

Christchurch City Council Annual Report 2001



CHRISTCHURCH
CITY COUNCIL • YOUR PEOPLE • YOUR CITY

mission statement

MISSION STATEMENT OF THE CHRISTCHURCH CITY COUNCIL

Providing leadership to achieve the vision for Christchurch through effective local governance and the delivery of high quality services.

In achieving the mission the Council will:

- be responsive to local needs;
- give strong expression to local identity;
- be democratic, effective and efficient;
- be highly accountable for its actions;
- advocate in the interest of the whole community;
- add value to the city's economy;
- enhance the quality of the city's environment;
- use sustainable management principles;
- be efficient in its delivery of high quality services;
- work constructively towards common goals held with central government and the regional unit of local government;
- be both a good corporate citizen and a good employer.

TE PŪRONGO TIKANGA Ā TE KAUNIHERA O ŌTAUTAHĪ

Mā te hāngai tonu o ngā ture ā-rohe me te tuku i te ratonga hiranga e whakakaha ake i te toiora o ngā tāngata katoa me te taone nui o Ōtautahi.

Te tutukitanga pai o ngā tikanga o te Kaunihera ka:

- tahuri mai ki ngā hiahia o te iwi kāinga
- tautoko kaha i te tuakiri o te iwi kāinga
- whakahaere ngātahi ai te manapori, te whakatutuki, te whakahaere i ngā kaupapa
- whakatau tika i āna mahi katoa
- kaiwawao i ngā kaupapa hei painga mo te iwi kāinga
- whai hua ake ki te ao ohanga o te taone nui
- whakakaha ake i te pai o te taiao o te taone nui
- whakahaere i ngā kaupapa mahi hāpai kia pūmau ai
- whakahaere tika ai i āna ratonga katoa
- mahi ngātahi ai ki te whakatutuki i ngā whāinga e whāia nei e te Kāwanatanga me te Wāhanga ā rohe o te Kaunihera ā rohe
- tū hei rangatira tōpū, hei kaituku mahi

Christchurch City Council Annual Report 2001

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The annual report and audited financial statements of Christchurch City Council, together with the report of the Audit Office, were adopted by the Council on 26 November 2001.

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www.ccc.govt.nz



christchurch city council

Mayor

Garry Moore CA

Deputy Mayor

Councillor Lesley Keast QSM JP

Councillors

Carole Anderton	David Close QSO MA(NZ) MA(Essex)	Pat Harrow DipHort	Barbara Stewart
Paddy Austin MA(Hons) PhD	Graham Condon QSM JP	Ian Howell OBE FNZIM	Ingrid Stonhill
Erin Baker MBE	Barry Corbett	Alister James LLB	Sally Thompson QSM
Robin Booth	Anna Crighton JP MA(Hons)	Charles Manning MA(S'ton)	Sue Wells BA
Sally Buck MEd	Carole Evans QSO JP	Denis O'Rourke LLB	Ron Wright JP MPPI
David Buist	Ishwar Ganda	Gail Sheriff	

Membership of Community Boards

Burwood-Pegasus

Chrissie Williams (Chair)

Glenda Burt

David Close (Cr)

David Dobbie #

Carole Evans (Cr)

Caroline Kellaway JP

Andy Lea

Don Rowlands

Gail Sheriff (Cr)

Fendalton-Waimairi

Keith Nuttall JP (Chair)

Diana Bradley

Sally Buck* (Cr)

Val Carter

Pat Harrow (Cr)

Yiyi Ku MMus (Dist)

Barbara Stewart (Cr)

Mike Wall

Ron Wright (Cr)

Hagley-Ferrymead

Bob Todd OBE JP (Chair)

Erin Baker (Cr)

Anna Crighton (Cr)

John Freeman JP MA Dip Tchg TTC

Liz McRostie JP

Charles Manning (Cr)

Derek McCullough

Aaron O'Brien BA

Linda Rutland

Riccarton-Wigram

Mike Mora (Chair)

Paddy Austin (Cr)

Neville Bennett BSc(Hons) PhD

Helen Broughton MA DipEd (GC)

David Buist (Cr)

Mary Corbett JP TCC

Ishwar Ganda (Cr)

Bob Shearing

Alison Wilkie

Shirley-Papanui

Yvonne Palmer QSM JP (Chair)

Myra Barry QSO JP

Robin Booth* (Cr)

Anne Carroll

Graham Condon (Cr)

Dennis Hills JP

BSc FNZIC FIM FAPRI CCont Ed MRSNZ

Ingrid Stonhill (Cr)

Sally Thompson (Cr)

Steve Wright

Spreydon-Heathcote

Oscar Alpers LLB Notary Public (Chair)

Carole Anderton* (Cr)

Lynda Carter

Phil Clearwater MA (Hons)

Barry Corbett (Cr)

Sonia Gill BA ATCL AREINZ

Ian Howell (Cr)

Elizabeth Maunsell

Sue Wells (Cr)

* Denotes member elected to both Council and Community Board

Anne McCormack replaced David Dobbie on 2 April 2001 when he transferred to Auckland

Senior Management

City Manager

Mike Richardson MA(Econ) MA(Town&Reg Planning) MRTPI FRS FNZIM

Director of Business Projects & Relationships

Ian Hay CA ACIS AFNZIM

Director of Finance

Bob Lineham BCom FCA FNZIM MILAM

Director of Human Resources

Dorothea Brown NZLA Cert FNZLA AFNZIM

Director of Information

Simon Markham BA BTP

Director of Operations

Ken Lawn BA DipTP MNZPI

Director of Policy

Jonathan Fletcher BE(Hons) ME(Env Eng) MPP MIPENZ MNZAE

trading enterprises & other organisations

Listed below are the trading enterprises which the Council has an interest in, together with the directors of the trading enterprises. Also listed are other organisations on which the Council is represented.

Christchurch City Holdings Limited (100% owned)

Alister James (Chair) (Cr)	Garry Moore (Mayor)
Paddy Austin (Cr)	Barbara Stewart (Cr)
Craig Boyce	David Stock
David Close (Cr)	Peter Taylor
Pat Harrow (Cr)	

Christchurch International Airport Limited (75% owned)

Syd Bradley (Chair)	Denis O'Rourke (Cr)
David Lyll	Barry Thomas
Robin Mann	Gail Sheriff (Cr)

Orion Group (87.625% owned)

Linda Constable (Chair)	Peter Rae
Philip Carter	Don Sollitt
John Gray	Ken Sparrow
Chris Laurie	

Lyttelton Port Company Limited (65.46% owned)

Brent Layton (Chair)	Donald Stewart
Peter Coakley	Bob Todd
Ian Howell (Cr)	David Viles
Sue McCormack	

Red Bus Limited (100% owned)

Ann Urlwin (Chair)	Ishwar Ganda (Cr)
Craig Boyce	Barry McFedries
Evan Frew	

Selwyn Plantation Board Limited (39.32% owned)

Doug Marsh (Chair)	Allan Berge
David Buist (Cr)	Graham Heenan
Peter Coakley	

City Care Limited (100% owned)

David Spence (Chair)	Ron Wright (Cr)
Bob Foster	Paul Young
Doug Marsh	

Jade Stadium Limited (100% owned)

Bruce Irvine (Chair)	Hanlin Johnstone
Paddy Austin (Cr)	Mike Prendergast
Vicki Buck	Ron Wright (Cr)
Erin Baker (Cr)	

Christchurch City Facilities Limited (100% owned)

Peter Taylor (Chair)	Barry Corbett (Cr)
Graham Condon (Cr)	Denis Sheard

Canterbury Technology Park (Joint Venture - 33.33%)

Mary Harvey (Chair)	Richard Swan
Ian Hay	

Travis Group (100% owned)

Bob Lineham	Peter Taylor
Mark Russell	

Canterbury Development Corporation

Stewart Leck (Chair)	Doug Marsh
Carole Anderton (Cr)	Garry Moore (Mayor)
Paddy Austin (Cr)	Barbara Stewart (Cr)
Ian Howell (Cr)	David Walker
Garth Carnaby	Ian Hall

Canterbury Museum Trust Board

Paddy Austin (Chair) (Cr)	Ian Leggat
Tony Arps	Gaye Stanley
Peter Fitzgerald	Barbara Stewart (Cr)
Leo Hayward	Murray Thacker
Jim Hopkins	Sally Thompson (Cr)
Lesley Keast (Cr)	

Riccarton Bush Trust Board

Charles Deans (Chair)	Brian Molloy
Helen Broughton	Mike Mora
David Buist (Cr)	Barbara Stewart (Cr)
Brian Deans	Alison Wilkie
Ishwar Ganda (Cr)	Pamela Wilson

Recovered Materials Foundation Board

Denis O'Rourke (Cr) (Chair)	Chris Pickrill
Sally Buck (Cr) *	Mark Prain *
Ian Howell (Cr)	Mike Stockwell *
Robin Mann	Dixon McIvor
Peter Townsend	Molly Anderson

* Three Advisory Trustees - not Board Directors

Transwaste Canterbury Limited (37.85% owned)

Denis O'Rourke (Cr) (Chair)	Alton Jamieson
Noeline Allan	Ray Harris
Gil Cox	Jim Fulton
Gerald Clemens	Peter Drummond

annual report highlights

Report for the year ended 30 June 2001

This Annual Report provides an opportunity for the Council to give account of what has been achieved during the year ended 30 June 2001. It enables the community to judge the Council's performance in achieving the objectives set out in its 2000 Plan.

Christchurch – A Great Place to Live

The Council believes Christchurch is a great place to live and work and is aware that citizens are also proud of the city and that most contribute personally, as well as collectively through the Council, to this progress. In 2001 the survey of public opinion carried out for the Council indicated that 92 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

Work has continued on this Mayoral initiative including the completion of a city-wide public consultation exercise leading to Council adopting, in March 2001, a vision and framework for revitalising the Central City. A number of projects were underway as of June 2001 including redevelopment of two inner-city retail sites integrated with Council car parking, heritage precinct improvements, heritage grants, streetscape/public space improvements, development of a central city transport strategy, and working with private developers on projects to increase residential and business activity.

Leisure

Christchurch successfully hosted seven major sporting events which were supported by the Christchurch City Council in one form or another. A further eight bids were successful for events to be hosted in early 2002 through to 2003. This positive trend is expected to continue as Christchurch's reputation as a popular destination and successful sport event host is recognised and promoted.

The admission numbers at our two new Leisure Centres are continuing to grow, with these facilities meeting a big demand in the community. Further growth is anticipated with the completion of the QE II Leisure Pool.



One of the many events at the Children's Millennium Games

The Turning Point 2000 activities were highlighted during the year with the Canterbury 150th Celebrations and the Children's Millennium Games. The Trust was responsible for generating a number of significant assets for the city including the Waka, the Chalice, erected in August 2001, and the Commemorative Tapestry. Other activities are still continuing such as the Millennium Bridge and Global Net 2000.

The New ASB Bank Starry Nights, part of the SummerTimes programme, proved to be highly successful and received excellent public feedback and media coverage. The audience was over 20,000 people.

Recreation programme participation continued to grow with the development of four new programmes for young people (10–14 year olds) plus two new programmes for older adults and a significant increase in numbers for Kiwiable programmes. "Push Play with Active Christchurch", a partnership comprised of a number of key Christchurch recreation and health agencies, continued to promote the physical activity message.

Opening of Halswell Quarry Sister Cities Gardens



The opening of the Sister Cities Gardens took place on 17 February 2001. There were about 70 international guests present. Each Sister City Committee had raised funds or in-kind sponsorship to develop a section of the Halswell Quarry into a unique park with individual gardens representing the character and beauty of plants from its sister city. There is also a Canterbury native plant garden. Artworks have also been donated from our Sister Cities for installation in the gardens. The project won the Air New Zealand Sister Cities Award for the "Best Cultural Project".

TRENZ 2001

The first Tourism Rendezvous New Zealand was held in Christchurch in 2000. The success of that event ensured the decision was made to hold the 2001 event in Christchurch.

The 2001 event was the biggest Tourism Trade Show that New Zealand has ever held. There were in excess of 1300 people in attendance. The Christchurch Convention Centre and the WestpacTrust Centre were the key facilities, although other venues were used for media events and special functions. TRENZ 2004 will be held in Christchurch.

Heritage Buildings

The first stage in the refurbishment of the former Municipal Council Chambers, corner Worcester Street and Oxford Terrace, to house "Our City, Past Present and Future" has now been completed. The project is due for completion mid 2002 and will from that date, be open to the public.

In June 2001 the Council agreed to assist the Sydenham Heritage Trust with a loan to purchase the former Sydenham Methodist Church. The Trust is now raising further funds for the continued conservation of the building.

Public Transport

This year has seen the completion of the new Bus Exchange in Lichfield Street and a progressive move of the bus services to using the exchange and the peripheral termini. A real time information system has also been installed to provide a modern and efficient service for all bus users. The Bus Exchange has received consistent warm reviews from users, and is operating very well. Ongoing minor improvements continue to be made to this unique facility for New Zealand. Bus patronage in Christchurch has increased 10%.

A fourth free shuttle bus was added to the central city route late in the year with the aim of ensuring a better than 10 minute frequency at all times.

City Streets

The second stage (1b) of the Woolston–Burwood expressway between New Brighton Road and Wainoni Road was completed during the year. There had been delays in construction because of foundation problems with the bridge but the end result is a striking new addition to the city's bridges.



Overall 141 different capital works projects were completed during the year. These ranged from the installation of pedestrian islands and traffic signals to full reconstruction of the road with new kerbs, footpaths and landscaping. There has also been increased activity and disruption on the streets with TelstraSaturn installing cables across the whole city.

Council approved a project to deviate Blenheim Road at Mandeville Street so it connects directly to Moorhouse Avenue. The property required for the project has been purchased and the consent process is underway. Plans for upgrading the remaining section of Fendalton Road were also approved.

During the year the Council adopted the Living Streets charter that emphasises that "streets are for living" and that quality of life factors are an essential element in undertaking street improvements. A series of Living Streets pilot projects have been adopted for construction over the next three years. The Council received an award from Creative NZ for the development of Peverel Street as a Living Street.

Cathedral Square

Following some adverse public reaction to aspects of the Cathedral Square redevelopment, Ian Athfield (Architect) and James Lunday (Urban Designer) were engaged to suggest ideas for improvements and completion of the Cathedral Square project. Following extensive consultation involving both the public and adjacent Cathedral Square landowners, ideas towards completing the Square were presented to the Council in May. With general support from the Council to progress the ideas further, Ian Athfield and a staff team have initially proceeded to implement some further "greening" of the Square with additional trees and planters, prior to further developing the overall concepts, including working with adjacent landowners to "repopulate" their properties.

Housing

Tommy Taylor Courts



The Council has added to its significant social housing portfolio through the completion of two housing complexes: Hornby Courts, a 23 unit development for the elderly, and Tommy Taylor Courts, a 25 unit development in Waltham catering for a broad age range of tenants.

Both these developments have a high standard of fitout including a lift at Hornby, sprinkler systems for fire

protection, carpets and drapes, whiteware and double glazing. These developments confirm the Council's commitment to its vision:

"To contribute to the community's social well being by ensuring safe, accessible and affordable housing is available to people on low incomes, including elderly persons and people with disabilities".

Libraries

The new library in Fendalton was opened in July 2000 and during its first year of operation has increased its issues by 32% to 660,010 items. General comment is very favourable and customers appreciate the spaciousness and the services available.



In April 2001 the revamped Library website went live complete with access to a range of significant premium databases. These include electronic access to encyclopaedias, the Oxford English Dictionary, magazine databases and specialist resources for biographies, literature, the arts, science and business. Many of these are available remotely to Library members from a computer at home, work or school. External access to both the Library's catalogue and its website continues to grow and a total of 4.15 million pages of information was downloaded from these in 2000-01. We have received many compliments worldwide for the extent of our website and for its clean layout and easy to navigate information structure.

Two projects contributed to celebrating the 150th anniversary of Canterbury. They were the publishing of a work by Genealogy Librarian, Richard Greenaway entitled *Rich Man, Poor Man, Environmentalist, Thief*. It contains biographies of lesser known but colourful characters from the city's past. Also, the launch of *Imprints: Fragments of Canterbury History*, which comprises a collection of digitised historic resources. The Burke manuscript, early photographs of Christchurch, and the chronology of Christchurch are all available on line at: <http://library.christchurch.org.nz/heritage/imprints.asp>

Ti Kouka Whenua is an electronic resource of local Maori history and is a significant contribution to making local Maori history available to a wider audience.

Compiled by Library staff from print and other resources it provides information about places and tribes in the greater Christchurch area. It can be viewed at <http://www.ccc.govt.nz/Library/TiKoukaWhenua/>

A new Library for South Christchurch

After several fruitless years spent trying to plan extensions to the Spreydon Library on a restricted site and to secure land for the building of a new library at St Martins, the Council approved the building of a new facility to replace both these expansion options, on the site of the current Beckenham Service Centre. Construction is scheduled to start this year.

Art Gallery

Progress with the design and construction of the new Christchurch Art Gallery proceeded to the point where tenders for the new building were called in August 2000, and construction started in December 2000. The expected completion date for the construction project is November 2002, followed by the fit-out and formal opening in April 2003.

The total budget for the new Art Gallery project is \$38.1 million. The fundraising target was \$13.05 million, and remarkably \$13.8 million has now been raised. The largest components of this sum were generous contributions of \$6.2m and \$3.8m from the New Zealand Government and the Community Trust respectively. One of the prominent fundraising events was a joint art auction with the Centre for Contemporary Art, which netted \$40,000 for the new Gallery project.

In acknowledgement of the Sesquicentenary, the Gallery installed a series of critically acclaimed "Canterbury Vignettes", highlighting key Canterbury artists from European settlement to the present day. In addition, the Gallery published a special sesquicentennial book, "A Concise History of Art in Canterbury 1850-2000".

The temporary and touring exhibitions programme was suspended in February 2001 with the closure of "Treasures from Christ Church, Oxford: Old Master drawings and rare works in precious metals" - the first time the Oxford collection of priceless drawings and Cathedral and College plate had been permitted to travel to the southern hemisphere. The Gallery team are now focused on the massive task of conserving, crating and storing the collections for the relocation to the new building, and preparing exhibitions and public programmes for its inauguration in 2003.

QE II Park Development



The new 51 metre competition pool opened on target in January 2001 with the old pool and hydroslide being dismantled and demolished making way for construction of the new leisure and teaching pools and mezzanine floor.

Construction was well advanced at year end on the new entry, lift/stairs and changing rooms and these were completed in August 2001. The dive pool re-opened in October 2001. The remaining areas (leisure pool, teaching pool and mezzanine floor) will be completed by April 2002.

English Park Redevelopment

The tender for the \$2.8m redevelopment of English Park, was approved by Council in June 2001. Demolition of the existing grandstand, soccer pitch and cycle track commenced in August 2001. The redeveloped English Park will include a fully landscaped park/play area at the north end of the site, a cycleway linking Cranford Street with Sheppard Place and the reopening and enhancing of the St Albans Creek.

A new pavilion will be constructed with seating for 526, offices for Canterbury Soccer, a multi-purpose lounge overlooking the repositioned pitch, and improved lighting. Following community consultation, the pavilion will also include community facilities such as a fitness room, meeting room and café. This will make it a building to be used by the wider community and not just Canterbury Soccer. The existing carparks are being reconstructed and additional carparks are being provided. One of the carparks will also be used as a hard-court area for netball and tennis. The project will be completed in May 2002.

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 Limited. Construction work on the West Stand is progressing well and is on programme for completion in March 2002.

Economic Development and Employment

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

More than 2000 small and medium sized firms received targeted advice and assistance in the form of referrals to other agencies, business education, training and mentoring. Over 3000 individuals attended the BIZ training programme with overwhelming endorsement of the training being received. Supporting this and other programmes, CDC's network of 180 business mentors provided one on one support for companies.

Actionworks, Canterbury Development Corporation's youth employment service, continues to case-manage 2000 young jobseekers. In a new initiative it will visit over 1500 senior secondary school students to develop the project "Moving

On", a school leavers database, which will track school leavers for a six month period, to ensure the transition from school to employment, training or further education.

Target Employment Initiative is aimed at assisting employers, via a subsidy, to recruit people returning to the workforce, migrants and refugees, and people with disabilities.

Adult Community Employment (ACE) continues to support community agencies via a six months subsidised work placement. The project has excellent long term work outcomes for those people initially placed using the ACE subsidy.

Under a contract with the Ministry of Education to develop and implement partnerships between secondary schools and industry, CDC added a further four new partnerships to the existing base of 12 in the region.

The contract extended to both Blenheim and the West Coast where all schools in these regions have been engaged in creating education and industry partnerships. Exposure to the workplace via partnership provides opportunities for "real life" learning, career options, access to resources and expertise as well as professional development opportunities for teachers.

Overseas businesses continue to show strong interest in trade and investment opportunities in Canterbury with CDC hosting 18 delegations to the city, principally from Asian and European countries. An additional 28 overseas individuals and 17 companies received business cases promoting investment in Canterbury.

During the year CDC also played a lead role in the bringing on stream of Cii (Canterbury Innovation Incubator) that will hothouse the development of small high tech businesses while also successfully negotiating opportunities to locate two leading edge research laboratories in Christchurch. \$130,000 of Government funding was secured for the incubator.



Clean Renewable Energy for City Services

A 10-year contract for the purchase of wind-generated electricity has been signed with Windflow Technology Ltd, a Christchurch company building wind turbines. It is expected to start using wind energy for city services from October 2002.

City Plan

The Council has negotiated 95 references (appeals) on the Proposed City Plan and has had them determined by the Environment Court, with another 20 pending. Eleven other appeals have been heard by the Environment Court. However, it is not expected that the City Plan will be completed until 2004 at the earliest.

Christchurch Wastewater Treatment Plant

The Council has continued the upgrade of the Bromley Wastewater Treatment Plant. Contracts totalling \$24.5m have been let for the plant covering the additional capacity and upgraded odour control works. \$18.5m of this work has been completed.

New resource consents for the Christchurch Wastewater Treatment Plant for discharges to air, water and land were notified in July. The main issue is the Treatment Plant discharge of treated liquid wastewater. The Council's proposal is to continue discharge to the estuary of wastewater. It is proposed to disinfect it by UV radiation to achieve bathing standard as it emerges from the discharge pipe and also to enhance the existing ponds and estuary wetland edge (the "Green Edge" development). The cost estimate for this proposal is \$32m.

Solid Waste

During the year the Council approved a short list of companies to tender for a start-up undercover compost plant that will give the capability to recycle food wastes that are currently landfilled. These food wastes originate either from industry and commercial sources or are in black refuse bags collected at the kerbside. Selection of the appropriate technology here will be a crucial decision as it is possible that this new plant could compost or recycle other wastes such as paper, biosolids and the like.

