

Christchurch City
Annual Report

2018

Summary

Christchurch Ōtautahi

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Annual Report 2018 Summary
Christchurch Ōtautahi

For the period 1 July 2017 to 30 June 2018
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What is the summary report?

This is a summary of the Christchurch City Council's 2018 Annual Report. It shows at a glance what the Christchurch City Council (the Council) has been doing for the past financial year.

If you would like more information please refer to the full report, copies of which are at city libraries and service centres, and online at ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/annual-plans/2018-annual-report/. You can also ask our call centre for a copy by phoning (03) 941 8999 or for Banks Peninsula residents, 0800 800 169.

The 2018 Annual Report for the financial year July 2017 to June 2018 sets out what the Council did in the past year, why we did those things, how much they cost, and how they were funded.

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

The report shows our overall financial position and performance, measured against key financial goals.

The Council adopted the Annual Report on 11 October 2018.

Published by the Office of the Chief Executive, Christchurch City Council, in compliance with section 98 (4) of the Local Government Act 2002.

Council vision

The Christchurch City Council has a vision for this City:

Christchurch is a city of opportunity for all.

Open to new ideas, new people and new ways of doing things – a city where anything is possible.

From the Mayor and Chief Executive

Our city's regeneration continues to gain momentum this year.

There are signs of real progress especially with substantial investment by the private sector. The Council has also completed a range of important city and community-based projects including Matuku Takotako: Sumner Centre (combining the library, museum and community centre), Taioia: QEII Recreation and Sport Centre and heritage projects including the Rose Chapel and Cracroft House.

However, significant earthquake-related investment is still required in roads, and flood protection infrastructure. Repair and restoration to desired levels of service will continue to put pressure on Council's capital spending and borrowing in the years ahead.

In addition the shock loss of secure status for our drinking water supply has required significant 'bring forwards' for above grounding of wellheads. We've also faced significant capital and operating costs, as well as reputational damage through the temporary chlorination which is required by health officials at this time.

In response to this emerging challenge, a new role of Programme Manager – Water Supply Improvement was established to focus exclusively on upgrading of the below-ground wellhead network and improving the infrastructure which services the city's drinking water supply.

The Government's confirmation in the 2018 budget of their pre-election promise to fund a \$300 million capital acceleration facility for the City's regeneration reinforced its commitment to continued progress and certainty for Christchurch.

We have established a strong and open relationship with the new coalition government. The Government's confirmation in the 2018 budget of their pre-election promise to fund a \$300 million capital acceleration facility for the City's regeneration reinforced its commitment to continued progress and certainty for Christchurch.

We continue to work alongside Regenerate Christchurch, Development Christchurch Limited (DCL) and Ōtākaro Limited to build a regeneration eco-system that gives confidence and certainty to developers, businesses and the wider community.

Our relationship is growing with the Papatipu Rūnanga of our area. The joint standing committee, Te Hononga Council-Papatipu Rūnanga, continues to work on matters of mutual interest, such as improving water quality.

ChristchurchNZ came into being on 1 July 2017, bringing together Christchurch & Canterbury Tourism, Canterbury Development Corporation, International Education, the Convention Bureau and the Council's Major Events team. Implementation of the recently-adopted Christchurch Antarctic Gateway Strategy is one of ChristchurchNZ's early priorities for working alongside stakeholders.

The Council's six Strategic Priorities guide and influence decision making and operational delivery of services.

Climate change leadership is one such priority. This year we became the first city in New Zealand to have a 100 per cent battery electric car-sharing service and we received the 2017 award for the most EV Friendly Town of the year. We also signed the Global Covenant of Mayors for Climate and Energy.

Another priority is informed and proactive approaches to natural hazards. We are fast-tracking flood risk investigations and mitigation work through our Land Drainage Recovery Programme. We adopted a Flood Intervention Policy to help property owners determine the most appropriate, cost-effective options for their property.

it is a plan designed to “get the basics right.”

Drafting and finalising the 2018-2028 Long Term Plan (LTP) required significant work across the organisation. Adopted on 26 June 2018, it is a plan designed to “get the basics right.” Public submissions on the draft Plan’s proposals clearly told us that repairing roads and footpaths, securing our water supply and continuing the momentum in the regeneration of the city are really important. In addition, there was strong support for bringing forward the stadium funding on our budget which meant we could apply to the government to meet the unfunded portion of the build costs. These have been prioritised in the LTP budgets. The proposed cap on average rates increase (of 5.5 per cent) was able to be maintained.

As we continue to re-establish ourselves following the earthquakes, one of our aims is to create a sustainable city. There is an underlying spirit of innovation and optimism in Christchurch; that supports the vision of being a city of opportunity for all, a place open to new ideas, new people and new ways of doing things – a place where anything is possible.



A handwritten signature in black ink, appearing to read 'Lianne Dalziel'.

Lianne Dalziel
Mayor of Christchurch
11 October 2018



A handwritten signature in black ink, appearing to read 'Karleen Edwards'.

Dr Karleen Edwards
Chief Executive
11 October 2018



Council - The 2018 year in review

Total assets

\$13.1 billion

↑ 2017 **\$12.8 billion**
↓ Planned **\$13.3 billion**

Total revenue

\$992 million

↓ 2017 **\$1,029 million**
↑ Planned **\$929 million**

Total borrowing

\$1.9 billion

↔ 2017 **\$1.9 billion**
↔ Planned **\$1.9 billion**

Total operating expenditure

\$799 million

↓ 2017 **\$872 million**
↑ Planned **\$753 million**

Total capital expenditure

\$501 million

↓ 2017 **\$525 million**
↑ Planned **\$494 million**

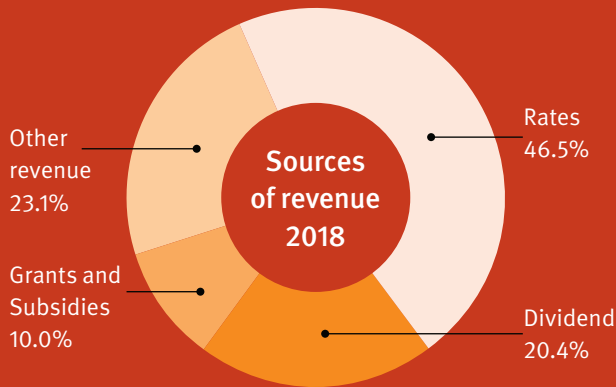
Total rates levied

\$461 million

↑ 2017 **\$426 million**
↑ Planned **\$456 million**

Financial highlights

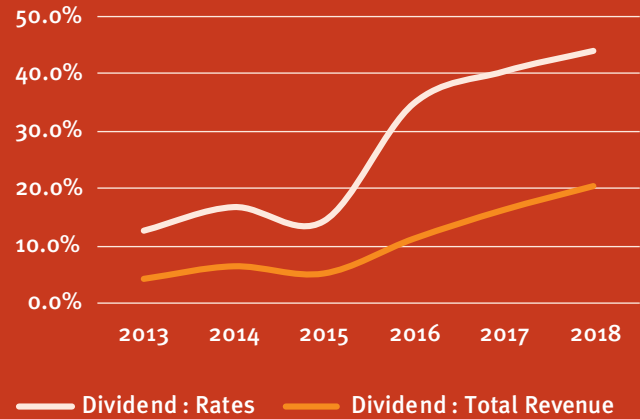
Total revenue



The results for the year ended 30 June 2018 contains fewer direct recoveries from earthquake related activity and more indirect recoveries with the growth in the number of rating units.

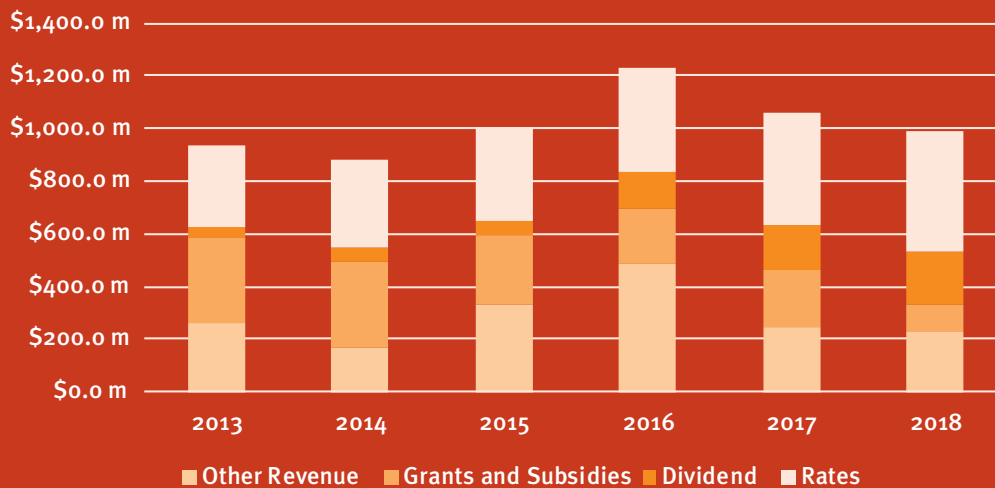
Council operations

Impact of CCHL dividends



In 2018, the Council received \$203 million in dividends from investments in Christchurch City Holdings Limited and other companies. Dividends in 2018 form 20.5% of total revenue compared to the 46.6% from rates revenue.

