

The Christchurch City Council produces an Annual Report each year to account for the money provided to it by ratepayers, financial institutions and government agencies. It shows how the Council is delivering on the outcomes the community wants.

This report makes references to the Council's strategies and plans, particularly the Long Term Council Community Plan 2004/14 (LTCCP), adopted in June 2004 after consultation with ratepayers and other important stakeholders. The activities undertaken by the Council aimed at achieving the following goals, as outlined in the LTCCP:

- Community cohesion and well-being
- Economic development
- Environmental sustainability

In achieving these goals, the Council sought to respect the need for:

- Democratic governance
- Essential infrastructure
- Financial stewardship
- Treaty of Waitangi and cultural diversity

The Council enjoys a strong working relationship with local Maori. The Council continues to work at developing processes to provide for opportunities for Maori to contribute to the decision-making process of the Council.

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The annual report and audited financial statements of Christchurch City Council, together with the report of the Audit Office, were adopted by the Council on 15 September 2005.

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From The Mayor



This year has been a significant one for the growth and development of our city, and of the Council. In this Annual Report we outline the significant progress that has been made on major projects and initiatives across the spectrum of social, economic and environmental activity.

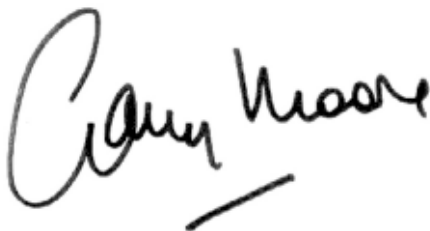
Our Council is clearly focused on planning and working to make Christchurch an attractive, liveable city – one that supports all sectors of the community and provides the infrastructure for a vibrant and successful future.

It has also been a year of change for the Council itself. We are now a Council of 12, operating in a completely different way from our former structure. Gone is the committee structure which had led to a fragmented understanding of issues by Councillors. In its place is a portfolio system which ensures Councillors have early input into key issues. Any Councillor can attend the portfolio meetings.

Perhaps the biggest change, and continuing challenge, is that we have lifted our game in the governance arena. Our focus is more strategic, which is critical as we face the challenges of the 2006/2016 Community Plan, which signals significant increase in capital requests to support the Community Outcomes.

As Mayor I'm delighted with the progress we have made in the past year. But there is still much more to do as we work to identify our best opportunities, build our capability and turn our vision for the future into tomorrow's reality.

My gratitude goes to the Councillors, staff and all volunteers and participants from our community who have supported our work in the last year. I look forward to continuing to work with you in realising our vision.

A handwritten signature in black ink that reads "Garry Moore". The signature is stylized with a large, looping 'G' and a long horizontal stroke at the end.

Garry Moore
Mayor of Christchurch

From the Chief Executive



It has been an exciting year for Christchurch City Council, as the organisation has worked within a new, more focused governance structure to respond to our community and to help achieve the future we all aspire to.

Council is the city's heart – its purpose is to keep the city ticking, providing for its basic needs but also ensuring it is healthy and strengthened for an active and growing future. This means our focus is not only on infrastructure but also on the social, environmental and community outcomes that make our city a great place to live.

In the past year we have worked to support elected members in their decision-making, and to align our strategies and operating plans with the vision outlined by the people of Christchurch

in our Community Outcomes.

This year's activity has produced a larger surplus than was budgeted. Much of this relates to increased economic activity within the region that resulted in more vested assets and a higher than anticipated level of cash in lieu contributions. It is important to note that much of the surplus is tagged to specific activities and capital reserves that are not available for rating purposes.

Higher interest rates and lower levels of capital expenditure have seen a significant increase in the amount of interest we receive. This is not sustainable in the long term and did place pressure on our 2005/06 rate level. The increased surplus that is not tagged as indicated above will go to our general reserves and also will be used to reduce debt requirements in future years which will benefit all ratepayers.

One of the biggest challenges for Council in 2004/05 was delivery of the full capital programme. While some \$30m has been carried forward, we have made significant internal changes in our planning to provide greater certainty around our capital expenditure delivery in future. The desirability for projects from the community's perspective needs to be balanced against their affordability – in short, community pressure for capital projects needs to be balanced with their impact on rates.

A further constraint is posed by the capability of the organisation to deliver. A number of factors influence this, both internally and externally: planning and consultation timeframes can be unpredictable; availability of consultants may be constrained; and even the construction and contracting sectors' ability to respond to varying annual levels of capital spend, can create the need for carry forwards.

A better understanding of these influencing factors is improving our ability to deliver a sustainable level of capital expenditure. We are working to increase our delivery capability over the next few years to match the increasing demand for more capital projects as we start to implement the 2006/16 Long Term Council Community Plan.

