

Christchurch City Council Annual Report 2003



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 2003

Mission Statement	2
Councillors, Senior Staff and Directors/Representatives of External Organisations	4
Highlights of the Year	6
Long Term Financial Strategy and Policies	11
Statement of Compliance and Responsibility	13
Financial Highlights	14
Auditor's Report	15
Christchurch City Council Group	17
Statement of Financial Performance	18
Statement of Movements In Equity	19
Statement of Financial Position	19
Statement of Cash Flows	20
Statement of Accounting Policies and Notes To Financial Statements	21
Statements of Objectives and Service Performance and Cost of Services of Significant Activities	
Summary	46
Art Gallery	47
Car Parking	49
City Streets	51
Community Development and Customer Services	53
Economic Development and Employment	55
Environmental Policy and Regulatory Services	57
Housing	60
Library and Information Services	62
Parks & Waterways	65
Public Accountability	68
Sport, Leisure and Events	69
Waste Minimisation and Disposal	72
Wastewater	75
Water Supply	77
Corporate Operations	79
Strategic Goals and Objectives	81
Statements of Objectives and Service Performance and Cost of Services of Subsidiary, Joint Venture and Associate Organisations	84
Capital Endowment Fund	101
Equal Opportunity Policy	103

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 25 November 2003.

Published on 22 December 2003 by the Office of the City Manager, Christchurch City Council, in compliance with S223E of the Local Government Act 1974 (as amended) ISBN 1-877313-07-6

PO Box 237, Christchurch, New Zealand. Tel: (03) 941 8660. Fax: (03) 941 8786.



christchurch city council

Mayor

Garry Moore CA FNZIM

Deputy Mayor

Councillor Lesley Keast QSM JP

Councillors

Oscar Alpers LLB Notary Public

Carole Anderton

Paddy Austin MA(Hons) PhD

Erin Baker MBE

Helen Broughton MA DipEd(GC)

Sally Buck MEd

Graham Condon QSM JP

Barry Corbett

David Cox FNZIM

Anna Crighton JP MA(Hons)

Carole Evans QSO JP

Megan Evans

Ishwar Ganda

Pat Harrow DipHort

Alister James LLB

Denis O'Rourke LLB

Gail Sheriff

Barbara Stewart

Ingrid Stonhill

Sue Wells BA

Chrissie Williams BTech(Hons)

Norm Withers

Ron Wright JP MPMI

Membership of Community Boards

Burwood-Pegasus

Don Rowlands (Chair)

Bob Andrews ANZIM

Glenda Burt

Carole Evans QSO JP (Cr)

Carmen Hammond

Alister James LLB (Cr)

Caroline Kellaway JP

Andy Lea JP

Gail Sheriff (Cr)

Chrissie Williams BTech(Hons) (Cr)

Hagley-Ferrymead

Bob Todd OBE JP (Chair)

Erin Baker MBE (Cr)

Rod Cameron

David Cox (Cr)

Anna Crighton JP MA(Hons) (Cr)

John Freeman JP MA Dip Tchg TTC

Yani Johanson

Denis O'Rourke LLB (Cr)

Linda Rutland

Brendan Smith MB ChB

Shirley-Papanui

Yvonne Palmer QSM JP (Chair)

Myra Barry QSO JP

Robin Booth

Anne Carroll

Graham Condon QSM JP (Cr)

Megan Evans (Cr)

Dennis Hills JP BSc FNZIC FIM

FAPRI CCont Ed MRSNZ

Ingrid Stonhill (Cr)

Norm Withers (Cr)

Steve Wright

Fendalton-Waimairi

Mike Wall (Chair)

Sally Buck MEd (Cr)

Val Carter

Cheryl Colley JP MA(Hons) BBS DipTchg

George Hampton

Pat Harrow DipHort (Cr)

Yiyi Ku MMus (Dist)

Mark Kunnen JP

Barbara Stewart (Cr)

Ron Wright JP MPMI (Cr)

Riccarton-Wigram

Mike Mora (Chair)

Paddy Austin MA(Hons) PhD (Cr)

Neville Bennett BSc(Hons) PhD

Helen Broughton* MA DipEd (GC) (Cr)

Ken Cummings

Ishwar Ganda (Cr)

Lesley Keast QSM JP (Cr)

Peter Laloli

Bob Shearing

Spreydon-Heathcote

Phil Clearwater MA (Hons) (Chair)

Oscar Alpers LLB Notary Public (Cr)

Carole Anderton* (Cr)

Lynda Carter

Barry Corbett (Cr)

Paul de Spa BA Dip Tchg

Sonia Gill BA ATCL AREINZ

Elizabeth Maunsell

Sue Wells BA (Cr)

* Denotes member elected to both Council and Community Board

Senior Management

Chief Executive Officer

Director of Business Projects

Director of Finance

Director of Human Resources

Director of Information and Planning

Director of Legal and Secretariat Services

Director of Operations

Director of Policy

Dr Lesley McTurk BA MBA(Auck) PHD(Glas) FNZIM

Ian Hay CA ACIS AFNZIM

Bob Lineham BCom FCA FNZIM

Dorothea Brown NZLA Cert FNZLA AFNZIM

Simon Markham BA BTP

Peter Mitchell LLB(Hons)

Ken Lawn BA DipTP MNZPI

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 major organisations on which the Council is represented.

Christchurch City Holdings Limited (100% owned)

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

Christchurch International Airport Limited (75% owned)

Syd Bradley (Chair)	Sue Sheldon
David Lyall	Gail Sheriff (Cr)
Denis O'Rourke (Cr)	Barry Thomas

Orion Group (87.625% owned)

Linda Constable (Chair)	Craig Boyce
Philip Carter	Peter Rae
Don Elder	Sue Wells (Cr)
George Gould	

Lyttelton Port Company Limited (65.328% owned)

Barney Sundstrum (Chair)	Donald Stewart
Alan Grant	Erin Baker (Cr)
Sue McCormack	Roger Fisher

Red Bus Limited (100% owned)

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

Selwyn Plantation Board Limited (39.32% owned)

Doug Marsh (Chair)	Graham Heenan
Allan Berge	Heather Wild
Peter Coakley	Chrissie Williams (Cr)

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)	Barry Corbett (Cr)
Paddy Austin (Cr)	Hanlin Johnstone
Vicki Buck	Mike Prendergast

Christchurch City Facilities Limited (100% owned)

Peter Taylor (Chair)	Dominique Dowding
Graham Condon (Cr)	Simon Mortlock
David Cox (Cr)	

Travis Finance Limited (100% owned)

Bob Lineham	Peter Taylor
Mark Russell	

Transwaste Canterbury Limited (37.85% owned)

Denis O'Rourke (Cr) (Chair)	Ray Harris
Gerald Clemens	Malcolm Hope
Gill Cox	Russell Wickham
Jim Fulton	Bill Woods

Canterbury Development Corporation

Stuart Leck (Chair)	Pat Harrow (Cr)
Carole Anderton (Cr)	Doug Marsh
Paddy Austin (Cr)	Cameron Moore
Barry Corbett (Cr)	Garry Moore (Mayor)
Ian Hall	Paul Tocker

Canterbury Museum Trust Board

Paddy Austin (Chair) (Cr)	Alan McRobie
Anna Crighton (Cr)	Barbara Stewart (Cr)
Leo Hayward	Lynne Winslow
George Hook	Bill Woods
Lesley Keast (Cr)	Te Runanga O Ngai Tahu *
Ian Leggat	

* representative to be advised

Riccarton Bush Trust Board

Charles Deans (Chair)	Brian Molloy
Helen Broughton (Cr)	Mike Mora
David Buist	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*
Philip Falloon	Mike Stockwell *
Dixon McIvor	Arthur Williamson*
Robin Mann	

* Advisory Trustees - not Board Directors

annual report highlights

Report for the year ended 30 June 2003

For local government in New Zealand, the financial year runs from 1 July. This Annual Report is the Christchurch City Council's account of its achievements for the year to the end of June, 2003. It compares actual results against the targets and objectives set out in its plan for the year and is designed to give people the information they need to gauge the Council's performance.

In preparing this report we have tried to achieve a balance between detail and making the report interesting and readable. More information about Christchurch City Council goals, activities and planning is available on the internet, through the website at www.ccc.govt.nz. Anyone who is new to the internet is welcome to call into any of the City Council's libraries where staff are happy to teach the basics of finding useful information. This preface also lists a number of Council website addresses where associated information can be found.

Economy, environment, society

This is the Council's first annual report presented in a triple bottom line (TBL) format. TBL is based on the idea that, as well as having a financial impact, organisations also have environmental and social impacts and these can be positive or negative, direct or indirect. Through TBL, organisations seek to convey their values and to measure how their performance matches those principles.

The three parts of TBL reporting are shown separately, with a green background for environment, pink for social and grey for economic/financial. Alongside the independently audited actual results for 2002/03 are the targets which were adopted as part of the 2002/03 Annual Plan. By reporting the actuals alongside each target, readers can assess Council's performance for each of the TBL factors.

Because many of the measures are long-term ones, performance against them is better judged by looking at trends rather than changes against last year. The trend is best examined by looking at the graphs included with the results.

Because there is still no accepted best practice for this form of reporting, the Council welcomes any comments about how it might be adapted and improved.

Contact the City Council on (03) 941 8999 or by email at info@ccc.govt.nz.

A great place to live

Helping ensure the city is a great place to live, work and play is one of the City Council's top-line goals. Each year it does a survey of Christchurch people which includes quality-of-life questions and covers other topics like frequency of library visits and what they think of Council services.

Past surveys show high satisfaction (over 90 per cent) with

living in the city. The 2003 poll results reinforce this, with 92% of the people talked to saying they were satisfied with Christchurch as a place to live, work and spend spare time in.

More than 80% were satisfied with the way the city looks and feels. Its cleanliness, over-all attractiveness, and its gardens and parks were mentioned as playing a part in this. City traffic was among the issues noted by people who said they were less than satisfied.

Connections between the citizens and their City Council were also asked about. Two thirds said they like knowing what the Council was doing but were happy "to let them get on with it". However, more than 40% said they would like to have more say in what the Council was doing.

There was a wide range of answers to a question about the best things the Council has done in the last few years. Environment issues came up quite often – things like parks and gardens, recycling and landscaping streets and other beautification. Also getting multiple mentions were events and festivals and bus service improvements. More marked were people's opinions about the worst results, with changes to the Square and rubbish collection being noted by many.

Asked what the Council should be doing, people mentioned working to ease traffic congestion and air pollution, moving the treated wastewater discharge from the estuary to the ocean, and improving parking and public transport. Litter and graffiti continued to be seen as problems by around a third of those questioned and a growing number believed dangerous and drunken driving was a problem.

The survey shows the city centre is growing as an attraction, with half the people questioned saying they went in at least once a week other than for work.

Survey results at www.ccc.govt.nz/ResidentsSurvey/2003/

Events, leisure, sports

The Atlantis Leisure Pool opened at QEII in August 2002 and over the 11 months to the end of the year, it was visited more than 700,000 times.

The World Firefighters' Games topped the list of events attracted to the city by the Council, drawing 1500 participants from 30 countries. A consultant's report estimated that it generated \$5.6 million of spending in the city.

Other events hosted by the city during the year included the Oceania International Athletic Championships at QEII Park, the 4th International Deaf Bowls Championships, Supergames (World Services Games) and the World Indoor Cricket Championships. The city also hosted 17 national events. In all, these were estimated to have generated more than \$20m for the city.

The Physical Recreation and Sport Strategy was completed. Its aim is to encourage all groups involved in recreation and sport to agree on and support an over-all strategy for the sector. Progress was also made on the Recreation and Sports Facility Plan, with the city's priorities identified. Now, work will concentrate on the Council's role, if any, in supporting and assisting the development of those facilities.

A notable achievement during the year was getting steel from New York's World Trade Centre. It was used to create the sculpture for the Firefighters' Reserve. The artwork, unveiled during the Firefighters' Games, generated a good deal of national and overseas media coverage for the city. It was also pleasing to see contributions to this project from external fundraising of \$105,000 or 50% of the cost.

Another successful TV2 Kidsfest, the Penny Sport Cycles Park to Pier Cycle event, the Showtime Canterbury Festival, the Summertime programme and the Meridian Energy Fireworks Display at New Brighton Pier were highlights of the Council's events work. Work continued to advance a Council decision to develop and plan a significant garden festival, with a trust and charitable company formed.

The Creative Community Grants Scheme distributed about \$200,000, funding 123 groups. Following the loss of the Community Sports Fund grants, the Council staff reviewed SPARC's Investing in Active Communities report to identify the best alternatives for the Council.

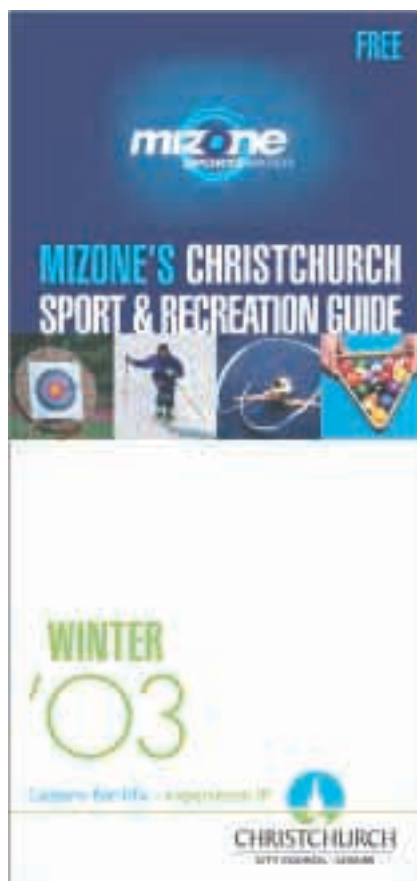
More information at www.ccc.govt.nz/recreation

Facilities and social housing

Attendances at Council facilities increased by more than 25%, mainly due to the opening of Atlantis at QEII. The old civil defence building at QEII Park was moved to the Village Cricket Green and is being upgraded for use by sports organisations.

English Park's upgrade was opened in March 2003 and during the year was regularly used for soccer and as a hired venue. Its car park weekend market is a popular attraction.

Jellie Park Aqualand became a Council-managed facility in November 2002 and the



The Council produces the Christchurch Sport and Recreation Guide, sponsored by Mizone, twice a year. With a map of sports grounds, contact and event information, the free guide is popular. A 2002 edition won a NZ Recreation Association award.

Council has brought forward funding to upgrade the complex.

An Asset Management Plan was completed for the Council's stock of affordable housing. Council housing is self-funding and the plan is designed to make sure that the costs of managing, maintaining and replacing these important city assets are met from the below-market rents being charged, that those rents are inflation-linked and that necessary maintenance is properly planned. The plan won an excellence award from the New Zealand Property Institute.

More information at www.ccc.govt.nz/cityhousing

Art Gallery

In May 2003, about 17,000 people came to look at the city's new Art Gallery, Te Puna o Waiwhetu, on the weekend it was opened by Prime Minister, Helen Clark. The opening included the launch of ten new exhibitions and as many new publications. Since the opening, visitor numbers have remained strong. In the seven weeks to the end of the financial year, it is estimated the gallery had more

than 110,000 visitors.

This striking building on the corner of Worcester Boulevard and Montreal Street, cost \$51.4m. It was completed on time and within budget. All 5,480 artworks, and the library and archive of more than 10,000 items, were relocated and either installed or stored with no loss or damage.

The ratepayers funded \$37m directly with valuable contributions from public fundraising and sponsorship. Of particular note was the \$6.2m contribution from the



Art Gallery staff welcoming visitors at the new Art Gallery

Ministry of Cultural and Heritage Affairs and \$3.8m from the Community Trust. Private individuals and trusts also contributed \$4.4m.

During the year the gallery acquired 93 works, including 27 gifted and four by bequest. Staff gave 543 floor talks, lectures, guided tours and school lessons. A new edition of Canterbury Art on Tour, an exhibition of panels of original artworks and teaching material, was also developed and taken to seven city high schools.

More information at www.christchurchartgallery.org.nz

Libraries

Christchurch City Libraries developed a five-year strategy. One of the first initiatives to come from it was the May 2003 adoption of Nga Tapuwae Hou: New Footsteps, the library's plan for services to Maori.

The strategy also includes the development of a collection of books in other languages including Chinese, Korean, Japanese and Farsi. This collection is rotated between the Central and Fendalton libraries.



The Young Adult area at the Central City Library is a popular spot

Library use continued to grow, with 3.2m visits, about 5.5m items loaned and almost 8m online catalogue and database pages accessed during the year. The LiveOnline service started in February 2003. It helps customers find information on the internet and is popular with younger users. Localeye, a website devoted to gathering and arranging useful information about the city and Canterbury, started in October 2002. It has more than 7,000 links and is supported by several organisations in the community.

The Reading Crusade promotion in February 2003, involving members of the Crusaders rugby team, was a success. More than 7,500 children took part.

More information at www.library.christchurch.org.nz

Heritage

2002 was the 10th anniversary of the Council supporting celebrations of the city's cultural heritage. Heritage Week over the years has also been successful in attracting strong outside sponsorships.

The Council approved grants policies to give more certainty to those applying and ease administration. Large grants now

require an agreement not to demolish or a conservation covenant. Both are registered against the property.

As well, guidelines have been produced with information about conservation principles and heritage grants, listings, research and consents.

The year's heritage grants programme was fully subscribed. The former Cashfields building, the Jean Jones building, the Christchurch Club, St Michael's Hall, the former Central Post Office and the former ANZ Chambers all benefited from heritage incentive grants.

More information at www.ccc.govt.nz/ourcity

Aranui Community Renewal

Progress on this project included the Council agreeing to fund, along with Housing NZ, the redevelopment of Wainoni Park, and the overall renewal project's inclusion in the Government's Stronger Community Action Fund programme.

That gives the community access to four years of Government funding for projects to strengthen Aranui's social fabric.

The Department of Work and Income contributed to the project by setting up an employment liaison officer in the suburb and, in December 2002, the Family Festival celebrated successes and community talent.



Employment and economic development

The Council's development arm, Canterbury Development Corporation, was again active in support of small business, running workshops and coaching sessions, organising business mentoring and helping start-ups. The CDC also helped local companies secure over \$3m of government grants and funding, while the CDC-supported Canterbury Innovation Incubator (Cii) got about \$180,000 in Industry NZ support. CDC's industry cluster support grew to include electronics, software, nutraceuticals, international education, designer fashions, outdoor clothing and film.

Following early help from CDC, HIT Lab NZ completed its first year of operation. The aim in 2003/04 is for the lab to no longer require outside assistance or funding.

CDC also concentrates on employment. Its Actionworks youth employment service worked with almost 2,700 job seekers. Of those, more than 900 found work, and 850 went on to further education or training. Youthworks helped about 100 at-risk young people to find work or training and education and added projects aimed at the 550 young people who each year leave school early and with no qualifications.

More than 230 unemployed people were placed with community organisations under CDC's Adult Community Employment scheme. Of a similar number who went through ACE in the 2001/02 year, almost 70% have moved off benefits and into work.

CDC also ran a contracting industry employment expo, helped 34 community groups with business planning and developed a scheme to help ethnic communities tackle high jobless levels.

More information at www.cdc.org.nz

The City's tourism marketing organisation, Christchurch and Canterbury Marketing Limited, continued to actively promote the city and region to domestic and overseas visitors. The key focus was to increase numbers and the length of stay which directly contributes to the Canterbury economy in terms of jobs and economic activity. They also provided

assistance to the local community and visitors through the Visitor Centre sited in Cathedral Square.

For the calendar year ended December 2002, international visitor numbers to Canterbury were up 6.9% to 795,337. Guest nights in Christchurch at 2,869,477 were up 5.2%, exceeding the national average growth of 3.7%.

Economic impact to the Canterbury economy from domestic and international visitors is estimated to be between \$1.6 and \$1.65 billion for the year.

More information at www.christchurch.nz.net

Wastewater and solid waste

Wastewater Treatment Plant improvements continued during the year. The aim is to boost capacity so the plant can cater for another 100,000 people in our growing city. Based on average growth, this capacity upgrade should take the city through until at least 2026. A 10-year programme began to upgrade the city's wastewater pipework and pumping system to match the plant's capacity increase.

Planning, research and community consultation continued on the project to move the city's treated wastewater discharge from the estuary to an ocean outfall.

Consents were granted in May 2002 to go ahead with the Council's joint venture regional landfill at Kate Valley. Its opening is not expected before early 2005. Management of the current Burwood Landfill was improved with extra cover material used and the Council decided to test a gas collection system to reduce potential odour problems.

More information at www.ccc.govt.nz/waste

Parks and waterways

With new subdivisions being developed, many new reserves were given to the city by developers, including 230ha as environmental compensation. Four major parks purchases were made — the Turners and Growers central city site, 185ha at Richmond Hill, 7.5ha at Mount Pleasant and just under 8ha at Ouruhia Domain in Marshlands.

Leisure, parks and waterways studies were done for each of the city's community board areas and open space and surface water-management planning was done for south-west Christchurch (Belfast, Cranford and Mairehau). A Waterways, Wetlands and Drainage Guide was completed, as was the Central City Avon River character analysis. Working with the community, the Council completed a management plan for the Avon/Heathcote Estuary.

The work of park rangers in the city's regional parks, wetlands, reserves and beach parks receives a great deal of volunteer support from the community.

Among the work done in the city's regional parks this year, were extensions to the Port Hills mountain bike track system and development of a jumps course at Victoria Park.

The Ministry of Education agreed to a three-year deal to support the Council's Learning Through Action environmental programme, which has so far attracted more than 9,000 children. The Rubbish Free Parks concept was introduced in some regional parks, with rangers reporting good support from visitors.

More information at www.ccc.govt.nz/parks

Streets

Two important road-improvement projects were completed. The last part of the Woolston Burwood expressway was finished in April 2003, giving the city a high-quality link for heavy vehicles between the city's north and Lyttelton Port.

Also substantially completed was the upgrade of Fendalton Road from the railway to Clyde Road. The new four-lane road has a landscaped median, cycle lanes, parking among the trees and extensive roadside landscaping.

Three key reports dealing with the city's future transportation and traffic management were adopted. They are the Parking Strategy, the Public Passenger Transport Strategy (done with ECan, the regional council) and the report on final recommendations on the Northern Rooding Options Scoping Study (NROSS).

