

annual report highlights

Report for the year ended 30 June 2002

This Annual Report provides an opportunity for the Council to give account of what has been achieved during the year ended 30 June 2002. It enables the community to judge the Council's performance in achieving the objectives set out in its 2002 Plan.

Christchurch – A Great Place to Live

The Council believes Christchurch is a great place to live and work. They are aware that citizens are also proud of the city and that most contribute personally, as well as collectively, to our community. The 2002 survey of public opinion, carried out for the Council, indicated that 93 per cent of citizens are 'satisfied' or 'very satisfied' with Christchurch as a place to live, work and spend spare time. This continuing high level of satisfaction is particularly pleasing, as many commentators suggest that, as a society, our expectations are steadily rising.

Central City Revitalisation

Work has continued on this Mayoral initiative following Council adoption, in March 2001, of a vision and framework for revitalising the Central City. A number of success stories have already been achieved; a 25% increase in Council's off-street parking as a result of the introduction of free one hour parking, near completion of redevelopment of two inner-city retail sites integrated with Council car parking, completion of heritage precinct work on High Street, streetscape/public space improvements, liaison with private developers on projects to increase residential and business activity, and meetings with central city resident groups to outline their priorities. In addition the Council purchased the Turners and Growers site in the east side of town to be redeveloped as a new public park, and, in concert with the private sector, as a residential/mixed-use block.

Leisure

QE II Park was built specifically for the 1974 Commonwealth Games and is a recreational and athletic icon for Christchurch and New Zealand. Today the facility's usage ranges from family recreation to world-class sport performance and development. The facilities the Council makes available to the City have continued to develop with the new 50 metre, 10 lane pool opening in January 2002 as the first major part of the redevelopment of QEII. In addition the athletic track in the QEII stadium was replaced in December 2001 with a high quality Mondo surface that rivals any other track in the world.

The Atlantis themed leisure pool that opened on 8 August 2002 is New Zealand's largest indoor wave pool. It includes an unrivalled water fantasy world - great for a full day of family entertainment. The leisure pool area includes a 40m wave pool, lazy river, vortex, bubble pools and children's play zone complete with a boat.

There is also a learn-to-swim pool, two spa pools, sauna, steam room and poolside café.

Usage of the Council's leisure facilities continues to grow. Centennial Leisure Centre catered for around 100,000 more visitors than was anticipated when the facility was designed. At Pioneer Leisure Centre learn-to-swim activities have developed to the point where they generated over 20,500 visits to the pool, despite the facility not being designed for learn-to-swim activities. The addition of the pool at Pioneer Leisure Centre is also having a positive effect on usage of the stadium with numbers up nearly 15%.

The redevelopment of English Park was completed in May 2002 with a new 500 seat grandstand with lounge and offices to be leased to Mainland Soccer (formerly Soccer Canterbury) of New Zealand Soccer. The development also includes community facilities and a new cycleway and pedestrian link of benefit to the St Albans' community well in to the future.

Christchurch has successfully hosted eight international sporting events during the year including the FINA World Masters Swimming Championships which brought around 1900 participants to the City, generating an estimated \$7.75 million of spending within the greater Christchurch economy. The future looks bright for more international competitions with a further six event bids outstanding, including the successful bid to host the World Softball Championships in 2004.

TV2 Kidsfest celebrated its 11th birthday by attracting in excess of 60,000 spectators and participants with visitors taking part in an amazing array of activities and performances. The festival also expanded geographically as a result of a partnership with Waimakariri District Council.

SummerTimes continues to be a perennial favourite with the ASB's Starry Nights, in its second year, developing to a point where it attracted over 30,000 people. Rick Armstrong Motors' Classical Sparks also attracted 100,000 people. Few cities in the world would have almost a third of its population attending a festival event.

Four new recreation programmes for older people were developed (St Albans bus trips, Hei Hei Gentle Exercise Programme, Ascot Sit 'n Be Fit and Ascot Leisure Club.)

The KiwiAble programme, for people with disabilities, also saw a large increase in numbers due to the popularity of the new movement and dance and drama courses.

The Council's Arts policy and strategy was completed during the year providing the direction for arts related work across the Council.