The first Community Plan was very much a trial run and saw an increase in the number of performance measures we were to report upon. This has proved challenging. While our results are somewhat mixed against these many measures, delivery of activities in support of the Community Outcomes has been sound and we continue to meet service levels of our Asset Management Plans. Looking forward towards the next Community Plan, we will include fewer, more meaningful measures, that will ensure stronger connections to our Community Outcomes and service delivery.

The Council continues in its strong position to lead the development of our city, and ensure the well-being of our diverse communities.

My thanks go to the organisation's staff, who have contributed their energy and passion to supporting our direction and serving the community during the past year, and to the many organisations and agencies which have worked alongside us to help achieve a positive and sustainable future for Christchurch.

A handwritten signature in dark ink, reading 'Lesley McTurk'.

Dr Lesley McTurk

Chief Executive

How the Council works



The Council meets at 9.30am on Thursday, in the Council Chambers at Civic Offices, Tuam Street. The public is welcome to attend these meetings.

The elected Council

Christchurch City Council has a Mayor and 12 Councillors, who were elected in October 2004 for a three year term. The Mayor is the elected leader of the Council, chairing meetings of the full Council and performing ceremonial roles as the leading citizen of the City. The Mayor is the spokesperson on major Council matters and participates in regional and national meetings as the Council's representative.

The Council meets in the Council Chambers at Civic Offices, Tuam Street, at 9.30am every Thursday. The role of the elected members is to set the direction of the Council and monitor how effectively its staff are delivering on the goals agreed with the public.

Most decisions are made by full Council. Items considered by Council are supported by comprehensive reports which outline the background, issues, options and costs.

In the early stages of working on an issue, discussions may be held in one of the Council's portfolio groups – small working groups of councillors with an interest in specific areas of council business.

Further discussion may be held in seminars where elected members hear preliminary reports about a topic and provide feedback about what else might be needed before a formal decision can be made on an issue.

At any stage the Council may call for input from Community Boards, interest groups or members of the public.

Also elected every three years are the Council's Community Boards. These boards provide a local forum for people to raise issues of concern and provide a close link between the community and the Council. The boards have authority to make decisions on some local projects. They meet at least once a month, and each has seven members including two appointed Councillors.

Christchurch's six community boards are:

- Burwood/Pegasus
- Fendalton/Waimairi
- Hagley/Ferrymead
- Riccarton/Wigram
- Shirley/Papanui
- Spreydon/Heathcote

Banks Peninsula District reorganisation proposal

During the past year the Local Government Commission has considered a proposal, initiated by the ratepayers of Banks Peninsula District, for the abolition of Banks Peninsula District and its inclusion in Christchurch City.

This could result in an additional Councillor and the creation of two community boards.

On 19 August the Local Government Commission made its decision to issue a final reorganisation scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City. A poll will be held over the Banks Peninsula District on 19 November 2005.

“8552
building consents
were processed this year.”

Mayor and Councillors



Mayor

Garry Moore CA FNZIM

Councillors

(and the wards they represent)



Burwood/Pegasus Wards:

Carole Evans QSO JP (Deputy Mayor) and Gail Sheriff JP



Riccarton/Wigram Wards

Helen Broughton MA DipEd(GC) and Bob Shearing



Fendalton/Waimairi Wards

Sally Buck MEd (Dist.) and Pat Harrow DipHort



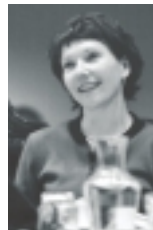
Shirley/Papanui Wards

Graham Condon QSM JP and Norm Withers



Hagley/Ferrymead Wards

Anna Crighton QSO JP MA(Hons) and David Cox FNZIM



Spreydon/Heathcote Wards

Sue Wells BA and Barry Corbett

Community Board members

Burwood-Pegasus

Glenda Burt (Chair)
Carmen Hammond (Deputy Chair)
Caroline Kellaway JP
Tina Lomax
Don Rowlands
Carole Evans QSO JP (Cr)
Gail Sheriff JP (Cr)

Hagley-Ferrymead

Bob Todd OBE JP (Chair)
Yani Johanson (Deputy Chair)
John Freeman JP MA
Brenda Lowe-Johnson JP
Brendan Smith MB ChB
David Cox FNZIM (Cr)
Anna Crighton QSO JP MA (Hons) (Cr)

Shirley-Papanui

Yvonne Palmer QSM JP (Chair)
Myra Barry QSO JP (Deputy Chair)
Bill Bush MNZM
Ngaire Button
Megan Evans
Graham Condon QSM JP (Cr)
Norm Withers (Cr)