Nationally, Council staff contributed to two cycle planning guides which aim to encourage the development of cycling across New Zealand. Living Streets projects were completed in Geraldine Street and Harvey/Heywood Streets and the consultation and scheme development were completed in Aynsley Terrace and Creyke Road. Three new 40kmh school speed zones were installed at Marshlands, Hoon Hay and Templeton schools.

Parking

Two projects to increase central city parking were completed. The Council's Lichfield Street car park was linked to 100 extra public parking spaces built as part of a combined Ballantynes and Nam Yee Family Trust development. The new Christchurch Art Gallery park has 192 public spaces.

Financial performance

Parent (Council)

The year under review has produced an improved operating result with an operating surplus of \$39.4M.

The dominant driver of this result comes from the Council's operational business units achieving improved efficiency and also through taking opportunities to maximise revenue. As a result of these efforts, they have delivered the Council's services at \$9.5M under budget and the effort put into these efficiencies by staff are worthy of acknowledgement.

Although the operating surplus is substantially lower than the \$175.4M of 2002, the underlying operating surplus has increased. In the 2002 year, the Council received \$135.9M of special dividends from Christchurch City Holdings

(CCHL) representing capital repatriations from subsidiary companies which are not part of regular operations. In the last year, CCHL only paid \$3.4M of special dividends.

Corporate revenues and expenses were also better than budget. The major contributors were higher interest earnings and lower interest expense as a result of higher than budgeted carryforwards of capital expenditure into the 2003/04 year, as well as unbudgeted subvention payment income from subsidiaries of \$3.2M.

The Statement of Financial Position for the parent Council reflects its strong position with a growth in equity in excess of \$351 million since last year, to a new high of \$3.8 billion. Actual equity is significantly in excess of the budget due to revaluations of assets of \$273M in the latest year.

Group

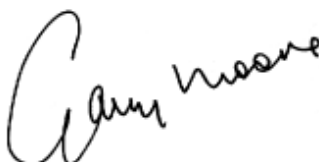
The Group accounts continue to illustrate the size and strength of the group as whole:

• Turnover	\$581 million
• Net Surplus (before tax)	\$130 million
• Total Assets	\$4,364 million
• Total Debt	\$366 million
• Total Equity	\$3,800 million

It is pleasing to once again record that, following a review by Standard and Poors in August 2003, the joint Council and CCHL credit rating has again been confirmed as 'AA+' with short term paper rated as A-1+.

Retirement of City Manager

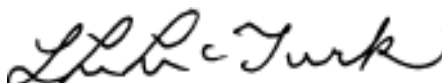
The Council acknowledges with appreciation the leadership provided to the organisation by its City Manager, Mike Richardson, who retired at the conclusion of his 10 year contract in April 2003. Mike has provided effective leadership through a significant period of city growth and overseen the successful implementation of a wide range of major projects, efficiency improvements and cultural change which has included increased emphasis on team building, customer focus and community relationship building.



Garry Moore
MAYOR



Alister James
CHAIRMAN, STRATEGY AND FINANCE COMMITTEE



Dr Lesley McTurk
CHIEF EXECUTIVE

long term financial strategy and policies

Year Ended 30 June 2003

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 those 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 first year since these policies were reviewed.

1. Long Term Financial Strategy Overall Performance

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 the Council has substantially achieved the objectives and performance indicators that were adopted in the 2002/03 Financial Plan.

Specific Objectives and Targets

Objective	2003 Targets	2003 Actual Performance	2002 Actual Performance
Maintain four key ratios in the long term:			
Term Debt as a percentage of Total Assets below 12%	3.8%	2.8%#	3.0%
Term Debt as a percentage of Realisable Assets below 33%	7.9%	6.0%#	6.3%
Net Interest as a percentage of Operating Revenue below 8%	(0.5%)	0.6%	1.5%
Net Debt in relation to Funds Flow below 5 times	0.3 times	(0.4)# times	(0.6)# times
Operating Surplus	\$22.2 million	\$39.4 million	\$175.4 million*

The ratio is calculated by deducting \$128 million (2002 \$148M) of the Council's short-term investments, held for debt repayment, and these exceed the term debt owed.

* This surplus includes special dividends of \$154 million of which \$136 million was to repatriate proceeds from the sale of Orion's North Island gas network.

2. Funding Policy

The implementation of the funding policy has proceeded without any significant variations in respect of the ordinary revenues of Council except that user charges were 7.5% ahead of budget and corporate revenue was 12.7% ahead of budget. This was due to a combination of a buoyant economy and revenue opportunities being maximised. However, the lower level of funding from user charges is due to the funding policy being calculated inclusive of internal charges that have been eliminated in the financial statements. This has the effect of increasing the percentage of funding from the other sources.

Specific Objectives and Targets

Objectives	2003 Targets	Actual Performance	Actual 2002
Proportion of revenue by source			
User Charges	33.5%	25.6%	16.1%
Grants and Subsidies	4.1%	4.9%	2.8%
Corporate Revenue	17.3%	21.1%	48.8%
Capital Value Rating	41.3%	44.3%	29.4%
Uniform Annual Charge	3.8%	4.1%	2.9%
Rates by Sector			
Residential	71.5%	71.5%	71.4%
Commercial/Industrial	26.1%	26.1%	26.3%
Rural	1.5%	1.5%	1.4%
Institutions	0.9%	0.9%	0.9%

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 LATE's and subsidiaries during the year and reported eight times to the Council through its Strategy and Finance Committee.

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

Specific Changes in Investments

Changes to the list of equity investments in subsidiary companies have however taken place as follows:

- The Council has contributed equity totalling \$0.45 million to Christchurch City Facilities Limited which is a wholly owned subsidiary. It owns the Christchurch Convention Centre and Westpac Trust Centre and is responsible for the management and development of these two facilities plus the Christchurch Town Hall that is leased from the Council.
- The Council has converted secured advances totalling \$4 million to shares in Jade Stadium Limited which is a wholly owned subsidiary. The interest rate payable on the remainder of the advances was increased to ensure that there was no change in the interest income that the Council will receive.

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	2003 Targets	2003 Actual Performance	2002 Actual Performance
Maintain adequate liquidity	No more than 35% of total debt of \$30 million maturing in any one year	21.2% matures in 2003/04 Funds are earmarked to provide for repayment	26.9% matures in 2002/03 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	99.5% due to the \$96m of funds held for debt repayment being excluded from the calculation of Liquid Assets	121.3% due to \$75 million being held in short term investments awaiting finalisation of the investment strategy for the Capital Endowment Fund
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

statement of compliance and responsibility

Compliance

- 1 The Council and management of the Christchurch City Council confirm that all the statutory requirements in relation to this Annual Report have been complied with.

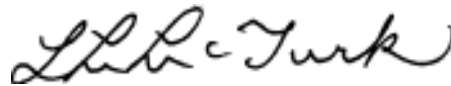
Responsibility

- 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 2003 fairly reflect the financial position and operations.



Garry Moore - MAYOR

25 November 2003



Dr Lesley McTurk - CHIEF EXECUTIVE

25 November 2003



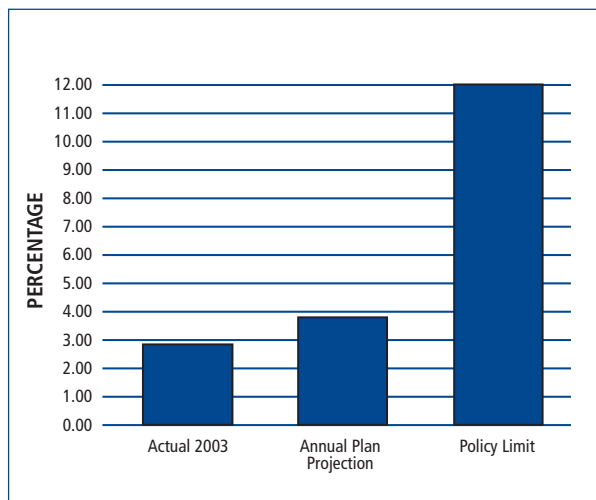
Families cycling down Hereford Street as part of the annual Park to Pier ride

financial highlights

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

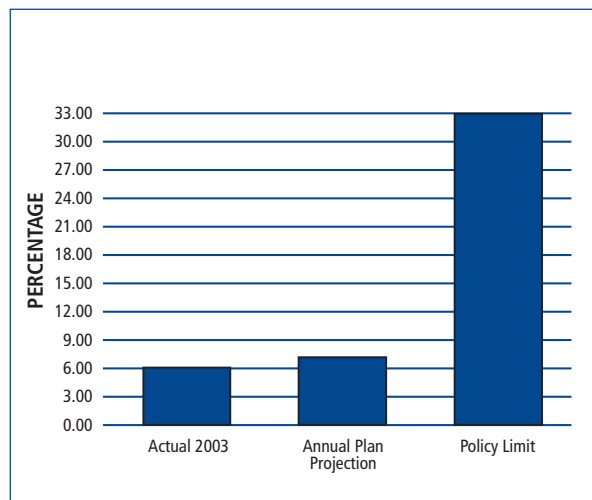
1. Term Debt to Total Assets (Ratio)

2.83% (Actual 2003) 3.78% (Projections) 12.00% (Policy Limit)



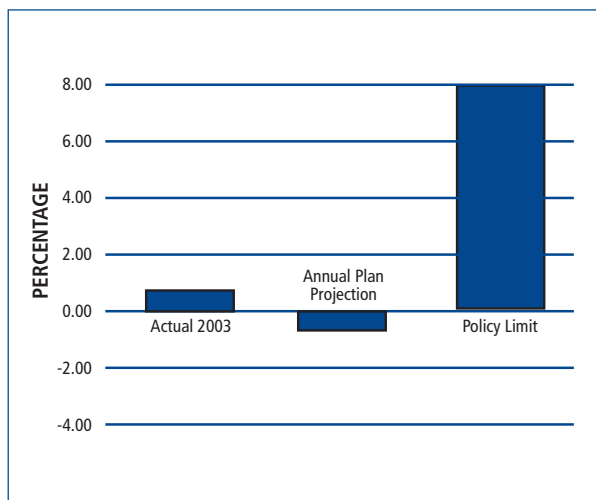
2. Term Debt to Realisable Assets (Ratio)

5.99% (Actual 2003) 7.89% (Projections) 33.00% (Policy Limit)



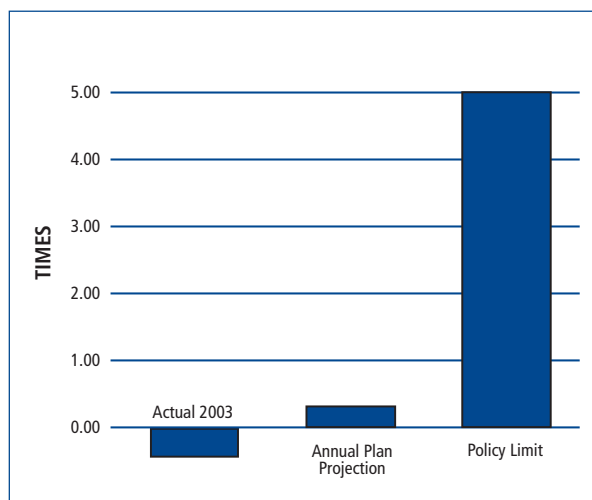
3. Net Interest to Operating Revenue (Ratio)

0.62% (Actual 2003) -0.52% (Projections) 8.00% (Policy Limit)



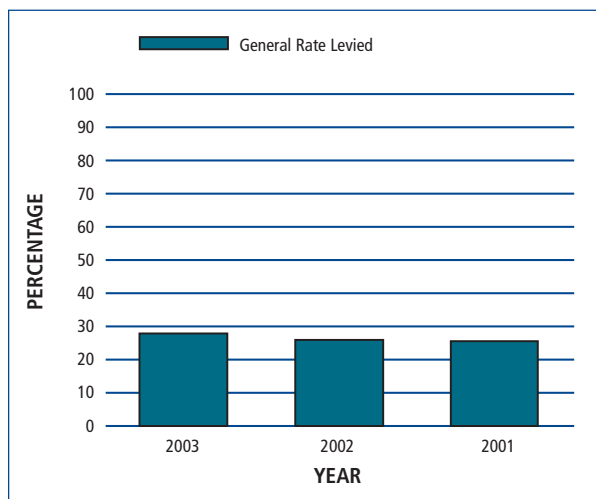
4. Net Debt to Funds Flow (Times)

-0.41 (Actual 2003) 0.3 (Projections) 5 (Policy Limit)



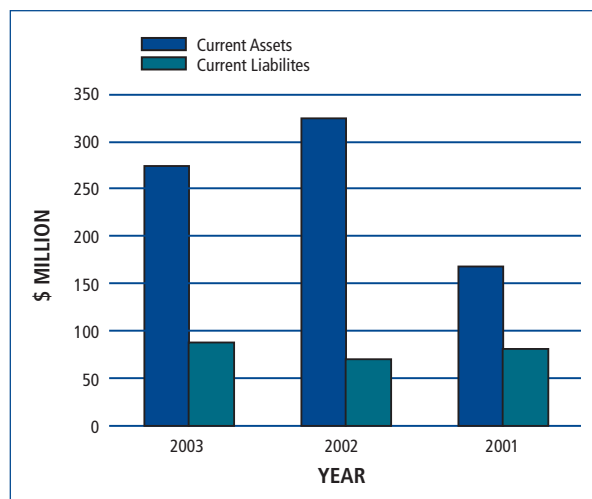
1. General Rate as Percentage of Maximum Legal Limit

27.99% (Actual 2003) 26.61% (2002) 25.77% (2001)



2. Working Capital Ratio (Times)

3.36 (Actual 2003) 4.75 (2002) 2.07 (2001)





Audit New Zealand

REPORT OF THE AUDITOR-GENERAL OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF CHRISTCHURCH CITY COUNCIL AND GROUP FOR THE YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages 17 to 100. 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 2003. This information is stated in accordance with the accounting policies set out on pages 21 to 24.

Responsibilities of the Council

Section 283 of the Local Government Act 2002 requires the Council to prepare its annual report for the year ended 30 June 2003 under section 223E of the Local Government Act 1974. That section requires the Council to prepare financial statements in accordance with generally accepted accounting practice in New Zealand that fairly reflect the financial position of Christchurch City Council and group as at 30 June 2003 and the results of its operations and cash flows and service performance achievements for the year ended on that date.

Auditor's responsibilities

Section 15 of the Public Audit Act 2001 requires the Auditor-General to audit the financial statements presented by the Council. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and to report that opinion to you.

The 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 the Auditing Standards published by the Auditor-General, which incorporate 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.

During the period we performed two assignments for Christchurch City Council. These involved an assurance assignment reviewing processes around Council's debt repayment reserve and the review of performance measures included in the Annual Plan.

We have also carried out two audit related assignments for subsidiaries within the group. These involved issuing an audit certificate pursuant to the Electricity (Information Disclosure) Regulations 1999 and an 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 Auditor-General, we have no other relationship with or interests in Christchurch City Council and group.

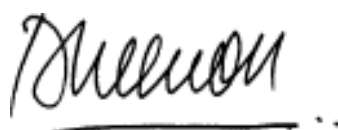
Unqualified opinion

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 17 to 100:

- ▲ comply with generally accepted accounting practice in New Zealand; and fairly reflect:
- ▲ Christchurch City Council and group's financial position as at 30 June 2003;
- ▲ the results of its operations and cash flows for the year ended on that date; and
- ▲ its 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 25 November 2003 and our unqualified opinion is expressed as at that date.



D Menon
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand



christchurch city council group

The following pages report the financial statements of the Christchurch City Council and its subsidiaries and associates for the year ended 30 June 2003.

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) up to its winding up in November 2002.

The Council group in the financial statements comprises the Christchurch City Council parent above plus the subsidiaries and associates listed below.

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 and associates.

The financial statements consolidated are for the year ended 30 June 2003. Major subsidiaries and associates of this Company are:

- Orion Group Limited

This Company owns Orion New Zealand Limited and subsidiaries and is an 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 2003.

- 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 2003.

- 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 2003.

- Lyttelton Port Company Limited

This Company is 65.33% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2003.

- City Care Limited

This Company, that is wholly owned, provides construction and maintenance services for Council and other organisations and manufactures and supplies roading paving material. The financial statements consolidated are for the year ended 30 June 2003.

- Selwyn Plantation Board Limited

This associate company is 39.32% owned by Christchurch City Holdings Limited. The financial statements for the year ended 31 March 2003 are equity accounted.

- 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 2003.

- 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 and West Stands and other assets constructed or purchased since June 1998 and will operate all of Jade Stadium in its own right once the necessary legislation has been passed to transfer ownership from the Victory Park Board to the Council and the company.

The financial statements consolidated are for the year ended 30 June 2003.

- 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 2003 are equity accounted.

- Travis Finance Limited

This Company is a non-trading company wholly owned by the Christchurch City Council, that formerly owned and maintained Travis Heritage Park, a natural reserve protecting native species. The land held by the Travis Group was sold to the Christchurch City Council on 28 June 2002. The financial statements consolidated are for the year ended 30 June 2003.



View of widened Fendalton Road at the railway crossing

statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Parent Actual 2003 \$000's	Parent Estimate 2003 \$000's	Parent Actual 2002 \$000's	Group Actual 2003 \$000's	Group Actual 2002 \$000's
Income						
Significant Activities	1	92,621	86,167	81,392	92,338	83,122
Rates		148,449	148,214	140,599	145,678	139,693
Other Income	1	62,554	55,612	209,722	342,769	362,449
Total Operating Income		\$303,624	\$289,993	\$431,713	\$580,785	\$585,264
Expenditure						
Significant Activities	2	253,616	256,708	246,490	208,892	215,718
Other	2	10,598	11,071	9,796	280,015	273,162
Total Operating Expenditure		\$264,214	\$267,779	\$256,286	\$488,907	\$488,880
Operating Surplus		39,410	22,214	175,427	91,878	96,384
Vested Assets	29	36,349	15,321	21,285	36,349	21,285
Grants/Contributions for Major Projects	30	2,132	2,157	469	2,132	469
Surplus before taxation		\$77,891	\$39,692	\$197,181	\$130,359	\$118,138
Less Tax Expense/(Benefit)	16	0	0	(636)	36,989	44,664
Surplus after taxation		\$77,891	\$39,692	\$197,817	\$93,370	\$73,474
Minority interests in surpluses of Subsidiaries		0	0	0	(11,030)	(13,087)
Net Surplus for Year	3	\$77,891	\$39,692	\$197,817	\$82,340	\$60,387

Mayor, Garry Moore, cutting the ribbon to officially open the widened Fendalton Road surrounded by Medbury School pupils



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

statement of movements in equity

FOR THE YEAR ENDED 30 JUNE 2003

	Note	Parent Actual 2003 \$000's	Parent Estimate 2003 \$000's	Parent Actual 2002 \$000's	Group Actual 2003 \$000's	Group Actual 2002 \$000's
Equity at 1 July		3,557,350	3,571,841	3,436,760	3,427,804	3,275,273
Net Surplus Attributable to:						
Parent Entity Shareholders		77,891	39,692	197,817	82,340	60,387
Minority Interests	4	0	0	0	11,030	13,087
Landfill Accounting Policy Change Adjustment	4	0	0	943	0	943
Return of Share Capital		0	0	0	(200)	0
Movement Relating to Shareholding Changes, etc	4	0	0	0	(638)	0
Movement Relating to Preacquisition Revaluation Reserves	4	0	0	0	0	598
Increases/(Decreases) in Revaluation Reserves	4	273,118	0	(78,170)	273,257	81,196
Total Recognised Revenues and Expenses for the Year		351,009	39,692	120,590	365,789	156,211
Distribution Paid and Provided to Minority Interests		0	0	0	(10,963)	(11,464)
Other Movements in Minority Interests		0	0	0	17,329	7,784
Equity at 30 June		\$3,908,359	\$3,611,533	\$3,557,350	\$3,799,959	\$3,427,804

statement of financial position

AS AT 30 JUNE 2003

	Note	Parent Actual 2003 \$000's	Parent Estimate 2003 \$000's	Group Actual 2002 \$000's	Group Actual 2003 \$000's	Group Actual 2002 \$000's
Equity	4	3,908,359	3,611,533	3,557,350	3,799,959	3,427,804
Non-Current Liabilities	5	84,271	112,797	108,064	401,663	302,354
Current Liabilities	6	78,370	73,261	70,878	162,554	176,574
Total Equity and Liabilities		\$4,071,000	\$3,797,591	\$3,736,292	\$4,364,176	\$3,906,732
Represented by:						
Current Assets	8	276,673	173,410	300,392	335,052	351,585
Non-Current Assets						
Investments	9	986,626	1,202,983	860,996	162,066	99,517
Operational Assets	10	573,792	536,721	550,314	1,633,149	1,431,040
Infrastructural Assets	11	1,889,333	1,593,783	1,726,454	1,889,333	1,726,454
Restricted Assets	12	344,576	290,694	298,136	344,576	298,136
Total Non-Current Assets		3,794,327	3,624,181	3,435,900	4,029,124	3,555,147
Total Assets		\$4,071,000	\$3,797,591	\$3,736,292	\$4,364,176	\$3,906,732

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

statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2003

Note	Parent Actual 2003 \$000's	Parent Estimate 2003 \$000's	Parent Actual 2002 \$000's	Group Actual 2003 \$000's	Group Actual 2002 \$000's
OPERATING ACTIVITIES					
Cash was provided from:					
Rates, Grants, Subsidies, and Other Sources	257,130	269,859	232,554	571,715	572,015
Interest Received	20,486	15,923	10,438	19,385	20,662
Dividends	46,773	32,323	162,458	310	423
Net GST	5,293	0	0	5,273	0
	<u>329,682</u>	<u>318,105</u>	<u>405,450</u>	<u>596,683</u>	<u>593,100</u>
Cash was disbursed to:					
Payments to Suppliers and Employees	198,749	241,475	192,256	366,214	371,630
Net GST	0	0	5,221	0	4,724
Income Tax Paid	0	0	0	27,055	20,255
Interest Paid	6,951	3,614	5,652	21,847	18,539
	<u>205,700</u>	<u>245,089</u>	<u>203,129</u>	<u>415,116</u>	<u>415,148</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	15	123,982	73,016	202,321	181,567
INVESTING ACTIVITIES					
Cash was provided from:					
Sale of Assets	3,377	3,430	2,005	5,020	17,019
Loans Repaid	5,500	0	7,407	1,090	614
Investments Realised	10,526	400	41,368	10,526	1,968
	<u>19,403</u>	<u>3,830</u>	<u>50,780</u>	<u>16,636</u>	<u>19,601</u>
Cash was applied to:					
Purchase of Assets	109,711	119,936	101,635	256,863	203,385
Purchase of Investments	16,952	3,253	30,892	12,502	24,233
Exploration Expenditure	0	0	0	0	4,484
	<u>126,663</u>	<u>123,189</u>	<u>132,527</u>	<u>269,365</u>	<u>232,102</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	(107,260)	(119,359)	(81,747)	(252,729)	(212,501)
FINANCING ACTIVITIES					
Cash was provided from:					
Raising of Loans	1,080	3,308	62,496	128,252	96,989
Net Movements Sinking Funds	0	0	0	13,000	0
	<u>1,080</u>	<u>3,308</u>	<u>62,496</u>	<u>141,252</u>	<u>96,989</u>
Cash was applied to:					
Repayment of Term Liabilities	19,462	11,723	44,272	64,722	58,484
Payment of Dividends	0	0	0	10,963	11,465
	<u>19,462</u>	<u>11,723</u>	<u>44,272</u>	<u>75,685</u>	<u>69,949</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	(18,382)	(8,415)	18,224	65,567	27,040
Increase/(Decrease) in Cash	(1,660)	(54,758)	138,798	(5,595)	(7,509)
Inter-entity Transactions Between Balance Dates	0	0	0	22	(2,815)
Add Opening Cash	243,436	167,760	104,638	281,170	291,494
Exchange Fluctuations	0	0	0	(8)	0
ENDING CASH BALANCE	241,776	113,002	243,436	275,589	281,170
Represented by:					
Cash and Short Term Investments	241,776	113,002	243,436	277,268	281,949
Bank Overdraft	0	0	0	(1,679)	(779)
	<u>241,776</u>	<u>113,002</u>	<u>243,436</u>	<u>275,589</u>	<u>281,170</u>

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 authority under the Local Government Act 2002. The group consists of the entities listed on page 17.