A number of exciting art activities were also initiated including 'Gridlocked,' that used empty city retail space to

mount exhibitions of local artists' work, and 'Art Beat' that involved Christchurch artists opening the doors to their studios and inviting the public to come to view them at work.

Aranui Community Renewal

The partnership formed in late 2000 between the Council and Housing New Zealand Corporation has blossomed into a three-way partnership, with the Aranui community joining the process. Through a series of public meetings, focus groups and community discussions, the issues facing Aranui have been identified and prioritised by the community. Housing New Zealand has demolished several obsolete units, construction of new units has commenced, and Wainoni Park playground improvements are underway. In addition to these more visible priorities, three other working groups, Health; Employment and Training; and Facilities and services for Family, Youth and Children, are being led by Council staff, Housing New Zealand Corporation staff, and other agencies and community groups.

Heritage Buildings

Our City O-Tautahi, the former Municipal Chambers, was designed in 1885 by architect Samuel Hurst Seager as the Civic Offices, and is the only purpose built home the Council has had. In its new use as Our City O-Tautahi, it provides a space designed to inform and educate citizens and visitors about the City's environment, and past, present and future developments. Exhibitions, displays and seminars held at Our City O-Tautahi encourage the exchange of ideas and knowledge about urban development and environmental issues.

The year has been one of a continuation of a number of significant heritage projects that have seen considerable financial investment by the City Council. These have included the restoration of Warners Hotel, the Star and Lyttelton Times buildings and the seismic strengthening of Christchurch Cathedral and the Stone Towers of the Canterbury Provincial Government buildings. Progress has also been made to ensure the retention and restoration of the Old Saddlery building which, with the Bush Inn, are the last remaining early commercial buildings at the western end of Riccarton Road.

The use of Conservation Covenants to protect heritage buildings in perpetuity has gained considerable impetus this year with a number of covenants being registered including 'Hatherley' in Gleneagles Terrace, 'Victoria Chambers', the commercial building at 759 Colombo Street and the Church of St Mary, Heathcote.

In addition the Council approved a new policy for non-listed heritage covenants which provides for the recognition of important places of community interest in Christchurch.

The first to be considered and approved by the Council was for the house, studio and garden of William Sutton, the eminent New Zealand painter.

The issue of the heritage values of the Taylors Mistake baches was addressed by the Environment Court with a Reference to the City Plan. The Court endorsed the importance of the baches which, while not included in the heritage listing of the City Plan, nevertheless have heritage value due to their community and social significance.

City Streets

There has been ongoing planning for improvements to a number of the major roads in and around the City. This work has included applying for the designation for the new section of road to link Blenheim Road at Mandeville Street more directly to Moorhouse Avenue, further study and consultation on options for an improved northern access to the City, planning for the new southern motorway and planning for four laning of Russley and Carmen roads.

Work started on the third and final stage of the Woolston-Burwood Expressway between Wainoni Road and Bexley Road at Birch Street. This will complete a high quality ring road on the eastern side of the City and should assist in removing heavy vehicles from many residential streets in the eastern suburbs.

Routine work during the year included 17.1 km of kerb and channel being renewed with 19.2 km created. Footpaths continued to improve and increase with 102.4 km renewed and 19.2 km of new footpath added to the asset base.

The resource consents for upgrading Fendalton Road were finalised and late in the year tenders were called for the construction work. The road works, which were first proposed over 40 years ago, involve changing the road between the railway and Clyde Road from two lanes to four. The new road will include a landscaped median, cycle lanes and visitor parking among the existing trees where possible. The work is planned for completion in November 2003.

During the year the Council obtained formal approval from the Land Transport Safety Authority for the trial 40km per hour school speed zones installed two years ago. These can now be installed at more schools as funding permits. This Christchurch initiative is being adopted by many other cities in New Zealand.

City Housing

During the year, City Housing's tenants from all complexes were interviewed. The purpose was to find out how satisfied tenants are, and to identify ways in which the Council can improve the housing complexes and services it provides.

Key results of the survey indicated that 93% of respondents consider their complex was 'satisfactory', 'very good' or 'excellent'. When asked about their individual units, 94% of the tenants said it 'satisfactory', 'very good' or 'excellent'; 21% said they liked everything about their unit, 15% said it was warm and insulated, and 14% said it was compact.