Sources of Revenue Actual \$millions

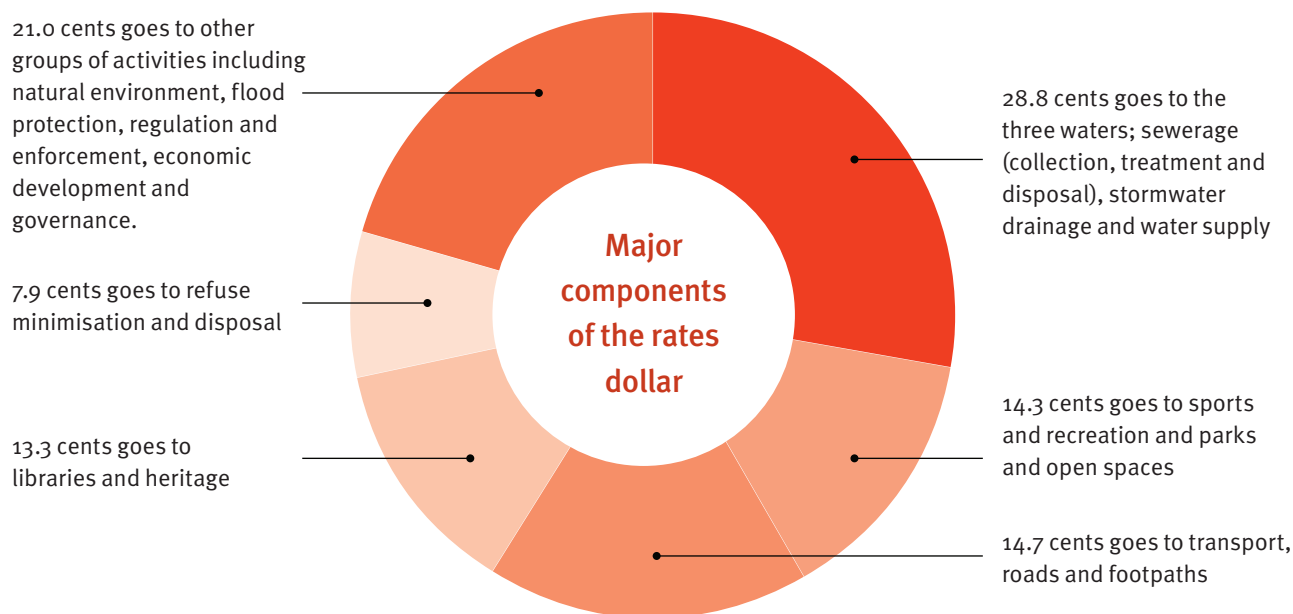


Over the past six years

- The increase in value of rates revenue, reflects both the change in the number of rating units and higher rates charges.
- The reduction in grants and subsidies reflects the decline in earthquake grants from central government.
- The return of other revenue to a more consistent level from the insurance receipts recorded in 2016.

Financial highlights

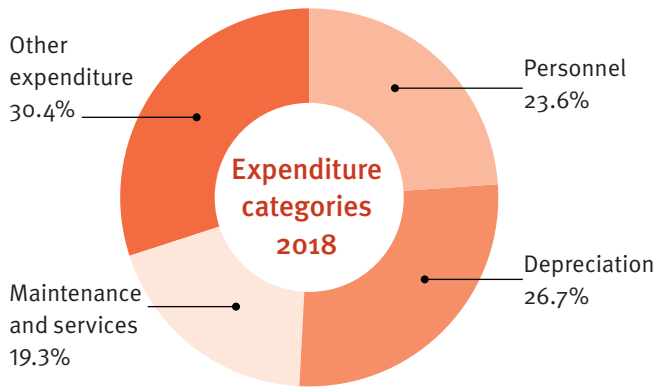
Where do my rates go?



Financial highlights

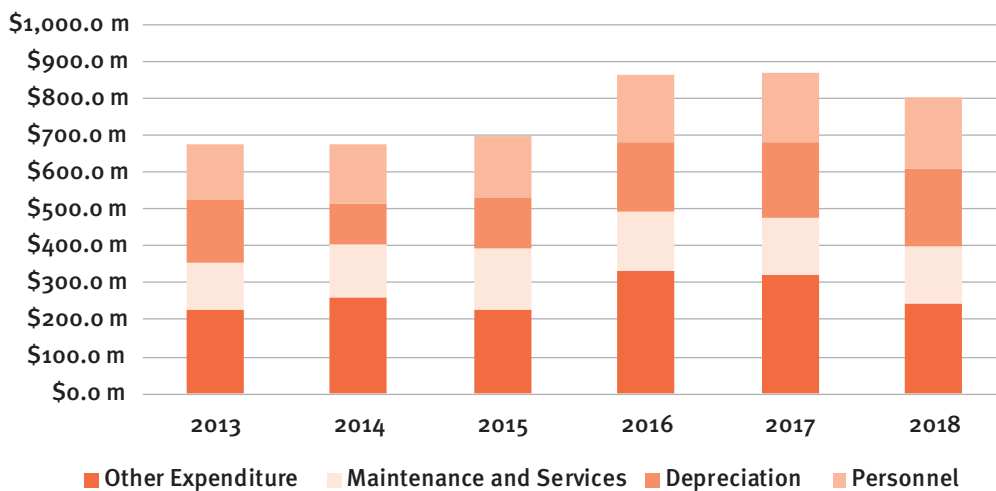
Total expenditure

Council operations



In the 2018 year, the Council recorded an accounting charge of \$213 million for the depreciation and amortisation of Council assets. Our policy is to rate for the long run average cost of asset renewals and replacements. Personnel costs of \$189 million represents 23% of total expenditure which is consistent with previous years. Other expenditure includes finance costs of \$89 million on total borrowing of \$1.9 billion.

Expenditure Categories Actual \$millions



Over the past six years

- Personnel costs have remained consistent for the six years being between 22-24% of total expenditure.
- Depreciation fluctuates in the year after major assets are revalued, this occurred in 2016 as infrastructure assets were revalued in 2015
- Maintenance and Services is consistent during the period in review and in line with previous years
- Other expenditure includes asset impairment and the reversal of prior year impairments as assets are repaired.

Financial highlights

Capital expenditure

The Council spent \$501 million on significant asset investment in the 2018 year on:

- Infrastructure works including northern arterial extension, cycleways, road safety improvements and water supply projects.
- Community facilities and libraries including Tūranga.
- Sports facilities including Taiora QEII complex and Ngā Puna Wai.



Achievements

Infrastructure rebuild

The repair and rebuild of the Council's earthquake-damaged facilities continued, from major community landmarks to small toilet blocks.

Council led projects

- The final phase of construction work was completed for Tūranga, Christchurch's new central library, which is scheduled to open 12 October 2018
- Construction began on five new social housing units at the Council's Bruce Terrace housing complex in Akaroa
- The new Taiora QEII Recreation and Sport centre has opened to the public
- Rapanui – Shag Rock Cycleway stages one and two were completed
- Quarryman's Cycleway stage one completed
- An electric vehicle car share service was launched
- Deconstruction of the Lancaster Park stadium began, with the Council aiming to recycle as much of the material as possible.

Other capital projects

- Sewerage and water supply network renewals
- Replacement of shallow water wells
- Flood protection, stormwater and land drainage recovery
- Wastewater treatment plant earthquake repairs
- Road and footpath resurfacing
- Major cycleway routes
- Sports park renewal and improvements projects
- Purchased 22 owner-occupier housing units for the housing portfolio
- Completed restoration of the Rose Chapel.

Other achievements

- Regenerate Christchurch's proposal to implement changes to the Christchurch District Plan to enable Redcliffs School to relocate to Redcliffs Park was approved by the Minister for Greater Christchurch Regeneration
- Regenerate Christchurch's vision for Cathedral Square was published
- Regenerate Christchurch held the Red Zone Futures five week exhibition in Cashel Mall and engaged with more than 15,000 people
- Development Christchurch Limited made good progress on the New Brighton Regeneration Project during the year, bringing together a series of projects aimed at revitalising the seaside village.
- These include
 - » Christchurch Hot Pools – following extensive community consultation, DCL reached the resource consent stage for the hot pools development in early 2018 with work expected to start in the coming year
 - » Christchurch Beachside Playground – the playground opened in December 2017, drawing crowds to the seaside suburb and acting as a catalyst to the wider regeneration project
 - » New Brighton Commercial revitalisation – key to the success of the New Brighton regeneration is the ability to bring life back to the mall and commercial area; DCL has progressed discussions with businesses, property owners and potential investors with the aim of revitalising the once-busy business centre
 - » Creating Momentum Fund – DCL supported over a dozen community projects with funding for various events, activities and initiatives
- Implementation of Christchurch City Council's new customer interaction technology

-
- Christchurch Art Gallery received three publication awards and we added 92 works to the collection
 - Highly successful introduction of Council's Eco-Design Advisor service for those building new or renovating their home.

Ōtākaro led projects

- Ōtākaro and the Council have agreed on the design of the Metro Sports Facility, Construction will begin early 2019 and is expected to be completed in 2021.
- Major parks and gathering places were completed or restored during the year including Rauora Park, Victoria Square, Evolution Square and the former CTV building site.
- Ōtākaro and Fletcher Living are progressing the One Central residential development in the East Frame. One hundred and seventy-two homes are under construction, with the first expected to be complete in October 2018.
- The Te Papa Ōtākaro/Avon River Precinct promenade, the 2.5km transformation of Oxford Terrace, will be completed before the end of 2018.
- Construction of the Te Pae Christchurch Convention Centre is 25 per cent complete. A number of events are already booked, and will bring around 12,000 visitors to Christchurch in the fourth quarter of 2020, soon after opening.

Looking forward

Our major focus in 2019 is the delivery of our capital programme and getting the basics right in terms of delivering the levels of service to the community that we outlined in our 2018/28 Long Term Plan, together with the rebuild of the city. We will continue our infrastructure programme and maintain existing assets to meet the community's immediate needs.

Works planned for the year to June 2019 include:

- Opening of the restored Town Hall and the new purpose-built addition to the Town Hall for the Christchurch Symphony Orchestra
- Construction of the Lyttelton cruise berth
- Continuing work on well-heads to minimise the need for chlorination
- Introduction by Red Bus of Christchurch's first fully electric urban bus service in early 2019
- Working with the Minister for Greater Christchurch Regeneration, Megan Woods, to ensure Christchurch gets a new stadium
- The official opening of the new central library Tūranga
- Ngā Puna Wai Sports Hub based in Halswell will offer international-standard athletics and hockey facilities along with tennis courts and rugby league fields. A centralised sports hub, boulevard and two multi-purpose grass community fields will open in 2019
- Public consultation on the long term vision of other QEII park developments
- Progressing work on the Christchurch Northern Corridor
- Completion of the core project to reopen the Sumner Road access to Lyttelton to provide for the over-dimension freight needs of the port.

Christchurch will host a range of local, national and international events including:

- Women's suffrage 125th Anniversary
- Bread and Circus World Buskers Festival
- Cricket - Blackcaps versus both Sri Lanka and Bangladesh.

Among the concerts on offer will be Phil Collins, UB40, Toto and Dragon, the ABBA Show and the musical Les Misérables.

Other events include the South Island Lantern Festival, South Island Wine and Food Festival, the Kathmandu Coast to Coast and Coca-Cola Christmas in the Park.