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 Council Controlled Organisations.

Subsidiaries and other entities in which the Council has a controlling shareholding are accounted for by line aggregations of assets, liabilities, revenues, expenses and cash flows that are recognised in the financial statements of all entities in the consolidated group. 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 2002 to fair value by reference to their highest and best use.
- (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 are valued as follows:

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

(ii) Airport Fixed Assets:

Fixed assets are recorded at original cost less accumulated depreciation except for land and sealed surfaces.

Cost recognises the acquisition price paid on the purchase of the Airport assets from the Christchurch Airport Authority and subsequent capital expenditure. Land is revalued every three years. Sealed surfaces were valued for the first time at 30 June 2002. The current valuation of land and sealed surfaces is at fair value as at 30 June 2002 by Crighton Anderson & 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 (EDS):

The EDS was revalued by Orion management on an optimised depreciated replacement cost basis and was certified by independent valuers, Ernst & Young Corporate Finance Limited as at 31 March 2003.

(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 2002, by Meritec Limited.

Sewerage Infrastructural Assets have been valued using the optimised depreciated replacement cost at 30 June 2003 by GHD 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 at the value used for rating purposes. This is deemed to be cost.

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.

Heritage Assets

These assets have been valued at optimised depreciated reproduction cost as at 30 June 2003 by Plant & Machinery Valuers Limited or at cost to the Council if they were recorded prior to this date.

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 2003, with this revaluation peer reviewed by Marshall Seifert, an experienced valuer of New Zealand artworks.

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.

Infrastructure Assets, except for the Roothing network, 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 fifty year period has been used to calculate the average renewals expenditure for the Water Supply network, thirty years for the Wastewater network and twenty years for Stormwater. The estimated useful lives disclosed for these Infrastructure Assets are used for planning and valuation purposes.

The main bases are the following periods:

Buildings	15-100 yrs
Office and Computer Equipment	4-5 yrs
Mobile Plant including Vehicles	2-30 yrs
Buses	5-6 yrs
Sealed Surfaces (other than roads)	30-100 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	10-100 yrs
Library Books	3-10 yrs

Infrastructural Assets

Pavement Sub-base	Not depreciated
Basecourse	50-90 yrs
Surface	2-63 yrs
Streetlights & Signs	25 yrs
Kerb, Channel, Sumps & Berms	80 yrs
Bridges	70-150 yrs
Bus Shelters & Furniture	20-40 yrs
Water Supply	55-130 yrs
Water Meters	20-25 yrs
Stormwater	30-120 yrs
Waterways	15-120 yrs
Sewer	50-130 yrs
Treatment Plant	10-50 yrs
Pump Stations	10-80 yrs

Restricted Assets are not depreciated except for Historic Buildings, Artworks and Heritage Assets that are depreciated at 1%, 0.1% and 0.1% on a straight line basis respectively.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. Income Tax

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

All 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.

N. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by FIFO or weighted average methods. Some inventories are subject to restriction of title.

O. 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.

P. Employment Entitlements

Provision is made in respect of the Council's liability for retiring 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.

Q. Investments

Shares in subsidiaries, apart from Christchurch City Holdings Ltd (CCHL), associates and shares in Local Government Insurance Corporation Limited, are valued at share of equity off the latest Statement of Financial Position. Shares in CCHL were revalued at 30 June 2003, based on a market valuation undertaken by KPMG. All other investments are stated at lower of cost and net realisable value.

R. 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, 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) Loans to various sporting and cultural organisations are recorded at fair value.
- (e) All other financial instruments, including Cash and Bank balances, Accounts Payable and Term Debt are valued at fair value.

Members of the group enter into swap and forward rate transactions for the primary purpose of reducing exposure to fluctuations in interest rates. While these financial instruments are subject to the risk that market rates may change subsequent to the acquisition of the financial instrument, such changes would generally be offset by opposite effects on the item being hedged. For swap agreements, the differential to be paid or received is accrued as interest rates change, and is recognised as a component of interest expense over the life of the agreement.

S. 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 2002.

T. Cost Allocations

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

External service activities refer 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.

U. 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.

V. 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.

W. 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 2003 adjusted for expenditure and revenue carried forward into the next financial year, and budget changes authorised by the Council.

X. Changes in Accounting Policies

During the year the accounting policy relating to the recognition of Heritage Assets was changed to conform to the requirements of FRS-3: *'Accounting for Property, Plant and Equipment'*.

Under the previous policy, nearly all of these assets were not recognised as assets in the Statement of Financial Position and no depreciation was charged to recognise the loss of service potential that occurred during the year. These assets have been recorded at depreciated replacement cost at 30 June 2003 with depreciation calculated on a straight line basis.

As a result of the above change in accounting policy:

- (a) Heritage Assets with optimised depreciated replacement costs totaling \$13.7 million were recognised for the first time. Heritage Assets with optimised depreciated replacement costs totaling \$1.1 million that were previously recognised as Artworks or part of Buildings, were transferred into the Heritage Assets category.
- (b) The optimised depreciated replacement costs totaling \$13.7 million of Heritage Assets recognised for the first time has been included in the value of Vested Assets in the Statement of Financial Performance.

Christchurch International Airport Ltd previously applied tax effect accounting on a partial basis. To provide consistency of taxation reporting across the group, all its deferred tax liabilities are now reported in the Statement of Financial Position,

As a result of the above change in accounting policy:

- (a) Opening Retained Earnings have been decreased by \$808,000.
- (b) A Deferred Tax adjustment of \$2,794,000 has been made to the Revaluation Reserve.
- (c) The current year Tax Benefit of \$166,000 has been deducted from Taxation Expense.
- (d) Minority Interests have been decreased by \$1,201,000.

The calculation of depreciation on Roothing Infrastructure Assets has been changed from the long run average renewals approach to the straight line method.

As a result of this change in accounting policy:

- (a) The carrying value of Roothing Infrastructure Assets shown in the Statement of Financial Position was higher by \$5.4 million.
- (b) The depreciation charge for Roothing Infrastructure Assets recognised in the Statement of Financial Performance was lower by \$5.4 million.

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 2003 Parent \$000's	Estimate 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Significant Activity Income:	\$92,621	\$86,167	\$81,392	\$92,338	\$83,122

(Refer to Summary of Activities on Page 46)

Other Income

Interest Income

Subsidiaries	3,065	3,119	2,648	0	0
Loan Repayment Investments	544	404	428	544	428
Short Term Investments	15,326	13,024	7,071	17,095	22,207
Special and Other Fund Investments	2,155	1,762	1,708	2,155	1,708
Total Interest Income	\$21,090	\$18,309	\$11,855	\$19,794	\$24,343

Dividend Income:

Christchurch City Holdings Ltd

- Ordinary	28,900	32,323	30,628	0	0
- Special	3,400	0	153,850	0	0
Travis Finance Ltd	145	0	0	0	0
City Care Ltd	0	0	1,231	0	0
Subsidiary Companies Investments	0	0	0	113	0

Total Dividend Income	\$32,445	\$32,323	\$185,709	\$113	\$0
------------------------------	-----------------	-----------------	------------------	--------------	------------

Sundry Income:

Petroleum Tax	2,097	2,000	2,016	2,097	2,016
Sundry	3,292	30	5,558	17,816	15,750
Grants	3,724	2,950	3,635	3,724	3,635
Equity Accounted Earnings of Associates	(94)	0	949	(5,420)	(2,351)
Trading Subsidiaries Operating Income	0	0	0	304,645	319,056

Total Sundry Income	\$9,019	\$4,980	\$12,158	\$322,862	\$338,106
----------------------------	----------------	----------------	-----------------	------------------	------------------

Total Other Income	\$62,554	\$55,612	\$209,722	\$342,769	\$362,449
---------------------------	-----------------	-----------------	------------------	------------------	------------------



Pond one at the Christchurch Wastewater Treatment Plant after its recent reconstruction

NOTE 2: Expenditure

	Actual 2003 Parent \$000's	Estimate 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Significant Activity Expenditure	\$253,616	\$256,708	\$246,490	\$208,892	\$215,718
(Refer to Summary of Activities on Page 46)					
Other Expenditure					
Levies	5,525	5,525	5,520	5,525	5,520
Professional Fees re Subsidiaries	2	50	113	2	113
Sundry	5,071	5,496	4,163	28,323	32,850
Trading Subsidiaries Operating Expenditure	0	0	0	246,165	234,679
Total Other Expenditure	\$10,598	\$11,071	\$9,796	\$280,015	\$273,162

	Actual 2003 Parent \$000's	Actual 2002 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	1,871	1,366
(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	45	73
(d) Purchase of insignia and robes of office and civic insignia of any kind	4	6
(e) Provision of entertainment	120	111
(f) Payment of levies or general contributions to organisations considered appropriate to the functions of the Council		
Civil Defence	714	795
Canterbury Museum	5,004	4,205
Riccarton Bush	224	208
Rural Fire Fighting	415	366
(g) Unauthorised Expenditure	0	0
(h) Council appoints four members as its representatives on the Canterbury Museum Trust Board		



People enjoying the tranquillity of the Avon River near the Hereford Street bridge

NOTE 3 :**(a) Operating Surplus**

	Actual 2003 Parent \$000's	Estimate 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
After Charging:					
Audit Fees					
Fees paid to principal auditor	160	150	150	418	342
Fees paid to other auditors	0	0	0	38	69
Other services provided by principal auditor	12	0	0	24	20
Other services provided by other auditors	0	0	0	39	50
Amortisation of Goodwill	0	0	0	3,520	4,184
Bad Debts	189	25	105	825	405
Depreciation					
Land Improvements & Buildings					
including Restricted	8,801		7,298	21,963	18,345
Plant, Equipment & Vehicles	6,937		6,520	14,594	12,500
Library Books	3,198		2,894	3,198	2,894
Artworks & Heritage Assets	30		26	30	26
Roothing Infrastructure	21,911		20,883	21,911	20,883
Sewerage Infrastructure	5,472		5,321	5,472	5,321
Stormwater Infrastructure	3,230		2,090	3,230	2,090
Water Reticulation Infrastructure	3,139		3,468	3,139	3,468
Vessels	0		0	279	62
Buses	0		0	1,213	1,065
Sealed Surfaces	0		0	2,006	1,934
Electricity Distribution System	0		0	16,173	15,389
Harbour Structures	0		0	1,120	1,106
Other Assets	0		0	2,597	2,212
Total	52,718	48,442	48,500	96,925	87,295
Interest	6,744	7,952	6,396	22,259	26,269
Leasing and Rental Costs	4,330	4,417	4,152	6,486	5,045
Increase/(Decrease) in Provision for					
Doubtful Debts	0	0	0	1	0
Councillors' Remuneration	1,315	1,456	1,317	1,315	1,317
Directors Fees	0	0	0	1,007	831
Gain/(Loss) on Sale of Assets	124	30	193	620	771
Severance and Restructuring Costs	411	0	252	3,431	509
Research and Development	0	0	0	17	49
Parent Company Expenses	0	0	0	1,152	1,024
Foreign Exchange Losses/(Gains)	0	0	0	431	0
Exploration Expenditure Written off	0	0	0	6	4,233
Donations	0	0	0	101	91
Assets Written off	3,281	3,781	4,970	4,120	4,970

(b) Discontinued Activities

Revenue and expenditure attributable to continuing and discontinued activities are detailed below:

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Continuing Activities:				
Revenue	303,624	431,713	580,785	585,113
Net surplus/deficit	77,891	197,817	82,340	63,366
Discontinued Activities:				
Revenue	0	0	0	151
Net surplus/deficit	0	0	0	(2,979)

NOTE 4: Equity

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
(a) Reserve Funds				
Opening Balance	275,710	107,461	275,710	107,461
Transferred (to)/from Retained Earnings	(19,159)	168,249	(19,159)	168,249
Closing Balance	\$256,551	\$275,710	\$256,551	\$275,710
(b) Capital Reserve				
Opening Balance	1,733,853	1,733,853	1,733,853	1,733,853
Transferred (to)/from Retained Earnings	0	0	0	0
Closing Balance	\$1,733,853	\$1,733,853	\$1,733,853	\$1,733,853
(c) Asset Revaluation Reserves				
Opening Balance	1,157,660	1,234,084	547,799	464,857
Revaluation of Shares of Subsidiaries and Associates	124,798	(142,901)	(2,299)	(6,888)
Revaluation of Assets	148,320	64,731	275,556	88,084
Realised Assets Revaluation Reserve	(1,057)	1,746	(1,057)	1,746
Closing Balance#	\$1,429,721	\$1,157,660	\$819,999	\$547,799
(d) Retained Earnings				
Opening Balance	390,127	361,362	760,127	868,194
Add Surplus for Year	77,891	197,817	82,340	60,387
Add Prior Period Adjustments for Year	0	943	0	943
Add Transfers (to)/from Reserves	19,159	(168,249)	19,159	(168,249)
Return of Share Capital	0	0	(200)	0
Movement Relating to Preacquisition Revaluation Reserves, etc	0	0	(638)	598
Realised Assets Revaluation Reserve	1,057	(1,746)	1,057	(1,746)
Closing Balance	\$488,234	\$390,127	\$861,845	\$760,127
Minority Interest*	0	0	\$127,711	\$110,315
Total Equity	\$3,908,359	\$3,557,350	\$3,799,959	\$3,427,804

	2003 \$000's	2002 \$000's
*Minority Interest		
Christchurch International Airport Ltd	38,535	40,595
Lyttelton Port Company Limited	17,207	16,886
Orion NZ Ltd	71,969	52,834
	<u>\$127,711</u>	<u>\$110,315</u>

#Revaluation Reserves

Land & Buildings	139,164	138,688	175,636	175,161
Library Books	1,621	1,621	1,621	1,621
Artworks	23,924	5,612	23,924	5,612
Roading Infrastructure	154,653	155,893	154,653	155,893
Sewerage Infrastructure	210,535	80,824	210,535	80,824
Stormwater Infrastructure	71,410	71,422	71,410	71,422
Water Reticulation Infrastructure	21,499	21,483	21,499	21,483
Investments	806,915	682,117	10,717	13,016
Electricity Distribution Network	0	0	130,033	0
Sealed Surfaces	0	0	19,971	22,767
	<u>\$1,429,721</u>	<u>\$1,157,660</u>	<u>\$819,999</u>	<u>\$547,799</u>

NOTE 5:**Non-Current Liabilities**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Term Debt-Note 7	58,204	82,293	313,536	236,451
Provision for Landfill Aftercare	18,349	18,349	18,349	18,349
Provision for Employee Entitlements	7,718	7,422	7,718	7,422
Deferred Tax	0	0	47,250	36,623
Other	0	0	14,810	3,509
Total Non-Current Liabilities	\$84,271	\$108,064	\$401,663	\$302,354

NOTE 6:**Current Liabilities**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Trade Creditors	34,198	33,336	74,854	69,798
Owing to Subsidiaries	7,818	6,693	0	0
Bank Overdrafts	0	0	1,679	779
Provision for Taxation	0	0	0	0
Current Portion of Term Debt - Subsidiaries	22,945	10,143	0	0
Current Portion of Term Debt - Other	3,128	10,223	52,905	68,538
Other	351	586	12,502	17,284
	\$68,440	\$60,981	\$141,940	\$156,399
Employee Entitlements				
Accrued Pay	1,523	1,562	3,162	3,184
Annual Leave	8,407	8,335	17,452	16,991
Total Employee Entitlements	\$9,930	\$9,897	\$20,614	\$20,175
Total Current Liabilities	\$78,370	\$70,878	\$162,554	\$176,574

Included within the Group amount for "Other" are the following Provisions:

	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Warranties, Remedial Work & Site Restoration		
Opening Balance	1,078	1,000
Additional Provision Made	55	415
Amount Utilised	(683)	(337)
Closing Balance	\$450	\$1,078
Revenue Adjustments		
Opening Balance	2,025	3,300
Additional Provision Made	0	525
Amount Utilised	(1,500)	(1,800)
Closing Balance	\$525	\$2,025
Restructuring		
Opening Balance	258	0
Additional Provision Made	2,285	258
Amount Utilised	(1,549)	0
Closing Balance	\$994	\$258
Closing Balance of all the Provisions above	\$1,969	\$3,361

NOTE 7:**Public Debt**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
(a) Current				
Unsecured Loans	0	0	49,672	58,245
Owing to Subsidiaries	22,945	10,143	0	0
Other Secured Loans	3,128	10,223	3,233	10,293
Total Current Debt	\$26,073	\$20,366	\$52,905	\$68,538
(b) Non-Current				
Unsecured Loans	0	0	292,332	212,410
Owing to Subsidiaries	37,000	58,252	0	0
Other Secured Loans	21,204	24,041	21,204	24,041
Total Non-Current Debt	\$58,204	\$82,293	\$313,536	\$236,451

(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 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Payable no later than 1 year	26,073	20,366	52,905	68,538
1 - 2 years	37,326	24,426	40,427	29,629
2 - 3 years	82	37,376	152,421	56,426
3 - 4 years	20,038	137	69,931	80,179
4 - 5 years	657	20,088	657	69,951
Later than 5 years	101	266	50,100	266
Total Term Debt	\$84,277	\$102,659	\$366,441	\$304,989

(e) Interest Rates

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

	Actual 2003 Parent	Actual 2002 Parent	Actual 2003 Group	Actual 2002 Group
Loans and Debentures	7.21%	6.78%	5.02% to 7.75%	5.33% to 6.8%

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's
The Council has loan repayment investments (sinking funds) which are to be used for repayment of Term Debt	14,046	7,416
The Council also has a Debt Repayment Reserve to be applied to reduction of Term Debt	113,766	36,821



New water supply pumping station in Picton Avenue

NOTE 7: cont'd

Christchurch City Holdings Ltd borrowings at 30 June 2003, comprised bonds in six tranches ranging from \$1.5 million to \$50 million. These borrowings mature at annual intervals until 15 November 2006. Coupon rates are between 5.92% and 7.75%. These borrowings were effected under a \$350 million debt issuance programme. The purpose of the debt programme is to enable CCHL to borrow on behalf of Christchurch City Council to partially fund its future capital expenditure programme. These borrowings are unsecured but the loan documentation imposes certain covenants and restrictions on CCHL. The effective interest rate on CCHL's borrowings for the year was 7.1% (2002 6.8%). 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 all borrowings are floating, based on 90 day bank bill rates plus a margin. As at 31 March 2003, the Company had on issue interest bearing debt with a face value of \$30 million in New Zealand dollars (2002 \$18 million) and \$45 million in Australian dollars (\$A). At 31 March 2003, interest rates were 5.99% (2002, 5.33%) and averaged 5.015% for \$A. 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 2006 through a \$75 million revolving credit facility.

All borrowings are unsecured and are supported by a negative pledge deed. ANZ also provides a \$5 million money line facility and the BNZ provides a \$1 million overdraft facility. At 30 June 2003, the Company had on issue 90 day short term registered notes with a face value of \$72 million (2002 \$66 million) with a discounted value of \$71 million (2002 \$65 million). Interest rates are determined by reference to prevailing market rates and during the year ranged from 5.4% to 6.6% after adjusting for the effect of offsetting interest rate swaps.

Lyttelton Port Company Limited has short term borrowings and term advances raised pursuant to a multi option credit line agreement with Westpac Bank. These funds have been lent against a negative pledge deed where the bank ranks equally with other creditors. The effective interest rate during the year was 6.42% (2002 6.04%).

Unsecured Loans

The Council has no unsecured loans (2002 Nil).

Variations/ Changes to the Borrowing Management Policy

There have been no changes or variations to this Policy.

