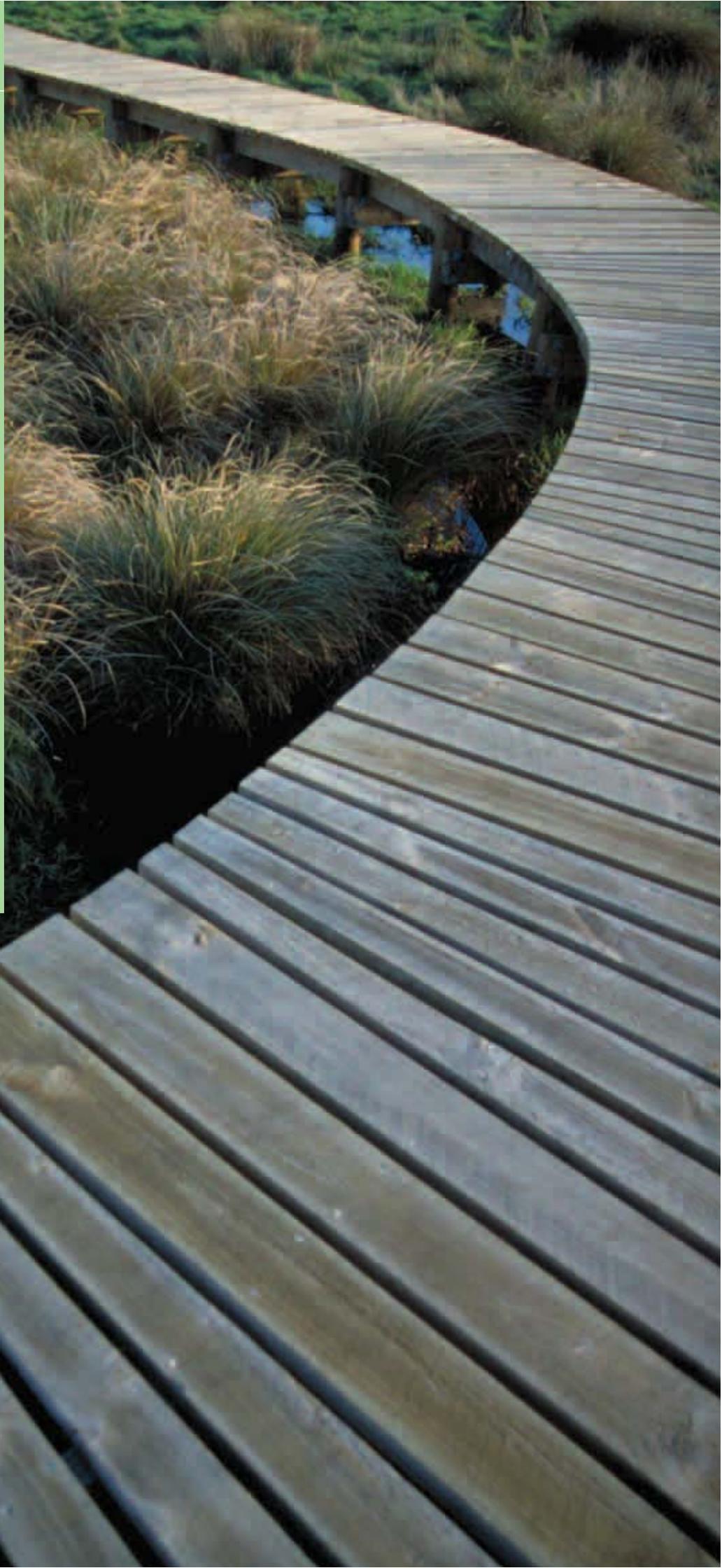
The Council's wetlands development in Heathcote Valley is a great example of moving beyond simple engineering with waterways and making a community resource for recreation, sport and enjoyment of the natural world.

The fact that it's also a very elegantly designed flood-control system shows it's really been thought about in depth.

The park and new flood detention systems here are going to be great. One the one hand it's acting as a buffer zone between suburbia and a major metropolitan attraction and on the other hand it will become an area of natural heritage complementing the human heritage.

*Bryan Lintott*

Heritage park director  
Ferrymead



# Waterways and land drainage



## Waterways and land drainage

Christchurch's drainage system includes natural and man-made structures. The system is managed in a way that sustains the waterways and provides the land drainage the city requires.

Waterways and drainage assets include 124 km of rivers, 292 km of tributary waterways and drains, 721 km of pipes, 32 pumping stations, 43 detention basins and 12 km of stop banks.

### What the Council achieved

A new draft waterways and wetlands maintenance contract was agreed.

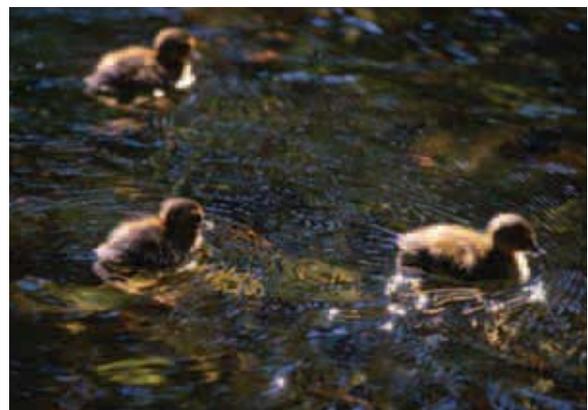
The storm water network coped very well with an extended period of adverse weather through the early stages of the winter. Our contractor, City Care Ltd, played a key role in addressing the problems which arose.

A waterways, wetlands and land drainage asset management plan and a disaster resilience plan were drafted.

Major improvement works which were undertaken or started during the year included the Sumner storm water pipeline, the Heathcote Valley storm water scheme, the Augusta Street storm water scheme and the Templeton storm water scheme.

Storm water quality improvement work was done in conjunction with road renewal for Cambridge Terrace and groups of streets in Addington and East Papanui.

Work continued on the development of the Charlesworth and Bexley Wetlands, and controlling sediment by planting in gullies on the Port Hills.



## Waterways and land drainage



### How the Council measured up

As part of the 2004-14 LTCCP process, Council set a number of performance goals. This section highlights the results of the key performance measures which indicate progress toward these goals.

		Actual	Target
Flooding is managed, to prevent inundation into dwellings, in accordance with design standards.	No dwellings constructed in accordance with design standards are inundated in residential areas.	1	0

For further information on monitored performance measures, please turn to the Appendix.

### Where is the Council heading?

More emphasis will be put on strategic and medium term planning. Planning teams will consider area-wide plans for growth areas, environmental targets, regional plan changes and city revitalisation. This will provide improved long-term predictions of storm water infrastructure demands.

Predictions on asset condition will improve due to better information being collected.

Significant purchases of land for waterway and wetland protection are proposed within the coming five years. Negotiations will continue with land owners. Ecological restoration on a number of sites in the Styx catchment will continue.

Waterway restoration will be carried out in conjunction with timber drain lining renewal. Planning will commence for renewals of the Dudley Creek drain, Aylesford Street drain, Ballantynes drain, Riccarton main drain and other drains.

Major developments in the Heathcote Valley will continue when a route is acquired for the hillside waterway from Morgans Valley to Bridle Path Road.

Storm water piping renewals and improvements will continue to be made in conjunction with road works.

# Waterways and land drainage



## What did it cost?

Statement of Cost of Services for the year ending 30 June 2006

	2006				2005
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan* Net Cost \$000's	Net Cost \$000's
Operational outputs					
Waterways and wetlands management	11,698	99	11,599	12,024	10,672
Capital revenue	-	432	(432)	(550)	(469)
<b>Cost of service</b>	<b>11,698</b>	<b>531</b>	<b>11,167</b>	<b>11,474</b>	<b>10,203</b>
Capital expenditure					
Renewals and replacements			2,484	1,237	1,198
Improved service levels			29	2,324	1,770
Increased demand			2,750	5,172	4,264
<b>Total capital expenditure</b>			<b>5,263</b>	<b>8,733</b>	<b>7,232</b>

\*Plan includes four months of the Banks Peninsula District Council 2006 Annual Plan.

### Explanation of significant cost of service variances

There were no significant variances.

### Significant capital expenditure

\$0.6M of strategic land was acquired during 2006. This was scheduled expenditure to allow for the continued growth and development of the waterways and land drainage network in Christchurch. Expenditure of \$0.5M was incurred on the construction and plantings of the Templeton stormwater soakage basin. This project was completed in 2006 at a total cost of \$0.9M

### Explanation of significant capital expenditure variances

The variance in capital expenditure is largely a result of uncompleted strategic waterway land purchases.







# Financial highlights

## Parent result

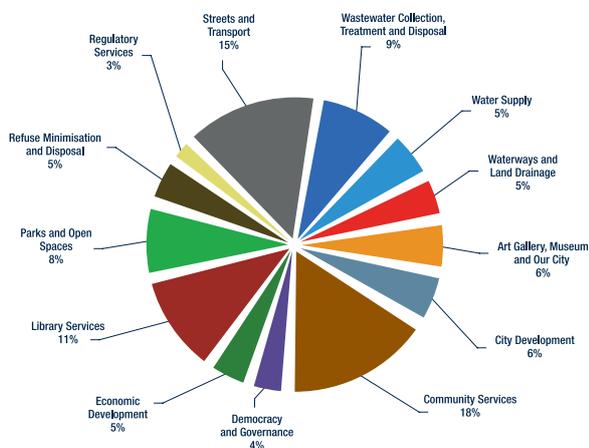
The Council's operating surplus before asset contributions for the year was \$27.2M, \$13.4M ahead of the plan. Contributions to this performance are outlined in note 24 of the detailed accounts and include: higher than budgeted dividends, principally from Christchurch City Holdings Limited, of \$17.0M, and higher than budgeted interest income of \$9.0M due to delayed capital spending and higher interest rates. Offsetting this is increased depreciation of \$6.8M due to a non-budgeted revaluation of buildings and parks assets, and an unbudgeted loss on the sale of the Civic building. The net surplus for the year is \$51.0M, \$22.2M over plan due to higher than budgeted vested asset contributions. This is a reflection of the ongoing strength of the building industry.

The Council has continued to strive to deliver cost-effective services, allocating the \$180.3M of rates collected across the areas as detailed in the pie chart below.

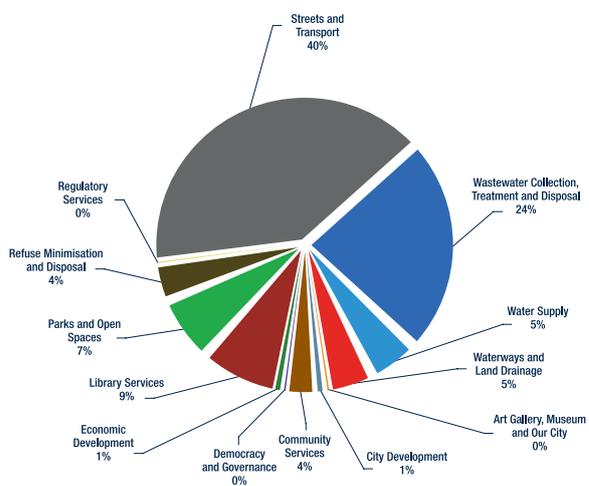
Our Statement of Financial Position reflects the Council's strong position with a growth in equity of over \$873M. Of this increase \$246M is the equity of Banks Peninsula District Council, and \$577M results from the revaluations. This strength supported the Council's ability to deliver \$126M of new capital expenditure (see pie chart below).

Major capital projects completed during the year include the Upper Riccarton Library, (\$1.1M), the New Brighton Mall slow road, (\$1.2M), the Opawa road widening (\$1.2M), closure of the Belfast Oxidation ponds, (\$7.0M), the QEII Southside development (\$0.8M) and the Islington sewer system (\$0.7M). Major projects underway include the Blenheim road deviation, (\$3.4M), refuse station modifications, (\$1.2M), and the landfill station gas extraction pipeline, (\$1.2M). Other significant items included carriageway surfacing and sealing and footpath resurfacing (\$10.1M), the restoration and capping of Burwood landfill (\$2.2M) and an increase in the library collection (\$4.3M).

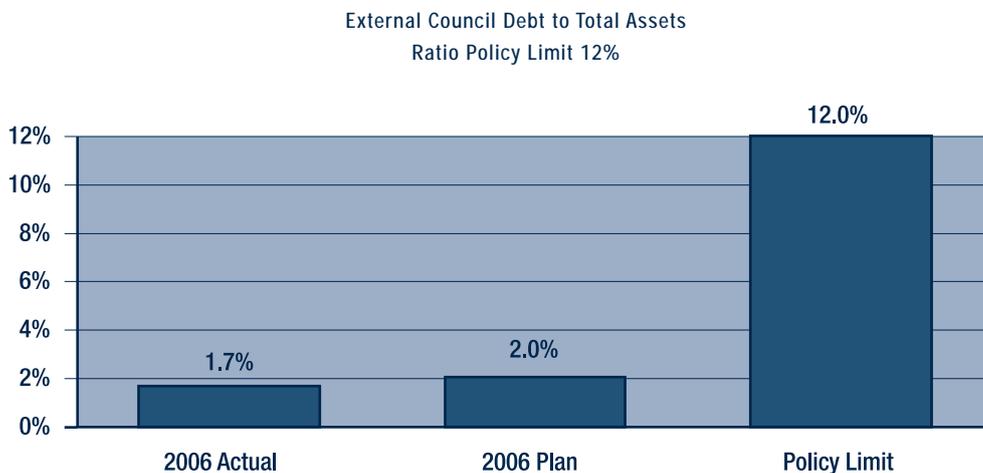
How your rates dollars were spent



Capital expenditure by group of activities

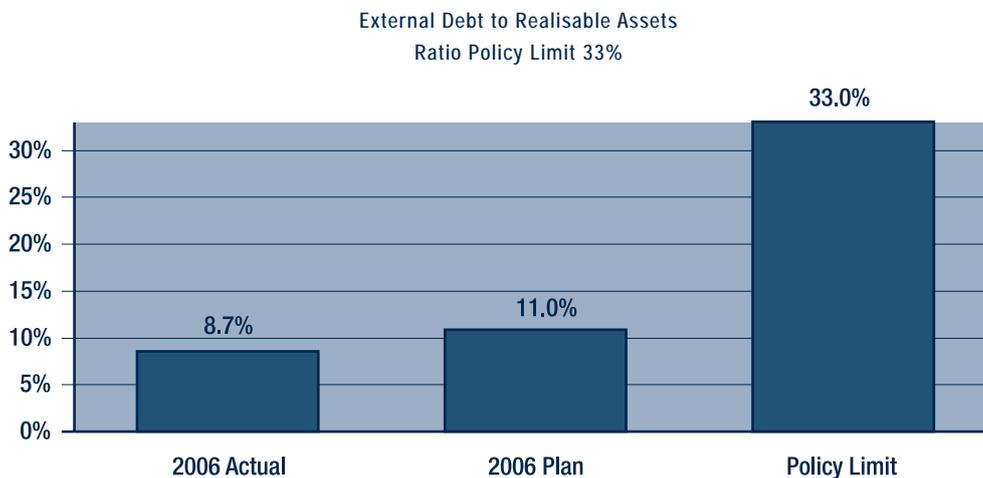


# Financial highlights



This graph compares the total external debt of the Council with the total assets of the Council (including CCHL). It is the equivalent of

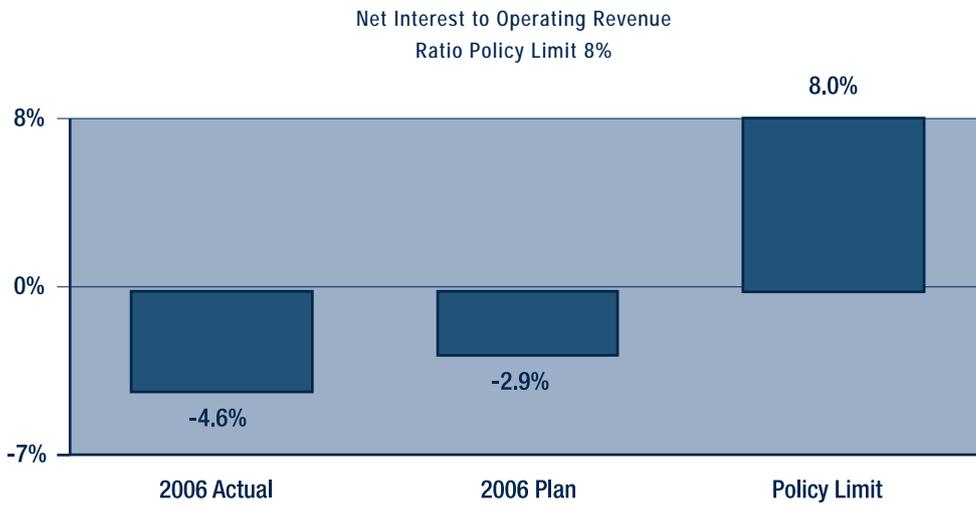
measuring your mortgage against all of your assets.



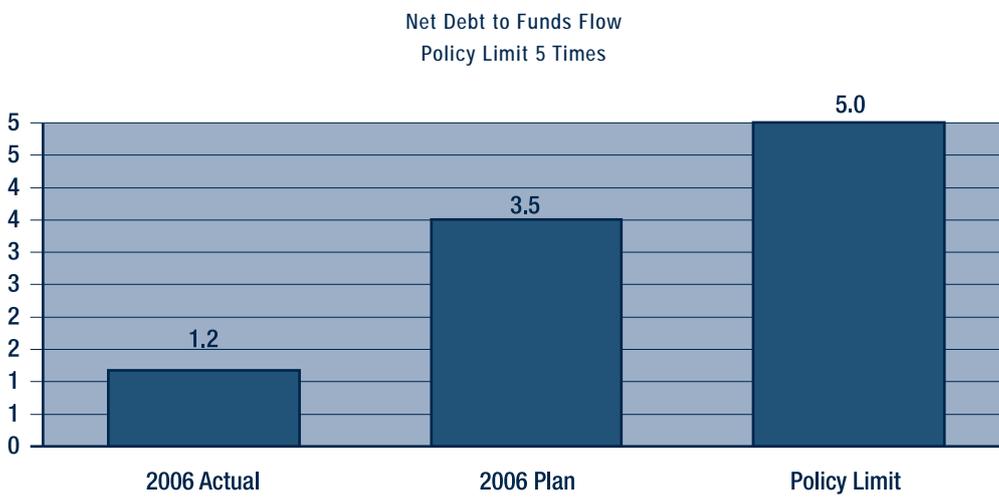
This graph compares the total external debt of the Council and CCHL with a significantly reduced category of assets. The assets excluded from the calculation are those which are basic to the needs of the

city, such as roads, sewers, parks and water supply; the assets included are property, vehicles and trading investments.

# Financial highlights



This graph measures how much of the Council's income is spent on servicing your mortgage. It is like comparing how much of your income goes toward



Net debt is total external debt less all cash reserve funds which the Council holds. The graph compares net debt to the annual cash flow of the Council (including CCHL). It is like checking how many years' total income it would take to repay your mortgage.

## Capital Projects

The Council works continually to improve and upgrade the city's infrastructure. This section highlights the major capital projects the Council was involved in for the year ended 30 June 2006.

### Major projects completed

#### *Parklands Library*

An existing 1970s church was recycled and converted into the new Parklands Library. Opened in August 2005, the new library provides a light, bright, dynamic environment. The library interior has the flexibility to be reconfigured to suit various purposes throughout the day, and includes a computer-equipped study centre used by the community and local schools.

#### *New Brighton Mall slow road*

A new one way road was constructed through the previously pedestrian-only mall. It opened in December 2005 as part of the New Brighton Christmas parade, and has been well received in the community. Many businesses have reported a marked difference in the number of customers in the mall.

#### *Opawa Road widening*

Opawa Road was upgraded from Garlands Road, to Curries Road greatly improving the efficiency and appearance of this major arterial route and section of the State Highway network. Residents on the road are very pleased with the result as it decreases the noise and vibration caused by heavy vehicles using this route. The project was undertaken jointly with Transit New Zealand.