Progress this year by our joint venture regional landfill company (Transwaste Canterbury Ltd) has been mainly focussed on investigation of a potential site at Tirimoana, Kate Valley, near Waipara, which has been purchased by the company.

This has appeared promising and an announcement is expected towards the end of 2001 on whether or not this will be the favoured site.

Parks and Waterways

In addition to the ongoing maintenance and development of 689 parks and 940 kilometres of waterways and stormwater pipes, a number of projects stand out. Travis Wetland Nature Heritage Park has received further restoration and enhancement, including the creation of a central wildlife pond and construction of a "leading edge" visitor and education centre. The excellent work carried out at Travis Wetland Nature Heritage Park was recognised with the inaugural World Wetland Award 2000.



An area of the Travis Wetlands Nature Heritage Park

Some significant areas of land have been purchased for reserve purposes. 159 hectares of land near McLeans Island was purchased for scenic reserve purposes to protect a remnant of Canterbury Plains grasslands that is of national significance. The proposal to protect these grasslands was jointly developed between the Council and Environment Canterbury and will ensure the conservation of a dry land ecosystem that supports 18% of the city's total plant biodiversity and over 250 invertebrate species.

A total of 89 hectares of the Canterbury Agricultural Park site has been purchased by Council which, with the adjoining Nga Puna Wai Reserve, will provide an open space area close to the size of Hagley Park. Through a partnership with the Agricultural and Pastoral Association the site will continue to be used for the annual Canterbury A&P Show and opportunities are being explored to make the existing facilities available for wider public use.

Adoption of the Natural Asset Management Strategy for Waterways and Wetlands by Council in October 2000 was a significant event. This strategy provides a 40 year framework for the sustainable management of the city's waterways and wetlands.

A vision document for the future management of the Styx River has been prepared in partnership with the community, scientific institutions and local authorities. The vision includes the creation of a source to sea experience and the development of a "living laboratory" as an on-site research centre for ecosystem monitoring and education purposes.

Financial Performance

Parent (Council)

The financial performance of the Council has been very pleasing for the year under review considering the scale and diversity of the operations.

The turnover of the Council for the year was approximately \$259.5 million and the operating expenditure was \$240.5 million, which has resulted in an operating surplus of \$19.0 million which is ahead of the budgeted surplus by \$4.4 million. This can be largely accounted for by subvention payments received from subsidiary companies in return for accumulated tax losses from Council operations in previous years. The value of assets vested in the Council through development activities exceeded the forecast amount by \$9.4 million and this has further added to the bottom line result although these are physical rather than cash transactions.

There have been variations in expenditure and revenue for the various significant activities but the overall net difference from budget is a \$0.8 million surplus.

Taken in the context of a total expenditure for the significant activities of \$234 million, this variation from budget can be considered to be very satisfactory at a low 0.3%.

The Statement of Financial Position for the parent Council continues to be very strong with a growth in equity of \$7 million. Non-current operational, infrastructural and restricted assets have grown by \$202 million after the provision of depreciation of \$47 million. The reduction in the value of investments is a result of capital repaid from trading subsidiaries, which is reflected in the lower than budgeted non current liabilities and increased current assets. The only borrowing by Council during the year has been for equity investments, or loans to Jade Stadium Limited.

Graphs on page 15 illustrate, in pictorial form, some of the key ratios which measure the health of the financial position against maximum policy limits established in 1993.



The Council's financial position is expected to be further enhanced in the near future as further capital is repatriated from the proceeds of Orion's sale of its North Island gas assets. Council's decision to use these funds to further reduce debt and for investment of the balance in a long term Capital Endowment Fund has been recognised since balance date by Standards and Poors, the international credit rating agency. They have increased the Council's long term credit rating from "AA" to "AA+", which is very pleasing and an indication of the strength of the Council's finances.

Group

The Council has been able to maintain and grow its extensive range of activities while keeping its rates at moderate levels in comparison to other major cities because of the income it derives from its trading subsidiaries.



PRINZ Conference dinner at the Christchurch Convention Centre

The following key figures illustrate the size and strength of the whole group:

Turnover	\$769.1 million
Dividends received by Parent	\$25.7 million
Net Surplus Before Tax	\$316.4 million
Total Assets	\$3,731.5 million
Total Debt *	\$290.2 million
Total Equity	\$3,275.3 million

(* Of the Group's total debt of \$290 million, \$205 million lies within the Council's companies).

Garry Moore
Garry Moore - MAYOR

David Close
David Close - CHAIRMAN, STRATEGY AND RESOURCES COMMITTEE

Mike Richardson
Mike Richardson - CITY MANAGER

November 2001

long term financial strategy and policies

Year Ended 30 June 2001

Each local authority is required to prepare and adopt a long term financial strategy, funding policy, investment policy and borrowing management policy. Every local authority must provide in its annual report, sufficient information about each of these policies to enable an informed assessment to be made of the extent to which the objectives and provisions of the strategy and policies have been met during that year. The information must include an explanation of any significant variation between the objectives and policies of the Long Term Financial Strategy, Funding Policy, Investment Policy, and Borrowing Policy, set out in the Financial Plan for the financial year, and the actual achievement of those objectives and policies. This report reflects the third year since these policies were adopted.

1. Long Term Financial Strategy Overall Performance

In the Financial Plan for the year under review, notification was given of a revised formula for calculating operating surpluses. This now ensures that sufficient cash is generated from operations (funded depreciation and surpluses) to fund 55% of the average capital expenditure over a 20 year period plus the annual provision for debt repayment. The Council's actual financial performance and financial position is presented in the Statement of Financial Performance and Statement of Financial Position. The Statements of Service Performance attached to each report on Significant Activities show that the Council has substantially achieved the objectives and performance indicators that were adopted in the 2000/01 Financial Plan.

Specific Objectives and Targets

Objectives	2001 Targets	2001 Actual Performance	2000 Actual Performance
Maintain four key ratios in the long term:			
Term Debt as a percentage of Total Assets below 12%	3.8%	3.3%*	0.9%*
Term Debt as a percentage of Realisable Assets below 33%	7.1%	6.9%*	1.7%*
Net Interest as a percentage of Operating Revenue below 8%	0%	1.1%	2.7%
Net Debt in relation to Funds Flow below 5 times	1.8 times	0.2 times	(0.1)# times
Operating Surplus	\$14.6 million	\$19.0 million	\$45.4 million

* The ratio is calculated by deducting \$59million, (2000 \$123M) being the balance in the Loan Repayment Reserve, and \$7 million (2000 \$6M) of Sinking Funds held from the total debt of both the Council and Christchurch City Holdings Ltd, as these funds are held for repayment of this debt.

The amount of the Council's short term investments, available for debt repayment, exceeded the term debt owed.

2. Funding Policy Overall Performance

The implementation of the funding policy has proceeded without any significant variations in respect of the ordinary revenues of Council. However, the variation in user charges is due to the funding policy being calculated inclusive of internal charges that have been eliminated in the financial statements.

Specific Objectives and Targets

Objectives	2001 Targets	2001 Actual Performance	Actual 2000
Proportion of revenue by source			
User Charges	35.2%	24.3%	22.2%
Grants and Subsidies	3.7%	5.5%	3.8%
Corporate Revenue	16.7%	20.4%	28.5%
Capital Value Rating	40.1%	45.1%	41.1%
Uniform Annual Charge	4.2%	4.7%	4.4%
Rates by Sector			
Residential	71.9%	71.9%	71.8%
Commercial/Industrial	25.9%	25.9%	25.9%
Rural	1.4%	1.4%	1.5%
Institutions	0.8%	0.8%	0.8%

3. Investment Policy

Overall Performance

The Council has always had a prudent financial management policy. This was reviewed and further formalised following the receipt of professional advice to ensure that it complied with the legislation introduced from 1 July 1999. Christchurch City Holdings Limited has monitored the performance of all Council investments in LATEs and subsidiaries during the year and reported seven times to the Council through its Strategy and Resources Committee.

There have been no material departures from the Council's investment policy principles during the period.

Specific Changes in Investments

Changes to the equity investments in subsidiary and associate companies have however taken place as follows:

- The Council has contributed equity totalling \$2.84 million to Transwaste Canterbury Limited which is a joint venture company between regional local authorities and two private sector companies established to provide a regional landfill.
- The Council has contributed equity totalling \$1.5 million to Jade Stadium, which is a wholly owned subsidiary that is operating, managing and redeveloping Jade Stadium and will, once legal issues have been addressed, own all of the stadium and its assets.
- The Council has contributed equity totalling \$0.65 million to Christchurch City Facilities which is a wholly owned subsidiary. It owns the Christchurch Convention Centre and WestpacTrust Centre and is responsible for the development and management of these two facilities plus the Christchurch Town Hall that it leases from the Christchurch City Council.

4. Borrowing Policy

Overall Performance

There are no significant variations or material departures from the Council's Borrowing Management Policy as set out in the Financial Plan.

Specific Objectives and Targets

Objectives	2001 Targets	2001 Actual Performance	2000 Actual Performance
Maintain adequate liquidity	No more than 35% of debt maturing in any one year	5.7% matures in 2001/02 Funds are earmarked to provide for repayment	12.8% matures in 2000/01 Funds are earmarked to provide for repayment
	Liquidity ratio at not less than 1:1 (100%) excluding special purpose investments and the current portion of term debt	81.2% due to \$107 million of investments held for debt repayment being excluded from the calculation	60.7% due to \$140 million of investments held for debt repayment being excluded from the calculation
Provision for debt to be repaid by contribution to a debt repayment reserve	3%	3% achieved	3% achieved
Maintain debt ratios within specified limits	Refer to Long Term Financial Strategy	Within limits	Within limits

Construction work continuing at the new Christchurch City Art Gallery



statement of compliance and responsibility

Compliance

- 1 The Council and management of the Christchurch City Council confirm that all the statutory requirements of parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

Responsibility

- 2 The Council and management of Christchurch City Council accept responsibility for the preparation of the annual Financial Statements and the judgements used in them.
- 3 The Council and management of Christchurch City Council accept responsibility for establishing, and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- 4 In the opinion of the Council and management of the Christchurch City Council, the annual Financial Statements for the year ended 30 June 2001 fairly reflect the financial position and operations.

Garry Moore

Garry Moore - MAYOR - 26 November 2001

Mike Richardson

Mike Richardson - CHIEF EXECUTIVE - 26 November 2001

The Mayor, Garry Moore, in the central city, discussing issues with a ratepayer.

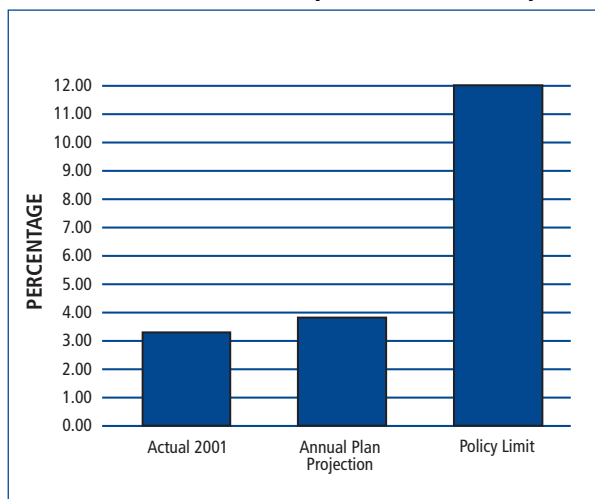


financial highlights

Financial highlights from the financial statement have been extracted to provide an overview of the financial health of the Council. This data relates the City Council only and does not include the consolidated results of the corporatised trading.

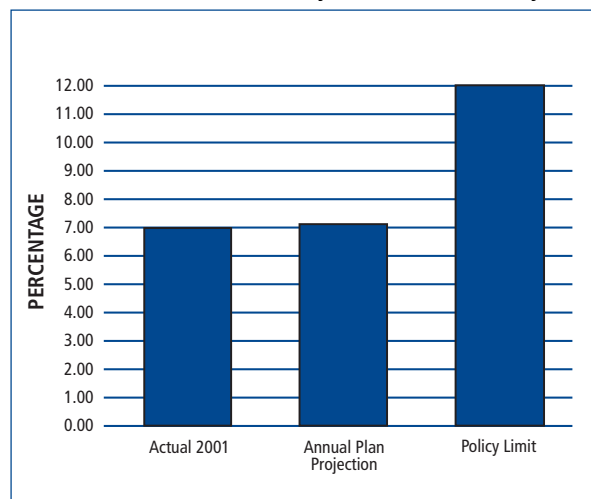
Term Debt To Total Assets (Ratio)

3.29% (Actual 2001) 3.79% (Projection) 12.00% (Policy Limit)



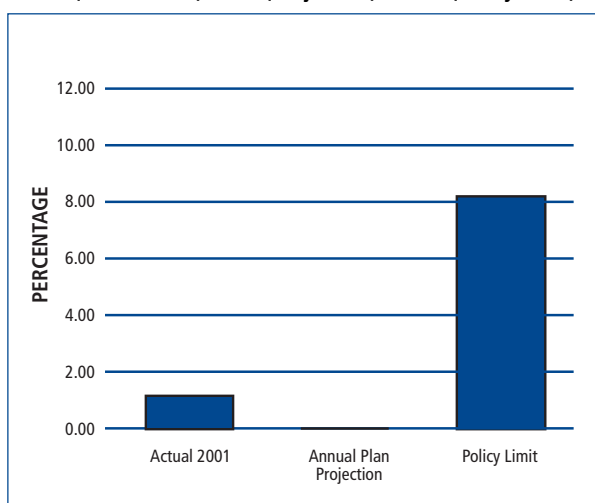
Term Debt To Realisable Assets (Ratio)

6.92% (Actual 2001) 7.09% (Projection) 33.00% (Policy Limit)



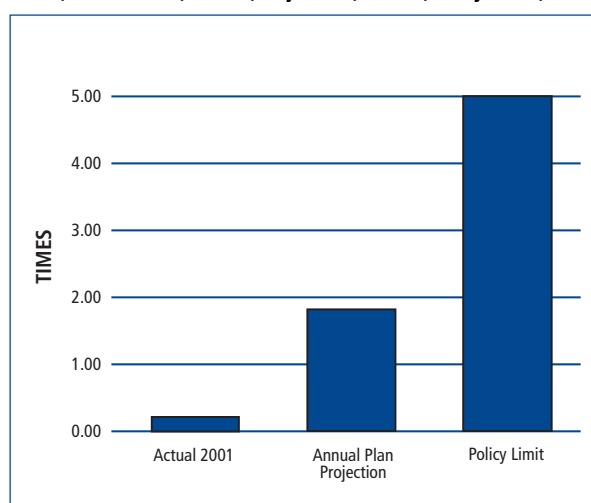
Net Interest To Operating Revenue (Ratio)

1.11% (Actual 2001) 0.0% (Projection) 8.00% (Policy Limit)



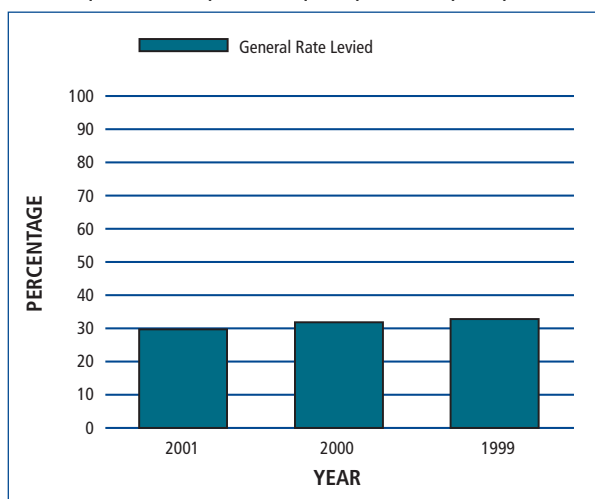
Net Debt To Funds Flow (Times)

0.20 (Actual 2001) 1.83 (Projection) 5.00 (Policy Limit)



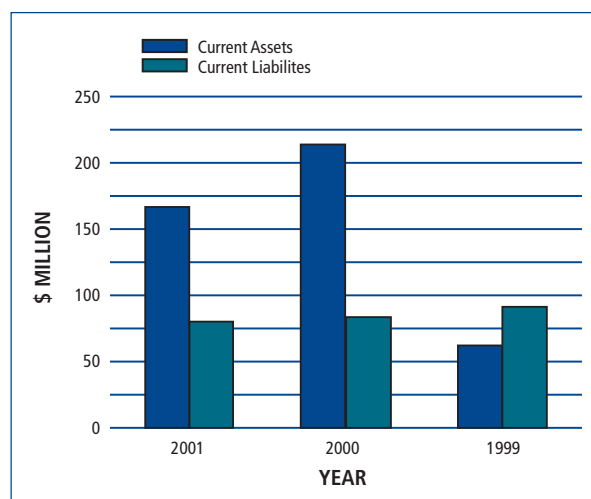
General Rate As Percentage Of Maximum Legal Limit

29.56% (Actual 2001) 32.29% (2000) 32.77% (1999)



Working Capital Ratio (Times)

2.07 (Actual 2001) 2.56 (2000) 0.69 (1999)





Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF CHRISTCHURCH CITY COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2001

We have audited the financial statements on pages 18 to 89. The financial statements provide information about the past financial and service performance of Christchurch City Council and group and its financial position as at 30 June 2001. This information is stated in accordance with the accounting policies set out on pages 23 to 26.

Responsibilities of the Council

The Local Government Act 1974 requires the Council to prepare financial statements which fairly reflect the financial position of Christchurch City Council and group as at 30 June 2001 and the results of its operations and cash flows and service performance achievements for the year ended 30 June 2001.

Auditor's Responsibilities

Section 25(1)(c) of the Public Finance Act 1977 requires the Audit Office to audit the financial statements presented by the Council. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and to report its opinion to you.

The Controller and Auditor-General has appointed Devan Menon, of Audit New Zealand, to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- ▲ the significant estimates and judgements made by the Council in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to Christchurch City Council and group's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by

fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out three audit related assignments for subsidiaries within the group. These involved issuing two audit certificates pursuant to the Electricity (Information Disclosure) Regulations 1999 and any audit certificate pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. Other than these assignments and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in Christchurch City Council or any of its subsidiaries.

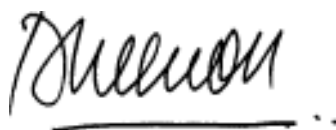
Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion, the financial statements of Christchurch City Council and group on pages 18 to 89:

- ▲ comply with generally accepted accounting practice; and
- ▲ fairly reflect:
 - the financial position as at 30 June 2001;
 - the results of its operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 26 November 2001 and our unqualified opinion is expressed as at that date.



Devan Menon
Audit New Zealand
On behalf of the Controller and Auditor-General
Christchurch, New Zealand



christchurch city council group

The following pages report the financial statements of the Christchurch City Council and its Subsidiaries for the year ended 30 June 2001.

Christchurch City Council Parent Statements include:

- Christchurch City Council
- Various Bequest and Special Funds
- Mayor's Welfare Fund
- Canterbury Technology Park (at proportionate share – one third)

Subsidiaries and Associates are:

• Christchurch City Holdings Limited

The Company is a wholly owned company formed to hold Christchurch City Council's investments in subsidiaries.

The financial statements consolidated are for the year ended 30 June 2001. Subsidiaries of this Company are:

- Orion Group Limited
This Company owns Orion New Zealand Limited and subsidiaries and is a national energy network management company. Christchurch City Holdings Limited has an 87.625% interest in Orion Group Limited.
The financial statements consolidated are for the year ended 31 March 2001.
- Christchurch International Airport Limited
This Company is 75% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2001.
- Red Bus Limited
Red Bus Limited is a public transport company and is wholly owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2001.
- Lyttelton Port Company Limited
This Company is 65.46% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2001.

• City Care Limited

This Company is a wholly owned local authority trading enterprise that provides construction and maintenance services for Council and other organisations and that manufactures and supplies roading paving material. The financial statements consolidated are for the year ended 30 June 2001.

• Christchurch City Facilities Limited

This Company is wholly owned by the Christchurch City Council. It owns the Christchurch Convention Centre and the WestpacTrust Centre and leases the Town Hall from the Christchurch City Council.

The financial statements consolidated are for the year ended 30 June 2001.

• Jade Stadium Limited

The Company is wholly owned by the Christchurch City Council. It manages Jade Stadium under contract to the Victory Park Board. It owns the South Stand and other assets constructed or purchased since June 1998 and will own all of Jade Stadium once the necessary legislation has been passed to transfer ownership from the Victory Park Board.

The financial statements consolidated are for the year ended 30 June 2001.

• Selwyn Plantation Board Limited

This associate company is 39.32% owned by the Christchurch City Council.

The financial statements for the year ended 31 March 2001 are equity accounted.

• Transwaste Canterbury Limited

This Company has the principal purpose of selecting, developing and operating a non-hazardous landfill in Canterbury. Council has 37.85% of the shareholding. The financial statements for the year ended 30 June 2001 are equity accounted.