NOTE 8: Current Assets

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Cash at Bank, and Short Term Investments	\$241,776	\$243,436	\$277,268	\$281,949
Receivables and Prepayments				
Rates Debtors	5,353	6,142	5,353	6,142
Other Trade Debtors	6,968	7,252	28,682	31,866
Amount Owing by Subsidiaries	1,684	1,800	0	0
Amount Owing by Associates	0	0	0	0
Other Receivables/Prepayments	7,167	8,479	7,223	7,645
GST Receivable	2,799	7,798	2,799	7,878
Taxation Receivable	0	0	2,484	5,118
Dividends Receivable	9,300	23,628	0	0
Amounts Owing by Directors/Councillors	0	0	0	0
	33,271	55,099	46,541	58,649
Less Provision for Doubtful Debts	(350)	(350)	(370)	(370)
Total Receivables and Prepayments	\$32,921	\$54,749	\$46,171	\$58,279
Inventories				
General Stores	1,496	1,631	7,726	7,365
Livestock and Feed	204	274	204	274
Souvenirs and Food	276	147	276	147
Development Land	0	1	0	1
Total Inventories	\$1,976	\$2,053	\$8,206	\$7,787
Fixed Assets Held for Resale	\$0	\$154	\$3,407	\$3,570
Total Current Assets	\$276,673	\$300,392	\$335,052	\$351,585

NOTE 9: Non-Current Assets

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Investments				
Government and Local Body Stock	9,017	6,550	9,017	6,550
Stocks & Bonds	22,875	30,060	22,875	30,060
Sinking Funds other than Local Body Stock	14,046	3,866	14,046	3,866
General Investments				
Mortgages and Loans	5,485	8,960	5,485	8,960
Investment in Companies				
NZ Local Government Insurance Co Ltd	677	677	677	677
Shares held on a/c MK Richards Trust	0	11	0	11
Subsidiary Companies			0	
Christchurch City Facilities Ltd	40,514	42,893		0
Jade Stadium Ltd	3,654	999	0	0
Travis Finance Ltd	11	39	0	0
Christchurch City Holdings Ltd (CCHL)	849,000	720,000	0	0
Associate Company Investments	5,604	5,698	40,084	41,993
Loans to Subsidiary Companies				
Jade Stadium Ltd	35,743	41,243	0	0
Subsidiary Company Investments	0	0	69,882	7,400
Total Investments	\$986,626	\$860,996	\$162,066	\$99,517

Average Earnings Rates	Actual 2003	Actual 2002
Cash Investments	6.0%	6.5%
Community Loans	4.7%	4.8%
Loans to Subsidiary Companies	7.4%	5.5%

Publicly Traded Investments	Actual 2003 \$000's	Actual 2002 \$000's
Market Value of CCHL's investment in Lyttelton Port Company Ltd at 30 June	\$114,607	\$119,937

Investment in Associates	2003 Parent \$000's	2002 Parent \$000's	2003 Group \$000's	2002 Group \$000's
Carrying value of associates				
Opening balance - carrying value	5,698	35,226	28,483	38,095
Opening balance - goodwill	0	0	13,510	5,500
Equity accounted surplus /(deficit)	(94)	949	(5,420)	(2,351)
Purchase of associates	0	568	10,813	4,709
Parent company share of revaluations	0	386	(2,299)	386
Goodwill amortised during the year	0	0	(2,948)	(3,717)
Dividends from associates	0	(157)	(197)	(629)
Disposal of associate	0	(31,274)	(1,858)	0
Carrying value at end of year	\$5,604	\$5,698	\$40,084	\$41,993

NOTE 9: cont'd**Closing balances are made up as follows:**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Carrying value	5,604	5,698	31,910	28,483
Goodwill	0	0	8,174	13,510
	<u>\$5,604</u>	<u>\$5,698</u>	<u>\$40,084</u>	<u>41,993</u>
Equity accounted earnings				
Surplus / (deficit) before tax	(94)	949	(5,142)	(2,351)
Income tax	0	0	(278)	0
Total recognised revenues and expenses	<u>(\$94)</u>	<u>\$949</u>	<u>(\$5,420)</u>	<u>(\$2,351)</u>

Goodwill relating to associates

Closing balances are made up as follows:

Gross amount	0	0	15,858	18,582
Accumulated amortisation	0	0	(7,684)	(5,072)
	<u>\$0</u>	<u>\$0</u>	<u>\$8,174</u>	<u>13,510</u>

**NOTE 10:
Operational Assets**

	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2003 \$000's	N.B.V 30 June 2002 \$000's
Parent				
Land & Land Improvements	180,412	6,867	173,545	168,286
Buildings	356,934	7,910	349,024	298,173
Buildings in Progress	5,790	0	5,790	38,551
Plant and Chattels	65,632	38,951	26,681	27,837
Work in Progress-Plant	348	0	348	202
Library Books	59,302	45,030	14,272	13,803
Mobile Plant	8,439	4,307	4,132	3,462
Total Parent Operational Assets	<u>\$676,857</u>	<u>\$103,065</u>	<u>\$573,792</u>	<u>\$550,314</u>

Net book value of Land and Buildings as at 30 June 2003 is considered to be fair value.

	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2003 \$000's	N.B.V 30 June 2002 \$000's
Group				
Land & Land Improvements	283,808	6,867	276,941	271,527
Site Improvements	3,136	499	2,637	2,735
Buildings	620,172	71,753	548,419	493,193
Buildings in Progress	5,790	0	5,790	38,551
Plant and Chattels	179,257	103,096	76,161	72,682
Work in Progress-Plant	348	0	348	202
Buses	23,197	3,442	19,755	17,570
Sealed Surfaces	45,711	4,987	40,724	41,091
Electricity Distribution System	581,337	0	581,337	431,139
Harbour Structures	59,314	12,701	46,613	29,584
Vessels	10,120	1,367	8,753	8,000
Other Assets	77,566	51,895	25,671	24,766
Total Group Operational Assets	<u>\$1,889,756</u>	<u>\$256,607</u>	<u>\$1,633,149</u>	<u>\$1,431,040</u>

Net book value of Land and Buildings as at 30 June 2003 is considered to be fair value.

NOTE 11: Infrastructural Assets

	Valuation Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2003 \$000's	N.B.V 30 June 2002 \$000's
Parent and Group				
Bus Shelters	1,311	307	1,004	625
Roading	1,017,047	39,922	977,125	968,673
Roading in Progress	12,900	0	12,900	5,550
Sewers	432,814	0	432,814	309,544
Sewers in Progress	11,366	0	11,366	4,230
Stormwater	248,956	2,689	246,267	244,294
Stormwater in Progress	2,591	0	2,591	2,474
Water Reticulation	136,864	5,189	131,675	129,902
Water Reticulation in Progress	3,477	0	3,477	2,589
Water Meters	22,873	865	22,008	21,589
Streetlights	16,716	1,942	14,774	14,579
Traffic Lights	9,554	1,201	8,353	9,253
Water & Stormwater Pumping Stations	11,387	1,057	10,330	9,875
Sewer Pumping Stations	14,649	0	14,649	3,277
Total Infrastructural Assets	\$1,942,505	\$53,172	\$1,889,333	\$1,726,454

NOTE 12: Restricted Assets

	Valuation or Cost \$000's	Accumulated Depreciation \$000's	N.B.V 30 June 2003 \$000's	N.B.V 30 June 2002 \$000's
Parent and Group				
Art Works	47,373	0	47,373	29,516
Library Books NZ Room	4,846	0	4,846	4,739
Reserve Land and Improvements	260,114	265	259,849	245,394
Reserve Land and Improvements in Progress	3,432	0	3,432	4,734
Buildings-Historic	14,158	199	13,959	13,700
Heritage Assets	15,061	7	15,054	0
Properties Held in Trust for Other Organisations	63	0	63	53
Total Restricted Assets	\$345,047	\$471	\$344,576	\$298,136

Net book value of Land and Buildings as at 30 June 2003 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.



1880's Avebury House that has been restored for use as a community centre

NOTE 13:**Contingencies****(a) Contingent Liabilities**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Uncalled Capital in Christchurch City Holdings Ltd	488,999	488,999	0	0
Uncalled Capital in Transwaste Canterbury Ltd	1,514	1,514	1,514	1,514
Professional Indemnity Insurance Claims Lodged with FAI (NZ) General Insurance Company Ltd	400	400	400	400
Linwood Outfall Drain	300	300	300	300
Other Professional Indemnity Insurance Claims Lodged either unresolved or not accepted	440	0	440	0
Red Bus Limited - Performance Bonds	0	0	966	936
City Care Ltd - Performance Bonds	0	0	1,335	398
Telecom NZ Limited challenge to the rating valuation of its telecommunications network	403	160	403	160
Claim for additional fees on a construction contract	155	0	657	0
Guarantees to Sporting and Community Organisations	100	100	100	100
	<u>\$492,311</u>	<u>\$491,473</u>	<u>\$6,115</u>	<u>\$3,808</u>

- In March 2002, the Council sold its shareholding in Selwyn Plantation Board Limited to Christchurch City Holdings Limited (CCHL) at a price determined by an independent valuation by Deloitte Touche Tohmatsu. At that time, it was known to both parties that Selwyn Plantation Board Limited was performing a review of its methodology for valuing forestry assets, and thus provision was made in the Sale and Purchase Agreement for a potential adjustment to the purchase price should the new valuation be materially different. Selwyn Plantation Board Limited has since had Jaakko Poyry value the forests using the new valuation methodology resulting in a \$24,945,500 downward movement in the valuation of its forestry resource. Therefore there is potential that the Council will have to refund part of the sale price back to Christchurch City Holdings Limited. The quantum is unknown at this stage.
- 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.
- 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 \$400,000.
- Telecom NZ Limited has challenged the rating valuation of its telecommunications network. The Council believes that the valuations have been performed professionally in accordance with the relevant legislation. If the Telecom challenge was upheld then a rates refund of up to \$421,000 would be payable.
- 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

(b) Contingent Assets

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual Group \$000's
Vested Assets - Nurses Chapel (at valuation)	\$400	\$400	\$400	\$400

NOTE 14: Capital Commitments

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Council Works	29,731	36,660	29,731	36,660
Christchurch International Airport Ltd	0	0	1,413	1,713
City Care Ltd	0	0	0	188
Jade Stadium Limited	0	0	0	0
Lyttelton Port Company Ltd	0	0	7,798	1,484
Orion NZ Ltd	0	0	28,146	20,125
Red Bus Ltd	0	0	68	0
	<u>\$29,731</u>	<u>\$36,660</u>	<u>\$67,156</u>	<u>\$60,170</u>

At balance date, lease commitments were as follows;

Under 1 year	0	0	1,752	1,586
1-2 years	0	0	858	1,134
2-5 years	0	0	687	1,035
Over 5 years	0	0	2,231	2,260
	<u>\$0</u>	<u>\$0</u>	<u>\$5,528</u>	<u>\$6,015</u>

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

The financial effect of these claims cannot be quantified



As building work progressed on the Westfield Riccarton mall site, Orion's 66,000 volt cables in the area needed protecting. A concrete tunnel was installed to provide service access to the cables.

NOTE 15:

Reconciliation of Net Operating Cash Flow and Operating Surplus

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Net Surplus after Taxation	77,891	197,817	82,340	60,387
Minority Interests in Surpluses of Subsidiaries	0	0	11,030	13,087
Non Cash items				
Depreciation	52,718	48,500	96,925	87,295
Increase /(Decrease) in Deferred Tax	0	0	10,627	4,735
Goodwill Written Off	0	0	3,520	4,184
Vested Assets	(36,349)	(21,285)	(36,349)	(21,285)
Other Movements in Minority Interest	0	0	0	0
Assets Written Off	3,281	4,970	4,120	4,970
Subsidised Assets	0	0	(1,745)	0
Equity Accounted Earnings	94	(949)	5,420	2,351
Foreign Exchange Difference	0	0	431	0
Other Non-cash Items	0	0	(354)	(450)
Increase in Landfill Aftercare Provision	0	1,525	0	1,525
Movements in Working Capital Items				
(Increase) / Decrease in:				
Accounts Receivable & Accruals	21,828	(31,768)	9,474	2,006
Taxation Receivable	0	0	2,634	17,253
Inventory	77	96	(419)	652
Increase /(Decrease) in:				
Accounts Payable and Accruals	7,065	3,912	(2,771)	11
Taxation Payable	0	(636)	0	(1,907)
Non-current Employee Entitlements	296	332	296	19
Less Items classified as Investing:				
Net (Gain)/Loss on Sale of Fixed Assets	(124)	(193)	(620)	(771)
Profit on Sale of Shares	0	0	(198)	0
Other Assets in Revenue	0	0	0	(343)
Deferred Revenue	0	0	(695)	0
Exploration Expenditure Written Off	0	0	6	4,233
Movement in Fixed Asset Related Accounts Payable	(2,795)	0	(2,105)	0
Net Cash Inflow/(Outflow) from Operating Activities	\$123,982	\$202,321	\$181,567	\$177,952

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 2003, these were \$256,551K (2002 \$275,710K).

NOTE 16:**Taxation**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Net Surplus/(Deficit) before Tax	77,891	197,181	130,359	118,138
Prima Facie Tax Expense at 33%	25,704	65,070	43,018	38,986
Permanent Differences	(12,148)	26,927	(7,876)	1,206
Timing Differences not Recognised	0	0	158	(48)
Loss not Previously Recognised	0	0	843	2,546
Imputation Credit Adjustment	(15,909)	(90,940)	0	(77)
Tax Credit re Group Losses	2,353	(1,057)	0	0
Writeoff of Tax Asset	0	0	736	305
Under/(Over) Provision	0	(636)	110	1,746
Income Tax Expense/(Benefit)	\$0	(\$636)	\$36,989	\$44,664
Comprising				
Current Taxation	0	(636)	26,362	39,929
Deferred Taxation	0	0	10,627	4,735
	\$0	(\$636)	\$36,989	\$44,664
Deferred Taxation				
Opening Balance	0	0	36,623	31,888
Prior Year Adjustment	0	0	4,803	44
Current Year	0	0	5,824	4,691
Net Deferred Tax Liability/(Asset)*	\$0	\$0	\$47,250	\$36,623
* The net Deferred Tax Liability is made up as follows:				
Deferred Tax Liability	0	0	48,776	38,267
Less Deferred Tax Asset	0	0	(1,526)	(1,644)
Net Deferred Tax Liability/(Asset)*	\$0	\$0	\$47,250	\$36,623

Taxable losses for the Council of \$26K with a tax effect of \$9K (2002 \$324K) and for the Group of \$10,260K with a tax effect of \$3,386K (2002 \$2,232K), have not been recognised. These losses are available to be carried forward to offset against future assessable income. Unrecognised future income tax liabilities for the Group, arising from timing differences, amount to Nil (2002 \$4,803K).

NOTE 17:**Imputation Credit Account**

	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Christchurch City Holdings Ltd	11,718	14,339
CCHL Subsidiaries	36,472	24,722
Other CCC Subsidiaries	6	9
	\$48,196	\$39,070

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

As at 30 June 2003, the remuneration package of the Council's Chief Executive Officer, appointed on 1 May 2003 under Section 119C(1) (a) of the Local Government Act 1974, is \$305,465 per annum plus provision for 10% performance pay.

For the year ended 30 June 2003, the total cost to the Council, including fringe benefit tax, was \$555,479 (2002 \$244,849). This included payments to the former City Manager for accrued leave entitlements, salary arrears and performance payment.

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

Annual Salary: \$135,000 to \$165,000.

Other elements of remuneration: \$25,000 to \$50,000.

(Additional benefits are generally between 25% of salary and consist of superannuation subsidy, professional fees, health insurance, use of a vehicle and telephone.)

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 2003, the following payments were made: (2002 \$173,804.)

Field Officer	\$67,460
Information Developer	\$110,293
Area Supervisor	\$69,329

NOTE 19:

Landfill Aftercare Liability

The Christchurch City Council gained a resource consent in April 1998 to operate Stage 2C 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.

The estimated total liability for closure and post-closure is \$4.2 million for Stage 2C and \$6.9 million for Stages 1, 2A and 2B.

Capacity of the Site

In May 2002, Environment Canterbury granted a new resource consent for Burwood Landfill out to May 2005. Objections to it were lodged by two parties and negotiations are continuing. 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 early 2005, though this opening date could be delayed until May 2005. Burwood Landfill does have the capacity to accommodate the waste stream until 2005 if this proves necessary.

Closed Landfills

The liability has been estimated, based on a monitoring period of 30 years. The estimated cost for the closed landfills, excluding the first three stages of the Burwood landfill is \$7.6 million.

NOTE 19: cont'd**Landfill Aftercare Costs Provision**

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Opening balance	18,700	15,725	18,700	15,725
Additional provision made	0	1,575	0	1,575
Adjustment for adoption of FRS-15	0	1,400	0	1,400
Amount utilised	0	0	0	0
Closing balance	18,700	18,700	18,700	18,700

**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 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Cash, Bank and Short Term Deposits	241,776	243,436	277,268	281,949
Accounts Receivable	32,921	54,749	46,171	58,279
Loans to Cultural and Sporting Organisations	5,485	8,960	5,485	8,960
Shares Gifted in Trust	0	11	0	11
Government and Local Body Stock	9,017	6,550	9,017	6,550
Stocks & Bonds	22,875	30,060	22,875	30,060
Sinking Funds other than Local Body Stock	14,046	3,866	14,046	3,866
Loans to Subsidiary Companies	35,743	41,243	0	0

No collateral security is held for the above.

(c) Off Balance Sheet Risk

Interest rate swaps and bond forward rate transactions are 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 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Foreign Currency Forward Exchange Contracts	0	0	164	67
Interest Rate Swaps and Forward Rate Agreements (FRA's)	0	0	184,500	158,500
Interest Rate Caps	0	0	0	0
Bond Forward Rate Agreement	0	0	69,000	0

NOTE 20: cont'd:**(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 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Foreign Currency Forward Exchange Contracts	0	0	0	7
Interest Rate Caps	0	0	0	0
Interest Rate Swaps and FRA's	0	0	1,026	602
Bond Forward Rate Agreement	0	0	(162)	0

(Figures in brackets are receivables)

Included in Subsidiary Company Investments is Orion's investment in Energy Developments Ltd (EDL). The net carrying value of the investment in EDL is \$58.0 million. The fair value of this investment, based on the Australian Stock Exchange listed share price at Orion's balance date of 31 March 2003, was \$33.8 million and at 30 June 2003, \$34.4 million. The investment has not been revalued. The board of Orion believes, despite the current Australian Stock Exchange price being lower than cost, that there has been no permanent impairment in value, as the company's strategy is to be a long term shareholder and the net tangible asset backing supports retaining the cost price valuation adjusted for foreign exchange movements. On 31 March 2003, the net carrying value was approximately \$A3 per share, as was the approximate net tangible asset backing per share. The fair value of all other financial instruments is as shown in the Statement of Financial Position.

NOTE 21:**Transit New Zealand Act disclosures**

In-House Professional Services * City Streets Business Unit	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's
Revenue from In-house Professional Services for		
TNZ Financially Assisted Roading	1,399	1,426
Revenue from Other Activities	4,174	5,806
Total Works Performed	5,573	7,232
Total Operating Costs	(5,573)	(7,232)
Surplus on Operations	0	0
City Solutions Business Unit		
Revenue from In-house Professional Services for		
TNZ Financially Assisted Roading	971	3,418
Revenue from Other Activities	5,528	5,708
Total Works Performed	6,499	9,126
Total Operating Costs	(6,549)	(8,670)
Surplus on Operations	(\$50)	\$456
The Surplus is transferred to the Council's General Fund.		
Property Services Section		
Revenue from In-house Professional Services for		
TNZ Financially Assisted Roading	3	23
Revenue from Other Activities	788	877
Total Works Performed	791	900
Total Operating Costs	791	900
Surplus on Operations	\$0	\$0

* In-house professional services relate to services for Transfund financially assisted roading. These are included in the Statement of Financial Performance and are presented in accordance with section 31 of the Transit New Zealand Act. Any Surplus/Deficit 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 760 Christchurch City residents in March to May 2003 and have a margin of error of +/- 3% at the 90% confidence level.

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. 182 off-street car park users and 159 on-street park users were interviewed in 2003. The estimated sampling error for these surveys lies within the +/- 3% range at the 90% confidence level.

NOTE 24: Related Party Transactions

All members of the Group are considered to be related parties of the Christchurch City Council. This includes subsidiaries, associates and joint ventures.

	Actual 2003	Actual 2002
	\$000's	\$000's
Related Parties and Balances		
Interest received on loans to related parties	3,065	2,648
Interest paid on loans to related parties	4,625	3,798
Dividends paid to the Council	32,445	185,709
Accounts payable to the Council	1,684	1,800
Accounts receivable from the Council	7,818	6,693
Loans to related parties	35,743	41,243
Loans from related parties	59,945	68,395
Issue of shares to the Council	4,450	6,300
Share Investments sold by the Council	0	39,400
Services provided to the Council	46,406	34,318
Services provided by the Council	2,936	3,273
Subvention payments to the Council	3,198	3,709
Rates paid to the Council	2,771	2,180
Fixed Assets purchased by the Council	0	2,000
Fixed Assets sold by the Council	250	0
	Actual 2003	Actual 2002
Transactions between Subsidiaries:	\$000's	\$000's
Dividends received/receivable to Christchurch City Holdings Ltd	42,380	52,777
Interest received/receivable Christchurch City Holdings Ltd	344	6,615
Subvention payments	2,105	2,617

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 and purchase of rubbish bags. 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 because some amounts of the cost and revenue budgets have been carried forward at the end of each year. The Council has also approved budget transfers between outputs. The transfers between operating budgets do not alter the total amount shown in the Financial Plan.