#### *Spencer Park playground*

The Spencer Park playground was upgraded so it is less spread out and easier to supervise children. New flying foxes, mounds, a sand play area, cargo nets, wheelchair swing, space net and art works were installed.

#### *Closure of the Belfast Oxidation Ponds*

A sewer pipe was laid to connect Belfast with the Christchurch wastewater treatment plant at Bromley. Trench-less technology was used to minimise disruption to natural wildlife and road users. The Belfast oxidation ponds will be decommissioned after some minor works at the ponds and possibly a small section of pipe is renewed.

#### *Islington Sewer System*

Due to concerns about possible groundwater aquifer contamination from septic tanks, the Council installed a system to pump sewerage from the Marshes Road/Main South Road Templeton area to the city's wastewater treatment plant at Bromley. Residents can now connect their properties to the new sewer pipe and decommission their septic tanks.

#### *Upper Riccarton library*

Upper Riccarton Community and School Library opened in January 2006. Located on Riccarton High School grounds, it is the first combined secondary school and community library built in New Zealand. The library integrates community use with school activities and provides a tremendous resource for schools in the area.

#### *QEII Park Southside development*

The fitness centre roof and trusses at QEII Park were upgraded and the asbestos ceiling was removed and replaced with a new ceiling. The training pool's heating, ventilation and air conditioning system was upgraded.

### Major projects progressed

#### *Ferrymead Park*

A new park is being developed in the Heathcote Valley adjacent to the Heathcote River and Ferrymead Heritage Park. As well as satisfying the area's floodplain requirements via a series of water treatment ponds and wetlands, the park will restore the area's ecology and incorporate a range of recreational activities.

#### *Ocean outfall pipeline*

Consents were gained for the construction of a three kilometre marine pipeline for the city's treated waste water. The focus for the coming year will be to sign a contract for construction and to commence works so the city's treated wastewater discharge is removed from the Avon-Heathcote Estuary by September 2009.

#### *Landfill gas pipeline from Burwood to QEII Park*

Wells were sunk at the closed Burwood landfill and a four kilometre gas pipeline was laid between Burwood and the QEII Pool complex. Specialist plant is being procured which will enable a significant part of QEII's energy and heating requirements to be supplied using 'waste' landfill gas (methane) from March 2007.

## Financial highlights

### *New Digesters at Bromley wastewater treatment plant*

Two new sludge digesters are being built at the Christchurch wastewater treatment plant to reduce odour release and provide for future growth. The foundations of the 27m diameter tanks have been built and work has started on the floor and steel covers. The digesters are expected to be finished in September 2007.

### **New projects initiated**

#### *Christchurch Botanic Gardens facilities redevelopment*

Details of the proposed redevelopment of Botanic Gardens staff and visitor facilities are in the draft Hagley Park/Botanic Gardens Master Plan and the draft Christchurch Botanic Gardens Management Plan 2006. Once public consultation on these plans is completed, they will be finalised and adopted by Council in about March 2007. Implementation may then proceed.

#### *Snellings drain*

Catchment-wide discharge permits were granted for "naturalization" of the Snellings drain. The Council decided to initiate the designation process for the waterway corridor from Prestons Road to Clare Park. An agreement was made to purchase waterway corridor through Vege Pot and Cameo Grove to Mairehau Road.

#### *Jellie Park upgrade*

Jellie Park refurbishment will include a new 25 metre deepwater pool, toddlers' pool, spa, gym, weights and cardio room and great modern changing facilities. The existing indoor and outdoor pools will also be refurbished. The outdoor pool work has been completed and the rest of the project is at the working drawing stage ready for construction in March 2007.

### *Planning water and sewer upgrades on Banks Peninsula*

To reduce water losses and allow better management of the Akaroa town water supply, work is underway to replace the Balguerie intake pipeline and to install improved water monitoring on the three stream intakes. Preliminary planning is under way for providing wastewater services for Wainui. Investigations into the provision of a new wastewater scheme at Little River are planned for 2006 and 2007. A joint working party is considering the options for discharges from the community sewage schemes at Lyttelton, Diamond Harbour and Governors Bay.

### **Business as usual**

- 350 trees (1% of stock) replaced
- 108 km new footpath surfaces
- 400 new bus shelters
- 4 km electrical undergrounding (120 power poles replaced)
- 20 km kerb and channel
- 100 km road resurfacing
- sewer pump station refit



## Group Results

The Group includes the Council and its trading operations. The financial results, after all inter-company transactions have been eliminated, reflect the financial strength and size of the organisation as a whole.

	\$000's
Turnover	754,666
Operating surplus (before tax)	94,778
Total assets	5,590,427
Total liabilities	733,931
Total equity	4,856,496

This result continues a positive trend in results for the Group, and the increasing value of the assets held by the city.

The Council's financial strength was confirmed during the year by international rating agency Standard & Poor's (S&P). The agency affirmed the Council's and the Council's holding company, Christchurch City Holdings Limited long-term rating of AA+ and short-term rating of A-1+. The announcement followed a visit to the Council by S&P officers in September 2005. S&P said "fiscal flexibility to adjust rates and a transparent and forward-looking corporate governance structure also support the rating". The Council held a long-term rating of AA by S&P from 1994 to 2000. In 2001 this was lifted to AA+, the agency's second-highest ranking. Only three New Zealand local authorities have earned this rating or better. The short-term rating is the highest possible.

# NZ IFRS Impact Statement

## NZ IFRS Impact Statement

### Adopting New Zealand Equivalents to International Financial Reporting Standards

In December 2002 New Zealand's accounting standard-setting bodies announced a significant change to financial reporting standards. Reporting entities have the option to adopt New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) for accounting periods beginning after 1 January 2005; with mandatory adoption required from 1 January 2007. The Council has adopted NZ IFRS for external reporting purposes (Annual Report and Long Term Council Community Plan (LTCCP)) for the accounting period commencing 1 July 2006.

### Managing the Transition

In late 2004 the Council established a steering committee, comprised of staff and external consultants, to oversee the adoption of NZ IFRS. As part of this process the accounting policies of the Council were updated and the 1 July 2005 Balance Sheet restated to ensure they are fully NZ IFRS compliant.

### Key Differences in Accounting Policies

As at the date of this impact statement, the project team has identified the following key differences in the Council's accounting policies that will have a material impact on the presentation of the Council's financial position from 1 July 2006. This information is provided for informational purposes only; all financial information presented in this Annual Report, other than in this statement, complies with NZ GAAP, not NZ IFRS.

#### 1. *Deferred Taxation*

In accordance with current NZ GAAP, deferred taxation is calculated on an income statement approach. Under NZ IFRS, deferred taxation will be calculated on the balance sheet approach. This method recognises deferred tax balances when there is a difference between the carrying value of an asset or liability and its tax base.

Differences identified include a deferred tax liability on properties rented to subsidiary companies, and a deferred tax asset for unrecognised tax losses. For the 2005/06 year, this impact is estimated as a net deferred tax liability of \$12.4 million. This liability will be incorporated into the balance sheet for comparative purposes for the 2007 Annual Report.

#### 2. *Financial Instruments – Reclassification of Cash and Cash Equivalents*

Under current NZ GAAP, cash and cash equivalents includes short-term investments with a maturity of less than one year. Under NZ IFRS, cash and cash equivalents include short-term investments with maturity of less than 90 days.

The impact on Council's results is a reclassification of assets from Cash and Cash Equivalents to Current Financial Instruments. For the 2005/06 year, the amount reclassified is estimated as \$56.7 million. This reclassification will be incorporated into the balance sheet for comparative purposes for the 2007 Annual Report.

#### 3. *Investment Property*

The Council will disclose its investment properties separately from other operational assets. An adjustment has been made to the 2005/06 budget, in the amount of \$9.3 million, for this reclassification. This reclassification will be incorporated into the balance sheet for comparative purposes for the 2007 Annual Report.

#### 4. *Intangible Assets*

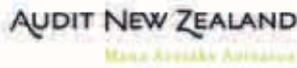
The Council will disclose its intangible assets separately from other operational assets. An adjustment has been made to the 2005/06 budget, in the amount of \$4.1 million, for this reclassification. This reclassification will be incorporated into the balance sheet for comparative purposes for the 2007 Annual Report.

#### *Cautionary Note*

The information provided in this impact statement is for indicative purposes only. The actual impact of the transition to NZ IFRS on the financial position of Council may vary from the information presented above. Accordingly, the impact of any variation from the information presented above may be material.

21 September 2006

## Audit New Zealand report



To the readers of Christchurch City Council and group's Annual Report for the year ended 30 June 2006

The Auditor-General is the auditor of Christchurch City Council (the City Council) and group. The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to carry out an audit on his behalf. The audit covers the City Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group for the year ended 30 June 2006, including the financial statements.

### Unqualified opinion

In our opinion:

- The financial statements of the City Council and group on pages 31 to 87 and 100 to 162:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the City Council and group's financial position as at 30 June 2006; and
    - the results of operations and cash flows for the year ended on that date.
- The service provision information of the City Council and group on pages 31 to 87 and 149 to 162 and 177 to 199 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 21 September 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

### Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2006. They must also fairly reflect the results of operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for preparing the information in the other requirements. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit and conducting the audit of the Long Term Council Community Plan, we have carried out audit related and assurance assignments for the City Council and group. Within the group, we reviewed a subsidiary's December 2005 interim financial statements and audited its 2005 summary financial statements. We also completed three audit assignments within the group, involving issuing audit certificates pursuant to the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004 and Commerce Act (Electricity Distribution Thresholds) Notice 2004, and an audit certificate pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. These assignments are compatible with those independence requirements.

Other than the audits and these assignments, we have no relationship with or interests in the City Council or any of its subsidiaries.



S M Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## Christchurch City Council Group

The following pages report the financial results of the Christchurch City Council and its subsidiaries and associates for the year ended 30 June 2006.

### Christchurch City Council Parent Statements include:

Christchurch City Council

Various Bequest and Special Funds

Mayor's Welfare Fund

The Council group in the financial statements comprises the Christchurch City Council parent above plus the subsidiaries and associates listed below.

### Subsidiaries and Associates are:

#### *Christchurch City Holdings Limited (CCHL)*

The company is a wholly owned company formed to hold Christchurch City Council's investments in subsidiaries and associates.

The financial statements consolidated are for the year ended 30 June 2006. Major subsidiaries and associates of this company are:

- **Orion Group Limited**

This company owns Orion New Zealand Limited and subsidiaries and is an energy network management company. Christchurch City Holdings Limited has an 89.3% interest in Orion Group Limited. The financial statements consolidated are for the year ended 31 March 2006.

- **Christchurch International Airport Limited**

This company is 75% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2006.

- **Red Bus Limited**

Red Bus Limited is a public transport company and is wholly owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2006.

- **Lyttelton Port Company Limited**

This company is 74.1% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2006.

- **City Care Limited**

This wholly owned Company provides construction and maintenance services for the Council and other organisations, and manufactures and supplies road paving material. The financial statements consolidated are for the year ended 30 June 2006.

- **Selwyn Plantation Board Limited**

This associate company is 39.3% owned by Christchurch City Holdings Limited. The financial statements for the year ended 31 March 2006 are equity accounted.

***Christchurch City Facilities Limited (CCFL)***

This company is wholly owned by Christchurch City Council. It owns the Christchurch Convention Centre and the Westpac Centre and leases the Town Hall from the Christchurch City Council.

The financial statements consolidated are for the year ended 30 June 2006.

This company owns 100% of Jet Engine Facility Limited, a company which has been set up to construct, own and lease an aero engine testing facility. During the year CCFL acquired the remaining 50% Vbase Venue Management Group Limited, specialists in facility management.

***Jade Stadium Limited***

This company is wholly owned by Christchurch City Council. It manages Jade Stadium under contract to the Victory Park Board. It owns assets constructed or purchased since June 1998 and will operate all of Jade Stadium in its own right once the necessary legislation has been passed to transfer ownership from the Victory Park Board to the Council and the company.

The financial statements consolidated are for the year ended 30 June 2006.

***Transwaste Canterbury Limited***

This company has the principal purpose of operating a non-hazardous landfill in Canterbury. The Council has 38.9% of the shareholding.

The financial statements for the year ended 30 June 2006 are equity accounted.

***Tuam Limited***

(previously Travis Finance Limited)

This company is wholly owned by Christchurch City Council. It will purchase a site, construct a proposed new civic building on the site, and lease the land and building back to the Council. The purchase of the existing civic offices and related properties in June 2006 is an integral part of the company's longer term objectives.

This company has been dormant since 2000. The financial statements consolidated are for the year ended 30 June 2006.



## Statement of Financial Performance

For the year ended 30 June 2006

	Notes	Parent			Group	
		2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
<b>Operating income</b>						
Groups of activities**	1	103,964	97,893	113,359	122,783	131,114
Rates		180,269	178,615	167,901	177,853	164,847
Dividends	1	47,389	30,340	30,053	586	1,723
Other	1	38,117	28,418	32,766	453,444	422,430
<b>Total operating income</b>		<b>369,739</b>	<b>335,266</b>	<b>344,079</b>	<b>754,666</b>	<b>720,114</b>
<b>Operating expenditure</b>						
Groups of activities**	2	327,608	315,425	293,850	336,158	318,295
Other	2	14,909	5,961	4,186	347,556	289,920
<b>Total operating expenditure</b>	<b>3</b>	<b>342,517</b>	<b>321,386</b>	<b>298,036</b>	<b>683,714</b>	<b>608,215</b>
<b>Operating surplus before asset contributions</b>		<b>27,222</b>	<b>13,880</b>	<b>46,043</b>	<b>70,952</b>	<b>111,899</b>
Vested assets	26	23,826	15,000	19,540	23,826	19,540
<b>Operating surplus</b>		<b>51,048</b>	<b>28,880</b>	<b>65,583</b>	<b>94,778</b>	<b>131,439</b>
Less tax expense/(benefit)	16	-	75	-	33,150	31,058
<b>Surplus after taxation</b>		<b>51,048</b>	<b>28,805</b>	<b>65,583</b>	<b>61,628</b>	<b>100,381</b>
Minority interests in surpluses of subsidiaries		-	-	-	(10,532)	(13,521)
<b>Net surplus for year</b>		<b>51,048</b>	<b>28,805</b>	<b>65,583</b>	<b>51,096</b>	<b>86,860</b>

\* Includes four months of Banks Peninsula District Council 2006 Annual Plan – see Note 27

\*\* refer to summary on page 31

## Statement of Movements in Equity

For the year ended 30 June 2006

	Notes	Parent			Group	
		2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Equity at 1 July		4,161,753	4,128,620	4,097,794	4,304,057	4,038,070
Net surplus attributable to:						
Parent entity		51,048	28,805	65,583	51,096	86,860
Minority interests		-	-	-	10,532	13,521
Banks Peninsula equity	28	245,558	200,305	-	235,366	-
Adjustment from share acquisitions		-	-	-	(12,226)	-
Increases/(decreases) in revaluation reserves		576,503	(172)	(1,624)	277,272	136,316
<b>Total recognised revenues and expenses</b>		<b>873,109</b>	<b>228,938</b>	<b>63,959</b>	<b>562,040</b>	<b>236,697</b>
Distribution paid and provided to minority interests		-	-	-	(9,601)	(9,604)
Other movements in minority interests		-	-	-	-	38,894
<b>Equity at 30 June</b>	<b>4</b>	<b>5,034,862</b>	<b>4,357,558</b>	<b>4,161,753</b>	<b>4,856,496</b>	<b>4,304,057</b>

\* Includes Banks Peninsula District Council 2006 Annual Plan



## Statement of Financial Position

As at 30 June 2006

	Notes	Parent			Group	
		2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Equity	4	5,034,862	4,357,558	4,161,753	4,856,496	4,304,057
Non-current liabilities	5	110,624	112,401	113,188	476,685	465,886
Current liabilities	6	90,273	78,715	64,232	257,246	166,253
<b>Total equity and liabilities</b>		<b>5,235,759</b>	<b>4,548,674</b>	<b>4,339,173</b>	<b>5,590,427</b>	<b>4,936,196</b>
Represented by:						
Current assets						
Cash at bank, and short term investments	8	248,016	174,337	299,440	283,984	336,202
Receivables and prepayments	8	44,737	26,282	35,010	79,697	59,752
Inventories	8	1,573	1,831	1,755	13,320	11,846
Fixed assets held for resale	8	800	3,079	-	800	17,437
<b>Total current assets</b>		<b>295,126</b>	<b>205,529</b>	<b>336,205</b>	<b>377,801</b>	<b>425,237</b>
Non-current assets						
Investments	9	1,350,782	976,778	959,239	202,775	120,603
Goodwill		-	-	-	7,252	-
Operational assets	10	768,984	594,821	552,669	2,181,732	1,899,296
Infrastructural assets	11	2,358,346	2,399,530	2,116,823	2,358,346	2,116,823
Restricted assets	12	462,521	372,016	374,237	462,521	374,237
<b>Total non-current assets</b>		<b>4,940,633</b>	<b>4,343,145</b>	<b>4,002,968</b>	<b>5,212,626</b>	<b>4,510,959</b>
<b>Total assets</b>		<b>5,235,759</b>	<b>4,548,674</b>	<b>4,339,173</b>	<b>5,590,427</b>	<b>4,936,196</b>

\* Includes Banks Peninsula District Council 2006 Annual Plan

# Financial statements

## Statement of Cash Flows

For the year ended 30 June 2006

	Notes	Parent			Group	
		2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
<b>Operating activities</b>						
Cash was provided from:						
Rates, grants, subsidies, and other sources		288,292	318,147	285,028	702,754	666,001
Interest received		26,863	18,933	23,729	24,811	22,649
Dividends		54,276	30,114	24,857	728	1,271
Subvention receipts		2,425	-	1,782	-	-
Net GST		1,002	-	(565)	1,115	(672)
		<b>372,858</b>	<b>367,194</b>	<b>334,831</b>	<b>729,408</b>	<b>689,249</b>
Cash was applied to:						
Payments to suppliers and employees		251,276	280,646	235,248	504,178	461,866
Income tax paid		-	-	-	22,080	20,890
Interest paid		5,866	6,260	6,202	27,336	30,181
		<b>257,142</b>	<b>286,906</b>	<b>241,450</b>	<b>553,594</b>	<b>512,937</b>
<b>Net cash flow from operating activities</b>	15	<b>115,716</b>	<b>80,288</b>	<b>93,381</b>	<b>175,814</b>	<b>176,312</b>
<b>Investing activities</b>						
Cash was provided from:						
Sale of assets		19,192	4,412	1,467	7,081	7,111
Cash received from incorporation of Banks Peninsula		4,632	-	-	4,632	-
Loans repaid		1,600	-	220	21,916	-
Investments realised		12,194	2,809	16,928	1,469	77,268
		<b>37,618</b>	<b>7,221</b>	<b>18,615</b>	<b>35,098</b>	<b>84,379</b>
Cash was applied to:						
Purchase of assets		116,559	165,615	85,108	222,209	194,109
Purchase of investments		85,558	2,270	10,750	102,684	8,845
Loans made/investing payments		13,866	-	15,281	17,641	12,097
Miscellaneous		-	-	(23)	294	(25)
		<b>215,983</b>	<b>167,885</b>	<b>111,116</b>	<b>342,828</b>	<b>215,026</b>
<b>Net cash flow from investing activities</b>		<b>(178,365)</b>	<b>(160,664)</b>	<b>(92,501)</b>	<b>(307,730)</b>	<b>(130,647)</b>
<b>Financing activities</b>						
Cash was provided from:						
Raising of loans		17,450	3,278	11,419	129,480	33,928
Other		-	-	-	237	-
		<b>17,450</b>	<b>3,278</b>	<b>11,419</b>	<b>129,717</b>	<b>33,928</b>
Cash was applied to:						
Repayment of term liabilities		6,225	1,980	546	31,444	58,442
Payment of dividends		-	-	-	9,122	9,604
		<b>6,225</b>	<b>1,980</b>	<b>546</b>	<b>40,566</b>	<b>68,046</b>
<b>Net cash flow from financing activities</b>		<b>11,225</b>	<b>1,298</b>	<b>10,873</b>	<b>89,151</b>	<b>(34,118)</b>

## Statement of Cash Flows (continued)

For the year ended 30 June 2006

	Notes	Parent			Group	
		2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Operating activities						
Increase/(decrease) in cash		(51,424)	(79,078)	11,753	(42,765)	11,547
Inter-entity transactions between balance dates		-	-	-	(9,490)	7,010
Add opening cash		299,440	253,415	287,687	335,971	317,414
Exchange fluctuations					74	-
<b>Ending cash balance</b>		<b>248,016</b>	<b>174,337</b>	<b>299,440</b>	<b>283,790</b>	<b>335,971</b>
Represented by:						
Cash and short term investments		248,016	174,337	299,440	283,984	336,202
Bank overdraft		-	-	-	(194)	(231)
		<b>248,016</b>	<b>174,337</b>	<b>299,440</b>	<b>283,790</b>	<b>335,971</b>

\*Includes four months of Banks Peninsula District Council 2006 Annual Plan

*Financial statements*



## Accounting policies

### Reporting entity

The Christchurch City Council is a territorial authority under the Local Government Act 2002. The group consists of the entities listed on the previous pages.

