

# Changes from Draft to Final Plan

Listed below are the changes from the draft to the final Plan. These changes, which were made after the submissions on the draft Plan had been heard, were adopted by the Council on Tuesday 16 July 2002.

## Financial Changes

	2002/03	2003/04	2004/05	2005/06	2006/07
	\$	\$	\$	\$	\$
<b>Operating Adjustments - Expenditure</b>					
<b>Art Gallery</b>					
'Our City' Operating Costs	42,000	42,000	42,000	42,000	42,000
<b>Central City Park / Residential Development (Net)</b>	(187,775)	152,148	152,148	2,148	(7,852)
(Ex Turners and Growers Site)					
<b>City Streets</b>					
Cycle Safe Training	30,000	30,000	30,000	30,000	30,000
<b>Community Relations</b>					
Multi-cultural City Activities (Operating Costs)	50,000	50,000	50,000	50,000	50,000
<b>Corporate Office - Information Directorate</b>					
Grant - Seismic Strengthening of the Cathedral of the Blessed Sacrament (Also includes \$140,000 in 2007/08)		140,000	140,000	140,000	140,000
<b>Financial Services</b>					
Valuation Service Provider Savings	(50,000)	(400,000)	(400,000)	(200,000)	(200,000)
<b>Grants</b>					
Provision to Subsidise Mayor's Welfare Fund	25,000	25,000	25,000	25,000	25,000
<b>Property</b>					
Tamaki Tours (Foundation Cost)	161,000				
<b>Public Accountability</b>					
Public Consultation Programme for STV	30,000				

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	2002/03	2003/04	2004/05	2005/06	2006/07
	\$	\$	\$	\$	\$
<b>Operating Adjustments - Expenditure (Cont'd)</b>					
<b>Sport, Leisure and Events</b>					
QEII Upgrade - Grounds and Stadium		(405,000)			
Christchurch International Rowing Centre Charitable Trust Grant (*) (Also includes \$200,000 in 2007/08) (*) Subject to positive outcome of Airport study on bird strikes	100,000		100,000	200,000	
<b>Total Operating Adjustments - Expenditure</b>	<b>200,225</b>	<b>(365,852)</b>	<b>39,148</b>	<b>189,148</b>	<b>279,148</b>
<b>Operating Adjustments - Revenue</b>					
<b>Car Parking</b>					
Off Street Parking Charges (additional revenue)	(66,000)	(66,000)	(66,000)	(66,000)	(66,000)
<b>City Streets</b>					
Bus Exchange (Transit Contribution)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
State Highways - Cleaning and Lighting (Transit Contribution)	(105,450)	(105,450)	(105,450)	(105,450)	(105,450)
<b>City Water and Waste</b>					
<b>Black Bags</b>					
Cessation of Black rubbish bag delivery (52 bags)			(4,836,000)	(4,836,000)	(4,836,000)
Extra payment to ONYX (for increased recycling)			270,000	270,000	270,000
Black Bag Cessation - Public Consultation costs (Revised up to \$200,000)		100,000			
<b>Total Operating Adjustments - Revenue</b>	<b>(471,450)</b>	<b>(371,450)</b>	<b>(5,037,450)</b>	<b>(5,037,450)</b>	<b>(5,037,450)</b>
<b>Capital Adjustments</b>					
<b>Central City Park / Residential Development</b>					
(Ex Turners and Growers Site) (Adjustments)	1,335,000	(350,000)	(350,000)		

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	2002/03	2003/04	2004/05	2005/06	2006/07
	\$	\$	\$	\$	\$
<b>Capital Adjustments (Cont'd)</b>					
<b>City Streets</b>					
School Speed Zone Signs - Breezes Road	20,000				
<b>Kerb and Channel Renewal</b>				2,000,000	2,000,000
Forbes St (Angus - Devon) (Adjustments)	10,000	151,950	(10,000)	(151,950)	
<b>Street Light Upgrading</b>					
Waimairi Road (Riccarton - Peer)	29,000	(29,000)			
Blighs Rd (Idris - Papanui)	(28,091)				28,091
<b>Neighbourhood Improvement Works</b>					
Hampshire Street (Adjustments)		100,000	(70,000)		
<b>Cycleways</b>					
Aranui High 'Bubble' (Brought Forward)		70,000	(70,000)		
<b>Corporate Expenses</b>					
Lyttelton Boating Facilities - Access/Breakwater provision (Adjustments)	500,000	500,000	(1,000,000)		
<b>Parks and Waterways</b>					
Neighbourhood Reserve Purchase - Morrison Avenue	250,000				
Neighbourhood Reserve Purchases - Unspecified	(250,000)				
Trees for Canterbury - Landfilling at Charlesworth St	100,000				
Avon River and Central City Feature Lighting		30,000	30,000	30,000	30,000
Botanic Gardens Nursery (Production Facilities)	4,000		(4,000)		
Botanic Gardens Nursery (Building Equipment Upgrades)	25,000		(25,000)		
<b>Sport Leisure and Events</b>					
QEII Upgrade - Grounds and Stadium (Capital Component) (Adjustments)	(125,000)	(1,050,000)	325,000		
<b>Total Capital Adjustments</b>	<b>1,899,909</b>	<b>(577,050)</b>	<b>(1,184,000)</b>	<b>(1,878,050)</b>	<b>(2,058,091)</b>

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## Other Changes

In addition to the financial changes listed on pages 34 to 36, the Council also considered a number of other matters. The more significant of these are noted below.

