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The Christchurch City Council has a vision for this 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.

Cyclists enjoy a view over the city from atop Christchurch's Port Hills.



What is the Summary Report?

This is a summary of the Christchurch City Council's Annual Report 2010. We produce it so that you can see at a glance what the Council has been doing for the past financial year. Should you require more information please refer to the full report.

You'll find copies of the full Annual Report 2010 at city libraries and service centres, online at www.ccc.govt.nz/annualreport or you can request a copy through our call centre on 03 941 8999.

The Annual Report 2010 sets out what the Christchurch City Council did in the past year, why we did those things, how much they cost, and how we paid for them.

The report shows how the Christchurch City Council is delivering on the promises made to our community – promises made after asking Christchurch residents what they want for their city as part of our long-term planning process.

The report shows the Council's overall financial position and performance as measured by its achievement against its financial Key Performance Indicators.

The Annual Report of the Christchurch City Council was adopted by the Council on 30 September 2010.

Published by the Office of the Chief Executive, Christchurch City Council, in compliance with s98 (4) of the Local Government Act 2002.

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From the Mayor and Chief Executive

The past year has been a busy one for the Council and this Summary Annual Report sets out our achievements and results for 2009/10.

As this report was being prepared in late-2010, Christchurch was struck by one of the region's worst natural disasters on record. The 4 September earthquake which rocked the city caused substantial damage to property and infrastructure, but mercifully, no lives were taken.

Those first days after 4 September showed the true character of our city as people came together to help each other get through the worst. It was a difficult time, but we can be proud of the way Christchurch responded.

Parts of the city were left without water or power for some time after the quake and the Council has a lot of work ahead to repair all of the damage. As a result, our work plans for coming years will be re-prioritised as we focus on getting the city back to normal.

This Summary Annual Report details the work carried out by the Council in the 2009/10 financial year – we are already working on what needs to be done in the future.

As well as delivering the essential services necessary for the city, such as water supply, rubbish collection, library services and wastewater collection, this Council progressed or completed a number of major projects over the 12 months to 30 June 2010. At the same time, resident satisfaction with Council services has remained high. Our latest survey of residents found that 78 per cent of Christchurch people were satisfied or very satisfied with the performance of the Council in delivering city services. This is a pleasing result and one which the Council aims to maintain and improve upon in coming years, with a long-term programme of maintenance, capital development and growth which will carry our city into the future.

One of the highlights of the year was the opening of the Council's largest construction project to date – the \$83.3 million Ocean Outfall. This hugely technical engineering project was designed to improve our city's environment by depositing treated wastewater 3 kilometres out to sea via the new pipeline. The treated wastewater had previously been dispersed in the Avon/Heathcote Estuary.

We also made significant progress on implementing our Central City Revitalisation Strategy – which aims to make Central Christchurch a more attractive place to live, work, visit and do business. We completed the major City Mall renovation project in December 2009, and already businesses are returning to Christchurch's premier pedestrian shopping precinct. We have also started work on the Tram Extension Project. The first stage of the construction project will see the tram travel as far as the corner of Poplar, High and Tuam Street in time for the Rugby World Cup 2011. In February 2010, the Council adopted a new action plan for the Central City, based on Danish urban designer Jan Gehl's review of central Christchurch. The action plan is a 12-year programme of activities, linked to the Council's three-yearly reviews of the Long Term Council Community Plan (LTCCP), which outlines 66 projects to be undertaken by Council to create a Central City which is vibrant, safe, attractive and where people want to spend their time.

Projects to enhance suburban Christchurch have also been progressed over the past year. Work started in June 2010 on the Graham Condon Recreation and Sport Centre. This is a partnership development, using Papanui High School land, and has been much-anticipated by the community. Resource consent was granted for the new Aranui Library in the same month. The new facility, which will provide a great resource for the local community, is due to open next year on Aldershot Street, bordering Wainoni Park.

The Belfast Area Plan was also adopted in 2010 which, alongside the South-West Christchurch Area Plan adopted in April 2009, provides a blueprint for future growth in Christchurch which is sustainable and well-managed. Lengthy public consultation formed the basis of these plans for development and city growth and they will help Christchurch's boundaries expand in a sensible and controlled manner.

Spanning the entire city, the Council has continued its programme of bus priority measures aimed at making public transport easier to use and more reliable. Bus lanes and other priority measures on the Papanui Road/Belfast route have proved successful, with travel times decreased and a rise in passenger numbers. The Council has also rolled-out bus priority routes on Colombo Street South and Queenspark via Hills Road. Work on improving our public transport infrastructure, with the aim of making our buses more efficient, will continue over coming years as demand on our roading system increases.

This year's annual report shows that the Council remains in a strong financial position, with an accounting surplus of \$107.9 million, which after adjusting for capital receipts and non-cash items leaves a cash surplus of \$4.5 million. This surplus will reduce our rates requirement through lower borrowing requirements in future years. We also exceeded targets for levels of service, with 90.4 per cent achieved over a target of 85 per cent.

It is pleasing to see strong results and achievements over the past year and we now look to the future to ensure our city continues to prosper.



Bob Parker
Mayor



Tony Marratt
Chief Executive

Buskers perform high above Victoria Square during the World Buskers Festival 2010.



Celebrating our success

City Mall

Christchurch's City Mall revitalisation project won a Gold Award at New Zealand's prestigious Landscape Architecture Awards in April 2010. The awards, hosted once every two years by the New Zealand Institute of Landscape Architects, honour the best in landscape architecture from across the country. Project City Mall was a partnership between designers Isthmus Group, Reset Urban Design, the Christchurch City Council and construction contractor Downer.

Road safety

The Council's City Environment Business Support team won the NZ Traffic Institute (TRAFINZ) Leadership Award for Road Safety Programmes "for outstanding performance and contribution towards safety and sustainability in transport in New Zealand". The award, developed to recognise organisations, individuals or committees that have made an outstanding contribution and have demonstrated leadership in transportation safety and sustainability, was presented on 7 September 2009.

New Zealand Planning Institute

The Council received two 2010 Nancy Northcroft Planning Practice Highly Commended Awards from the New Zealand Planning Institute. They were awarded to Boffa Miskell and Christchurch City Council for the Christchurch Central City Residential Capacity Study and to Christchurch City Council for the Akaroa Harbour Basin Settlements Study.

Ellerslie International Flower Show

Christchurch City Council was well-recognised by judges at the 2010 Ellerslie International Flower Show.

- Christchurch Botanic Gardens won the show's Supreme Award for its "Life and Death" exhibition garden, on top of a Gold Award and a Gold Lighting Award. The team from the gardens also won a Silver Distinction for its bedding display.
- The Council's Capital Programme Group won a Bronze Award for its playground exhibition garden.