Reconciliation of Estimates reported in the Financial Plan and Annual Report

	Annual Plan Cost of Service Statements \$000's	Project & Other Costs Carried Forward \$000's	Internal Service Provider Allocations \$000's	Transfers and Other Adjustments \$000's	Annual Report Cost of Service Statements \$000's
Art Gallery	4,944	(50)	(72)	(35)	4,787
Car Parking	(2,804)	129	(626)	16	(3,285)
City Streets	35,041	123	(621)	(352)	34,191
Community Services	12,828	12	484	199	13,523
Economic Development	14,111	(230)	(138)	(211)	13,532
Environmental Policy and Services	13,163	(370)	3	(606)	12,190
Housing	(2,022)	0	(20)	(15)	(2,057)
Library and Information Services	20,725	49	115	(131)	20,758
Parks & Waterways	28,653	(311)	(243)	(126)	27,973
Public Accountability	8,510	(29)	(6)	(212)	8,263
Sports, Leisure and Events	12,954	2	3	7	12,966
Waste Minimisation and Disposal	750	(20)	641	189	1,560
Wastewater	15,699	10	(140)	65	15,634
Water Supply	10,539	69	(63)	(39)	10,506
Total Significant Activities	173,091	(616)	(683)	(1,251)	170,541
Rates	(146,913)	0	0	(1,301)	(148,214)
Internal Service Provider Surpluses	0	(132)	687	(555)	0
Interest Income	(16,327)	0	0	(1,982)	(18,309)
Dividend Income	(32,323)	0	0	0	(32,323)
Vested Assets	(15,000)	0	0	(321)	(15,321)
Capital Grants/Contributions	(2,376)	66	0	153	(2,157)
Other Income	(4,950)	(6)	0	(24)	(4,980)
Community Contributions	5,519	7	0	(1)	5,525
Emergency Services	1,180	0	0	(3)	1,177
Unallocated Interest Expense	13	0	0	1,204	1,217
Sundry Expenditure	4,827	(139)	(3)	(1,533)	3,152
Net Surplus for Year	(33,259)	(820)	1	(5,614)	(39,692)

NOTE 27: Major Budget Variations- Parent

Statement of Financial Performance

Explanations for major variations from the Council's estimate figures in the 2002/03 Annual Plan are as follows:

	\$000's
Higher than Budgeted Vested Assets Income due to higher than expected subdivision activity and recognition of Heritage Assets for the first time	21,028
Unbudgeted income from Subvention Receipts from LATEs	3,198
Higher than budgeted Interest Income due to the level of capital expenditure carried forward to 2003/04 being higher than budgeted	2,835
Lower than budgeted Interest Expense due to the level of capital expenditure carried forward to 2003/04 being higher than budgeted	522
Reversal of earlier years' accident insurance provision	1,174
Higher than budgeted Housing operating costs due to higher than budgeted depreciation resulting from the significant upward revaluation at 30 June 2002	(1,047)
Higher than budgeted income from Water Billing due to the implementation of a new computer system & improved processes	361
Higher than budgeted income from Wastewater capacity upgrade contributions due to higher than budgeted level of subdivision activity	1,251
Higher than budgeted income from cash in lieu of reserves contributions due to higher than budgeted level of subdivision activity	521
Higher than budgeted income from regulatory activities principally due to higher than budgeted level of subdivision activity	323
Lower than budgeted staff costs for regulatory activities due to higher productivity	527
Higher than budgeted income from dumping fees and recycling due to higher than budgeted quantities received	1,160
Higher than budgeted Transfund subsidies	608
Higher than budgeted parking enforcement revenues due to higher than budgeted levels of activity in the central city and improvements in the Department of Courts' operations	725
Unbudgeted dividend from Travis Finance Limited	145
Lower than budgeted network service costs due to the letting of new contracts for communication equipment and server maintenance	292

Statement of Movements in Equity

Apart from the increased unbudgeted income referred to above, there is a net increase brought about by the upward revaluations of Wastewater Infrastructure Assets of \$130.0M, Artworks & other Heritage Assets of \$18.3M and the value of ownership of subsidiary companies of \$124.8M. The increase in the value of ownership of subsidiary companies of \$124.8M was due to the \$129.0M increase in the valuation of Christchurch City Holdings Limited in 2003 that reflected the improvement in the earnings prospects of its subsidiaries offset by reductions in the values of Christchurch City Facilities Ltd of \$2.8M and Jade Stadium Ltd of \$1.4M.

Statement of Financial Position

The Net Surplus after Taxation plus the upward revaluation of assets resulted in an increase in Equity of \$351M. This funded an increase in assets of \$335M and a decrease in liabilities of \$16M.



One of the bridges over the Avon River in the Botanic Gardens

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 2003 \$000's	Interest 2003 \$000's	Total 2003 \$000's	Total 2002 \$000's
Subsidiaries:				
City Care Ltd	0	0	0	1,231
Christchurch City Facilities Ltd	0	0	0	0
Christchurch City Holdings Ltd	32,300	0	32,300	184,478
Jade Stadium Ltd	0	3,065	3,065	2,203
Travis Finance Ltd	145	0	145	446
Associates:				
Selwyn Plantation Board Limited	0	0	0	157
Transwaste Canterbury Ltd	0	0	0	0
	<u>\$32,445</u>	<u>\$3,065</u>	<u>\$35,510</u>	<u>\$188,515</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 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Restricted Land and Buildings	6,625	4,886	6,625	4,886
Infrastructural Assets	15,714	13,901	15,714	13,901
Artworks & Heritage Assets	14,010	2,498	14,010	2,498
	<u>\$36,349</u>	<u>\$21,285</u>	<u>\$36,349</u>	<u>\$21,285</u>

NOTE 30: Grants/Contributions to Major Projects

	Actual 2003 Parent \$000's	Actual 2002 Parent \$000's	Actual 2003 Group \$000's	Actual 2002 Group \$000's
Grants and Donations for New Art Gallery	1,807	429	1,807	429
Other Sponsorships and Contributions	325	40	325	40
	<u>\$2,132</u>	<u>\$469</u>	<u>\$2,132</u>	<u>\$469</u>



Members of the pony club at Canterbury Park that also serves as a flood retention area

summary of activities

A Summary of Service Delivery Activities

	Costs (After Internal Recoveries) 2003 \$000's	Income 2003 \$000's	Net Costs 2003 \$000's	Estimate 2003 \$000's	Net Costs 2002 \$000's
Art Gallery	4,845	407	4,438	4,787	3,010
Car Parking	8,957	13,133	(4,176)	(3,285)	(3,003)
City Streets	49,208	15,460	33,748	34,191	34,283
Community Services	14,881	1,610	13,271	13,523	13,131
Economic Development and Employment	13,951	563	13,388	13,532	12,277
Environmental Policy and Services	20,692	10,680	10,012	12,190	11,298
Housing	8,333	9,749	(1,416)	(2,057)	(1,561)
Library and Information Services	20,703	1,454	19,249	20,758	19,048
Parks and Waterways	29,605	2,676	26,929	27,973	26,548
Public Accountability	7,793	90	7,703	8,263	9,186
Sewerage	17,801	4,279	13,522	15,634	13,701
Sport, Leisure and Events	21,592	8,245	13,347	12,966	12,611
Waste Minimisation and Disposal	19,465	17,676	1,789	1,560	4,589
Water Supply	12,343	3,152	9,191	10,506	9,980
Total Cost of Service Delivery	250,169	89,174	160,995	170,541	165,098
Add Back Service Provider Income	3,447	3,447	0	0	0
Activity Results represented in Statement of Financial Performance	\$253,616	\$92,621	\$160,995	\$170,541	\$165,098

B Summary of Consolidating Subsidiary and Associated Organisations

	Income 2003 \$000's	Net Result After Tax After Deducting Minority Interest 2003 \$000's	Net Result After Tax After Deducting Minority Interest 2002 \$000's
City Care Ltd	52,534	2,197	2,859
Canterbury Technology Park	104	88	444
Christchurch City Facilities Ltd	10,299	(2,628)	(2,809)
Christchurch City Holdings Ltd	47,602	34,178	48,828
Christchurch International Airport Ltd	55,397	13,041	14,249
Jade Stadium Limited	7,612	(1,345)	(1,536)
Lyttelton Port Co Ltd	60,929	11,625	16,304
Orion NZ Ltd	163,729	29,893	31,461
Red Bus Limited	21,386	1,379	1,293
Selwyn Plantation Board Ltd	11,660	2,905	2,646
Transwaste Canterbury Limited	0	(248)	(240)
Travis Finance Ltd	124	116	(143)
	\$431,376	\$91,201	\$113,356

art gallery

A public art museum formerly comprised of the Robert McDougall Art Gallery located in the Botanic Gardens and the Art Annex at the Arts Centre. These facilities have provided 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. These two facilities closed on 16 June 2002 so all the artworks could be sorted, packed, moved and then set out in the new gallery that was opened 10 May 2003.

Statement of Objectives and Service Performance

Objective

1. Exhibitions Programme

To prepare a programme of exhibitions and cultural activities focused on the visual arts in the new Christchurch Art Gallery.

Links to Strategic Objectives - A1, A2, A3, A4, A5

2. New Christchurch Art Gallery (Te Puna O Waiwhetu)

To prepare for the opening of the new Christchurch Art Gallery in 2003.

Links to Strategic Objectives A1, A2, A3, A4, A5, B4, C4, F1

3. Collection

To complete the framing restoration and replication programme in time for the commencement of exhibitions installation in November 2002 and make all necessary preparations for relocation of the collection.

Links to Strategic Objectives - A1, A2, A3, A4, A5, B4, C1, C4, F2

1. Environmental Performance Indicators

3.1 To reduce the quantity of hazardous solvents used in the treatment of artworks from 30 litres to

Actual	Target
< 5 litres used	25 litres

2. Social Performance Indicators

1.1 Achieving a satisfaction rating for visitors to new Gallery measured by user survey, at least

Not measured	84%
--------------	-----

1.2 Exhibitions to be prepared for the opening of the new Gallery, at least

10	9
----	---

1.3 Canterbury Art On Tour mobile exhibitions series to tour Christchurch schools, at least

7	4
---	---

2.1 The new Gallery is prepared for the opening date of

10 May 2003	26 April 2003
-------------	---------------

3. Economic/Financial Performance Indicators

1.4 Visitors to the new Gallery from public opening 26 April 2003 to 30 June 2003, at least

110,481	50,000
---------	--------

1.5 Providing advice on valuations and conservation available on demand by Christchurch public to, at least

1,942	100 customers
-------	---------------

2.2 New Gallery building project completed

Within budget	Within budget
---------------	---------------

2.3 All art works prepared, moved and installed in the new Gallery by with damage, delays and overspend of budget

10 May 2003 Nil	30 June 2003 Nil
--------------------	---------------------

art gallery

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Art Collection	1,326	35	1,291	1,328	1,222
Exhibitions	1,731	305	1,426	1,643	809
Information and Advice	813	27	786	831	760
New Christchurch Art Gallery	975	40	935	985	219
Cost of Service	\$4,845	\$407	\$4,438	\$4,787	\$3,010

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$407, Estimate 2003 \$505, Actual 2002 \$210.

Depreciation included is: Actual 2003 \$161, Estimate 2003 \$513, Actual 2002 \$125.

Refer Note 22.



The new Christchurch Art Gallery from Worcester Boulevard

car parking

Management and administration of off-street and kerbside parking facilities with city-wide enforcement of parking bylaws and regulations, utilising 2,400 metered spaces, 328 coupon spaces, 9 off-street parking buildings, and 3,360 spaces. Facilities employ 75 FTE staff.

Statement of Objectives and Service Performance

Objective

1. Customer Service

To help make the Central City accessible and support its commercial viability.

Links to Strategic Objectives - A5, B1, B2, B3, C2, F1, F2, F5, F7

2. Management of Assets

Ensuring that the Council's car parking assets are sustainable in the long term.

Links to Strategic Objectives - A5, B3, C2, F2, F5, F7

3. Road Safety

To promote road safety and thereby reduce the number of road accidents.

Links to Strategic Objectives - A3, B2, C2, D5, E4

To respond rapidly to requests for assistance in relation to obstructed vehicle entrances.

1. Environmental Performance Indicators	Actual	Target
2.1 Tagging removed	100%	100% within 2 hours of being observed
2. Social Performance Indicators		
1.1 Allocation of mobility (disability) parking spaces in off-street parking facilities which meet or exceed the Australian Standard, AS2890, (1 to 2% of total), at each parking facility	100%	100% compliance
1.2 Survey respondents satisfied with standard of toilet facilities at each parking facility, at least	92%	80%
3.1 School crossings monitored daily, at least	5	5
3.2 Responding to requests for enforcement assistance, eg in relation to obstructed vehicle entrances; Average response times: Central City Suburbs	10-15 minutes 15-20 minutes	between 10 & 15 minutes between 15 & 20 minutes
3. Economic/Financial Performance Indicators		
1.3 Increase in vehicle parking, at least	16%	2.6%
1.4 Vehicle occupancy rates in staffed off-street parking facilities: - Average overall, at least - Peak period, at least	56% 89%	50% 82%
1.5 Net operating cost per space in off-street parking facilities	\$404	\$389
1.6 Net operating surplus per metered space, at least	\$1,171	\$1,084
1.7 Paid compliance in metered areas, at least Average compliance in time restricted areas, at least	53% Not measured	60% 80%
1.8 Compliance on loading zones, at least	Not measured	80%

car parking

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Enforcement	2,527	4,482	(1,955)	(1,574)	(1,751)
Parking	6,358	8,622	(2,264)	(1,743)	(1,294)
Abandoned Vehicles	72	29	43	32	42
Cost of Service	\$8,957	\$13,133	(\$4,176)	(\$3,285)	(\$3,003)



Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$13,133, Estimate 2003 \$12,058, Actual 2002 \$11,284.

Depreciation included is: Actual 2003 \$385, Estimate 2003 \$337, Actual 2002 \$411.

Refer Notes 22 & 23.

The Farmers carpark that is used by visitors to the Central Library and those transacting business in the central city

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 1,585km of carriageway, 157 traffic bridges, 2,515km of kerbs and channel, and 2,265km of sealed footpaths.

Statement of Objectives and Service Performance

Objective

1. Customer Service

Educate and encourage the public to use the network safely.

Links to Strategic Objectives - C2, E2, E3, E4

Meet network accepted standards and engineering best practice.

Provide viable choice of transport modes.

Links to Strategic Objectives - C2, C3, E2, E3, E4

Ensure users are aware of transport choices and the means to effect them.

2. Community Engagement

Engage the community in determining, validating and prioritising needs.

Set agreed levels of service in conjunction with the community.

Links to Strategic Objectives - C2, D1, D5

Create road environments that support and encourage a greater range of community and street activity.

Links to Strategic Objectives - A2, A3

3. Planning & Infrastructural Management

Cost effectively build, maintain and operate network to user group requirements.

Links to Strategic Objectives - C2, E2, E4

Optimise asset life cycle costs.

Links to Strategic Objectives - C2, E2, E4

1. Environmental Performance Indicators

1.1 Perceived percentage level of safety by cycle users is greater than

Actual

77%

Target

80%

2.1 Percentage of community users satisfied with the improvement of the urban environment following street works is greater than

73%

80%

3.1 The peak time lane kilometres of congested road is within a limit of the Asset Management Plan guidelines of no more than

Not within
20% margin,
19.2-28.8km
Actual 7.3 -8km

20%

2. Social Performance Indicators

1.2 Decrease in

a) percentage of crashes involving responsible road use factors

b) number of crashes per 10,000 people

a) Increase 2%
b) Nil

a) > 0
b) > 0

1.3 Consistent or increasing use of non-car transport modes

a) cycling

a) 7%

a) 20% of commuters
in 2006

b) pedestrian

b) Not measured

b) 8% of commuters
by 2011

c) public transport

c) 4.4%

c) at least 5% of
public trips by 2003

city streets

2. Social Performance Indicators cont'd

2.2 Percentage of community users satisfied with the need assessment, agreement and delivery of capital work completed in the streets surveyed is greater than

Actual

Target

87%

80%

2.3 Satisfaction with need assessment, agreement and delivery of transport network service and choice of transport mode is greater than

79%

80%

3. Economic/Financial Performance Indicators

3.2 Percentage of the service levels agreed in the Asset Management Plan met during the year, at least

Not reliably measured

95%

3.3 Transfund requirements met for the percentage of smooth sealed roads, at least

87%

87%

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Transport Planning / Asset Management	3,441	460	2,981	3,095	3,672
Activities on Street	662	860	(198)	(319)	10
Road Safety	805	256	549	826	649
Provision of Roothing Land	16	240	(224)	(74)	2,024
Underground Wiring Conversion	2,142	149	1,993	2,036	1,893
Roothing System Maintenance	42,142	5,435	36,707	36,193	32,670
Transfer from LTDA for Infrastructural Assets	0	8,060	(8,060)	(7,566)	(6,635)
COST OF SERVICE	\$49,208	\$15,460	\$33,748	\$34,191	\$34,283

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$15,460, Estimate 2003 \$14,253, Actual 2002 \$14,304.

Depreciation included is: Actual 2003 \$21,900, Estimate 2003 \$21,066, Actual 2002 \$20,974.

Refer Note 22.

community development & customer 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

Objective

1. Customer Service

Provide access to Council information and provide a network of walk in facilities and services for the payment of Council rates and fees.

Links to Strategic Objectives - F3, F5

2. Community Engagement

To supplement the capabilities and resources of community groups and agencies to participate in the development of its communities.

Links to Strategic Objectives - A1, A2, G1, G2

Maximise opportunities for residents to participate in learning activities, especially adults with care-giving responsibilities, by the facilitation of accessible and affordable pre-school facilities.

Links to Strategic Objectives - A1, A2, A5

Manage, support and promote community facilities as a means of providing opportunities for residents to participate in community life and have a sense of belonging and identity.

Links to Strategic Objectives - A1, A2, A3

1. Environmental Performance Indicators

2.1 Breaches at the Council operated facilities of the "Education (Early Childhood Centres) Regulations"

Actual

Target

Nil

Nil

2.2 a) Breaches at the facilities of the Health and Safety legislation
b) Inspections are made to ensure compliance, at least

Nil
6 monthly

Nil
6 monthly

2. Social Performance Indicators

1.1 Percentage of requests for information or service resolved at first point of contact, at least

75%

80%

1.2 a) Enquiries are responded to within
b) If further action is required, investigations are commenced within

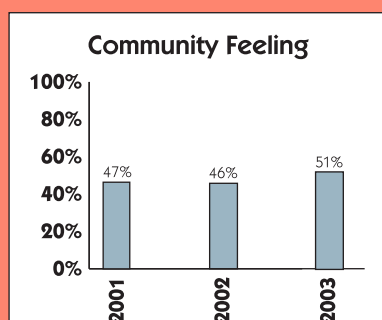
Not reliably)
measured)

1 working day
3 working days

2.3 Percentage of respondents surveyed in the Annual Citizens Survey who feel part of their community, at least

51%

65%



community development & customer services

2. Social Performance Indicators cont'd

2.4 Satisfaction rate in the annual client surveys at each Council operated childcare centre, at least

Actual

100%

Target

80%

2.5 Percentage of facilities to have a 60% occupancy rate, [based on usage between 9am and 9pm Monday to Friday], at least

36%

75%

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Community Buildings, Advocacy and Funding	10,026	1,257	8,769	9,051	8,330
Customer Support Services	0	0	0	0	1,113
Customer Services-Corporate	524	28	496	410	259
Customers Services- Operations	1,364	129	1,235	1,306	312
Cathedral Square Toilets	505	2	503	477	484
Community Services Grants	1,142	0	1,142	1,145	1,446
Arts and Culture Grants	1,105	194	911	914	1,070
Grants Administration	215	0	215	220	117
Cost of Service	\$14,881	\$1,610	\$13,271	\$13,523	\$13,131

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$1,610, Estimate 2003 \$1,639, Actual 2002 \$1,354.

Depreciation included is: Actual 2003 \$65, Estimate 2003 \$30, Actual 2002 \$54.

Refer Note 22.



Kidsfest, an annual event that promotes Christchurch to the country and attracts visitors to the city

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

Objective

1. **Sustainable Economic Development**
To develop sustainable business opportunities that will grow the regional economy.
Links to Strategic Objectives - A2, B1, B2, B3, B4, C4, D3
2. **Sustainable Employment**
To facilitate sustainable employment.
Links to Strategic Objectives - A1, A2, A5, B1, B2, B4, D3
3. **Engaging the Education Sector**
To work with the education sector and industry to improve the region's level of workforce capability and job skills.
Links to Strategic Objectives - A1, B1, B2, B3, B4, C4

1. Environmental Performance Indicators

- | | Actual | Target |
|--|----------|--------------|
| 1.1 Number of small/medium enterprises involved in waste minimisation programmes, at least | 10 | 10 companies |
| 2.1 Active involvement with environmentally focused community employment groups, at least | 4 groups | 3 groups |

2. Social Performance Indicators

- | | | |
|--|--|--|
| 1.2 Growth in number of jobs in small medium enterprises working with CDC, at least | NZ regional employment growth statistics not available | 3% above official regional employment growth level |
| 3.1 Through Apprentice Training New Zealand (ATNZ), CDC contributes to the creation of new apprentice positions per year of at least | 101 | 20 |
| 3.2 Minimum number of school industry partnerships in place | 10 | 12 |
| 3.3 CDC to run a successful Careers Expo by | Now privately run | 30 June 2003 |

3. Economic/Financial Performance Indicators

- | | | |
|--|--|--|
| 1.3 Number of CII (Canterbury Innovative Incubator) companies that 'graduate' each year, at least | N/A - first tenancy expires December 2003 | 2 |
| 1.4 CDC actively works with industry cluster groups, at least | 5 | 5 |
| 2.2 Community groups funded by CDC, level of bankruptcies/closures | Nil | Nil |
| 2.3 Level of sustainable employment in CDC client small and medium enterprises is growing by at least | NZ regional employment growth statistics not available | 3% above official regional employment growth level |
| 3.4 CDC facilitates the development and ongoing activities for specialist vocationally focused education organisations, at least | 2 | 2 organisations |
| 3.5 Level of graduate staircasing from specialist education organisations to industry and tertiary education, at least | 85% | 90% uptake |

economic development and employment

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Economic Development	2,477	0	2,477	2,577	1,576
Employment Services	2,366	0	2,366	2,388	2,349
Visitor Promotions	1,552	39	1,513	1,537	1,562
City Promotions	908	52	856	969	937
Turning Point 2000	9	0	9	0	34
Tram and Shuttle Operations	1,223	162	1,061	1,132	1,103
Bus Interchange	1,522	210	1,312	1,235	1,276
Convention and Entertainment Facilities	3,033	100	2,933	2,833	2,824
Economic Development & Employment Grants	861	0	861	861	616
Cost of Service	\$13,951	\$563	\$13,388	\$13,532	\$12,277

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$563, Estimate 2003 \$575, Actual 2002 \$545.

Depreciation included is: Actual 2003 \$896, Estimate 2003 \$785, Actual 2002 \$1,016.

Refer Note 22.



"The Strip" in the central city where customers at restaurants, cafes and bars can enjoy the outdoor environment

environmental policy and regulatory 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 with minimal compliance cost.

Statement of Objectives and Service Performance

Objective

1. Manage & Plan

To manage and plan the use, development and protection of the natural and physical resources of the city in a sustainable way.

Links to Strategic Objectives - C1, C2, C3, C4, C5, G2

2. Promoting Health & Safety

To promote the environmental health of the city and the health, safety and well being of its citizens.

Links to Strategic Objectives - C2, G2

3. Limiting Adverse Effects

To limit the adverse effects of activities on the environment including people and communities.

Links to Strategic Objectives - C1, C3, G2

4. Compliance with Legislation

To ensure that the statutory purposes and principles of building control, health, hazardous substances, liquor licensing, and animal control are achieved with minimal compliance cost.

