

ANNUAL REPORT HIGHLIGHTS

REPORT FOR THE YEAR ENDED 30 JUNE 2000

This Annual Report provides an opportunity for the Council to report on what has been achieved during the year ended 30 June 2000. It enables the Community to judge the Council's performance in achieving the objectives set out in its 1999 Plan.

Christchurch – A Great Place to Live

The Council believes Christchurch continues to improve as a great place to live and work and is aware that citizens are also proud of the city and most contribute personally, as well as collectively through the Council, to this progress. Once again in 2000 the survey of public opinion carried out for the Council indicated that 93 per cent of citizens are satisfied or very satisfied with Christchurch as a place to live, work and spend spare time. This continuing high level of satisfaction is particularly pleasing, as many commentators suggest that as a society the sophistication of our expectations is steadily rising.

Central City Revitalisation

Supporting the Mayoral initiatives for the revitalisation of the Central City has been an important task during the year. A project manager has been appointed and a core team of staff has been set up to assist the Mayoral Forum in its aims for rejuvenation of the Central City. Work is continuing on development of a 25-year strategy, to be implemented by a number of concept plans and projects. The strategy will focus on business activity, residential development, cultural foci, heritage initiatives, streetscape, river precinct and amenity improvements, transport linkages and other measures to ensure life and activity characterise Central Christchurch.

Leisure

The holding of a major event in North Hagley Park on New Year's Eve was a difficult but rewarding undertaking, providing Christchurch with a spectacular event over six hours. An America's Cup Parade the day before Classical Sparks and a Super 12 Parade for the province were organised at short notice.

The City, with QEII Park as the main venue, hosted two major events with the FIFA Under 17 World Cup, plus the World Wheelchair Games.



Athletes competing at the World Wheelchair Games at QEII Park

The World Netball Championships were held at the WestpacTrust Centre and earned the distinction of being the world's largest women's sporting event with 28 teams taking part.

The Council has been successful in bidding for a number of major sporting events for the future, including the Corporate Games 2000, FINA Masters Swimming 2002, World Billiards 2001, Men's and Women's World Bowls 2008. The economic benefits to Christchurch and New Zealand will be considerable.

The Council's recreation initiatives were recognised nationally by the awarding of the New Zealand Recreation Association Outstanding Award for its publication "Walk Christchurch: 60 Short Walks That Explore Your City" and the Hillary Commission's national Push Play Award for its "Active Christchurch" programme.

A full year's operation of the Pioneer and Centennial Leisure Centres has seen attendance numbers and income exceeding projections.

Heritage Buildings

An appeal to the Council's decision on the application to demolish the Warner's, Lyttelton Times and Star buildings was brought before the Environment Court in August 1998.

An interim decision by the Environment Court was released on 1 April 1999. The environment Court's final decision was issued in February 2000.

The Council has agreed to contribute \$150,000 per annum for five years to assist in the retention and redevelopment of Warner's Hotel.

Public Transport, Cycling and Road Safety

This year has seen the commencement of the new bus exchange on Lichfield Street. This building will replace Cathedral Square as the connection point for all bus services coming into the central city. It will provide modern airport style facilities for bus users and should assist with the continued growth in bus passenger numbers.

In conjunction with the Land Transport Safety Authority and Transit New Zealand, the Council has introduced special part-time speed zones at five schools. The distinctive yellow signs and flashing speed signs have been successful in reducing speeds outside these schools.

The year also saw the further development of cycle facilities, including the Railway cycleway and Shirley area cycleways, and the expansion of the Cycle Safe training programme in schools. Some 80% of Christchurch's year 6 children now have access to this programme.

Road accident levels in the City continue to decline and Christchurch's accident rate no longer stands out from other cities in New Zealand. Safety campaigns during the year included urban speed, red light running and developing safe routes to schools.

HIGHLIGHTS OF THE YEAR

City Streets

Steady progress has been made on progressing the long term future of arterial routes including Opawa Road, Fendalton Road and the northern access to the City.

The first stage of the Woolston-Burwood Expressway between Travis Road and New Brighton Road was completed during the year.