Council activities and services

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Our activities and performance

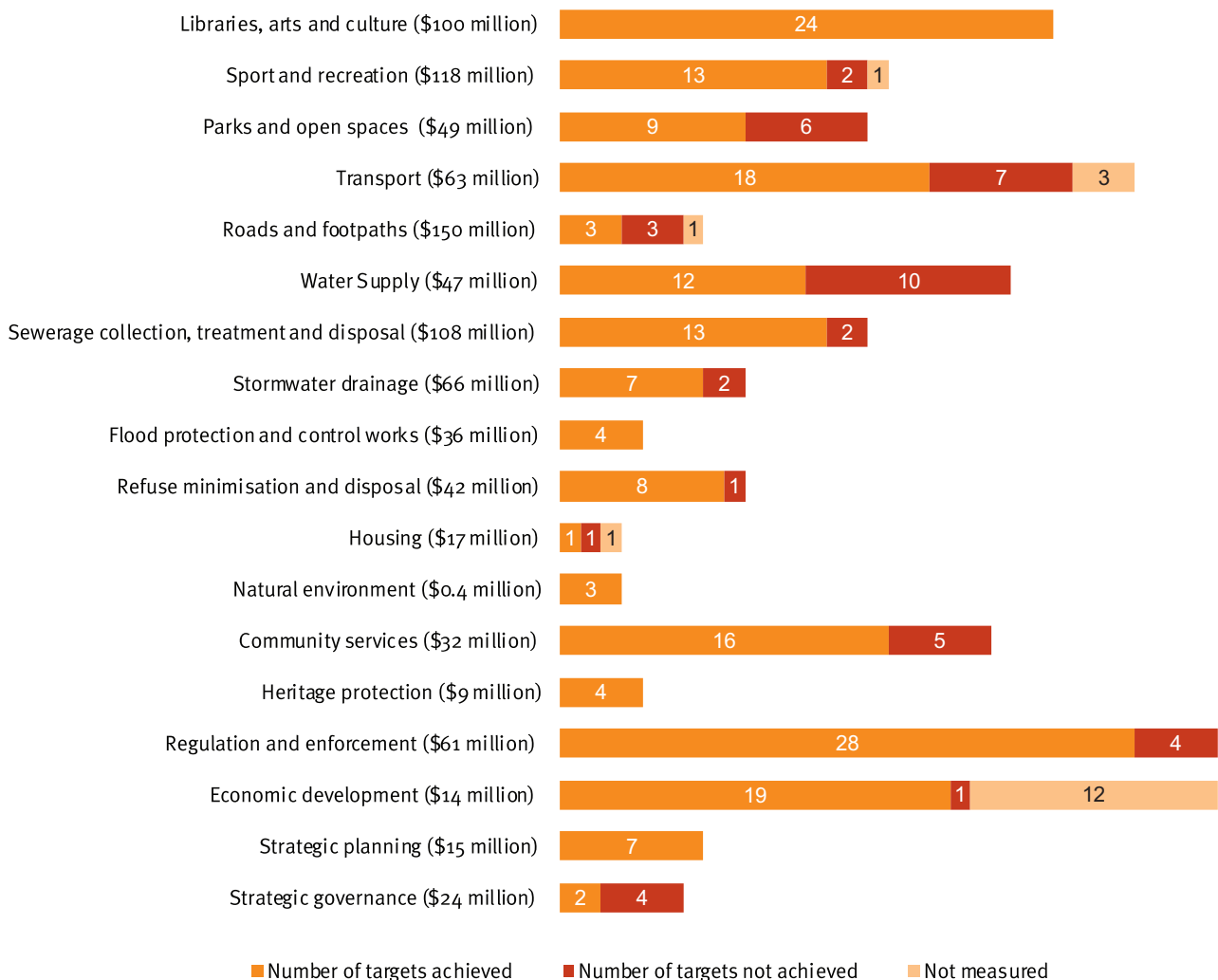
We are responsible for a large range and variety of services and activities. For example, we collect rubbish, recycling and green waste, build and maintain roads and the water supply network, and run the Botanic Gardens, Christchurch Art Gallery, city libraries and many festivals and events.

These activities are grouped into 19 Council Activities and Services; you can find further detail in the Council activities and services section of the Annual Report.

The summary graph below shows that, of 257 measures we use to track performance:

- we have met the target for 191
- we have not met the target for 48, and
- we have 18 no longer applicable or there is insufficient data available to report against.

Activity (with Funding) and Performance Measures



01 Libraries, arts and culture

What we do

Each time you visit the Christchurch Art Gallery, or local museums and libraries, you can immerse yourself in the experience or utilise a range of our cultural and learning services.

We provide residents and visitors with access to an array of art, historical and educational material, along with exhibitions and public events.

We also provide multiple online services and learning opportunities.

What we have achieved

The Christchurch Art Gallery Te Puna o Waiwhetū continues to draw thousands of visitors, reaching 388,968 in the last year. It has presented 15 exhibitions and 1 artist project.

In all, 27,124 visitors have taken part in 251 public programme events at the Gallery.

Approximately 12,635 school children took part in art lessons and exhibition tours.

We have also added 92 works to the city's collection.

In Akaroa our museum has attracted 29,984 visitors.

What you think

Ninety-five per cent of residents who use libraries are satisfied with the service.

Ninety-eight per cent of Christchurch Art Gallery visitors are satisfied with their experience.

Thirty-four per cent of those surveyed have not visited a library in the past twelve months.



Find out more:

Book a spot in a futuristic city library:
ccc.govt.nz/news-and-events/newsline/show/2726

02 Sport and recreation

What we do

We encourage and support a healthy lifestyle, providing all residents with multiple opportunities to be more physically active and take part in leisure, sport and physical activities.

Our wealth of facilities includes the Pioneer Sport and Recreation Centre, the Jellie Park centre, Taiora QEII and the Graham Condon Centre.

We also oversee many sports parks around the city, support a range of sport-related groups and host multiple domestic and international events.

What we have achieved

The wet winter of 2017 created a challenge to renovate and return key fields into a fit for purpose state for summer and remain within budget.

We continue to implement a programme to build the capacity of our sports parks. This includes focusing on improving the quality of key fields to ensure less remedial maintenance is required.

We completed upgrades to Leslie Park and Wainoni Park to provide a more equitable provision of quality fields across the winter sporting codes. These upgraded facilities were used as training fields for the Rugby League World Cup. We also completed substantial earthquake-related repairs to Sydenham Park and commenced similar repairs to St Albans Park.

Planning and design work has continued on four major recreation and sport facilities including: Metro Sports Facility, Ngā Puna Wai, the South West Recreation and Sport Centre, and Linwood/Woolston Pool. Design work is underway on the New Brighton Hot Salt Water Pools.

The Taiora:QEII Recreation and Sport Centre was officially opened and construction work on the sports hub at Ngā Puna Wai is progressing well for opening in 2019. Resident's passion for physical activity continues with over four million

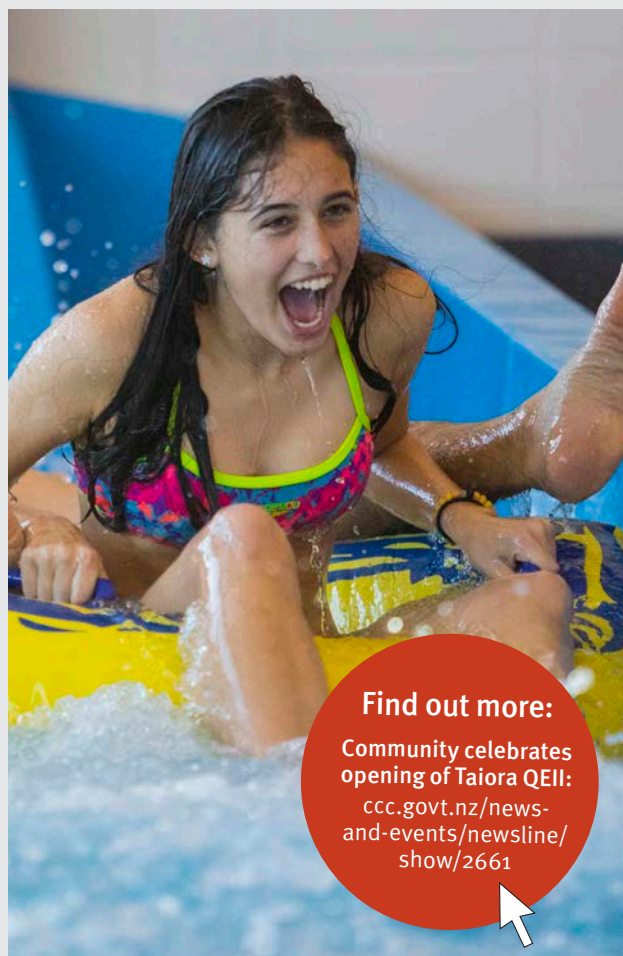
visits to recreation and sport centres, stadia and services over the past year.

We collaborated with Water Safety New Zealand to provide 109,298 affordable swim lessons to communities in need.

What you think

Sixty-eight per cent of residents have a high level of satisfaction with the range and quality of sports parks compared to a target of ninety per cent.

Our citizens tell us they want to be proud of Christchurch as the 'Garden City'.



Find out more:

Community celebrates opening of Taiora QEII:
ccc.govt.nz/news-and-events/newsline/show/2661

03 Parks and open spaces

What we do

The Parks and open spaces activity maintains and manages 1,023 parks and reserves covering 7,823 hectares in Christchurch City and Banks Peninsula. They include the Botanic Gardens, Hagley Park, other significant heritage gardens, regional and neighbourhood gardens, as well as open and closed cemeteries.

Our accessible parks and reserves for recreation, leisure and sport provide an attractive urban environment that benefits our community and draws thousands of visitors and tourists.

What we have achieved

The successful adoption of the spatial plan for the Botanic Gardens has set the platform for a long term investment programme to ensure that the City's number one visitor attraction is fit for purpose for future generations.

We continue to see an increased awareness from citizens of the service we provide around our parks. There is an increasing investment in local community initiatives, increased volunteer activity and partnerships. The importance and opportunity associated with volunteers has been recognised by the creation of a dedicated team within the Parks Unit to strengthen and grow volunteer input via training and developmental opportunities and explore social enterprise opportunities.

What you think

Ninety-six per cent of visitors are satisfied with the Botanic Gardens' appearance. Sixty-six per cent are satisfied with the mix of recreation facilities.

Ninety-five per cent of citizens considered our neighbourhood parks and cemetery grounds were maintained clean, tidy, safe and functioning.



Find out more:
City park rangers go on the beat:
ccc.govt.nz/news-and-events/newsline/show/2695

04 Transport

What we do

We plan, operate and maintain Christchurch's major cycleway network, along with the infrastructure that supports the bus network and trams. We also protect and control road corridor use.