The main aspects that respondents liked about their housing complexes were their convenient locations, friendly neighbours and pleasant settings: 31% said there was nothing they disliked. 18% said they disliked neighbours who were noisy or inconsiderate and 17% said that the gardens needed more attention.

When asked what tenants disliked about their specific unit, 33% described a particular feature, 12% said a lack of storage space and 32% said there was nothing they disliked.

Libraries

Christchurch City Libraries continued to make it easy for customers to access information from wherever they happen to be - at work, home or school. Using call centre technology the library centralised its phone, fax and email services so that customers have just one place to access their library account or have their questions answered. Information questions are answered using the range of subscription databases such as electronic encyclopaedias, magazines, newspapers, and specialist reference sources. The service will shortly be extended to provide internet-based questions and answers in real time. Customer satisfaction with the service has been outstanding and the Library has won the Technology Category of the 2002 New Zealand Post Management Excellence Award for the project, and is short listed in the Library Association's 3M Award for Innovation.

Christchurch City Libraries received recognition for its leadership development programme in the HR Initiative of the year awards for 2001, winning the Southern Regional Award in the category of influence and change.

Promotion of the Library's electronic resources to schools is just one of the initiatives which has resulted in increased use of the Library's web and catalogue services. Internet page views have increased by 42% and external access to the Library's catalogue has increased 28%.

The refurbishment of the Central City Library was completed and the improved seating, layout and ambience has been welcomed by customers and staff alike. Lounge areas on each floor offer comfortable areas for browsing books and magazines. A business and computing area, the Nga Pounamu Maori area, a seminar and training room and improved facilities for research are all features of the improved facility. The Central City Library building was 20 years old in 2002.

The design of the new South Christchurch Library, Service Centre and Community Learning Centre was discussed with the community in September and October 2001 with the concept design approved by Council in December 2001. The design incorporates significant energy saving and sustainable features. Heating and cooling systems utilise water as the energy source. No air-conditioning means that doors can be opened to sun decks. Materials have been selected to have minimum impact on the environment and a café is included in the library space. The learning centre, a joint venture with the Ministry of Education, is aimed mainly at primary school age children, providing information technology facilities not usually available to primary schools.

Construction will commence in late 2002, opening in mid 2003.

Following an approach by Riccarton High School, the Council has committed itself to building a joint school/community library on the Main South Road boundary of the school. This exciting initiative will be the first of its kind in

urban New Zealand and is scheduled to be completed in December 2005.

Art Gallery

Collections

During the year, major conservation and replication of historical collection frames continued on schedule.

Amongst the purchases of art works were substantial numbers of etchings by A J Rae and expatriate artist Eleanor Hughes, which greatly advanced the representation of these artists in the collection. Of the 208 items acquired by gift, there were 13 significant works from a major bequest from the R Frank White estate, including an internationally important oil on canvas by Henri Fantin-Latour.

Work began cataloguing the collection of over 10,000 items for the new Christchurch Art Gallery Reference Library and Archives.

Exhibitions

With the ceremonial closing of the Robert McDougall Art Gallery's doors and a blessing on Sunday 16 June 2002, the present building's 70-year role as haven for the City's art collection drew to an end. The final weekend, attended by thousands of well-wishers, was tinged with nostalgia, but also excitement, as this milestone signalled the beginning of the final phase in the new Christchurch Art Gallery project.

The five final exhibitions at the Robert McDougall Gallery included the biennial *Sculpture in the Gardens*, and *Parts* - a collection-based show that tested different display and interpretation concepts in preparation for new Gallery exhibitions. Despite the Gallery's temporary exhibition programme having effectively ceased, annual attendance actually exceeded the target by 7.6% (actual 199,105 : target 185,000)

Gallery staff began preparations for 30 new exhibitions for the period 2003-05. One international, two national, three regional, and three collection-based exhibitions were confirmed for the new Gallery's opening in April 2003. Planned highlights include a superb exhibition titled, *'The Allure of Light: Turner to Cézanne' - European Masterpieces from the National Gallery of Victoria*.

Amongst the community programmes, a highlight of the year was *Canterbury Art on Tour*, a programme developed in association with the Centre of Contemporary Art, which featured original artworks and didactic material, and was toured to seven secondary schools.