• Travis Finance Limited

This Company is a holding company wholly owned by the Christchurch City Council, and has subsidiaries involved in ownership and maintenance of Travis Heritage Park, a natural reserve protecting native species. The financial statements consolidated are for the year ended 30 June 2001.

statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Parent Actual 2001 \$000's	Parent Estimate 2001 \$000's	Parent Actual 2000 \$000's	Group Actual 2001 \$000's	Group Actual 2000 \$000's
Income						
Significant Activities	1	77,072	81,039	74,614	86,188	70,377
Rates		131,350	131,250	126,030	130,342	125,110
Other Income	1	51,127	48,226	75,966	552,559	422,155
Total Operating Income		\$259,549	\$260,515	\$276,610	\$769,089	\$617,642
Expenditure						
Significant Activities	2	234,137	238,878	224,180	240,896	217,305
Other	2	6,381	7,019	6,989	236,644	316,458
Total Operating Expenditure		\$240,518	\$245,897	\$231,169	\$477,540	\$533,763
Operating Surplus		19,031	14,618	45,441	291,549	83,879
Vested Assets	29	24,396	15,025	22,477	24,396	22,477
Grants/Contributions for Major Projects	30	485	637	6,301	485	6,301
Surplus before taxation		\$43,912	\$30,280	\$74,219	\$316,430	\$112,657
Less Tax Expense	16	0	0	0	(26,916)	(40,030)
Surplus after taxation		\$43,912	\$30,280	\$74,219	\$289,514	\$72,627
Minority interests in surpluses of Subsidiaries		0	0	0	(39,101)	(12,179)
Equity accounted earnings of Associates		(300)	0	354	(659)	649
Net Surplus for Year	3	\$43,612	\$30,280	\$74,573	\$249,754	\$61,097

The accompanying accounting policies and notes form part of these financial statements.

statement of movements in equity

FOR THE YEAR ENDED 30 JUNE 2001

	Note	Parent Actual 2001 \$000's	Parent Estimate 2001 \$000's	Parent Actual 2000 \$000's	Group Actual 2001 \$000's	Group Actual 2000 \$000's
Equity at 1 July		3,429,921	3,257,289	3,204,610	2,918,741	2,942,820
Infrastructural Assets Adjustment				(1,836)		(1,836)
Amended Equity at Start of Year		3,429,921	3,257,289	3,202,774	2,918,741	2,940,984
Net Surplus Attributable to:						
Parent Entity Shareholders		43,612	30,280	74,573	249,754	61,097
Minority Interests		0	0	0	39,101	12,179
Movement Relating to Preacquisition Revaluation Reserves	4	0	0	0	(24,237)	(51,631)
Increases/(Decreases) in Revaluation Reserves	4	(36,773)	(8,562)	152,574	110,996	(7,066)
Total Recognised Revenues and Expenses for the Year		6,839	21,718	227,147	375,614	14,579
Distribution Paid and Provided to Minority Interests		0	0	0	(16,027)	(20,025)
Other Movements in Minority Interests		0	0	0	(3,055)	(16,797)
Equity at 30 June		\$3,436,760	\$3,279,007	\$3,429,921	\$3,275,273	\$2,918,741

The accompanying accounting policies and notes form part of these financial statements.

statement of financial position

AS AT 30 JUNE 2001

	Note	Parent Actual 2001 \$000's	Parent Estimate 2001 \$000's	Parent Actual 2000 \$000's	Group Actual 2001 \$000's	Group Actual 2000 \$000's
Equity	4	3,436,760	3,279,007	3,429,921	3,275,273	2,918,741
Non-Current Liabilities	5	74,582	106,458	62,642	299,660	279,219
Current Liabilities	6	80,211	60,265	83,454	123,011	514,273
Deferred Taxation	16	0	0	0	33,526	6,530
Total Equity and Liabilities		\$3,591,553	\$3,445,730	\$3,576,017	\$3,731,470	\$3,718,763
Represented by:						
Current Assets	8	166,378	97,297	213,513	424,386	617,363
Non-Current Assets						
Investments	9	984,378	986,808	1,123,266	61,074	79,561
Operational Assets	10	491,188	485,361	473,798	1,294,763	1,255,845
Infrastructural Assets	11	1,658,311	1,603,277	1,491,016	1,658,311	1,491,016
Restricted Assets	12	291,298	272,987	274,424	291,298	274,424
Deferred Tax	16	0	0	0	1,638	554
Total Non-Current Assets		3,425,175	3,348,433	3,362,504	3,307,084	3,101,400
Total Assets		\$3,591,553	\$3,445,730	\$3,576,017	\$3,731,470	\$3,718,763

The accompanying accounting policies and notes form part of these financial statements.

statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2001

Note	Parent Actual 2001 \$000's	Parent Estimate 2001 \$000's	Parent Actual 2000 \$000's	Group Actual 2001 \$000's	Group Actual 2000 \$000's
OPERATING ACTIVITIES					
Cash was provided from:					
Rates, Grants, Subsidies, and Other Sources	225,615	235,881	207,944	522,902	606,907
Interest Received	10,260	9,584	3,734	25,548	9,567
Dividends	46,732	31,656	47,860	815	259
	282,607	277,121	259,538	549,265	616,733
Cash was disbursed to:					
Payments to Suppliers and Employees	180,565	209,615	170,036	340,312	370,353
Net GST	1,769	0	(1,077)	2,098	(842)
Income Tax Paid	0	0	108	50,261	50,324
Interest Paid	5,806	5,566	7,279	22,652	42,503
	188,140	215,181	176,346	415,323	462,338
NET CASH FLOW FROM OPERATIONS	15 94,467	61,940	83,192	133,942	154,395
INVESTING ACTIVITIES					
Cash was provided from:					
Sale of Assets	2,074	3,496	17,975	541,390	111,668
Loans Repaid	26	0	24	1,233	0
Investments Realised	11,049	400	0	11,049	22,283
Capital Repatriation	0	0	162,000	0	0
	13,149	3,896	179,999	553,672	133,951
Cash was applied to:					
Purchase of Assets	118,288	117,776	90,902	134,481	95,747
Purchase of Investments	21,951	28,285	13,357	59,314	52,773
Exploration Expenditure	0	0	0	4,957	13,590
	140,239	146,061	104,259	198,752	162,110
NET CASH FLOW FROM INVESTING ACTIVITIES	(127,090)	(142,165)	75,740	354,920	(28,159)
FINANCING ACTIVITIES					
Cash was provided from:					
Raising of Loans	45,860	36,605	30,433	58,273	14,003
Net Movements Sinking Funds	0	1,485	0	0	0
	45,860	38,090	30,433	58,273	14,003
Cash was applied to:					
Repayment of Term Liabilities	40,527	20,750	52,820	320,410	88,159
Payment of Dividends	0	0	0	24,866	15,064
Financing Payments	0	0	0	0	9,136
Bank Account Sold	0	0	0	0	822
	40,527	20,750	52,820	345,276	113,181
NET CASH FROM FINANCING ACTIVITIES	5,333	17,340	(22,387)	(287,003)	(99,178)
Increase/(Decrease) in Cash	(27,290)	(62,885)	136,545	201,859	27,058
Inter-entity Transactions between Balance Dates	0	0	0	(68,128)	78,033
Add Opening Cash	168,538	131,166	31,993	194,216	89,125
ENDING CASH BALANCE	\$141,248	\$68,281	\$168,538	\$327,947	\$194,216
Represented by:					
Cash and Short Term Investments	141,248	68,281	168,538	328,807	194,727
Bank Overdraft	0	0	0	(860)	(511)
	\$141,248	\$68,281	\$168,538	\$327,947	\$194,216

The accompanying accounting policies and notes form part of these financial statements

statement of accounting policies

REPORTING ENTITY

The Christchurch City Council is a territorial local authority formed under the Local Government Act 1974 as amended. The group consists of the entities listed on page 18.

MEASUREMENT BASE

The measurement base adopted is that of historical cost as modified by the revaluation of certain assets.

ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

A. Basis of Consolidation

Subsidiary Companies and Local Authority Trading Enterprises

Subsidiaries and other entities in which the Council has a controlling shareholding are accounted for using the Purchase method, which shows the revenues and expenditures in the Consolidated Statement of Financial Performance, and the assets and liabilities in the Consolidated Statement of Financial Position. All significant intercompany transactions are eliminated upon consolidation.

Associate Organisations

Associate organisations are accounted for by the Equity method, which records the Council's share of profits and losses for the period in the Statement of Financial Performance, and shows the amount of equity held in Investments in the Statement of Financial Position. An associate organisation is one in which the Council has an equity interest of between 20% and 50% and the capacity to significantly influence the policies of that organisation.

Joint Ventures

Joint Ventures are incorporated into the parent's financial statements using the proportionate method.

B. Operational and Fixed Assets

(i) Council Operational Assets:

- (a) The following operational assets were valued as at 30 June 1991 by Harcourts Valuations Ltd.
 - Chattels
 - Mobile Plant (including vehicles)
 - Plant
 Valuations above were based on depreciated replacement value. This is deemed to be cost.

- (b) Land and Buildings were valued by Simes Ltd at 30 June 1999 to net current value on an existing use basis.
- (c) Library Books are shown at a valuation by Harcourts Valuations Ltd at 30 June 1992. The valuation was based on the lower of the net current replacement cost, and the recoverable amount. This is deemed to be cost.

Operational Assets will be valued in future, as follows:

All Plant and Chattels and Library Books	At initial valuation and cost for subsequent purchases.
Land & Buildings	To be cyclically revalued every three years by external valuers.

(ii) Airport Fixed Assets:

Fixed assets are recorded at original cost less accumulated depreciation.

Cost recognises the acquisition price paid on the purchase of the Airport assets from the Christchurch Airport Authority and subsequent capital expenditure. Fixed assets have not been revalued above original cost, except for Land which is revalued every three years. The current valuation of land is at net current value as at 30 June 1999 by Crighton Seed & Associates Ltd.

(iii) Port Fixed Assets:

Fixed assets are recorded at cost less accumulated depreciation.

(iv) Public Transport Fixed Assets:

Buses were revalued to net open market value at 30 June 2000 by Darroch Limited.

(v) Electricity Distribution Systems:

All fixed assets were revalued by Ernst and Young, registered valuer, to net current value at 31 March 2000.

(vi) Assets purchased since valuation have been recorded at cost.

C. Infrastructural Assets

Stormwater Infrastructural Assets have been valued using the optimised depreciated replacement cost method at 30 June 1999, by Opus International Consultants Limited. Sewerage Infrastructural Assets have been valued using the optimised depreciated replacement cost at 30 June 2000 by the City Design Unit of the Council and peer reviewed by Opus International Consultants Limited and Beca Valuations Limited. Roading and Water Reticulation Infrastructural Assets (including Traffic Signals & Bus Shelters) have been valued using the optimised depreciated replacement cost method at 30 June 2001 by Meritec Limited. Land under roads was valued at 30 June 1992, by Quotable Value NZ for rating purposes.

Additions to Infrastructural Assets since valuation are recorded at cost. This includes vested assets that are recorded at the cost to the subdivider.

D. Assets under Construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion, and then depreciated.

E. Restricted Assets

These assets are:

Land and Buildings with restrictions on sale - eg Parks and Reserves

Library Books - New Zealand Collection

Properties held in Trust for other organisations

These assets have been valued on the same basis as Operational Assets with vested Reserve Land additions recorded at the cost to the subdivider.

Works of Art:

Works of Art have been valued at market value by the Senior Curator of the Robert McDougall Art Gallery as at 30 June 2000.

F. Investment and Development Property

The Council has no properties purchased or acquired for the primary purpose of earning capital gains or rental income.

G. Depreciation

Depreciation provided in respect of Operational and Infrastructural Assets is intended to write off the cost of assets over their estimated useful lives.

For Operational Assets, the straight line method is used except for Mobile Plant that is depreciated on a diminishing value (DV) basis.

Infrastructure Assets are depreciated using the long run average renewals approach (LRARA) where the decline in service potential (depreciation) is the average of the estimated expenditure on renewals required to keep the networks at their current levels of potential and service. A twenty year period has been used to calculate the average renewals expenditure except for Wastewater where a thirty year period was applied. The estimated useful lives disclosed for Infrastructure Assets are used for planning and valuation purposes.

The main bases are the following periods:

Buildings	25 - 100 yrs
Office and Computer Equipment	4-5yrs
Motor Vehicles/Motorised Plant	2-16 yrs

Mobile Plant	7.5 - 50% DV
Buses	5-6 yrs
Sealed Surfaces (other than roads)	30-50 yrs
Harbour Structures	5-58 yrs
Electricity Distribution System	70 yrs
Gas Mains and Services	80 yrs
Meters and Local Control Equipment	30 yrs
Leasehold Land Improvements	14 yrs
Library Books	3-10 yrs

Infrastructural Assets

Roading	9-60 yrs
Streetlights	25 yrs
Bridges	50 or 100 yrs
Bus Shelters	40 yrs
Sewers, Stormwater and Water Supply Systems and Plant	10-125 yrs

Restricted Assets are not depreciated except for Historic Buildings which are depreciated at 1% on a straight line basis.

H. Provision for Resealing Surfaces (Airport Company)

Whereas depreciation is provided for in respect of Airport sealed surfaces, recognising the ultimate economic life of those surfaces, additional provision is made for periodic maintenance involving the resealing of the surfaces. The resealing provision takes account of the accruing maintenance throughout the financial period and has the character of a timing difference which is not deductible for taxation purposes until the eventual expenditure is incurred.

The selected economic life for sealed surfaces is based on the assumption that periodic maintenance will be carried out. The provision is, therefore, regarded as being the equivalent of additional depreciation which will be reversed when the actual resurfacing is carried out. Total provision is deducted from the carrying value of sealed surfaces.

I. Landfill After Care Costs

As operator of the Burwood landfill, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. To provide for the estimated cost of aftercare, a charge is made each year to spread the costs over the life of the landfill.

The estimated cost is calculated based on estimates of:

- (i) Total current cost

This is defined as the amount that would be paid if all equipment, facilities and services included in the estimate were acquired during the current period.

The estimate has been based on costs of closure of similar landfills by other local authorities.

(ii) Total capacity

The estimated length of time needed for post-closure care is 30 years.

The Council also has a legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs to perform this obligation have been accrued and charged.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

J. Revenue Recognition

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average basis. Transfund roading subsidies are recognised as revenue upon entitlement, that is, when the conditions related to eligible expenditure have been fulfilled. Other grants and bequests and assets vested in the Council, are recognised as revenue when control over the assets is obtained. Dividends are only recognised as income, net of imputation credits, when the dividends have been declared and have or are almost certain to receive the necessary shareholder approval.

K. Goods and Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

L. Research and Development Costs

Research and development costs are expensed in the period incurred. Development costs are deferred where it is probable that future benefits will exceed those costs. Deferred development costs are amortised over future periods in relation to expected future revenue.

M. Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets acquired at the time of Orion Group Ltd's and Christchurch City Holdings Ltd's acquisition of the shares in subsidiaries.

Goodwill is amortised by the straight line method over the period during which benefits are expected to be received. This is a maximum of 20 years.

N. Income Tax

The income tax expense charged to the Statement of Financial Performance includes both the current year expense and the income tax effects of timing differences applied on a comprehensive basis and calculated using the liability method.

Christchurch International Airport Ltd applies tax effect accounting on a partial basis to all timing differences. All other subsidiaries apply tax effect accounting on a comprehensive basis.

A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, is only recognised when there is virtual certainty of realisation.

O. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by FIFO or weighted average methods.

P. Leases

(i) Finance Leases

These leases effectively transfer all the risks and benefits of ownership to the lessee. Finance Leases are included in liabilities at their current value.

Assets purchased under such leases are included in fixed assets and depreciated at usual rates.

(ii) Operating Leases

Under these leases, the lessor effectively retains all the risks and benefits of ownership. These lease payments are charged as expenses in the periods in which they are incurred.

Q. Employment Entitlements

Provision is made in respect of the Council's liability for gratuity allowances, and annual and long service leave.

The liabilities for leave have been calculated on an actual entitlement basis at current rates of pay. The retiring gratuity liability has been assessed on an actuarial basis.

R. Investments

Shares in subsidiaries, apart from Christchurch City Holdings Ltd (CCHL), Associates and shares in Local Government Insurance Corporation Limited and New Zealand Counties Investment Company Limited are valued at share of equity off the latest Statement of Financial Position. Shares in CCHL were revalued at 30 June 2001, based on a market valuation undertaken by KPMG of three of its subsidiaries. All other investments are stated at lower of cost and net realisable value.

S. Financial Instruments

Christchurch City Council and its subsidiaries are party to financial instrument arrangements as part of their everyday operations. These financial instruments include Banking funds, Bank Deposits, Short Term Investments, Accounts Receivable, Long Term Receivable, Sinking Fund Investments, Accounts Payable and Term Debt.

Revenues and Expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position, with the exception of Guarantees and Contingent Assets and Liabilities, which are disclosed by way of Note to the Financial Statements. Any income or expenditure arising from the exercising of a Guarantee, or upon a contingency becoming an actual asset or liability, will be recognised in the Statement of Financial Performance at the time of confirmation.

The following methods and assumptions were used to value each class of financial instrument:

- (a) Accounts Receivable and Long Term Receivables are recorded at estimated realisable value.
- (b) Short Term Investments are valued at fair value.
- (c) Investments in Government and Local Authority Stock are valued at cost with premiums paid or discounts taken on acquisition amortised over the life of the investment. Income is recognised on a yield to maturity basis.
- (d) Share investments, gifted in trust, are valued at market value as at 30 June 2001.
- (e) Loans to various sporting and cultural organisations are recorded at fair value.
- (f) All other financial instruments, including Cash and Bank balances, Accounts Payable and Term Debt are valued at fair value.

T. Debt Servicing Costs

Debt Servicing Costs are apportioned on the basis on the book value of the Operational and Infrastructural Assets employed at 1 July 2000.

U. Cost Allocations

The costs of all internal service type activities are allocated or charged directly to external service type activities.

External service refers to activities which provide a service direct to the public.

Internal service type activities provide support for the external service activities. Where the user of a service can be identified, for example with City Solutions, the cost recovery is made by way of direct charge.

Where this has not been possible, the costs are allocated by way of corporate overhead.

The basis of the corporate overhead allocation is reviewed each year and every attempt is made to relate the allocation made with the service utilised.

Internal service costs which are allocated out as corporate overhead include Corporate Services and Financial Services.

V. Donated Goods and Services

The Council receives the benefits of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms. From an accounting point of view these services are not considered material in relation to the Council's total expenditure.

Vested Land is included at current value and Infrastructural Assets are included at the cost to the subdivider.

W. Third Party Transfer Payment Agencies

The Council collects monies for many organisations including Environment Canterbury, Building Industry Authority and others. Where collections are processed through the Council's books, any monies held are shown as Accounts Payable in the Statement of Financial Position.

X. Budgets/Estimates Disclosed

The budget and estimate figures shown in the financial statements represent the budgets included in the Financial Plan for the year ended 30 June 2001 adjusted for expenditure and revenue carried forward into the next financial year, and budget changes authorised by the Council.

Y. Changes in Accounting Policies

Previously Council recognised as dividend income, the dividends declared after balance date by the directors of those companies out of profits earned for periods ending up to balance date.

Under the new policy, that conforms with the new accounting standard FRS-5, Events After Balance Date, dividend income is only recognised if the dividends have been declared and have or are almost certainly likely to have the necessary shareholder approval.

The effect of the change in accounting policy has been to reduce Dividend Income by \$0.6 million and reduce Retained Earnings by \$0.6 million.

The Group companies' policy of accounting for dividends has changed to reflect revisions of FRS-5. This change has seen the provision for dividend classified as part of equity. In prior years this provision would have been classified as a current liability. The effect would be to increase Equity by \$870,000 and reduce Current Liabilities by \$870,000.

During the 2001 year, Orion Group Limited changed its method of accounting for deferred tax from the partial basis to the comprehensive basis (liability method) and now accounts for deferred tax on all timing differences. The implementation of this change has resulted in the following impact on the financial statements for the current year: Surplus after Tax has decreased by \$4,577,000 and Shareholders' Equity has decreased by \$27,984,000.

There were no other changes in Accounting Policies. These have been applied on a basis consistent with those used in previous years.

notes to the financial statements

Note 1:

Income

	Actual 2001 Parent \$000's	Estimate 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Significant Activity Income:	\$77,072	\$81,039	\$74,614	\$86,188	\$70,377
(Refer to Summary of Activities on Page 47)					
Other Income:					
Interest Income					
Subsidiaries	1,036	1,507	768	0	0
Loan Repayment Investments	398	401	383	398	383
Short Term Investments	6,977	6,822	1,419	27,256	8,608
Special and Other Fund Investments	2,070	1,956	1,673	2,070	1,791
Total Interest Income	\$10,481	\$10,686	\$4,243	\$29,724	\$10,782
Dividend Income:					
Christchurch City Holdings Ltd					
- Ordinary	24,160	24,160	40,263	0	0
- Special	0	0	22,500	0	0
Local Government Insurance Corporation Ltd	0	22	0	0	0
Selwyn Plantation Board Ltd	889	234	342	889	342
City Care Ltd	624	1,100	870	0	0
Total Dividend Income	\$25,673	\$25,516	\$63,975	\$889	\$342
Sundry Income:					
Petroleum Tax	1,943	1,980	2,005	1,943	2,005
Sundry	9,467	6,844	2,011	28,548	26,244
Goodwill Received	0	0	0	0	0
Grants	3,563	3,200	3,732	3,563	3,732
Trading Subsidiaries Operating Income (Segment Report in Note 3)	0	0	0	487,892	379,050
Total Sundry Income	\$14,973	\$12,024	\$7,748	\$521,946	\$411,031
Total Other Income	\$51,127	\$48,226	\$75,966	\$552,559	\$422,155

Note 2: Expenditure

	Actual 2001 Parent \$000's	Estimate 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Significant Activity Expenditure	\$234,137	\$238,878	\$224,180	\$240,896	\$217,305
(Refer to Summary of Activities on Page 47)					
Other Expenditure					
Levies	4,225	4,287	4,000	4,225	4,000
Professional Fees re Subsidiaries	32	40	10	32	10
Grants	0	0	0	0	0
Sundry	2,124	2,692	2,979	27,427	17,572
Trading Subsidiaries Operating Expenditure (Segment Report in Note 3)	0	0	0	204,960	294,876
Total Other Expenditure	\$6,381	\$7,019	\$6,989	\$236,644	\$316,458

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's
Expenditure disclosures required pursuant to Section 223 J and K of the Local Government Act 1974 and Canterbury Museum Trust Board Act 1993		
(a) Insurance Premiums paid	1191	1131
(b) Ex Gratia payments to any persons suffering a loss while rendering assistance or performing any action while under control or authority of the Council	0	0
(c) Ceremonies for the public or a section of the public	48	101
(d) Purchase of insignia and robes of office and civic insignia of any kind	5	0
(e) Provision of Entertainment	48	72
(f) Payment of levies or general contributions to organisations considered appropriate to the functions of the Council		
Civil Defence	685	752
Canterbury Museum	2,875	2,608
Riccarton Bush	235	335
Rural Fire Fighting	430	304
(g) Unauthorised Expenditure	0	0

Note 3:

(a) Operating Surplus

	Actual 2001 Parent \$000's	Estimate 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
After Charging:					
Audit Fees					
Fees paid to principal auditor	150	150	160	358	355
Fees paid to other auditors	0	0	0	43	39
Other services provided by principal auditor	0	0	11	31	23
Other services provided by other auditors	0	0	0	93	54
Amortisation of Goodwill	0	0	0	2,331	3,884
Bad Debts	132	25	58	1,469	1,342
Depreciation	47,281	48,442	47,295	86,788	98,000
Interest	5,740	6,177	6,824	23,504	36,005
Leasing and Rental Costs	3,511	4,181	3,330	5,809	5,863
Increase/(Decrease) in Provision for Doubtful Debts	100	0	0	141	356
Councillors' Remuneration	1,145	1,275	1,195	1,145	1,195
Directors Fees	0	0	0	904	844
Gain/(Loss) on Sale of Assets	(1,026)	0	318	208,356	6,933
Severance and Restructuring Costs	848	0	1,170	1,281	1,711
Research and Development	0	0	0	79	16
Movement in Provision For Resealing	0	0	0	806	806
Foreign Exchange Losses/(Gains)	0	0	0	0	92
Exploration Expenditure Written off	0	0	0	20,986	18,638
Donations	0	0	10	148	122
Assets Written off	3,662	0	2,997	5,143	3,471

(b) Discontinued Activities

On 1 April 2000, Orion New Zealand Limited sold its North Island gas networks and contracting activities. Effective 20 April 2000, Orion New Zealand Limited sold its industrial gas trading business. In the preceding year, Orion New Zealand Limited disposed of its electricity supply operation, and gas retail operations. Revenue and Profits attributable to continuing and discontinued activities are summarised as follows:

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Continuing Activities:				
Revenue	259,549	276,610	547,547	504,298
Net surplus/deficit	43,612	74,573	33,445	45,658
Discontinued Activities				
Revenue	0	0	221,542	113,344
Net surplus/deficit	0	0	216,309	15,439

Note 3 cont...