We operate and maintain the traffic lights, traffic cameras and traveller information portals, as well as plan and provide transport education. We also operate and maintain Christchurch's public parking facilities. Equally importantly, we plan, build and maintain harbour and marine structures.

What we have achieved

Construction of the Lichfield Street Car Parking building was completed in November 2017 and opened to the public. Demand for parking has climbed steadily.

We completed construction of the Uni-cycle and Rapanui/Shag Rock cycle routes of the Major Cycleways programme and commenced construction of the Quarryman's Trail and Heathcote Expressway routes.

We completed the installation of a new bus lane on Main North Road at the Empire Road off-ramp intersection.

We completed earthquake repairs to the New Brighton Pier and completed and reopened Takamatua wharf. Planning is underway for the renewal of Akaroa and Diamond Harbour wharfs.

What you think

Fifty-one per cent of people say Christchurch is a cycling-friendly city. Thirty-nine per cent were satisfied with Council-owned parking facilities.



Find out more:

Uni-Cycle cycleway won an award:
ccc.govt.nz/news-and-events/newsline/show/2866

Find out more:

Linwood students pedal their way into history:
ccc.govt.nz/news-and-events/newsline/show/2270

05 Roads and footpaths

What we do

We build and maintain streets, roads and paths so we can easily access our homes and leisure activities, along with shops and businesses.

We also maintain our street lighting, benches, signage, bridges, retaining walls, road and cycleway markings and tram infrastructure.

We are responsible for street cleaning, graffiti removal and removal of dumped rubbish from within the road corridor. In addition, we maintain berms, verges and street trees.

What we have achieved

We resealed 38 kilometres of roads through our road maintenance contracts and added 75 kilometres of new roads to the network through subdivision development.

We completed the renewal of 20 kilometres of footpaths throughout the City.

Five rural bridges were renewed and five new retaining walls were constructed.

We commenced a significant programme of risk mitigation works to protect the Sumner corridor from rockfall hazard and restored alternative access to Lyttelton.

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

An ongoing programme of works to repair earthquake damaged street lights and convert existing lights to LED technology continued with 3,350 street lights upgraded to LED.

What you think

Seventy-six per cent of residents believe Christchurch is a walking-friendly city. Twenty per cent are satisfied with the conditions of roads.



Find out more:

Milestone reached in Riccarton Road works:
ccc.govt.nz/news-and-events/newslines/show/2712

06 Water supply

What we do

We supply clean drinking water to protect the health of our community and aid commercial users. This is done via a network of wells, pump stations, treatment facilities, reservoirs and underground reticulation pipes that distribute potable water in the city.

We also promote water conservation and ensure an adequate supply for fighting fires.

What we have achieved

We completed construction of the new water supply mains to service greenfields areas in Halswell in April 2018 (in conjunction with the wastewater project).

We also completed construction of the new Gardiners water supply pump station. This project will meet growth demands in the North West of the city and replace the Harewood pump station which has shallow wells.

In total we renewed 4.9 kilometres of water supply mains and 9.1 kilometres of submains for the year.

Equipment renewals at eight pump stations were completed and new flow metres were installed to comply with resource consents. Eight reservoir roofs were relined.

What you think

Seventy-nine per cent of residents are satisfied our water is supplied to drinking water standards compared to our target of ninety per cent.



Find out more:

Pump stations targeted for end of chlorination:
ccc.govt.nz/news-and-events/newsline/show/2720



07

Sewerage collection, treatment and disposal

What we do

Council infrastructure collects wastewater from city homes and businesses.

Our reticulated wastewater system feeds into treatment plants, where contaminants are removed before wastewater is safely discharged back into the natural environment.

What we have achieved

We completed 2.3 kilometres of wastewater pipe renewals.

We completed construction of the first stage of the Riccarton Road wastewater pipe upgrade, in conjunction with water and stormwater pipe renewals and pavement reconstruction.

In addition, we completed detailed design of the upgrades to the wastewater main on Colombo Street (between Dyers Pass Road and Fisher Avenue) and Beckenham Street, with construction underway. These upgrades are to reduce overflows to the Heathcote River.

Detailed design work and some construction is underway on the project to convey raw wastewater from Lyttelton, Diamond Harbour and Governors Bay to the CWTP. This project will remove discharges of treated wastewater into Lyttelton Harbour by 2021.

What you think

Seventy-nine per cent of residents are satisfied wastewater collection is safe, convenient and effective.



Find out more:
Lyttelton Harbour pipeline project gets blessing:
ccc.govt.nz/news-and-events/newsline/show/2394

08 Stormwater drainage

What we do

Protecting our natural waterways and stormwater networks by maintaining the drainage systems helps to lessen the flood risk, safeguards public health and ensures other infrastructure networks can function well.

We also continue to focus on water quality and healthy ecosystems.

What we have achieved

We kept our main focus on asset repairs and planning for the rebuild of damaged assets. An example of this is the removal of accumulated silt from parts of the network and replacing the Avoca Valley tide gates.

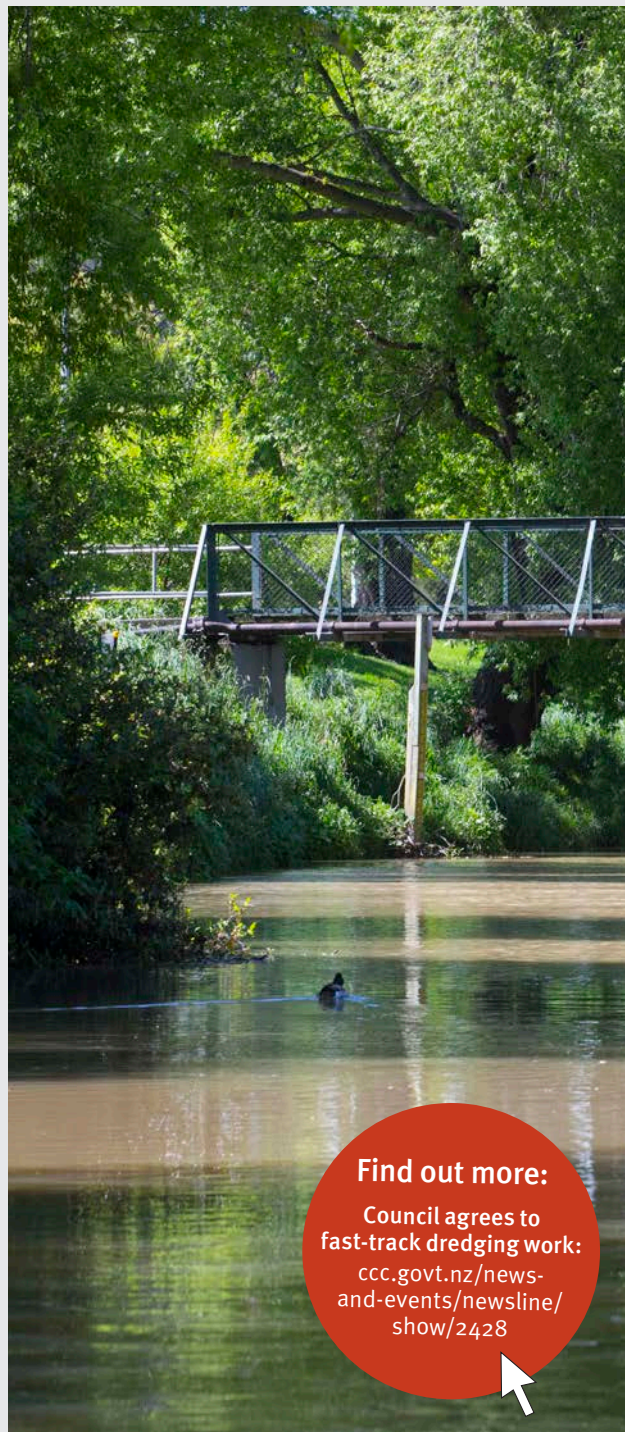
We installed litter booms on both the Avon and Heathcote Rivers during the year with over 41 tonnes of material collected in the first seven months.

We have been working closely with ECAN and NIWA to understand how renewal of the timber lining in the Canal Reserve drain can be managed to minimise any adverse impact on the Lamprey, which is a threatened species known to live in the drain.

We've completed renewal and upgrade work in many areas, including improvements to inlet structures across Banks Peninsula. Old and missing tide gates have been replaced with fish-friendly alternatives.

What you think

Thirty-five per cent of residents are satisfied with stormwater drainage management compared to our target of seventy-five percent.



Find out more:

Council agrees to fast-track dredging work:
ccc.govt.nz/news-and-events/newsline/show/2428



09

Flood protection and control works

What we do

Flood relief remains our focus as we undertake flood mitigation projects in earthquake-affected areas.

Our Land Drainage Recovery Programme helps ensure that we deliver a major works programme in the areas of most need. We continue to accelerate our priority projects, such as Dudley Creek.

What we have achieved

Significant progress has been made in reducing flood risk this year with projects now operational across the city.

The Flood Prevention Policy was adopted by Council in November 2017. This policy will help property owners who've had frequent above-floor flooding, where their flooding has been worsened by the earthquakes, and planned flood mitigation schemes will not offer a timely reduction to their flood risk.

We continue to monitor and maintain the Avon/Ōtākaro temporary stopbanks, with a significant strengthening project nearing completion. The stopbanks protect against tidal events in the short term while we await a decision on the Residential Red Zone.

We commenced design and construction on our four upper Heathcote River storage basins, namely the Wigram Basin Extension, Curletts Road, Cashmere-Worsley and Eastman Wetlands. In addition, we completed the conversion of Lower Linwoods Fields into an urban forest and stormwater basin (Te Oranga Waikura).



Find out more:

Council agrees to fast-track dredging work:
ccc.govt.nz/news-and-events/newsline/show/2428

10

Refuse minimisation and disposal

What we do

By disposing of rubbish properly and minimising the amount that goes to landfill, we create a healthy and safe city environment.

We collect and dispose of much of the city's solid waste and work with the community to cut landfill waste. Encouraging residents and business owners to reduce and recycle remains one of our core commitments. We also monitor landfill sites and sort, reuse and — via our Burwood Resource Recovery Park — safely dispose of construction and demolition waste.

What we have achieved

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

The kerbside collection system continues to perform well and rates highly in our annual residents' survey. As part of our commitment to continuous improvement we changed the way we collect from kerbside on public holidays making it not only easier to understand but also easy if the notification is missed or forgotten.

BRRP has continued to take construction and demolition waste. In 2018 the plant sorted 150,000 tonnes (2017: 185,930 tonnes). Since it opened, the site has received 802,260 tonnes.

