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Council Controlled Organisations

Christchurch City Three Year Plan
Christchurch Ōtautahi

Council Controlled Organisations

Christchurch City Holdings Limited (Parent)



Christchurch City Holdings Limited (CCHL) is the wholly owned investment arm of Council, holding shares in various trading companies and monitoring other trading companies and their subsidiaries on Council's behalf.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Ltd
- Red Bus Ltd
- City Care Ltd
- Eco Central Ltd

Associate Companies

- Selwyn Plantation Board Ltd

Nature and scope of activities

CCHL's key purpose is to invest in and promote the establishment of key infrastructure, and this now extends to assisting the Council in the rebuild and redevelopment of Christchurch following the Canterbury earthquakes. CCHL will continue to invest in existing and new infrastructural assets such as the electricity distribution network, the airport, port, transport and high speed broadband.

Their strategic approach is to identify infrastructural needs that cannot be filled by the private sector or existing Council operations, then take a role in helping to meet those needs through joint ventures, public-private partnerships, establishing new entities or simply acting as a catalyst for others.

CCHL also encourages and, if necessary will facilitate, appropriate investment by its trading companies when significant upgrades are required to existing infrastructural assets – recent examples being the funder of Enable Networks, and the provision of some of the funding requirements for the construction of the new airport terminal.

Impact of the Canterbury Earthquakes

As a holding company CCHL has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on CCHL or its ability to deliver services in the future. However, some of CCHL's subsidiary companies were impacted by the earthquakes. This impact is described on the relevant subsidiary page within this section of the Three Year Plan.

Policies and objectives relating to ownership and control

CCHL was established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its council-controlled trading organisations.

Key performance targets

- CCHL maintains a strategic direction that is consistent with that of the Council, its 100% shareholder.
- corporate governance procedures are appropriate, documented and reflect best practice.
- insure that subsidiary and monitored companies that are CCTOs or CCOs comply with the Local Government Act.

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Net Profit after tax	33.1	37.6	43.1
Dividend forecast	46	46	48
Equity	1,381	1,373	1,368
Net debt	375	390	391
Ratios			
Net debt / net debt plus equity	21.3%	22.1%	22.2%
Interest cover (EBIT / Interest)	2.4	2.6	2.8

Council Controlled Organisations

Lyttelton Port Company Limited



The Lyttelton Port Company Ltd (LPC) was established under the Port Companies Act 1988 operating the Port of Lyttelton. Through CCHL, the Council has a 79.6% shareholding in this company.

Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipment of a wide range of products; the ownership of land and facilities necessary to maintain the company's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Impact of the Canterbury Earthquakes

Following the earthquakes the company embarked on a process of quantifying the extensive damage to the port's assets. LPC's insurers have confirmed reinstatement insurance for the assets the company chose to insure. Following independent expert advice, LPC is now liaising with its insurers on the methodology to be adopted for arriving at an indemnity valuation of key structures.

A Reinstatement and Development Plan is in place which prioritises and programmes the reinstatement of LPC's harbour structures, buildings and utilities. Design work has commenced on a number of those assets. The plan is on the basis that LPC has been advised that the seismic environment has settled down sufficiently to enable the significant rebuild of core assets to proceed as planned.

Throughout the course of the reinstatement of assets it is anticipated that there will be many complex issues. However, LPC is committed to working constructively with its insurers to resolve matters expeditiously as they arise.

Policies and objectives relating to ownership and control

LPC is considered a regional strategic asset and as such the Council wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

- to be profitable over the long term.
- to provide outstanding customer service.
- to be an employer of choice.
- to be environmentally and socially responsible.
- the long term target for the ratio of debt to debt plus equity is 50%, to a maximum of 65%.

Statement of Financial Performance targets

LPC is a publicly listed entity. It provides information to shareholders via the New Zealand Stock Exchange on a formal basis, predominantly in the form of half and full year announcements. It is a requirement of the New Zealand Stock Exchange that material information is released to all shareholders concurrently.

With this background, the information that LPC can provide in the SOI is limited to that which is in the public domain.