(c) Segment Information

	2001 Group \$000's	2000 Group \$000's
Segmental Income		
Energy and Energy Networks	400,383	272,903
Airport	56,862	54,903
Port	58,255	58,069
Public Transport	16,601	15,521
	<hr/> 532,101	<hr/> 401,396
Inter Entity Movement	(44,209)	(22,346)
Entity Income	<hr/> \$487,892	<hr/> \$379,050
Being:		
Operating Revenues	284,696	383,246
Interest Received	17,194	7,179
Profit on Sale of North Island Gas Operations	209,396	0
Other Income.	20,815	15,776
	<hr/> 532,101	<hr/> 406,201
Offset on Consolidation	(44,209)	(27,151)
	<hr/> \$487,892	<hr/> \$379,050
Segmental Expenditure		
Energy and Energy Networks	148,442	242,472
Airport	36,641	41,675
Port	37,646	43,212
Public Transport	15,219	14,237
	<hr/> 237,948	<hr/> 341,596
Inter Entity Elimination	(32,988)	(46,720)
Entity Expenditure	<hr/> \$204,960	<hr/> \$294,876
Being:		
Operating Costs	156,098	187,889
Interest	20,079	35,940
Depreciation	32,581	45,187
Other Expenses	29,190	84,903
	<hr/> 237,948	<hr/> 353,919
Offset on Consolidation	(32,988)	(59,043)
	<hr/> \$204,960	<hr/> \$294,876

Note 4:

Equity

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
(a) Reserve Funds				
Opening Balance	175,467	34,840	175,467	34,840
Transferred (to)/from Retained Earnings	(68,006)	140,627	(68,006)	140,627
Closing Balance	\$107,461	\$175,467	\$107,461	\$175,467
(b) Capital Reserve				
Opening Balance	1,733,853	1,735,689	1,733,853	1,735,689
Infrastructural Assets Adjustment	0	(1,836)	0	(1,836)
Closing Balance	\$1,733,853	\$1,733,853	\$1,733,853	\$1,733,853
(c) Asset Revaluation Reserves				
Opening Balance	1,368,130	1,215,580	354,846	361,936
Revaluation of Shares of Subsidiaries and Associates	(149,258)	159,620	(1,489)	(20)
Revaluation of Assets	112,485	(7,046)	112,485	(7,046)
Realised Assets Revaluation Reserve	(97,273)	(24)	(985)	(24)
Closing Balance	\$1,234,084	\$1,368,130	\$464,857	\$354,846
(d) Retained Earnings				
Opening Balance	152,471	218,501	573,686	704,823
Add Surplus for Year	43,612	74,573	249,754	61,097
Add Transfers (to)/from Reserves	68,006	(140,627)	68,006	(140,627)
Movement Relating to Preacquisition	0	0	(24,237)	(51,631)
Realised Assets Revaluation Reserve	97,273	24	985	24
Closing Balance	\$361,362	\$152,471	\$868,194	\$573,686
Minority Interest*	0	0	\$100,908	\$80,889
Total Equity	\$3,436,760	\$3,429,921	\$3,275,273	\$2,918,741

	2001 \$000's	2000 \$000's
*Minority Interest		
Christchurch International Airport Ltd	31,552	30,241
Lyttelton Port Company Limited	14,946	11,340
Orion NZ Ltd	54,410	39,308
	\$100,908	\$80,889

Note 5:

Non-Current Liabilities

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Term Debt-Note 7	52,910	41,922	276,369	256,491
Provision for Landfill Aftercare	14,582	13,578	14,582	13,578
Provision for Employee Entitlements	7,090	7,142	7,403	7,418
Other	0	0	1,306	1,732
Total Non Current Liabilities	\$74,582	\$62,642	\$299,660	\$279,219

Note 6:

Current Liabilities

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Trade Creditors	31,234	32,263	72,748	99,854
Owing to Subsidiaries	6,591	4,448	0	0
Bank Overdrafts	0	0	860	511
Proposed Dividend	0	0	0	8,811
Provision for Taxation	636	636	1,907	1,991
Current Portion of Term Debt - Subsidiaries	24,993	16,430	0	0
Current Portion of Term Debt - Other	7,657	20,750	13,795	294,707
Deferred Tax	0	0	0	18,100
Other	0	0	14,779	79,508
	<u>\$71,111</u>	<u>\$74,527</u>	<u>\$104,089</u>	<u>\$503,482</u>
Employee Entitlements				
Accrued Pay	1,705	1,689	3,545	1,947
Annual Leave	7,395	7,238	15,377	8,844
Total Employee Entitlements	<u>\$9,100</u>	<u>\$8,927</u>	<u>\$18,922</u>	<u>\$10,791</u>
Total Current Liabilities	<u>\$80,211</u>	<u>\$83,454</u>	<u>\$123,011</u>	<u>\$514,273</u>

Note 7: Public Debt

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
(a) Current				
Owing to Subsidiaries	24,993	0	0	0
Other Secured Loans	7,657	20,750	13,795	294,707
Total Current Debt	\$32,650	\$20,750	\$13,795	\$294,707
(b) NonCurrent				
Unsecured Loans	0	0	125,000	100,000
Owing to Subsidiaries	18,648	0	0	0
Secured Loans	34,262	41,922	151,369	156,491
Total Non-Current Debt	\$52,910	\$41,922	\$276,369	\$256,491

(c) Security

Council Term Loans are secured either by general rates of the City, or by Council income. The Council has no Finance Leases.

(d) Repayment Terms

The following is a summary of
Term Debt according to the year of repayment:

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Payable no later than 1 year	32,650	20,750	13,795	294,707
1 - 2 years	10,223	7,656	134,066	90,262
2 - 3 years	21,822	10,223	50,321	60,002
3 - 4 years	376	3,174	17,946	12,924
4 - 5 years	138	376	208	376
Later than 5 years	20,351	20,493	73,828	92,927
	\$85,560	\$62,672	\$290,164	\$551,198

(e) Interest Rates

The weighted average effective interest rates on
borrowings (current and non-current) were:

	Actual 2001 Parent	Actual 2000 Parent	Actual 2001 Group	Actual 2000 Group
Secured Loans and Debentures	6.96%	7.86%	5.27% to 7.09%	5.27% to 7.09%
			Actual 2001 Parent \$000's	Actual 2000 Parent \$000's
The Council has loan repayment investments (sinking funds) which are to be used for repayment of Term Debt			7,139	6,000
The Council also has a Loan Repayment Reserve to be applied to reduction of Term Debt.			58,942	123,000

Christchurch City Holdings Ltd has borrowings at 30 June 2001, comprising two tranches of \$50 million and one tranche of \$25 million. These borrowings mature in 2002, (coupon rate 7.00%), 2006 (coupon rate 7.75%) and 2004 (coupon rate 6.25%) respectively. These borrowings were effected on 25 August 1999 under a \$350 million debt issuance programme.

The purpose of the new debt programme is to enable CCHL to borrow on behalf of Christchurch City Council to partially fund its future capital expenditure programme. The two tranches of \$50 million each were issued at a discount that will be amortised over the period to maturity.

These borrowings are unsecured but the loan documentation imposes certain covenants and restrictions on CCHL.

Orion NZ Ltd Group's debt is all unsecured, but it is required to comply with certain covenants under the loan agreement. Interest rates for almost all borrowings are floating, based on 90 day bank bill rates plus a margin. These rates varied from 6.21% to 6.87% during the year. The Orion group has entered into interest rate swaps to hedge its exposure to interest rate fluctuations.

Christchurch International Airport Ltd uses a multi-option facility of \$120 million, provided by the ANZ Banking Group NZ Ltd, that is underwritten to March 2003. All borrowings are unsecured and are supported by a negative pledge deed. At 30 June 2001, the Company had on issue 90 day short term registered notes with a face value of \$75 million. (2000 \$84 million) with a discounted value of \$74 million (2000 \$83 million). Interest rates are determined by reference to prevailing market rates and during the year ranged from 6.42% to 7.17%.

Lyttelton Port Company Limited has short term borrowings and term advances raised pursuant to a multi-option credit line agreement with Westpac Trust. These funds have been lent against a negative pledge deed where the bank rates equally with other creditors. The effective interest rate during the year was 6.89% (2000 6.96%).

Unsecured Loans

The Council has no unsecured loans (2000 Nil).

Variations/Changes to the Borrowing Management Policy

There have been no changes or variations to this Policy.

Note 8:

Current Assets

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Cash at Bank, and Short Term Investments	\$141,248	\$168,538	\$328,807	\$194,727
Receivables and Prepayments				
Rates Debtors	6,776	6,741	6,776	6,741
Other Trade Debtors	7,145	6,243	49,006	34,340
Amount Owing by Subsidiaries	774	316	0	0
Amount Owing by Associates	0	8	0	8
Other Receivables/Prepayments	5,808	8,037	5,843	8,073
GST Receivable	2,451	437	3,117	804
Taxation Receivable	0	0	22,371	14,487
Dividends Receivable	377	21,436	377	303
Goodwill	0	0	0	63,311
Amounts Owing by Directors/Councillors	0	0	0	0
	23,331	43,218	87,490	128,067
Less Provision for Doubtful Debts	(350)	(250)	(350)	(250)
Total Receivables and Prepayments	\$22,981	\$42,968	\$87,140	\$127,817
Inventories				
General Stores	1,576	1,354	7,866	7,178
Livestock and Feed	319	219	319	219
Souvenirs and Food	200	272	200	272
Development Land	54	162	54	162
Total Inventories	\$2,149	\$2,007	\$8,439	\$7,831
Fixed Assets Held for Resale	0	0	0	286,988
Total Current Assets	\$166,378	\$213,513	\$424,386	\$617,363

Note 9:

Non-Current Assets

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Investments				
Government and Local Body Stock	4,285	6,560	4,285	6,560
Sinking Funds	7,139	6,000	7,139	6,000
General Investments				
Mortgages and Loans	1,313	10,087	1,313	8,318
Investment in Companies (at share of equity)				
NZ Counties Investments Co Ltd	13	235	13	235
NZ Local Government Insurance Co Ltd	677	677	677	677
Investment in Companies (at market valuation)				
Shares held on a/c MK Richards Trust	681	665	681	665
Subsidiary Companies (at share of equity except CCHL)				
City Care Ltd	11,924	10,107	0	0
Christchurch City Facilities Ltd	45,302	47,654	0	0
Jade Stadium Ltd	2,535	2,255	0	0
Christchurch City Holdings Ltd (CCHL)	855,000	1,000,531	0	0
Associate Company (at share of equity)				
Selwyn Plantation Board Ltd	30,005	31,429	30,005	31,429
Transwaste Canterbury Ltd	5,221	2,747	5,221	2,747
Loans to Subsidiary Companies				
City Care Ltd	7	33	0	0
Jade Stadium Ltd	18,593	2,770	0	0
Travis Finance Ltd	1,683	1,516	0	0
Subsidiary Company Investments	0	0	11,740	22,930
Total Investments	\$984,378	\$1,123,266	\$61,074	\$79,561

	Actual 2001 \$000's	Actual 2000 \$000's
Publicly Traded Investments		
Market Value of CCHL's investment in Lyttelton Port Company Ltd at 30 June	\$116,606	\$99,948

Note 10: Operational Assets

	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2001 \$000's	N.B.V 30 June 2000 \$000's
Parent				
Land & Land Improvements	146,204	155	146,049	141,200
Buildings	285,531	11,899	273,632	275,670
Buildings in Progress	31,286	0	31,286	16,506
Plant	14,728	6,822	7,906	8,133
Work in Progress-Plant	1,850	0	1,850	3,136
Chattels	36,637	22,400	14,237	12,969
Library books	51,849	38,937	12,912	12,025
Mobile Plant	7,578	4,262	3,316	4,159
Total Parent Operational Assets	\$575,663	\$84,475	\$491,188	\$473,798

Net book value of Land and Buildings as at 30 June 2001 is considered to be fair value.

Group				
Land	250,032	155	249,877	270,311
Site Improvements	3,136	302	2,834	7,921
Buildings	533,423	53,851	479,572	430,452
Plant and Chattels	142,738	75,445	67,293	68,311
Buses	16,703	1,171	15,532	9,587
Mobile Plant	7,578	4,262	3,316	4,158
Sealed Surfaces	33,038	21,296	11,742	12,557
Electricity Distribution System	428,528	14,787	413,741	401,541
Harbour Structures	39,493	10,495	28,998	29,706
Vessels	2,653	1,420	1,233	1,293
Other assets	61,932	41,307	20,625	20,008
Total Group Operational Assets	\$1,519,254	\$224,491	\$1,294,763	\$1,255,845

Net book value of Land and Buildings as at 30 June 2001 is considered to be fair value.

Note 11: Infrastructural Assets

	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2001 \$000's	N.B.V 30 June 2000 \$000's
Parent and Group				
Bus Shelters	781	0	781	355
Roading	995,312	0	995,312	859,252
Sewers	311,807	5,314	306,493	297,277
Stormwater	177,389	4,179	173,210	176,115
Water Reticulation	130,229	0	130,229	116,444
Water Meters	21,186	0	21,186	13,545
Streetlights	12,400	0	12,400	12,354
Traffic Lights	6,928	0	6,928	6,841
Water Pumping Stations	8,932	0	8,932	6,581
Sewer Pumping Stations	2,980	140	2,840	2,252
Total Infrastructural Assets	\$1,667,944	\$9,633	\$1,658,311	\$1,491,016

Note 12:

Restricted Assets

Parent and Group	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2001 \$000's	N.B.V 30 June 2000 \$000's
Art Works	26,681	0	26,681	26,294
Library Books NZ Room	4,642	0	4,642	4,548
Reserve Land and Improvements	245,116	475	244,641	228,658
Reserve Land and Improvements in Progress	1,648	0	1,648	478
Buildings-Historic	13,999	366	13,633	14,393
Properties Held in Trust for Other Organisations	53	0	53	53
Total Restricted Assets	\$292,139	\$841	\$291,298	\$274,424

Net book value of Land and Buildings as at 30 June 2001 is considered to be fair value.

The ownership of urban portions of the State Highway network is unclear although there is legal opinion indicating that the ownership rests with local authorities. Transit NZ maintains the carriageway of the highway in their entirety without any costs accruing to local authorities. As a consequence, even if the ownership resides with local authorities, in practice, Transit NZ controls the economic resources. Pending clarification of ownership, and further consideration of the accounting issues which may arise, the Christchurch City Council has not recognised the urban portion of the state highway network as an asset in these statements. Christchurch City Council concurs with the legal opinion that ownership of urban portions of State highways should belong to local authorities.

Note 13:

Contingencies

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
(a) Contingent Liabilities				
Uncalled Capital in Christchurch City Holdings Ltd	488,999	488,999	0	0
Uncalled Capital in Transwaste Canterbury Ltd	2,082	2,839	0	0
Ratepayers for Uniform Annual General Charges Levied	925	925	925	925
Professional Indemnity Insurance Claims Lodged with FAI (NZ) General Insurance Company Ltd	600	0	600	0
Redbus Limited- Performance Bonds	0	0	907	1,320
City Care Ltd- Performance Bonds	0	0	107	606
Guarantees to Sporting and Community Organisations	100	315	100	315
	\$492,706	\$493,078	\$2,639	\$3,166

- In August 1999, Christchurch City Holdings Ltd issued \$350 million new redeemable preference shares to the Christchurch City Council. No call has been made on these shares. This amount is included in the contingent liability shown above.
- A national issue has arisen as to the correctness of levying certain uniform annual charges on rating apportionments. All Councils which include uniform annual charges as part of their general rates, have potentially been adversely impacted by the Court of Appeal's decision to overturn the ruling that the local authorities did have sufficient authority for the historical levying of uniform annual general charges on rating apportionments. Leave to appeal to the Privy Council has been granted by the Court of Appeal. Therefore the Council has made no provision in these financial statements for the potential liability of \$925,000.

From 1989 until 30 June 1997, the Council's professional indemnity and public liability insurance cover was placed with FAI (NZ) General Insurance Company. In February 1999, HIH (NZ) Ltd took control of FAI (NZ) Ltd including the Council's outstanding claims. HIH (NZ) Ltd went into liquidation on 19 July 2001 following the collapse of its Australian parent company. The purchaser of parts of the HIH (NZ) Ltd's portfolio did not take over the company's liabilities. Therefore, there is uncertainty as to whether the Council will receive either full or partial recovery of the losses for which it has lodged claims. The maximum loss is estimated to be \$600,000.

- There are also contingent liabilities arising from claims from the parents of children attending the Civic Child Care Centre. The financial effect of these claims cannot be quantified.

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
(b) Contingent Assets				
Vested Assets- Nurses Chapel (at valuation)	\$400	\$400	\$400	\$400

Note 14: Capital Commitments

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Council Works	46,049	50,289	46,049	50,289
Christchurch International Airport Ltd	0	0	1,329	396
City Care Ltd	0	0	337	75
Jade Stadium Ltd	0	0	26,085	2,691
Lyttelton Port Company Ltd	0	0	1,651	324
Orion NZ Ltd	0	0	29,613	11,498
Red Bus Ltd	0	0	3,100	0
	<u>\$46,049</u>	<u>\$50,289</u>	<u>\$108,164</u>	<u>\$65,273</u>
At balance date, lease commitments were as follows;				
Under 1 year	0	0	1,676	2,274
1-2 years	0	0	1,458	945
2-5 years	0	0	2,270	1,300
Over 5 years	0	0	2,562	2,185
	<u>\$0</u>	<u>\$0</u>	<u>\$7,966</u>	<u>\$6,704</u>

Christchurch City Facilities Limited has leased land from Addington Raceway Limited, for a Sports and Entertainment site. The lease has a 50 year term from 2 December 1996 with a right of renewal. The minimum annual lease payment is \$40,000.

Note 15:

Reconciliation of Net Operating Cash Flow and Operating Surplus

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Net Surplus after Taxation	43,912	74,219	289,514	72,627
Non Cash items				
Depreciation	47,281	47,295	86,788	98,000
Increase/(Decrease) in Deferred Tax	0	0	7,812	5,766
Goodwill Written Off	0	0	2,331	3,884
Assets Vested in Council/Subsidiaries	(24,396)	(22,477)	(24,996)	(22,477)
Other Movements in Minority Interest	0	0	0	0
Assets Written Off	3,662	2,997	5,143	3,471
Provision for Resealing	0	0	806	806
Equity Accounted Earnings	0	0	0	(295)
Other Non-cash Items	0	0	(419)	(60)
Increase in Landfill Aftercare Provision	1,125	518	1,125	518
Movements in Working Capital Items				
(Increase)/ Decrease in:				
Accounts Receivable & Accruals	19,987	(17,956)	(11,961)	11,885
Taxation Receivable	0	0	(7,968)	(8,371)
Inventory	(142)	122	(608)	1,090
Increase/ (Decrease) in:				
Accounts Payable and Accruals	2,064	(2,328)	(19,658)	(15,697)
Taxation Payable	0	(108)	0	(10,435)
Non-current Employee Entitlements	(52)	1,228	779	1,504
Less Items classified as Investing:				
Net (Gain)/Loss on Sale of Fixed Assets	1,026	(318)	(208,356)	(6,933)
Unrealised Revaluation of Assets	0	0	0	474
Exploration Expenditure Written Off	0	0	20,986	18,638
Asset Sales on Sales of Businesses	0	0	(7,376)	0
Net Cash Inflow/(Outflow) from Operating Activities	\$94,467	\$83,192	\$133,942	\$154,395

The following terms are presented as Net: (a) Goods and Services tax (b) Short Term Money Market Investments

Cash Balances at year end include Special Funds and other Funds which are restricted in their use. At 30 June 2001, these were \$107,461K (2000 \$175,467K)

Note 16:**Taxation**

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Net Surplus/(Deficit) before Tax	43,912	74,219	316,430	112,657
Prima Facie Tax Expense at 33%	14,491	24,492	104,422	37,177
Permanent Differences	(2,186)	4,795	(69,910)	518
Timing Differences not Recognised	0	0	(2,518)	3,831
Loss not Previously Recognised	0	0	2,270	(897)
Imputation Credit Adjustment	(12,338)	(31,510)	438	(168)
Tax Credit Re Group Losses	33	2,223	0	0
Writeoff of Tax Asset	0	0	5,330	0
Prior Year Loss Recognised	0	0	(246)	0
Under/(Over) Provision	0	0	(12,870)	(431)
Income Tax Expense	\$0	\$0	\$26,916	\$40,030
Comprising:				
Current Taxation	0	0	19,108	35,999
Deferred Taxation	0	0	7,808	4,031
	\$0	\$0	\$26,916	\$40,030
Deferred Taxation				
Opening Balance	0	0	(24,076)	(1,796)
Prior Year Adjustment	0	0	(26,710)	(18,249)
Current Year	0	0	18,898	(4,031)
Deferred Tax Asset/(Liability) - Current + Deferred	\$0	\$0	(\$31,888)	(\$24,076)

Taxable losses for the Council of \$530K with a tax effect of \$175K (2000 Nil) and for the Group of \$5,466K with a tax effect of \$1,804K (2000 Nil), have not been recognised. These losses are available to be carried forward to offset against future assessable income.

Unrecognised future income tax benefits for the Group, arising from timing differences amount to \$2,122K (2000 \$1,735K).

Note 17:**Imputation Credit Account**

	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Christchurch City Holdings Ltd	67,762	61,379
CCHL Subsidiaries	25,301	24,400
Other CCC Subsidiaries	6	16
	\$93,069	\$85,795

Dividend income of the parent includes dividends received from subsidiaries. All these dividends, except those from one subsidiary, carry imputation credits when the dividend is received.

Note 18: Remuneration

The remuneration package of the Council's City Manager, appointed under Section 119C(1) (a) of the Local Government Act 1974, is \$225,734 per annum.