## Council Policy on Funding of New Initiatives

In March 2001 the Council put in place measures to constrain significant new expenditure in an effort to contain the rates rises in 2003/04 and 2004/05 when the costs of three major projects - the new art gallery, the upgrade of the waste treatment plant and the new landfill - start to impact on the Council's budget.

The resolution passed by the Council to give effect to these measures is quoted below:

1. That in the coming three years all capital and operating budgets be contained within the projections in the Financial Plan, adjusted for inflation.
2. That the provision for unspecified capital projects be deleted and the funding be held in a capital contingency fund to meet unforeseen costs.
3. That the unspecified operating sums in years 2, 3 and 4 be deleted."

A large number of submissions were received seeking funding support for a wide range of projects and activities. Given the constraints of the above policy and the level of the 2002/03 rates increase, the Council has been able to accommodate only a small number of these requests.

The following table confirms that the Financial Plan conforms with the above policy.

Year	2002 Plan	2003 Plan
2002/03	3.87%	3.70%
2003/04	4.86%	3.87%
2004/05	6.70%	3.85%

## Reducing the Costs of Council Operations

At its budget meeting on 8 March 2002, the Council resolved:

"That the Budget Scrutiny and Audit Special Committee work with each of the Standing

Committees and Community Boards to identify cost reductions and the priority setting of expenditure, with the Budget Scrutiny and Audit Special Committee to submit a series of reports on this topic to the Council over the next 10 months."

The series of significant activity reviews being undertaken by the Budget Scrutiny and Audit Special Committee will form the basis of the reports to the Council.

The Council was concerned that there is no target or agreement as to the level of savings necessary to achieve an "acceptable level of rate increases".

The Council therefore resolved that it:

"Set in place processes to identify opportunities to achieve cost reductions and revenue increases in its operational budget to ensure that by 2005/06 the projected budget is reduced by \$10M."

## QEII Capital Spending Review

The Council resolved:

- That it give priority to the implementation of an Asset Management Plan for QEII Park.
- That the capital programme be revised and that \$1,255,000 be returned to the budget for facility development.
- That the Community and Leisure Committee review the funding bid for discretionary capital items for QEII Park in conjunction with its report on general facility spending needs.
- That the Civil Defence building be relocated to the proposed site adjacent to the Village Green for use as offices and for changing room facilities for cricket and other sports.
- That the provision of a separate toilet block for the Village Green be confirmed.
- That funding of the Village Green development be subject to Canterbury Cricket entering into a lease, to be approved by the Community and Leisure Committee.

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## **Tamaki Tours Ltd**

In September 2001 the Council gave approval for Tamaki Tours to establish a tourism venture at Ferrymead on a block of Council-owned land known as 'Woodhill'. The property is an old landfill and as such presents all the challenges inherent in such sites ie resource consent issues, contamination and construction difficulties.

The Council resolved:

- That the Council continue to support the lease of the land at Ferrymead to Tamaki Tours Ltd.
- That the funding be provided to Tamaki Tours Ltd up to a maximum of \$346,000 plus GST to cover the abnormal incremental cost of erecting foundations on a landfill; the funding not to cover re-contouring and to be the final contribution by the Council to the site development works.
- That such payment be made in one lump sum upon completion of the foundation work and certification of at least that amount of expenditure.
- That the balance of the unbudgeted revenue of \$185,000 from the Canterbury Technology Park joint venture in 2001/02 be carried forward and assigned to this project.

## **Cathedral of the Blessed Sacrament - Seismic Strengthening**

Seismic securing costs for the Church are a significant burden that are required to be met both for public safety and for the retention of the heritage fabric of the building. The Cathedral of the Blessed Sacrament and the Christchurch Cathedral are the two most significant ecclesiastic heritage buildings in Christchurch. In the case of the Christchurch Cathedral, the Council has provided a sum of \$1,000,000 for seismic strengthening over a period of five years.

The Council resolved:

- That the sum of \$140,000 per annum be provided for a five year period from

2003/04 to continue the Cathedral seismic strengthening programme.