### Measurement base

The measurement base adopted is that of historical cost as modified by the revaluation of certain assets.

### Accounting policies

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

#### A. Basis of consolidation

##### *Subsidiary companies and council controlled trading organisations*

Subsidiaries are entities controlled by the Council and are accounted for by line aggregations of assets, liabilities, revenues, expenses and cash flows that are recognised in the financial statements of all entities in the consolidated group. All significant intercompany transactions are eliminated upon consolidation.

##### *Associate organisations*

Associate organisations are accounted for by the Equity method, which records the Council's share of profits and losses for the period in the Statement of Financial Performance, and shows the amount of equity held in Investments in the Statement of Financial Position. An associate organisation is one in which the Council has an equity interest of between 20% and 50% and the capacity to significantly influence the policies of that organisation.

#### B. Property, plant and equipment

##### Council operational assets:

The following operational assets were valued as at 30 June 1991 by Harcourts Valuations Limited.

##### Chattels

Mobile Plant (including vehicles)

Plant

Valuations above were based on depreciated replacement value. This is deemed to be cost.

Land and buildings were valued by Good Earth Matters Consulting Limited at 1 July 2005 to fair value by reference to their highest and best use.

Library books are shown at a valuation by Harcourts Valuations Limited at 30 June 1992. The valuation was based on the lower of the net current replacement cost, and the recoverable amount. This is deemed to be cost.

##### Operational assets are valued as follows:

All Plant and chattels and library books at initial valuation and cost for subsequent purchases.

Land and buildings are revalued every three years by external valuers.

##### Airport fixed assets:

Fixed assets are recorded at original cost less accumulated depreciation except for land and sealed surfaces which are revalued on a systematic basis at least once every three years.

Cost recognises the acquisition price paid on the purchase of the Airport assets from the Christchurch Airport Authority and subsequent capital expenditure. Land and sealed surfaces were revalued at 30 June 2004.

##### Port fixed assets:

All items of property, plant and equipment are initially recorded at cost, and except for land, depreciated.

Land, buildings and harbour structures are stated at valuation as determined every three years by independent registered valuers. Land, buildings and harbour structures were revalued as at 30 June 2005 by Good Earth Matters Consulting Limited.

##### Public transport fixed assets:

All fixed assets are initially recorded at cost and, except for land, depreciated. Land and buildings are revalued every three years, with additions between revaluations recorded at cost. Land and buildings were revalued as at 30 June 2005.

Buses were revalued to net open market value at 30 June 1999. These assets are no longer revalued with the carrying value being based upon this valuation.

##### Orion Group fixed assets:

The group's property, plant and equipment are revalued on a cyclic basis at least once every three years by independent valuers to fair value. The electricity distribution network, land and buildings were revalued at 1 April 2004.

##### Assets purchased since valuation

These are recorded at cost.

### C. Infrastructure assets

Infrastructure assets are revalued on a three-yearly rolling basis. Stormwater infrastructure assets were valued using the optimised depreciated replacement cost method at 1 July 2005 by Maunsell Limited. Sewerage infrastructure assets were valued using the optimised depreciated replacement cost at 30 June 2003 by GHD Limited. Roading and water reticulation infrastructure assets (including Traffic signals and bus shelters) were valued using the optimised depreciated replacement cost method at 30 June 2004 by Maunsell Limited. Land under roads was valued at 30 June 1992 by Quotable Value NZ. This is deemed to be cost. Additions to Infrastructure assets since valuation are recorded at cost. This includes vested assets that are recorded at the cost to the subdivider.

### D. Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion, and then depreciated.

### E. Restricted assets

These assets are:

Land and buildings with restrictions on sale e.g. parks and reserves

Library books – New Zealand Collection

Properties held in trust for other organisations

These assets have been valued on the same basis as Operational assets with vested Reserve land additions recorded at the cost to the subdivider.

### Heritage assets

These assets were valued at optimised depreciated reproduction cost at 30 June 2003 by Plant and Machinery Valuers Limited, or at cost to the Council if they were acquired after that date. The 30 June 2003 valuation is deemed to be cost.

### Works of art

Works of art have been valued at market value at 30 June 2003 by Neil Roberts, Senior Curator of the Christchurch Art Gallery Te Puna O Waiwetu, with a peer review performed by Marshall Seiffert, an experienced valuer of New Zealand art works.

Additions are recorded at cost for purchases and at valuation for vested assets.

### F. Depreciation

Depreciation provided in respect of Operational, Infrastructure and Restricted assets is intended to write off the cost of assets over their estimated useful lives. The straight line method is used.

The main bases are the following periods:

Buildings	10 – 100 yrs
Office and computer equipment	4 – 5 yrs
Mobile plant including vehicles	2 – 30 yrs
Buses	17 yrs
Sealed surfaces (other than roads)	9 – 100 yrs
Container cranes	5 – 20 yrs
Harbour structures	3 – 50 yrs
Electricity distribution system	60 yrs
Gas mains and services	80 yrs
Meters and local control equipment	30 yrs
Leasehold land improvements	5 – 100 yrs
Library books	3 – 8 yrs
Vessels	5 – 25 yrs



## Infrastructure Assets

Formation and pavement sub-base	Not depreciated
Basecourse	40 – 120 yrs
Footpaths and cycleways	20 – 80 yrs
Surface	2 – 25 yrs
Streetlights and signs	6 – 50 yrs
Kerb, channel, sumps and berms	80 yrs
Landscape/medians	15 – 80 yrs
Drain pipes/culverts/retaining walls	25 – 100 yrs
Bridges	70 – 120 yrs
Bus shelters and furniture	30 yrs
Water supply	55 – 130 yrs
Water meters	20 – 25 yrs
Stormwater	20 – 150 yrs
Waterways	15 – 120 yrs
Sewer	50 – 150 yrs
Treatment plant	15 – 100 yrs
Pump stations	10 – 100 yrs

## Restricted Assets

Planted areas	5 – 110 yrs
Reserves – sealed areas	10 – 40 yrs
Reserves – structures	25 – 150 yrs
Historic buildings	100 yrs
Art works	1000 yrs
Heritage assets	1000 yrs

## G. Landfill after care costs

As operator of the Burwood landfill, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure.

Amounts provided for landfill post-closure costs are capitalised to the landfill asset where they give rise to future economic benefits. Components of the capitalised landfill asset are depreciated over their useful lives.

The provision is calculated based on:

- 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.
- The estimated costs have been discounted to their present value using a discount rate of 6%.
- The estimated length of time needed for post-closure care is 35 years.
- The Council also has a 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 post-closure treatment.

## H. Revenue recognition

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average basis.

Land Transport NZ roading subsidies are recognised as revenue upon entitlement, that is, when the conditions related to eligible expenditure have been fulfilled. Other grants and bequests and assets vested in the Council, are recognised as revenue when control over the assets is obtained. Dividends are only recognised as income, net of imputation credits, when the dividends have been declared.

Development contributions are recognised in the income statement in the year in which they are received.

## I. Goods and Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

## J. Research and development costs

Research and development costs are expensed in the period incurred. Development costs are deferred where it is probable that future benefits will exceed those costs. Deferred development costs are amortised over future periods in relation to expected future revenue.

## K. Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

Goodwill is amortised by the straight line method over the period during which benefits are expected to be received. This is a maximum of 20 years.

## L. Income tax

The income tax expense charged to the Statement of Financial Performance includes both the current year's expense and the income tax effects of timing differences applied on a comprehensive basis and calculated using the liability method.

A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised when there is virtual certainty of realisation.

## M. Inventories and accounts receivable

Inventories are valued at the lower of cost and net realisable value. Cost is determined by FIFO or weighted average methods. Some inventories are subject to restriction of title.

Accounts receivable are valued at their expected realisable value. All known bad debts are written off during the financial year.

## N. Leases

### *Finance Leases*

As lessee - These leases effectively transfer all the risks and benefits of ownership to the lessee. Finance Leases are included in liabilities at their current value.

Assets purchased under such leases are included in fixed assets and depreciated at usual rates.

As lessor in subsidiary Jet Engine Facility Limited - From 13 May 2005, the date of practical completion of the test cell, all of the company's

assets were leased to the Christchurch Engine Centre, an independent third party. The terms of the lease are such that it meets the definition of a finance lease under Statement of Standard Accounting Practice 18 "Accounting for leases and hire purchase contracts". An asset equal to the present value of the future minimum lease payments is recognised in respect of the company's test cell assets. The interest income component of the finance lease is recognised in the Statement of Financial Performance using the effective interest rate method.

### *Operating Leases*

Under these leases, the lessor effectively retains all the risks and benefits of ownership. These lease payments are charged as expenses in the periods in which they are incurred.

## O. Employment entitlements

Provision is made in respect of the Council's liability for retiring gratuity allowances, and annual and long service leave.

The liabilities for leave have been calculated on an actual entitlement basis at current rates of pay. The retiring gratuity liability has been 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. These estimated amounts were discounted to their present value using an interpolated 10 year government bond rate.

## P. Investments

Shares in Christchurch City Holdings Limited, Christchurch City Facilities Limited and Jade Stadium Limited are revalued with sufficient regularity to ensure that no investments are included at a valuation that is materially different from fair value. These investments were valued by KPMG at 30 June 2006.

Shares in other subsidiaries, associates, and shares in New Zealand Local Government Insurance Corporation Limited are valued at share of equity off the latest Statement of Financial Position. All other investments are stated at lower of cost and net realisable value.

## Q. Financial instruments

Christchurch City Council and its subsidiaries are party to financial instrument arrangements as part of their everyday operations. These financial instruments include banking funds, bank deposits, short term investments, accounts receivable, sinking fund investments, accounts payable and term debt.

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position, with the exception of guarantees and contingent assets and liabilities, which are disclosed by way of note to the Financial Statements. Any income or expenditure arising from the exercising of a guarantee, or upon a contingency becoming an actual asset or liability, will be recognised in the Statement of Financial Performance at the time of confirmation.

The following methods and assumptions were used to value each class of financial instrument:

- Accounts receivable and long term receivables are recorded at estimated realisable value.
- Short term investments are valued at fair value.
- Investments in government and local authority stock are valued at cost with premiums paid or discounts taken on acquisition amortised over the life of the investment. Income is recognised on a yield to maturity basis.
- Loans to various sporting and cultural organisations are recorded at fair value.
- All of the financial instruments, including cash and bank balances, accounts payable and term debt are valued at fair value.

The group uses derivative financial instruments within predetermined policies and limits in order to reduce its exposure to fluctuations in interest rates and exchange rates.

While these financial instruments are subject to the risk that market rates may change subsequent to the acquisition of the financial instrument, such changes would generally be offset by opposite effects on the item being hedged. Any differential to be paid or received on forward rate or swap agreements is accrued as interest rates change, and is recognised as a component of interest expense over the life of the agreement.

The group does not engage in speculative transactions or hold derivative financial instruments for trading purposes.

## R. Foreign exchange transactions

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Short term transactions covered by forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are recognised in the statement of financial performance.

The exchange difference on hedging transactions undertaken to establish the price of particular sales or purchases, together with any costs associated with hedging transactions, are deferred and included in the measurement of the purchase or sale transaction.

## S. 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 user of a service can be identified, for example with City Solutions, the cost recovery is made by way of direct charge.

Where this has not been possible, the costs are allocated by way of corporate overhead.

The basis of the corporate overhead allocation is reviewed each year and every attempt is made to relate the allocation made with the service utilised.

Internal service costs which are allocated out as corporate overhead include Corporate Services and Financial Services.

## T. Donated goods and services

The Council receives the benefits of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms. From an accounting point of view these services are not considered material in relation to the Council's total expenditure.

### U. Third party transfer payment agencies

The Council collects monies for many organisations including Environment Canterbury, Building Industry Authority and others. Where collections are processed through the Council's books, any monies held are shown as Accounts Payable in the Statement of Financial Position.

### V. Plan values disclosed

The plan values shown in the financial statements represent the 2006 Annual Plan, including the former Banks Peninsula District Council 2006 Annual Plan from 5 March 2006.

### W. International Financial Reporting Standards

In December 2002 the New Zealand Accounting Standards Review Board announced that all New Zealand reporting entities will be required to comply with International Financial Reporting Standards (IFRS) for periods commencing on or after 1 January 2007, with the option to comply early for periods beginning on or after 1 January 2005.

The Council and group adopted IFRS from 1 July 2006.

Upon first time adoption of NZ IFRS, comparative information will be restated in the NZ IFRS compliant financial statements. Details of the impact of the adoption to comparative information will be set out in those financial statements.

The adoption of NZ IFRS involves assessing the impacts of NZ IFRS to the Council, then designing and implementing changes required to current accounting policies and procedures, as well as systems and processes, in order to successfully transition to NZ IFRS. The quantitative impacts of these changes have not been fully determined, but the impact identified to date is as set out in the Impact Statement.

### X. Changes in accounting policies

Shares in Christchurch City Facilities Limited and Jade Stadium Limited:

There has been a change in the accounting policies in the current accounting period in relation to the valuation of Council's investments in Christchurch City Facilities Limited and Jade Stadium Limited. To reflect the fair value of these subsidiaries in the financial statements, and to align the carrying values of these subsidiaries with Christchurch City Holdings Limited, Council has opted to revalue these subsidiaries as at 30 June 2006. Previously, these subsidiaries were not revalued. The change means that these subsidiaries will be revalued with sufficient regularity to ensure the investments are included at a valuation that is not materially different from fair value.

The change in policy has the effect of increasing the value of Investments and Equity by \$21.0M as at 30 June 2006.



## Notes to financial statements

## Note 1

Income	Parent			Group	
	2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Groups of activities income**	103,964	97,893	113,359	122,783	131,114
Dividend income					
Christchurch City Holdings Limited - ordinary	29,375	30,000	30,000	-	-
- special	17,900	-	-	-	-
Transwaste Canterbury Limited	55	114	-	55	-
Other stocks	59	226	53	59	53
Subsidiary companies' investments	-	-	-	472	1,670
<b>Total dividend income</b>	<b>47,389</b>	<b>30,340</b>	<b>30,053</b>	<b>586</b>	<b>1,723</b>
Other income					
Interest income					
Subsidiaries	3,957	4,042	3,971	358	-
Loan repayment investments	471	300	387	471	387
Short term investments	12,806	6,203	12,241	12,849	12,740
Special and other fund investments	10,870	8,537	8,676	10,870	8,676
Other	-	-	-	2,055	3,830
<b>Total interest income</b>	<b>28,104</b>	<b>19,082</b>	<b>25,275</b>	<b>26,603</b>	<b>25,633</b>
Sundry income					
Petroleum tax	2,237	2,119	2,197	2,237	2,197
Internal service provider revenues	3,049	6,667	2,979	3,049	2,979
Sundry	769	-	103	15,456	30,907
Grants	-	-	240	-	240
Grants/contributions to major projects	642	550	190	642	190
Equity accounted earnings of associates	891	-	-	6,916	1,170
Subvention receipts	2,425	-	1,782	-	-
Trading subsidiaries operating income	-	-	-	398,541	359,114
<b>Total sundry income</b>	<b>10,013</b>	<b>9,336</b>	<b>7,491</b>	<b>426,841</b>	<b>396,797</b>
<b>Total other income</b>	<b>38,117</b>	<b>28,418</b>	<b>32,766</b>	<b>453,444</b>	<b>422,430</b>

\* Includes four months of Banks Peninsula District Council 2006 Annual Plan – see Note 27

\*\* refer to summary on page 31

## Notes to financial statements

## Note 2

Expenditure	Parent			Group	
	2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Groups of activities expenditure**	327,608	315,425	293,850	336,158	318,295
Other expenditure					
Levies	-	-	368	-	368
Equity accounted deficit in associates	-	-	85	-	2,614
Internal service provider expenses	7,577	-	1,964	7,577	1,964
Sundry	7,332	5,961	1,769	12,989	1,770
Trading subsidiaries operating expenditure		-	-	326,990	283,204
<b>Total other expenditure</b>	<b>14,909</b>	<b>5,961</b>	<b>4,186</b>	<b>347,556</b>	<b>289,920</b>

\* Includes four months of Banks Peninsula District Council 2006 Annual Plan – see Note 27

\*\* refer to summary on page 31



## Note 3

Operating expenses	Parent			Group	
	2006 Actual \$000's	2006 Plan* \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Audit fees					
Fees paid to principal auditor	205	216	187	647	481
Fees paid to other auditors	-	-	-	29	40
LTCCP Audit provided by principal auditor	115	110	-	115	-
Other services provided by principal auditor	-	-	-	-	13
Other services provided by other auditors	-	-	-	-	7
Amortisation of goodwill	-	-	-	1,971	3,009
Bad debts	173	17	332	769	511
Depreciation					
Land improvements & buildings including restricted	17,914	-	10,260	34,488	25,632
Plant, equipment & vehicles	7,562	-	7,309	22,239	20,784
Library books	4,604	-	3,555	4,604	3,555
Artworks & heritage assets	70	-	69	70	69
Roading infrastructure	23,982	-	21,767	23,982	21,767
Sewerage infrastructure	9,136	-	8,835	9,136	8,835
Stormwater infrastructure	3,203	-	2,459	3,203	2,459
Water reticulation infrastructure	5,795	-	5,519	5,795	5,519
Vessels	-	-	-	360	360
Buses	-	-	-	2,036	1,558
Sealed surfaces	-	-	-	2,385	2,635
Electricity distribution system	-	-	-	22,054	21,499
Harbour structures	-	-	-	2,840	1,142
Other assets	-	-	-	10	32
<b>Total depreciation</b>	<b>72,266</b>	<b>65,514</b>	<b>59,773</b>	<b>133,202</b>	<b>115,846</b>
Interest	6,125	6,262	6,160	28,387	29,774
Leasing and rental costs	3,321	4,567	3,875	7,018	6,701
Increase/(decrease) in provision for doubtful debts	820	-	(33)	846	(33)
Councillors' remuneration	1,129	1,224	1,176	1,129	1,176
Directors' fees	-	-	-	1,315	1,195
Loss/(gain) on sale of assets	6,679	-	(296)	6,705	(2,203)
Research and development	-	-	-	-	1,552
Foreign exchange losses/(gains)	-	-	-	405	2,888
Donations	-	-	-	117	154
Assets written off	2,225	3,197	2,422	2,225	4,405
Investment revaluation - other	-	-	-	2,983	-
Other operating expenses	249,459	240,279	224,440	495,851	442,699
<b>Total operating expenses</b>	<b>342,517</b>	<b>321,386</b>	<b>298,036</b>	<b>683,714</b>	<b>608,215</b>

\* Includes four months of Banks Peninsula District Council 2006 Annual Plan – see Note 27