Council Controlled Organisations

Christchurch International Airport Limited



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

Nature and scope of activities

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

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

In addition to its primary business of serving the aviation industry and its customers, the company will actively market Christchurch, Canterbury and the South Island as a major destination for overseas visitors.

Effect of the Canterbury Earthquakes

CIAL incurred minimal damage from the earthquake events but the wider disruption to the region has had a detrimental impact on international tourism visitors. This is having a short term impact on earnings but the medium to long term outlook remains very positive.

Policies and objectives relating to ownership and control

CIAL is considered a regional strategic asset, and as such the Council wants it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

- deliver sustainable growth in revenue and earnings
- grow South island tourism and position CIAL as a shaper or future tourism growth.
- deliver superior customer service
- provide “fit for purpose” infrastructure with the flexibility to meet future growth

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Net Profit after tax	14.2	25.9	34.1
Equity	630.6	644.7	661.0
Net debt	339.8	333.6	322.9
Dividend forecast	7.1	10.0	15.7
Ratios			
Net debt / net debt plus equity	35.0%	34.0%	33.0%
Interest cover (EBIT / Interest)	3.1	3.7	4.1

Council Controlled Organisations

City Care Limited



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

Nature and scope of activities

City Care is in the business of constructing, maintaining and managing infrastructure and property assets. The company's main service offerings are as follows:

- Constructing and maintaining property buildings and facilities for central and local government and for private asset owners and developers
- Maintaining parks infrastructure, predominately for local authorities
- Constructing and maintaining road networks and associated civil assets for both central and local authorities and for private asset owners and developers
- Constructing and maintaining water and wastewater infrastructure predominately for local authorities

Impact of the Canterbury Earthquakes

The Canterbury earthquakes did not cause significant damage to City Care's physical assets and has not impacted its ability to deliver services in the future.

City Care is a member of the SCIRT alliance and will have a major involvement in the Christchurch rebuild.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. It has no current plans to sell down or relinquish control of this company. The company has an important role in the city as a quality contractor. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

- maintain current client satisfaction levels through annual survey.
- 5 % reduction in TRIF (Total Recordable Incident Frequency) accident rates.
- provide a quality service as attested by maintaining accreditation to quality standards such as ISO 14001, ISO 9001 and NZS 4801 and ISO 14064.

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Revenue	388.0	402.0	417.0
Net Profit after tax	10.8	11.7	12.5
Equity	53.0	61.0	67.0
Dividend forecast	2.1	5.9	6.5
Ratios			
Net debt / net debt plus equity	38.3%	30.0%	23.6%
Shareholder funds/total assets	44.0%	49.0%	53.0%

Council Controlled Organisations

Orion New Zealand Limited



Orion New Zealand Limited (Orion) is an energy network management company in which the Council has an 89.3% shareholding through CCHL.

Subsidiary companies

- Connetics Ltd

Nature and scope of activities

Orion owns and operates the electricity distribution network in central Canterbury between the Waimakariri and Rakaia Rivers, and as far inland as Arthur's Pass. The electricity network covers 8,000 square kilometres of diverse geography, including Christchurch City, Banks Peninsula, farming communities and high country.

Orion's network delivers electricity to around 190,000 homes and businesses. This number has reduced from previous years because of earthquake related demolitions.

Impact of the Canterbury earthquakes

The majority of the network repair and enhancement responses to the earthquakes are completed or underway. The priority over the next three years is to return the network to an acceptable level of resiliency and security.

The earthquakes have shaped many of Orion's intentions and objectives during the three year forecast period of the Statement of Intent (SOI). Orion's response to the earthquakes is the driver of many of the targets within the SOI.

Policies and objectives relating to ownership and control

As Orion is considered a regional strategic asset, the Council wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a SOI, the Council establishes broad parameters reflecting the public nature of Orion New Zealand without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

Achieve the following reliability measures for the Orion network overall:

- specific urban and rural duration of supply interruptions targets in minutes per year per connected customer (SAIDI) set: Gazetted NZ weighted average in any one year (166 in 2011).
- specific urban and rural number of supply interruptions per year per connected customer (SAIFI) set: Gazetted weighted average in any one year (1.8 in 2011).