- That it support and assist the Cathedral of the Blessed Sacrament with an application for a grant to the New Zealand Lotteries Board and other appropriate funding sources.
- That any heritage grants received be a deduction from the Council grant.

## **City Streets - Kerb and Channel Renewals**

In the last two years there has been a marked increase in the number of submissions raising concerns about the state of kerb and channels throughout the city. The current asset management plan provides for 20 km of the old 'dish' style channels to be replaced annually. To accelerate this rate of replacement the Subcommittee suggests that an additional \$2M per annum be provided for this work for 10 years from year four. The rates 'spike' in years two and three is the reason for delaying the introduction of new funding.

The Council resolved:

- That the budget provision for kerb and channel renewal programme be increased by \$2M per annum from 2005/06 for 10 years.
- That, following consultation with the Community Boards, the Sustainable Transport and Utilities Committee develop a policy framework for prioritising kerb and channel renewals for the Council's approval.
- That Community Boards be provided with the kerb and channel renewal programme to enable them to prioritise this work.
- That the City Streets Manager be authorised to fund a component of the Living Streets programme from the City Street kerb and channel renewal output.
- That, in future, the cost of roading projects be included in the 'start work' notices to residents.

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## **Waster Pays (Black Rubbish Bags)**

This Plan proposes switching to a 'Waster Pays' system for its rubbish collection and disposal.

At present the cost of picking up and disposing of the city's domestic rubbish is met by a rates charge, with the Council's coupon scheme being used to distribute a set number of rubbish bags to each property.

This 'off rates' scheme would start in 2004/05 (so the last issue of rates funded bags would be April 2003) and will almost halve the projected rates increase in that year from 6.78% to 3.84%.

This scheme aligns with the Council's Solid and Hazardous Waste Management Plan principles and the Ministry of the Environment waste guidelines. The scheme's introduction is timed to coincide with the opening of the new Regional Landfill and will assist in offsetting its cost raising effect (which is caused by a requirement for enhanced environmental standards for all modern landfills).

The Council is committed to a zero waste goal with a target of a 65% reduction by 2020. This initiative is a further waste minimisation initiative which will contribute towards the achievement of this target.

Such a scheme is a direct encouragement to keep down the amount of rubbish households generate and is already operating successfully at North Shore, Waitakere, Wellington and Hutt City Councils.

By buying only as many bags as they need, residents can see directly how much it costs to collect and dispose of every bag they put out. They will be able to minimise these costs by recycling as much as possible into their green bin.

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

The Council resolved:

- That provision be made for receipt of a special dividend from CCHL of \$3.4M to be allocated 50/50 between the Capital Endowment Fund and the Debt Repayment Reserve.

## **New Brighton Commercial Ratepayers and Retailers Association New Brighton Taskforce**

### **Revitalisation of New Brighton**

The Council resolved:

- That a New Brighton Taskforce be requested to work with:
  - The Council in developing a 10 year master plan for New Brighton
  - The Pegasus Bay Artificial Reef Trust in developing the artificial reef proposal, on the basis that the funding for the reef is included in the funding allocated for the revitalisation of New Brighton.
- That the budget provision of \$1.39M be carried forward to 2002/03 and that the specific expenditure of the budget item(s) be further considered at a joint meeting of the relevant committees when the master plan has been developed.
- That the Council note that a special New Brighton commercial rate may be levied by agreement with the New Brighton Commercial Ratepayers and Retailers Association and if levied shall be additional to the \$1.39M and in terms of any master plan outcomes as agreed with that association.

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## **Transpower New Zealand Limited Telco Asset Management Ltd**

### **Utility Rating**

The Council resolved:

- That a review of differentials be undertaken as part of the funding policy review following the enactment of the Local Government Bill and for the 2004/05 year.

## **Christchurch International Rowing Centre Charitable Trust**

### **Funding for International Rowing Centre**

The Council resolved:

- It express support for an international rowing centre in Christchurch
- That, subject to a positive outcome of the Christchurch International Airport Board's study on bird strikes, the following provision be made for the project:

2002/03	\$100,000
2005/06	\$100,000
2006/07	\$200,000
2007/08	\$200,000

## **Tui Street Residents Group**

### **Undergrounding of Overhead Reticulation - Cost Increases**

The Council resolved:

- That the above work be retendered or alternatively negotiated with the successful tenderer for the Fendalton Road reconstruction in an effort to achieve economics.
- That the Council accept the residents' contribution of \$41,000 towards the cost of the undergrounding.

## **Wai-iti Terrace (West) Residents Group**

### **Undergrounding of Overhead Reticulation - Cost Increases**

The Council resolved:

- That the work be re-tendered or re-negotiated.
- That the Council accept the residents' contribution of \$40,000 towards the cost of the undergrounding.



A group of visitors enjoying Travis Wetland Natural Heritage Park.