## Notes to financial statements

## Note 4

Equity	Notes	Parent		Group	
		2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
(a) Reserve funds					
Opening balance		272,953	310,132	272,953	310,132
BPDC funds acquired	28	3,378	-	3,378	-
Transferred (to)/from retained earnings		42,377	(37,179)	42,377	(37,179)
Closing balance		318,708	272,953	318,708	272,953
(b) Capital reserve					
Opening balance		1,733,853	1,733,853	1,733,853	1,733,853
Transferred (to)/from retained earnings		-	-	-	-
Closing balance		1,733,853	1,733,853	1,733,853	1,733,853
(c) Asset revaluation reserves					
Opening balance		1,457,570	1,460,017	1,069,140	933,647
Transfer of minority interest on merger		-	-	3,790	-
Impact of share acquisitions		-	-	7,654	-
Revaluation of shares of subsidiaries and associates		297,783	(1,559)	1,389	4,886
Revaluation of other investments		464	-	464	-
Revaluation of fixed and infrastructural assets		278,256	(65)	275,418	131,430
Revaluation of assets - Banks Peninsula	28	143,067	-	139,277	-
Realised assets revaluation reserve		(1,013)	(823)	(1,067)	(823)
Closing balance		2,176,127	1,457,570	1,496,065	1,069,140
(d) Retained earnings					
Opening balance		697,377	593,792	1,049,895	925,033
Transfer of minority interest on merger		-	-	6,402	-
Add surplus for year		51,048	65,583	51,096	86,860
Add transfers (to)/from reserves		(42,377)	37,179	(42,377)	37,179
BPDC ratepayers equity		99,113	-	92,711	-
Impact of share acquisitions	28	-	-	(7,431)	-
Realised assets revaluation reserve		1,013	823	1,067	823
Closing balance		806,174	697,377	1,151,363	1,049,895
Minority interest		-	-	156,507	178,216
<b>Total equity</b>		<b>5,034,862</b>	<b>4,161,753</b>	<b>4,856,496</b>	<b>4,304,057</b>

## Note 4 (continued)

Equity	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Revaluation reserves				
Land & buildings	430,357	138,615	561,780	263,229
Library books	1,962	1,621	1,962	1,621
Artworks	24,172	23,936	24,172	23,936
Roading infrastructure	280,480	181,345	280,480	181,345
Sewerage infrastructure	216,802	210,073	216,802	210,073
Stormwater infrastructure	86,699	71,196	86,699	71,196
Water reticulation infrastructure	74,032	67,403	74,032	67,403
Investments	1,061,623	763,381	6,949	19,052
Harbour Structures	-	-	36,609	29,173
Electricity distribution network	-	-	174,085	169,618
Sealed surfaces	-	-	32,495	32,494
	<b>2,176,127</b>	<b>1,457,570</b>	<b>1,496,065</b>	<b>1,069,140</b>
Minority interest				
Christchurch International Airport Limited			55,270	54,761
Lyttelton Port Company Limited			34,959	46,539
Orion Group Limited			66,278	76,916
			<b>156,507</b>	<b>178,216</b>

## Notes to financial statements

## Note 5

Non-current liabilities	Notes	Parent		Group	
		2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Term debt	7	87,005	90,819	368,135	367,654
Provision for landfill aftercare	19	16,862	15,343	16,862	15,343
Provision for employee entitlements		6,757	7,026	6,757	7,026
Deferred tax		-	-	72,995	64,039
Other		-	-	11,936	11,824
<b>Total non-current liabilities</b>		<b>110,624</b>	<b>113,188</b>	<b>476,685</b>	<b>465,886</b>



## Note 6

Current liabilities	Notes	Parent		Group	
		2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Trade creditors		43,244	41,517	86,373	87,922
Owing to subsidiaries		7,189	7,240	-	-
Bank overdrafts		-	-	194	231
Employee entitlements		12,288	10,858	27,482	22,329
Current portion of term debt - subsidiaries	7	1,700	1,600	-	-
Current portion of term debt - other	7	23,589	83	125,013	30,634
Current portion of landfill aftercare	19	2,263	2,934	2,263	2,934
Other		-	-	15,921	22,203
<b>Total current liabilities</b>		<b>90,273</b>	<b>64,232</b>	<b>257,246</b>	<b>166,253</b>

Included within the Group amount for "Other" are the following provisions:

	Group	
	2006 Actual \$000's	2005 Actual \$000's
<b>Warranties, remedial work &amp; site restoration</b>		
Opening balance	758	403
Additional provision made	-	365
Amount utilised	(38)	(10)
<b>Closing balance</b>	<b>720</b>	<b>758</b>
<b>Restructuring</b>		
Opening balance	2	57
Additional provision made	-	300
Amount utilised	(2)	(355)
<b>Closing balance</b>	<b>-</b>	<b>2</b>
<b>Closing balance of all the provisions above</b>	<b>720</b>	<b>760</b>

## Notes to financial statements

## Note 7

Public debt	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
<b>(a) Current</b>				
Unsecured loans	-	-	-	-
Owing to subsidiaries	1,700	1,600	-	-
Other secured loans	23,589	83	125,013	30,634
<b>Total current debt</b>	<b>25,289</b>	<b>1,683</b>	<b>125,013</b>	<b>30,634</b>
<b>(b) Non-current</b>				
Unsecured loans	-	-	366,903	346,858
Owing to subsidiaries	85,773	70,023	-	-
Other secured loans	1,232	20,796	1,232	20,796
<b>Total non-current debt</b>	<b>87,005</b>	<b>90,819</b>	<b>368,135</b>	<b>367,654</b>
<b>(c) Security</b>				
Council term loans are secured either by general rates of the city, or by council income.				
<b>(d) Repayment terms</b>				
The following is a summary of Term Debt according to the year of repayment:				
Payable no later than 1 year	25,289	1,683	125,013	30,634
1 - 2 years	2,458	21,738	74,258	158,541
2 - 3 years	1,919	2,457	156,888	135,012
3 - 4 years	2,641	1,918	25,858	50,018
4 - 5 years	2,210	2,641	3,427	24,046
Later than 5 years	77,777	62,065	107,704	37
<b>Total term debt</b>	<b>112,294</b>	<b>92,502</b>	<b>493,148</b>	<b>398,288</b>
<b>(e) Interest rates</b>				
The weighted average effective interest rates on borrowings (current and non-current) were:				
Loans and debentures	6.73%	7.12%	6.91%	7.29%
The Council has loan repayment investments (sinking funds) and a loan repayment reserve which are to be used for repayment of Term Debt.				
	24,161	18,097		
The Council also has a Debt Repayment Reserve which is being used for capital expenditure funding in lieu of further borrowing.				
	95,570	90,224		

**Note 7 (continued)****Christchurch City Holdings Limited**

Christchurch City Holdings Limited (CCHL) borrowings at 30 June 2006, comprised bonds and FRNs in five tranches ranging from \$7.0M to \$50.0M and commercial paper with a face value of \$31.5M. To manage liquidity risk these borrowings mature at regular intervals spread between 2006 and 2016. Coupon rates range between 6.21% and 7.75%. Interest rate risk is managed through derivatives where appropriate. The effective interest rate on CCHL's borrowings for the year was 6.90% (2005 7.18%).

All borrowing is made under a \$350.0M debt issuance program. The purpose of this debt programme is to partially fund CCHL's assets and to enable CCHL to borrow on behalf of Christchurch City Council. The Council uses this programme to partially fund its capital programme and advances to Council controlled organizations.

## Notes to financial statements

## Note 8

Current assets	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Cash at bank, and short term investments	248,016	299,440	283,984	336,202
Receivables and prepayments				
Rates debtors	6,090	4,687	6,090	4,687
Other trade debtors	6,331	7,205	38,188	40,013
Less provision for doubtful debts	(1,481)	(660)	(1,501)	(680)
Current portion of term investments	16,614	1,600	16,541	-
Amount owing by subsidiaries	2,701	1,389	-	-
Other receivables/prepayments	12,507	10,992	12,619	11,083
GST receivable	1,862	2,797	3,644	2,797
Taxation receivable	-	-	4,003	1,852
Dividends receivable	113	7,000	113	-
<b>Total receivables and prepayments</b>	<b>44,737</b>	<b>35,010</b>	<b>79,697</b>	<b>59,752</b>
Inventories				
General stores	974	1,243	12,720	11,334
Livestock and feed	242	168	243	168
Souvenirs and food	357	344	357	344
<b>Total inventories</b>	<b>1,573</b>	<b>1,755</b>	<b>13,320</b>	<b>11,846</b>
Assets held for resale	800	-	800	17,437
<b>Total current assets</b>	<b>295,126</b>	<b>336,205</b>	<b>377,801</b>	<b>425,237</b>



## Note 9

Non-current assets	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
<b>Investments</b>				
Government and local body stock	49,993	18,943	49,993	18,943
Stocks & bonds	32,446	11,979	32,446	11,979
Other term cash investments	25,110	1,391	25,110	1,391
Sinking funds other than local body stock	7,708	6,619	7,708	6,619
General investments				
Mortgages and loans	4,445	3,922	4,445	3,922
Investment in companies and other entities				
NZ Local Government Insurance Company Limited	1,166	677	1,166	677
Theatre Royal Foundation	2,300	2,300	2,300	2,300
Subsidiary companies				
Christchurch City Facilities Limited	49,900	45,826	-	-
Jade Stadium Limited	20,100	3,193	-	-
Tuam Limited	510	10	-	-
Christchurch City Holdings Limited (CCHL)	1,094,000	814,000	-	-
Associate company investments	6,081	5,406	45,286	41,112
Loans to subsidiary companies				
Jade Stadium Limited	30,723	32,423	-	-
Jet Engine Facility Limited	12,550	12,550	-	-
Tuam Limited	13,750	-	-	-
Finance lease receivable	-	-	23,816	21,927
Subsidiary company investments	-	-	10,505	11,733
<b>Total Investments</b>	<b>1,350,782</b>	<b>959,239</b>	<b>202,775</b>	<b>120,603</b>

Average earnings rates	2006 Actual \$000's	2005 Actual \$000's
Cash investments	7.2%	6.7%
Community loans	2.5%	2.5%
Loans to subsidiary companies	8.6%	8.6%
<b>Publicly traded investments</b>		
Market Value of CCHL's investment in Lyttelton Port Company Limited at 30 June	152,983	119,937

## Notes to financial statements

## Note 9 (continued)

Non-current assets	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Carrying value of associates				
Opening balance - carrying value	5,406	5,491	39,702	37,174
Opening balance - goodwill	-	-	1,409	3,059
Equity accounted surplus / (deficit)	891	(85)	6,916	(1,444)
Purchase of shares in associates	-	-	-	606
Parent company share of revaluations	-	-	633	4,886
Carrying value adjustment	(161)	-	(259)	-
Goodwill amortised during the year	-	-	(1,409)	(2,540)
Dividends from associates	(55)	-	(704)	(629)
Investments realized	-	-	(1,002)	-
<b>Carrying value at end of year</b>	<b>6,081</b>	<b>5,406</b>	<b>45,286</b>	<b>41,112</b>
Closing balances are made up as follows:				
Carrying value	6,081	5,406	45,286	39,703
Goodwill	-	-	-	1,409
	<b>6,081</b>	<b>5,406</b>	<b>45,286</b>	<b>41,112</b>
Equity accounted earnings				
Surplus / (deficit) before tax	891	(85)	6,963	(1,258)
Income tax	-	-	(47)	(186)
<b>Total recognised revenues and expenses</b>	<b>891</b>	<b>(85)</b>	<b>6,916</b>	<b>(1,444)</b>
Goodwill relating to associates				
Closing balances are made up as follows:				
Gross amount	-	-	16,748	16,748
Accumulated amortisation	-	-	(16,748)	(15,339)
	-	-	-	1,409

## Note 10

Operational assets - parent	2006			2005		
	Cost or valuation	Acc depn	Book Value	Cost or valuation	Acc depn	Book Value
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Land & land improvements	289,850	993	288,857	174,920	-	174,920
Land & land improvements not revalued - Burwood Landfill	8,217	8,217	-	8,217	8,217	-
Buildings	438,237	12,740	425,497	347,381	25,426	321,955
Plant and chattels	82,971	54,919	28,052	75,923	50,240	25,683
Library books	72,782	56,740	16,042	67,490	52,087	15,403
Mobile plant	8,694	3,653	5,041	8,781	3,258	5,523
<b>Assets in progress - at cost</b>						
Land improvements in progress	1,639	-	1,639	1,037	-	1,037
Buildings in progress	2,050	-	2,050	4,023	-	4,023
Plant in progress	1,806	-	1,806	4,125	-	4,125
	5,495	-	5,495	9,185	-	9,185
<b>Total parent operational assets</b>	<b>906,246</b>	<b>137,262</b>	<b>768,984</b>	<b>691,897</b>	<b>139,228</b>	<b>552,669</b>

Net book value of Land and Buildings as at 30 June 2006 is considered to be fair value.

## Notes to financial statements

## Note 10 (continued)

Operational assets - group	2006			2005		
	Cost or valuation	Acc depn	Book Value	Cost or valuation	Acc depn	Book Value
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Land & land improvements	544,107	9,210	534,897	405,726	8,217	397,509
Site improvements	3,136	795	2,341	3,136	697	2,439
Buildings	754,129	120,240	633,889	644,448	116,352	528,096
Plant and chattels	294,508	145,132	149,376	253,598	131,319	122,279
Sealed surfaces	73,237	6,597	66,640	59,631	2,635	56,996
Electricity distribution system	686,067	43,553	642,514	663,328	21,499	641,829
Buses	33,930	7,812	26,118	30,264	6,331	23,933
Harbour structures	80,395	2,834	77,561	78,147	-	78,147
Vessels	10,106	2,421	7,685	10,133	2,088	8,045
Other assets - at cost	103,545	68,475	35,070	93,733	62,895	30,838
Assets in progress - at cost						
Land improvements in progress	1,782	-	1,782	1,037	-	1,037
Buildings in progress	2,050	-	2,050	4,023	-	4,023
Plant in progress	1,809	-	1,809	4,125	-	4,125
	5,641	-	5,641	9,185	-	9,185
<b>Total group operational assets</b>	<b>2,588,801</b>	<b>407,069</b>	<b>2,181,732</b>	<b>2,251,329</b>	<b>352,033</b>	<b>1,899,296</b>

Net book value of Land and Buildings as at 30 June 2006 is considered to be fair value.



## Note 11

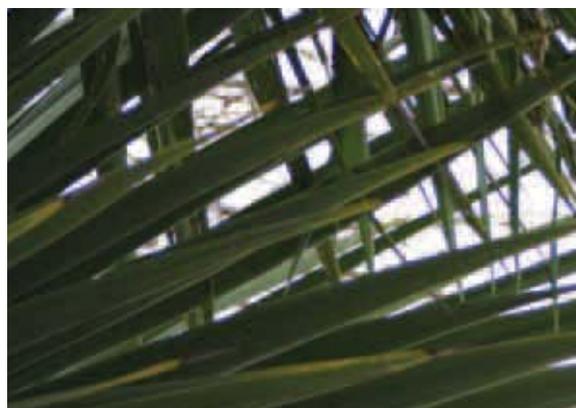
Infrastructural assets Parent and group	2006			2005		
	Cost or valuation	Acc depn	Book Value	Cost or valuation	Acc depn	Book Value
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Bus shelters	1,741	137	1,604	840	63	777
Roading	1,247,480	39,425	1,208,055	1,066,896	18,574	1,048,322
Sewers	552,623	25,190	527,433	519,303	16,025	503,278
Stormwater	254,455	3,316	251,139	240,501	7,333	233,168
Water reticulation	203,904	7,587	196,317	186,020	3,484	182,536
Water meters	27,279	1,902	25,377	25,882	939	24,943
Streetlights	30,123	2,684	27,439	26,560	1,281	25,279
Traffic lights	21,593	3,925	17,668	21,044	1,829	19,215
Water & stormwater pumping stations	42,973	2,380	40,593	35,824	1,209	34,615
Sewer pumping stations	21,225	1,564	19,661	16,219	918	15,301
Assets in progress - at cost						
Roading in progress	15,807	-	15,807	10,734	-	10,734
Sewers in progress	15,441	-	15,441	4,351	-	4,351
Stormwater in progress	2,032	-	2,032	2,736	-	2,736
Water reticulation in progress	243	-	243	282	-	282
Streetlights in progress	438	-	438	252	-	252
Water pumping stations in progress	892	-	892	1,555	-	1,555
Sewer pumping stations in progress	8,207	-	8,207	9,479	-	9,479
Total Assets in progress - at cost	43,060	-	43,060	29,389	-	29,389
<b>Total infrastructural assets</b>	<b>2,446,456</b>	<b>88,110</b>	<b>2,358,346</b>	<b>2,168,478</b>	<b>51,655</b>	<b>2,116,823</b>

## Notes to financial statements

## Note 12

Restricted assets Parent and group	2006			2005		
	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's
Art works	48,862	144	48,718	48,665	95	48,570
Library books NZ Room	5,220	-	5,220	5,088	-	5,088
Reserve land & improvements	373,641	3,947	369,694	289,135	1,367	287,768
Reserve land & improvements in progress	1,124	-	1,124	3,867	-	3,867
Buildings-historic	22,275	277	21,998	14,240	573	13,667
Heritage assets	15,838	71	15,767	15,322	48	15,274
Heritage assets in progress	-	-	-	3	-	3
<b>Total restricted assets</b>	<b>466,960</b>	<b>4,439</b>	<b>462,521</b>	<b>376,320</b>	<b>2,083</b>	<b>374,237</b>

Net book value of Land and Buildings as at 30 June 2006 is considered to be fair value.



## Note 13

Contingencies	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
<b>(a) Contingent liabilities</b>				
Uncalled capital in Christchurch City Holdings Limited	488,999	488,999	-	-
Uncalled capital in Tuam Limited	15,000	-	-	-
Uncalled capital in Transwaste Canterbury Limited	1,514	1,514	1,514	1,514
Professional Indemnity Insurance Claims lodged with FAI (NZ) General Insurance Company Limited	452	400	452	400
Linwood outfall drain	-	300	-	300
Other professional indemnity insurance claims lodged either unresolved or not accepted	794	540	794	540
Red Bus Limited - performance bonds	-	-	1,079	945
City Care Limited - performance bonds	-	-	3,799	277
Orion Group Limited - performance bonds	-	-	239	200
Loan guarantees	160	-	160	-
Guarantees to sporting and community organisations	100	100	100	100
	<b>507,019</b>	<b>491,853</b>	<b>8,137</b>	<b>4,276</b>

- June 2006, Tuam Limited issued \$15 million new redeemable preference shares to the Christchurch City Council. No call has been made on these shares.
- From 1989 until 30 June 1997, the Council's professional indemnity and public liability insurance cover was placed with FAI (NZ) General Insurance Company. In February 1999, HIH (NZ) Limited took control of FAI (NZ) Limited including the Council's outstanding claims. HIH (NZ) Limited went into liquidation on 19 July 2001 following the collapse of its Australian parent company. There is uncertainty as to whether the Council will receive either full or partial recovery of the losses for which it has lodged claims. The maximum loss is estimated to be \$452,000.
- Telecom NZ Limited has challenged the rating valuation of its telecommunications network. The Council believes that the valuations have been performed professionally in accordance with the relevant legislation. It is not possible to estimate the amount of any settlement that may occur.

<b>(b) Contingent assets</b>				
Vested assets- Nurses Chapel (at valuation)	400	400	400	400

## Notes to financial statements

## Note 14

Capital commitments	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Council Works	42,564	31,279	42,564	31,279
Christchurch International Airport Limited	-	-	23,627	7,073
City Care Limited	-	-	225	277
Christchurch City Facilities Limited	-	-	106	-
Lyttelton Port Company Limited	-	-	8,450	-
Orion NZ Limited	-	-	2,800	11,657
	42,564	31,279	77,772	50,286
At balance date, lease commitments were as follows:				
Under 1 year	2,488	859	4,040	2,874
1-2 years	1,450	158	2,611	1,831
2-5 years	2,616	274	3,898	1,124
Over 5 years	16	26	6,198	2,670
	6,570	1,317	16,747	8,499

Christchurch City Facilities Limited has leased land from Addington Raceway Limited, for the Westpac Centre. The lease has a 50 year term from December 1996 with a right of renewal. The minimum annual lease payment is \$40,000.