Institute of Professional Engineers of New Zealand

City Water and Waste Unit Manager Mark Christison was made a Fellow of the Institution of Professional Engineers of New Zealand (IPENZ) in April 2010. IPENZ recognised Mark for his contribution to the advancement of engineering practice and application of engineering and technology in the community. In particular, he was recognised for his contribution to establishing long-term public and private contracts as a viable service delivery method within New Zealand's local government.

Civic Trust Awards

The Council's Capital Programme Group won a Civic Trust Award for its Community Shelter on Cashmere Village Green in October 2009.

Christchurch Art Gallery

Christchurch Art Gallery Te Puna o Waiwhetu won top honours in the Exhibition Excellence category at the 2010 New Zealand Museums Awards in April 2010. The Selecon Award for Exhibition Excellence was granted to the exhibition *Brought to Light: A New View of the Collection*. A complete redevelopment and rehang of the Christchurch Art Gallery's collection, it is the largest single exhibition project the Christchurch Art Gallery has undertaken since opening seven years ago.

Christchurch City Libraries

Christchurch City Libraries was one of three finalists in the Best Content (Corporate) section of the Onya awards, which celebrate the design, development and creation of New Zealand websites and applications.

Looking forward

The earthquake which struck Christchurch on 4 September 2010 caused significant damage to city property and infrastructure. As a result, the Council must re-prioritise its work plan over coming years to allow it to carry out repairs and get the city back to normal.

Before the quake struck, the Council was already working on, or about to start, a number of significant projects. Some of these are outlined below.

Tsunami warning sirens

Twenty tsunami warning sirens will be installed along Christchurch City's coast from Waimairi Beach to Sumner, and investigations will be carried out into the installation of sirens further inland.

QEII Sports House

The Council has allocated funding of \$285,000 to contribute to the development of a "sports house" at QEII Park, next to the Village Green. This development was set out in Council's QEII Concept Plan 2005 and will aid sports development, high performance, participation and sustainability. The majority of funding will come from Sport Canterbury.

City Mission

The Council will contribute \$2 million toward the redevelopment of the Christchurch City Mission's Hereford Street facility. The total project cost is estimated to be \$10.5 million and the City Mission has already raised funding of \$4.5 million with fundraising efforts continuing. This contribution will be made by way of a capital grant which will be funded by borrowing.

Intersection projects

Work will continue on the Council's programme of intersection upgrades, in an effort to improve safety on City streets. Intersection projects to be started or progressed over the coming year include:

- Greers Road/Northcote Road/Sawyers Arms Road
- Belfast Road/Marshland Road
- Gardiners Road/Sawyers Arms Road
- Glandovey Road/Idris Road
- Glandovey Road/Heaton Street/Rossall Street/Strowan Road
- Harewood Road at Bishopdale
- Deans Avenue/Riccarton Road
- Centaurus Road/Colombo Street
- Avondale Road/Bassett Street

Major sewer upgrade

Progress has been made in the past year on Christchurch's major sewer upgrade, which aims to protect City rivers by reducing wastewater overflows into the Avon and Heathcote during wet weather. Work is already underway on the Western Interceptor pipeline, which will eventually run from Phillipstown to Riccarton, and planning continues on the Fendalton Duplicator pipeline.

New Civic Building

The new Civic Building on Hereford Street was officially opened in August 2010. All staff working within the Central City have been located within this one building, enabling the Council to develop a more cost effective and efficient service to its customers. The Council's redevelopment of the former New Zealand Post building as its new offices has had a considerable environmental benefit and by reusing this site, the Council has helped contribute to the revitalisation of the Central City.

Rugby World Cup 2011

Planning is ongoing for Christchurch's role in Rugby World Cup 2011. The City will host five pool matches and two quarter-finals and is preparing for a huge event. Cathedral Square has been designated an official Fan Zone for the duration of the Tournament and will feature a mini rugby ground, stands, big screens and entertainment for fans and visitors.

Biosolids Drying Facility

The construction of the biosolids drying facility progressed well in 2009/10 and is now expected to be fully commissioned in October 2010. Dried bio solids from the project will be beneficially reused in land rehabilitation projects in the South Island. The plant will be fuelled using renewable energy sources including wood, biogas and landfill gas.

Botanic Gardens Centre

The new Botanic Gardens Centre which will provide a new focus of learning and visitor experience as well as providing enhanced facilities for our indoor plant collection, is currently in the planning stage. Construction is expected to start by the end of the next financial year.

Looking forward (continued)

Transport Interchange

The new transport interchange remains on target to begin construction near the start of the 2012/13 year. This interchange will provide additional capacity allowing for a higher volume of buses through the interchange, as well as improving pedestrian safety.

Ron Mueck exhibition

The Ron Mueck exhibition will be in Christchurch from 2 October 2010 to 23 January 2011. Christchurch Art Gallery is proud to be the only New Zealand venue for what has been the biggest solo artist show in Australia in recent times. It comes to us fresh from record-breaking runs at the National Gallery of Victoria, Melbourne (the exhibition organisers) and Queensland's Gallery of Modern Art where more than 300,000 visitors saw it.

Below: Ripples II, an artwork by Neil Dawson, in the new Civic Building.



How the Council works

Elected members

Christchurch residents and ratepayers are represented by the Council and Community Boards. Elections are held every three years to select the people who will act and speak for our community.

Council

The Mayor and 13 Councillors govern the city and ensure the needs of its residents are met. They make decisions for Christchurch's future, plan the way forward and are accountable for delivering what the community has identified as necessary for its cultural, economic, environmental and social well-being.

In 2005, the Council asked the community what these goals should be. They are called the Community Outcomes; our residents have determined Christchurch will be:

- a safe city
- a city of inclusive and diverse communities
- a city of people who value and protect the natural environment
- a well-governed city
- a prosperous city
- a healthy city
- a city for recreation, fun and creativity
- a city of lifelong learning
- an attractive and well-designed city

Community Boards

At a local level, eight Community Boards represent and act as advocates for the interests of their communities. Community Board members advise the Council on local needs, community views and how Council proposals will affect their communities.

The Community Boards span seven wards across the city. The metropolitan wards, each represented by two Councillors and five Community Board Members, are:

- Burwood/Pegasus
- Fendalton/Waimairi
- Hagley/Ferrymead
- Riccarton/Wigram
- Shirley/Papanui
- Spreydon/Heathcote

The Banks Peninsula ward, because of its diversity and size, is represented by one Councillor and two Community Boards – Akaroa/Wairewa and Lyttelton/Mt Herbert, each consisting of five Community Board Members.