New Christchurch Art Gallery

The project remains on target for completion within the budgeted cost of \$39.89 million. The building contract is expected to be completed in late November as planned, to enable occupation and fit out by the Gallery in time for the opening in April 2003.

Work is also underway on the sculpture garden and placement of major art works on the outside of the building and its grounds. A major feature is the dramatic work *Reasons for Voyaging* by Christchurch artist, Graham Bennett in

partnership with David Cole, principal architect from the Buchan Group.

Economic Development and Employment

The Canterbury Development Corporation (CDC) contracts with the Council to develop and deliver a range of services in the areas of economic development, business support, education, employment creation and community initiatives.

More than 2400 businesses received advice and assistance in the form of referrals to other agencies, business education training and mentoring, while over 2700 businesses registered with the BIZ training programme. 1500 businesses used the one-to-one assessment service, 1200 attended BIZ workshops and 400 utilised the follow-up coaching service.

A review of the successful BIZ "Hi Tech Launch Pad" programme showed that of companies attending, 74 % increased their turnover, 54% increased their staff numbers and 44% successfully developed export markets.

During the year Cii (Canterbury Innovation Incubator) successfully secured six high technology company tenants and a further \$200,000 of funding support from Industry New Zealand. Negotiations were successfully concluded to locate an annex of the leading edge Seattle Human Interface Technology Laboratory (HIT Lab) in Christchurch. The HIT Lab opened in May 2002 at Canterbury University. A leading edge education development laboratory has also been successfully attracted to Christchurch and is expected to open in the next few months.

Overseas businesses and investors continue to show strong interest in trade and investment opportunities in Canterbury with CDC hosting 14 delegations to the city while in excess of 50 individuals and companies sought and received information on business and investment opportunities in the year.

Approximately 10,000 students attended the CDC Careers Expo in May. The school industry partnership programme continued to successfully bring together secondary schools and businesses. Ministry of Education funding was renewed during the year to aid the transition from school to work.

During the year CDC also played a leading role with Burnside High School in the establishment of the Christchurch Computer College. CDC continues to support six schools under its Schools' Employment Programme which focuses on the post-education needs of Maori and Pacific Island students.

The new 'Moving On' initiative has enabled the future intentions of over 1200 school leavers to be tracked and appropriate support and assistance provided where required.

Actionworks, CDC's youth employment service, in partnership with the Ministry of Social Development, continues to individually case manage over 2000 young job seekers with the challenge of ensuring that all 18 and 19 year olds are either working or in further education and training.

Other employment initiatives included the continuation of

the successful Adult Community Employment Scheme (ACE) which placed over 200 unemployed people into community agencies and organisations who provide 6 month work placement opportunities in return for a subsidy payment. Over 60% of these people moved into full time employment in the past 12 months making ACE the most successful employment programme in the country.

During the year CDC signed a Memorandum of Understanding with Te Runanga O Ngai Tahu recognising the potential of Maori economic development and employment aspirations and signalling CDC's willingness to assist the Iwi with its goals in these important areas.

City Plan

The Council has been working steadily on resolving references (appeals) lodged in respect to the Proposed City Plan. Some have been heard by the Environment Court, which had released seven decisions as at 30 June. Of the 400 references lodged, over half have been resolved with the majority of references being settled by negotiation.

Christchurch Wastewater Treatment Plant

A contract was let to Daniel Smith Industries for \$5.62m for the second pair of four clarifiers for the Christchurch Wastewater Treatment Plant upgrade. There are several significant elements of work to be completed before the plant upgrade is finished, such as oxidation pond modifications, tank covers and sludge lagoon modifications.

A new resource consent for the discharge of sewage effluent to the Estuary was granted by Environment Canterbury for five years with UV sterilisation required to be installed within two years. The consent was appealed as a holding position while the Council decided whether to pursue a longer consent to discharge to the Estuary or whether to prepare for another resource consent application for an ocean pipeline discharge.

New technology, the HotRot composter, was purchased for the Plant for \$620,000 to process sewage screenings instead of simply dumping them into the landfill.

Solid Waste

In May 2002, Environment Canterbury granted a new resource consent for Burwood Landfill out to May 2005. Objections to this have been lodged by two parties. A resource consent application was lodged by Canterbury Waste Services in April 2002 on behalf of the eight Transwaste Canterbury Ltd shareholders for the new joint venture regional landfill at Kate Valley. The earliest likely date for opening is in late 2004, though this opening date could be delayed until 2005.