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

What you think

Eighty-nine per cent of residents are satisfied with kerbside collection services.



11 Housing

What we do

Since 1938, we have been involved in community housing.

Safe, accessible and affordable social housing contributes to community well-being for those on low incomes, including the elderly and people with disabilities.

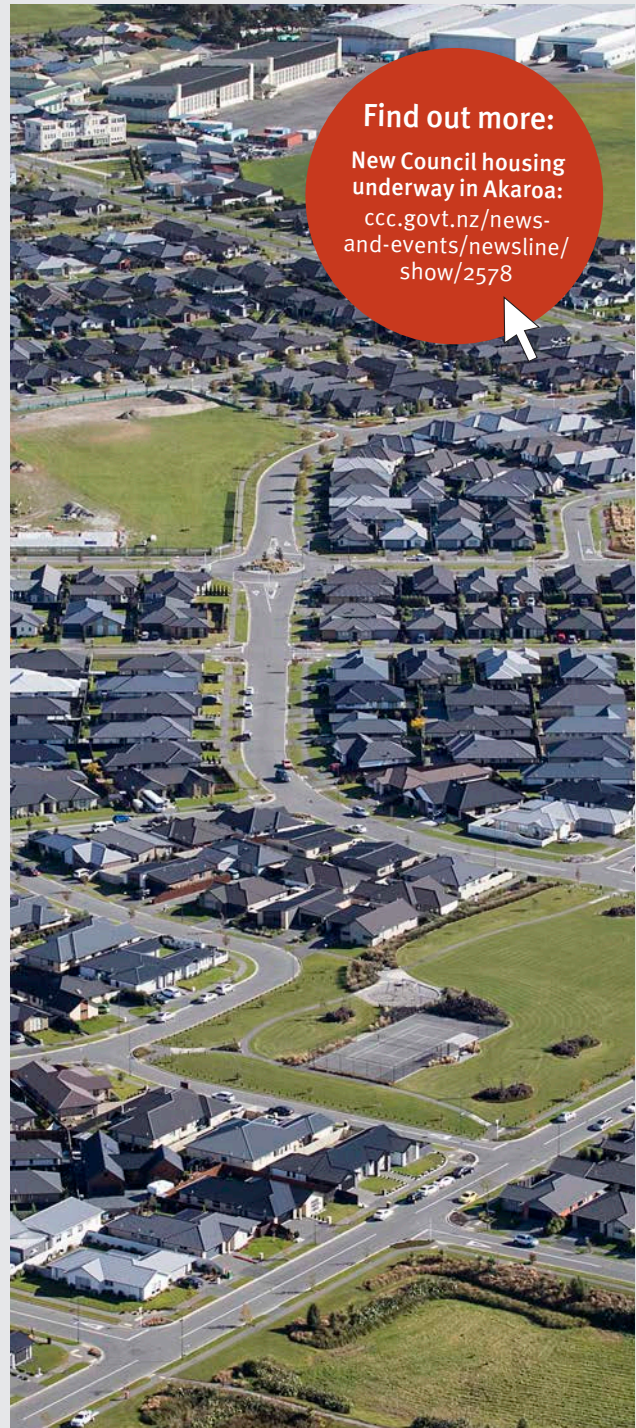
Housing is a key area through which the Council's social and economic well-being objectives are influenced.

What we have achieved

We provided homes for over 2,100 tenants. We repaired 162 units as part of the earthquake repair programme. Overall 980 units have now been repaired under the earthquake programme.

We have insulated a further 341 units, with another 58 assessed and awaiting works.

We purchased three owner-occupier units in 2017/18 and have six more to acquire. In total we have purchased 22 owner-occupier units.



12 Natural environment

What we do

Our Learning Through Action team delivers programmes to schools on sustainability and positive citizenship.

Council also runs a range of programmes and initiatives that encourage residents to use parks and reserves, waterways, facilities, roads and space safely.

We provide information about our multiple challenges in creating a sustainable environment.

The Council Education team delivers civil defence programmes into schools within Christchurch.

What we have achieved

The Learning Through Action programmes on biodiversity, civics, water and waste are based at sites around Christchurch. School groups travel to the sites and are guided through a two-hour interactive programme.

We delivered Environmental Education programmes to over 10,000 children, teachers and accompanying parents.

The Civil Defence and Emergency Management programmes guide students through a series of activities to encourage awareness and preparedness for civil defence emergencies most likely to affect citizens of Christchurch.

What you think

Customer satisfaction across the suite of programmes was ninety-eight per cent.



13 Community services

What we do

In a resilient environment we can live in a safer, stronger community. We offer expertise in helping communities develop supportive organisation and networks, along with specialist projects.

We fund projects that nurture community resilience, and provide facilities.

Council coordinates local Civil Defence and Emergency Management activities, training staff and community volunteers to respond to emergencies in a collaborative manner with partner agencies.

What we have achieved

A significant undertaking this year was the implementation of new customer service interaction technology, enabling service staff to use a range of new digital tools. This provides better business intelligence, supporting our decision-making and identifying opportunities for improved service delivery.

We have distributed more than \$6 million in grants to 690 applicants from Strengthening Communities and Creative Communities funding schemes. The number of applicants is lower than previous years due to the criteria being changed to allow only one application per group.

All CDEM plans and procedures have been reviewed. Work is currently underway to redevelop our Tsunami Plan and our Recovery Plan. The CDEM has now transitioned into the new Justice and Emergency Services Precinct.

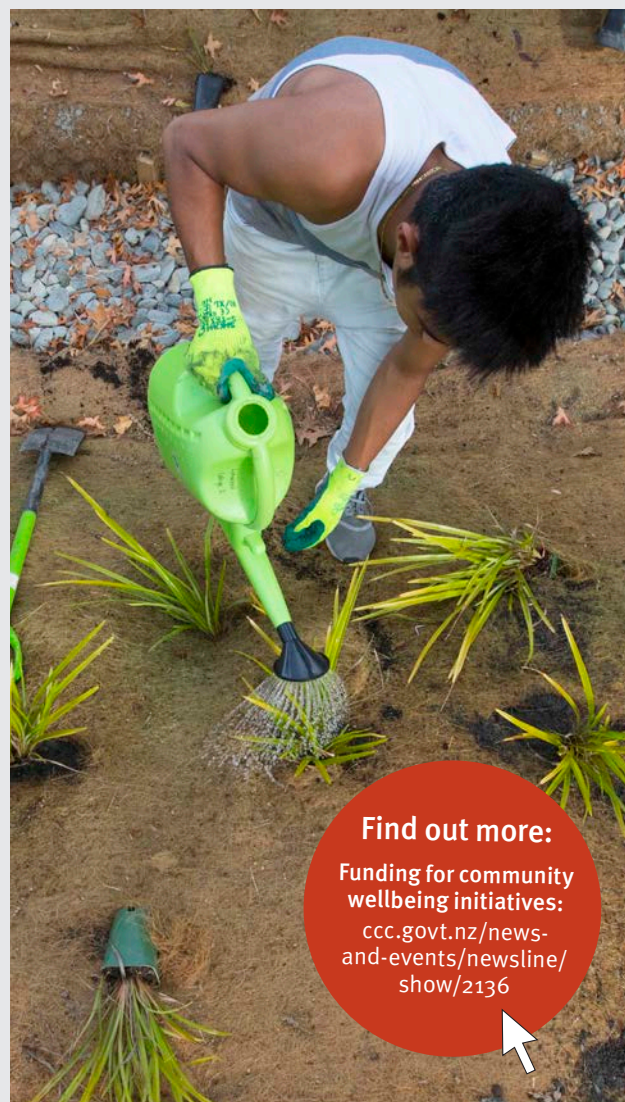
We supported a range of events including New Zealand Cup and Show Week, Sparks, Rugby League World Cup, international cricket, Christmas in the Park, and the Lantern Festival.

There are 60 community facilities available for community use; an increase on last year due to facilities being repaired and rebuilt after the earthquakes. New facilities have opened in Shirley, Bishopdale and Sumner.

What you think

Ninety-three per cent of residents are satisfied or very satisfied with the Council's "first point of contact" customer service.

At least seventy-seven per cent of customers are satisfied with the range and quality of our Council-operated community facilities.



Find out more:

Funding for community wellbeing initiatives:
ccc.govt.nz/news-and-events/newsline/show/2136

14 Heritage protection

What we do

Our heritage sites embody our community identity, providing links to the past as we focus on a vibrant future.

We maintain our commitment to heritage protection as we work with developers, consultants and landowners to conserve our heritage and find new uses for historical buildings as integral elements of a revitalised city.

What we have achieved

More Council-owned heritage buildings were carefully restored and reopened, including Cracroft Old Stone House and the Halswell Quarry buildings.

The heritage incentives grants and the landmark grants have supported the retention and seismic strengthening of a number of heritage buildings.

Beca Heritage Week attracted more than 18,000 people to over 60 events run by 30 community groups.

Preparation is underway for the October 2018 'Strength from Struggle' event recognising the anniversaries of 125 years of women's suffrage, 100 years since the World War 1 Armistice and 100 years since the 1918 influenza pandemic.

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

What you think

One hundred per cent of incentive grant recipients are satisfied with heritage advice and the grant process.



Find out more:

Awards for city that secures places in history:
ccc.govt.nz/news-and-events/newsline/show/2740

15 Regulation and enforcement

What we do

We prepare plans, policies and regulations under our legal obligation to guide the city's future and support a safe and healthy environment for people to live, work and visit.

Our regulation and compliance teams ensure that the city-rules are followed for resource consents, building consents, licensing approvals, inspections of construction work, enforcement of health and noise and other bylaws.

Our services can assist as you build your home or commercial premises, open a business, request a property report or make a noise complaint.

We also ensure that where you dine and drink is clean and safe.

What we have achieved

The Eco-design advisor completed 349 assessments. This is well over the target of 250 assessments. Considerable positive customer feedback has been received about this service.

Residential building consent application numbers decreased in 2018 and are expected to continue to do so over the next 12 months. However, the rate of decline is expected to slow as we are now approaching pre-earthquake levels. While the rate of consents decreased, the complexity has increased due to new District Plan provisions and an increase in the number of large scale and/or complex development proposals, particularly in the central city.

The requirements of the Building Act 2004 were amended and came into effect 1 January 2017. This has resulted in a decrease in swimming pool inspections. The new requirement is to inspect pools at least once every three years. The team completed inspections on 43 per cent of swimming pools in Christchurch which is 10 per cent above the new target.

What you think

Sixty-eight per cent of users are satisfied with the resource consent process compared with the target of seventy-seven per cent.