Fendalton-Waimairi

Mike Wall (Chair)
Val Carter (Deputy Chair)
Faimeh Burke
Cheryl Colley JP MA (Hons) BBS Dip Tchng
Andrew Yoon JP
Sally Buck MEd (Dist) (Cr)
Pat Harrow DipHort (Cr)

Riccarton-Wigram

Peter Laloli (Chair)
Neville Bennett JP BSc(Hons) PhD
(Deputy Chair)
Lesley Keast QSM JP
Mike Mora
Tony Sutcliffe JP
Helen Broughton MA DipEd (GC) (Cr)
Bob Shearing (Cr)

Spreydon-Heathcote

Phil Clearwater MA (Hons)(Chair)
Oscar Alpers LLB Notary Public
(Deputy Chair)
Paul de Spa BA Dip Tchng
Chris Mene
Megan Woods
Barry Corbett (Cr)
Sue Wells BA (Cr)

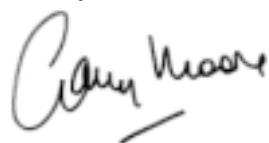
Statement of compliance and responsibility

Compliance

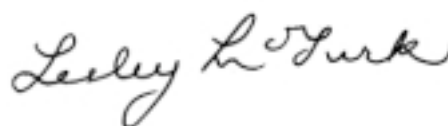
- 1 The Council and management of the Christchurch City Council confirm that all the statutory requirements of section 98 of the Local Government Act 2002 have been complied with.

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 2005 fairly reflect the financial position and operations.



Garry Moore - Mayor
15 September 2005



Dr Lesley McTurk - Chief Executive
15 September 2005

Chief executive and executive team

The Chief Executive of Christchurch City Council is Dr Lesley McTurk. Dr McTurk is the only employee of the elected Council, and is responsible to the Council for carrying out its decisions.

The Chief Executive employs all of the other staff at the Christchurch City Council. With an executive team of eight, Dr McTurk manages a staff of more than 2000 people.

The executive team:



Dr Lesley McTurk
Chief Executive



Robert Lineham
Director, Strategic Investment
Strategic Investment oversees the Council's significant investment in local strategic assets through Christchurch City Holdings Limited.



Roy Baker
General Manager, Corporate Services
Corporate services supports the organisation through the provision of accounting, information technology, procurement and a variety of administration services.



Stephen McArthur
General Manager, Community Services
Community Services delivers a range of social, cultural and recreation services, including the libraries network, the Christchurch Art Gallery, recreation centre network and social housing.



Ian Hay
General Manager, Strategic Development
Strategic Development leads the Council's policy development and planning, as well as providing project management services.



Peter Mitchell
General Manager, Regulatory and Democracy Services
Regulatory and Democracy Services provides a secretariat for the elected Council and community boards, as well as monitoring and enforcing the Council's regulatory responsibilities.



Stephen Hill
General Manager, Public Affairs
Public Affairs manages the Council's relationship with its customers, covering its customer service, marketing, communications and consultation functions.



Jane Parfitt
General Manager, City Environment
City Environment is responsible for planning and delivery of the Council's primary infrastructural responsibilities: water, wastewater treatment, solid waste, transport, parks and other public open spaces.



Philippa Jones
General Manager, Human Resources
Human resources develops corporate programmes and policies for the Council's staff, as well providing advice and support to line managers.



*A new event this year was
The Return of the Godwits,
a celebration of the oncoming of spring, which gained
extensive national media coverage.*



Highlights

Christchurch City Council's roles are enormously diverse. From maintaining and updating the city's infrastructure — such as supplying water, treating wastewater, providing a transport system — to planning the city's development, entertaining residents with festivals and displaying fine art, your City Council delivers a range of services aimed at supporting and enhancing residents'/visitors' quality of life.

What follows is a glimpse of the Council's major achievements during the year from 1 July 2004 to 30 June 2005.

Democracy and Governance

After the local government elections in October 2004, the Christchurch City Council was reduced from 24 to 12 councillors plus the mayor. This change gave the Council an opportunity to reassess the way it operated. The structure was amended to introduce portfolio groups (linked to Community Outcomes), weekly seminars and weekly Council meetings.

Some of the city's six Community Boards also changed to meeting fortnightly.

Wastewater

Treatment and disposal of wastewater is one of the major issues facing Christchurch. The continuing upgrade of the city's treatment plant included the installation of the final two clarifiers and completion of a storage tank for processed sewage. The design was started for two new digesters to provide extra treatment capacity. Construction should start early in the 05-06 year.