This is comprised of:

	Actual 2001 \$	Actual 2000 \$
Salary	194,122	184,400
Superannuation Subsidy	19,412	18,440
Imputed Value of Vehicle	7,500	7,500
Allowances	4,700	4,700
	<u>\$225,734</u>	<u>\$215,040</u>

For the year ended 30 June 2001, the total cost to the Council, including fringe benefit tax, was \$234,400 (2000 \$226,529).

Six Directors are employed on remuneration packages in the following range:

Annual Salary of \$110,000 to \$150,000.

Additional elements of remuneration of \$30,000 to \$35,000.

(Additional benefits are generally between 10% and 20% of salary and consist of superannuation subsidy, professional fees, and use of a vehicle.)

Cost of Severance Payments

Section 223 E (12) 1 (a) of the Local Government Act requires reporting of severance payments including any tax liability, over \$50,000. For the year ended 30 June 2001, the following payments were made: (2000 \$74,332.)

Utility Mapping Officer	\$81,986	Trade Wastes Officer	\$65,908
Housing Manager	\$67,254	Utility Mapping Officer	\$53,600

Note 19: Landfill Aftercare Liability

The Christchurch City Council gained a resource consent in April 1998 to operate Stage 2 of the Burwood Landfill. The Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed. There are closure and post-closure responsibilities such as the following:

Closure responsibilities:

- final cover application and vegetation.
- incremental drainage control features.
- completing facilities for leachate collection and monitoring.
- completing facilities for water quality monitoring.
- completing facilities for monitoring and recovery of gas.

Post-closure responsibilities:

- treatment and monitoring of leachate.
- ground monitoring and surface monitoring.
- implementation of remedial measures needed for cover and control systems.
- ongoing site maintenance for drainage systems, final cover, and vegetation.

To provide for the estimated cost of aftercare a charge is made each year.

This charge is based on the following formula:

$$\frac{\text{Estimated total current cost} \times \text{cumulative capacity used.}}{\text{Total estimated capacity}} \\ \text{less Amount previously recognised}$$

The estimated total liability for closure and post-closure is \$4.0 million. The amount remaining to be recognised is \$2.0 million.

Capacity of the Site

The resource consent expires on 31 May 2002 but due to problems that have occurred in the selection of a site for the new regional landfill, it is now anticipated that the Council will not be able to use the new landfill until at least 30 June 2004.

Because of the uncertainty Council will be applying for a resource consent extension to May 2006 or when the new landfill opens, whichever comes first. Burwood Landfill does have the capacity to accommodate the waste stream until 2006 if this proves necessary.

Closed Landfills

The Council is still awaiting the issue of resource consents for the majority of the closed landfills for which it is responsible for the ongoing monitoring and maintenance. The liability has been estimated, based on an assumed monitoring period of 30 years after the application for the resource consents. The estimated cost for the closed landfills, excluding the first three stages of the Burwood landfill is \$8.2 million.

Note 20: Financial Instruments

(a) Credit Risk

Financial instruments which potentially subject Christchurch City Council and its subsidiaries to credit risk consist principally of cash and short term investments, accounts and long term receivables, and loans.

(b) Credit Risk Exposure

Maximum exposures to credit risk at balance date are:

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Cash, Bank and Short Term Deposits	141,248	168,538	328,807	194,727
Accounts Receivable	22,981	42,968	87,140	127,817
Loans to Cultural and Sporting Organisations	1,313	10,087	1,313	8,318
Shares Gifted in Trust	681	665	681	665
Government and Local Body Stock	4,285	6,560	4,285	6,560
Loans	20,283	4,319	0	0

No collateral security is held for the above.

(c) Off Balance Sheet Risk

Interest rate swaps may be employed by Council subsidiaries to manage interest rate exposure. Fluctuations in interest rates give rise to market risk.

Contracts have been entered into with various counterparties, having such credit ratings and in accordance with such dollar limits as set forth by authorised policies. No collateral or other security is required to support financial instruments with credit risk.

While the Group may be subject to credit losses up to the notional principal or contract amounts in the event of non performance by its counterparts, it does not expect such losses to occur. The notional principal or contract amounts outstanding at 30 June are as follows:

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Foreign Currency Forward Exchange Contracts	0	0	299	1,076
Interest Rate Swaps and Forward Rate Agreements(FRA's)	0	0	93,192	56,250
Interest Rate Caps	0	0	11,000	2,000
Bond Forward Rate Agreement	0	0	41,000	21,000

(d) Concentration of Credit Risk

Financial instruments which potentially subject the Group to concentrations of credit risk consist principally of cash and short term investments, trade and notes receivable and various off balance sheet instruments. The Group places its cash and short term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with its treasury policies. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers included in the subsidiaries' customer bases.

(e) Fair Values

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Foreign Currency Forward Exchange Contracts	0	0	(2)	0
Interest Rate Caps	0	0	1	2
Interest Rate Swaps and FRA's	0	0	525	1,567
Bond Forward Rate Agreement	0	0	0	20

(Figures in brackets are receivables)

Note 21:

Transit New Zealand Act Disclosures

Works Operations Business Unit

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's
Revenue from TNZ Minor and Ancillary Works	0	872
Revenue from Other Activities	0	12,220
Total Works Performed	0	13,092
Total Operating Costs	0	(14,937)
Surplus/(Deficit) on Operations	\$0	(\$1,845)

The Surplus/(Deficit) was transferred to the Council's General Fund.

In House Professional Services

City Streets Business Unit

Revenue from In-house Professional Services for		
TNZ Financially Assisted Roading	1,478	1,913
Revenue from Other Activities	5,603	2,381
Total Works Performed	7,081	4,294
Total Operating Costs	(7,081)	(4,294)
Surplus on Operations	0	0

City Solutions Business Unit

Revenue from In-house Professional Services for		
TNZ Financially Assisted Roading	1,247	1,293
Revenue from Other Activities	6,386	5,590
Total Works Performed	7,633	6,883
Total Operating Costs	(7,331)	(6,549)
Surplus on Operations	\$302	\$334

The Surplus is transferred to the Council's General Fund.

Note 22:

Annual Residents Survey

These indicators are based on the Annual Residents Survey of Participation and Satisfaction. This was originally designed in consultation with Statistics New Zealand and is now performed by National Research Bureau Ltd under contract to the Christchurch City Council.

Where actual results from the survey are included in the Statement of Service Performance, these are based on interviews conducted with 788 Christchurch City residents in March/April 2001 and has a margin of error of +/- 3%.

Note 23:

Parking Survey

These indicators are based on results drawn from surveys of off-street and on-street car park users designed by Statistics NZ and actioned by Parking Unit staff. 195 off-street car park users and 308 on-street park users were interviewed in 2001. The estimated sampling error for these surveys lies within the +/- 3% range.

Note 24: Related Party Transactions:

All members of the Group are considered to be related parties of Christchurch City Council. This includes Subsidiaries, Associates and Joint Ventures.

Related Parties and Balances	Actual 2001 \$000's	Actual 2000 \$000's
Interest received on loans to related parties	1,057	766
Interest paid on loans to related parties	2,027	495
Dividends paid to the Council	24,784	62,763
Accounts payable to the Council	1,331	538
Accounts receivable from the Council	6,591	6,468
Loans to related parties	26,000	10,203
Loans from related parties	43,641	16,430
Issue of shares to the Council	4,990	12,203
Services provided to the Council	40,618	23,779
Services provided by the Council	4,597	4,441
Subvention receipts from the Council	0	746
Subvention payments to the Council	9,348	0
Rates paid to the Council	1,003	924
Fixed Assets sold by the Council	723	10,251
Capital Repatriation to the Council	0	162,000

In May 2000, Christchurch City Holdings Limited (CCHL), the Council's wholly owned investment holding company, repurchased 3,185,972 of its ordinary shares at their market value of \$33.04 per share at a total cost of \$105,255,020. It also redeemed 56,745 preference shares at their redemption value of \$1,000 per share at a total cost of \$56,745,000. This resulted in a return to the Council of \$162 million.

Transactions between Subsidiaries:	Actual 2001 \$000's	Actual 2000 \$000's
Dividends received/receivable to Christchurch City Holdings Ltd	30,733	145,928
Interest received/receivable Christchurch City Holdings Ltd	11,122	11,129
Subvention payments	0	0

Key Management and Members of the Council.

During the year, Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with the Council, such as the payment of rates, purchase of rubbish bags.

In addition, during the year, the Council purchased goods and services amounting to \$162,947, exclusive of GST, from PDL Electronics Limited, a firm in which Councillor Stewart has an indirect shareholder interest. These goods and services were supplied on normal commercial terms and Councillor Stewart did not participate in any of the approval processes.

Except for these transactions, and items of a trivial nature, no other Councillors or senior management have entered into related party transactions with the Group.

Note 25: Subsequent Events

There are no subsequent balance date events in relation to the Council or its subsidiaries that materially affect the financial statements.

Note 26:

There is a difference between Financial Plan and Annual Report in respect of the amount shown in the Estimates. This difference has been brought about by the full allocation of Support Services to External Significant Service Delivery Costs in 2001.

Estimate figures are restated as per the table below. This allocation does not alter the total amount shown in the Financial Plan.

Reconciliation of Estimates reported in the Financial Plan and Annual Report	Financial Plan Cost of Service Statements \$000's	Internal Service Provider Surpluses Allocated \$000's	Projects and Other Costs Carried Forward \$000's	Transfers and Other Adjustments \$000's	Annual Report Service Statements \$000's
Art Gallery	2,588	(4)	0	31	2,615
Car Parking	(1,640)	(1,475)	(91)	(50)	(3,256)
City Streets	31,620	(704)	614	0	31,530
Community Services	13,015	(737)	91	703	13,072
Economic Development	13,821	(107)	(106)	(1,220)	12,388
Environmental Policy and Services	12,424	(385)	(141)	(450)	11,448
Housing	(1,733)	(41)	0	(216)	(1,990)
Library and Information Services	19,380	(1,729)	(118)	154	17,687
Parks	15,949	(238)	163	492	16,366
Public Accountability	9,063	(220)	(91)	(198)	8,554
Sewerage	14,050	(615)	(13)	(711)	12,711
Sports, Leisure and Events	12,239	(180)	(162)	438	12,335
Waste Minimisation and Disposal	5,368	(166)	347	(81)	5,468
Water Supply	10,290	(104)	(232)	432	10,386
Waterways and Wetlands	8,514	(79)	0	90	8,525
	164,948	(6,784)	261	(586)	157,839
Rates	(129,835)	0	0	(1,415)	(131,250)
Internal Service Provider Surpluses	(6,784)	6,784	0	0	0
Interest Income	(9,985)	0	0	(700)	(10,685)
Dividend Income	(31,656)	0	0	6,140	(25,516)
Vested Assets	(15,000)	0	0	(25)	(15,025)
Capital Grants/Contributions	(1,587)	0	1,138	(188)	(637)
Other Income	(5,180)	0	0	(6,808)	(11,988)
Community Contributions	3,110	0	0	0	3,110
Emergency Services	1,177	0	0	0	1,177
Sundry Expenditure	2,527	0	0	168	2,695
Net Surplus for Year	(\$28,265)	\$0	\$1,399	(\$3,414)	(\$30,280)

It should be noted that the budget for 2000/01 was prepared on a net cost basis rather than the gross cost basis used for reporting the actual performance. This has been changed for the 2002/03 year.

NOTE 27:

Major Budget Variations- Parent

Statement of Financial Performance

Explanations for major variations from the Council's estimate figures in the 2000/01 Annual Plan are as follows:	\$000's
Higher than Budgeted Vested Assets Income due to higher than expected subdivision activity.	9,371
Lower than budgeted Depreciation principally due to delays with the capital expenditure programme.	(1,161)
Higher than budgeted Significant Activity Expenditure principally due to restructuring costs, the writeoff of the book value of the replaced QE II Pool and the write off of the book value of the Infrastructure Assets replaced early to facilitate the more efficient renewal of the networks.	5,902
Lower than budgeted Significant Activity Income due to corporatisation of the maintenance services operations of the CCC on 1 Dec 2000.	(3,967)
Higher than Budgeted Corporate Revenue principally from unbudgeted Subvention Receipts.	8,059

Statement of Movements in Equity

Apart from the increased unbudgeted income referred to above, there is an increase brought about by the upward revaluation of Roothing and Water Supply Infrastructure Assets of \$112.5M offset by a decrease in the value of ownership of subsidiary companies of \$149.3M.

The decrease in the value of ownership of subsidiary companies of \$149.3M was due to the effect of the capital repatriation of \$162.0M by Christchurch City Holdings in 2000.

Statement of Financial Position

The Net Surplus after Taxation plus the upward revaluation of Roothing and Water Supply Infrastructure Assets exceeded the decrease in the value of ownership of subsidiary companies resulting in a small increase in Total Equity.

Note 28:

Financial involvement in LATE's and Other Companies or Organisations

The cost to each entity for the financial interests, finance, or financial assistance of the Council is as follows:

	Dividends 2001 \$000's	Interest 2001 \$000's	Total 2001 \$000's	Total 2000 \$000's
Subsidiaries:				
City Care Ltd	624	2	626	885
Christchurch City Facilities Ltd	0	0	0	0
Christchurch City Holdings Ltd	24,160	0	24,160	62,763
Jade Stadium Ltd	0	463	463	18
Travis Finance Ltd	0	571	571	735
Associates:				
Selwyn Plantation Board Ltd	889	0	889	342
Transwaste Canterbury Ltd	0	0	0	0
	<u>\$25,673</u>	<u>\$1,036</u>	<u>\$26,709</u>	<u>\$64,743</u>

The provision of financial assistance by Christchurch City Council, to each of these organisations, is by share capital and loans. It does not include any guarantee of other borrowings by them.

Note 29:

Vested Assets

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Restricted Land and Buildings	5,166	5,049	5,166	5,049
Infrastructural Assets	19,230	16,716	19,230	16,716
Artworks	0	712	0	712
	<u>\$24,396</u>	<u>\$22,477</u>	<u>\$24,396</u>	<u>\$22,477</u>

Note 30:

Grants/Contributions to Major Projects

	Actual 2001 Parent \$000's	Actual 2000 Parent \$000's	Actual 2001 Group \$000's	Actual 2000 Group \$000's
Ministry for Cultural & Heritage Affairs for New Art Gallery	0	5,790	0	5,790
The Community Trust Grant for New Art Gallery	0	344	0	344
Other Grants and Donations for New Art Gallery	428	35	428	35
Other Sponsorships and Contributions	57	132	57	132
	<u>\$485</u>	<u>\$6,301</u>	<u>\$485</u>	<u>\$6,301</u>

Note 31:

Restructuring

Restructuring costs totalling \$0.85 million were incurred by the Council with City Care Limited's acquisition of its maintenance services operations and other changes instituted to improve efficiency and the quality of services provided.

summary of activities

(a) Summary Of Service Delivery Activities

	Costs (After Internal Recoveries) 2001 \$000's	Income 2001 \$000's	Net Costs 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Art Gallery	2,988	332	2,656	2,615	2,184
Car Parking	7,598	11,157	(3,559)	(3,256)	(3,337)
City Streets	47,451	14,721	32,730	31,530	34,557
Community Services	14,583	1,614	12,969	13,072	9,743
Economic Development and Employment	12,761	479	12,282	12,388	10,920
Environmental Policy and Services	20,309	8,301	12,008	11,448	10,970
Housing	6,377	9,473	(3,096)	(1,990)	(3,432)
Library and Information Services	18,719	1,350	17,369	17,687	16,465
Parks	17,926	1,900	16,026	16,366	14,859
Public Accountability	8,117	1	8,116	8,554	8,869
Sewerage	15,829	3,479	12,350	12,711	11,838
Sport, Leisure and Events	18,597	6,096	12,501	12,335	10,962
Waste Minimisation and Disposal	18,299	12,329	5,970	5,468	5,526
Water Supply	12,624	2,866	9,758	10,386	10,630
Waterways and Wetlands	9,176	191	8,985	8,525	8,812
Total Cost of Service Delivery	231,354	74,289	157,065	157,839	149,566
Add Back Service Provider Income	2,783	2,783	0	0	0
Activity Results represented in Statement of Financial Performance	\$234,137	\$77,072	\$157,065	\$157,839	\$149,566

(b) Summary of Consolidating Subsidiary and Associated Organisations

	Income 2001 \$000's	Net Result After Tax After Deducting Minority Interest 2001 \$000's	Net Result After Tax After Deducting Minority Interest 2000 \$000's
City Care Ltd	44,281	2,441	1,740
Canterbury Technology Park	943	656	172
Christchurch City Facilities Ltd	8,406	(3,002)	(3,671)
Christchurch City Holdings Ltd	45,238	27,141	150,201
Christchurch International Airport Ltd	56,862	13,536	13,228
Jade Stadium Ltd	1,592	(1,219)	(157)
Lyttelton Port Co Ltd	58,255	13,657	14,857
Orion NZ Ltd	400,383	250,501*	30,431
Red Bus Ltd	16,601	1,078	1,285
Selwyn Plantation Board Ltd	8,296	2,107	1,452
Streetworks Management Christchurch Ltd	0	0	(40)
Transwaste Canterbury Ltd	0	(301)	(331)
Travis Finance Ltd	755	167	1
	\$641,612	\$306,762	\$209,168

* Includes a \$209 million profit on the sale of its North Island gas distribution network.

art gallery

A public art museum comprising the Robert McDougall Art Gallery located in the Botanic Gardens and the Art Annex at the Arts Centre. These facilities provide the basis for mounting exhibitions, acquiring works of art, holding public lectures and seminars, implementing educational programmes and providing reference material on the visual arts.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To enhance the cultural wellbeing of the community through the cost effective provision and the development of an art museum to maximise enjoyment of visual art exhibitions, and to promote public appreciation of Canterbury art and more widely, the national cultural heritage by collecting, conserving, studying, and disseminating knowledge of works of art.	1.1 Residents/visitors satisfied with Art Gallery and/or Annex visits, at least	84%	84%
2. Continue the programme of art works conservation.	2.1 Numbers of art works conserved, at least	221	100 per year
3. Provide a programme of exhibitions of excellence representing best achievements of NZ and International art.	3.1 Number of exhibitions of local artists, at least	5	5 per year
	3.2 Number of gallery/annex visits, at least	249,234	220,000
4. Provide a programme of cultural and educational activities focused on the visual arts.	4.1 School group visits, more than	317	510
5. Plan appropriately for the new Christchurch Art Gallery.	5.1 Planning progressed to achieve agreed opening date by	Ongoing	30 June 2001

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Art Collection	835	23	812	792	666
Exhibition	1,359	290	1,069	1,126	945
Information and Advice	713	19	694	614	573
New Christchurch Art Gallery	81	0	81	83	0
Cost of Service	\$2,988	\$332	\$2,656	\$2,615	\$2,184

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$332, Estimate 2001 \$389, Actual 2000 \$256.

Depreciation included is: Actual 2001 \$92 Estimate 2001 \$96, Actual 2000 \$93.

Refer Note 22.

car parking

Management and administration of off-street and kerbside parking facilities with city-wide enforcement of parking bylaws and regulations, utilising 2,184 metered spaces, 328 coupon spaces, 17 off street parking buildings, and 3,670 spaces. Facilities employ 68 FTE staff.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Fair and efficient parking enforcement and related administration targeted at increasing compliance with relevant acts, regulations and parking bylaws.	1.1 Average paid compliance rate in metered and coupon parking areas	59%	60%
	1.2 Number of motorists surveyed who consider parking officers apply 'the rules' fairly	50%	50%
2. Efficient and effective management of the on and off street parking resource.	2.1 Vehicles parked in staffed off-street facilities at average overall and peak time occupancy rates of	49%/80%	52%/86%
	2.2 Users of off-street parking facilities satisfied with service provided (average of four factors), at least	73%/68%	69%/68%

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Enforcement	1,883	3,578	(1,695)	(1,284)	(1,321)
Parking	5,665	7,565	(1,900)	(1,993)	(2,069)
Abandoned Vehicles	50	14	36	21	53
Cost of Service	\$7,598	\$11,157	(\$3,559)	(\$3,256)	(\$3,337)

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$11,157, Estimate 2001 \$11,025, Actual 2000 \$10,783.

Depreciation included is: Actual 2001 \$357, Estimate 2001 \$357, Actual 2000 \$342.

Refer Notes 22 & 23.

city streets

Researching and planning to meet the city's future access and parking needs; detailed monitoring and management of present traffic patterns; and programming and managing the implementation of works for the maintenance of the city's street and bridge system. The roading network comprises 1,524km of carriageway, 139 bridges, 2,285km of kerbs and channel, and 2,188km of sealed footpaths.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To achieve positive progress towards achieving the strategic transport outcomes.	1.1 Report to City Services Committee on extent and value of road network improvements that can be economically justified over the next 5 years in implementing the City Plan by	13 February 2001	31 December 2000
	1.2 Implement the Safety Management System by	Draft completed & received by MOT, LTSA & Transfund. Expected to be completed by July 2002	30 June 2001
	1.3 Develop, schedule and initiate an AMP improvement plan by	Developed and improvements being actioned	30 June 2001
	1.4 Report to City Services Committee on cycle promotions, planning, design and consultation, at least	Achieved	Quarterly
	1.5 Report to the City Services Committee on proposals for Public Transport infrastructure initiatives by	Achieved	30 September 2000
	1.6 Complete a review of appropriate measures for traffic calming and commence field trials of alternative measures by	Charter prepared. Pilot projects will take place in 2002	30 June 2001
2. To protect infrastructure assets from premature deterioration caused by others, with full recovery of all associated administration costs.	2.1 Service utility authorities trenching operations & to meet the requirements outlined in the Council document titled, "Installation and Maintenance of Network Services in Roads", as shown by audit records	100% compliance with 100% recovery of costs	100% compliance with 100% recovery of costs
3. To increase community awareness of road safety and develop a safety culture leading to a reduction in traffic collisions.	3.1 Report to the City Services Committee on road safety education and promotion initiatives, at least	Achieved	Quarterly
	3.2 Decrease in		
	a) percentage of crashes involving responsible road use factors	a) 3.0%	a) > 0
	b) number of crashes per 10,000 people	b) 0.0%	b) > 0
4. To cost effectively maintain all assets in a constant condition, in accordance with the Asset Management Plan, and to carry out all operational services at specified service levels.	4.1 Total roading system maintenance cost/km no greater than	\$11,099 km pa	\$10,300/km pa
	4.2 Percentage compliance with all service levels during year	100%	100%

city streets

Objectives for 2000/01

5. To implement cost effective asset renewals to minimise asset lifecycle costs in accordance with the AMP and to implement prioritised asset improvements and new projects which contribute to achievement of the strategic transport outcomes.