16 Economic development

What we do

Our economic development activities help expand the economy to benefit residents via more jobs, better prospects and quality facilities and services. We also continue to focus on attracting more visitors and tourists to our city.

All our efforts combine to help make Christchurch a wonderful place to work, live and visit as we open the doors to investment and greater business opportunities.

What we have achieved

We ensured that ChristchurchNZ delivered quarterly economic updates and the annual economic snapshot of activities focused around major event promotion and services, export education, conventions and tourism.

We monitored the actions of ChristchurchNZ who promoted information via print, web and digital media to tell residents about the city and why it's a great place to live, work, visit and do business.

We continued to foster the active partnerships with the Antarctic community with new ones in development.

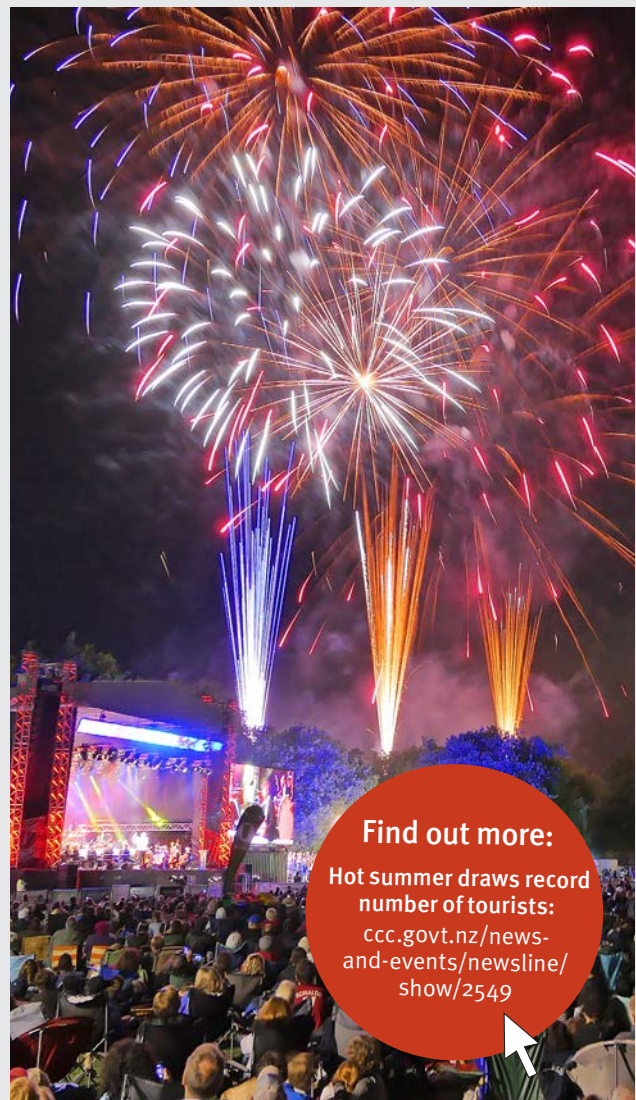
We coordinated the commemoration of the seventh anniversary of the Canterbury Earthquake, attended by the Prime Minister. The RSA was supported with the delivery of the ANZAC day dawn parade and we conducted the Citizens' service at the Transitional cathedral. We also supported the RSA with WW100 commemorations and planning and delivery of Armistice Day commemorations.

The Civic and International Relations team hosted 75 international visits, including that of the President of Ireland, the Dean of Christ Church Cathedral in Oxford UK, the Swedish Speaker of the House, seven Chinese delegations for Rewi Alley 120th Commemoration events, a delegation from the United States Intergovernmental Panel on Climate Change and the female crew of Indian Navy vessel INVS Tarini.

Our seven Sister City relationships remain active through projects centred on people to people exchanges, business development, tourism, education, culture and sport.

What you think

Seventy-two per cent of residents are satisfied with information on events, activities and attractions compared to a target of eighty-five per cent.



Find out more:

Hot summer draws record number of tourists:

ccc.govt.nz/news-and-events/newsline/show/2549

17 Strategic planning

What we do

By protecting our environment, managing growth and guiding the use and development of our infrastructure, we are ensuring that Christchurch is a wonderful place to live, work and visit.

Making our city a smarter, more resilient place to live, work and play continues to be a vital element of our development.

We maintain our focus on finding new ways to improve our quality of life and sustain our environment.

What we have achieved

Through research we have identified those areas of the city which are to be prioritised for regeneration. A webkit to encourage communities to create their own sense of community place has been developed. Research has commenced to update the commercial centre factsheets, last updated in 2010. These will guide further cross-Council and community action.

The transitional City Programme has been evaluated and re-launched as the Enliven places Programme. Enliven Places and Urban Renewal has supported signage through the Avon residential red zone and new creative hoardings in Cathedral Square.

Our work on warmer, drier, sustainable homes and a sustainable city has continued through Build Back Smarter homes assessments and the appointment of an Eco design Advisor. We have advocated for food resilience and supported the Canterbury Sustainable Homes Working Party.



19 Corporate

What we do

Our human resources, legal, finance, and information technology services support our work at multiple levels across our community.

What we have achieved

We continue to provide the back-office services to front line staff within Council.

A huge milestone for the year was the delivery, in-conjunction with all groups in Council, of the 2018-28 Long Term Plan, covering the Council's forecast activities over the next ten years.

We contributed to a number of design changes for Council's information systems to assist both residents and Council officers alike in accessing services and these are scheduled for deployment in the 2019 year.

What you think

Seven per cent of those surveyed would like better information and communication from Council.





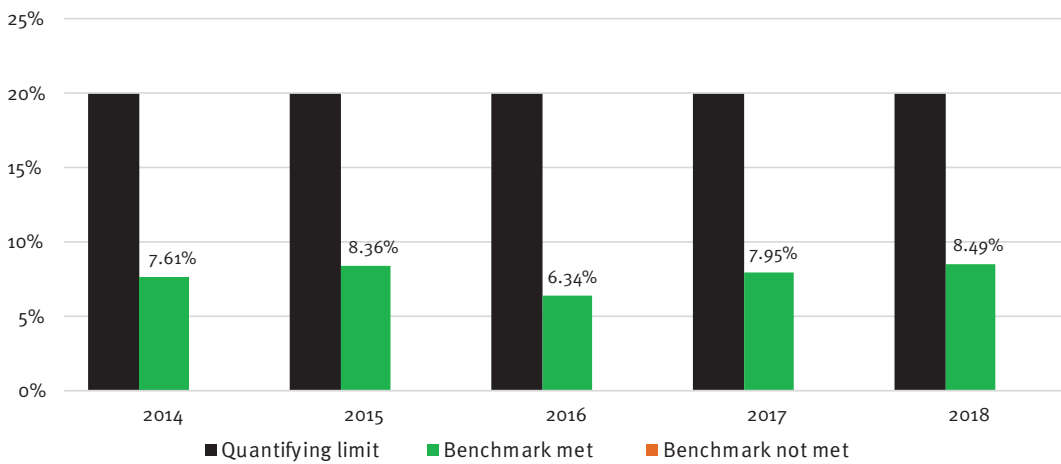
Financial statements

Financial ratios

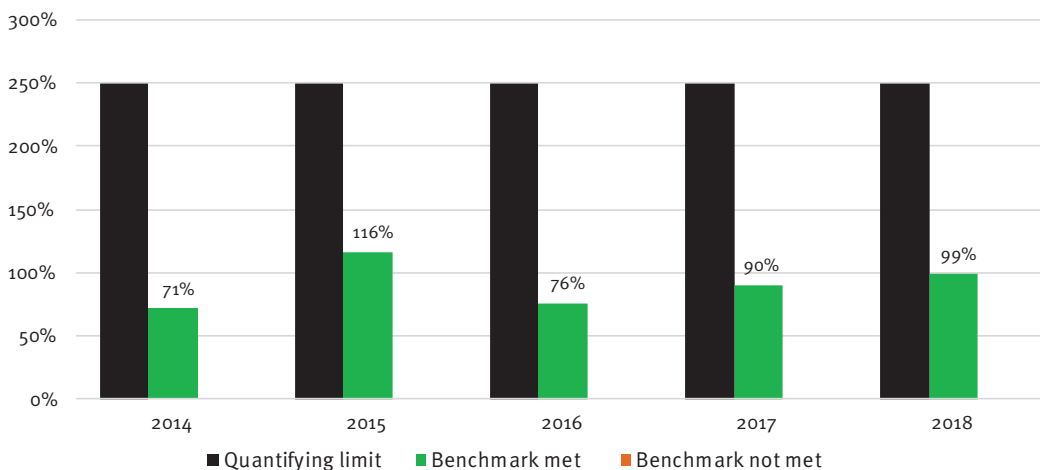
The Council has five financial ratios which form a key part of its financial risk management strategy and are the key limits for the Council's borrowing from the Local Government Funding Agency (LGFA).

The Council met all benchmarks for the 2018 year.