Links to Strategic Objectives - C2, C5, D5, F5, F7, G2

1. Environmental Performance Indicators

- 1.1 Successful defence of City Plan references to Environment Court, at least
- 2.1 Percentage of food premises identified as being high risk in terms of food safety to be inspected at least once during the year
- 3.1 Percentage of resource consents monitored within periods stipulated

Actual

Target

77%

90%

73%

100%

Not reliably measured

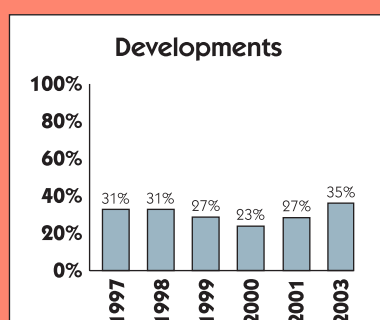
100%

2. Social Performance Indicators

- 1.2 Residents satisfied with building or land development within their area, at least

35%

88%



environmental policy and regulatory services

2. Social Performance Indicators

- 2.2 Percentage of situations likely to affect human health or safety or to cause objectionable statutory nuisance are investigated and actioned

Actual

Target

100%

100%

3. Economic/Financial Performance Indicators

- 1.3 Number of listed heritage buildings to which owners are provided financial assistance by 30 June 2003, at least

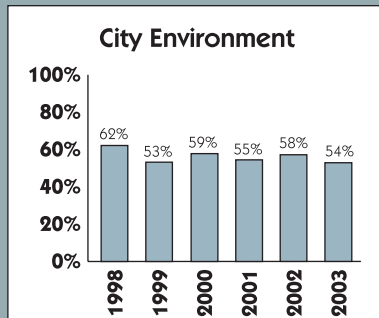
17

10

- 2.3 Residents satisfied with the value for money of rates spent on overall city and environmental planning, at least

54%

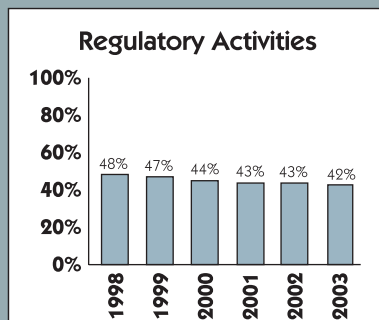
60%



- 3.2 Residents satisfied with the value for money of rates spent on regulating activities and investigating nuisances, at least

42%

57%



- 4.1 Percentage of all applications (eg building and land use resource consents) processed within the time limits prescribed by the relevant legislation

77%

100%



Provincial Hotel in Cashel Street that was restored with assistance from the Council

environmental policy and regulatory services

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Consents and Applications	8,030	6,863	1,167	1,971	2,092
Environmental Effects Control	877	240	637	695	634
Plans and Policy Statements	1,474	30	1,444	1,433	2,107
Information and Advice	3,429	1,968	1,461	2,017	2,004
Animal Control	1,575	1,568	7	137	250
Consents and Applications	205	0	205	192	206
Policy Advice	1,034	1	1,033	1,402	2,434
City Development Advice	2,138	0	2,138	2,430	357
City Planning	1,120	0	1,120	1,060	78
Funds Administration	684	0	684	686	721
Energy Programmes	126	10	116	167	415
Cost of Service	\$20,692	\$10,680	\$10,012	\$12,190	\$11,298

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$10,680, Estimate 2003 \$10,359, Actual 2002 \$8,762.

Depreciation included is: Actual 2003 \$30, Estimate 2003 \$27, Actual 2002 \$87.

Refer Note 22.



Old Saddlery at Church Corner that has been restored with assistance from the Council

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. There are 2,625 units managed in this activity comprising of 2,177 elderly persons, 19 trust housing and 429 public rental units.

Statement of Objectives and Service Performance

Objective

1. Customer Service

To provide a social housing service which is affordable, accessible, appropriate and efficient.

Links to Strategic Objectives - A3, F1, F2, F3, F5, F6, F7

Tenants are provided with a high level of support in accordance with the Council's Tenant Support Policy. Links to Strategic Objectives - A3, F1, F2, F3, F5, F6, F7

To promote a harmonious living environment at Council housing complexes.

2. Community Engagement

All housing "partnerships" flourishing.

Links to Strategic Objectives - A2, A3, A5

3. Compliance with Legislation

Council complies with all legal requirements relating to the provision of social housing.

Links to Strategic Objective - A3

1. Environmental Performance Indicators

1.1 Tenants rate level of amenity as satisfactory or better, at least

Actual

Target

94%

50% of respondents

2. Social Performance Indicators

1.2 Overall tenant satisfaction as measured through an annual tenant satisfaction survey, at least

94%

80%

1.3 Tenants are visited in accordance with Council policy, by a Housing Officer to ensure that they can:

(a) continue to live independently

(b) that the asset has been maintained at an appropriate level, at least

Annual visits will commence late 2003; delayed due to prolonged key staff absence

annually

1.4 Inter tenant written complaints minimised with tenants complaining about their neighbours on an annual basis, less than

0.94%

10%

3.1 Tenants are treated fairly in terms of the Residential Tenancies Act with tenants lodging claims against the Council through the Tenancy Tribunal during the year, less than

0.075%

1%

3. Economic/Financial Performance Indicators

1.5 a) Occupancy is achieved across the portfolio of at least

b) Cost of service to the ratepayers

97%

98%

Nil

Nil

1.6 Annual cost per tenant for tenancy administration and support being no more than

\$661

\$606

2.1 "Partnership" arrangements return an average return on capital across the board of at least

Achieved with exception of Home and Family Trust

1.5%

3.2 Penalties or fines against the Council

Nil

Nil

housing

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Elderly Persons Housing	5,819	7,087	(1,268)	(2,139)	(874)
Trust Housing	48	85	(37)	(41)	(42)
Owner/Occupied Housing	58	29	29	2	(88)
Public Rental Housing	1,708	2,488	(780)	(553)	(1,072)
General Housing	85	44	41	3	50
Tenancy Services/Welfare Policy	615	16	599	671	465
Cost of Service	\$8,333	\$9,749	(\$1,416)	(\$2,057)	(\$1,561)

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$9,749, Estimate 2003 \$9,492, Actual 2002 \$9,774.

Depreciation included is: Actual 2003 \$1,909, Estimate 2003 \$859, Actual 2002 \$979.

Refer Note 22.



Cedar Park flats purchased during the year to increase the Council's social housing stock

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 1,085,793 volumes and provides services to 266,769 enrolled members and other users.

Statement of Objectives and Service Performance

Objective

1. Collections

Provide collections, both physical and electronic, to meet the information, learning and recreational needs of the community.

Links to Strategic Objective - A1

Resource Delivery

Provide systems and facilities which enable people to access the collections, both by taking items away on loan and by using them within library buildings. [Library collections (books, magazines, cds, etc) total in excess of 1 million items].

Links to Strategic Objective - A1

Library Web

Provide systems, technology and content (via the Internet) which enable people to access information and services at home, work or school.

Links to Strategic Objective - A1, A5, D1

Enquiries

Provide skilled and knowledgeable staff to help people find the information they need.

Links to Strategic Objective - A1, A5, B2

New Zealand Heritage

Collect and preserve resources about our New Zealand and local identity for the benefit of present and future citizens.

Links to Strategic Objective - A4

1. Environmental Performance Indicators

	Actual	Target
1.1 Collections provided for shared use with the turnover of the collection, at least (that is, each item is borrowed 5.08 times per annum on average)	5.05	5.08
1.2 Public access machines provided for citizens to access information per capita of at least	1 per 1,625 of population	1 per 1,625 of population
1.3 Collections preserved for use by future generations by digitising of unique materials for shared use, at least	60,933 items	60,000 items

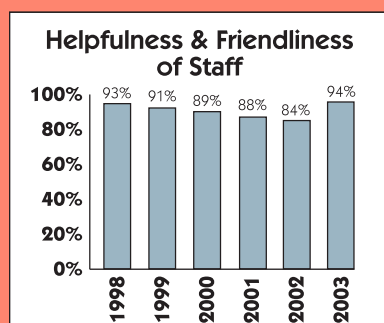
2. Social Performance Indicators

1.4 Collections support recreational, learning, and information needs with holdings per capita, no less than	3.3 items per capita	3.3 items per capita
1.5 Satisfaction with range of books, no less than	88%	85%
1.6 Percentage of population as members, at least	80%	77%
Issues per capita, at least	16.52	16.76
1.7 Visits per capita, at least	9.74	10.50

library and information services

2. Social Performance Indicators cont'd

- 1.8 Satisfaction with helpfulness and friendliness of resource delivery staff, at least



- 1.9 Number of page views through the internet per annum, at least

- 1.10 Satisfaction with helpfulness and friendliness of enquiries staff, at least

- 1.11 Satisfaction with information provided, at least

Actual **Target**

94% 95%

7,751,199 5,000,000

90% 85%

95% 85%

3. Economic/Financial Performance Indicators

- 1.13 Cost per capita for supply of collections, no more than

- 1.14 Cost per issue of lending and in house use of items, no more than

- 1.15 Total cost of sharing of resources output is no greater than
Cost per page view is no greater than

- 1.16 Cost per enquiry of timely provision of information, including
information which supports business and the economy, no more than

\$26.10 \$28.42

\$0.95 \$1.00

below annual budget
\$0.025c \$0.03

\$3.77 \$4.25



Artist/Designer, Tania Te Moana, stands proudly beneath her mural that was gifted to the New Brighton Library by Nga Hau e Wha National Marae

library and information services

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Collections	7,936	135	7,801	8,319	7,994
Resource Delivery	5,595	950	4,645	4,774	4,561
Library Website	184	0	184	196	166
Voluntary Libraries	252	0	252	261	251
Enquiries	3,217	318	2,899	3,094	2,879
Creating Content	655	3	652	672	371
Public Programmes	1,033	0	1,033	1,074	463
Information Skills	0	0	0	0	581
NZ Heritage	579	3	576	627	660
Advice	206	4	202	196	376
CCC Website	0	0	0	0	98
City Monitoring & Research	420	0	420	413	346
Information Development	585	0	585	1,132	302
Educational Services	41	41	0	0	0
Cost of Service	\$20,703	\$1,454	\$19,249	\$20,758	\$19,048

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$1,454, Estimate 2002 \$1,494, Actual 2002 \$1,718.

Depreciation included is: Actual 2003 \$0, Estimate 2003 \$215, Actual 2002 \$3,534.

Refer Note 22.



Library Assistant, Hugh Campbell, serves customers at the new South Christchurch Library

parks & waterways

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. 724 parks (6,300 Ha) and 9 cemeteries maintained using in-house and external contractors. 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 68 kilometres of rivers, 23 pumping stations, 156 kilometres of environment asset waterway and 166 kilometres of utility waterway, 793 kilometres of stormwater drains and 36 retention basins or swales.

Statement of Objectives and Service Performance

Objective

1. Customer Service

The City's waterways, wetlands and drainage system is maintained in a way that is sensitive to natural values and flood hazards.

Links to Strategic Objectives - A1, A2, A3, A5, B4, C1, C2, C3, C4, C5, E1

The City's greenspace areas are maintained in a healthy and safe condition.

2. Community Engagement

The community is informed and participates in the governance and management of parks and waterways.

Links to Strategic Objectives - A1, A2, A3, B4, C1, C2, C3, C5, D1, G3

3. Planning and Infrastructure Management

Christchurch's green space, waterways and wetlands are renewed, enhanced and protected for the present and future people and environment.

Links to Strategic Objectives - A3, A5, C1, C2, C3, C5, D1, E1, E3.

The overall form and character of the City is enhanced by green space and waterways planning.

1. Environmental Performance Indicators

	Actual	Target
1.1 Maintain surface water ecosystem health as indicated by sample chemical analysis and surveys of physical properties and fish species diversity (Baseline survey).	Baseline survey completed	
1.2 Flooding damage arising from system blockages or pump failure	Nil	Nil
1.3 Reduce herbicide application on utility waterway margins to a maximum of	285,000m2 (5.8% reduction)	360,000m2 (5% reduction)
1.4 Reduce the annual tonnage of green waste material dumped through on site processing and recycling by	Not reliably measured	5%
2.1 Community participation in environmental guardianship and monitoring, at least	16 groups	15 active groups
2.2 Participation in planting projects by volunteer and community groups, at least	22,990	5,000 plants
3.1 Decrease in number of native plant species, native bird populations and fish species	Base line survey completed	Nil
3.2 Ecologically significant sites identified and protected, at least	11	4

parks & waterways

Statement of Objectives and Service Performance

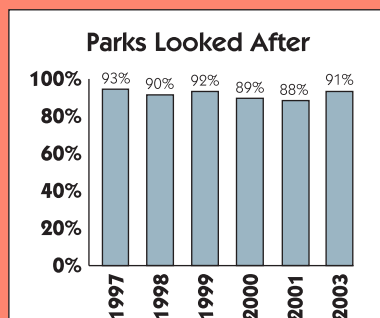
2. Social Performance Indicators

1.5 Complaints related to waterways received and timeframe for action

Actual	Target
76% with 2 working days	100% within 2 working days

1.6 Customer satisfaction with parks maintenance standard, at least

91%	90%
-----	-----



1.7 Recreational User Groups satisfaction with services, at least

80%	90%
-----	-----

2.3 Support volunteer wardens on parks and waterways, at least

168	170
-----	-----

2.4 Children participation in the Learning Through Action Programme, at least

9,276	8,000
-------	-------

2.5 Support one annual community employment contract with unemployed people participating in the programme, at least

61	100
----	-----

3.3 The level of satisfaction with the diversity and accessibility of recreational activities provided on parks and waterways to meet identified community needs, at least

73%	80%
-----	-----

3.4 The level of satisfaction with community engagement and participation in planning processes, at least

Not measured for Parks & Waterways-only across the Council	75%
--	-----

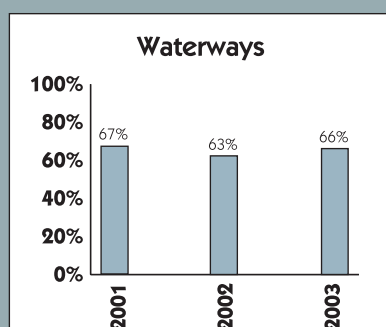
3.5 Ratio of hectares of public open space per 1,000, at least

19.0 ha	18.5 hectares
---------	---------------

3. Economic/Financial Performance Indicators

1.7 Residents satisfied with the value for money of rates spent on waterways and wetlands, at least

66%	80%
-----	-----



parks & waterways

3. Economic/Financial Performance Indicators

1.8 Quality standards attained by waterway utilities

Actual

90%

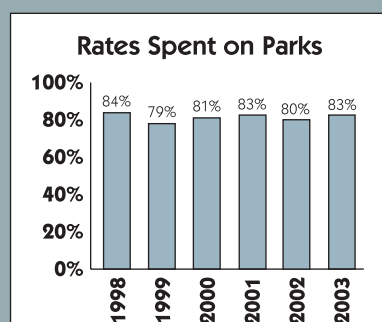
Target

85% of specification within budget targets

1.9 Residents satisfied with the value for money of rates spent on parks, at least

83%

80%



1.10 Quality standards attained for parks maintenance, at least

95%

90% of specification within budget targets

2.6 Community volunteer hours spent on regional parks projects, at least

10,505 hours

8,000 hours

2.7 Sponsorship revenue received, at least

\$167,000

\$100,000

3.6 Percentage of visitors to Christchurch who indicate parks, waterways and the natural environment as a primary reason for their visit, at least

Not reliably measured

5%

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Plans and Policy Statements	549	0	549	483	558
Information and Advice	528	15	513	720	605
Consents and Applications	112	(1)	113	100	71
Utilities Maintenance	5,507	0	5,507	5,672	4,903
Waterways & Wetlands Maintenance	3,172	272	2,900	3,112	2,764
Customer Services	1,659	668	991	1,093	1,385
Environmental	17,296	1,722	15,574	15,910	15,182
Support	684	0	684	785	994
Environment and Parks Grants	98	0	98	98	86
Cost of Service	\$29,605	\$2,676	\$26,929	\$27,973	\$26,548

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$2,676, Estimate 2003 \$2,509, Actual 2002 \$1,912.

Depreciation included is: Actual 2003 \$3,842, Estimate 2003 \$3,626, Actual 2002 \$3,046.

Refer Note 22.

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 34 elected Community Board members.

Statement of Objectives and Service Performance

Objective

1. Community Engagement

To encourage effective public participation in local government.

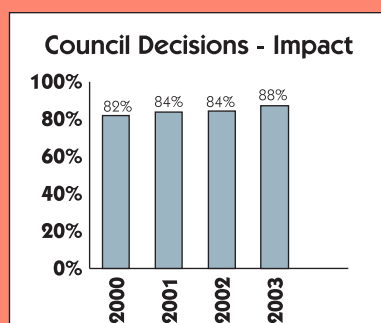
Links to Strategic Objectives - D1, D2, D3, D4, D5, F1, F2

Publish and distribute information to residents on the overall activities of the Council.

Links to Strategic Objectives - D1, E4

Social Performance Indicators

- 1.1 Residents satisfied that they have some influence on decisions that the Council makes, at least



- 1.2 Residents satisfied with the Council newsletter, City Scene, no less than

Actual

Target

88%

80%

74%

75%

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Elected Member Representation	3,571	90	3,481	3,755	3,874
Decision Making	3,823	0	3,823	3,831	4,138
Liaison & Discretionary Expenditure	263	0	263	315	348
Corporate Communications	136	0	136	362	826
Cost of Service	\$7,793	\$90	\$7,703	\$8,263	\$ 9,186

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$90, Estimate 2003 Nil, Actual 2002 \$250.

Depreciation included is: Actual 2003 \$1, Estimate 2003 \$0, Actual 2002 \$16.

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

Objective

1. Customer Service

To efficiently provide healthy, accessible and enjoyable facilities and programmes for participation in leisure. Links to Strategic Objectives - A1, A3, A5, B3, F7

2. Community Partnership

To work with the community to provide healthy, accessible and enjoyable leisure opportunities and encourage greater levels of participation in leisure.

Links to Strategic Objectives - A1, A2, A3, A4, A5, B3, F7

3. Festivals & Events

To generate economic and social benefits to the city through the provision of events.

Links to Strategic Objectives - A1, A2, A3, A4, A5, B3, B4, F7

1. Environmental Performance Indicators

3.1 Number of Council Leisure events at which there are significant regulatory non-compliance issues

Actual

Target

Nil

Nil

2. Social Performance Indicators

1.1 Number of participants in Council recreation programmes, at least

234,087

200,000

1.2 Numbers visiting Council facilities, at least

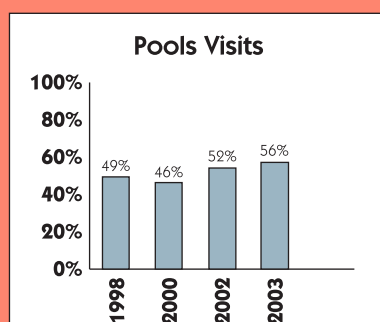
2.7 million

2.4 million

1.3 Proportion of residents visiting Council pools and stadia once or more pa, at least

56% - Pools
39% - Stadia

50%



1.4 Injury/accident levels reported, no more than

502

320

1.5 Audit one facility for disability access by with building issues rectified by 30 June 2003 for

Audit not undertaken

30 June 2003
Those with a cost of \$5,000 or less

2.1 Level of participation in physical activity, at least

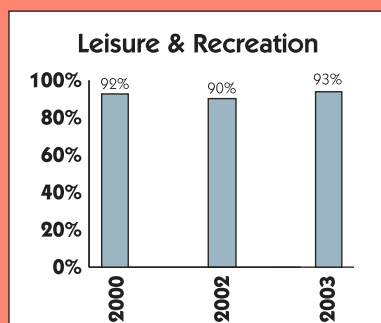
89%

92%

sports, leisure and events

2. Social Performance Indicators cont'd

2.2 Residents satisfied with access to leisure opportunities, at least



3.2 Residents satisfaction with festivals and events, at least



Actual

Target

93%

93%

Not measured

90%

3. Economic/Financial Performance Indicators

1.6 Cost per user at facilities, no more than

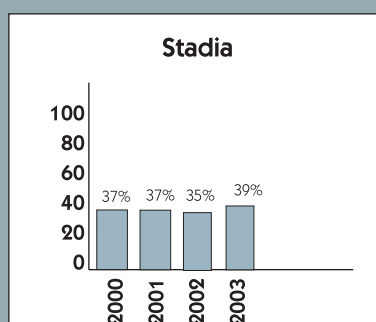
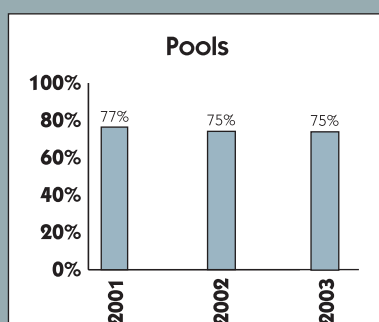
\$2.79

\$3.00

1.7 Residents satisfied with value for money through rates on swimming pools and stadia, at least

Pools - 75%
Stadia - 68%

75%



1.8 Users rating of value for money with leisure facilities, *measured using a 6 point scale*, no more than

0.9 Mean

0.5 Mean
Customer Service
Quality Gap

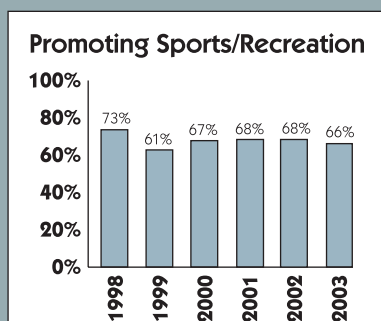
2.3 Residents satisfied with value for money through rates on supporting sport and recreation, at least

66%

70%

sports, leisure and events

3. Economic/Financial Performance Indicators

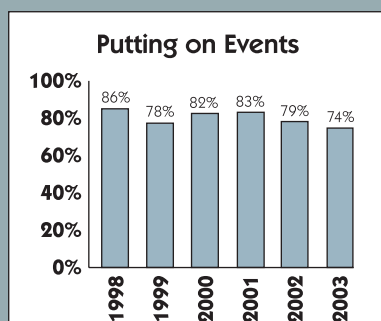


3.3 Future international sporting events secured that meet the economic benefit criteria, at least

Actual: 5 Target: 3

3.4 Residents satisfied with value for money through rates on events and festivals, at least

Actual: 74% Target: 80%



Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Events and Festivals	2,339	283	2,056	2,353	2,159
Recreation and Arts	2,909	261	2,648	2,762	2,254
Leisure Planning	225	0	225	247	194
Sports	283	2	281	326	312
Stadia	1,012	238	774	804	867
Pools	2,289	910	1,379	1,045	1,071
Leisure Centres	4,442	3,107	1,335	1,359	1,305
Golf Courses/Range	389	415	(26)	(42)	(34)
Camping Grounds	194	40	154	87	111
QE II	7,122	2,922	4,200	3,705	3,972
Recreation and Sports Grants	388	67	321	320	400
Cost of Service	\$21,592	\$8,245	\$13,347	\$12,966	\$12,611

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$8,245, Estimate 2003 \$7,804, Actual 2002 \$7,178.