Performance Indicators

5.1 Average cost of renewal projects no more than
5.2 Report percentage of projects completed at year end, by a) value and b) number by
5.3 The amounts of each asset type renewed or created to be reported annually against AMP targets

Actual

\$442,853
a) 73%
b) 71%

Target

\$420,000/km
30 June 2001
All by
30 June 2001

5.4 Percent completion of major projects

100%¹
40%²
50%³
75%⁴

100%¹
30%²
100%³
100%⁴

6. Provide cost effective and customer responsive professional services to enable delivery of the annual maintenance and capital works programmes.

6.1 Total professional services costs no more than,
• Maintenance
• Capital Works

8.0%
16.1%

8% of programme value
17% of programme value

6.2 Number of requests for service, relating to the following assets and services is reported for
• Carriageways
• Footpaths
• Landscaped areas
• Weedspraying
• Grass berm mowing
• Street cleaning
at least,

30 September 2001

Annually

6.3 Number of residents and businesses satisfied with capital works completed in their street (sample survey) at least,

83%

80%

¹ Woolston Burwood Expressway Stage I

² Fendalton Road

³ Bus Interchange facility

⁴ Railway Cycleway Stage 5

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Output Agreement Administration	686	183	503	423	761
Planning	3,014	338	2,676	2,871	3,619
Activities on Street	2,554	2,854	(300)	(367)	(204)
Provision of Roding Land	88	135	(47)	(21)	24,092
Underground Wiring Conversion	1,834	0	1,834	1,823	1,674
Roding System Maintenance	39,275	5,070	34,205	32,712	10,753
Transfer from LTDA for Infrastructural Assets	0	6,141	(6,141)	(5,911)	(6,138)
Cost of Service	\$47,451	\$14,721	\$32,730	\$31,530	\$34,557

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$14,721, Estimate 2001 \$12,334, Actual 2000 \$12,891.

Depreciation included is: Actual 2001 \$20,266, Estimate 2001 \$20,277, Actual 2000 \$20,533.

Refer Note 22.

community services

To work towards the outcomes of the Council's social and other policies through liaison, assistance and advocacy with metropolitan and local community organisations and networks, and to provide general and technical Council information to the public.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Work towards the outcomes of the Community Development and Social Wellbeing Policy (and other relevant policies of Council) through service provision, grants, advocacy and liaison at a metropolitan and local level.	1.1 Achieve a satisfaction rate in the annual client surveys at each Council operated childcare centre of at least	Tuam St 94% Pioneer 92% QE II 100%	80%
	1.2 Participate in metropolitan networking forums, at least	8	5
	1.3 Participate in community networking forums, at least	At least one held in each area	One per Community Board area
	1.4 Facilitate for community groups to participate in Council decision making through deputations to Community Boards and the Community Services Committee.	At least 22 presentations facilitated	10 opportunities
2. Continue to deliver effective Council information and receipt payments for walk in customers.	2.1 Customer satisfaction with service, at least,	Not formally measured	85%
3. Effectively administer grants and funding for community organisations.	3.1 Residents satisfied with value for money of rates spent on supporting voluntary groups and community organisations, at least	57%	59%
4. Provide clean, accessible and safe toilets in Cathedral Square.	4.1 Number of complaints recorded about the cleanliness of Cathedral Square toilets	Nil	Nil

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Community Buildings, Advocacy and Funding	8,984	1,189	7,795	7,690	5,506
Customer Support Services	1,354	173	1,181	1,387	1,266
Customer Services-Corporate	486	44	442	365	344
Customers Services- Operations	257	2	255	323	318
Cathedral Square Toilets	449	3	446	451	364
Community Services Services Grants	1,235	0	1,235	1,234	1,015
Arts and Culture Grants	1,723	203	1,520	1,520	837
Grants Administration	95	0	95	102	93
Cost of Service	\$14,583	\$1,614	\$12,969	\$13,072	\$9,743

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$1,614, Estimate 2001 \$1,740, Actual 2000 \$1,517.

Depreciation included is: Actual 2001 \$93, Estimate 2001 \$105, Actual 2000 \$215.

Refer Note 22.

economic development and employment

Provision of information, support services, marketing, incentives and co-ordination to encourage and assist economic growth, job creation and tourism.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Conduct regular seminars/workshops to help identify and/or create business opportunities with growth potential.	1.1 Residents satisfied with the value for money of rates spent on economic development, at least	Not formally measured	69%
	1.2 Participants at seminars/workshops rate these as very useful or useful, at least	N/A - seminars not held	80%
2. Further investigate and promote business investment and local purchasing opportunities in Canterbury.	2.1 Inbound and local investment enquiries aligned with local opportunities, at least	14	12
	2.2 Disseminate information on business opportunities to relevant local businesses, at least,	231	250
3. Continue the Business in the Community Programme to stimulate business survival, growth and employment generation in Canterbury.	3.1 Maintenance of a comprehensive list of mentors available to facilitate matching of mentors with businesses requiring help, at least,	180	100
4. Provide a range of programmes of job assistance and job placements to help youth and other unemployed persons.	4.1 Contribute to job creation projects for young unemployed people with the DWI, community organisations and through organisations representing Maori and Pacific peoples, at least	N/A -contract not renegotiated	10 projects
	4.2 Young unemployed people, individually case managed, at least	2,004	2,000 young people
5. Support the infrastructure of community groups and agencies working with the unemployed to enhance the outcomes they achieve.	5.1 Contribute to the maintenance of community groups infrastructure for employment initiatives for a least	33	20 groups
6. Provide advice and information to tourists through Information Office Services.	6.1 Days Visitor Centre is open and providing services, at least	364	364 days
	Centre to have the following visitor numbers and counter advice		
	- January to March per day	1800/800	1,650/700
	- July to September per day	1500/750	450/220
	6.2 Visit or host overseas travel wholesalers during the year, at least	210	30
	6.3 The Christchurch Convention Bureau prepares bid documents on behalf of organisations seeking to bring conferences to Christchurch, at least	19	10
7. Wide ranging community use of the Town Hall, convention and entertainment facilities.	7.1 Total number of Town Hall and Convention Centre visits, at least	393,000	500,000
	7.2 Total number of WestpacTrust Centre visits, at least	91,000 ¹	250,000

¹ Excludes visitors to corporate boxes that were included in previous years.

economic development and employment

Objectives for 2000/01	Performance Indicators	Actual	Target
8. Project an image to venue users of the highest possible quality.	8.1 Customers rating quality of staff service during year (across all categories) as good or better, at least	Not Measured	70%
	8.2 Customers satisfied with visits to Town Hall, Convention Centre and Entertainment Centre during the year, at least	88% Town Hall 79% Convention Centre 80% Westpac Trust Centre	80%
9. To ensure consistency in imagery and message used to promote Christchurch by monitoring the promotional material.	9.1 Main organisations promoting Christchurch agree on the key messages and images used in promotion.	Not formally measured but 3 meetings were held with these organisations to achieve this plus ongoing liaison with CCML	100% by 30 June 2001
	9.2 Main organisations promoting Christchurch use Council co-ordinated promotional material.	Not formally measured. However, 85 organisations (50 on a monthly basis) were provided this material	100%
10. To encourage and promote international exchange through Sister City networks.	10.1 Administration and servicing is provided for Sister City Committee meetings across the year, at least	50	40
	10.2 Sister City activity is maintained at the current level or increased	29	34 visits made or hosted
11. To implement, monitor and review the City Centre Marketing Strategy.	11.1 Strategy and Plan adjustments reported to Strategy and Resources Committee by	Review is being carried out in line with the Mayoral forum	31 December 2000
12. To increase stakeholder buy-in to strategy and improve communication between Central City Marketing and stakeholders in the city centre, including other Council units.	12.1 Retailer Forum groups held with retailers, at least	10	6 times by 30 June 2001
	12.2 Publish Street Talk, at least	5	4 issues by 30 June 2001
13. Co-ordinate and lead the marketing of Christchurch/ Canterbury with a focus on sustainable growth of visitors.	13.1 Visit or host travel wholesalers, at least	472	70 by 30 June 2001

economic development and employment

Objectives for 2000/01	Performance Indicators	Actual	Target
14. Drive Christchurch/Canterbury as the best value New Zealand destination for all group visitation.	14.1 Successful bids by Convention Bureau no less than	79%	70%
	14.2 Increase the average nights stayed for the group/convention market from 2.9 days average to	3.0 days	3.8 days
15. In addition to the traditional international focus, we need to maximise domestic visitor arrivals to Christchurch/Canterbury.	15.1 Increase in domestic visitors from Auckland, at least	Domestic Tourism Survey results not yet available	0.1%

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Advice to Council	56	0	56	56	81
Administration	53	0	53	53	56
Business Support	260	0	260	260	270
Education	50	0	50	50	50
Regional Economic Development	740	0	740	740	385
Sustainable Development	40	0	40	40	40
Employment & Training Scheme Administration	1,613	2	1,611	1,586	1,700
Employment Promotion	224	0	224	227	532
Workforce Preparation & Renewal	104	0	104	119	127
Community Initiatives	533	0	533	535	0
Visitor Promotions	1,269	0	1,269	1,269	1,172
City Promotional Activity	1,087	84	1,003	1,112	1,085
Turning Point 2000	609	8	601	505	561
Tram and Shuttle Operations	998	185	813	868	889
Bus Exchange	1,069	0	1,069	1,171	0
Convention and Entertainment Facilities	3,474	200	3,274	3,215	3,394
Economic Development & Employment Grants	582	0	582	582	578
Cost of Service	\$12,761	\$479	\$12,282	\$12,388	\$10,920

Notes (\$000's)

External Revenue included in Income is: Actual 2000 \$479, Estimate 2001 \$288, Actual 2000 \$1,131.

Depreciation included is: Actual 2001 \$804, Estimate 2001 \$662, Actual 2000 \$778.

Refer Note 22.

environmental policy and services

Planning for and managing the use, development and protection of the natural and physical resources of the City in a manner which enables the City, and its communities and people, to provide for their social, economic and cultural needs in a sustainable, healthy and safe way while meeting the reasonably foreseeable needs of future generations. Administering and enforcing statutory regulation of building and development work, the health and safety of licensed premises activities and the keeping of dogs.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Assist with the hearing of submissions on the City Plan, particularly as they relate to the objectives and policies.	1.1 Residents satisfied with the value for money of rates spent on overall city and environmental planning, at least	55%	60%
	1.2 Residents satisfied with the value for money of rates spent on regulating activities and investigating nuisances, at least	43%	57%
	1.3 Reports completed within time frame set down by City Plan appeal process	100%	100%
2. Prepare concept plans for the environmental improvement of the Central City, urban renewal in the inner city and suburban shopping centres.	2.1 Complete within budget by	Budget met	30 June 2001
	2.2 Complete plan for one suburban shopping centre by	New Brighton Mall completed	30 June 2001
3. Complete the Strategic Open Space Environment Strategy.	3.1 Complete by	Draft completed	31 December 2000
4. Undertake detailed studies of parts of the City subject to change and growth.	4.1 Complete by	Burwood, Halswell & Belfast areas, ongoing	30 June 2001
5. Assess applications for grants to help retain listed heritage buildings.	5.1 Provide assistance to owners for	25 assessed by 30 June 2001	10 listed buildings by 30 June 2001
6. Prepare the annual State of the Environment monitoring report.	6.1 Complete by	N/A - now only being prepared three yearly	31 July 2000
7. Prepare for and defend references lodged with the Environment Court.	7.1 Successfully defend references to the Environment Court of at least	100% - only one decision so far	90%
8. Administer the City Plan in an efficient and effective manner.	8.1 Meet the following consent applications processing standards (unless extension is authorised)		
	Of subdivision applications	80%	100% in 20 working days
	Of non-notified resource consents which do not require a hearing	*	100% in 20 working days
	Of notified resource consents	*	100% in 70 working days
	8.2 Residents who believe building or land developments in their local area during the year, have made their area worse, no more than	8%	12%

environmental policy and services

Objectives for 2000/01	Performance Indicators	Actual	Target
	8.3 Monitor conditions imposed on resource consents to ensure these are actioned within periods stipulated on monitoring request forms for	100%	100% of resource consents
9. Investigate and respond to situations which cause nuisance or objectionable effects on human health and safety.	9.1 Undertake initial investigations of complaints of excessive noise	98%	100% within 2 working days
10. Inspect registered premises to ensure compliance with required environmental health standards.	10.1 Food premises identified as being at risk in terms of safety to be inspected	97%	All premises at least once
11. Process building consent applications within the time limits prescribed by the Building Act.	11.1 Subject to provision of complete information, process building consents within the time limits prescribed in the Building Act, at least	*	100%
12. To respond to and investigate complaints relating to nuisances caused by dogs.	12.1 Response and investigation in the following time frames: - aggressive behaviour - other complaints - complaints resolved	80% 75% 84%	100% in 2 hours 100% in 72 hours 100% in 7 days

* Not reliably measured due to systems difficulties. New reporting functions have been implemented to enable measurement in the future.

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Consents and Applications	7,987	5,675	2,312	2,192	2,395
Environmental Effects Control	730	33	697	652	705
Plans and Policy Statements	1,723	205	1,518	1,524	1,456
Information and Advice	3,260	998	2,262	2,245	1,924
Animal Control	1,415	1,334	81	(20)	54
Consents and Applications	227	0	227	219	202
Policy Advice	2,592	37	2,555	2,372	2,278
Information	219	0	219	283	291
Environmental Promotion	250	0	250	226	262
Monitoring	48	0	48	172	191
Funds Administration	843	0	843	533	303
Energy Programmes	1,015	19	996	1,050	909
Cost of Service	\$20,309	\$8,301	\$12,008	\$11,448	\$10,970

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$8,301, Estimate 2001 \$9,355, Actual 2000 \$8,662.

Depreciation included is: Actual 2000 \$104, Estimate 2001 \$114, Actual 2000 \$132.

Refer Note 22.

housing

Implementation of the housing policies of the Council in providing tenancy and welfare services to Christchurch citizens, appropriately maintaining the Council asset and conducting ongoing research and advice. Units managed in this activity include 2,434 elderly persons housing units and 419 public rental units.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. A policy of complex replacement to be developed and incorporated into the Asset Management Plan (AMP).	1.1 Adoption of a complex replacement policy by	Deferred to form part of AMP being developed	31 May 2001
2. Implement new tenancy and rent criteria policies as adopted by Council.	2.1 Implement progressively and complete by	Deferred until AMP has been completed	31 December 2000
3. Review the effectiveness of the revised tenant support policy.	3.1 Report results of review to Community Services Committee by	Deferred as new policy is yet to be implemented	30 June 2001
4. To review the appropriateness of the Council's housing portfolio in the light of current and future needs.	4.1 Reviewed and reported by	Not achieved with delay in completion of AMP	31 March 2001
	4.2 Completion of refurbishments of bedsitter units to Housing Section standards by, at least	19 only due to restrictions while AMP is developed	30 June 2001 40 within budget

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Elderly Persons Housing	3,769	6,963	(3,194)	(2,074)	(2,912)
Trust Housing	46	13	33	(37)	(23)
Owner/Occupied Housing	26	34	(8)	(6)	(2)
Public Rental Housing	1,175	2,455	(1,280)	(786)	(1,350)
General Housing	32	8	24	(70)	(4)
Tenancy Services/Welfare/Policy	1,329	0	1,329	983	859
Cost of Service	\$6,377	\$9,473	(\$3,096)	(\$1,990)	(\$3,432)

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$9,473, Estimate 2001 \$9,252, Actual 2000 \$9,310.

Depreciation included is: Actual 2001 \$817, Estimate 2001 \$806, Actual 2000 \$781.

Refer Note 22.

library and information services

Developing the knowledge, literacy and information skills of the city's residents and to contribute to the city's cultural, economic and social wellbeing and cultural understanding by providing and promoting accessible, non-exclusive, high quality and cost effective library and information services. Library Services manages a book stock of 999,228 volumes and provides services to 244,652 enrolled members and other users.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Continue to deliver effective library and information services to customers.	1.1 Residents visiting a Council Library during the year, at least Adults Under 18 years	75% average for Adults and Children	65% 80%
	1.2 Borrowers satisfied with service provided (average of six factors), at least	78%	81%
	1.3 Information customers satisfied with service provided (average of five factors), at least	84.4%	85.1%
	1.4 Average cost per transaction	Not measured*	\$2.10
2. Implement a Customer Contact Centre to provide information services to remote customers by phone, fax, e-mail and desktop.	2.1 Contact Centre operational by	8 June 2001	30 June 2001
3. Implement year two of the programme for upgrading library information technology to enable implementation of the TAOS software.	3.1 Implementation by	31 May 2001	30 June 2001
4. Secure a solution for service delivery improvements in the south Christchurch area.	4.1 Council decision by	23 November 2000	30 July 2000
	Building commenced by	Delayed due to continuing community consultation. Completion now expected by 31 December 2002	30 June 2001
5. Implement year two of the development plan for the Central City Library to provide improvements to the ground floor and to the provision of services to customers, particularly in the area of services to ethnic groups.	5.1 Changes implemented with minimum of disruption to service by	31 July 2001	30 June 2001
	5.2 Ethnic services strategy in place by	30 April 2001 and reported to Council 7 May 2001	30 April 2001

* Outputs were revised after the budget was adopted meaning that this calculation could not be performed. However, the Libraries and Information Unit operated within its expenditure budget while enquiries handled increased by 2.77% offset by a 0.4% decrease in issues.

library and information services

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Advice	409	6	403	422	130
Information Technology/WWW Web Project	306	3	303	296	180
Council Information - Insite	116	12	104	106	158
Central Library Lending Services	3,957	354	3,603	3,644	3,411
Central Library Information Services	3,934	234	3,700	3,709	3,832
Community Libraries Lending & Information Services					
Pre-School Outreach	120	1	119	103	85
Outreach	373	7	366	396	272
Mobile Libraries	410	5	405	468	575
Linwood Community Library	847	77	770	812	823
Sumner Library	278	29	249	222	187
Bishopdale Community Library	638	57	581	595	568
Fendalton Community Library	1,443	114	1,329	1,269	1,067
Halswell Community Library	360	33	327	343	345
Hornby Community Library	577	53	524	535	529
New Brighton Community Library	1,575	100	1,475	1,615	1,248
Shirley Community Library	1,045	98	947	889	867
Papanui Community Library	857	68	789	765	803
Redwood Community Library	373	26	347	347	350
Spreydon Community Library	779	66	713	779	752
St Martins Library	88	4	84	127	102
Neighbourhood Libraries	234	3	231	245	181
Cost of Service	\$18,719	\$1,350	\$17,369	\$17,687	\$16,465

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$1,350, Estimate 2001 \$1,345, Actual 2000 \$1,124.

Depreciation included is: Actual 2001 \$3,250, Estimate 2001 \$3,195, Actual 2000 \$2,798.

Refer Note 22.

Librarian, Christine Turner, takes her work aboard a tram for the NZ Post Children's Book Festival



parks

Planning and managing the acquisition, maintenance, development and use of the City's resource of public parks and reserves for the purposes of recreation, amenity and conservation. 670 parks (5,314 Ha) and nine cemeteries maintained using in-house and external contractors.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Enhance the quality of life of the city's residents and visitors by providing parks and open spaces so as to conserve natural resources, promote the city's unique identity and service the need for places for sport and recreation.	1.1 Annual Residents' Survey indicates that residents are satisfied that parks are well looked after, at least	88%	90%
	1.2 Residents are satisfied with the value for money of rates spent on parks, at least	83%	80%
2. Review and develop park strategic plans and prepare park development and capital works plans.	2.1 Intergrate sections of the Parks and Waterways and Wetlands Asset Management Plan by	Only partially complete at 30 June 2001	30 June 2001
	2.2 Prepare, at least the following number of plans:		
	(a) Parks Area Plans	3	3
	(b) Parks Development Plans	15	15
3. Respond to lease, licence and concession applications for parks and formalise outstanding lease agreements.	3.1 Applications processed and decision provided	94.3%	100% within 3 months from date of receipt
	3.2 Formalise outstanding lease agreements, at least	37 prepared but awaiting completion of review by Ngai Tahu	25
4. On a regular basis, undertake a park specification quality survey of all separate parks to determine levels of compliance with standards required for parks maintenance.	4.1 Survey		
	(a) 24 garden	100%	90% Compliance
	(b) 492 local and	92%	90% Compliance
	(c) 85 sports parks to ensure a level of compliance with park maintenance specifications of	93%	90% Compliance
5. Supply the required number and species of high quality plants through own nursery production and contract growing.	5.1 (a) Supply plants to specified standards to meet the planting programme and	272,551 Plants	225,650 Plants
	(b) Supplement production through contract growing of additional plants.	88,583 Plants	125,000 Plants
6. Process all applications for cemetery plot purchases and warrants for interment.	6.1 Action interments in accordance with statutory requirements.	835	900 per annum
7. Provide an education service to schools, interest groups and families, along with visitor centre displays at Regional Flagship parks.	7.1 (a) Supplement education service through teaching assistance under the "Learning Outside the Classroom" programme by	Agreement signed 15 July 2000	30 June 2001
	(b) Carry out an evaluation of visitor centre displays by	Only partially completed	30 June 2001
8. Provide a ready response to rural fires as required under the Forest and Rural Fires Act.	8.1 Meet the Rural Fire Management Code of Practice requirements by ensuring that additional firefighters attain NZQA basic standards.	20	25 firefighters

parks

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Customer Services	1,230	529	701	942	577
Environmental	15,614	1,367	14,247	14,597	13,641
Support	991	4	987	736	542
Environment and Parks Grants	91	0	91	91	99
Cost of Service	\$17,926	\$1,900	\$16,026	\$16,366	\$14,859

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$1,900 Estimate 2001 \$2,115, Actual 2000 \$1,789.

Depreciation included is: Actual 2001 \$543, Estimate 2001 \$595, Actual 2000 \$620.

Refer Note 22.



The Curator's House Restaurant and Education Garden facility in the Botanic Gardens that won a New Zealand Institute of Architects' Resene Award

public accountability

Provision for civic leadership and the democratic process of decision making by elected members through remuneration and support arrangements for the Mayor, 24 Councillors and 33 elected Community Board members.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To achieve the purposes of local government, including recognising identity, values and rights of the Christchurch community, providing for choice in the provision of public facilities and services, and encouraging effective public participation in local govt.	1.1 Proportion of residents satisfied with the value for money of rates spent on significant activities as disclosed in the Annual Residents' Survey, to be not less than	69%	85%
2. Ensure the negotiation of Statements of Corporate Intent (SCIs) for the Local Authority Trading Enterprises and comparable documents for similar organisations in which the Council has a significant interest.	2.1 Contents of all SCIs or similar documents in compliance with Section 594T of the Local Government Act, and all such statements finalised within three months of commencement of the relevant corporate body's financial year	All SCIs finalised within 3 months	100%
3. Implement an agreed programme of elected member meetings.	3.1 All meetings of elected members held in complete compliance with provisions of the Local Government Official Information and Meetings Act without the need for subsequent procedural correction	All meetings 100% of the time	All meetings 100% of the time
4. Prepare appropriate public accountability documents.	4.1 Adopt Annual Plan for 2000/01 by and Annual Report for 1999/00 by	6 July 2000 30 November 2000	31 July 2000 30 November 2000
5. Effectively allocate Community Board discretionary funds.	5.1 Funds allocated in accordance with a statement of Community Board priorities agreed following public consultation	Completed by 30 June 2001	Completed by 30 June 2001
6. Publish and distribute information to residents on the overall activities of the Council.	6.1 Residents satisfied with the Council newsletter, City Scene, no less than	77%	75%

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Elected Member Representation	3,183	0	3,183	3,155	3,186
Decision Making	3,861	0	3,861	4,184	4,728
Liaison & Discretionary Expenditure	490	0	490	511	272
Corporate Communications	583	1	582	704	683
Cost of Service	\$8,117	\$1	\$8,116	\$8,554	\$8,869

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$1, Estimate 2001 Nil, Actual 2000 Nil.