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Net Profit after tax	37.0	33.6	37.4
Dividend forecast	34.0	28.5	28.5
Ratios			
Profit after tax to average shareholders equity	5.8%	5.2%	5.8%
Shareholders equity to Total Assets	83.0%	76.0%	73.0%

Council Controlled Organisations

Red Bus Limited



Red Bus Limited (Red Bus) is a council controlled trading enterprise, 100% owned by CCHL. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

Nature and scope of activities

Red Bus provides scheduled urban public passenger transport services in Christchurch. The company also delivers a broad base of charter services and operates some commercial urban services.

Impact of the Canterbury earthquakes

An immediate effect of the earthquakes was a large fall in passenger volumes which are now approximately 50% of those pre-earthquake and show no indication of recovering in the medium term. The present Environment Canterbury contract arrangements and management process provides Red Bus little opportunity to effectively influence the development of public transport other than the effective delivery of contracted services. Further reductions of service are anticipated this year as Environment Canterbury endeavours to meet the changed public transport demand within their available budget.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. It has no plans to sell down or relinquish control of this company. The company has an important role in the city as a provider of quality bus services. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

- at least 3.7 million passengers.
- workplace safety – maintain at least Secondary ACC accreditation.
- at least 85% of the bus fleet have Euro 2 or higher emission standards.
- at least 55% of staff hold a NZQA qualification.

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Operating Revenue	16.6	16.9	17.1
Equity	37.3	37.6	37.8
Net debt	5.0	5.0	5.0
Ratios			
Shareholders funds to Total Assets	79.2%	79.3%	79.4%

Council Controlled Organisations

EcoCentral Limited



EcoCentral Limited is a council-controlled trading organisation, 100 per cent owned by CCHL.

EcoCentral Ltd oversees the processing of refuse and recycling collections of waste from households and commercial premises throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finds ways to ensure Christchurch is a leader in recycling.

Nature and scope of activities

EcoCentral Ltd manages:

- EcoSort, a large facility that receives all the Yellow Bin recycling from Christchurch where it is automatically sorted, baled and sold as a reclaimed material. Some of the materials are shipped overseas and some is sent for reuse within New Zealand.
- three EcoDrop transfer stations for managing Christchurch's recycling and refuse for both domestic and commercial waste. Each station has a recycling centre, household hazardous waste drop off area and a refuse area for green waste and hardfill.
- EcoShop, on Blenheim Road, is the retail outlet for the recycled goods rescued from the three Ecodrops, thereby diverting material from landfill. Goods are inspected by workshop staff before they are on sold.

Impact of the Canterbury earthquakes

The earthquake events caused minor operational disruption to EcoCentral Limited and only minor damage to its buildings and infrastructure. EcoCentral Limited received additional volumes of material into its EcoDrops as a consequence of the damage to property in the Canterbury region.

Policies and objectives relating to ownership and control

Following purchase from the Council in January 2011, CCHL is now the sole shareholder of this company. The company has an important role in Christchurch City as a quality handler and processor of recycled material. Through the negotiation of an annual Statement of Intent, the Council, via its 100 per cent ownership of CCHL, establishes broad parameters for this Company without inhibiting proper commercial management.

Key performance targets

- level of waste removed from the Material Recovery Facility is less than 8% of the total weight of material received by the Material Recovery Facility.
- EcoDrops divert from landfill 2% or more of the total materials received at the EcoDrops each year.
- 1,500 tonnes of materials recovered from EcoDrops available for resale.
- workplace safety - maintain secondary level ACC accreditation with development to tertiary level.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Net Profit after tax	381	705	1,029
Equity	4,462	4,917	5,697
Dividend forecast	250	250	250
Ratios			
Return on Equity	8.5%	14.3%	18.0%
Shareholders funds to Total Assets	25.0%	26.9%	29.8%

Council Controlled Organisations

Enable Services Limited



This company is a council controlled trading enterprise, 100% owned by CCHL and trades as Enable Networks.

Nature and scope of activities

Christchurch City Networks Ltd commenced operations in January 2007 to deliver open access high-speed fibre optic networks to metropolitan Christchurch. In October 2011 company name was changed to Enable Services Limited.