The Council organisation

The Council is responsible for employing the Chief Executive – the only member of staff who reports directly to elected members. Tony Marrayatt was employed as the Chief Executive of the Christchurch City Council in May 2007. He employs all the other staff in the Council.

Council structure

The Council's organisational structure is designed to ensure its services are provided as effectively as possible. To achieve this, Council activities and services are divided into eight groups, each headed by a General Manager, they are:

- Capital Programme
- City Environment
- Community Services
- Corporate Services
- Human Resources
- Public Affairs
- Regulation and Democracy Services
- Strategy and Planning

Within these groups, various community units are tasked with providing specific services to the community and organisation. The services and activities provided by the City Council are wide and varied, from rubbish collection, roads and water, to the Botanic Gardens, Christchurch Art Gallery, City libraries and the funding of festivals and events.

These activities are grouped into 12 Council activities and services. Find out more about these groups in the section: *Our activities at a glance*, or for an in-depth view, in the Annual Report section - *Council activities and services*.

Mayor Bob Parker (left), Kaiwhakahaere of Te Rūnanga o Ngāi Tahu Mark Solomon, Reverend Maurice Manawaroa Gray and the Dean of Christchurch The Very Reverend Peter Beck at the new Civic Building blessing ceremony.



Our activities at a glance

The work carried out by the Christchurch City Council is organised into categories called Council activities and services. They are:

City planning and development

City planning and development helps to improve Christchurch's urban environment and revitalise the Central City through urban renewal, Central City revitalisation, the urban development strategy and heritage protection.

The key priority is to transform the Central City into one of the Southern Hemisphere's premier urban environments. This will be achieved through:

- Increasing the residential population by 30,000 by 2026
- Growing our business and commercial sector
- Enhancing vital public spaces
- Redeveloping under-utilised sites
- Improving our transport network

Community support

Community support helps build strong, active communities by providing residents and residents' groups with services and support such as, community facilities, early learning centres, community grants, social housing, strengthening communities, civil defence and emergency management.

The Council achieves all this through community engagement and development, the facilitation of innovative solutions that respond to community needs, creating a safe environment and catering for diversity, whether it is age, ethnicity, disability or social status.

Cultural and learning services

Christchurch City Libraries develops the knowledge, literacy and cultural well-being of the city's residents by providing access to information through its network of community libraries and supporting volunteer libraries. These facilities contain an extensive collection of books, audio visual resources and online services.

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. Through its exhibitions, programmes and events, the Gallery aims to contribute to the cultural development of the city and make its Cultural Precinct, around Worcester Boulevard, the most visited cultural tourism site in New Zealand.

Democracy and governance

The Christchurch community is represented by the Mayor, 13 Councillors and 40 Community Board members. Council staff provide support to all elected members to carry out their responsibilities and functions by co-ordinating arrangements for elections, arranging meetings and seminars, and providing advice.

The Council provides opportunities for the community to participate in decision-making that contributes to a well-governed city by providing information, undertaking consultation, and processing the community's input.

The Council communicates with residents through a variety of channels, including providing information on Council activities in metropolitan and local newspapers, use of the internet and providing information to local media.

Economic development

The Council actively supports the growth and development of local businesses by means of support to the Canterbury Development Corporation and through its own trading organisations.

The Council has interests in other organisations. Through its wholly owned subsidiary Christchurch City Holdings Ltd (CCHL) the Council owns shares in a number of major local companies including: Orion New Zealand Ltd, Christchurch International Airport Ltd, City Care Ltd, Lyttelton Port Company Ltd, Red Bus Ltd and Christchurch City Networks Ltd. CCHL serves to group the activities of these Council-controlled Trading Organisations (CCTOs) under one umbrella and keeps Council at arms-length from their activities. These and other companies owned by the Council are investments which meet the strategic objectives of the Council and pay dividends to assist with the other operating costs of the Council.

Each company operates as a commercial business in a competitive environment and each is managed by an independent board of directors.

The Council has made a significant investment to bring the city's business environment to world-class levels and national and international prominence.

Parks, open spaces and reserves

The Council manages the city's parks, waterways and drainage infrastructure. Maintaining Christchurch's image as the Garden City requires being sensitive to the needs of the community and visitors while continuing to develop the extensive parks network and maintain and enhance our waterways and drainage infrastructure.

Our activities at a glance (continued)

Recreation and leisure

Through recreation and sports, the Council works to promote a city where its residents have easy access to world-class facilities for a healthy and active lifestyle. Accessible pools and leisure centres, stadia, sporting facilities, and recreational and sporting programmes allow residents to participate in sport and physical activity at a recreational and local, national and international competitive level.

Assistance is also given to clubs, associations and event organisers to promote Christchurch as a national and international sports and recreation destination.

Refuse minimisation and disposal

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

Council owns CCC Two Limited that operates three transfer stations, which prior to August 2009 were operated by Meta NZ Ltd. 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.

In 2009, Council implemented the new kerbside waste collection system. The new, three wheelie bin system – with a bin for each of recycling, compost, and general rubbish – has increased the amount and range of material that residents recycle. It has significantly reduced the amount of waste our city sends to landfill.

Regulatory services

The Council administers and enforces statutory regulations and Council bylaws for:

- building and development work
- land and site development
- health and safety of licensed activities
- keeping of dogs
- parking within the city
- swimming pool safety
- bylaws

In addition, complaints about nuisances and non-compliance are investigated and the potential effects of various activities monitored and assessed.

Streets and transport

The Council manages the city's streets and transport so that people have safe, easy and comfortable access to homes, shops, businesses and many recreational and leisure destinations. Street corridors also provide access for power, telecommunications, water supply and waste disposal. The Council monitors and manages traffic patterns, undertakes research and devises plans to meet the city's future access and parking needs.

Wastewater collection and treatment

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 needs of a growing city, and conforms to the intentions of district and regional plans and the Greater Christchurch Urban Development Strategy.

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.

Water supply

The Council plans and operates the city's water supply and distribution system. It provides high quality water to residents and businesses as well as for fire fighting purposes.

Christchurch gets its drinking water mainly from groundwater aquifers. The water is of such high quality treatment is not necessary before it can be used. However, the Council does monitor water quality on a daily basis.

Corporate activities

Corporate activities encompass a range of areas which are not directly attributable to another group of activities within Council. These activities include property costs, managing investments, services provided to external organisations, managing revenue from CCTOs and other income, such as revenue from regional fuel tax. Overall the corporate activities generate a significant surplus, which is used to reduce the rates collected from residents.