## Note 15

Reconciliation of net operating cash flow and operating surplus	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Net surplus after taxation	51,048	65,583	51,096	86,860
Minority interests in surpluses of subsidiaries	-	-	10,532	13,521
Non cash items:				
Depreciation	72,266	59,773	133,201	115,846
Increase/(decrease) in deferred tax	-	-	11,133	6,397
Goodwill written off	-	-	1,971	3,009
Other amortisation	-	-	157	(223)
Vested assets	(23,826)	(19,540)	(23,826)	(19,540)
Assets written off	2,225	2,422	3,460	4,405
Subsidised assets	-	-	(4,263)	(2,745)
Equity accounted earnings	(891)	85	(6,916)	1,444
Foreign exchange difference	-	-	109	(550)
Investment revaluations	-	-	2,983	(5,295)
Other non-cash items	1,846	36	2,664	3,367
Increase (decrease) in landfill aftercare provision	848	(1,375)	1,449	(1,375)
Movements in working capital items:				
(Increase)/decrease in:				
Accounts receivable & accruals	6,012	(8,949)	(1,253)	(9,109)
Taxation receivable	-	-	(2,146)	(362)
Inventory	182	76	(1,473)	(286)
Increase/(decrease) in:				
Accounts payable and accruals	1,124	5,994	2,067	11,284
Non-current employee entitlements	(269)	(515)	(269)	(515)
Less items classified as investing:				
Net (gain)/loss on sale of fixed assets	4,454	(296)	(552)	(2,203)
Profit / (loss) on sale of shares	-	-	(3,382)	(15,330)
Deferred revenue	-	-	-	(487)
Sale of business unit	-	-	(2,592)	(791)
Other	-	-	(227)	-
Movement in fixed asset related accounts payable	697	(9,913)	1,891	(11,010)
<b>Net cash inflow from operating activities</b>	<b>115,716</b>	<b>93,381</b>	<b>175,814</b>	<b>176,312</b>

GST and Short term money market investments are presented as net figures.

Cash balances at year end include Special Funds which are restricted in their use. At 30 June 2006 these were \$318.7M (2005 \$273.0M).

## Notes to financial statements

## Note 16

Taxation	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Net surplus/(deficit) before tax	51,048	65,583	94,778	131,439
Prima facie tax expense at 33%	16,846	21,642	31,277	43,375
Permanent differences	3,083	(16,297)	(1,260)	(17,820)
Timing differences not recognised	-	-	588	653
Loss not previously recognised	-	-	-	-
Imputation credit adjustment	(23,340)	(12,243)	-	-
Tax losses not recognised	3,411	1,968	5,332	3,696
Tax credit re group losses	-	4,930	(4,280)	-
Write-off of tax asset	-	-	-	501
Deferred tax adjustment	-	-	2,055	-
Under/(over) provision	-	-	(562)	653
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>-</b>	<b>33,150</b>	<b>31,058</b>
Comprising:				
Current taxation	-	-	23,913	24,481
Deferred taxation	-	-	9,237	6,577
	-	-	33,150	31,058
Deferred Taxation				
Opening balance	-	-	63,758	52,558
Adjustment via revaluation reserve	-	-	-	4,904
Prior year adjustment	-	-	411	(577)
Current year	-	-	8,826	7,154
<b>Net deferred tax liability/(asset)*</b>	<b>-</b>	<b>-</b>	<b>72,995</b>	<b>64,039</b>
* the net deferred tax liability is made up as follows:				
Deferred tax liability	-	-	73,919	65,317
Less deferred tax asset	-	-	(924)	(1,278)
<b>Net deferred tax liability/(asset)</b>	<b>-</b>	<b>-</b>	<b>72,995</b>	<b>64,039</b>

Taxable losses for the Council of \$3.4M (2005 \$2.0M) with a tax effect of \$1.1M (2005 \$0.6M) and for the Group of \$15.7M (2005 \$8.0M) with a tax effect of \$5.2M (2005 \$2.7M), have not been recognised. These losses are available to be carried forward to offset against future assessable income. Unrecognised future income tax liabilities for the Group, arising from timing differences, amount to \$Nil (2005 Nil).

Last year's losses were subsequently utilised through subvention payments of \$2.4M within the wider Council group. Similarly, the current year losses will be used to reduce group tax payments in the 2006/07 year.

Tax losses of \$3.4M (2005 \$2.0M) with a tax effect of \$1.1M (2005 \$0.7M) in respect of Jet Engine Facility Limited have been recognised to offset a deferred tax liability. Subsequent realisation of these losses is subject to the requirements of income tax legislation being met.

## Note 17

Imputation credit account	Group	
	2006 Actual \$000's	2005 Actual \$000's
Christchurch City Holdings Limited	29,259	22,532
CCHL Subsidiaries	30,269	29,127
Other CCC Subsidiaries	11	6
	59,539	51,665

# Notes to financial statements

## Note 18

### Remuneration

#### Chief Executive's remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002. The total cost to the Council of the remuneration package received by the Chief Executive for the year ended 30 June 2006 was \$350,965 per annum plus provision for up to 10% performance bonus. The performance pay component for 2006 is yet to be determined. (2005 \$361,681 including performance bonus).

#### Cost of severance payments

In accordance with the Schedule 10, section 19 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 that legislation.

For the year ending 30 June 2006 the Council made five payments (\$24,000, \$5,000, \$3,000, \$3,000, \$3,000) that require disclosure under the Local Government Act 2002. (2005 \$20,000, \$10,000, \$5,500.)

#### Council remuneration

The following individuals held office as either elected members of the Council's governing body, as trustees or directors of Group entities, or both, during the reporting period.

The aggregate remuneration, including non-monetary remuneration, to the thirteen Councillors and the Mayor during the year totalled \$1,128,968 (2005 \$1,178,139) and is disaggregated and classified as follows:

Council remuneration	2006		
	Council Remuneration \$	Director's Fees* \$	Total \$
Helen Broughton	78,797	-	78,797
Sally Buck	79,597	-	79,597
Graham Condon	79,313	28,500	107,813
Barry Corbett	77,982	28,500	106,482
David Cox	81,802	22,917	104,719
Anna Crighton	78,230	-	78,230
Carole Evans	89,715	-	89,715
Pat Harrow	79,259	-	79,259
Bob Parker	22,494	-	22,494
Garry Moore	146,052	28,500	174,552
Bob Shearing	77,946	-	77,946
Gail Sheriff	77,932	31,000	108,932
Sue Wells	81,867	28,500	110,367
Norm Withers	77,982	-	77,982
	1,128,968	167,917	1,296,885

\*The director's fees listed here are fees paid by council-controlled companies. Councillors also represent the community on approximately 30 other local organizations which are not council-controlled. Some of these entities pay representative fees to Councillors, and these amounts are not included above.

## Note 18 (continued)

Council remuneration	2005		
	Council Remuneration \$	Director's Fees* \$	Total \$
Oscar Alpers	15,286	3,500	18,786
Carole Anderton	20,178	-	20,178
Paddy Austin	11,205	10,789	21,994
Helen Broughton	64,273	-	64,273
Sally Buck	70,948	-	70,948
Graham Condon	71,241	23,331	94,572
Barry Corbett	67,668	24,924	92,592
David Cox	67,256	12,500	79,756
Anna Crighton	70,321	-	70,321
Carole Evans	66,678	-	66,678
Megan Evans	14,995	-	14,995
Ishwar Ganda	16,745	4,920	21,665
Pat Harrow	65,683	6,087	71,770
Alister James	20,288	3,500	23,788
Lesley Keast	20,768	-	20,768
Garry Moore	141,910	22,196	164,106
Denis O'Rourke	23,456	5,375	28,831
Linda Rutland	13,035	-	13,035
Bob Shearing	56,472	-	56,472
Gail Sheriff	65,052	17,125	82,177
Barbara Stewart	15,375	3,500	18,875
Ingrid Stonhill	18,292	-	18,292
Sue Wells	74,298	46,109	120,407
Chrissie Williams	17,640	-	17,640
Norm Withers	68,158	-	68,158
Ron Wright	20,918	5,208	26,126
	1,178,139	189,064	1,367,203

\*The director's fees listed here are fees paid by council-controlled companies. Councillors also represent the community on approximately 30 other local organizations which are not council-controlled. Some of these entities pay representative fees to Councillors, and these amounts are not included above.

# Notes to financial statements

## Note 19

### Landfill aftercare liability

The Burwood Landfill operated from June 1984 until it closed on 30 June 2005. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities such as the following:

#### Closure responsibilities:

- final cover application and vegetation
- incremental drainage control features
- completing facilities for leachate collection and monitoring
- completing facilities for water quality monitoring
- 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
- 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 \$19.1M. The Council participates in the regional waste disposal joint venture run by Transwaste Canterbury Limited through its Kate Valley landfill site. This site has been granted resource consent for 35 years from opening date which was 8 June 2005. The Council's ownership share of Transwaste Canterbury Limited is 38.9%

Landfill aftercare costs provision	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Opening balance	18,277	20,885	18,277	20,885
Additional (reduction of) provision made	3,174	(1,436)	3,174	(1,436)
Amount utilised	(2,326)	(1,172)	(2,326)	(1,172)
<b>Closing balance</b>	<b>19,125</b>	<b>18,277</b>	<b>19,125</b>	<b>18,277</b>
Non-current portion	16,862	15,343	16,862	15,343
Current portion	2,263	2,934	2,263	2,934
<b>Total</b>	<b>19,125</b>	<b>18,277</b>	<b>19,125</b>	<b>18,277</b>

**Note 20**

## Financial instruments

## a) Credit risk

Financial instruments which potentially subject Christchurch City Council and its subsidiaries to credit risk consist principally of cash and short term investments, accounts and long term receivables, and loans.

## b) Credit risk exposure

Maximum exposures to credit risk at balance date are:

	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Cash, bank and short term deposits	248,016	299,440	283,984	336,202
Accounts receivable	44,737	35,010	79,697	59,752
Loans to cultural and sporting organisations	4,445	3,922	4,445	3,922
Government and local body stock	49,993	18,943	49,993	18,943
Stocks & bonds	32,446	11,979	32,446	11,979
Other term cash investments	25,110	1,391	25,110	1,391
Sinking funds other than local body stock	7,708	6,619	7,708	6,619
Loans to subsidiary companies	57,023	44,973	-	-
Accounts payable	43,244	41,517	86,373	87,922
Term debt	112,294	92,502	493,148	398,288
Finance lease receivable	-	-	23,816	21,927

No collateral security is held for the above.

The fair value of financial instruments is as shown in the Statement of Financial Position.

## c) Off balance sheet risk

Interest rate swaps and bond forward rate transactions are employed by Council and Council subsidiaries to manage interest rate exposure. Fluctuations in interest rates give rise to market risk.

Contracts have been entered into with various counterparties, having such credit ratings and in accordance with such dollar limits as set forth by authorised policies. No collateral or other security is required to support financial instruments with credit risk. While the Group may be subject to credit losses up to the contract amounts in the event of non performance by its counterparties, it does not expect such losses to occur.

The notional principal or contract amounts outstanding at 30 June are as follows:

	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Foreign currency forward exchange contracts	-	-	3,827	-
Interest rate swaps and forward rate agreements (FRA's)	30,000	-	306,400	218,000
Interest rate caps	-	-	-	-
Interest rate options	-	-	10,000	-
Bond forward rate agreement	-	-	-	-

## Notes to financial statements

## Note 20 (continued)

## d) Concentration of credit risk

Financial instruments which potentially subject the Group to concentrations of credit risk consist principally of cash and short term investments, trade and notes receivable and various off balance sheet instruments.

The 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 its treasury policies.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers included in the subsidiaries' customer bases.

## e) Fair values

	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Foreign currency forward exchange contracts	-	-	527	-
Interest rate swaps and FRA's	(64)	-	(3,760)	(3,662)
Interest rate options	-	-	-	-
Bond forward rate agreement	-	-	-	-
(Figures in brackets are receivables)				

## Note 21

Rates remission disclosures	Parent	
	2006 Actual \$000's	2005 Actual \$000's
Sports bodies	568	717
Churches	54	88
Other social and cultural organisations	1,039	1,196
Other	73	466
<b>Total</b>	<b>1,734</b>	<b>2,467</b>

Rates remissions are expensed when granted.

**Note 22**

## Annual residents survey

Some key performance indicators are based on the Annual Survey of Residents. This was originally designed in consultation with Statistics New Zealand and was performed by National Research Bureau Limited under contract to the Christchurch City Council from 1998 to 2004 and by Opinions Market Research Limited in 2005 and 2006. Where actual results from the survey are included in the Statement of Service Performance, these are based on telephone interviews conducted with 760 Christchurch residents in March and April 2006 and have a margin of error of +/-3% at the 90% confidence level.

**Note 23**

## Related party transactions

All members of the Group are considered to be related parties of the Christchurch City Council. This includes subsidiaries, associates and joint ventures.

	2006 Actual \$000's	2005 Actual \$000's
<b>Transactions:</b>		
Interest received on loans to related parties	3,955	3,972
Interest paid on loans to related parties	4,629	4,612
Dividends paid to the Council	47,275	30,000
Issue of shares to the Council	3,700	8,450
Services provided to the Council	67,568	49,103
Services provided by the Council	1,130	1,129
Subvention payments to the Council	2,425	1,782
Rates paid to the Council	2,416	3,054
Purchase of fixed assets	558	-
Sale of fixed assets and shares	27,365	-
<b>Balances:</b>		
Accounts payable to the Council	2,700	1,389
Accounts payable by the Council	7,189	7,251
Loans to related parties	57,023	46,573
Loans from related parties	87,472	71,623
<b>Transactions between subsidiaries:</b>		
Dividends received/receivable by Christchurch City Holdings Limited	36,819	47,042
Interest received/receivable by Christchurch City Holdings Limited	326	325
Subvention payments	1,671	3,972

# Notes to financial statements

## Key management and members of the Council

The following transactions were entered into between the Council and entities in which the Councillors have an interest:

	2006 Actual \$000's
Funding to Canterbury Development Corporation	4,197
Sales to Canterbury Development Corporation - Pat Harrow and Garry Moore are directors	96
Funding to CEDF Trustee Limited - Pat Harrow and Garry Moore are directors	1,707
Grant to Theatre Royal Charitable Foundation	10
Loan repayment by Theatre Royal Charitable Foundation - Barry Corbett and Anna Crighton are directors	4
Funding to Christchurch and Canterbury Marketing Limited	1,377
Sales to Christchurch and Canterbury Marketing Limited - Anna Crighton and Norm Withers are directors	5

Councillors and key management were also involved in minor transactions with the Council such as the payment of rates and purchase of rubbish bags. Except for these transactions, the transactions listed above, and items of a trivial nature, no other Councillors or senior management have entered into related party transactions with the Group.

The following transactions were entered into between Christchurch City Holdings Limited and its directors:

- \$246,055 to Deloitte (Christchurch) for tax and consultancy services – Bruce Irvine is the managing partner of Deloitte Christchurch;
- \$36,294 to David Stock - Barrister, prior to his retirement as a director of CCHL, for legal and consultancy services.
- \$3,750 to Lane Neave for legal services – Bill Dwyer is a partner of Lane Neave.

The following transactions were entered into between Christchurch City Facilities Limited and its directors:

- \$30,718 to Simon Mortlock Partners for legal services – Simon Mortlock is a partner.
- \$39,442 to Deloitte (Christchurch) for tax and consultancy services - Bruce Irvine is the managing partner of Deloitte Christchurch.
- \$3,362 to Snowy Peak for sales and marketing services – Bruce Irvine is a director.
- \$23,463 to Marac Finance Limited – Bruce Irvine is a director.
- \$130,000 for consultancy services and \$220,242 for operating expenses to Addington Raceway– James Keegan is a director.

The following transaction was entered into between Jade Stadium Limited and one of its directors:

- \$62,730 to Deloitte (Christchurch) for tax and consultancy services - Bruce Irvine is the managing partner of Deloitte Christchurch.

## Note 24

Major budget variations - parent	
Statement of financial performance	2006
Explanations for major variations from the Council's Plan figures are as follows:	\$000's
Higher than budgeted rates income, including penalties	1,654
Higher than budgeted dividends, principally from Christchurch City Holdings Limited	17,049
Higher than budgeted interest on short-term investments	6,603
Higher than budgeted interest on special funds	2,333
Unbudgeted income from subvention receipts from subsidiary companies	2,425
Unbudgeted earnings from Transwaste Canterbury Limited	891
Sports promotion grant for Bishopdale YMCA redevelopment carried forward from prior year	(1,000)
Revenue from cash-in-lieu of reserves was greater than budget	6,655
Lower than budgeted capital revenue from streets and transport activities, due to realignment of capital projects	(1,056)
Higher than budgeted depreciation expense, primarily due to asset revaluations	(6,752)
Higher than budgeted vested asset receipts	8,826
Unbudgeted loss on sale of assets	(4,454)
Sandilands rehabilitation costs	(500)
Waste minimization levies unable to be charged due to High Court decision	(1,076)
Higher than budgeted refuse collection costs	(1,100)
Lower than budgeted internal service provider revenue	(3,618)
Higher than budgeted maintenance work on streets and footpaths	(2,698)
Other variances	(1,939)
<b>Total net surplus variance to plan</b>	<b>22,243</b>

## Statement of movements in equity

Apart from the increased unbudgeted income referred to above, there is a net increase due to the unbudgeted revaluations of fixed and infrastructural assets (\$279M) and shares of Christchurch City Holdings Limited, Christchurch City Facilities Limited, and Jade Stadium Limited (\$298M).

## Statement of financial position

The net surplus after taxation resulted in an increase in Equity of \$51M.

Net assets increased by \$687M, primarily due to:

- The increase in equity of \$51M;
- incorporation of Banks Peninsula net assets worth \$45M, and
- the revaluations of assets and shares of subsidiaries.

# Notes to financial statements

## Note 25

Financial involvement in subsidiaries and other companies or organizations

The cost to each entity for the financial interests, finance, or financial assistance of the Council is as follows:

	Dividends 2006 \$000's	Interest 2006 \$000's	Total 2006 \$000's	Total 2005 \$000's
<b>Subsidiaries:</b>				
Jet Engine Facility Limited	-	1,581	1,581	1,225
Christchurch City Holdings Limited	47,275	-	47,275	30,000
Jade Stadium Limited	-	2,373	2,373	2,746
	47,275	3,954	51,229	33,971

The financial assistance provided by Christchurch City Council to each of these organisations is through share capital and loans. It does not include any guarantee of their other borrowings.

## Note 26

Vested assets	Parent		Group	
	2006 Actual \$000's	2005 Actual \$000's	2006 Actual \$000's	2005 Actual \$000's
Restricted land and buildings	10,833	2,398	10,833	2,398
Infrastructure assets	12,993	17,142	12,993	17,142
Artworks & heritage assets	-	-	-	-
	23,826	19,540	23,826	19,540

Note 27

Consolidated 2006 Annual Plan	CCC Plan \$000's	BPDC Plan \$000's	Total Plan \$000's
<b>Operating income</b>			
Groups of activities	95,451	2,442	97,893
Rates	175,409	3,206	178,615
Dividends	30,114	226	30,340
Other	28,120	298	28,418
<b>Total operating income</b>	<b>329,094</b>	<b>6,172</b>	<b>335,266</b>
<b>Operating expenditure</b>			
Groups of activities	310,198	5,227	315,425
Other	5,961	-	5,961
<b>Total operating expenditure</b>	<b>316,159</b>	<b>5,227</b>	<b>321,386</b>
<b>Operating surplus before asset contributions</b>	<b>12,935</b>	<b>945</b>	<b>13,880</b>
Vested assets	15,000	-	15,000
<b>Operating surplus</b>	<b>27,935</b>	<b>945</b>	<b>28,880</b>
Less tax expense (benefit)	-	75	75
<b>Surplus after taxation</b>	<b>27,935</b>	<b>870</b>	<b>28,805</b>

**Note 28****Banks Peninsula financial position as at 5 March 2006**

Under a Local Government Commission Reorganization Scheme, the Banks Peninsula District was abolished and included in the area of Christchurch city. The Banks Peninsula District Council ceased operations on 5 March 2006.

The amounts below reflect the financial position of Banks Peninsula District as incorporated in Christchurch City Council Parent accounts. The values consolidated into the Group accounts differ slightly as Banks Peninsula District held shares of Orion Group Limited, which forms part of the Group for reporting purposes.