In May 2011, the Crown awarded Enable the Ultrafast Broadband (UFB) contract covering 180,000 businesses and homes in Christchurch and the surrounding areas. This once-in-50-year infrastructure initiative will see an investment in partnership with the Crown of \$440 million over the next 10 years and will contribute significantly to economic growth in Christchurch.

Policies and objectives relating to ownership and control

Enable Services Ltd is considered a regional strategic asset and as such the Council wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Operational performance targets

	2014	2015	2016
	\$m	\$m	\$m
Number of premises passed (cumulative)	53,516	77,036	100,556
Number of priority premises passed (cumulative)	6,225	8,286	9,290
Number of connected (cumulative)	10,060	19,223	30,456
Number of priority connected (cumulative)	1,330	2,522	3,984
Schools passed	105	125	169

Statement of Financial Performance Targets

	2014	2015	2016
	\$m	\$m	\$m
Operating Revenue	62.1	66.6	71.1
Net Profit after tax	(6.0)	(5.5)	(3.8)
Debt	98.0	134.0	169.0
Equity	21.3	18.8	15.0
Ratios			
Shareholders equity to Total Assets	17.0%	12.0%	8.0%

Council Controlled Organisations

Selwyn Plantation Board Limited



This company is engaged in forestry and farming activities, and is jointly owned by Selwyn District Council (60.7%) and CCHL (39.3%).

Nature and scope of activities

The core business of the company is:

- to liquidate the Company's assets through a well managed and staged realisation. It is expected that this process will be completed during the 2013 calendar year,
- to manage all land holdings through the realisation process to best practice standards and actively pursue the highest possible economic returns from these properties until sold, and
- to manage the cash assets of the business to ensure that a competitive market return from investments is achieved, while at the same time mitigating risks through investment spread across a number of bank term deposits.

Impact of the Canterbury earthquakes

The earthquakes had no serious impact on the company's business.

Policies and objectives relating to ownership and control

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

Statement of Financial Performance Targets

No financial targets have been set for 2014 onwards as the Company is currently in voluntary liquidation and made its final distribution to shareholders prior to 30 June 2013.

Council Controlled Organisations

Central Plains Water Trust



The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of Central Canterbury's water resource.

Trustees of the CPWT were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngāi Tahu.

The resource consent process has taken over 11 years with the 'take' consents for the Rakaia and Waimakariri Rivers having been lodged in 2001. Since this date there has been a lengthy hearing and appeal mediation process resulting in the Rakaia consent being extended by 10 years to 35 years which now makes it consistent with the Waimakariri term.

Central Plains Water Limited, with assistance from the Trust, has successfully negotiated and settled with all appellants and a final memorandum was filed in the Environment Court so that it could issue the final consents. As part of the settlement process the Trust agreed to an agreement made with Ngāi Tahu for additional Ngāi Tahu representation on the Trust Board, and the settler councils have now endorsed this.

The final resource consents were issued by the Environment Court on 25 July 2012.

Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme, and to hold these consents for the use of Central Plains Water Limited.

Effect of the Canterbury Earthquakes

The CPWT has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on the CPWT or its ability to deliver services in the future.

Policies and objectives relating to ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council, through its involvement with the CPWT, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

Key performance targets

- to provide assistance to Central Plains Water Limited and monitor progress obtaining the necessary resource consents for the Central Plains irrigation scheme on behalf of the CPWT.
- to consult, and develop scheme recreational opportunities and environmental community enhancers.

Council Controlled Organisations

Vbase Limited



Vbase Limited (Vbase) is a 100% subsidiary of the Council. The Council has entrusted Vbase with ownership and management of the four premier entertainment and event venues – AMI Stadium, Christchurch Town Hall for Performing Arts, Christchurch Convention Centre and CBS Arena.

Subsidiary company

Vbase sold its 100% shareholding in Jet Engine Facility Limited on 29 June 2012.

Nature and scope of activities

Vbase is a property holding and operating company for certain specialist properties or companies that the Council owns. Its responsibilities include:

- the CBS Canterbury Arena,
- the Christchurch Town Hall,
- the Christchurch Convention Centre,
- AMI Stadium (Lancaster Park), and
- overseeing the contracted management of the above and other facilities.