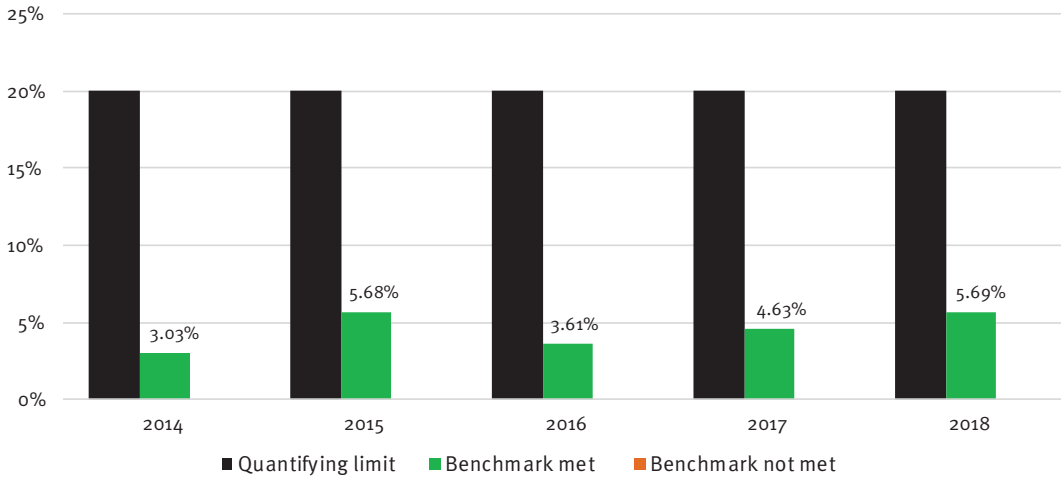
Net debt as a % of equity



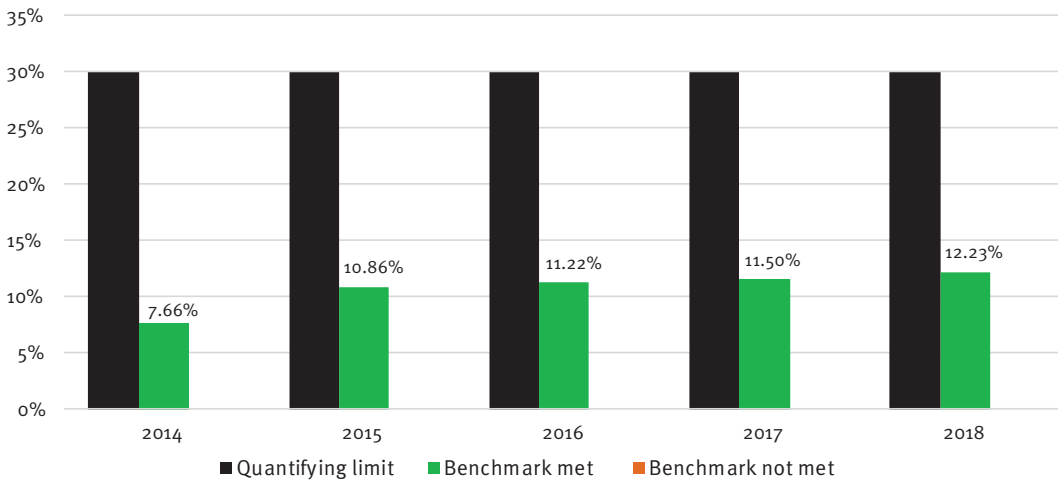
Net debt as a % of total revenue



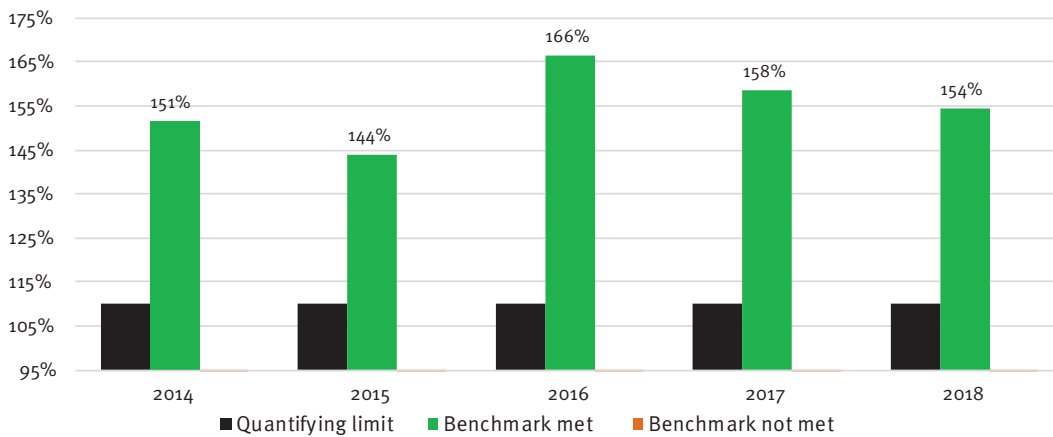
Net interest as a % of total revenue



Net interest as a % of annual rates revenue



Liquidity



The Group: 2018 year in review

Total assets

\$14.5 billion

↑ 2017 \$13.8 billion

Total revenue

\$1.6 billion

↓ 2017 \$1.7 billion

Total liabilities

\$3.8 billion

↑ 2017 \$3.5 billion

Total operating expenditure

\$1.5 billion

↔ 2017 \$1.5 billion

Total ratepayers funds

\$10.7 billion

↑ 2017 \$10.3 billion

Total surplus

\$0.1 billion

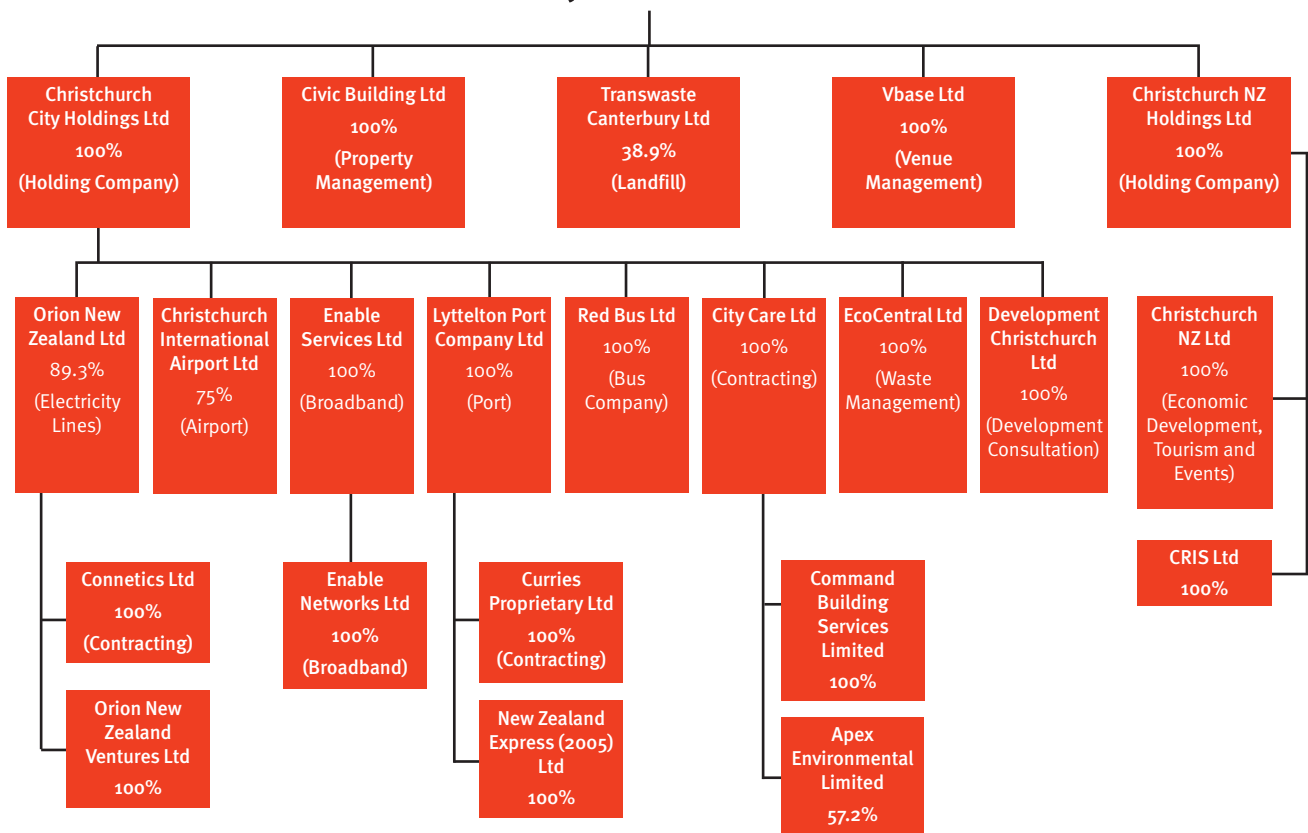
↔ 2017 \$0.1 billion

We have a significant group of trading entities in addition to the services provided by the Council. The majority of these trading entities are owned and monitored by Christchurch City Holdings Limited.

Highlights for the year included

- Opening of the Taioira QEII sports and recreation complex
- Record passenger numbers (6.87 million) for Christchurch International Airport Limited
- Increase in container volumes (424,560 TEUs) at Lyttelton Port Company Limited
- Completion of the earthquake recovery programme including repair or replacement of 30 km of 66,000V cables and in excess of 3,000 km of both 11,000V and 400V overhead cables
- Completion of the roll out of fibre across Christchurch for Enable Services Limited
- Eleven major sports and community events delivered by ChristchurchNZ Limited
- Nine shows in ten days by Cirque-du-Soleil delivered in Horncastle arena by Vbase Limited.

Group structure on 30 June 2018



Major direct and indirect trading and operating subsidiaries



Christchurch City Holdings Limited



Summary financial table

For more detail refer to individual company reports.

	Income	Net result (after tax and minority interest)	
	2018 \$000	2018 \$000	2017 \$000
Orion New Zealand Ltd	322,313	53,330	51,770
Lyttelton Port Company Ltd	126,459	12,216	14,447
Christchurch International Airport Ltd	236,618	64,590	64,590
City Care Ltd	313,939	(445)	3,539
Enable Services Ltd	48,675	(3,782)	(8,519)
EcoCentral Ltd	34,472	381	902
Red Bus Ltd	21,084	117	207
Development Christchurch Ltd	9,811	(303)	(461)
Vbase Ltd	17,668	(11,381)	(2,315)
Civic Building Ltd	5,992	309	(946)
Tuam Ltd	5	1	69
ChristchurchNZ Holdings Ltd	14,595	(3,602)	(2,068)
Transwaste Canterbury Ltd	50,196	13,436	29,971
Riccarton Bush Trust	570	(142)	(251)
The World Buskers' Festival Trust	949	(11)	5
Rod Donald Banks Peninsula Trust	139	(325)	(132)
Christchurch Agency for Energy Trust	28	(815)	(278)
Gardens Event Trust	-	-	-
Central Plains Water Trust	58	-	-



Independent Auditor's Report

To the readers of Christchurch City Council and group's summary of the annual report for the year ended 30 June 2018

The summary of the annual report was derived from the annual report of the Christchurch City Council and group (the City Council) for the year ended 30 June 2018.

The summary of the annual report comprises the following summary statements on page 17 and pages 46 to 51:

- the summary statement of financial position as at 30 June 2018;
- the summaries of the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended 30 June 2018;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary activity statements.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2018 in our auditor's report dated 11 October 2018.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary of the annual report, we have reported on the full annual report and have carried out other audit and assurance engagements for the City Council and subsidiary companies. Other than this reporting and these engagements, we have no relationship with, or interests in the City Council or its subsidiaries and controlled entities.