Our performance summary

The Council reports against the measures contained in its Long Term Council Community Plan (LTCCP) and details can be found in the full financial statements.

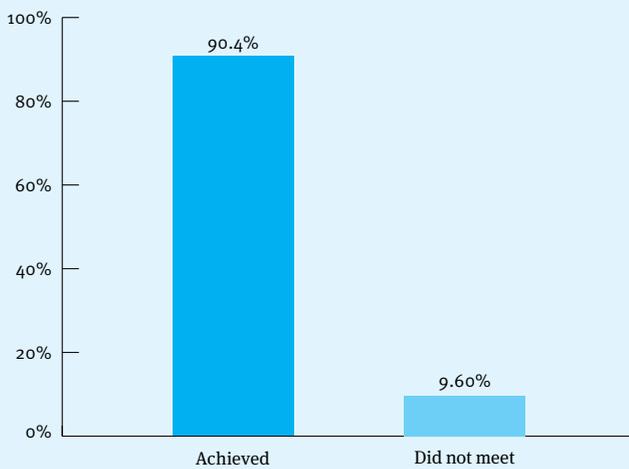
The Annual Report 2010 shows that we have delivered on 90.4 per cent of the service delivery targets which we set in our 2009-19 LTCCP. The following are examples of how the Council measures its performances.

Group of Activity	Activity	Level of Service	Actual	Target
City planning and development	Energy conservation	Establish a local Energy Agency to implement the Sustainable Energy Strategy for Christchurch 2008-2018	Christchurch Agency for Energy (CAFÉ) established at Council on 24 June 2010	By 30 June 2010
Community Support	Housing	Maintain portfolio of rental units and owner/occupier units	2,649 rental units and 28 owner/occupier units provided	Minimum of 2,649 rental units and 28 owner/occupier units
Cultural and learning services	Art Gallery	Number of visits per annum	Total visits 470,074	Number of annual visitors within the range 370,000 - 410,000
	Libraries	Provide programmes and events to meet diverse lifelong learning needs of customers	250 per 1,000 of population	Participation of 200-230 per 1,000 of population
Democracy and governance	City governance and decision-making	Percentage of residents satisfied that the council makes decisions in the best interests of Christchurch	47%	48%
Economic development	City promotions	Residents are satisfied with the information available about events, activities and attractions in Christchurch	87% annual residents survey	80% annual residents survey
Parks, open spaces and waterways	Garden and heritage parks	Number of visitors to the Botanic Gardens per year.	1.453 million visits	≥ 1.3 million visits
Recreation and leisure	Recreation and sport services	Facility-based recreational and sporting activities and programmes are provided	6.75	4.75-5.75 visits to swimming pools per head of population
Refuse minimisation and disposal	Residual waste and disposal	Residual waste sent to landfill from Christchurch	484.7kg - big reduction partly due to economic times and due to new waste services	≤640kg total residual waste sent to landfill/person
Regulatory services	Enforcement and inspection activities	Percent of priority 1 complaints (aggressive behaviour by dogs and wandering stock) responded to within 60 minutes (urban) and two hours (rural)	100% - 246 complaints were received and actioned	95%
Streets and transport	Public transport infrastructure	Shuttle bus usage	1,049,747 passenger trips	850,000 passenger trips per year
Wastewater collection and treatment	Wastewater collection	Wastewater collection is provided in a safe, convenient and efficient manner	88%	≥90% customer satisfaction with Council's wastewater services each year
Water Supply	Water conservation	The amount of water abstracted each year for the public water supply is quantified and monitored, with a view to reducing consumption	72.10%	≤71% (+/-10%) of total cap of 75M m ³ potable water abstracted per year

Our performance summary (continued)

The following assumptions were made in measuring performance KPIs.

- a measure is classified as meeting the target if the actual level of service is within + or - 3% of the target.
- any measures with a target of "base line target to be determined" that have been measured are defined as having met the target.



Our community outcomes

The Council aims to contribute to the cultural, environmental, economic and social well-being of the community through nine Community Outcomes, or community goals. For further information on Community Outcomes and how they link to the groups of activities refer to the Annual Report.



Right: Christchurch Cathedral and the Chalice in Cathedral Square.

Senior Financial Accountant **Bernie Biggs** and Financial Accountant **Renee Hughes** are part of the Council team responsible for preparing the Annual Report 2010.



Financial highlights

Financial result

This year's Annual Report shows that the Council remains in a strong financial position, with an accounting surplus of \$107.9 million. This is \$16.8 million below plan. The Council budgets for an accounting surplus because under accounting standards we are required to show all revenue, including capital revenue as income received for the year. Capital revenues include development contributions, some of which are used to fund future development; New Zealand Transport Agency (NZTA) subsidies, and vested assets, (footpaths, water and drainage infrastructure and reserves land), which are vested to Council by developers. The surplus also includes interest received on funds that are held in the balance sheet for special purposes.

The \$16.8 million shortfall is a result of the following variances:

- an under-recovery in vested assets of \$9.2 million
- higher than planned depreciation, amortisation and impairment costs of \$4.3 million due to higher impairment of assets, \$9.8 million, offset by lower than planned depreciation and amortisation of \$5.5 million. The impaired assets are the loan to Tuam Limited and several minor investments, the lower depreciation and amortisation is largely the result of the shortfall in the previous year's capital programme.
- higher than planned personnel costs, \$2.8 million
- hedging impairment costs of \$3.2 million which were not planned
- higher than planned income tax expense of \$1.9 million
- these were offset by lower than planned finance costs of \$3.8 million due to timing of the capital programme and lower interest rates.

After adjusting for non-cash items we made a cash operating surplus for the year of \$10.3 million of which \$4.1 million was retained to meet operational costs of projects which will be completed in 2010/11. Council allocated a further \$1.7 million of the surplus to specific projects. The remaining \$4.5 million was moved into a reserve and used to fund capital expenditure, thereby reducing future borrowing costs.