Impact of the Canterbury earthquakes

The earthquake events caused significant disruption to the Vbase business. While the CBS Canterbury Arena has not suffered significant earthquake damage and is operational, Vbase has no ability to provide services from its other venues.

Vbase continues to manage CBS Canterbury Arena and will resume the management of the Town Hall, once repaired. Since the earthquakes Vbase has secured the contracts to manage AMI Stadium Addington and the convention facility at the Air Force Museum in Wigram.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of Vbase, without inhibiting its proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company. The structure of the company has not been changed, but in July 2011 Vbase entered into an agreement with the Council to have its business managed in-house by the Council.

Key performance targets

- maximise the number of events and event days at CBS Canterbury Arena and the Airforce Museum.
- facilitate access to the venues for local sporting, charitable and cultural organisations.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating Revenue	12,916	12,902	13,359
Operating and other expenses	22,238	22,132	22,266
Net profit/(deficit) after tax	14,221	(4,013)	(6,591)
Forecast capital structure			
Equity	270,164	278,894	322,161
Debt	47,519	48,669	48,669
Total Assets	329,401	338,659	385,188
Ratios			
Shareholders ratios (Shareholders Funds to Total Assets)	82%	82%	84%

Council Controlled Organisations

Tuam Limited

This company is a council-controlled trading enterprise, 100% owned by the Council.

Nature and scope of activities

The company owns and manages the former Civic building and related Tuam Street properties including the Tuam Street car park.

Impact of the Canterbury earthquakes

The major asset of Tuam Limited is the former Civic Building on Tuam Street. The building has suffered significant damage from the Canterbury earthquakes and at the time of writing no final decision has been made about its future. The Central City blueprint released by CERA on 30 July 2012 indicates that the Company's property will become the site of the new Bus Exchange and form part of the 'Southern Frame'. The Company is negotiating with CERA on the sale of its properties. It intends to invest the proceeds in other suitable commercial properties.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

Key performance targets

As the Company is in discussion with CERA it is yet to set new financial and key performance targets. New targets will be set on conclusion of the sale negotiations.

Council Controlled Organisations

Civic Building Limited

This company is a council-controlled trading enterprise, 100% owned by the Council. The company was incorporated on 12 October 2007 and amalgamated with its wholly owned subsidiary Tuam 2 Limited on 30 June 2009.

Nature and scope of activities

Civic Building Limited (CBL) owns a 50 per cent interest of the Christchurch Civic Building unincorporated joint venture with Ngai Tahu Property Ltd. The joint venture owns the Civic Building in Hereford Street.

Impact of the Canterbury earthquakes

The building was damaged in the 2010 and 2011 Canterbury earthquakes. The tenants vacated the building while repairs were being carried out and moved back into the building at the beginning of November 2011. There is not considered to be any material earthquake related impact on the financial performance targets for 2014-2016.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters around the design and refurbishment milestones, and management of the financial targets.

Key performance targets

- ensure the Civic Building is managed in accordance with the management agreement.
- the tenant intends applying for a NABERSNZ 6 star rating during the year to evidence that the Civic Building operates to a high standard of environmental and energy sustainability.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating Revenue	5,122	5,078	5,032
Operating and other expenses	6,289	6,205	6,196
Net deficit after tax	(840)	(760)	(785)
Forecast capital structure			
Debt	57,688	56,488	56,088
Total Assets	60,269	58,646	57,732
Ratios			
Shareholders Funds to Total Assets	-11.6%	-13.2%	-14.8%

Council Controlled Organisations

Transwaste Canterbury Limited



Transwaste Canterbury Limited was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened on 8 June 2005. Transwaste is a joint venture between local authorities in the region and Transpacific Industries Group (NZ) Limited, with Council owning 38.9 per cent.

Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

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

Impact of the Canterbury earthquakes

Transwaste has not suffered any significant damage to physical assets as a result of the earthquakes and its ability to deliver services in 2013 and beyond has not been impaired.

Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest in residual waste disposal activities.