Andy Burns,
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand
11 October 2018

Summary financial statements

Summary statement of comprehensive revenue and expense for the year ended 30 June 2018

	Parent			Group	
	30 Jun 18 Actual \$000	30 Jun 18 Plan \$000	30 Jun 17 Actual* \$000	30 Jun 18 Actual \$000	30 Jun 17 Actual* \$000
Share of associate and JV's surplus	-	-	-	6,263	11,595
Other revenue	991,704	929,513	1,029,284	1,626,663	1,691,236
Total Revenue	991,704	929,513	1,029,284	1,632,926	1,702,831
Finance costs	89,342	89,978	82,072	130,512	116,244
Other expenses	709,784	663,287	789,579	1,353,323	1,442,067
Total operating expenses	799,126	753,265	871,651	1,483,835	1,558,311
Surplus before income tax expense	192,578	176,248	157,633	149,091	144,520
Income tax (credit)/expense	(3,605)	-	(1,355)	49,979	34,177
Surplus for the period	196,183	176,248	158,988	99,112	110,343
Other comprehensive revenue and expense					
Property, plant and equipment valuation movement	121,071	58,373	458,682	332,508	473,403
Investment revaluation gain/(loss)	(19,712)	-	21,675	866	(2,172)
Cash flow hedges (loss)/gain	(14,455)	-	67,185	(16,933)	90,192
Income tax relating to components of other comprehensive revenue and expenses	678	-	-	(30,501)	(9,690)
Property, plant and equipment impairment loss	-	-	-	-	(233)
Transfers and other	-	-	-	-	1,574
Total other comprehensive revenue and expense	87,582	58,373	547,542	285,940	553,074
Surplus for the period attributable to:					
Parent entity	196,183	176,248	158,988	71,099	88,560
Non controlling interests	-	-	-	28,013	21,783
	196,183	176,248	158,988	99,112	110,343
Total comprehensive revenue and expenses attributable to:					
Equity holders of the parent	283,765	234,621	706,530	321,128	638,913
Non controlling interests	-	-	-	63,924	24,504
Total comprehensive revenue and expense	283,765	234,621	706,530	385,052	663,417

*The 2017 results have been restated for prior period adjustments which are detailed in note 34 in the Annual Report.

Summary Statement of Financial Position as at 30 June 2018

	Parent			Group	
	30 Jun 18 Actual \$000	30 Jun 18 Plan \$000	30 Jun 17 Actual* \$000	30 Jun 18 Actual \$000	30 Jun 17 Actual* \$000
Assets					
Current assets	497,671	147,381	584,690	583,846	773,696
Non-current assets	12,602,192	13,159,645	12,190,331	13,929,960	12,999,740
Total assets	13,099,863	13,307,026	12,775,021	14,513,806	13,773,436
Equity and liabilities					
Current liabilities	607,815	452,098	525,897	865,866	677,966
Non-current liabilities	1,624,277	1,694,119	1,665,118	2,967,351	2,790,916
Parent entity equity	10,867,771	11,160,809	10,584,006	10,356,195	10,029,184
Non controlling interest	-	-	-	324,394	275,370
Total equity and liabilities	13,099,863	13,307,026	12,775,021	14,513,806	13,773,436

Summary cash flow statement for the year ended 30 June 2018

	Parent			Group	
	30 Jun 18 Actual \$000	30 Jun 18 Plan \$000	30 Jun 17 Actual* \$000	30 Jun 18 Actual \$000	30 Jun 17 Actual* \$000
Net cash provided by/(used in) operating activities	410,457	360,421	212,063	425,800	281,676
Net cash (used in)/provided by investing activities	(225,374)	(401,195)	(441,944)	(383,262)	(595,239)
Net cash provided by/(used in) financing activities	6,122	40,751	218,393	139,803	289,051
Net increase in cash and cash equivalents	191,205	(23)	(11,488)	182,241	(24,512)
Cash and cash equivalents at beginning of year	52,543	38,882	64,031	88,290	112,802
Cash introduced due to consolidation of CCOs	-	-	-	-	-
Cash and cash equivalents at end of year	243,748	38,859	52,543	270,531	88,290

*The 2017 results have been restated for prior period adjustments which are detailed in note 34 in the Annual Report.

Summary financial statements

continued

Summary statement of changes in equity for the year ended 30 June 2018

	Parent			Group	
	30 Jun 18 Actual \$000	30 Jun 18 Plan \$000	30 Jun 17 Actual* \$000	30 Jun 18 Actual \$000	30 Jun 17 Actual* \$000
Opening equity	10,584,006	10,926,188	9,877,476	10,304,554	9,650,099
Total comprehensive revenue and expenses attributable to:					
Parent entity equity	283,765	234,621	706,530	321,128	638,913
Non controlling interest	-	-	-	63,924	24,504
Total comprehensive revenue and expenses for the period, net of tax	283,765	234,621	706,530	385,052	663,417
Dividends	-	-	-	(13,108)	(14,138)
Other items	-	-	-	4,091	5,176
Closing equity	10,867,771	11,160,809	10,584,006	10,680,589	10,304,554

	Parent			Group			
	Retained Earnings \$000	Other Reserves \$000	Total Equity \$000	Retained Earnings \$000	Other Reserves \$000	Non Controlling Interests \$000	Total Equity \$000
Balance at 30 June 2016*	3,527,806	6,349,670	9,877,476	4,501,854	4,883,242	265,003	9,650,099
Balance at 30 June 2017*	3,708,144	6,875,862	10,584,006	4,616,432	5,412,752	275,370	10,304,554
Balance at 30 June 2018	3,942,640	6,925,131	10,867,771	4,727,819	5,628,376	324,394	10,680,589

*The 2016 and 2017 results have been restated for prior period adjustments which are detailed in note 34 in the Annual Report.

Notes to the summary financial statements for the year ended 30 June 2018

1. Accounting policies

Reporting entity

The Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity comprises the entities listed in the Group structure section.

The primary objective of the Council is to provide goods and services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a Public Benefit Entity (PBE) for the purposes of the New Zealand Accounting Standards Framework. The Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this is noted in each policy.

The Council's full financial statements are for the year ended 30 June 2018. We prepared the summary 2018 financial report to offer an overview of our performance. The Council authorised the Chief Financial Officer to produce and publish the summary report on 11 October 2018. The Chief Financial Officer approved the summary 2018 report for issue on 11 October 2018.

The specific disclosures in the summary 2018 financial report have been extracted from the full audited 2018 financial report also dated 11 October 2018.

New accounting standards and interpretations

There have been no changes in accounting policy and disclosures for 2018.

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Section 111, and part 3 of Schedule 10, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand. They comply with the PBE Accounting Standards, and other applicable financial reporting standards, as appropriate for

Tier 1 Public Sector PBEs for periods beginning on or after 1 July 2014.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

We have prepared the financial statements on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

The 2018 summary financial report complies with PBE FRS 43 - Summary Financial Statements. Please note that the information in the summary financial report does not provide as complete an understanding as the full financial report of the financial and service performance, financial position and cash flows of the Council.

2. Capital commitments

The Group has commitments to the value of \$506 million (2017: \$700 million) on capital works.

3. Contingent liabilities

These liabilities depend on other future events and, for the Group, total \$301 million (2017: \$299 million). In addition, the Group also has contingencies for rebuild cost recoveries that cannot be reliably measured.

4. Legislative requirements

The Local Government Act 2002 requires CCOs to submit their half year accounts and an SOI to their Boards and to their shareholders within specified timeframes.

For the 2017/18 financial year CAFé was late in submitting their draft and final SOI, and ChristchurchNZ was late in submitting their half year report. All other CCOs submitted their half year accounts and SOIs within the specified timeframes as set out in the legislation.

Notes to the summary financial statements for the year ended 30 June 2018 *continued*

5. Prior period adjustments

The Council and group has adjusted its comparative year financial statements for the year ended 30 June 2017 for the correction of three prior period misstatements.

Within the Parent an accrual in 2017 for NZTA subsidy had incorrectly included a number of projects that had not commenced by 30 June 2017. As a result, both NZTA revenue and trade receivables were overstated by \$24.8 million. Also in 2017 accrual for DPMC earthquake related receivables were replicated, and therefore were overstated by \$4.9 million and a capital grant of \$3.5 million was incorrectly classified as development contribution revenue.

Within the Group the Board of CCHL have reviewed the carrying value of Goodwill on consolidation for each of their companies and have determined that when comparing the carrying value of EcoCentral to its fair value less costs of disposal, the Goodwill on consolidation should have been impaired in the financial year 2016 and prior years and when comparing the carrying value of LPC to its value in use, the Goodwill on consolidation should have been impaired in the financial year 2016. A prior period adjustment of \$9.8 million has been made in the statement of financial position which impacts the opening balance of Goodwill and Retained earnings in the 2017 comparatives.

The financial statements for 2017, which are presented as comparative information in the 30 June 2018 financial statements, have been restated to amend these misstatement

6. Variances against budget

Comprehensive revenue and expenses

Total revenue is \$62.2million higher than budget.

Variances include but not limited to vested assets being \$24.6 million higher, subsidies and grants were \$10.8 million higher for Ngā Puna Wai and Taiora QEII Recreation and Sport

Centre, development and financial contributions are \$8.1 million higher and rates revenue was \$5.4 million higher than budget due to higher than expected rating growth during the year from rebuild work.

Total expenses are \$45.9 million higher than budget.

Variance include but not limited to get unbudgeted gains/ losses of \$17.9 million in fair value adjustments for financial instruments plus other expenses are \$31.3 million higher, \$9.5 million higher spend in asset related costs and \$5.3 million higher grant expenses, offset by lower personnel costs of \$2.5 million.

Total other comprehensive revenue and expenses are \$29.2 million better than budget.

Financial position

Total assets are \$207.2 million lower than budget.

This includes the impact of property, plant and equipment and intangible assets which are \$652.4 million lower than budget mainly due to the annual plan overstating the 2017 revaluation forecast movement, investments and other financial assets are \$226.4 million higher than budget due to a combination of revaluation increases and additional investments made during the year and cash and cash equivalents are \$204.9 million higher than budget.

Total liabilities are \$85.9 million higher than budget.

Borrowing is \$78.9 million higher than budget due to unplanned borrowing for on-lending to CCHL, derivative liabilities are \$53.6 million lower than budget due to market movement on interest rates and other liabilities are \$31.4 million higher than budget mainly due to unbudgeted income in advance for prepaid inspections, Lancaster Park demolition fees, Christchurch housing initiative grant, and prepaid rates by ratepayers.

A more comprehensive review of performance against budget is included in the full annual report.

7. Subsequent events

On 24 August 2018, Vbase Limited issued 45 million shares to the Council. The proceeds from the issue of shares will enable Vbase to fund the repair and development works for the Christchurch Town Hall and Horncastle arena.