Depreciation included is: Actual 2001 \$13, Estimate 2001 \$9, Actual 2000 \$12.

Refer Note 22.

sewerage

Provide liquid waste transport, treatment and refuse services in a manner that will enhance the health, safety and convenience of the Christchurch community, and meet the needs of a growing city in conformity with the intentions of district and regional plans.

The sewage collection system serves all of the Christchurch City urban area and comprises 1,560 km of sewer mains, 78 pumping stations, approximately 20,000 manholes, 1,600 flush tanks, and 100,000 sewer laterals. Treatment works are at Bromley, Belfast and Templeton.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To develop a comprehensive Liquid Waste Management Plan which conforms to the requirements of the Local Government Amendment Act No 4. The objectives below will form elements of this plan.	1.1 Draft Liquid Waste Management Plan completed and special consultative procedure started by	Draft completed. Consultation suspended until ChCh Treatment Plant discharge consent application completed to avoid confusion	30 June 2001
2. Preserve the value of the public reticulation system by following an asset management strategy.	2.1 Full implementation of the 2000/01 sewer capital works programme, as set out in the Asset Management Plan (AMP).	Capital Work of \$11,293,949 completed by 30 June 2001. Implementation of remainder is in progress - uncompleted work carried forward	Capital Work of \$11,498,485 completed by 30 June 2001
3. To ensure adequate system capacity to cater for present and future urban growth by continuing the infiltration and inflow remedial works.	3.1 Complete major catchment flow monitoring investigations by and commence sub-catchment plus inspection and remedial works on a further	Major catchment flow monitoring completed. Sewer grouting commenced. 13,050 Properties	30 June 2001 15,000 Properties
4. Minimise sewerage outflows to private property, public roads and waterways.	4.1 Record and report all overflows of sewerage resulting from failure of Council pumping equipment, with a target of	Nil Failures	Nil Failures
5. To minimise energy costs for all operating plant, by maximising biogas used for energy production.	5.1 Maximise engine generator use on load over, at least	7,775	8000 hours
6. To comply with water right effluent discharge standards as required through achievement of target treatment levels.	6.1 Measure discharge pollutant levels with a target of an average reduction in BOD and suspended solids, at least	74%* / 62%*	70% / 65%
	6.2 Reduction in faecal coliforms across the whole Christchurch Wastewater Treatment Plant and Oxidation pond with a final average effluent as measured in the final pond prior to discharge, less than	99.9% 2,800/100ml	99.8% 10,000/100ml

* Measured for 8 months. Test results were not available during the four month refit process.

sewerage

Objectives for 2000/01

7. To minimise sewage treatment costs.

Performance Indicators

- 7.1 Achieve annual cost per year maximum of

Actual

\$15.03 per person
\$39.08 per
ratepayer
\$0.10/m³

Target

\$17.05 per person
\$44.30 per
ratepayer
\$0.12 /m³



An aerial view of the Bromley Wastewater Treatment Plant

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Plans and Policy Statements	130	0	130	106	131
Information and Advice	26	16	10	47	159
Consents and Applications	203	0	203	324	228
Liquid Waste Collection	10,189	1,940	8,249	7,538	8,441
Liquid Waste Treatment and Disposal	5,281	1,523	3,758	4,696	2,879
Cost of Service	\$15,829	\$3,479	\$12,350	\$12,711	\$11,838

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$3,479, Estimate 2001 \$2,791, Actual 2000 \$3,469.

Depreciation included is: Actual 2001 \$5,704, Estimate 2001 \$5,844, Actual 2000 \$5,064.

Refer Note 22.

sports, leisure and events

Enhancing the health and well-being of the people of Christchurch and their enjoyment of life through the provision and promotion of selected sport, recreation, arts and events programmes and facilities.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Assist, encourage and advise clubs, organisations and the general public to maintain or increase overall participation levels, and to ensure adequate resources are available.	1.1 Residents satisfied with value for money through rates spent on sports and recreation, at least	68%	70%
	1.2 Increase participation in Council recreation programmes by at least	15%	5%
	1.3 Participants satisfied with the Council's recreation programmes, at least	90%	90%
2. Encourage major sporting and recreation events to come to Christchurch.	2.1 Secure major sporting events and/or recreation events, minimum of	8	3
	2.2 Secure pre or post Sydney 2000 Olympic or Paralympic Games competition events to be held in Christchurch/Canterbury	2	5
3. Complete the preparation of a Recreation and Sport strategy for Christchurch.	3.1 Completion by	Draft completed by 31 May 2001	30 June 2001
4. Maintain, improve and increase the usage of and satisfaction with existing Council stadia, pools, and other recreation facilities.	4.1 Residents visiting Council stadia once or more during the year, at least	Not formally measured	35%
	4.2 Residents visiting Council swimming pools during the year, at least	49%	43%
	4.3 Residents satisfied with the value for money of rates spent on providing swimming pools, sports grounds, and stadia, at least	Sports Grounds 83% Swimming Pools 77% Stadia 64%	70%
5. Operate each facility for which the Council is directly responsible efficiently and effectively.	5.1 All Council operated or owned/operated pools comply with the requirements of NZS 441:1985 'Code of Practice for the Operation of Swimming Pools' and NZS 5826:1995 "Code of Practice for the Operation of Swimming Pools."	100%	100%
6. Continue the major maintenance upgrading of QE II Pool and Stadia Facility.	6.1 Work completed during the year will enable completion by	Project on track to be completed no later than this	31 March 2002
7. Plan, organise and deliver the SummerTimes Festival.	7.1 Attendees satisfied with the quality of SummerTimes festival, at least	92%	80%
8. Plan, organise and deliver a balanced programme of festivals and events.	8.1 Residents satisfied that programmes are delivered and that value for money spending on all events and festivals, at least	78%	78%
	8.2 Implement the Events strategy as per agreed timeline	Partially achieved	100%

sports, leisure and events

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Events and Festivals	2,262	269	1,993	2,018	2,475
Recreation and Arts	2,815	176	2,639	2,743	2,179
Leisure Planning	315	1	314	339	259
Sports	157	14	143	154	153
Stadia	888	215	673	612	1,005
Pools	1,096	193	903	964	1,361
Leisure Centres	3,736	2,716	1,020	1,349	0
Golf Courses/Range	330	396	(66)	(71)	(96)
Camping Grounds	92	43	49	49	14
QE II	6,130	1,654	4,476	3,863	3,343
Recreation and Sports Grants	776	419	357	315	269
Cost of Service	\$18,597	\$6,096	\$12,501	\$12,335	\$10,962

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$6,096, Estimate 2001 \$5,676, Actual 2000 \$5,943.

Depreciation included is: Actual 2001 \$1,809, Estimate 2001 \$2,235, Actual 2000 \$1,810.

Refer Note 22.



Steffi Graf and Jelena Dokic exhibition tennis match at the Westpac Trust Centre

waste minimisation and disposal

Providing regular refuse collection services and operating transfer, recycling and disposal facilities. Public and commercial refuse collection through three transfer stations open seven days per week, with final disposal at landfill site. All these services to be provided in a safe and environmentally responsible manner.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Reduction To develop a Target Zero Regional Network from industry organisations, CCC, Environment Canterbury and environmental groups to promote commercial waste minimisation. To provide waste minimisation advice and motivation to the business sector and to continue waste minimisation programmes within Council operations.	1.1 Target Zero Regional Network established and Business Plan written by	Not achieved - revised approach followed with representative organisations (Manufactures Association, Retail Merchants Association etc)	30 June 2001
	1.2 Demonstration programmes completed	2	2
	1.3 Businesses that have implemented some form of waste minimisation, at least	Measurement processes in place did not enable this to be accurately measured	10%
2. Reuse To assist the RMF implement their business plan for improved operations of the new refuse station drive through recycling centres and recycling supermarket.	2.1 Tonnage diverted from landfill	Measurement systems only put in place in April 2001	New measure, no target set
	2.2 Employment opportunities created by new operations	20	New measure, no target set
3.1 Recycling To advance the sustainable use of recyclable materials by delivery of sorted uncontaminated kerbside recyclable materials to the Recovered Materials Foundation.	3.1 Delivery of sorted newspaper, glass, plastic and metal cans to the Recovered Materials Foundation with complaints from RMF about contamination of no more than	Complaints system was reviewed resulting in the replacement of the previous system but this has only recently been put in place	12
3.2 Recycling To continue the advertising campaign to promote the kerbside recycling service in a way that also promotes the Reduce, Resuse, Recycle waste minimisation hierarchy and minimises contamination levels.	3.2 Increase in the level of public awareness of the Waste Minimisation hierarchy and the need for clean sorted recyclable material as measured in the Annual Citizens' Survey, at least	Not formally measured but quantities of clean material put out for recycling have increased	> 0
3.3 Recycling - RMF To take delivery of, process and develop local markets for the kerbside recyclables with a focus on creating local employment.	3.3 Increase in sales, at least	25%	5%
	3.4 Increase in number of created employment opportunities, at least	11	2

waste minimisation and disposal

Objectives for 2000/01	Performance Indicators	Actual	Target
5.1 Collection Operations To provide convenient residual refuse collection services to householders and businesses.	5.1 The level of public satisfaction with the refuse collection service as measured by the Annual Citizens' Survey, at least	84%	90%
6.1 Residue Disposal To review the Service Level Agreement for operation of transfer stations.	6.1 Service Level Agreement reviewed by	Revised contract implemented 1 December 2000	30 June 2001
6.2 Residue disposal To provide a landfill for disposal of residual waste operated in accordance with all consents and bylaws.	6.2 Targeted level of compliance of operations at Burwood Landfill with consent conditions	100%	100%
6.3 Solid Waste Planning Implementation of strategies identified in the Solid and Hazardous Waste Management Plan.	6.3 Progress towards targets on the Waste Management Plan, reported annually to the Council by	12 September 2001	30 June 2001
6.4 Solid Waste Planning To assist Transwaste Canterbury Limited in the RMA process to select and consent a new landfill.	6.4 Site identified and Resource Consent application lodged for a new Regional Landfill by	Preferred site identified with detailed planning continuing	30 June 2001

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Reduction	434	55	379	384	453
Resource Re-use Centres	271	0	271	272	229
Recycling	3,411	10	3,401	3,518	(174)
Resource recovery	1,378	525	853	626	635
Residual Disposal	12,394	7,331	5,063	4,992	3,769
Plans and Policy Statements	411	0	411	342	614
Waste Minimisation Fees	0	4,408	(4,408)	(4,666)	0
Cost of Service	\$18,299	\$12,329	\$5,970	\$5,468	\$5,526

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$12,329, Estimate 2001 \$12,152, Actual 2000 \$10,944.
Depreciation included is: Actual 2001 \$100, Estimate 2001 \$312, Actual 2000 \$210.

Refer Note 22.

water supply

Planning, operating and maintaining the City's water supply and distribution system, supplying high quality water to meet residential and business needs, and for firefighting purposes.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To provide a sufficient, reliable and cost effective supply of high quality water to the Christchurch community.	1.1 Residents satisfied with the value for money of rates spent on water supply services, at least	86%	90%
2. Operate and maintain the water supply system.	2.1 Headworks shutdowns resulting in loss of supply to customers for longer than four hours	Several shutdowns occurred as a result of October 2000 storm	Nil
	2.2 Unplanned Headworks shutdown incidents of less than four hours' duration.	Nil	Less than 10
	2.3 Reticulation shutdowns resulting in loss of supply for more than 4 hours.	14	Nil
	2.4 Quality of water tested meeting the public health requirements of the New Zealand 1995 Drinking Water Standards.	98.4% compliance with drinking water standards	100%
3. Undertake review of the Water Supply Asset Management Plan (AMP) including levels of service.	3.1 Water Supply AMP review completed by	Expected completion November 2001	30 June 2001
4. Respond and provide input to Environment Canterbury's (Ecan's) water chapter of the Natural Resources Regional Plan.	4.1 Input to Ecan's planning documents is provided on time following appropriate consultation by	30 November 2000	30 June 2001
5. Effectively respond to requests for water supply information or connection.	5.1 a) Maintain first contact action on general water supply information, related correspondence and enquiries, at least	100%	99% within 3 working days
	b) Commence investigation on specialist information requests, at least	100%	100% within 10 working days

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Plans and Policy Statements	565	0	565	664	221
Information and Advice	512	0	512	690	683
Consents and Applications	244	560	(316)	(428)	(413)
Supply of Water	11,303	2,306	8,997	9,460	10,139
Cost of Service	\$12,624	\$2,866	\$9,758	\$10,386	\$10,630

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$2,866, Estimate 2001 \$2,865, Actual 2000 \$2,621.

Depreciation included is: Actual 2001 \$4,978, Estimate 2001 \$4,794, Actual 2000 \$4,887.

Refer Note 22.

waterways and wetlands

The operation and/or maintenance of the stormwater collection system, waterway environments and flood control facilities together with associated water quality, biota and physical monitoring. Network includes 85 kilometres of rivers and streams, 18 pumping stations, 287 kilometres of waterways, 572 kilometres of stormwater drains and seven retention basins.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To develop programmes for the implementation of waterways and wetlands strategies.	1.1 To present and have approved a development programme that implements the protection and restoration objectives of the Waterways and Wetlands Asset Management Strategy by	Natural Asset Management strategy adopted by Council in October 2000	31 December 2000 across 14 project areas
2. Effectively respond to requests for waterways, wetlands and drainage information.	2.1 Action general waterways, wetlands and drainage information related correspondence and enquiries within three working days	Not formally measured due to systems changes. Sample survey indicates target was met	99%
3. Effectively respond to applications for service.	3.1 Process a) project information memoranda applications within two working days and b) land information memoranda within four working days	a) 96% b) 99%	a) 90% b) 90%
4. To maintain progress with implementation of the Asset Management Plans for waterways, wetlands and drainage.	4.1 Protect waterway margins by covenant, road stopping, reserve acquisition or land purchase, at least	1.3km	1km by 30 June 2001
	4.2 Produce new or improved access to, at least by	5	5 locations 30 June 2001
	4.3 Improve utility waterways by piping and naturalisation, at least	1.47km	1.5km by 30 June 2001
5. To contain, and where possible, reduce the costs of long term maintenance for waterways and wetlands at the agreed level of service.	5.1 Prepare a draft strategy for the long term maintenance management of restored waterways and wetlands margins which includes consideration of all values, costs and public safety by	Scope widened to all greenspace. Project continuing. Expected completion early 2002	30 June 2001

Statement Of Cost Of Services For The Year Ended 30 June 2001

	2001 Costs (After Internal Recoveries) \$000's	2001 Income \$000's	2001 Net Cost \$000's	2001 Estimate Net Cost \$000's	2000 Actual Net Cost \$000's
Operational Outputs					
Plans and Policy Statements	515	1	514	497	610
Information and Advice	1,316	14	1,302	1,162	1,095
Consents and Applications	262	88	174	200	256
Utilities Maintenance	4,259	79	4,180	3,898	3865
Waterways & Wetlands Maintenance	2,824	9	2,815	2,768	2986
Cost of Service	\$9,176	\$191	\$8,985	\$8,525	\$8,812

Notes (\$000's)

External Revenue included in Income is: Actual 2001 \$191, Estimate 2001 \$272, Actual 2000 \$384.

Depreciation included is: Actual 2001 \$2,183, Estimate 2001 \$2,189, Actual 2000 \$2,168.

Refer Note 22.

internal service providers

City Solutions

Statement Of Cost Of Services For The Year Ended 30 June 2001

	Costs 2001 Actual \$000's	Income 2001 Actual \$000's	Net 2001 Actual \$000's	Net 2001 Estimate \$000's	Net 2000 Actual \$000's
Consultancy Services					
Consulting Services	322	639	(317)	(150)	(334)
Allocated to Service Delivery Activities	\$322	\$639	(\$317)	(\$150)	(\$334)

Plant and Building Services

Statement Of Cost Of Services For The Year Ended 30 June 2001

	Costs 2001 Actual \$000's	Income 2001 Actual \$000's	Net 2001 Actual \$000's	Net 2001 Estimate \$000's	Net 2000 Actual \$000's
Operational Outputs					
Mechanical Services	0	0	0	0	(3)
Plant Hire Services	1,955	2,642	(687)	(580)	(726)
Building Services	209	53	156	0	(112)
Allocated to Service Delivery Activities	\$2,164	\$2,695	(\$531)	(\$580)	(\$841)

The Mechanical Services Section of the Council's Plant and Building Services Unit transferred to the Council's local authority trading enterprise (LATE) City Care Limited, on 1 December 1999. The Building Services section and the majority of the Plant Hire Services section of the unit transferred to City Care Limited on 1 December 2000.

Works Operations

Statement Of Cost Of Services For The Year Ended 30 June 2001

	Costs 2001 Actual \$000's	Income 2001 Actual \$000's	Net 2001 Actual \$000's	Net 2001 Estimate \$000's	Net 2000 Actual \$000's
Operational Outputs					
Contracting Services					
Council Units	0	0	0	0	1,845
CCC Lates	0	0	0	0	0
Public and Others	0	0	0	0	0
Allocated to Service Delivery Activities	\$0	\$0	\$0	\$0	\$1,845

The Council's Works Operations Unit transferred to the Council's LATE, City Care Limited on 1 December 1999.

city care limited

City Care Limited is a local authority trading enterprise, 100% owned by the Christchurch City Council. It was significantly expanded during the year by the transfer from the Council of most of the Plant Hire Services Section and the Building Services Section of the Plant and Building Services Unit. The company provides construction and maintenance services for most Council business units. City Care Ltd has benchmarked and renegotiated a number of former Plant and Building Services contracts. The Council retains control over the activities of the company through approval of the company's annual Statement of Corporate Intent.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To yield projected return by way of dividend.	1.1 Minimum projected dividend to shareholders	\$624,000	\$1,100,000
2. Achieve projected net profit.	2.1 Net profit after tax of	\$2,441,000	\$2,270,000
3. Maintain an appropriate capital structure.	3.1 Shareholders funds to total assets, at least	66%	79%



City Care staff working on the Prossers Road kerb and channel renewal and landscaping contract

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Revenue	44,281	30,000	24,347
Operating, Financing and Depreciation Costs	40,627	28,000	21,744
Net Profit Before Taxation	\$3,654	\$2,000	\$2,603
Tax Expense/(Benefit)	1,213	660	863
Net Profit After Taxation	\$2,441	\$1,340	\$1,740

NB: As the 2000/01 was a year of transition for the company, the formal targets for the predecessor company, Canroad Construction were not adjusted.

canterbury development corporation

Canterbury Development Corporation acts as the economic development arm of the Christchurch City Council, providing economic development and employment services.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Provide a range of support services for the region's small and medium sized enterprises (SME's) designed to enhance their ability to provide sustainable employment and economic growth.	1.1 Maintenance of a comprehensive directory of mentors available to assist SME's.	180	100 Mentors
	1.2 Refer SME's to providers of business support and assistance.	1,568	1,000 referrals
	1.3 Regular dissemination of details of tenders, purchase enquiries to appropriate local businesses on the Businesslink Database.	231 4,592	250 tenders 5,000 businesses listed
2. Provide support to the education sector that recognises the need to enhance the core competencies and skills of the 21st Century workforce.	2.1 Maintain existing and develop new partnerships between industry and education.	21 4	12 partnerships 4 teacher forums
3. Develop project initiatives that have potential to enhance the level of regional economic activity and employment including equity investment matching, technology commercialisation and attracting new business to the region.	3.1 Investors seeking equity are introduced to potential investors.	28	12 investors introduced
	3.2 Industry Cluster groups established to support technology transfer.	4	4 groups
	3.3 Presentations made to potential business relocations.	17	10 presentations
4. Production of current information on the region, its economy, infrastructure and quality of life.	4.1 Appropriate current promotional material available at all times.	100%	100%
5. Facilitate initiatives that enhance sustainability.	5.1 Contribute to initiatives that have a sustainable focus for the region.	3	3 initiatives
6. Provide a range of programmes of job assistance and job placements to help youth and other unemployed persons.	6.1 Contribute to job creation projects for unemployed people.	N/A - contract not renegotiated	10 projects
	6.2 Individually case manage young unemployed people.	2,004	2,000 young people
7. Support the infrastructure of community groups and agencies working with the unemployed to enhance the outcomes they achieve.	7.1 Contribute to the maintenance of community groups infrastructure.	33	20 groups

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
CCC Contract	3,409	809	809
Other Income	2,965	1,000	1,435
Total Income	6,374	1,809	2,244
Less Expenses	6,348	1,808	2,243
Surplus/(Deficit)	\$26	\$1	\$1

canterbury museum trust board

The Canterbury Museum Trust Board is established under the Canterbury Museum Trust Board Act 1993. Five local authorities are levied contributions to fund the ongoing activities of the Museum Trust Board. The Board composition includes four appointees from the Christchurch City Council. The Christchurch City provides 92% of the levies received by the Museum.

Statement of Objectives and Service Performance

Objectives for 2000/01

1. To progress towards a total new visitor experience through the public galleries.

Performance Indicators

- 1.1 Obtain funding and implement Stage I of the strategic plan for the multi-year project to revitalise the Museum visitor experience by

- 1.2 Increase in revenue earned from visitors, at least

- 1.3 Visitor numbers, at least

2. Improved customer focus and service.

- 2.1 Maintain visitor satisfaction rating with displays, exhibits and facilities in excess of

- 2.2 Increase visits from schools in the Canterbury region to at least

3. Corporate development to enhance staff's abilities to meet the above objectives.

- 3.1 Provide training and development opportunities for staff by

Actual

Application for \$8 million approved by Council.
Strategic plan revalidated

14%

540,943

Displays 87%
Facilities 76%

32,180 children

Training plan developed for all staff, specific individual requirements met within budget

Target

30 June 2001

10%

550,000

70%

35,000 children

30 June 2001



Peacock Fountain in the Botanic Gardens in front of the Canterbury Museum

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Costs	4,054	4,193	4,060
Less Levies	(3,128)	(3,128)	(2,829)
Less Income	(796)	(807)	(869)
Net Surplus/(Deficit)	(\$130)	(\$258)	(\$362)

canterbury technology park

A joint venture undertaken by three equal ($33\frac{1}{3}\%$) partners, Christchurch City Council, WestpacTrust Limited and Aoraki Corporation Limited. The joint venture has been developing land near Christchurch International Airport to facilitate the establishment and development of technology-based industries. After land sales are complete, it is anticipated that the Council's involvement will cease.