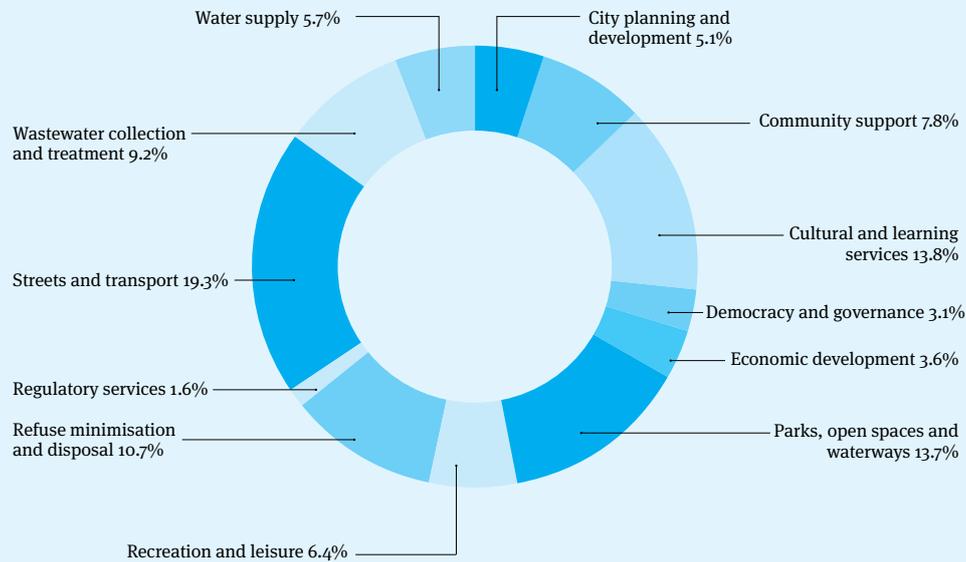
Sources of operating income

Total income for the year ended 30 June 2010 is \$567 million. It was received from the following sources:

	Actual	Plan
	\$m	\$m
Rates revenue	257.4	256.1
Sale of goods / services	43.9	33.9
Rental revenue	26.9	29.4
Interest revenue	22.7	23.4
Dividends	115.1	117.6
Development contributions	12.8	18.7
NZ Transport Agency subsidies	27.4	26.4
Other revenue	53.7	55.3
Vested assets	7.1	16.2

Financial highlights (continued)

The \$257.4 million of rates collected was allocated across council activities and services as shown below.



Categories of operating expenditure

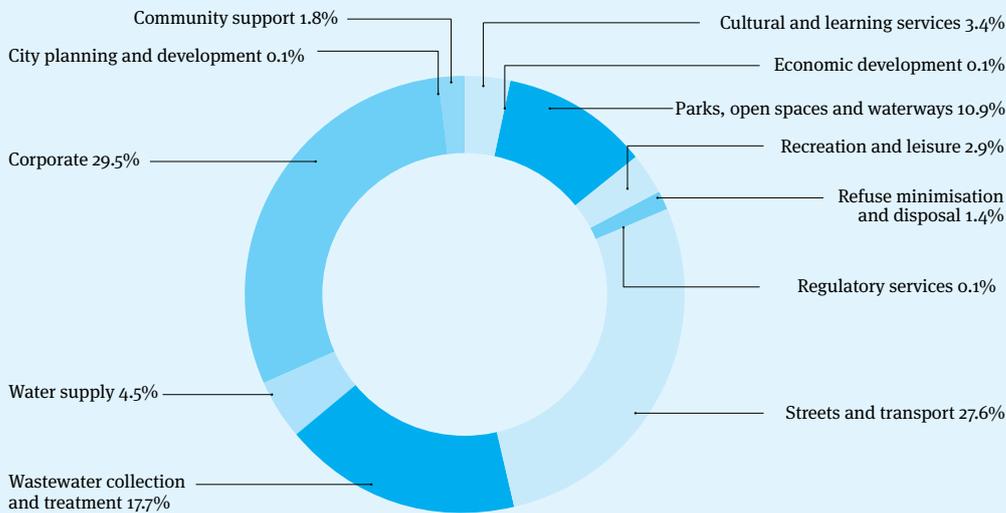
Total operating expenditure for the year ended 30 June 2010 was \$457.2 million. Key components include:

	Actual	Plan
	\$m	\$m
Depreciation and amortisation	115.8	111.5
Finance costs	17.3	21.1
Personnel costs	126.3	123.6
Grants / Donations	26.7	17.4
Other operating expenses	171.1	178.9

Financial highlights (continued)

Investing in the assets of the city

Council continued to invest in the city, spending \$249.7 million across a wide range of capital projects. Highlights are below with more detail in the Annual Report section - council activities and services.



Achievements

In addition to the key projects summarised by the Mayor and Chief Executive, the Council completed the following:

- enhancement of the land around AMI Stadium, (\$0.75 million),
- completion of the Awatea Basin for land drainage, (\$8 million),
- development of the artificial hockey pitch at St Bede's college, (\$0.3 million),
- redevelopment of the Wharenui Pool, (\$0.9 million) and
- an upgrade of the Birdlings Flat water treatment to meet the requirements of drinking water standards, (\$0.3 million)

\$10.6 million was spent on plant and fit-out for the new Hereford Street civic offices and \$9.4 million on ongoing development of IT equipment and software.

The Council spent \$11.3 million on strategic land purchases including purchases at Ruapuna, (\$3.6 million), Te Oka farm, (\$3.2 million), and land required for land drainage, (\$2.4 million).

\$49.2 million was invested in equity in Vbase Limited. This included a net \$10 million to fund AMI Stadium, (\$15 million was received from Central Government and invested in Vbase and \$5 million of Council's equity was repaid) and \$38.5 million funded the transfer of the Town Hall and the commencement of its refurbishment.

\$3 million was spent on housing improvements and \$1.3 million on community centre upgrades including the purchase of land for the St Albans Resource centre upgrade.

Operational achievements for the year include:

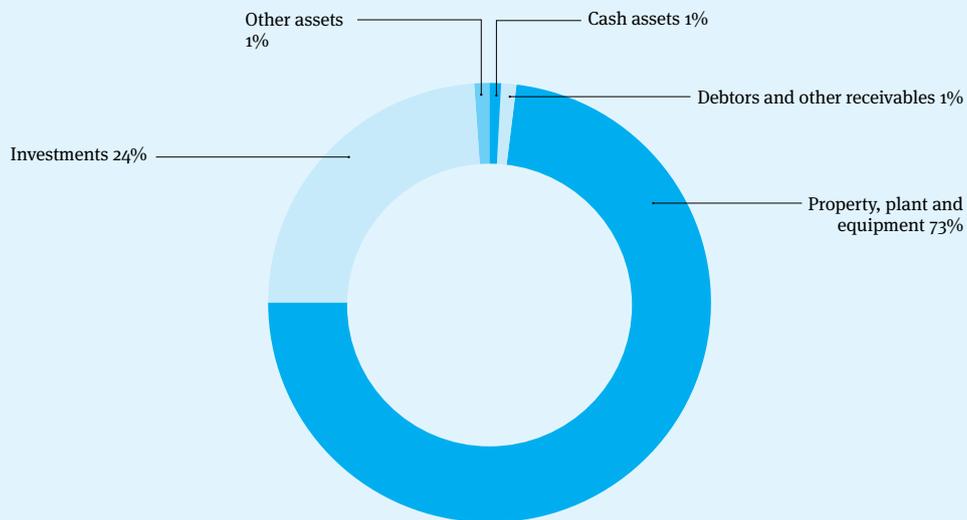
- continuing management of the city's wastewater collection and treatment to a satisfactory standard
- continuing management of the city's water supply services to a satisfactory standard
- continuing management of the city's libraries, Art Gallery, sports parks and stadia to a satisfactory standard including organising six large scale solo exhibitions at the Christchurch Art Gallery,
- working with our partners to host a programme of major sporting events including the Wellington Phoenix, Cycling Road Nationals, NZ Women's Golf Open and the NZ PGA championships
- maintenance of the city's streets, footpaths and transport systems to a satisfactory standard
- the distribution of \$7.8 million in support of almost 1,000 projects across the city through the Strengthening Communities Funding Scheme
- continuing management of the city's rivers and natural waterways
- continuing management of the kerbside collection system
- hosting of the second Ellerslie International Flower Show
- ongoing work on the Urban Development Strategy
- re-accreditation as a Building Consent Authority