	2006 Actual \$000's
<b>Assets</b>	
<b>Current assets</b>	
Cash and short-term investments	4,632
Receivables and inventory	2,404
<b>Total current assets</b>	<b>7,036</b>
<b>Non-current assets</b>	
Investments	22,637
Fixed assets	225,926
<b>Total non-current assets</b>	<b>248,563</b>
<b>Total assets</b>	<b>255,599</b>
<b>Liabilities</b>	
Current	1,591
Non-current	8,450
<b>Total Liabilities</b>	<b>10,041</b>
<b>Equity</b>	
Ratepayers equity	99,113
Asset revaluation reserve	143,067
Special funds	3,378
<b>Total equity</b>	<b>245,558</b>
<b>Total liabilities and equity</b>	<b>255,599</b>

**Note 29****Subsequent events**

There are no known subsequent balance date events in relation to the Council or its subsidiaries that materially affect the financial statements.







# Organisation chart

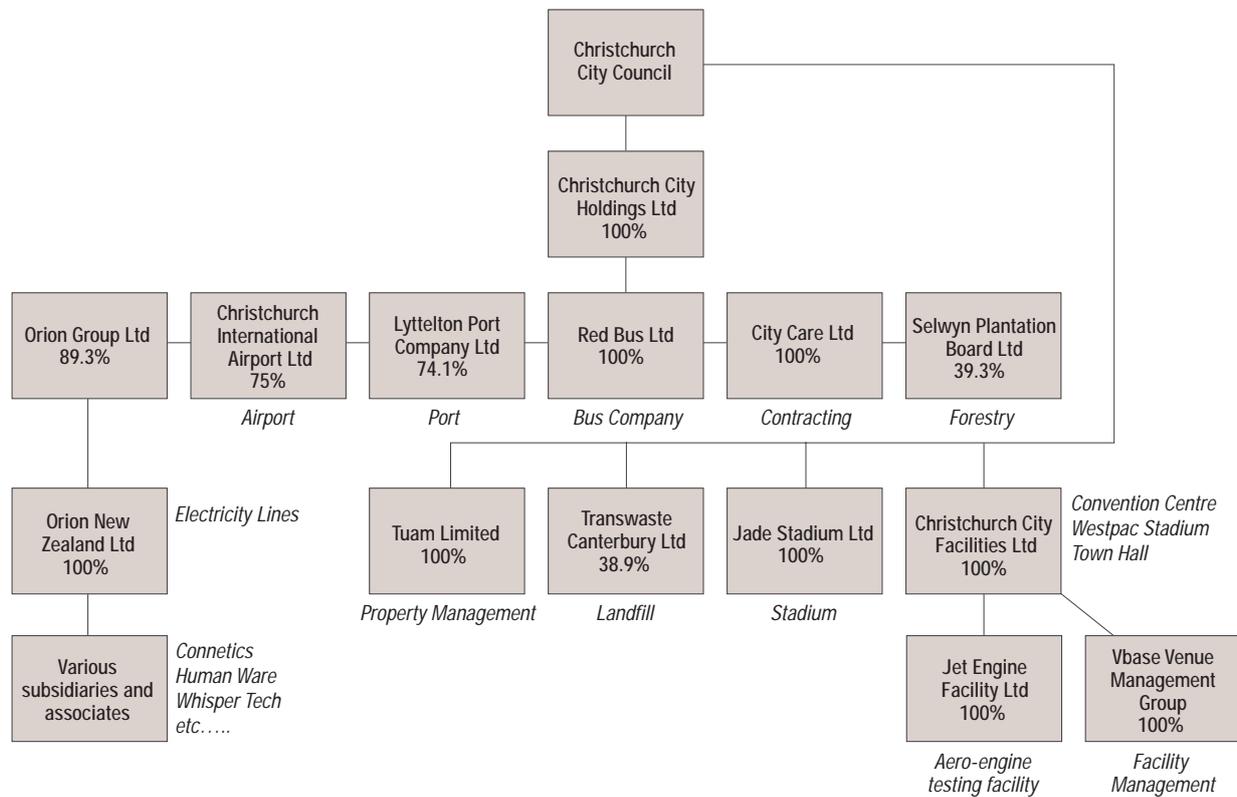
## Council-controlled organisations

The Council holds controlling stakes in a number of trading companies which form part of the city's key infrastructure, including the port and airport, electricity delivery, public transport and general city facilities such as the Convention Centre, Jade Stadium and Westpac Centre. These council-controlled trading organisations are managed for the long-term benefit of the community and aim to help ensure a healthy regional economy. Together, these companies pay over \$30 million a

year to the Council in dividends and so help reduce the Council's reliance on rates to fund its activities. Over the last 11 years, the companies have also paid to the Council some \$450 million in special dividends and capital returns.

The trading companies are run commercially, at arms' length from the Council.

Christchurch City Council Group Structure



## Summary of financial results of consolidating council-controlled organizations

	Income		Net Result After Tax and Minority Interest	
	2006 \$000's	2005 \$000's	2006 \$000's	2005 \$000's
Christchurch City Facilities Limited	14,436	15,404	(2,710)	(1,816)
Christchurch City Holdings Limited	43,013	55,578	29,558	43,277
Christchurch International Airport Limited	75,091	71,779	15,159	16,551
City Care Limited	99,303	82,286	3,353	1,525
Jade Stadium Limited	8,631	9,632	(91)	258
Lyttelton Port Company Limited	79,308	66,547	10,059	11,826
Orion Group Limited	197,999	207,724	34,131	52,309
Red Bus Limited	28,562	24,351	821	330
Selwyn Plantation Board Limited	21,512	11,618	3,708	(1,835)
Transwaste Canterbury Limited	22,375	2,091	2,354	(298)
Tuam Limited	-	-	(2)	-

## Individual organisation descriptions

### Christchurch City Facilities Limited

Christchurch City Facilities Limited was incorporated on 27 June 1997 and is 100% owned by Christchurch City Council.

Subsidiary companies

Jet Engine Facility Limited

Vbase Venue Management Group

#### Nature and scope of activities

CCFL is a property holding and operating company for certain Council-owned specialist properties or companies. Its responsibilities include:

The Westpac Trust Centre

The Christchurch Town Hall

The Christchurch Convention Centre

Jet Engine Facility Limited

#### Policies and objectives for ownership and control

The Convention Centre, Town Hall and Westpac Centre are important to the region in terms of economic development, culture and sport. The Council wishes the management of these facilities to be undertaken on a commercial and coordinated basis, and to build profitability while maintaining affordable community access. The company may also undertake other property related projects that have a commercial focus and/or a regional development impact (e.g. Jet Engine Facility Limited). Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

#### Key performance indicators

Financial	Actual	Target
Net operating profit before depreciation	\$1.6M	\$0.9M

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	14,436	15,404
Operating and other expenses	16,374	16,944
Operating deficit before tax	(1,938)	(1,540)
Tax expense (benefit)	(341)	276
Net deficit for the year	(1,597)	(1,816)



## Christchurch City Holdings Limited

This company is 100% owned by Christchurch City Council.

### Subsidiary companies

Orion Group Ltd  
 Christchurch International Airport Ltd  
 Lyttelton Port Company Ltd  
 Red Bus Ltd  
 City Care Ltd

### Associate Companies

Selwyn Plantation Board Ltd

### Nature and scope of activities

CCHL manages the Council's portfolio of shares in key regional infrastructural trading companies. Its activities include:

Advising the Council on strategic issues relating to its investments;

Monitoring the governance and performance procedures of its subsidiary companies and other council-controlled trading organisations owned by the Council.

Encouraging subsidiary companies to increase shareholder value through growth and investment.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

This company was established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its council-controlled trading organisations. CCHL also borrows in the capital markets to provide a cost-efficient source of funding for the Council.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

Financial	Actual	Target
Dividend payment	\$47.3M	\$29.1M

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	43,013	55,578
Operating and other expenses	13,398	12,318
Operating surplus before tax	29,615	43,260
Tax expense (benefit)	57	(17)
Net surplus for the year	29,558	43,277

# Individual organisation descriptions



## Christchurch International Airport Limited

A company jointly owned by Christchurch City Holdings Limited (75%) and the New Zealand Government (25%). The primary activity of the company is to own and operate Christchurch International Airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users and in accordance with the terms of the aerodrome licence which defines standards and conditions laid down by the Ministry of Transport.

### Nature and scope of activities

Christchurch International Airport Limited operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence.

The company arranges for the design, provision and maintenance of runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation of New Zealand and other airport users. It also seeks to earn revenue by providing services and facilities meeting the needs of air travellers.

In addition to its primary business of serving the aviation industry and its customers, the company promotes Christchurch, Canterbury and

the South Island as a major destination for overseas visitors.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
Dividend payment	\$9.9M	\$8.8M
<i>Aircraft</i>		
Aircraft departures excluding general aviation	38,627	42,800
<i>Passengers</i>		
Domestic	3,973,139	3,906,000
International	1,499,023	1,170,000
Total passengers	5,472,162	5,076,000

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	75,091	71,779
Operating and other expenses	52,346	47,594
Operating surplus before tax	22,745	24,185
Tax expense (benefit)	7,586	7,634
Net surplus for the year	15,159	16,551



## City Care Limited

City Care Limited is a council controlled trading organisation, 100% owned by Christchurch City Council through Christchurch City Holdings Limited.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Nature and scope of activities

City Care Limited manages, constructs and maintains infrastructure and amenity assets throughout New Zealand. The company is mainly involved in roads and associated services, underground services such as water and sewerage systems, parks and waterways services, facilities maintenance, waste management services and providing miscellaneous services such as project management and plant hire.

City Care Limited operates a profitable, sustainable and innovative business. It maintains a strong market presence in all areas of construction and maintenance of the infrastructure and amenity assets owned by its shareholder, the Council.

City Care ensures there is capacity in the market to meet the Council's emergency obligations.

### Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company is an important contractor to the Council ensuring that there is capacity in the market to meet the Council's emergency obligations.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
Operating revenues	\$99.3M	\$87.4M
Net surplus	\$3.4M	\$3.0M
Shareholders' funds to total assets	50%	40%
ISO 9000 Quality Management	Maintained	Maintained
ISO 14001 Environmental Management	Maintained	Maintained
NZS 4801 Health and Safety Management	Maintained	Maintained
ACC Tertiary Health and Safety Management	Maintained	Maintained

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	99,303	82,276
Operating and other expenses	97,763	79,951
Operating surplus before non-recurring items and taxation	1,540	2,325
Non-recurring capital gain on sale of business	2,314	-
Operating surplus before taxation	3,854	2,325
Tax expense (benefit)	501	800
Net surplus for the year	3,353	1,525

# Individual organisation descriptions



## Jade Stadium Limited

Jade Stadium Limited was formed in June 1998. It is a wholly owned subsidiary company of Christchurch City Council.

### Nature and scope of activities

This company manages the affairs of Jade Stadium. This venue has a fully-seated capacity of 36,000 and a wide range of world-class hospitality facilities. Its activities include active promotion of the stadium as well as its operation and maintenance.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
Exceed 500,000 visitors per annum.	414,050	500,000
Attract at least one high profile, profitable sporting fixture per annum.	1	1
Ensure a regular season National Rugby League fixture appears on the calendar of events.	1	1
Host one international class concert every two years.	Not achieved	1
Host one sporting, entertainment or cultural event on average every 2.5 days.	Achieved	Achieved

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	8,631	9,632
Operating and other expenses	8,652	9,369
Operating surplus (deficit) before tax	(21)	263
Tax expense (benefit)	70	5
Net surplus (deficit) for the year	(91)	258



## Lyttelton Port Company Limited

This company was established under the Port Companies Act 1988 and operates the Port of Lyttelton. Through Christchurch City Holdings Limited, the Christchurch City Council has 74.1% control. However, it should be noted the company is not a council controlled organisation within the meaning of the Local Government Act 2002.

### Nature and scope of activities

This company provides the land, facilities, plant and labour for receiving, delivering, stockpiling, stacking and shipping a wide range of products at the port in Lyttelton Harbour. Its activities also include providing facilities associated with the repair and servicing of vessels.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
International containers - import (TEUs)	95,717	79,300
International containers - export (TEUs)	85,404	73,000
Fuel - import (tonnes)	1,104,500	1,017,600
Coal - export (tonnes)	2,505,100	2,294,600
Cars - import (units)	44,300	48,500
Other cargo - import (tonnes)	1,027,600	989,600
Other cargo - export (tonnes)	302,200	577,900

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	79,308	66,547
Operating and other expenses	63,287	48,499
Operating surplus before tax	16,021	18,048
Tax expense (benefit)	5,962	6,222
Net surplus for the year	10,059	11,826

# Individual organisation descriptions



## Orion Group Limited

Orion Group Limited is an energy network management company in which the Christchurch City Council has an 89.3% shareholding through Christchurch City Holdings Limited.

The network's capacity is matched as closely as possible to actual and forecast market demand for electricity.

Orion's network consists of approximately 175,000 connections, 12,000 km of lines and cables, and 9,500 distribution substations and pole-mounted transformers.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

## Subsidiary companies

Connetics Ltd  
Orion New Zealand Ltd  
Orion NZ Ventures Ltd  
Orion (Whisper Tech) Ltd  
WhisperGen Ltd  
WhisperGen (U.K.) Ltd  
WhisperTech JV

## Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

## Associate companies

Energetics Pty Ltd  
4rf Communications Ltd  
WhisperTech Ltd

## Nature and scope of activities

Orion plans, constructs and maintains a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region.

## Key performance indicators

	Actual	Target
Duration of supply interruptions in minutes per year per connected customer (SAIDI)	64	<67
Number of supply interruptions per year per connected customer (SAIFI)	1	<0.9

## Statement of Financial Performance for the year ended 31 March 2006

	2006 Group Actual \$000's	2005 Group Actual \$000's
Operating revenue	197,999	207,724
Operating and other expenses	143,443	133,920
Operating surplus before tax	54,556	73,804
Tax expense (benefit)	20,425	21,495
Net surplus for the year	34,131	52,309



## Red Bus Limited

This company is a council controlled trading enterprise, 100% owned by Christchurch City Holdings Limited. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

### Subsidiary company

CTL Properties Limited

### Nature and scope of activities

Red Bus Limited provides scheduled urban public passenger transport services in Christchurch. It also operates bus charter and leasing services.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
Carry 10,000,000 passengers per annum.	12,000,000	10,000,000
Operate over 50% of the current fleet with engines complying to Euro-2 emissions standards or better, with all new buses meeting Euro-111 emission standards or better.	Achieved	Achieved

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Group Actual \$000's	2005 Group Actual \$000's
Operating revenue	28,562	24,351
Operating and other expenses	27,276	23,794
Operating surplus before tax	1,286	557
Tax expense (benefit)	465	227
Net surplus for the year	821	330

# Individual organisation descriptions



## Selwyn Plantation Board Limited

This company is engaged in forestry related activities, and is jointly owned by Selwyn District Council (60.7%) and Christchurch City Holdings Limited (39.3%). Land area is 14,058HA, of which 10,177HA is stocked.

### Nature and scope of activities

The core business of the company is to manage its forests and lands on a commercial basis using environmentally and commercially sustainable methods.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

### Policies and objectives for ownership and control

The City Council has a minority interest in this company and holds it for investment purposes. It does not regard it as a strategic asset.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

### Key performance indicators

	Actual	Target
Harvesting (tonnes)	267,445	176,000
Replanting (hectares)	15	75
New planting (hectares)	14	250
Pruning/thinning (hectares)	210	185

### Statement of Financial Performance for the year ended 31 March 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	21,512	11,618
Operating and other expenses	11,301	8,396
Operating surplus before tax	10,211	3,222
Forest revaluation decrement	6,383	4,585
Tax expense (benefit)	120	472
Net surplus (deficit) for the year	3,708	(1,835)



### Transwaste Canterbury Limited

Transwaste Canterbury Limited was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened on 8 June 2005. The company is a joint venture between local authorities in the region and two private companies. The Council's share of the ownership of the company is 38.9%.

economically and efficiently, and in compliance with relevant consents.

Transwaste will invest in alternatives to landfills for solid waste disposal should these alternatives be more environmentally sustainable and cost effective.

#### 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.

#### Policies and objectives for ownership and control

The City Council has a policy of maintaining a controlling interest in partnership with other local authorities in this trading activity as it is critical that it is managed to achieve not only commercial requirements, but also to achieve wider social and economic objectives.

The company enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done

#### Key performance indicators

	Actual	Target
Operate the landfill with no breach of its Resource Management Act consents.	Achieved	Achieved

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	22,375	2,091
Operating and other expenses	20,021	2,389
Operating surplus (deficit) before tax	2,354	(298)
Tax expense (benefit)	-	-
Net surplus (deficit) for the year	2,354	(298)

## Individual organisation descriptions

### Tuam Limited (previously Travis Finance Limited)

This company is a council controlled trading enterprise, 100% owned by Christchurch City Council. After being dormant for several years, it was reactivated in June 2006. On 28 June 2006, the company changed its name to Tuam Limited, and on 30 June 2006 the company purchased the Civic offices and associated property from the Council. Tuam Limited will lease the Civic offices to the Council.

#### Nature and scope of activities

- To own and manage the existing Civic building and related Tuam Street properties, and lease them to the Council, and
- To construct, own and lease the proposed new civic building to the Council.

#### Policies and objectives for ownership and control

This company owns former Council property that the Council wants managed on a commercial and co-ordinated basis. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

#### Key performance indicators

	Actual	Target
Ratio of shareholders' funds to total assets	3.2%	3.4%
Complete the purchase of the Tuam Street properties from Christchurch City Council and enter into an agreement to lease with the Council.	Achieved	Achieved

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	-	-
Operating and other expenses	2	1
Operating deficit before tax	(2)	(1)
Tax expense (benefit)	-	(1)
Net surplus (deficit) for the year	(2)	-



## Central Plains Water Trust

The Central Plains Water Trust was established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of Central Canterbury's water resource.

It continues the work of the Central Plains Water Enhancement Steering Committee to develop proposals for a large scale community water enhancement scheme providing water for irrigation between the Rakaia and the Waimakariri Rivers.

Trustees of the Central Plains Water Trust were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngai Tahu.

### Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme, and to hold these consents for the use of Central Plains Water Limited.

### Policies and objectives for 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, through its involvement with the Trust, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

### Key performance indicators

	Actual	Target
Obtain resource consents for water use and irrigation by 2009.	In progress	Achieved

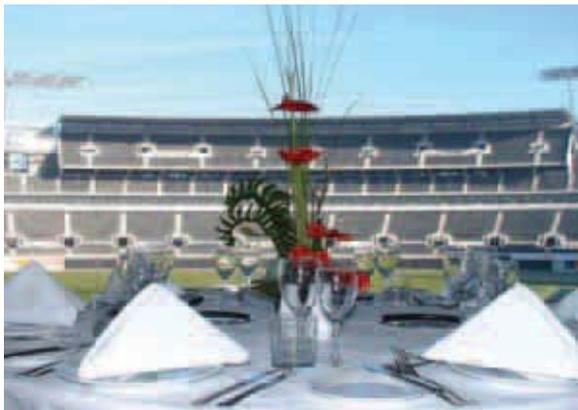
# Individual organisation descriptions



City Care Limited



Orion Group Limited



Jade Stadium Limited



Red Bus Limited



Selwyn Plantation Board Limited



Central Plains Water Trust







## *The capital endowment fund*

### The Capital Endowment Fund

The Council established this fund to provide an ongoing income stream to be used for economic development, and civic and community projects. The objectives and policies set for it are detailed on page 50 in Volume 3 of the Council's 2004/14 LTCCP.

The Investment Objectives were met. This was achieved by minimising the risk of capital loss by retaining all funds in cash investments due to the volatility of the world's equity markets. This approach was consistent with eight of the ten Investment Objectives.