In October 2001 the kerbside recyclables collection service provided by Onyx was extended to include number two grade plastics (eg, household cleaners and drink containers) plus mixed paper such as magazines, office paper and breakfast cereal packets.

Adjacent to the Parkhouse Refuse Station, two parcels of land, totalling 1.5ha, were strategically purchased for a total of \$1.13m, to provide potential rail access and additional space for future waste minimisation activities.

Parks and Waterways

Christchurch has long been known as the Garden City and significant progress on planning strategies and initiatives are aimed at strengthening this image. They include the following:

Park Terrace Avon River Corridor Landscape

In April 2002, the Parks Gardens and Waterways Committee approved a landscape plan for the Central City icon of the Park Terrace willows and riverbanks. The strength of the landscape character of the area was found to be its simplicity. After wide consultation, a plan was completed to sustain the large willow landscape. Native grasses plantings are also to be carried out on the Hagley Park side of the riverbank.

Heathcote Valley Park

Heathcote Valley Park is an exciting new initiative involving the development of 93 hectares of public land on the valley floor by the Heathcote River. Council worked with the local community and the major developments proposed for the park are the Tamaki Maori Cultural experience; development of sports fields, walking, cycle and horse tracks; and significant waterways and wetlands habitat restoration.

Washington Reserve Skateboard Extension

Work on the street skate design extension commenced earlier in the year, following approval to proceed through the resource consent process. The work is almost completed.

Port Hills Recreation Strategy

The Council has completed a comprehensive recreation survey on the Port Hills to identify current recreation patterns and the preferences of visitors. Following the survey, a series of focus groups were held with stakeholders and interest groups.

From these meetings, a draft recreation strategy will be formulated, fitting within the wider picture for Port Hills planning.

Groynes Reserve Development/Management Plan

It is estimated that there are approximately 600,000 visits to the Groynes annually. The land adjoining the Groynes, such as Clearwater Resort, is changing with development of the area. To protect the ecological and heritage values it was timely to consider the future of the Groynes. The emphasis will be on the rural setting and protecting the sparkling waters of the Otukaikino and development in conjunction with Environment Canterbury, the community, Iwi, recreation and service groups and commercial concessions.

Other Strategic Planning Tools

The Council has work underway on the following strategies: Open Space Strategy through Area Plans, Awaroa (Godley Head) Development/Management Plan, Natural

Environment Strategy, Biodiversity Strategy, area and community plans and the City Wide Planting Strategy.

Avon Heathcote Estuary Management Plan

A working group was established to look at the concept of an Estuary Trust as a mechanism for more collaborative planning of the Estuary. The Trust was established in June 2002 and is comprised of elected members and staff from both Christchurch City Council and Environment Canterbury along with interested individuals and representatives from environmental, recreation and community groups. Key concepts considered include: a vision for the Estuary and its margins including integrated management (between statutory organisations and community), healthy ecosystems, a safe playground and balanced use; and outcomes to increase community input into management and greater cooperation by community and agencies. The suggested mechanism to achieve this is a non-statutory management plan.

Greenspace

Recent weather patterns and high soil moisture levels have stimulated grass growth and the maintenance contractor was hard pressed to keep ahead of the growth. Audit processes and performance monitoring measures are being reviewed to ensure that the usual high standard of park maintenance is met, regardless of weather conditions.

Discovery of another exotic aquatic weed in the Nelson area (Hornwort) has increased concerns and heightened awareness of further biosecurity threats from invasive plants, insects and fish species.

Regional Parks

Successful 'Learning through action' partnerships with the Ministry of Education, have led to an environmental education programme centred on the beaches, parks and waste facilities and involving groups of school children being informed by the rangers and staff educators on a range of environmental issues. At the Travis Wetlands, an award winning bird-hide was developed.

Other improvements are the education centre, information centre, tracks and boardwalks which serve the ever growing numbers of visitors to the wetlands.