Key performance targets

- ensure landfill is available to waste transporters for more than 99% of normal annual transport access hours.
- operate with no proven breaches of Resource Management Act consents.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating revenue	33,867	33,990	35,409
EBIT	12,030	12,838	13,832
Dividend forecast	7,500	7,800	8,400
Ratios			
Average return on invested Capital	11.0%	11.0%	11.0%
Shareholders funds to total assets	37.0%	46.0%	57.0%

Council Controlled Organisations

Riccarton Bush Trust

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Incorporated under a 1914 Act of Parliament, a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012 give the Riccarton Bush Trust the power to levy the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds. The Council appoints five of the eight members on the Trust Board.

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Impact of the Canterbury earthquakes

Riccarton House was extensively damaged in the 2010 and 2011 earthquakes. The estimated repair bill is \$1.8 million which will be covered by insurance. The Trust will be liable for a total of \$121,670 for strengthening works and the excess on the insurance claim.

Key performance targets

- updating of the management plan for Riccarton House and Bush, as required by the amendment to the Riccarton Bush Act.
- maintenance and upgrade of facilities. As well as successfully completing the upgrade of the commercial kitchen the priority will be repairing the damage caused by the earthquake.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating Revenue	383	412	420
Operating and other expenses	378	416	419
Net surplus/(deficit) for the year	5	(4)	1
Forecast capital structure			
Equity	6,373	6,380	7,389
Debt	-	-	-
Ratios			
Shareholders ratios (Shareholders Funds to Total Assets)	100.0%	100.0%	100.0%

Council Controlled Organisations

Christchurch Agency for Energy Trust



The Christchurch Agency for Energy Trust (The 'Trust') is a Charitable trust established by the Council on 13 July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

Nature and scope of activities

In order to pursue its charitable objects the Trust has committed to undertaking the following activities:

- by building on the range of initiatives included in the Sustainable Energy Strategy for Christchurch 2008-2018, published by the Council, the Agency is developing a work program and a structure to manage the delivery of initiatives including those brought in by other parties. The initial focus is the delivery of Christchurch based projects and "localising" relevant Energy Efficiency and Conservation Authority projects.
- providing an educational role with a primary focus of raising awareness about energy efficiency and renewable energy options as a value proposition with initial focus on homeowners and architects/designers.
- acting as a broker facilitating projects that deliver benefits to businesses and larger organisations (including schools, hospitals and the transport sector).
- lobbying Government and government agencies, particularly in the area of legislative and rule changes impacting on energy efficiency and the use of renewable energy.
- exploring and developing initiatives relating to improvement in energy efficiency and increased use of renewable forms of energy.

Impact of the Canterbury earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Key performance targets

At the time of finalising the Three Year Plan the Trust was reviewing how it would deliver its objectives in 2014 - 2016. As a result key performance targets and financial performance targets were not available for inclusion in the Three Year Plan document.

Council Controlled Organisations

Rod Donald Banks Peninsula Trust

The Rod Donald Banks Peninsula Trust (the Trust) is a Charitable Trust and was created by the Council on 12 July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its charitable objects and focuses its efforts on engaging with groups and projects which have similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups and projects in the pursuit of their common goals. The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups and projects to achieve goals that they cannot otherwise achieve on their own.

Impact of the Canterbury earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Key performance targets

- keep the public and relevant interest groups well informed about on-going activities and progress of the Trust.
- develop relationships with, and gain the trust of, existing interest groups on Banks Peninsula with aims aligned to those of the Trust, along with relevant government agencies and territorial authorities.
- invest the trust fund prudently to minimise risk to the capital while achieving the aims of local and ethical investment and keep annual operating costs within the income generated from the invested funds.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating Revenue	144	130	116
Operating expenses	125	126	128
Operating surplus	19	4	(12)
Forecast capital structure			
Equity	3,208	2,865	2,507



Council Controlled Organisations

World Buskers' Festival Trust

The World Buskers' Festival Trust (the Trust) is a Charitable Trust established by the Council on 1 July 2010. The primary purpose of the Trust is to hold an annual international buskers festival in Christchurch and apply surplus funds generated by the festival towards promoting street theatre as a performing art in New Zealand.