Financial highlights (continued)

Financial Position

The Council's balance sheet reflects our strong position with total assets of \$7.3 billion and net assets of \$6.9 billion. Equity increased by \$348.8 million during the year as a result of the \$107.9 million surplus and the \$241.0 million net gain on revalued assets and investments.

Our asset breakdown is as shown:



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.

	2010	2009
	\$000s	\$000s
Revenue from operations	977,853	949,486
Operating surplus (before tax)	95,423	120,556
Total assets	8,276,527	7,598,568
Total liabilities	1,367,374	1,067,685
Total equity	6,909,153	6,530,883

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

In December 2009 Standard and Poor's affirmed the Council's and Christchurch City Holdings Limited long-term rating of AA+ and short-term rating of A-1+.

On 7th September 2010, following the earthquake, Standard and Poor's placed the Council on negative watch until such time as it could be determined what additional borrowings, if any, the Council will incur.

Below: A view of Christchurch City and the Southern Alps from the Port Hills.



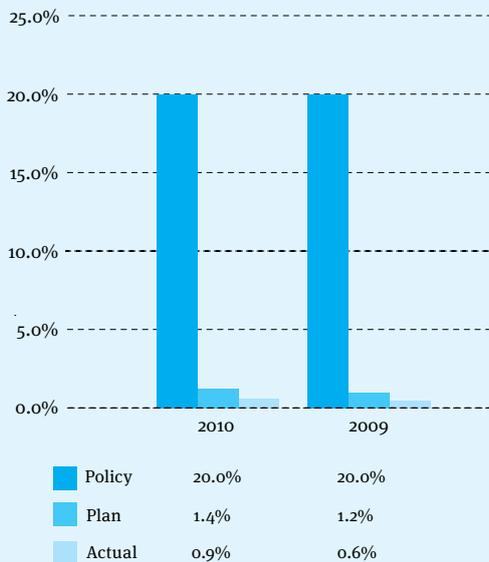
Financial ratios

The Council has five financial ratios which form a key part of its financial risk management strategy. These ratios define the limits within which the Council must maintain its balance sheet and borrowing ratios. The actual ratios for the year are set out in detail below and in all cases fall well within policy limits.

These ratios differ from those presented in previous annual reports as they have been redefined and apply to the Council's financial results only. Prior year's figures have been recalculated and are shown for comparative purposes.

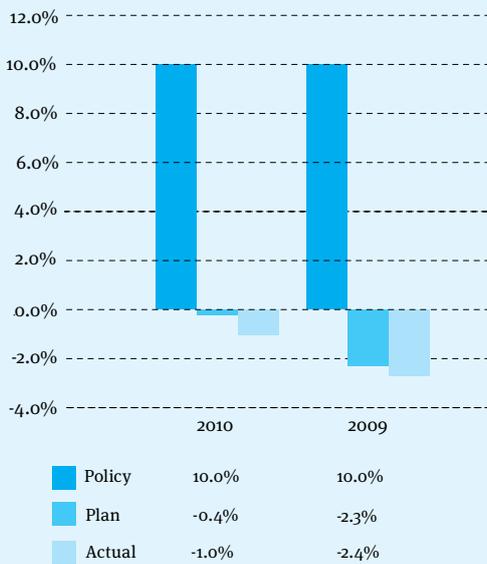
Net debt as a percentage of equity

Ratio Policy <20%

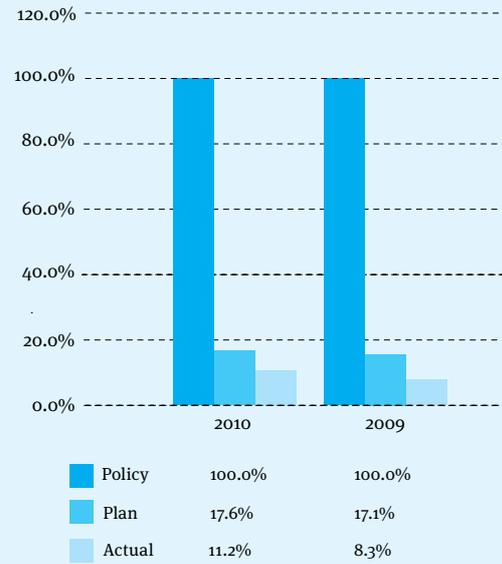


Financial ratios (continued)

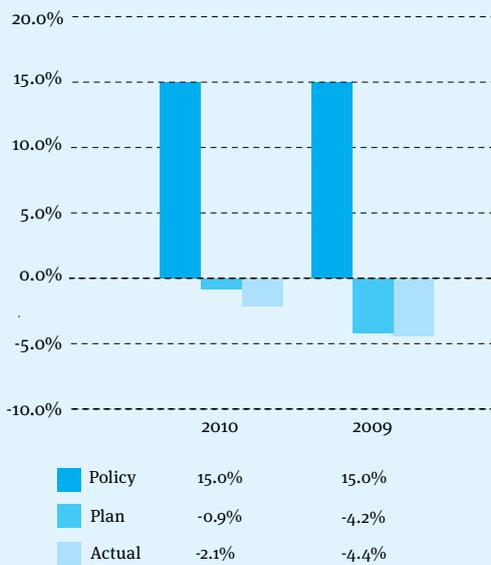
Net interest as a percentage of total revenue
Ratio Policy <10%