The new link in the ring road includes an off-road cycleway and improvements to the adjacent waterways. Other projects completed include the four laning of Lincoln Road between Wrights Road and Whiteleigh Avenue intersections, other safety work on Blenheim Road, and the reconstruction of Matipo Street.

A review of traffic calming measures started during the year with an emphasis on creating streets for living rather than just for traffic movement. Cholmondeley Avenue in Opawa and Tui Street in Fendalton were two kerb and channel renewal projects where major changes were made to the street to improve traffic safety and at the same time improve the living environment for residents.

Cathedral Square

Stage IV of the Cathedral Square redevelopment was completed on programme and within the approved budget. The official opening of the redeveloped Square was held on 21 December 1999. Terms of Reference and a Project Brief for Stage V (north-west corner) will be prepared in September/October 2000. As well as Stage V, a project team will also consider the implementation of additional work to the existing Stages I-IV. The introduction of soft landscaping elements, such as relocatable planter tubs designed to introduce softness and colour as soon as possible, will be part of this, together with the appointment of a manager responsible for the promotion, use and management of the Square as an outdoor event/market area including participation by the owners and/or occupiers of adjoining properties.

Special Housing Partnership with Colombo Street Baptist Church

During the year the Council signed a management agreement with the Colombo Street Baptist Church for the church to manage a new Council-built eleven unit rental housing complex in Beckenham. This action cemented a unique 75% Council/25% Church financial partnership to develop housing for those in the community who would benefit from a supported accommodation arrangement.

Tenant Support Policy

The Council adopted a significant social housing policy this year when it unanimously endorsed the new "Tenant Support Policy". This policy confirms the Council's commitment to social housing. The ultimate aim of this is to enable tenants to live independently, maintain their tenancy, and achieve a good quality of life.

New Brighton Pier Terminus Building

Opened in July 1999, the two-storey Pier Terminus building sits prominently on its New Brighton waterfront site. A solid structure of steel, concrete, glass and "sails", it is positioned lengthways on the foreshore and gives the impression of a boat moored at the pier. The building contains a café/restaurant at its northern end and a state-of-the-art library incorporating a number of unique features, eg "Pipeline" – a 28m x 24m "gantry" providing youth with interactive entertainment including simulation games and videos, and Media Centre – giving individuals and groups a chance to use computers and experience new technology. "The PAD" (Play and Display) – an area designed to host activities and exhibits for children and the community - is also in the building.

The Pier Terminus building recently received several architectural awards and it has also created international interest. The Library itself received over half a million visitors in its first year.



Lancewood Courts, the new rental housing complex financed through a partnership between the Colombo Street Baptist Church and the Council.

HIGHLIGHTS OF THE YEAR



A view from Jeffreys Road of the new Fendalton Service Centre and Library

Libraries

Libraries continued to provide a wide range of services to meet the information, recreation and education needs of Christchurch people.

The overall circulation rose by 1.5% (from 5.4 million to 5.5 million) on the previous year, so that book issues per head in Christchurch remain one of the highest of any city in the world with which we make comparisons. A new "front end" for accessing the library's databases, the Web Catalogue was in place in all libraries by April 2000. This is making it significantly easier for customers to browse the library's stock and databases to locate the most appropriate book or information for their needs.

The 10th anniversary of the Books for Babies scheme was celebrated in April 2000. Information about the project and the 10th anniversary was published on the Internet. This has been a very successful initiative and has received international recognition and commendation. The URL for the site is <http://www.ccc.govt.nz/Library/Childrens/BooksForBabies/>.

Open Internet access for customers on a fee basis using cash cards, was introduced into all libraries. It has proved a very popular service and in most community library locations, is the only publicly accessible entry to the Internet and email.

Business Advantage, a fee-based research service for business customers, was launched on 5 April 2000, building on the successful implementation of the Council's Information Service "Insite". Information for business requirements can be difficult to source and the skills of a library information professional coupled with the wide range of databases available through the library are meeting a significant need for local firms. The feedback received about the service offered and work are very positive.

This year marked the final year of "Canterbury Public" Library. From July 2000 the name changed to "Christchurch City" Libraries

to more clearly reflect its relationship to the Christchurch City Council.