The latest building completed at the Park



Statement of Objectives and Service Performance

Objectives for 2000/01

1. Continue to progress the sale of remaining land to maximise the value to joint venture partners and their stakeholders.

Performance Indicators

- 1.1 Further land sales totalling at least

Actual

0.7 hectares

Target

0.8 hectares

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Actual 2000 \$000's
Income		
Land Sales	928	380
Interest Received	15	3
	<u>\$943</u>	<u>\$383</u>
Expenditure		
Opening Value of Land Held	358	449
Land Development and Sale Costs	29	42
	<u>387</u>	<u>491</u>
Less Closing Value of Land Held	162	358
Cost of Land Sold	225	133
Administration and Operating	40	22
Audit Fee	2	3
Management Fees	0	27
Promotion Expenses	2	5
Repairs and Grounds Maintenance	12	13
Legal Costs	6	8
	<u>287</u>	<u>211</u>
Net Surplus/(Deficit) Transferred to Partners' Capital Accounts	<u>\$656</u>	<u>\$172</u>

NB: Christchurch City Council has accounted for $33\frac{1}{3}\%$ of this profit using the proportionate method.

christchurch city facilities limited

Christchurch City Facilities Limited was incorporated as a local authority trading enterprise on 27 June 1997. The Company owns the Convention Centre land and building and the WestpacTrust Entertainment Centre buildings and improvements. It holds a lease of the Entertainment Centre land and the Town Hall.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To manage cash inflows and outflows to best advantage.	1.1 To achieve projected financial performance	\$3,002,000 Deficit	Nil surplus
2. To ensure financial accountability of the three venues which are under contract management.	2.1 The Company to report on its way of an Annual Statement of Corporate Intent, a half-yearly report and an Annual Report by	All information reported within required timeframes	30 June 2001



The Christmas Tree Festival at the Convention Centre

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Income			
Operating	8,406		9,220
Expenditure			
Operating and Other	(11,408)		(12,891)
Net Surplus/(Deficit) Before Tax	(\$3,002)	Nil	(\$3,671)
Provision for Taxation	0	0	0
Tax Paid Surplus/(Deficit) for the Year	(\$3,002)	Nil	(\$3,671)

christchurch city holdings limited

Christchurch City Holdings Limited is a wholly owned subsidiary of the Christchurch City Council formed for the purpose of holding investments in subsidiary organisations.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Achieve projected financial performance.	1.1 Pay dividends to the Council, totalling	\$24.2M*	\$30.3M
2. Meet other objectives in Statement of Corporate Intent.	2.1 Variances from planned objectives	No material variances	Nil

* Planned dividend payments were reduced by the amount of the unbudgeted subvention payments made to the Council.



Part of the control operation of the new Bus Exchange with a Red Bus Limited (a CCHL subsidiary company) bus in the background

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Interest Earned	14,086		15,090
Dividends	30,733		145,928
Other Income	419		349
Total Revenue	45,238	48,682	161,367
Interest Paid	7,795	9,976	7,395
Other	10,302	1,047	3,771
Total Expenses	18,097	11,023	11,166
Net Surplus	\$27,141	\$37,659	\$150,201

christchurch international airport limited

A private company jointly owned by Christchurch City Holdings Limited (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.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Achieve through service provision and promotion targeted aircraft, passenger and international airfreight movements.	1.1 Aircraft departures, at least Passenger movements, at least Tonnes of international airfreight movements, at least	41,248 4,344M 34,108 Tonnes	41,000 4.1M 38,000 Tonnes
2. Maintain acceptable safety standards.	2.1 Compliance with the standards and conditions issued by the C.A.A.	100%	100%
3. Achieve projected dividend payments.	3.1 Subject to Directors' recommendation, dividend payments of a minimum of 60% of after tax profit amounting to a payment of \$8.3M (CCC share equals \$6.2M).	61.3% and \$8.3M	60% and \$6.2M



Consolidated Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Revenue			
Operating Revenue	56,586		54,667
Interest Income	276		236
Total Revenue	56,862	57,595	\$54,903
Expenses			
Maintenance and Operating Costs	21,719	20,372	19,819
Financing and Interest Costs	5,635	5,692	5,420
Other	9,287	10,050	9,778
Total Expenses	\$36,641	\$36,114	\$35,017
Net Surplus Before Tax	20,221	21,481	19,886
Taxation	6,685	7,089	6,658
Net Surplus After Tax	\$13,536	\$14,392	\$13,228

jade stadium limited

Jade Stadium Limited was formed in June 1998. It is the wholly owned subsidiary company to which Christchurch City Council has transferred the responsibility to undertake the development and management of Jade Stadium and the activities associated with those facilities.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Manage the redevelopment contract.	1.1 Complete the South Stand within budget estimates by	31 July 2000	31 July 2000
	1.2 Commence construction on the West Stand and ensure it is on schedule to meet the programmed completion date by	Commenced and on target	30 June 2001
2. Manage the business within budget.	2.1 Revenue, expense and capital expenditure no worse than	All within approved variations to budget	Budget adopted 30 June 2000
3. Fulfil all contractual obligations.	3.1 Substantiated complaints of breaches of any contract	Nil	Nil
4. Achieve targeted level of owner's equity to total assets.	4.1 Ratio of Shareholders' Funds to Total Assets, no less than	10.2% at 30 June 2001	10%



Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Actual 2000 \$000's
Income		
Stadium Income	1,563	1,423
Interest	29	157
	<hr/> 1,592	<hr/> 1,580
Expenses	2,811	1,737
	<hr/> 1,219	<hr/> 157
Net Deficit for the Year Before Tax		
Taxation Expense	0	0
	<hr/> \$1,219	<hr/> \$157
Tax Paid Deficit for the Year		

lyttelton port company limited

A company established under the Port Companies Act 1988 operating the Port of Lyttelton. Through Christchurch City Holdings Limited, the Christchurch City Council has 65% control. The Company provides services for receiving and despatching to and from the Port a wide range of products, facilities for the berthage, repair and servicing of marine vessels and owns land and facilities necessary to maintain its commercial assets.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Achieve projected financial performance.	1.1 Dividend policy is to pay 50% of tax paid profit	76%	50%
2. Achieve projected port throughput.	2.1 Containers at Lyttelton Container Terminal (in TEUs*), at least	119,400 TEUs	121,000 TEUs
	Other International Containers (TEUs), at least	13,200 TEUs	14,000 TEUs
	Fuel, at least	999,000 tonnes	1,015,000 tonnes
	Coal, at least	1,669,000 tonnes	1,385,000 tonnes
	Car (units), at least	43,500	41,000
	Other Cargoes, at least	1,286,000 tonnes	1,180,000 tonnes

* TEUs - Twenty foot equivalent units



Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Actual 2000 \$000's
Revenue	58,255	58,069
Net Surplus Before Tax	20,609	22,045
Less Taxation	(6,952)	(7,188)
Net Surplus After Taxation	\$13,657	\$14,857

orion group limited

Orion Group Limited is a national energy network management company in which the Christchurch City Council has an 87.6% shareholding through Christchurch City Holdings Limited.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Achieve projected overall financial performance.	1.1 Net after tax profit excluding abnormals, to average owners' equity (based on revalued ordinary owners' equity of \$444 million) for year ending 31 March 2001, at least	11.1%*	6.7%
	1.2 Dividend payments for year ending 31 March 2001		
	- Total	\$28.8M	\$27.0M
	- CCHL Share	\$25.2M	\$23.7M
	1.3 Interest payments on subordinated optional convertible notes paid	\$11.247M over 4 quarterly due dates	On time in full
	1.4 Return ordinary share capital to shareholders	Delayed awaiting binding tax ruling	\$90 million according to SCI forecasts

Construction work on Orion's upgraded Armagh Street substation that was completed in 2001



Consolidated Statement of Financial Performance for the Year Ended 30 June 2001

	Group Actual 2001 \$000's	Group Estimate 2001 \$000's	Group Actual 2000 \$000's
Operating Revenues	400,383	338,000	272,903
Operating Surplus Before Taxation	262,632	238,950	55,209
Less Taxation Expense & Subvention Payment	(11,772)	(18,000)	(25,073)
Operating Surplus After Taxation	250,860	220,950	30,136
Less Tax paid Net Surplus Attributable to Minority Shareholders of Subsidiary Companies	-	50	-
Less Associates Losses/Plus Associate Profits	(359)	-	295
Net Surplus - Parent Company Shareholders	\$250,501	\$221,000	\$30,431

* Calculation excludes the \$209 million profit on the sale of its North Island gas distribution network.

red bus limited

A local authority trading enterprise, 100% owned by Christchurch City Holdings Limited. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Operate a profitable, sustainable and innovative business in providing public transport and ancillary services.	1.1 Passengers carried for the year, at least	7,310,000	7,000,000
2. Achieve targeted return on investment.	2.1 Pre-tax return on investment of	18%	15%
3. Achieve projected net after tax profit.	3.1 Net after tax profit of	\$1,078,000	\$812,000



Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Revenue	16,601	14,607	15,521
Expenditure			
Operating	(14,672)	(13,395)	(13,462)
Subvention Payments	(563)	(400)	(526)
Net Surplus Before Taxation	1,366	812	1,533
Taxation Expense	288	0	248
Net Surplus After Taxation	\$1,078	\$812	\$1,285

recovered materials foundation

The Recovered Materials Foundation (RMF) is contracted to the Council to promote and facilitate the further development of refuse and recycling of waste. It is an independent non-profit trust established to develop sustainable and viable markets for waste materials. The RMF Board is comprised of two city councillors, and representatives from the Canterbury Development Corporation, Canterbury Employers Chamber of Commerce, Canterbury Manufacturing Association and local recycling businesses.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1.1 Reduction To further develop the Target Zero Regional Network from industry organisations, CCC, Ecan and environmental groups to promote commercial waste minimisation. To provide waste minimisation advice and motivation to the business sector and to continue waste minimisation programmes within City Council operations.	1.1 Reduction (a) Target Zero Regional Network established and Business Plan written by (b) Demonstration programmes completed (c) Percentage of targeted businesses who have implemented some form of waste minimisation, at least	Not achieved - revised approach followed with representative organisations (Manufactures Association, Retail Merchants Association etc) 2 Measurement processes in place did not enable this to be accurately measured	30 June 2001 2 10%
2.1 Reuse To assist the RMF implement their business plan for improved operations of the new refuse station drive through recycling centres and recycling supermarket.	2.1 Reuse (a) Tonnage diverted from landfill (b) Employment opportunities created by new operations	Measurement systems only put in place in April 2001 20	No target set - new measures
3.1 Recycling To advance the sustainable use of recyclable materials by collecting and delivering sorted uncontaminated kerbside recyclable materials to the Recovered Materials Foundation.	3.1 Recycling Delivery of sorted newspaper, glass, plastic and metal cans to the Recovered Materials Foundation with number of complaints about contamination no greater than	Complaints system was reviewed resulting in the replacement of the previous system but this has only recently been put in place	12
3.2 Recycling To continue the advertising campaign to promote the kerbside recycling service in a way that also promotes the Reduce, Reuse, Recycle waste minimisation hierarchy, and minimises contamination levels.	3.2 Recycling Raise level of public awareness of the Waste Minimisation hierarchy and the need for clean, sorted recyclable material as measured in the annual citizens' survey.	Not formally measured but quantities of clean material put out for recycling have increased	No target set - new measure
3.3 Recycling - (RMF) To take delivery of, process and develop local markets for the kerbside recyclables with a focus on creating local employment.	3.3 Recycling - RMF (a) Sales levels growth of, at least (b) Number of employment opportunities created increased by, at least	25% 11	5% 2

recovered materials foundation

Objectives for 2000/01	Performance Indicators	Actual	Target
4.1 Resource Recovery To manage the compost plant in accordance with the management plan, resource consent and budget and to achieve the outputs in the compost facility business plan.	4.1 Resource Recovery Achievement of the outputs in the 2000/01 Business Plan, by	All quantitative targets exceeded. Other targets were either met or partially met.	30 June 2001
4.2 Resource Recovery To make further progress on developing links with potential partners for an enclosed composting plant and to research feedstocks for the plant.	4.2 Resource Recovery Relationship established and proposals reported to the Council by	Revised approach followed. Request for tenders issued 8 June 2001.	30 June 2001
5.1 Collection Operations To provide convenient residual refuse collection services to householders and businesses.	5.1 Collection Operations Percentage of residents satisfied with the refuse collection service as measured by the annual survey.	84%	90%
6.1 Residue Disposal. To review the service level agreement for operation of transfer stations.	6.1 Residue Disposal Service Level Agreement reviewed by	Revised contract implemented 1 December 2000	30 June 2001
6.2 Residue Disposal To provide a landfill for disposal of residual waste operated in accordance with all consents and bylaws.	6.2 Residue Disposal Violation of Burwood consent conditions	Nil	Nil
6.3 Solid Waste Planning Implementation of strategies identified in the Solid and Hazardous Waste Management Plan.	6.3 Solid Waste Planning Progress towards targets on the Waste Management Plan, reported annually to the Council by	12 September 2001	30 June 2001
6.4 Solid Waste Planning To assist Transwaste Canterbury Ltd in the RMA process to select and consent a new landfill.	6.4 Solid Waste Planning Site identified and Resource Consent application lodged for a new Regional Landfill by	Preferred site identified with detailed planning continuing	30 June 2001

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's
Income		
Material Sales	2,131	1,059
Environment Canterbury Grant	13	13
Christchurch City Council Grant	1,463	1,113
Total Revenue	3,607	2,185
Expenditure		
Administration	156	110
Site Operations	1,390	908
RMF Service Functions	883	1,127
Total Expenses	2,429	2,145
Net Surplus Before Taxation	1,178	40
Taxation	0	0
Net Surplus After Taxation	\$1,178	\$40

riccarton bush trust

Riccarton Bush Trust manages a 6.373 hectare native bush remnant gifted to the people of Canterbury in 1914. The Trust manages Riccarton House and its 5.41 hectare of grounds including Deans Cottage, the first house built on the Canterbury Plains. Incorporated under a 1914 Act of Parliament, the Riccarton Bush Trust has powers to levy the Christchurch City Council for funding to maintain and operate the Riccarton Bush, Riccarton House and its grounds. The Christchurch City Council appoints six of the nine members on the Trust Board.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To protect, enhance and make accessible the lands described as 'Riccarton Bush' within the Act.	1.1 Conserve and enhance the property in complete accordance with the Act and the Management Plan	On-going	On-going
2. Remove exotic plants and invasive <i>Hoheria Sexstylosa</i> from the Bush & re-establish/replant native species.	2.1 Staged programme in place for plant removal and replacement with native species	On-going programme	No target set in Annual Plan
3. Provide further information panels, displays and brochures for visitor and educational use.	3.1 To be completed in stages by	31 December 2000	31 December 2000
4. Establish joint venture "Learning Outside the Classroom" programme with Canterbury Museum.	4.1 To commence by	31 July 2000	31 July 2000
5. Establish exterior planned maintenance programme for Riccarton House.	5.1 To commence by	30 April 2001	31 October 2000
6. Period furnishing of selected rooms already restored and decorated.	6.1 Continuous programme to	30 June 2001	30 June 2001
7. Restore Riccarton House 1900 domestic wing and recreate period style attraction.	7.1 To be completed by	30 June 2001	31 December 2000
8. Design and begin installation of historical interpretation exhibition within the first floor bedroom wing gallery.	8.1 Design completed by Installation continues to	30 September 2000 30 June 2001	30 September 2000 30 June 2001
9. Complete stage 3 - landscape plan.	9.1 Completed by	31 May 2001	31 May 2001
10. Improve house ground planting integrity and recreate features and period visitor attractions.	10.1 Continuous programme until	30 June 2001	30 June 2001

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Costs	276	198	248
Depreciation	39	2	33
Total Expenses	315	200	281
Less Income	71	65	102
Deficit before Levy & Grants	244	135	179
Less Levy and Grants	235	235	335
(Deficit)/Surplus on Operations	(\$9)	\$100	\$156

selwyn plantation board limited

A company engaged in forestry related activities, jointly owned by Selwyn District Council (61%) and the Christchurch City Council (39%). Land area is 13,689HA, of which 10,455HA is stocked.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. Continue the scheduled planting programme.	1.1 Plant by 31 March 2001, at least	481ha	500ha
	1.2 Wood produced by 31 March 2001, at least	139,917 Tonnes	153,000 Tonnes
	1.3 To prune and thin, at least	271ha	200ha
2. Achieve projected financial performance.	2.1 Debt equity ratio, no more than	0%	40%
	2.2 Net profit before tax, at least	\$2,522,000	\$2,454,000
	2.3 Earnings before tax as a percentage of paid up capital, at least	9.7%	9.4%
3. Achieve projected dividend payments.	3.1 Annual dividend as a percentage of net profit after tax, at least	107%	60%



Trees planted by Selwyn Plantation Board Limited in Bottle Lake Plantation

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Estimate 2001 \$000's	Actual 2000 \$000's
Operating Income	8,296	5,150	5,367
Operating and Other Expenditure	5,774	4,250	4,431
Net Surplus for the Year Before Tax	2,522	900	936
Provision For Tax	415	0	(516)
Tax Paid Surplus For The Year	\$2,107	\$900	\$1,452

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. All activities to date have been in accordance with those purposes. As at balance date, the Company was engaged in the site selection process. The Company is a joint venture between local authorities in the region and two private companies. The Council's share of the ownership of the company is 37.85%.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To identify and purchase a suitable site, and carry out site evaluation and testing procedures in accordance with accepted standards.	1.1 Suitable site, identified and purchased by	Site selection progressing	30 June 2001
2. To be a responsible Corporate Citizen by acting lawfully and fairly.	2.1 Compliance with contractual arrangements	100%	100%
	2.2 Compliance with all relevant and regulatory requirements	100%	100%



One of the Onyx trucks used to perform domestic refuse collection

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Actual 2000 \$000's
Income		
Operating	0	0
Expenditure		
Other	301	331
Net (Deficit) For The Year Before Tax	(301)	(331)
Provision for Taxation	0	0
Tax Paid Surplus/(Deficit) For The Year	(\$301)	(\$331)

travis finance limited and subsidiaries

Travis Finance Limited is a local authority trading enterprise, 100% owned by the Christchurch City Council. The Company was incorporated in July 1996 as a financing vehicle for the purchase of two pieces of land. One is being transformed into the Travis Heritage Park, and the other is adjacent to Bottle Lake Forest Plantation.

Statement of Objectives and Service Performance

Objectives for 2000/01	Performance Indicators	Actual	Target
1. To achieve projected financial performance.	1.1 Limit the net loss to no more than	\$166,541 surplus	Nil



The new central wildlife pond in Travis Wetland Nature Heritage Park

Statement of Financial Performance for the Year Ended 30 June 2001

	Actual 2001 \$000's	Actual 2000 \$000's
Operating Income	755	746
Operating and Other Expenditure	(588)	(745)
Net Surplus/(Deficit) for the Year Before Tax	167	1
Provision for Tax	0	0
Surplus For The Year	\$167	\$1

ccc equal employment opportunity policy

Giving Value - Being Valued

(Reference to the Local Government Amendment Act No. 2 1989 Section 119H)

Management Plan for Equal Employment Opportunities 2000/2001

The EEO Consultative Committee shall:

- 1.1 Review its Team Value Statement.
- 1.2 Pursue results as identified in its Team Value Statement.

Specific Actions:

1. EEO Consultative Committee Role, Structure, Membership, Term

- 1.1 Monitor the Committee's role, structure, membership and term on an annual basis.

2. Recruitment and Selection

- 2.1 Review Job Value Statements.
- 2.2 Review by December 2000 brochure and additional information on Retirement after 1999.

3. Training and Development

- 3.1 Continue to conduct EEO Workshops on EEO principles and the Christchurch City Council EEO Policy for all staff.
- 3.2 Review in December 2000 the effectiveness of the EEO workshops.

4. Equal Employment Opportunities Review of the Organisation

- 4.1 Update on the employment profile of the Council's staff from an EEO perspective.
- 4.2 Invite staff from target groups to raise EEO issues and/or strategies related to their target group in focus groups or individually.
- 4.3 Follow up with issues or recommendations from focus groups or individuals.
- 4.4 Review and follow up results of EEO related questions in organisation climate survey with HR Advocates.
- 4.5 Follow up with recommendation from results with HR Advocates.
- 4.6 Work in partnership with other staff groups on Workforce Diversity and Work and Family initiatives.

5. Communication and Promotion

- 5.1 Continue to review in May 2000 the strategy for the communication and promotion of EEO in Council.
- 5.2 Review in December 2000 the brochure that outlines the steps involved when EEO representatives are contacted.

5.3 Facilitate Target Group Networks.

- Target group representatives to provide the opportunity for the development of networks.
- Target group representatives to report back quarterly to committee meetings and to the monthly working party meetings.

5.4 Facilitate HR best practices as identified in the EEO vision for the years 2003/5.

As identified in the EEO Consultative Committee Management Plan the following have been achieved:

- Committee's role, structure, membership and term have been reviewed.
- All target group networks have been established and are working through the organisation.
- The EEO Working Party met on a monthly basis and received feedback from target group representatives as necessary. Were also responsible for progressing identified EEO projects.
- The EEO Consultative Committee met quarterly. Target group representatives reported issues raised by their members.
- All Job Value Statements continued to be monitored to ensure alignment with the principles of EEO.
- EEO Review of Performance System and Practices were ongoing.
- EEO Workshops continued to be conducted quarterly on EEO principles and the Christchurch City Council EEO policy for all staff.
- The strategy for communication and promotion of EEO within the Christchurch City Council have been reviewed with the emphasis on the need to keep staff aware of EEO issues and initiatives being undertaken by the EEO Committee.
- EEO, Harassment, and Retirement After 1999 brochures have all been reviewed. Some changes will be made.
- Harassment Prevention Workshops have been attended by the majority of staff.
- Profile on Council's salaried women staff is ongoing.
- Profile Employment Statistics – full time and part time employees, older aged workers, team leaders.
- Workforce Diversity and Work and Life projects are ongoing.