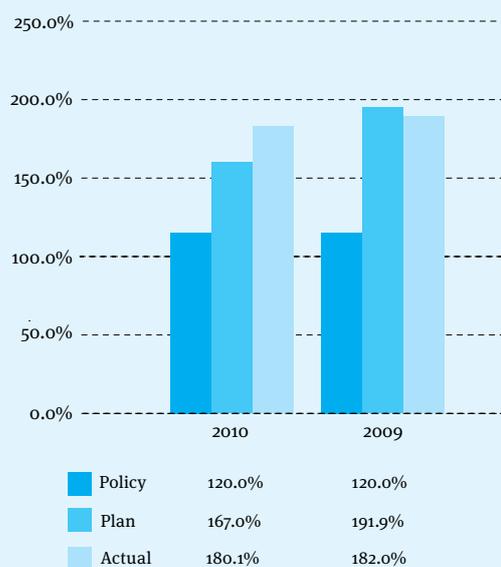
Net debt as a percentage of total revenue
Ratio Policy <100%



Net interest as a percentage of annual rates revenue
Ratio Policy <15%



Liquidity
Ratio Policy >120%



Summary Audit report

To the readers of Christchurch City Council and group's summary annual financial statements, service provision information and the other requirements for the year ended 30 June 2010.

We have audited the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 as set out on pages 2 to 30.

Unqualified opinion

In our opinion:

- the summary financial statements, service provision information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, service provision information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements, service provision information and the other requirements from which they are derived.

We expressed an unqualified audit opinion, in our report dated 30 September 2010, on:

- the full financial statements;
- the service provision information; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

In addition to the audit, we carried out other assignments in certain of the City Council's subsidiaries. These assignments were a review of interim financial statements, issuing audit certificates pursuant to the Commerce Act (Electricity Disclosure Requirements) Notice 2004, the Commerce Act (Electricity Distribution Thresholds) Notice 2004 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. These assignments are compatible with those independence requirements.

Other than the audit and in carrying out the audit of the long-term council community plan (LTCCP), an amendment to the LTCCP and the assignments detailed above, we have no relationship with or interests in the City Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002 and we are responsible for expressing an opinion on those summary financial statements, service provision information and the other requirements of Schedule 10 of the Local Government Act 2002. These responsibilities arise from the Local Government Act 2002.



S M Tobin

Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand
22 October 2010

Financial statements

Summary statement of comprehensive income for the year ended 30 June 2010

	Parent			Group	
	30 Jun 10 Actual \$000s	30 Jun 10 Plan \$000s	30 Jun 09 Actual \$000s	30 Jun 10 Actual \$000s	30 Jun 09 Actual \$000s
Revenue	559,891	560,834	469,660	977,853	949,486
Finance costs	17,278	21,054	10,981	44,895	38,723
Other expenses	439,962	431,346	419,330	845,070	818,958
Expenditure	457,240	452,400	430,311	889,965	857,681
Share of (losses)/profits of associates	-	-	-	466	3,953
Surplus before asset contributions	102,651	108,434	39,349	88,354	95,758
Vested assets	7,069	16,249	24,798	7,069	24,798
Surplus before income tax	109,720	124,683	64,147	95,423	120,556
Income tax expense	1,863	-	788	90,240	27,947
Surplus for the period	107,857	124,683	63,359	5,183	92,609
Other comprehensive income					
Property, plant and equipment valuation gain	356,555	209,000	80,315	383,131	67,322
Investment revaluation gain/(loss)	(113,033)	-	40,580	-	(34)
Other	(2,572)	-	5,358	(2,104)	(13,486)
Other comprehensive income for the period, net of tax	240,950	209,000	126,253	381,027	53,802
Total comprehensive income for the period, net of tax	348,807	333,683	189,612	386,210	146,411
Surplus for the period attributable to:					
Parent Entity	107,857	124,683	63,359	(1,785)	81,342
Minority interest	-	-	-	6,968	11,267
	107,857	124,683	63,359	5,183	92,609
Total comprehensive income attributable to:					
Equity holders of the parent	348,807	333,683	189,612	374,187	137,501
Minority interests	-	-	-	12,023	8,910
	348,807	333,683	189,612	386,210	146,411

The significant variances to budget relate to Christchurch City Council (parent) and are explained in the financial highlights on page 18.

Financial statements (continued)

Summary balance sheet as at 30 June 2010

	Parent			Group	
	30 Jun 10 Actual \$000s	30 Jun 10 Plan \$000s	30 Jun 09 Actual \$000s	30 Jun 10 Actual \$000s	30 Jun 09 Actual \$000s
Assets					
Current assets	245,476	150,351	197,776	328,754	269,400
Non-current assets	7,069,060	6,945,023	6,650,353	7,947,773	7,329,168
Total assets	7,314,536	7,095,374	6,848,129	8,276,527	7,598,568
Equity and Liabilities					
Current liabilities	136,888	77,099	145,417	408,064	227,854
Non-current liabilities	309,979	305,259	183,850	959,310	839,831
Equity*	6,867,669	6,713,016	6,518,862	6,909,153	6,530,883
Total Equity and liabilities	7,314,536	7,095,374	6,848,129	8,276,527	7,598,568

*Minority interest included in group equity

Council's (parent) total assets of \$7.3 billion were higher than budget by \$220 million, largely due to the revaluation increase of property, plant and equipment offset by the decrease in investments.

Financial statements (continued)

Summary statement of changes in equity for the year ended 30 June 2010

	Parent			Group	
	30 Jun 10 Actual \$000s	30 Jun 10 Plan \$000s	30 Jun 09 Actual \$000s	30 Jun 10 Actual \$000s	30 Jun 09 Actual \$000s
Opening equity	6,518,862	6,379,333	6,329,250	6,530,883	6,398,264
Other comprehensive income for the year (net of tax)	240,950	209,000	126,253	381,027	53,802
Surplus for the period	107,857	124,683	63,359	5,183	92,609
	348,807	333,683	189,612	386,210	146,411
Dividends	-	-	-	(7,723)	(9,117)
Adjustment from share acquisitions	-	-	-	(217)	(4,675)
Closing equity	6,867,669	6,713,016	6,518,862	6,909,153	6,530,883

	Parent actual			Group actual			
	Retained earnings \$000s	Other reserves \$000s	Total equity \$000s	Retained earnings \$000s	Other reserves \$000s	Minority interest \$000s	Total equity \$000s
Balance at 1 July 2008	1,767,037	4,562,213	6,329,250	2,446,650	3,704,026	247,588	6,398,264
Balance at 30 June 2009	1,866,321	4,652,541	6,518,862	2,564,968	3,723,209	242,706	6,530,883
Balance at 30 June 2010	1,961,725	4,905,944	6,867,669	2,523,984	4,138,280	246,889	6,909,153