Other specific park related issues include: the Bexley Wetland Trust won an environmental award for their efforts, that complemented the work of the Council; the Visitor Centre at Bottle Lake Plantation has been built and opened, making available interpretation on the recreational use of the park; additional land has been purchased to preserve the unique grasslands in the McLeans Island area; and a high number of volunteers have assisted with revegetation projects on the Port Hills, helped by favourable weather conditions.

Botanic Gardens

The Band Rotunda in the woodland's area has been restored, with major earthquake strengthening to the pillars. It has been freshly painted and is ready for use by the public and for bookings for weddings. The final stage of the landscape work on the stream in the Heritage Rose Garden was completed and planted, and a start has been made to the new kiosk footbridge.

Playgrounds

This year saw a change in the way we design and build play areas in our parks. They are now fully integrated into the contours of the site, making the most of each park's unique features with examples such as Wainoni Park, Hollis Reserve and Fairway Reserve. The Council is also trying innovative ideas such as the climbing rock at Bishopdale Park and the replica fossils in the Alwyn Park sandpit.

Triple Bottom Line Reporting

During the review period the Annual Plan format was revamped to include triple bottom line (TBL) measures. These measures will be reported against in next year's Annual Report, i.e. for the year ending 30 June 2003.

Christchurch City Council is one of the first local authorities in New Zealand to adopt TBL. TBL is different from the more traditional form of reporting as it covers all aspects of an organisation's performance, not just the meeting of financial targets. By adopting the TBL philosophy the Council is taking a position on three core areas: economic prosperity, environmental quality and social justice.

TBL reporting is the mechanism by which the Council conveys its values or principles and its performance in matching them.

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 for the Council for the year was approximately \$430.9 million and the operating expenditure was \$256.3 million, which resulted in an operating surplus of \$174.6 million. This exceeded the budgeted surplus by \$34.0 million. However, \$25.6 million of this was due to increased special dividends from Christchurch City Holdings Limited. \$7.6 million of this amount arose through a greater share of capital repatriation from the sale of Orion's North Island gas network sale being by way of dividend than had previously been budgeted. The balance was the result of Christchurch City Holdings Limited bringing forward the payment of \$18 million of dividends that had been planned for future years for tax efficiency purposes.

The value of assets vested in the Council through development activities exceeded the forecast amount by \$6.3 million and this has added further to the bottom line result but these are physical rather than cash transactions.

There have been variations in expenditure and revenue for the various significant activities but overall net expenditure is \$2.4 million or 1.4% less than budget. Taken in the context of a total expenditure of \$246 million this can be considered very satisfactory.

The Statement of Financial Position of the Council continues to be very strong with a growth in equity of \$121 million. The Council's fixed assets; operational,

infrastructural and restricted; have grown by \$134 million after providing for depreciation of \$49 million. The reduction in the value of investments is a result of the sale of the Council's shareholdings in City Care Limited and Selwyn Plantation Board Limited to Christchurch City Holdings Limited (CCHL) as well as the reduction in CCHL's value due to the repatriation of funds to the Council.

The only borrowings by the Council during the year have been for equity investments or to finance loans to Jade Stadium Limited.

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

The Council's strong financial position reflects the fact that a further \$175 million was repatriated during the year from the proceeds of the sale of Orion's North Island gas networks in a combination of the sale of the shareholdings mentioned above and special dividends. Following consideration of public submissions the Council decided to enable future generations to share in the benefit of these proceeds by applying \$100 million to debt reduction and investing the remaining \$75 million in a protected long term fund to be known as the Capital Endowment Fund.

This Fund has been ring-fenced from the Council's other funds in order to protect its capital. The Fund will provide an ongoing income stream to be used for economic development as well as civic and community projects.

Group

The Group Accounts also show a strong performance when adjusted for the gain on the sale of Orion's North Island Gas assets reflected in the previous year.

The financial strength of its subsidiaries continues to contribute to the Council's overall strong financial position illustrated by the following key figures for the whole group:

Turnover	\$587.8 million
Dividends received by parent	\$185.9 million (incl. Special dividends of \$153.8M)
Net Surplus before Tax	\$120.6 million
Total Assets	\$3,906.7 million
Total Debt	\$305.0 million
Total Equity	\$3,427.8 million



Garry Moore - MAYOR



Alister James - CHAIRMAN,
STRATEGY AND FINANCE COMMITTEE



Mike Richardson - CITY MANAGER