Depreciation included is: Actual 2003 \$2,598, Estimate 2003 \$2,729, Actual 2002 \$2,102.

Refer Note 22.

waste minimisation and disposal

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

Statement of Objectives and Service Performance

Objective

1. Customer Service

To provide the community with safe, convenient and efficient solid waste services.

Links to Strategic Objectives - C4, E1, F5, F6, F7

2. Community Partnership

To work with the community to reduce the waste generated in Christchurch through reduction at source, reuse, recycling and composting.

Links to Strategic Objectives - B1, C4, E3

3. Planning & Infrastructure Management

To plan and provide waste management services in partnership with the community and with other governing bodies to achieve desired outcomes.

Links to Strategic Objectives - C4, D1, D3, D4, E3, F2, G1, G2, G3

4. Compliance with Legislation

To operate waste management facilities that comply with or surpass legislative requirements.

Link to Strategic Objectives - C4, E1, E3

1. Environmental Performance Indicators

1.1 Incidence of illegal dumping reported to the Council per day, less than

Actual

1.3 calls per day

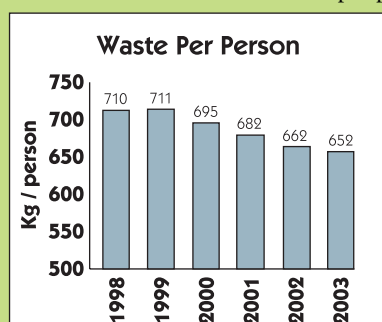
Target

One

2.1 Amount of waste sent to landfill per person per annum, no more than

652 kilograms

650 kilograms



2.2 Amount of kerbside refuse recycled per household per week, at least

2.4 kilograms

2.4 kilograms

2.3 a) Total refuse, excluding hardfill, landfilled, no more than

220,500 tonnes

210,000 tonnes

b) Greenwaste composted, at least

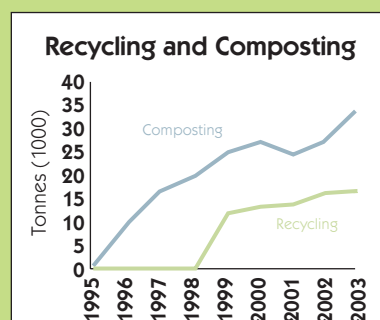
34,600 tonnes

35,500 tonnes

c) Tonnes of waste collected from kerbside that is recycled, at least

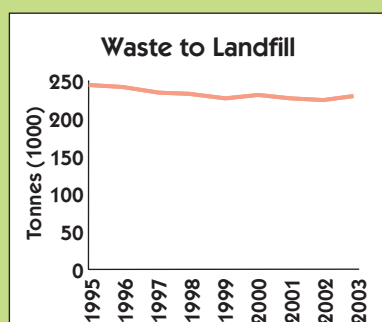
17,054 tonnes

17,000 tonnes



waste minimisation and disposal

1. Environmental Performance Indicators

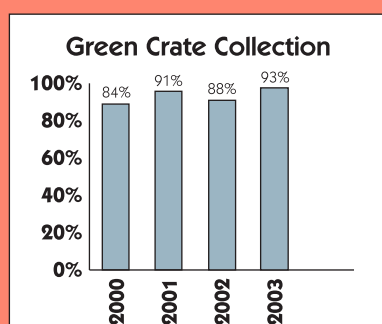


4.1 Level of non-compliance with resource consent conditions as recorded by Environment Canterbury

Actual	Target
4 violations and corrective action taken	Nil

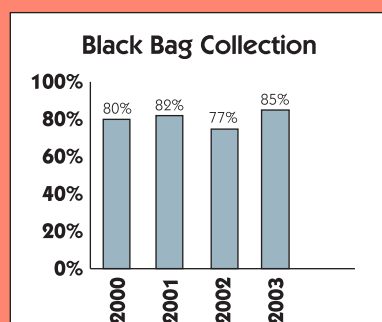
2. Social Performance Indicators

1.2 Customers satisfied with the green crate recycling service provided, at least



93%	90%
-----	-----

1.3 Customers satisfied with the black bag service provided, at least



85%	80%
-----	-----

2.4 Percentage of people who take action to reduce the amount of waste they produce at home, at least

89%	80%
-----	-----

2.5 Number of businesses actively engaged in Target Zero Programme, at least

215	160
-----	-----

3.1 Number of opportunities provided for public engagement in the planning process, at least

6 per year	4 per yer
------------	-----------

waste minimisation and disposal

3. Economic/Financial Performance Indicators

1.4 Residents satisfied that recycling and waste collection service delivers value for money

Actual

Target

76%

80%

1.5 Cost of Waste Management per household, no more than

\$148 per household

\$126 per household

2.6 Amount spent on waste minimisation activities per person, at least

\$15

\$15

4.2 Penalties or fines incurred

Nil fines

Nil

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Reduction	446	9	437	491	497
Resource Re-use Centres	56	51	5	159	166
Recycling	4,295	576	3,719	3,674	3,782
Resource Recovery	1,821	1,527	294	312	436
Residual Disposal	13,774	7,286	6,488	5,543	6,587
Plans and Policy Statements	264	22	242	256	246
Waste Minimisation Fees	(1,506)	8,205	(9,711)	(9,156)	(7,125)
Information & Advice	315	0	315	281	0
Cost of Service	\$19,465	\$17,676	\$1,789	\$1,560	\$4,589



Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$17,676, Estimate 2003 \$16,382, Actual 2002 \$14,481.
Depreciation included is: Actual 2003 \$1,013, Estimate 2003 \$867, Actual 2002 \$122.

Refer Note 22.

WindowWare staff are investigating further ways to reduce offcuts with curtain rail manufacture

wastewater

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 Prebbleton, Lincoln, Tai Tapu and Springston in the Selwyn District and comprises 1,570km of sewer mains, 84 pumping stations, approximately 22,500 manholes, 1,600 flush tanks and 944 km of sewer laterals. Treatment works are at Bromley and Belfast.

Statement of Objectives and Service Performance

Objective

1. **Customer Service**
To provide the community with safe, convenient and efficient wastewater services.
Links to Strategic Objectives - C1, Er, E3, F2
2. **Community Engagement**
To develop and enhance partnerships with the community and with governing bodies to achieve desired outcomes.
Links to Strategic Objectives - C1, D1, D3, D4, E1, E3, F2, G1, G2, G3
3. **Planning & Infrastructure Management**
To sustainably manage the wastewater infrastructure.
Links to Strategic Objectives - C1, E1, E3, F1, F6
4. **Compliance with Legislation**
To comply or surpass legislative requirements and standards.
Links to Strategic Objectives - C1, E1, E3

1. Environmental Performance Indicators

	Actual	Target
1.1 Pollutants in treatment plant discharge is reduced by	81% BOD 73% suspended solids	75% of BOD 75% of suspended solids
2.1 Wastewater treated per person per day is progressively reduced to	417 litres per person per day	435 litres per person per day, 5 year rolling average
3.1 The number of wastewater overflows directly entering waterways	6 overflows	Nil
3.2 Level of flaring of methane at the wastewater treatment plant	1.8% biogas	Nil

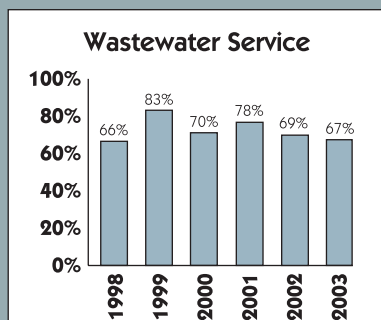
2. Social Performance Indicators

1.2 Percentage of treatment plant discharge achieving a swimming water quality	N/A - ocean outfall decision changed proposed treatment processes	100%
4.1 Non-compliance with discharge air and water quality resource consent conditions	N/A as new consents not finalised	Nil

wastewater

3. Economic/Financial Performance Indicators

1.3 Residents satisfied that the wastewater service delivers value for money, at least



1.4 Wastewater cost per household per year, no more than

4.2 Penalties or fines incurred

Actual

Target

67%

90%

\$126

\$106

Nil

Nil

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Information and Advice	61	19	42	132	64
Planning	990	0	990	940	327
Liquid Waste Collection	8,959	2,460	6,499	7,660	8,899
Liquid Waste Treatment and Disposal	7,791	1,800	5,991	6,902	4,411
Cost of Service	\$17,801	\$4,279	\$13,522	\$15,634	\$13,701

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$4,279, Estimate 2003 \$3,002, Actual 2002 \$3,498.

Depreciation included is: Actual 2003 \$5,692, Estimate 2003 \$5,713, Actual 2002 \$5,525.

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

Objective

1. Customer Service

To provide the community with safe, convenient and efficient water supply services.

Links to Strategic Objectives - E1, F2, F6, F7

2. Community Engagement

To develop and enhance partnerships with the community and with governing bodies, to achieve desired outcomes.

Links to Strategic Objectives - C1, D1, D3, D4, E1, E3, F2, G1, G2, G3

3. Planning & Infrastructure Management

To sustainably manage the water supply infrastructure and resource.

Links to Strategic Objectives - B1, C1, E1, E3, F2, F6

4. Compliance with Legislation

To comply or surpass legislative requirements and standards.

Links to Strategic Objectives - E1, E3

1. Environmental Performance Indicators

	Actual	Target
1.1 Customers satisfied with the water quality/taste, at least	92%	90%
1.2 Percentage of reported leaks in the Council's reticulation are repaired as scheduled:		
a) Percentage of major/urgent leaks where contractor is on site within one hour of the leak being reported, at least	97%	95%
b) Percentage of medium magnitude leak - leak repaired within one working day, at least	90%	95%
c) Percentage of minor leak repaired within three working days, at least	96%	95%
2.1 The water used per person per day is progressively reduced to	425 litres per person per day	435 litres, 5-year - rolling average
3.1 Water Supply infrastructure is designed and operated to obtain long-term overall efficiency of	2.55 cubic metres of water per kilowatt of energy	3 cubic metres of water per kilowatt of energy
3.2 Daily unaccounted for water (leaks, fire fighting, flushing, illegal connections, etc) per connection is no more than	178 litres	175 litres

2. Social Performance Indicators

2.2 Percentage of people who take action to reduce the amount of water they use at home, at least	69%	70%
2.3 Percentage of businesses which take action to reduce the amount of water they use, at least	Not measured but all higher users are being helped to increase conservation	70%
3.3 Occasions where unplanned reticulation shutdowns result in the loss of water supply for longer than four hours, no more than	8 occasions for 7 months; data not available for 5 months	12 occasions

water supply

2. Social Performance Indicators cont'd

4.1 Percentage of water tested meets the public health requirements of the New Zealand drinking water standards guidelines

Actual

Target

99.5%

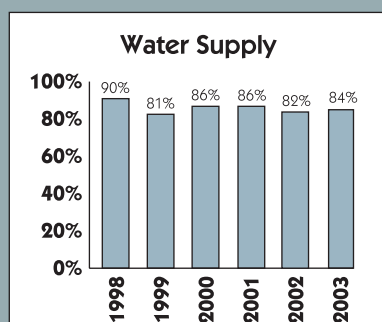
100%

3. Economic/Financial Performance Indicators

1.3 Residents satisfied that water supply service delivers value for money, at least

84%

90%



2.4 Water Supply cost per household per year, no more than

\$85

\$90

4.2 Penalties or fines incurred

Nil

Nil

Statement Of Cost Of Services For The Year Ended 30 June 2003

	2003 Costs (After Internal Recoveries) \$000's	2003 Income \$000's	2003 Net Cost \$000's	2003 Estimate Net Cost \$000's	2002 Actual Net Cost \$000's
Operational Outputs					
Plans and Policy Statements	891	0	891	1,149	472
Information and Advice	625	0	625	593	280
Consents and Applications	0	0	0	0	(465)
Supply of Water	10,827	3,152	7,675	8,764	9,693
Cost of Service	\$12,343	\$3,152	\$9,191	\$10,506	\$9,980

Notes (\$000's)

External Revenue included in Income is: Actual 2003 \$3,152, Estimate 2003 \$2,791, Actual 2002 \$3,024.

Depreciation included is: Actual 2003 \$4,136, Estimate 2003 \$4,097, Actual 2002 \$3,902.

Refer Note 22.

corporate operations

Objective

1. **Sustainability**
Council continues to help improve the sustainability of the city.
Link to Strategic Objectives - A1, A2, A3, A4, B1, B2, B3, B4, C1
2. **Central City**
Revitalisation of central city.
Link to Strategic Objectives - C2, B2, B4
3. **Financial Sustainability**
Maintain a satisfactory credit rating.
Link to Strategic Objectives- F1, F2
4. Maintain the Council's finances in a prudent manner.
5. **Community Planning**
Collaborate with other agencies to co-ordinate activities and promote the wellbeing of Christchurch residents.
Link to Strategic Objectives - D3, D4
6. **Community Engagement**
Community are informed and participate in determining and implementing Council policies.
Link to Strategic Objectives - D1, D2
7. **Treaty of Waitangi**
Council further develops Treaty relationship with manawhenua and Maori.
Link to Strategic Objectives - G1, G2, G3
8. **Civil Defence**
The Council maintains a satisfactory level of preparedness.
Link to Strategic Objectives - C5

1. Environmental Performance Indicators

	Actual	Target
1.1 Reduction in CO2 emission for Council operations, at least	Not reliably measured	5% less than previous year
2.1 Special character area precinct upgrade completed by	30 June 2003	30 June 2003
4.1 Number of collaborative partnerships seeking environment sustainability outcomes at least	46 with 10 key ones	10
7.1 Service level agreement with Environment Canterbury (Canterbury Regional Council) reviewed and ratified.	31 March 2003	31 March 2003

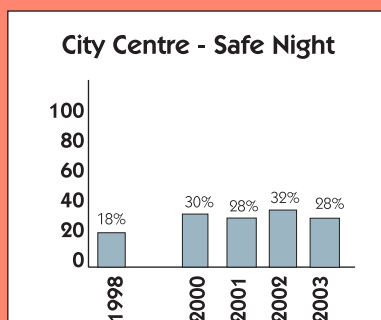
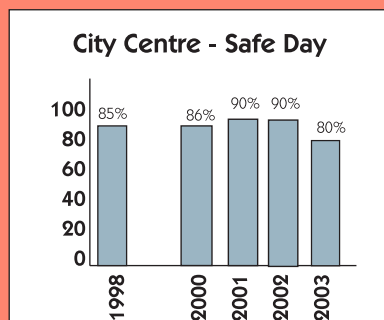
2. Social Performance Indicators

1.2 Number of Council initiatives which have been assessed as providing social sustainable benefits, at least	17	20
---	----	----

corporate operations

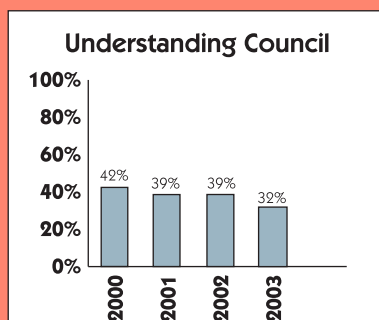
2. Social Performance Indicators cont'd

2.2 Citizen perception of personal safety in central city at night at least, during the day at least



2.3 Increase in building consents for new dwellings or units, at least

5.1 Percentage of citizens who understand Council decision making processes, at least



6.1 Increase in the proportion of consultation processes which involve manawhenua and other Maori, at least

7.2 Council Civil Defence Rescue Teams fully trained, at least

Actual **Target**

28% 35%
80% 90%

17% 2% over previous year

32% 37%

Not reliably measured 2%

2 3

3. Economic/Financial Performance Indicators

1.3 Number of Council initiatives which have been assessed as providing economically sustainable benefits, at least

2.3 Increase in number of businesses in central city

3.1 Credit rating maintained, at least

3.2 Council financial ratios are maintained

3.3 Compliance with published investments and borrowings policy

4.2 Number of collaborative partnerships seeking economic sustainability outcomes, at least

7.3 City-wide Disaster Recovery Plan ratified by

11 20

0.5% 2% over previous year

AA+ AA

All within prescribed limits All within prescribed limits

100% 100%

9 10

Progressing - now expected to be ratified by 31 December 2003 31 March 2003

strategic goals & objectives

Strategic Goals

The following goals have been identified as being vital to the community and the Council:

Outcomes

A Community Cohesion and Well-being

Provide or facilitate the delivery of services and opportunities in order to enhance the safety, health and well-being of Christchurch people.

B Economic Development

Foster opportunities for sustainable economic development in order to generate employment and income and enhance the quality of life of all residents.

C Environmental Sustainability

Conserve and where practicable restore the natural environment and develop the built environment to enhance the distinct character of Christchurch and maximise the quality of life for current and future generations.

Processes

which we will or have put in place to help deliver the outcomes

D Democratic Governance

Provide high quality consultative leadership and advocacy to ensure that Christchurch residents achieve their desired outcomes.

E Essential Infrastructure

Maintain and improve the physical and service infrastructure of the city in order to generate wealth, promote health and safety, reduce hazards and facilitate social opportunities.

F Financial Stewardship

Maintain an asset and investment base and ensure that appropriate levels of income match commitments to expenditure in order to support long term goals.

G Treaty of Waitangi and Cultural Diversity

Respect the unique position of tangata whenua and value the contribution of all peoples in Christchurch.

Strategic Objectives for each of these goals follow.

A Community Cohesion and Well-being

The City Council will enhance community cohesion and well-being through:

- A1 Maximising opportunities for residents to participate in learning and leisure activities by
 - providing access to books and other information through the city's public libraries
 - supporting and providing visual and performing arts
 - facilitating education and learning opportunities

especially pre-schools and pre-employment activities

- advocating for quality provision of education and training at all levels.

A2 Strengthening communities by

- funding and supporting community initiatives, festivals and community organisations
- initiating and supporting community development projects
- facilitating collaboration between public, private and community agencies
- advocating for an equitable share of national resources
- advocating for provision of social and income support that is adequate to meet residents needs and allow them to participate in the life of the community
- working with community groups, government agencies and other funding bodies to address key areas of social need.

A3 Contributing to safe and healthy lifestyles by

- promoting and protecting health standards
- providing parks, festivals and recreation and leisure services
- supporting self help initiatives
- advocating for quality health and disability services
- supporting crime reduction and public safety initiatives
- providing affordable housing for those on low incomes.

A4 Celebrating, protecting and increasing understanding of cultural diversity by

- supporting a range of arts, festivals and events
- facilitating the cultural expression of ethnic and cultural groups
- recognising the unique role of tangata whenua.

A5 Ensuring that the needs and aspirations of children, youth, elderly and people with disabilities are taken into account in all Council activities.

B Economic Development

The City Council, recognising that economic growth is not an end in itself but a means to achieve social goals, will:

- B1 Foster broad-based sustainable economic development that generates real employment, income and social opportunities for all residents
- B2 Create an environment that encourages enterprise, innovation and development of new ideas and



Mountain bikers enjoying the view from part of the Council's land on the Port Hills

technologies and minimises barriers to economic development

- B3 Create an environment in which businesses flourish
- B4 Support the contribution the public, private and voluntary sectors make to the local economy and promote cooperation within and between these sectors.

C Environmental Sustainability

- C1 Managing our impact on the environment in order to
 - enhance air quality in the city
 - protect artesian water resources
 - maintain water quality in streams and rivers
 - maintain production potential of fertile soils
 - minimise erosion.
- C2 Ensuring that the development and redevelopment of the built environment
 - enhances the unique qualities of the city particularly the physical characteristics such as the parks, gardens, riverbanks, historically important exotic and indigenous trees and buildings
 - maintains the garden city image
 - provides for accessible working and leisure activities and facilities
 - offers a range of desirable residential choices
 - stimulates economic activity
 - increases the central city's role as the heart of the city

- enhances health and safety.

- C3 Protecting significant natural features of the physical environment (such as the Port Hills and the estuary), open spaces and landscape elements, native habitat and ecosystems, significant buildings and sites and other taonga ⁽¹⁾
- C4 Promoting efficient use of physical resources, an increase in recycling and material recovery, and a reduction of waste.
- C5 Minimising the risks from earthquake, flood, fire and other natural hazards.

⁽¹⁾ In this context this refers to land or bodies of water of cultural importance to Maori.

D Democratic Governance

The City Council will facilitate democratic governance for the residents of Christchurch by:

- D1 Creating and maintaining mechanisms for citizens' participation in decision-making and policy development.
- D2 Protecting the rights of all citizens.
- D3 Developing cross-sector networks at local, regional, national and international level which will deliver positive outcomes for the people of Christchurch.
- D4 Providing leadership and advocacy in partnership with public, private and voluntary agencies which ensure the city's interests are reflected in regional and national decisions.
- D5 Developing a fair, cost-effective regulatory framework which protects health and safety, maintains environmental standards, and promotes business and social opportunities.

E Essential Infrastructure

The Council will improve and sustain essential infrastructure services which will:

- E1 Ensure high quality utilities (water supply, sewerage, and waste and stormwater management) meet the reasonable service demands of residents at efficient prices.
- E2 Develop a network of roads, cycleways, footways and passenger transport to provide both for personal mobility and the needs of commerce and industry.
- E3 Design projects to enhance environmental and social sustainability and otherwise avoid or mitigate, where possible, adverse effects of both natural and technological hazards on people, property and the environment.
- E4 Where possible recognise and report on social, environmental and economic impacts and benefits.

F Financial Stewardship

The Council will practise good financial stewardship by:

- F1 Applying financial policies which maintain or enhance the value of the Council's asset base.
- F2 Ensuring that financial assets, liabilities and cash flows are sustainable in the long term.
- F3 Operating under accounting procedures which
 - are consistent with generally accepted accounting practice
 - comply in all respects with external financial reporting requirements
 - enable the true costs of goods and services produced to be determined.
- F4 Maintaining a controlling interest in those trading activities where it is critical that they are managed in a way that has regard, not only to commercial requirements, but also to wider social and economic objectives.
- F5 Operating a funding and charging system which ensures that Council services are accessible to all residents.

- F6 Assess whether programmes and activities are achieving the desired outcomes in the most effective, efficient and financially prudent manner.
- F7 Continuing to improve efficiency in the delivery of Council activities and programmes and measuring the value created through efficiency gains.