Financial statements (continued)

Summary cash flow statement for the year ended 30 June 2010

	Parent			Group	
	30 Jun 10 Actual \$000s	30 Jun 10 Plan \$000s	30 Jun 09 Actual \$000s	30 Jun 10 Actual \$000s	30 Jun 09 Actual \$000s
Net cash provided by/(used in) operating activities	220,964	218,959	143,070	243,308	242,361
Net cash (used in)/provided by investing activities	(321,508)	(204,749)	(198,927)	(469,970)	(286,856)
Net cash provided by/(used in) financing activities	97,053	(13,709)	84,813	220,687	46,399
Net increase in cash and cash equivalents	(3,491)	501	28,956	(5,975)	1,904
Cash and cash equivalents at beginning of year	84,383	45,069	55,427	109,830	107,926
Cash and cash equivalents at end of year	80,892	45,570	84,383	103,855	109,830

Financial statements (continued)

Notes to the financial statement for the year ended 30 June 2010

1. Accounting policies

Reporting entity

Christchurch City Council (Council) is a territorial authority under the Local Government Act 2002. The Christchurch City Council group includes all subsidiaries and associates.

The primary objective of Council is to provide goods or services for the community or social benefit rather than to make a financial return. Accordingly, Council has designated itself a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Council are for the year ended 30 June 2010. The Council has prepared the summary financial report to provide users with a succinct overview of Council performance. The Council authorised the General Manager Corporate Services to produce and publish the summary report on the 30th September 2010. The summary report was approved for issue by the General Manager Corporate Services on 22 October 2010. The specific disclosures in the summary financial report have been extracted from the full audited financial report also dated 30 September 2010.

Basis of preparation

The financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with General Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities. The accounting policies adopted are consistent with those of the previous financial year except where new and amended standards and interpretations have been adopted.

The summary financial report complies with Financial Reporting Standard No. 43 Summary Financial Statements. Users of the summary financial report should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Council.

Users who require additional information are encouraged to access the full Council Annual Report on the Council website at www.ccc.govt.nz/annualreport. Users who do not have access to the website can request a printed version through the call centre or from the following address:

*General Manager, Corporate Services
Christchurch City Council
PO Box 237
Christchurch*

2. Capital commitments

Christchurch City Council group has commitments to the value of \$159 million (2009: \$235 million) on capital works.

3. Contingent liabilities

These liabilities are dependent on other future events and, for the group, total \$20 million (2009: \$16 million).

4. Events after balance date

Canterbury Earthquake

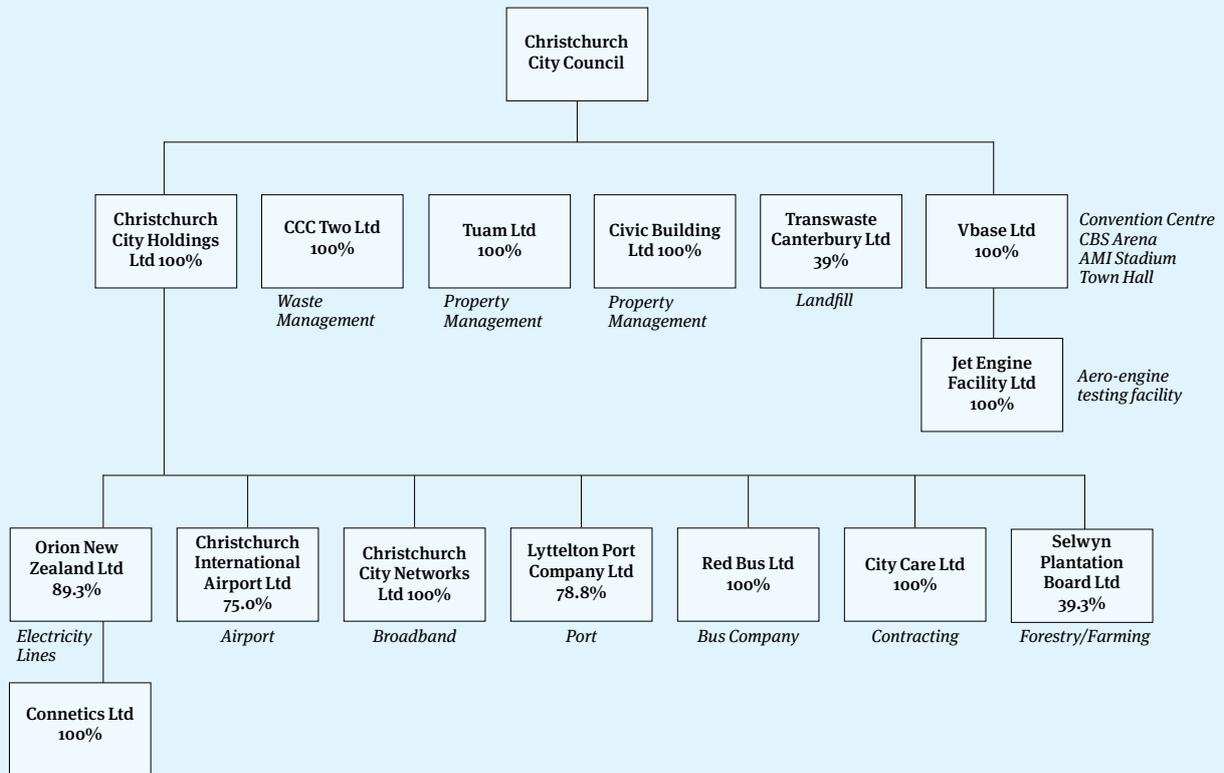
An earthquake registering 7.1 on the Richter scale struck Canterbury and Christchurch on 4 September. While there was damage to property and infrastructure, it is too early to quantify the monetary value of such damage. In the meantime, the Council and group companies are continuing to operate.

Sale of CCC Two Ltd

On 23 July 2010 Council resolved that CCC Two Ltd be offered for sale to Christchurch City Holdings Limited (CCHL) at its current market valuation. The sale process is currently underway.

Group structure

The Council holds controlling stakes in a number of trading companies which form part of the City's key infrastructure. These Council-controlled organisations are managed for the long-term benefit of the community and aim to help ensure a healthy regional economy. The dividends from these companies help the Council reduce its reliance on rates to fund its activities. The trading companies are run commercially, at arms length from the Council.



The tower at Christchurch International Airport Limited is lit up at dusk. Photograph by Richard Simmonds.