Art Gallery

Progress with the design and construction of the new Art Gallery has proceeded to the point where tenders for the new Art Gallery building were called in August 2000, with construction planned to start at the beginning of December 2000. The expected completion date for the construction project is October 2002, followed by its fit-out and opening of the new Gallery in March 2003.

The total budget for the new Art Gallery project is \$38.1 million. The fundraising target is \$13.5 million, of which \$12.3 million has been raised. A feature of the fundraising for this year was the \$5.8 million received from the government.

In acknowledgement of the Sesquicentenary the Art Gallery has installed a series of critically acclaimed Canterbury Vignettes, highlighting key Canterbury artists from European settlement to the present day.

The artwork conservation programme has continued with 169 artworks being conserved.

Fendalton Library - Service Centre

The new co-located Fendalton library and service centre was completed on programme and within the approved budget. The official opening was on 3 July 2000 and the facilities are being very well patronised.

QEII Development

Work commenced on the QEII pools site in early January 2000 on the \$20 million redevelopment. Construction of the new 51 metre training pool is progressing well for completion ahead of programme at the end of January 2001. The new entry, lift/stairs, and changing rooms will be completed in June 2001. The remaining areas (leisure pool area including a wave machine, swirl pools, steam room, sauna, teaching pool and mezzanine floor) will be completed in March 2002.

English Park Redevelopment

Consultants have been appointed for the redevelopment of English Park, including a new park and grandstand complete with community-requested facilities. Council adopted the concept design in August 2000. Tenders will be called in December 2000/January 2001 and construction will commence in February 2001. The expected completion date is October/November 2001.



Work is continuing on the redevelopment of the QEII pools

HIGHLIGHTS OF THE YEAR

Jade Stadium

The Council's Major Projects Co-ordinator has continued in the role of Project Director for the Jade Stadium redevelopment, reporting to the Board of the Council-owned Jade Stadium Ltd. The South Stand was completed on programme (to an extremely tight timeframe) for the July 22 All Black vs Springbok test. Tenders for the west embankment removal, light tower alterations, relocation of the 11 KVA power supply, relocation of the media facilities and subsoil improvement under the new West Stand have been let. Tender documentation for the new West Stand is being prepared and tenders will be called in October 2000.

Economic Development and Employment

The Canterbury Development Corporation (CDC) is contracted by the Council to develop and deliver a range of services in the areas of economic development and employment creation.

CDC worked with more than 3,000 businesses resulting in more than 2,000 small and medium-sized firms receiving targeted advice and assistance in the form of referrals to other agencies, business education, training and mentoring. Over 2,500 clients availed themselves of the CDC's BIZ training programme with overwhelming endorsement of the programme being received. This programme provided targeted training to groups of ten high tech, high growth potential companies and to groups of companies wanting to understand opportunities from ECommerce. Supporting this and other programmes, CDC's network 150 business mentors provided one on one support for companies.

CDC continued to work with unemployed youth during the year, with over 2,000 receiving individual attention aimed at enhancing their employment prospects. The majority of young people were placed into full or part time employment or further education and training. This programme will expand this year in partnership with the Department of Work and Income New Zealand.

Turning to the younger age group, CDC helped 12 secondary schools in the region actively work with industry partners to understand the needs of the modern workplace.

In addition to its work with youth, CDC has also undertaken a major research project aimed at developing a greater understanding of the issues of the "Third Age" - the lengthening part of our lives between thoughts of retirement and loss of independence.

The November 1999 change of Government provided greater opportunities for CDC to work with various Government departments and agencies, resulting in the successful negotiation of a range of Government contracts that allowed CDC to significantly increase its services.

Clean Air and Energy Efficiency Project

The "Helping Hand for Heating" scheme has helped 5,200 Christchurch households close up open fires, a major source of air pollution in the city. Hundreds of participants have also insulated their homes. To further promote home energy efficiency and clean air heating, in February 2000 the Council opened its Energy Efficiency Show Home where city residents can obtain independent and free advice from the Council's Energy Adviser. The Show Home is situated at 10 Leander Street, Papanui and is open from 11.00am to 6.00pm every day except Wednesday.