## Capital Endowment Fund - Funding Allocations

	2006	2005
	Actual \$000's	Actual \$000's
Total available income from fund	3,039	3,289
Economic Development 70%	2,127	2,302
Brought forward from previous year	494	1,140
<b>Available to allocate</b>	<b>2,621</b>	<b>3,442</b>
Less allocated:		
Unspecified Economic Development Projects	(2,035)	(1,708)
CDC - New economic development initiatives	(100)	(100)
Prior year residual funding paid	-	(1,140)
<b>Balance available for Economic Development Projects</b>	<b>486</b>	<b>494</b>
Civic and Community 30%	912	987
Brought forward from previous year	793	593
<b>Available to allocate</b>	<b>1,705</b>	<b>1,580</b>
Less allocated:		
Special Character Area Precinct Upgrade	-	(5)
City Heritage Policy	-	(50)
CHCH School of Gymnastics	(350)	-
Te Papanui Trust	(250)	-
Canterbury Museum Trust Board Building & Development Project	(732)	(732)
<b>Balance available for Civic and Community Projects</b>	<b>373</b>	<b>793</b>
<b>Total cash carried forward</b>	<b>859</b>	<b>1,287</b>

# The capital endowment fund

## Fund Capital

	2006	2005
	Actual \$000's	Actual \$000's
Fund capital at 1 July		
Core fund	77,583	75,353
Fluctuation reserve	3,500	3,500
Unallocated income	1,287	1,733
<b>Total fund balance at 1 July</b>	<b>82,370</b>	<b>80,586</b>
During the year:		
Total income received by the fund	6,258	5,557
Less distributed	(3,480)	(3,773)
Less transferred to capital for inflation provision	(3,206)	(2,230)
<b>Balance to unallocated income</b>	<b>(428)</b>	<b>(446)</b>
Allocation from Council's special dividends received	-	-
Fund capital at 30 June		
Core fund	80,789	77,583
Fluctuation reserve	3,500	3,500
Unallocated income	859	1,287
<b>Total fund balance at 30 June</b>	<b>85,148</b>	<b>82,370</b>



## Maori Involvement in Decision-Making

As part of its Strategic Objectives, Council recognizes an obligation to take into account the principles of the provisions of the Local Government Act 2002 to recognize and provide for the special relationship between and with Maori, their culture, traditions, land and taonga.

Specific interaction and consultation during the last year is detailed below:

- Representatives of Council attended a hui on the Events Strategy, to assist achievement of Maori goals in the events area.
- Council contacted Te Runanga o Ngāi Tahu and all affiliated runanga in the Christchurch area. We also contacted nga maata waka, as well as smaller iwi who may not be represented by nga maata waka. All were offered meetings with senior staff to discuss the 2006-16 LTCCP; documents were sent to each party.
- At a governance level, meetings were held with Te Runanga o Ngāi Tahu to progress the development of the relationship between Maori and Council.

Council continues to develop ways to provide opportunities for Maori to contribute to the decision-making processes of the Council, and to improve communication with local Runanga.



The Cambridge Green Public Artwork or Pou were recently awarded a Judges Citation from the 2006 Creative Places Awards. The judges were impressed with the consultation with Runanga and the wider community to create "a public artwork to commemorate a site's historical significance and venerate the heritage of local Maori."

# *Maori involvement in decision-making*



## Interests Register

Listed below are the trading enterprises which the Council has an interest in, together with the directors of the trading enterprises.

### Christchurch City Facilities Limited (100% owned)

Bruce Irvine (Chair)	David Cox (Cr)
Christopher Doig	Dominique Dowding
Hanlin Johnstone	Jim Keegan #
Simon Mortlock	

### Jade Stadium Limited (100% owned)

Bruce Irvine (Chair)	David Cox (Cr)
Christopher Doig	Dominique Dowding
Hanlin Johnstone	Jim Keegan #
Simon Mortlock	

### Christchurch City Holdings Limited (100% owned)

Paddy Austin (Chair)	Craig Boyce
Graham Condon (Cr)	Barry Corbett (Cr)
William Dwyer ##	Bruce Irvine
Garry Moore (Mayor)	David Stock*
Sue Wells (Cr)	

### Lyttelton Port Company Limited (74.1% owned)

Barney Sundstrum (Chair)	Rodger Fisher
Alan Grant	Bill Luff
Sue McCormack	Donald Stewart

### Christchurch International Airport Limited (75% owned)

Syd Bradley (Chair)	Jim Boulton
Phillip Carter	Hanlin Johnstone
Denis O'Rourke	Sue Sheldon

### Orion Group Limited (89.3% owned)

Linda Constable (Chair)	Craig Boyce
John Dobson	Don Elder
George Gould	Peter Rae
Gail Sheriff (Cr)	

### City Care Limited (100% owned)

David Spence (Chair)	Derek Crombie
Tony King	Richard Lauder ***
Hugh Martyn	Trevor Thornton

### Red Bus Limited (100% owned)

Peter Rae (Chair)	Gregory Campbell **
Evan Frew	Barry McFedries
Ross McRobie	Christine Williams

# Interests register

## Selwyn Plantation Board Limited (39.3% owned)

Doug Marsh (Chair)	Allan Berge
Ian Boyd	Peter Coakley
Graham Heenan	

## Tuam Limited (100% owned)

(name changed from Travis Finance Limited, 28 June 2006)

Roy Baker ++	Bob Lineham
Mark Russell +	Peter Taylor +

### Key

*	Resigned	23 November 2005
#	Appointed	23 February 2006
**	Resigned	25 October 2005
##	Appointed	23 November 2005
***	Resigned	23 September 2005
+	Resigned	20 October 2005
~	Appointed	26 October 2005
++	Appointed	20 October 2005

## Transwaste Canterbury Limited (38.9% owned)

Denis O'Rourke (Cr) Chair	Paul Bishop
R J Brine	Kenneth Bugden
Gerald Clemens	Gill Cox
Kimmit Ellis	Jim Fulton
Ray Harris	Malcolm Hope
Guy Pierce ~	









## Appendix: Details of Key Performance Indicators

### Art gallery, museum and Our City

Art Gallery Commercial		Actual	Target
A range of commercial services which support the operation of the Art Gallery.	The following services will be available during the Gallery's opening hours: A café (Alchemy), a commercial gallery for the sale of decorative arts (Form Gallery) and car parking facilities.	100%	100%
Hours that the services are available to the public.	Open 7 days a week from at least 10 am to 5 pm, closed Christmas Day.	100%	100%
Public Programme at the Gallery		Actual	Target
A broad range of public exhibitions and programmes is offered.	The Gallery is in the top five attractions for Christchurch residents to take visitors.	7th	1st-5th
	Work by Canterbury artists is always on display.	100%	100%
	International exhibitions are held.	3	1
The Gallery provides art education and appreciation courses for children that are relevant to their school curricula.	School groups per year taking a course at the Gallery.	356	300
Maintaining and Improving the Collection		Actual	Target
The collection is conserved as resources permit. A plan is prepared each year based on the resources available.	Conservation plan targets are met.	100%	100%
Advice to the public is available on request.	All enquiries are followed up as soon as practicable.	100%	100%
Art in Public Places is conserved.	The targets in the Art in Public Places Conservation Plan are met.	100%	100%
Contributes to a sense of belonging to Christchurch.	Christchurch is identified as a great city to live, work and play by more than 95% of the respondents to the annual residents survey.	97%	95%

Art gallery, museum and Our City (continued)

Canterbury Museum		Actual	Target
To welcome the people of Canterbury Waitaha and our visitors to explore the diversity of the natural world and our cultural heritage; to make this a fun experience.	Develop, deliver and evaluate 20 special exhibitions.	20	20
	Deliver Public Programmes to 10,000 people.	19,085	10,000
	Deliver curriculum-based programmes to school children.	22,265	30,000
	Answer written, telephone and email enquiries.	18,856	24,500
	Open seven days a week from at least 9 am to 5 pm, closed Christmas Day.	363	364
To provide an attraction which assists the growth of regional tourism.	Increase door donations.	\$133,209	\$150,000
To properly care for more than 2.1 million heritage collection items held in trust for the people of Canterbury.	Acquire new objects for the permanent collection.	17,044	3,450
	Complete full verified documentation for all objects acquired in previous year.	3,932	3,356
	Document a further 75,000 of the two million objects acquired prior to June 2001.	127,874	75,000
	Verify accuracy of a further 75,000 electronic records for objects catalogued or accessioned prior to June 2001.	26,678	20,000
"Our City"		Actual	Target
Municipal Chambers and Provincial Council Buildings are used, while heritage values are protected.	Occupancy rates for the year.	71%	95%
Disseminate information to ratepayers, about current issues affecting the city, the Council and the environment.	Open on average at least 34 hours per week.	33 hrs	34 hrs
	Increase ratio of local residents visiting Our City.	69%	50%
	Exhibits change throughout the year.	Yes	Yes

City development

City Monitoring and Research		Actual	Target
Community Outcome Monitoring report of the LTCCP to be prepared for 2006/07.	Trend monitoring progressed in preparation for the 3 yearly LTCCP report.	On-going	Prepared for 2006/07
Supply information and analysis on trends and issues on the social environment in the city.	Website is updated with current data regularly. Requests for information from staff, elected members, government agencies and the general public are responded to within 3 working days.	100%	100%
City Plan Urban Renewal and Area Plans		Actual	Target
To promote ongoing improvements to the Proposed Plan which enhance environmental outcomes and sustainable development through the management of the city's natural and physical resources.	Address items on the defined programme of proposed variations and changes.	On Going	
Provide advice to applicants for resource consents and planners on design and layout of new buildings and sites, landscaping, signage and subdivision design, including advice for proposed changes to the City Plan.	Advice to resource consent applicants and planners provided within 10 working days.	Not Measured	90%
Prepare and implement neighbourhood and other plans for older parts of the city to renew and enhance the neighbourhood environment, and strengthen the local community.	Continue preparing and implementing community renewal plans.	3 under implementation 5 under design & consultation	
Heritage Protection		Actual	Target
Provide advice on heritage conservation issues to applicants for resource consents and planners, and advice on heritage issues for proposed changes to the City Plan.	Heritage advice is provided within 10 working days for Resource Consent processing.	Not measured	100%
Promote and advocate for heritage conservation, including facilitating conservation covenants and providing guidelines and articles.	Advocate for heritage conservation in resource consent applications and by negotiation.	On going	
	Buildings, places and objects receiving a covenant.	No longer applicable	3
	Buildings, places and objects receiving an agreement.	1	7
	Residents' satisfaction with recognition and support for heritage.	68%	70%
Maintaining our heritage stock.	Allocated discretionary grant funding is committed for the financial year.	100%	100%

City development (continued)

Policy Development		Actual	Target
Provide advice regarding the development of bylaws and other formal policies.	Policy and bylaw reports meet committee deadlines and LGA quality standards.	100%	100%
Prepare submissions on behalf of the Council to external agencies, on issues and legislation affecting the city.	Submissions on issues and legislation affecting the city are prepared by closing deadlines.	100%	100%
Provide evidence-based policy advice on social issues.	Reports on social issues meet committee deadlines and LGA quality standards.	100%	100%
Develop collaborative partnerships with other agencies which contribute to the quality of life of the people of Christchurch.	Relationship agreements developed between Council and other agencies regarding the identification of Community Outcomes.	Achieved Working with 7 partners	31/03/2005
Supporting the City Centre		Actual	Target
Carry out projects in the central city that aim to encourage people to return, enjoy and spend time in the heart of the city.	Projects to be progressed or completed include the Turners and Growers site, Poplar and Ash Streets, and greening of the central city.	On going	
	Increase in hourly pedestrian counts on main streets in central city.	Survey due 10/2006	5%
Promoting the central city as a place to be, including advocating on behalf of businesses and enterprises that are located there.	Provide promotional displays and contact points, support the Central City Mayoral Forum, and promote living in the central city to residents.	On going	
	Additional "A" grade commercial floor space, 10,000 square metres by 2010.	Awaiting Census Information	
	Number of people living in the city centre to be 10,000 by 2010.	Awaiting Census Information	8,000
	Central city businesses who have confidence in the future of business in the central city (baseline level of confidence to be established).	68%	68%
Sustainability and Environmental Protection		Actual	Target
Provide advice on sustainable development to elected members and business units.	Sustainable development advice provided on issues as required.	On going	
Develop pilot programmes in collaboration with business units to assist members of the community to adopt sustainable practices.	Pilot sustainable development programmes developed as opportunities allow.	Not measured	

Community services

Civil Defence and Rural Fire Fighting		Actual	Target
Provide a ready response with trained personnel to all rural fires in the defined rural area of the City, and ensure the public are aware of fire restrictions and bans.	Have trained personnel available for fire fighting in accordance with the abovementioned standard.	76 people	65 people
	Fire restriction/ban notices are advertised by critical dates as determined by the severity of the fire season.	100%	100%
Personnel and services are available to respond to civil emergencies caused by natural and other disasters.	Civil defence training is undertaken as per the annual training programme referred to in the agreement in place with Environment Canterbury. Targets:		
	A minimum of two Christchurch City Civil Defence Rescue Teams obtain Registered Responder status.	3	2+
	A minimum of 100 volunteers are trained to the CD responder level.	160	100+
	Christchurch residents know to look in the telephone book for information during a Civil Defence emergency.	54%	50%
Community Halls and Conveniences		Actual	Target
Community halls and cottages provide a valuable resource for the creation of local communities of interest, as meeting places and for passive and physical leisure.	Increase in the number of groups regularly using the Council's Community halls and cottages.	Not Measured	5%
	Community halls and cottages achieve 60% occupancy.	Not Measured	75%
Community Recreation		Actual	Target
Facilitate and promote community based art experiences for Christchurch residents, which reflect and celebrate local communities in the city.	Community arts projects or events in local communities delivered.	4	4
Support community-based Maori and Polynesian arts experiences for Christchurch residents, which reflect and celebrate the contribution these cultures make to our city.	Work with Maori community arts groups to develop business, marketing and funding skills.	6	6+
Assist local recreation/community groups to deliver programmes and activities, which reflect their local community.	Local recreation/community groups are assisted to deliver recreation programmes which reflect their local community.	8	6
To work with the community to provide healthy, accessible and enjoyable leisure opportunities and encourage greater levels of participation in leisure.	Residents satisfied with value for money through rates on supporting sport and recreation.	71%	70%
	Number of participants in leisure partnership programmes.	48,911	40,000
	Residents' satisfaction with opportunities for participating in recreation and leisure.	91%	93%

Community services (continued)

Community Support for Individuals and Groups		Actual	Target
Staff are available to assist community groups, individuals and agencies to participate in the social development of their communities.	Residents' rating their communities as strong and thriving.	65%	65%
The Children's and Youth Advocacy Team clearly articulate the needs of children and youth to the Council and provide a point of consultation on children and youth issues.	Work with other Council units to ensure that children's and youths' points of view are taken into account when planning and implementing projects.	Achieved	
To impact positively upon the safety, welfare and well-being of young people, children/tamariki and their families/whanau.	Children's and Youth Advocacy Team will complete children and youth related projects designed in accordance with the Council's Children's and Youth Policies.	20	15
To co-convene the Christchurch Housing Forum and the Refugee and New Migrant Forum.	Co-convene meetings for the Christchurch Housing Forum and the Refugee and New Migrant Forum.	4	6
Seek to supplement the capabilities and resources of community groups and structures.	Community groups are significantly assisted to build capabilities, resources and structures.	40	40
To provide information and advice on social development issues to elected members and Council staff.	Provide information and advice on metropolitan community issues to at least four Council projects or working parties.	Achieved	4
Early Learning Centres & Creches		Actual	Target
The Council provides three early learning centres.	Three early learning centres operate between the hours of 8.30 am and 4.30 pm for at least 48 weeks per year.	100%	100%
Events & Festivals		Actual	Target
To work with the Cathedral Square Stakeholders Group to develop a programme of activities events in the Square.	Activities occur in the Cathedral Square at least weekly.	100%	100%
	A calendar of events, festivals and entertainment activities being held in Christchurch is collated and promoted.	100%	100%
Provide funds for and monitor the production of all core funded events.	A formal funding agreement signed and managed for each core-funded festival/event.	100%	100%
General Information Services		Actual	Target
Provide general information about the community and the Council in response to walk-in, telephone and electronic customer enquiries.	Customers surveyed are satisfied with the enquiry services provided.	89%	85%
Grants for Community Projects and Activities		Actual	Target
Residents surveyed feel part of their respective communities.	Residents surveyed feel part of their respective communities.	68%	65%

Community services (continued)

Pools and Leisure Centres		Actual	Target
Safe, healthy and pleasant environment provided.	Maintenance of pool facilities and treatment of water to ensure 100% compliance with the New Zealand Standard 5826 Pool Water Quality.	100%	100%
Provide a range of aquatic services including lap pools, recreation pools, learner pools and paddling pools.	Outdoor pools are available during the summer months. Five indoor pools are available from 7am to 9pm every day except Christmas and for planned maintenance.	100%	100%
	Users' overall satisfaction levels for leisure facilities to be at least 5.9 on the CERM customer survey.	6	5.9
Providing swimming pools that are value for money.	Residents' satisfaction that the rates money spent on swimming pools represents value for money.	70%	75%
	The cost of a swim that must be met from rates (averaged across all pools).	\$2.92	\$3.05
Pools are available for a range of activities from leisure through to serious training.	Residents surveyed have visited a Council pool in the last year.	58%	50%
Road Safety Promotion		Actual	Target
Carry out road safety education and promotion programmes based on priority areas in the Road Safety Strategy, as determined by the Road Safety Coordinating Committee.	Road safety education and promotion projects completed.	100%	100%
Conduct the Cycle Safe Programme for Year 6 students.	Year 6 students completing the Cycle Safe Programme each year.		
	Schools:	81	70
	Students:	3,445	3,300
Social Housing		Actual	Target
A reasonable standard of accommodation is provided for people on low incomes who qualify.	Housing tenants' overall level of satisfaction.	Not Measured	80%
	Full compliance with building safety and service specifications.	Achieved	100%
A reasonable number of rental units is available.	Percentage of the Christchurch rental housing stock supplied by the Council.	>7%	>7%
Tenants' abilities to live independently are reviewed periodically.	Housing tenants are visited formally at least yearly.	100%	100%
Tenants are treated fairly in terms of the Residential Tenancies Act.	Service requests are actioned within set timeframes, as defined in the Facilities Maintenance Management contract.	95%	95%
	Housing tenants lodging claims against the Council.	<1%	<1%
	Penalties or fines levied against the Council.	Nil	Nil

## Community services (continued)

Sports Support and Promotion		Actual	Target
Promote Christchurch as a national and international sports destination for future events and activities.	Host international sports events/activities in Christchurch.	7	6
	Host national sports events/activities.	15	10
Assist sports associations and clubs with the development of sport in the city, through the efficient management, distribution and promotion of resources.	Pre-season promotion of Canterbury summer and winter sports associations and clubs information is published twice per year.	100%	100%
Generally promote sport and recreation in Christchurch.	Residents satisfaction that the rates money spend on supporting sport and recreation represents value for money.	71%	65%
Stadia and Sporting Facilities		Actual	Target
Provide stadia and facilities for a range of organised sports to lease. These include softball, basketball, soccer, rugby league, hockey, rugby union and others.	The Council complies with the terms of its leases, including maintaining the facilities' warrants of fitness.	100%	100%
Residents are satisfied with value for rates money spent on stadia.	Residents agree the rates money spend on stadia and sporting facilities represents value for money.	74%	68%

## Democracy and governance

Elected Member Representation		Actual	Target
The public are able to participate in decision making processes.	The people of Christchurch are satisfied with the way the Council involves the public in the decisions it makes.	45%	65%
Decisions are taken in the best interests of the city.	The people of Christchurch are satisfied that the Council makes decisions in the best interests of the city.	49%	75%
Elected Member Projects		Actual	Target
Details of projects to be funded by Community Boards for 2005-06 are shown in Volume1 of the LTCCP.	The performance of the activities supported will be reported with those activities.	Achieved	Reports provided to Boards at year end
Media Relations and External Communications		Actual	Target
Newsletters and other material are provided to the public throughout the year.	Community newsletters (City Scene) published during the year.	10	10
	Percentage of residents who read the Council newsletter, City Scene.	35%	35%
	Increase in page views to the www.ccc.govt.nz web site.	23%	20%
Enquiries from the media receive prompt attention.	All enquiries from the media receive a response within 24 hours.	100%	100%
Supporting Elected Member Decision Making		Actual	Target
To provide leadership in policy advice and support to elected members to enable Council to meet its Statutory obligations and comply with the provisions of the Local Government Information and Meetings Act.	Council meetings are notified to the public at least 10 working days prior to the meeting.	100%	100%
	Supplementary agenda items are available from the Council Office at least one working day prior to each meeting.	100%	100%