G Treaty of Waitangi and Cultural Diversity

The Council will recognise the Treaty of Waitangi and value cultural diversity through

- G1 Protecting the rights of tangata whenua under the Treaty of Waitangi.
- G2 Maintaining mutually acceptable consultation procedures with Maori in Christchurch.
- G3 Considering and protecting the aspirations of all people in all the planning and delivery of all Council activity.



Children performing during ASB Starry Nights concert in Hagley Park in February 2003

city care limited

City Care Limited is a local authority trading enterprise, 100% owned by the Christchurch City Council through Christchurch City Holdings Limited. The company provides construction and maintenance services for most Council business units. 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 2002/03	Performance Indicators	Actual	Target
1. To yield projected return by way of dividend.	1.1 Minimum projected dividend to shareholders	\$1,432,000	\$1,500,000
2. Achieve projected net profit.	2.1 Net profit after tax of	\$2,197,000	\$2,700,000
3. Maintain an appropriate capital structure.	3.1 Shareholders funds to total assets, at least	52%	69%

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Revenue	52,534	49,500	47,725
Operating, Financing and Depreciation Costs	49,295	45,530	43,455
Net Profit Before Taxation	3,239	3,970	4,270
Tax Expense/(Benefit)	1,042	1,270	1,411
Net Profit After Taxation	\$2,197	\$2,700	\$2,859

City Care staff at work



NB. For further information, refer to the company's website: www.citycare.co.nz

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 2002/03	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, with at least	201	100 Mentors
	1.2 Refer SME's to providers of business support and assistance.	827 as more requests being met at initial contact point	1,000 referrals
	1.3 Regular dissemination of details of tenders and purchase enquiries to appropriate local businesses on the Businesslink Database.	Not achieved due to redevelopment of database 5000+	250 tenders 4,000 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.	17 5	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, at least	18	12 investors introduced
	3.2 Industry Cluster groups established to support technology transfer, at least	10	4 groups
	3.3 Presentations made to potential business relocations and investors, at least	23	10
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, at least	90%	100%
5. Facilitate initiatives that enhance sustainability and are socially inclusive.	5.1 Contribute to initiatives that have a sustainable focus for the region, at least	4	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 for at least	22	10 projects
	6.2 Individually case manage, at least	2,161	2,000 unemployed 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 for at least	29	20 groups

canterbury development corporation

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
CCC Contract	3,025	3,544	3,409
Other Income	2,139	1,700	2,965
Total Income	5,164	5,244	6,374
Less Expenses	5,101	5,244	6,348
Surplus/(Deficit)	\$63	Nil	\$26

The new wind turbine installed on the Port Hills with assistance from Orion with its electricity output purchased by the Council



NB. For further information, refer to the corporation's website: www.cdc.org.nz

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 2002/03	Performance Indicators	Actual	Target
1. Continue the development of a total new visitor experience in the Museum.	1.1 Undertake developed design and resource consent application for stages IV and V of Museum Revitalisation by	25 June 2003	30 June 2003
	1.2 Relocate and enhance existing displays to allow revitalisation to proceed by	Transport Gallery closed July 2003; enhanced display to open Dec 2003	30 June 2003
2. Continue focus on improved customer service.	2.1 Visitor numbers, at least	551,575	500,000
	2.2 Maintain visitor satisfaction rating with displays, exhibits and facilities in excess of	82%	70%
	2.3 Maintain visits from schools in the Canterbury region to at least	26,307 children	30,000 children
3. Improve care of, and access to, heritage collections.	3.1 Continue implementation of collection database to and enter at least	30 June 2003 58,488 records	30 June 2003 20,000 records
	3.2 Complete development of a new Natural History Collections Suite, subject to receiving external funding, by	21 July 2003	30 June 2003

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Costs	4,214	4,604	4,297
Less Levies	(3,802)	(3,802)	(3,444)
Less Income	(2,728)	(582)	(2,668)
Net Surplus/(Deficit)	\$ 2,316	(\$220)	\$1,815

NB. For further information, refer to the Museum's website: www.cantmus.govt.nz

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. In September 2002, the Council resolved to take the steps necessary to wind up the joint venture and this was undertaken at 30 November 2002.

Statement of Objectives and Service Performance

Objectives for 2002/03

1. Wind up the joint venture following the completion of the land sales.

Performance Indicators

- 1.1 Issues dealt with relating to the joint venture.

Actual

All

Target

All



One of the Airways Corporation buildings in the Canterbury Technology Park

Statement of Financial Performance for the 8 Months Ended 30 November 2002

	Actual 2003 \$000's	Actual 2002 \$000's
Income		
Land Sales	103	644
Interest Received	1	2
	<u>\$104</u>	<u>\$646</u>
Expenditure		
Opening Value of Land Held	2	162
Land Development and Sale Costs	0	18
	<u>2</u>	<u>180</u>
Less Closing Value of Land Held	0	2
	<u>2</u>	<u>178</u>
Cost of Land Sold	2	9
Administration and Operating	2	2
Audit Fee	8	13
Repairs and Grounds Maintenance	2	0
Legal Costs	<u>16</u>	<u>202</u>
Net Surplus/(Deficit) Transferred to Partners' Capital Accounts	<u>\$88</u>	<u>\$444</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 Sports & Entertainment Centre buildings and improvements. It holds a lease of the Sports & Entertainment Centre land and the Town Hall.

Statement of Objectives and Service Performance

Objectives for 2002/03	Performance Indicators	Actual	Target
1. To manage cash inflows and outflows to best advantage.	1.1 To achieve projected financial performance	\$2,628,400 deficit	\$3,196,000 deficit after tax
2. To ensure financial accountability of the three venues which are under contract management.	2.1 The Company to report on its operations by 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 2003

Ben Harper concert at the Westpac Trust Centre in April 2003



Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Income			
Operating	10,299	8,888	9,662
Expenditure			
Depreciation	(3,604)	(3,519)	(3,637)
Other	(9,323)	(8,565)	(8,834)
Net Surplus/(Deficit) Before Tax	(2,628)	(3,196)	(2,809)
Provision for Taxation	0	0	0
Tax Paid Surplus/(Deficit) for the Year	(\$2,628)	(\$3,196)	(\$2,809)

NB. For further information, refer to the Museum's website: www.cantmus.govt.nz

christchurch city holdings limited

Christchurch City Holdings Limited (CCHL) 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 2002/03	Performance Indicators	Actual	Target
1. Achieve projected financial performance.	1.1 Pay dividends to the Council, totalling	\$32.3 M	\$33.5M
2. Meet other objectives in Statement of Corporate Intent.	2.1 Variances from planned objectives	No material variances	Nil



Christchurch International Airport with the international terminal on the right

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Interest Earned	5,530		11,168
Dividends	41,856		52,777
Other Income	216		419
Total Revenue	47,602	44,754	64,364
Interest Paid	11,812	11,202	9,953
Other	1,452	977	5,854
Total Expenses	13,264	12,179	15,807
Net Surplus	34,338	32,575	48,557
Taxation	160	0	(271)
Net Surplus after Tax	\$34,178	\$32,575	\$48,828

NB. For further information, refer to the company's website: www.ccc.govt.nz/christchurchcityholdings

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 2002/03	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	43,390 4.6M	42,000 4.3M
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 with the CCC share a minimum of	\$16.647M* \$12.485M	\$8.531M \$6.398M

* Includes a special dividend of \$8.064M

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Revenue			
Operating Revenue	54,944		53,625
Interest Income	453		209
Total Revenue	55,397	56,040	53,834
Expenses			
Maintenance and Operating Costs	24,393	19,563	18,600
Financing and Interest Costs	4,504	4,811	4,590
Depreciation	10,120	9,750	9,561
Total Expenses	39,017	34,124	32,751
Net Surplus Before Tax	16,380	21,916	21,083
Taxation	3,339	7,232	6,834
Net Surplus After Tax	\$13,041	\$14,684	\$14,249

NB. For further information, refer to the company's website: www.christchurch-airport.co.nz

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 2002/03	Performance Indicators	Actual	Target
1. Manage the redevelopment contract.	1.1 Complete the West Stand within budget estimates by	April 2002 within budget	30 June 2003
2. Manage the Stadium business within budget.	2.1 Business operating successfully and within	All within approved variations to budget	Budget adopted 31 March 2002
3. Fulfil all contractual obligations.	3.1 Substantiated complaints of breaches of any contract	Nil	Nil
4. Act in a manner that is consistent with preservation of the natural environment and the sustainable management of resources.	4.1 Number of formal reports by the relevant regulators of breaches of the Resource Management Act or related consents held by the company	Nil	Nil



Jade Stadium during the Crusaders vs the CATS Super 12 game

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Income			
Stadium Income	7,605		4,945
Interest	7		36
	7,612	8,535	4,981
Expenses	8,957	9,324	6,517
Net Deficit for the Year Before Tax	1,345	789	1,536
Taxation Expense	0	0	0
Tax Paid Deficit for the Year	\$1,345	\$789	\$1,536

NB. For further information, refer to the company's website: www.jadestadium.co.nz

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 2002/03	Performance Indicators	Actual	Target
1. Achieve projected financial performance.	1.1 Dividend policy is to pay 50% of tax paid profit	96.5%	50%
2. Achieve projected port throughput.	2.1 International Containers, at least		
	Import	75,432TEUs*	74,200 TEUs
	Export	71,585 TEUs	69,000 TEUs
	Fuel, at least	993,992 tonnes	922,000 tonnes
	Coal, at least	2,031,257 tonnes	1,750,000 tonnes
	Car (units), at least	52,300	48,800
	Other Cargoes, at least		
	Import	1,127,238 tonnes	1,097,600 tonnes
	Export	585,646 tonnes	551,800 tonnes

* TEUs - Twenty foot equivalent units



Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Actual 2002 \$000's
Revenue	60,929	61,986
Net Surplus Before Tax	17,903	24,238
Less Taxation	(6,278)	(7,934)
Net Surplus After Taxation	\$11,625	\$16,304

NB. For further information, refer to the company's website: www.lpc.co.nz

orion group limited

Orion Group Limited is an 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 2002/03	Performance Indicators	Actual	Target
1. Achieve projected overall financial performance.	1.1 Net after tax profit excluding abnormals, to average owners' equity for year ending 31 March 2003, at least	5.9%	5.4%
	1.2 Dividend payments for year ending 31 March 2003		
	- Total	\$23.65M	\$23.6M
	- CCHL Share	\$20.7M	\$20.7M
2. Achieve network reliability targets	2.1 Duration of supply interruptions per connected customers per year less than		
	- urban	24	34 minutes
	- rural	646	340 minutes
	- overall	96	69 minutes
	2.2 Number of supply interruptions per connected customer per year less than		
	- urban	0.5	0.7
	- rural	4.3	3.4
	- overall	0.9	1.0

NB: These only include interruptions sourced from the Orion Network

Statement of Financial Performance for the Year Ended 30 June 2003

	Group Actual 2003 \$000's	Group Estimate 2003 \$000's	Group Actual 2002 \$000's
Operating Revenues	163,729	135,000	190,073
Operating Surplus Before Taxation	55,733	50,527	60,632
Less Taxation Expense	(25,839)	(22,398)	(29,169)
Operating Surplus After Taxation	29,894	28,129	31,463
Tax paid Net Surplus Attributable to Minority Shareholders of Subsidiary Companies	(1)	0	(2)
Less Associates Losses/Plus Associate Profits	0	1,000	0
Less Goodwill written off	0	(5,809)	0
Net Surplus - Parent Company Shareholders	\$29,893	\$23,320	\$31,461

NB. For further information, refer to the company's website: www.oriongroup.co.nz

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 2002/03	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	10,805,475	9,000,000
2. Achieve targeted return on investment.	2.1 Maintain an interest coverage ratio of at least	5.5 times	1.5 times
3. Achieve projected net after tax profit.	3.1 Net after tax profit of	\$1,379,000	\$1,034,000



New buses for the Red Bus fleet, that use low sulphur diesel fuel, on display outside Hagley Community College

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Revenue	21,386	18,605	19,590
Expenditure			
Operating	(19,308)	(17,061)	(17,667)
Subvention Payments	(201)	0	(405)
Net Surplus Before Taxation	1,877	1,544	1,518
Taxation Expense	498	510	225
Net Surplus After Taxation	\$1,379	\$1,034	\$1,293

NB. For further information, refer to the company's website: www.redbus.co.nz

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.

Bread crusts at Quality Bakers being made into bread crumbs



Statement of Objectives and Service Performance

Objectives for 2002/03	Performance Indicators	Actual	Target
1. To uplift, sort, pack and transport to SuperShed for sale, recyclable and reusable materials from domestic vehicles.	1.1 Tonnage of material taken to SuperShed, at least	1,314 tonnes	1,200 tonnes
	1.2 Gross sales levels at SuperShed, at least	\$1,281,000	\$950,000
	1.3 Tonnage of rejected material returned to refuse stations, no more than	580 tonnes	150 tonnes
2. To accept delivery of, process and market the materials from the Council Kerbside Recycling Scheme.	2.1 Total gross sales for the year, at least	\$4,040,000	\$1,718,000

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Income			
Material Sales	4,040	1,718	2,964
Environment Canterbury Grant	3	3	2
Christchurch City Council Grant	901	848	1,147
Other Income	846	0	696
Total Revenue	5,790	2,569	4,809
Expenditure			
Administration	848	113	1,007
Site Operations)	1,795)
RMF Service Functions	4,527	660	3,129
Total Expenses	5,375	2,568	4,136
Net Surplus Before Taxation	415	1	673
Taxation	0	0	0
Net Surplus After Taxation	\$415	\$1	\$673

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.



Part of the historic Riccarton House that is maintained by the Trust

Statement of Objectives and Service Performance

Objectives for 2002/03	Performance Indicators	Actual	Target
1. Remove exotic plants and invasive <i>Hoheria Sexstylosa</i> from the Bush & re-establish/replant native species.	1.1 Staged programme in place for plant removal and replacement with native species	On-going programme	No target set in Annual Plan
2. Improve bush boundary security fencing	2.1 Design completed by Installed by	Consent obtained February 2003 contract let June 2003	31 August 2002 31 December 2002
3. Apply the special Riccarton Bush boundary protection zone through the City Plan variation.	3.1 Submission made to City Council by	31 July 2002	31 July 2002
4. Improve house grounds planting integrity and recreate features and period visitor attractions.	4.1 Continuous planting in accordance with objective until	31 March 2003	31 March 2003
5. Establish Riccarton House as a premier heritage visitor attraction.	5.1 To be opened by	October 2002	31 July 2002
6. Develop promotion and marketing strategies.	6.1 To be commenced by	Marketing plan and collateral completed March 2003	1 July 2002

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Costs	398	250	256
Depreciation	53	2	39
Total Expenses	451	252	295
Less Income	172	78	74
Deficit before Levy & Grants	279	174	221
Less Levy and Grants	224	224	208
(Deficit)/Surplus on Operations	(\$55)	\$50	(\$13)

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 2002/03	Performance Indicators	Actual	Target
1. Continue the scheduled planting, maintenance and harvesting programme.	1.1 Plant by 31 March 2003, at least	556ha	500ha
	1.2 Wood harvested by 31 March 2003, at least	187,166 tonnes	170,000 tonnes
	1.3 To prune and thin, at least	208ha	180ha
2. Achieve projected financial performance.	2.1 Debt equity ratio, no more than	0%	40%
	2.2 Net profit before tax, at least	\$3,612,639	\$3,026,958
	2.3 Earnings before tax as a percentage of paid up capital, at least	13.8%	11.6%
3. Achieve projected dividend payments.	3.1 Annual dividend as a percentage of net profit after tax, at least	58.5%	60%

Statement of Financial Performance for the Year Ended 31 March 2003

	Actual 2003 \$000's	Estimate 2003 \$000's	Actual 2002 \$000's
Operating Income	11,660	10,425	9,785
Operating and Other Expenditure	8,047	7,398	6,522
Net Surplus for the Year Before Tax	3,613	3,027	3,263
Provision For Tax	708	999	617
Tax Paid Surplus For The Year	\$2,905	\$2,028	\$2,646

NB. For further information, refer to the company's website: www.spbl.co.nz



Mount Cook Buttercup growing on SPBL's Newton's Block

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 2002/03	Performance Indicators	Actual	Target
1. To obtain resource consents for the development and operation of a regional landfill at Kate Valley in North Canterbury.	1.1 Acceptable resource consents granted by	Consent application granted with conditions that are now being appealed	30 June 2003
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 legislative and regulatory requirements	100%	100%



Kate Valley, the site for the new regional landfill to be constructed

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Actual 2002 \$000's
Income	0	0
Expenditure	248	240
Net (Deficit) For The Year Before Tax	(248)	(240)
Provision for Taxation	0	0
Tax Paid Surplus/(Deficit) For The Year	(\$248)	(\$240)

travis finance limited

Travis Finance Limited is a non-trading 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. These two pieces of land were sold to the Council on 28 June 2002 and the process initiated for the two subsidiaries, Travis Heritage Park Limited and THP Holdings Limited, to be amalgamated into Travis Finance Limited. This was subsequently completed and Travis Finance Limited has been held as a shelf company in case the Council needs a company structure for another purpose in the near future.

Statement of Objectives and Service Performance

Objectives for 2002/03	Performance Indicators	Actual	Target
NB: No formal targets were published as it was planned that the company would not trade during the year.			



Award winning bird-hide developed at the Travis Wetlands

Statement of Financial Performance for the Year Ended 30 June 2003

	Actual 2003 \$000's	Actual 2002 \$000's
Operating Income	124	591
Operating and Other Expenditure	(8)	(734)
Net Surplus/(Deficit) for the Year Before Tax	116	(143)
Provision for Tax	0	0
Surplus/(Deficit) For The Year	\$116	(\$143)

the capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development, and civic and community projects. The objectives and policies set for it are detailed on pages 150 and 151 of the Council's 2003 Financial Plan and Programme.

The Investment Objectives were met. This was achieved by minimising the risk of capital loss by retaining all funds in cash investments due to the volatility of the world's equity markets. This approach that was consistent with eight of the ten Investment Objectives.

Capital Endowment Fund - Funding Allocations

	Actual 2003	Estimate 2003
Total Available Income from Fund	2,524,030	2,915,000
Economic Development 70%	1,766,821	2,040,500
Brought forward from previous year	(20,632)	0
Available to allocate	1,746,189	2,040,500
Less allocated:		
Central City Project Team	(100,000)	(100,000)
Central City Project Team Carryforwards	(45,945)	0
Unspecified Economic Development Projects	(1,354,633)	(1,765,500)
Domestic Marketing Campaign	(175,000)	(175,000)
Balance available for Economic Development Projects	70,611	0
Civic and Community 30%	757,209	874,500
Brought forward from previous year	77,527	0
Available to allocate	834,736	874,500
Less already allocated		
Unspecified Community Projects*	0	(142,000)
Special Character Area Precinct Upgrade	(19,958)	(200,000)
Canterbury Museum Trust Board Building & Development Project	(532,500)	(532,500)
Balance available for Civic and Community Projects	282,278	0
Total Cash Carried Forward	\$352,889	\$0

* Unspecified provision for 2002/03 and 2003/04 is to be accumulated and not specified out until at least 2004/05.

fund capital

Fund Capital at 1 July 2002

Core Fund	\$71,988,000
Fluctuation Reserve	3,500,000
Unallocated Income	56,895
Total Fund Balance at 1 July 2002	<u>\$75,544,895</u>

During the 02/03 year:

Total Income Received by the Fund	4,448,726
Less distributed	(2,265,536)
Less Transferred to Capital for Inflation Provision	<u>(1,887,200)</u>
Balance to unallocated income	\$295,990

Allocation from Council's Special Dividends Received	1,700,000
--	-----------

Fund Capital at 1 July 2003 is comprised of:

Core Fund	\$75,575,200
Fluctuation Reserve	3,500,000
Unallocated Income	352,889
Total Fund Balance at 1 July 2003	<u>\$79,428,089</u>



A view of the city that shows the high level of arboriculture

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 2002/2003

Policy

The Christchurch City Council is committed to having in place practices within the Council which work towards eliminating all forms of discrimination and which are consistent with the Council's Giving Value – Being Valued Culture Statement. This includes barriers to the recruitment, retention, development and promotion of its employees.

In the later half of 2000, we reviewed the progress and effectiveness of our EEO programme and support over the last decade.

Our objectives for 2002/03 year were:

1. Continue refocusing the organisation on **Diversity** and its integration with the principles of Giving Value – Being Valued and the HR Strategy.
2. To complete the Christchurch City Council Diversity Charter.
3. Training
 - Develop a diversity (incorporating EEO) training programme for all new staff to the organisation and to anyone who has not completed EEO training.
 - Provide diversity awareness workshops within teams.
 - To include a diversity component in the Team Leader Development Programme.
4. Refocus Referral Advisers and clarify their role and responsibilities around harassment prevention, diversity/EEO, disability and the Staff Support Programme.



In June 2003, work got under way to completely restore and strengthen the Victoria Street (Jubilee) Clock. This important city landmark has links to the early days of European settlement in Canterbury

The following have been achieved:

- 1.1 A Diversity Champion has been seconded half time to build on past EEO achievements and to develop a change process/programme which will deliver inclusion for all and minimise discrimination on any ground.
- 1.2 Have refocused the organisation on the wider concept of diversity which includes EEO.
- 1.3 HR Advocates are employed in each Unit to guide recruitment processes so that position selection decisions are made on merit, qualifications and work history relating to the position to be filled, and to ensure that other differences irrelevant to a person's ability to achieve the requirements of a job, do not act as a barrier either to or within employment.
- 2.1 A Diversity Charter has been developed, advertised on the Christchurch City Council Intranet and circulated through training sessions. The Charter is integrated with the principles of our culture Giving Value – Being Valued and the HR Strategy.
- 3.1 A diversity (incorporating EEO) workshop has been developed for all new staff and for any staff that have not completed the past EEO training.
- 3.2 Thirteen workshops were conducted from 1 July 2002 to 30 June 2003 compared to the 16 planned.
- 3.3 Diversity awareness tools have been developed and are currently being implemented by HR Advocates within teams.
- 3.4 Diversity has been integrated into the Team Development Programme.
- 4.1 The roles of Referral Advisers/contact people have been consolidated into one role. We have recruited new people into the role. They have been trained in dealing with issues that arise in the areas of harassment, diversity/EEO, disability and personal issues that require Staff Support Programme support.
- 4.2 The Referral Advisers meet 3 monthly to ensure that networking, further skill development and information sharing occur.