City Plan

Following public notification of the City Plan in June 1995, hearings were completed in September 1998 and decisions on the City Plan were released in May and June 1999. Copies of the Plan and planning maps as amended by decision were also made available. Work is now concentrated on addressing the 350 references made to the Environmental Court.

Wastewater Treatment and Disposal

The Council is required to renew its consent for the discharge of treated waste water into the Estuary by 1 October 2001. Before the application for renewal is made, a decision is required on the future treatment and disposal of the City's wastewater. The public will be consulted about the two options available (discharge via the Estuary or direct to the ocean in a pipeline). With the treatment methods proposed, neither will have a significant impact on the environment.

Work continues on the current major upgrade of the Christchurch Treatment Works that started in 1996. This project, budgeted to cost \$33.7 million, is 50% complete and is on target to meet its planned completion date in the 2005/06 year.

Solid Waste

The Council, in partnership with five others in Canterbury and two commercial waste companies, has been seeking a site for a new Canterbury Regional Landfill. The site identified in October 1999 was deemed to be unsuitable following detailed seismic surveys, due to its location in relation to Canterbury's aquifers - the source of the region's drinking and irrigation water. Canterbury Waste Services (our commercial partner) has now identified and purchased a site at Kate Valley (70 kilometres north-east of Christchurch). This area will be considered as a site for a possible landfill when the Burwood landfill closes within the next few years. Due to longer haul distances and higher environmental standards required by a modern landfill, disposal charges will rise significantly for the new landfill.

During the year we introduced trailer weighing and sorting, and domestic hazardous waste reception at three refuse stations. New refuse bags were introduced with handles that were able to be tied together.

As part of our target of zero waste by the year 2020, the Community Gardens project was initiated. Local groups wanting to grow vegetables for their own use originally set up Community Gardens. The Council's Waste Unit is now working with them to help reduce the amount of organic waste that is sent to the landfill by using it for composting at the gardens. A small pilot trial at four existing gardens has proven that they can have real benefits to the community both environmentally and socially.

Financial Performance

Parent (Council)

The year under review has produced an increased operating surplus that is above budget by \$12.1 million. This is largely the result of increased dividends received from subsidiaries, offset by some reduction in interest earnings. Christchurch City Holdings also paid additional dividends from its interest earnings on accumulated capital held pending an IRD binding ruling on the repayment of projected capital to Council. \$22.5 million of the dividends received forms part of the budgeted

HIGHLIGHTS OF THE YEAR



Visitors utilising some of the facilities provided at the new New Brighton Library

capital repatriation from subsidiary companies and has been transferred to the Council's Loan Repayment Reserve to reduce the Council's debt levels.

There were fluctuations in the final net results of the various activities and as a result the overall performance of significant activity revenue and significant activity operating expenditure against their respective budgets showed a variance. However, it is pleasing to note that the overall net result was within 0.6% of the net budget, which is a very satisfactory result considering the size of the overall budget.

The Statement of Financial Position for the parent Council continues to show a strong balance sheet with a growth in equity in excess of \$2 million since last year. Actual equity is significantly in excess of the budget, which reflects an early estimate of the position as published in the Annual Plan before the increased values of assets through revaluations in the previous year had been taken into account.

Group

The Group accounts reflect a significantly reduced turnover, reflecting primarily the change in the nature of the Orion core business from an electricity retailer to a lines business. Nevertheless, the Group accounts continue to illustrate the size and strength of the group as whole:

· Turnover	\$618 million
· Net Surplus (Before Tax)	\$113 million
· Total Assets	\$3,719 million
· Total Debt	\$551 million*
· Total Equity	\$2,919 million

(*Note: \$271 million was repaid after balance date by Orion from the sale proceeds of the North Island gas network.)

It is pleasing to once again record that, following a review by Standard and Poors in July 2000, the Council's and CCHL's credit rating has again been confirmed as 'AA' with short term paper rated as 'A-1+'.

Garry Moore, Mayor

David Close, Chairman Strategy & Resources Committee

Mike Richardson, City Manager

November 2000