Economic development

City Promotion & International Relations		Actual	Target
Promote Christchurch as a good place to live, work, visit and do business.	Suitable Christchurch city promotional material is produced and distributed.	Achieved	
Convention & Entertainment Venues		Actual	Target
Venues are available to provide our people with a wide variety of performances and events.	Increase in Christchurch residents who have attended a performance or event at the Town Hall, Convention, or Westpac Trust Centre.	-41%	2%
Visitors are attracted to the city.	Increase in the number of delegate days at the Convention Centre.	51%	2%
Economic Development		Actual	Target
Mentor support is provided to small and medium enterprises to help them develop their management capability.	Matches between mentor and small enterprises per annum.	510	500
	Enterprises in the mentor programme are satisfied with their mentors.	80%	80%
Increase the number of new business start-ups and assist new businesses through their early growth.	Participants are satisfied with the business start-up programme.	99%	90%
Provide SMEs and Investors with a forum to source and invest equity capital.	An active investor network is operating with a minimum of 3 presentation meetings per year.	1	3
Work with key regional stakeholders to research and develop major economic initiatives of benefit to Canterbury.	At any time be actively researching, developing and delivering on at least 3 major economic development projects.	5	3
Build relations and promote increased trade between Christchurch and international markets; particularly in research, science and technology.	Companies report improved trade as a result of involvement in trade missions.	9	5
	Significant new trade, investment or research and development opportunities are identified.	3	2
Assist organizations and enterprises to secure funding to allow them to make a contribution to the Christchurch and Canterbury economies.	Organisations which receive funds achieve the objectives for which the grants were given.	Not measured	100%
Facilitate interaction between the science and research community and the business sector.	On going involvement with human-computer interface laboratory and Ultralab research activities.	On going	
	Work with Universities, CRIs and Industry to develop and manage a Centre of Excellence for the commercialisation of Research Science and Technology.	On going	

## Economic development (continued)

Employment Services		Actual	Target
To assist community groups achieve sustainable development through a range of business support services.	Community groups receiving Community Grow assistance for employment related projects.	15	15
Implement a range of workforce development initiatives that address the supply and demand for skills and talent.	Young persons achieve part- or full-time work placements.	1226	700
	Young persons access further education and training opportunities.	1126	500
	Initiatives implemented that support workforce capability in line with economic development objectives.	5	4
CDC contributes to the creation of new apprenticeship positions.	Apprenticeships created by CDC.	Replaced by other initiatives	100
CDC runs or facilitates a series of successful Careers Promotion events each year.	Career promotion events held.	4	3
	Participants' satisfaction with career promotion events.	100%	80%
Visitor Promotions		Actual	Target
Coordinate and lead the marketing of Christchurch / Canterbury with a focus on sustainable growth of visitor numbers.	National growth rates for visitor numbers (target 110%).	Results not available yet	110%
	Airlines increase their capacity into Christchurch.	Results not available yet	
Provide advice and information to visitors through the i- SITE Visitor Information Centre and the organisation's Marketing and Sales Department.	Visitor Centre is open for all but one day of the year.	100%	100%
Promote Christchurch and Canterbury as the best value New Zealand destinations for conventions, incentive travel, meetings and exhibitions.	Delegate-day numbers increase.	Results not available yet	5%
Increase the impact of international visitors on the Christchurch economy.	Increase in Christchurch visitor numbers, visitor-nights, visitor spending - at least matches the national average increase.	Results not available yet	

Library services

Building Skills for Lifelong Learning		Actual	Target
Provide programmes in libraries and in the community, which support learning and literacy.	Hours used by school visits - South Learning Centre.	1,463	1,000
	Participation in programmes.	70,110	40,000
Collections & Materials		Actual	Target
A wide range of materials is available for borrowing.	Patrons are satisfied with the range of materials available.	93%	85%
	A collection will be provided in languages other than English where there are 1000 residents or more who speak that language.	100%	100%
Heritage collections are preserved for the benefit of present and future citizens.	Items per year are added to the Heritage collection of 63,000 items.	2,223	3,000
Lending Services		Actual	Target
Collections are provided for shared use.	Turnover of the collections.	6	5
	Issues per capita.	17	17
Adequate staff and self issue machines for issuing items.	Customers satisfied with time taken to issue an item.	93%	95%
Materials are made available within a reasonable time.	Borrowers who use the service are satisfied with waiting times for a reserved book or an interloan.	95%	75%
On-line Access to Information		Actual	Target
Public access is provided to electronic content and databases.	Increase per annum in visitor sessions via the Internet.	10%	10%
	There are enough public access computers in the libraries (target: 1 per 1,625 population).	1:1,245	1:1,625
	Customers are satisfied with ease of finding electronic information.	94%	90%
Places for Reading Listening and Viewing		Actual	Target
Libraries are open a range of hours convenient to customers.	The range of opening hours for the 14 libraries cover between 9am and 9pm on weekdays and 10am to 4pm on weekends (closed on public holidays).	100%	100%
Adequate space is provided for people to read, relax and study.	Visits per capita.	10	10
	Customer satisfaction with facilities provided.	94%	90%
Services to Enquirers		Actual	Target
Commercial information service tailored to business clients' needs.	Customers are satisfied with quality and timeliness of commercial information.	Survey not done for 2005/2006	95%
Persons seeking information are able to obtain what they are looking for.	Customers are satisfied with the help available when seeking information.	90%	90%

## Parks and open spaces

Heritage Parks		Actual	Target
The Christchurch Botanic Gardens plant collections are preserved and displayed for education and scientific purposes. The grounds provide a pleasant environment for passive recreational use.	Residents have visited the Botanic Gardens in the last 12 months.	75%	85%
Provide 39 Garden Heritage Parks that are maintained to a premium standard and contribute to the Garden City image.	Turf in the parks is maintained to a premium contract standard (40 mm maximum height). Garden areas are maintained so that weeds do not detract from the appearance, with no weeds greater than 50 mm.	100%	100%
Provide spring and summer floral bedding displays in prominent areas throughout the city.	Two displays per year in 149 plots, with a total of 212,000 plants.	100%	100%
	Residents' satisfaction with the spring and summer floral bedding displays throughout the city.	90%	80%
The city's fountains, clocks, statues, and sculptures are maintained to preserve their heritage and artistic values.	At least two heritage items have major renovation work carried out per year.	2	2+
	Other fountains, clocks, statues, sculptures maintained to contract levels.	100%	100%
Landscaping the Transportation Network		Actual	Target
Street landscapes contribute to the character and form of the city and residents perceive this as value for money.	Residents who consider landscaping the city's streets is value for money.	68%	70%
Street landscape areas including road berms, medians, blips and islands are well looked after and help to improve the city's appearance.	Residents are satisfied that street landscape areas are well looked after.	78%	80%
Parks Customer Services		Actual	Target
Provide nine working cemeteries that satisfy the burial needs for the city and reflect the community's cultural diversity, including providing an Urupa.	Provide for 850 burials per year.	905	850
	No complaints received relating to burial services.	Nil	Nil
	Customers are satisfied with cemetery information and services provided.	100%	90%

Parks and open spaces (continued)

Parks Reserves and Open Spaces		Actual	Target
The city's parks and open spaces are well looked after.	Residents are satisfied that parks and open spaces are well looked after.	94%	90%
	Satisfaction of recreational groups using parks with facilities and services provided.	92%	80%
	Residents are satisfied with value for money they get with parks and playing fields.	85%	80%
Habitat protection and enhanced biological diversity, mitigation against adverse effects of development, sustainable land use.	Diversity of bird species increases on key indicator sites.	Yes	Yes
Provide a range of parks and open spaces that deliver a diversity of experiences, and cater for all ages and interests.	Maintain current levels of parks and open space in relation to population growth (per 1,000 population).	3.2 ha	2.67 hectares sports parks
		13.8 ha	13.48 hectares natural area parks
		0.9 ha	0.94 hectares neighbourhood parks
	Residents with children under 10 visit a Council playground at least once a month (annual survey & result incorrectly asked: visited a playground once in the last 12 months)	Not measured	70%
The city's parks are safe to use.	Comprehensive inspections of playground equipment are carried out on an annual basis, with fortnightly visual inspections.	100%	100%
	Residents feel safe using parks during the day time.	89%	90%

## Refuse minimisation and disposal

Waste Minimisation		Actual	Target
The resources recovered from the waste stream are used to benefit the local economy.	Full time jobs created from reusing, recycling and composting the resources recovered from waste received by the Council.	210	200
To minimise the amount of solid waste going to landfill.	Residents' satisfaction with the green crate recycling collection service provided.	94%	90%
	The proportion of waste that is received by the Council which is diverted from landfill by re-use, recycling and composting.	21%	30%
	From 1994 to 2020 the waste per person per year going to landfill is reduced by at least 65%.	755 kgs	<620 kgs
Businesses receive advice and support for improving their environmental performance.	Businesses actively engaged in the Council's waste minimisation programmes.	54	100
Refuse Transfer and Disposal		Actual	Target
Refuse stations are open at convenient times.	Excluding public holidays, refuse stations are open 8.5 hours a day, 7 days per week.	100%	100%
Waste generated by the community is disposed of safely.	Number of infringement notices served by Environment Canterbury for air, water or soil pollution.	Nil	Nil

Regulatory services

Animal Control		Actual	Target
Minimise the number of unregistered dogs in the city.	Conduct house to house surveys, including properties with dogs that have not re-registered.	Completed	
Investigate and resolve complaints about nuisances caused by dogs.	Start investigation/action of all other complaints within 24 hours.	71%	100%
	Resolve all complaints within 14 days.	86%	100%
Care for impounded dogs, endeavour to locate their owners or find suitable homes, and when necessary arrange for their disposal.	Dogs are returned to owners, found new homes or destroyed as circumstances require.	100%	100%
Building Consents		Actual	Target
Provide project information memoranda (PIMs) and process building consents within statutory timeframes.	Show an improvement in customer satisfaction (compared to base research results obtained in November 2003).	6.73	7.33
Provide inspection services which ensure that the standards required by the Building Act are met. Minimise the Council's liability as a building consent authority.	Issue Code Compliance Certificates within the time limits prescribed once advised by the owner that work is complete.	100%	100%
Ensure building owners maintain building warrants of fitness as required.	Follow up overdue warrants with a written reminder within ten working days after the due date.	100%	100%
	Commence enforcement action if compliance is not achieved within six months of a building warrant becoming overdue.	Not achieved	100%
Enforcing Legislation & Investigating Nuisances		Actual	Target
Inspect and follow up conditions imposed on resource consents.	Conditions on resource consents are monitored within the timeframe stipulated in the resource consent.	100%	100%
Respond to complaints of unreasonable and excessive noise.	In the case of unreasonable noise, commence investigations within one working day of receiving the complaint.	100%	100%
Investigate and respond to any situations likely to affect human health or safety, to be objectionable, or to cause a nuisance.	Undertake initial investigations within one working day of notification of any nuisance complaints.	100%	100%
Nuisances to residents are minimised.	Residents' satisfaction they get value for their rates money spent on regulating activities and investigating nuisances.	59%	57%
Enforce and promote compliance with the Fencing of Swimming Pools Act.	All known swimming pools are re-inspected every two years. Inspections carried out to find and record unknown pools.	4%	100%

Regulatory services (continued)

Health and Liquor Licensing		Actual	Target
Inspect food premises, hairdressers, camping grounds and funeral directors to promote and conserve the public health and to monitor compliance with all statutory requirements.	Food premises identified as having a higher potential risk in terms of food safety to be inspected at least once per year. Action taken to ensure the safety of the food and compliance with food safety and food hygiene requirements. Other registered premises to be inspected regularly to ensure compliance with the appropriate statutory requirements.	100%	100%
Ensure food premises maintain the high standards required for providing safe food.	Registered food premises require compulsory closure to meet their statutory requirements to produce safe food.	Achieved	<1%
Process applications for licences and certificates under the Sale of Liquor Act 1989.	Special Liquor licences are processed within ten working days of receiving the application.	100%	100%
	Process other Sale of Liquor Act licences within six weeks of receipt of the application (subject to other organisations supplying the required information and reports).	100%	90%
Monitor compliance with the terms and conditions of liquor licences granted.	Inspect all new premises before and after granting an initial liquor licence during their first year of operation, and report on levels of compliance.	100%	100%
	Inspect all renewals of Liquor licenses at the time of renewal, and report on levels of compliance.	100%	100%
Information on Regulatory Functions		Actual	Target
Provide advice on planning and regulatory matters.	Walk-in and phone-in customers are satisfied or more than satisfied with the service provided.	93%	85%
Land Use and Subdivision Consents		Actual	Target
Administer resource consents in an efficient, timely and fair manner for landowners, developers and for the affected community and individuals.	Show an improvement in customer satisfaction compared to November 2000. An average score of 7.0 for commercial applicants and 7.1 for private applicants where 1 is the lowest.	6.62	6.97
	Process subdivision applications within 20 working days.	81%	100%
Administer engineering approvals and inspections in an efficient, timely and fair manner for land owners, developers and the community which will occupy or adjoin the development in the future.	Approve engineering plans within 20 working days of receipt of accepted plans.	80%	100%
The city's environment remains satisfactory according to its residents.	Residents believe that building or land development has not made their area worse.	79%	88%

Streets and transport

Car Parking Services		Actual	Target
Off-street parking spaces are provided to remove street congestion and give motorists access to shops, businesses and attractions in the central city.	Vehicle uses per year of the off-street car parking places.	1.73m	1.75m
	Residents satisfaction with the availability and convenience of parking within the central city.	76%	65%
Rules for on-street parking are applied fairly.	Motorists agree that the on-street parking rules are applied fairly.	67%	65%
Footpaths		Actual	Target
To provide sealed footpath networks and pedestrian areas that are safe, comfortable, convenient and clean.	Residents' satisfaction with the quality of footpaths and pedestrian areas including seats, litter bins and landscaped features.	68%	65%
	Other defects repaired within four weeks.	99%	100%
	Renew footpath surfaces every 20 years on average.	108 km	113 km
Provide adequate and safe road crossing points for all users.	A downward trend in the five-year average of pedestrian casualties.	94% (of prior 5 year average)	
Footpaths for recreational walking, jogging, local street events. Pedestrian amenity areas are used for entertainment and events, e.g. Cathedral Square, City Mall.	An increasing number of walking trips to work each year.	5% based on 2001 Census	
	Residents satisfied with quality of footpaths, amenity areas and furniture.	68% Footpaths & 63% Amenities	60-80%
Shuttle Buses Bus Exchange and Bus Shelters		Actual	Target
Achieve a trend of increasing use of public transport.	Public transport usage trends upwards (trips per capita).	48	46
	Growth in public passenger transport user numbers.	4%	7.5%
Provide and maintain sufficient bus shelters of a suitable standard.	500 bus shelters provided by 30 June 2006.	400	500
	Residents are satisfied with the condition and appearance of the bus shelters, seats and signage.	65%	65%
Provide enough bus stops that the majority of houses in Christchurch are within walking distance.	A bus stop is within 500m of 95% of houses in Christchurch.	Not measured	100%

Streets and transport (continued)

Street Lighting		Actual	Target
Efficiency of lights.	Increase in efficacy (output or Lumens, compared to input or Watts) compared to the previous year.	81.9	51.7
Provide a reliable street lighting system.	Percentage of lights in operation at any time.	99%	99%
Provide street lighting that improves the safety and navigation of all street users.	Residents' satisfaction with the condition and adequacy of street lighting.	78%	75%
Traffic Management		Actual	Target
Provide road markings, traffic signs and traffic signals that contribute to the safety and efficiency of the roading system.	Reduction in the five year average of crashes per 10,000 people.	23 (compared to 23 in prior period)	
	Residents rate the city's directional signage as satisfactory or better.	85%	85%
	Broken, faded or missing signs are repaired promptly as follows: stop and give way signs within two hours, information signs within seven days and parking/bus stop signs within two weeks of identification/notification.	95%	100%
	Road markings are remarked every nine months.	100%	100%
Average response time to telephone requests for enforcement assistance.	Average response time to telephone requests for enforcement assistance. Central City: 10-15 minutes	13 min	10-15 min
	Suburbs: 15-20 minutes	17 min	15-20 min
Underground Wiring Conversion		Actual	Target
Environmental			
Improve the streets by undergrounding of overhead wiring. Undergrounding to be done in conjunction with street renewal projects, with priority given to tourist and main traffic routes.	Undergrounding this year in conjunction with street renewal projects.	4km	3km

Streets and transport (continued)

Vehicle Ways		Actual	Target
Manage vehicle emissions by minimising congestion.	Volume of petrol and diesel sold in Christchurch each year increases at a slower rate than the growth in vehicle numbers.	Fuel volume increase 1% & Traffic volume increase 2.1%	
Roads are kept clean, contributing to an attractive landscape, and provide for stormwater runoff.	Channels, medians and islands are swept and cleaned regularly. In general, inner city roads cleaned daily, commercial areas and arterial roads once to twice weekly, urban dished channel every four weeks and urban flat channel every six weeks.	95%	80%
	Amount of kerb and dished channel replaced with kerb and flat channel each year, in conjunction with street renewal projects.	20.3 km	21 km
Assist in managing congestion and reducing emissions by encouraging modal change, where car use is reduced and the use of other modes of transport is increased.	Journeys to work in Christchurch city made by bus. (Actual results are estimates as Census is every 5 years).	5%	6% (2011)
	Journeys to work in Christchurch city made by cycle. (Actual results are estimates as Census is every 5 years).	6%	12% (2011)
Street renewals to improve the urban environment.	Residents' satisfaction with the results of street renewal projects.	82%	80%
Provide vehicle ways that are safe.	Residents' satisfaction that traffic moves smoothly and safely.	56%	80%
Provide roads that are suitable for the needs of the city.	Residents' satisfaction with the quality of the carriageway, bridges and structures, kerbs and channels, and cycle ways.	66%	70%
	Residents' satisfaction they receive value for rates money spent on roads and footpaths.	66%	85%

### Wastewater collection, treatment and disposal

Wastewater Collection		Actual	Target
Wastewater services are cost-effective.	Customer satisfaction that the wastewater service is value for money.	84%	90%
Odours originating from collection system are managed and reduced.	Number of reported incidents of offensive odours from the collection system.	0	<5
Wastewater Treatment and Disposal		Actual	Target
Odours originating from the Treatment Plant are managed and reduced.	Number of reported incidents of offensive odours originating from the Treatment Plant.	2	<5

Water supply

Supply of Water		Actual	Target
Water supply services are cost-effective.	Water cost per connection.	\$117	<\$113
	Customer satisfaction with value for money.	Not Measured	90%
High quality water is delivered to customers.	Achieving the highest Ministry of Health water grading possible without chlorination (B for source and treatment, A for the distribution system).	Not Measured	B A
A reliable and consistent supply of water is delivered to customers.	Customer satisfaction with the reliability and consistency of the water supply.	99%	90%

Waterways and land drainage

		Actual	Target
Storm water retention and inline storage (such as ponding areas) for managing surface water are provided in new developments.	No increase in peak discharges as a result of urbanisation.	Nil	Nil
Managing waterways to meet drainage requirements while protecting and conserving environmental values.	Protect at least one kilometre of waterway margins per year by covenant, reserve contribution or road stopping.	1.12 km	1.00 km
	Residents believe waterways, drains and wetlands are well looked after.	77%	70%
	Waterways cleared of vegetation at least 2 times per year, to maintain efficient drainage.	3+	2+
Provide opportunities to raise people's awareness, involve communities, and develop understanding and guardianship of waterways.	Six educational bus trips organised per year.	Trips suspended	6
	At least three community groups involved in environmental monitoring and guardianship and maintenance of the WaterLink web site.	5	3+