Nature and scope of activities

The Trust is established for charitable objects that include the following:

- holding an annual buskers festival in Christchurch.
- fostering the growth of street theatre as a performing art in New Zealand.
- encouraging the participation of the wider community as audiences and performers in street theatre as a recreational activity.
- increasing the importance of street theatre as part of our cultural community.
- furthering the objects and activities of the Trust.
- generating capital and income to further the aims and objects of the Trust.
- working in conjunction with other groups, bodies and organisations having aims and objects in common with the Trust.

Impact of the Canterbury earthquakes

The Canterbury earthquakes have impacted the Trust by reducing the number of venues available to the festival and have resulted in the Trust utilising and erecting temporary venues in Hagley Park to host the festival.

Key performance targets

- attract at least 300,000 visits.
- a minimum of 90% of visitors are satisfied with the festival.
- generate surplus for future festival development.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Operating Revenue	2,100	2,100	2,100
Expenses	2,099	2,099	2,099
Surplus	1	1	1

Council Controlled Organisations

Canterbury Development Corporation Holdings Limited

Canterbury Development Corporation Holdings Limited (CDCH) is 100% owned by Council. It was incorporated on 4 May 2012 as CCC Four Limited and on 1 July 2012 it acquired full ownership Canterbury Development Corporation Limited (CDC).

CDC was set up as a limited liability trust company by Council on 5 December 1983. In 2003 the CDC Trust was settled by Council as CDC Limited shareholder. This Charitable Trust was subsequently found to be invalid by the High Court so ownership of CDC was transferred to CDCH.

Subsidiary companies

- Canterbury Development Corporation Limited

Nature and scope of activities

CDCH acts as holding company for CDC. CDC acts as the economic development agency for Christchurch City and its interaction with the wider Canterbury economy. Its main role is to stimulate economic growth through the development and stewardship of the Christchurch Economic Development Strategy (CEDS) and resulting significant interventions - particularly focused on innovation, export-ready companies, developing priority sectors and leading or influencing major regional projects.

CDC maintains partnerships with the Chamber of Commerce to deliver business support services to the region in conjunction with the other regional Economic Development Agencies and works closely with -CERA to support the Economic Recovery and Infrastructure Rebuild activities.

Collaboration is key to the successful delivery of the CEDS. Working closely with CERA to develop the ERP has ensured alignment between recovery planning and the long term development goals of CEDS.

Impact of the Canterbury earthquakes

CDCH and CDC have minimal physical assets and the Canterbury earthquakes had little or no direct impact on the Corporation's ability to deliver services in the future.

Policies and objectives relating to ownership and control

The Council, is the sole shareholder of this company. It has no plans to sell down or relinquish control of this company. The company has an important role in the city by being responsible for the development and stewardship of the Christchurch Economic Development Strategy. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

- to provide economic development leadership for Christchurch through the CEDS.
- to maintain centres of expertise in economic research, workforce and infrastructure.
- to initiate and/or implements projects identified through CEDS.
- to lead the Canterbury Regional Innovation System.

Note the Company is in the process of producing its SOI for the 2013 –2015 years and this summary will be updated once the SOI is received.

Statement of Financial Performance Targets

	2014	2015	2016
	\$000	\$000	\$000
Council Funding	4,591	4,691	4,799
Other Funding	2,312	1,266	1,266
Ratios			
Shareholder funds / Total Assets	80%	79%	78%

Council Controlled Organisations

Gardens Event Trust

The Gardens Event Trust is a Charitable Trust established by the Council on 18 December 2008. The primary purpose of the Trust is to raise the community's awareness of the benefits of good horticultural, floricultural and landscape construction and design practices and encourage active participation in these practices across all cultures and age groups.

Nature and scope of activities

In order to pursue its Charitable Objects the Trust focuses on the following activities:

- fostering, promoting and increasing the knowledge of the public as to horticulture, floriculture, landscape construction, landscape design and cuisine.
- providing support for schools of learning and establishing scholarships and prizes in areas of horticulture, floriculture, landscape design and construction.
- promoting gardening as a leisure activity across all cultures, genders and age groups in New Zealand.
- promoting and maintaining the health and safety of the public or any section of the public.

Impact of the Canterbury earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Key performance targets

No Statement of Intent has been requested from the Trust.