Disposal of treated wastewater via an ocean outfall took a big step forward with the Council's lodging of the ocean outfall Assessment of Environmental Effects. Submissions were received in April and May and the hearing process started. Conceptual design of this major project is on schedule.

Also on target is work on the 10-year major sewer upgrade programme for the entire city. Milestones here included the renewal of delivery pipes from Linwood and St Martins and the start of construction on the Linwood pump station.

www.ccc.govt.nz/wastewater/

Water

New wells at Farringdon and Burnside began feeding into the city's water system. This work complements the drilling of two new replacement wells and the building of a new pump station in Worcester Street. The successful development and commissioning of these wells continue the supply of high-quality drinking water to our growing city.

www.ccc.govt.nz/water/

Waste

The opening of the world-class Kate Valley Landfill by Transwaste Canterbury Limited made it an important year for this part of the Council's operations. An allied change was the transfer of management of the city's three refuse stations to the Recovered Materials Foundation Limited. Both are key elements in the Council achieving objectives in its Solid and Hazardous Waste Management Plan. Trials started in February on garden composting and kerbside collection of organic wastes.

www.ccc.govt.nz/waste/

Transport

Christchurch's quality of life and its economic success rely upon its transport system and its successful management and development. As Christchurch continues to grow, so too do the demands placed on the transport system. The Council has been active in addressing these demands through:

Policy and planning

- Assessing the transport system needs in support of the Urban Development Strategy project
- Updating the Cycling and Road Safety Strategies
- Consulting about a transport concept plan for the central city area which was developed with several key stakeholders
- Planning for an expansion of the highly successful Bus Exchange to cater for projected growth in passengers.

Operational activities

- Assisting the successful management of the 2005 British and Irish Lions Rugby Tour in Christchurch
- Updating the Speed Limits Bylaw for the City (required by law change)
- Providing advice to the debates about noisy vehicles.

Physical works programme

- Commencing the widening of Opawa Road
- Installing two variable message signs in the central city providing real time information about parking availability at Council car parks
- Commencing the pre-loading work on the Blenheim Road Deviation project
- Completing the planning and consenting processes for the Brighton Mall slow road project.

The way the streets maintenance work is carried out was reviewed and resulted in new area-wide, performance-based contestable contracts with one contractor responsible for all streets maintenance work in that area. There will be four areas: central city (within the four avenues), northern, eastern and southern.

www.ccc.govt.nz

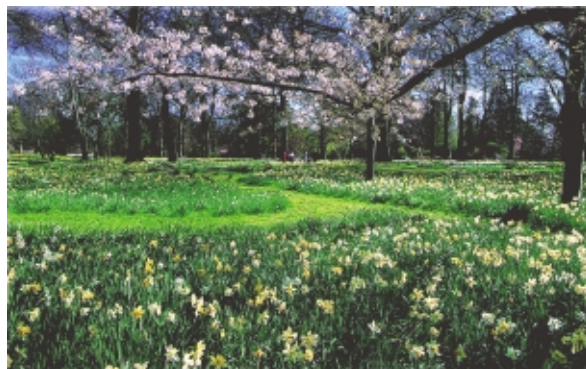
Greenspace

The Council protects and enhances the city's green spaces, such as parks, reserves and wetlands. Activities undertaken included:

- Creating extra stormwater capacity needed to service infill housing through open waterways and park linkages between streets as part of the Addington Open Space Project
- Purchasing land in Mairehau for use as stormwater retention in the Marshland area
- Completing the draft Biodiversity Strategy ready for public comment
- Completing the Jellie Park pond redevelopment, Scarborough Park facility upgrade and Upper Riccarton Domain playground renewal
- Ongoing work in the redevelopment of Wainoni Park and Heathcote Heritage Park
- Commencing a major redevelopment of the playground at Spencer Park, one of the city's most popular picnic spots
- Completing the circuit walkway at Travis Wetland Nature Heritage Park
- Completing the extension of the Port Hills mountain bike track system.

The Council was pleased with the high numbers of volunteers who assisted with plantings and track work in the Port Hills, coastal, forest and wetland regional park restoration sites.

www.ccc.govt.nz/parks



Regulation

Continued growth resulted in the Council receiving a high number of consent applications associated with land and property development.

A major challenge was the implementation of the new Building Act, which introduced a new framework for regulating building work and clearer performance standards for buildings. Work started on preparing an application for registration as a building consent authority, which the Act requires councils to achieve by 30 November 2007.

Concerns about contamination led to the testing of 93 private properties in Sandilands. This area in Wainoni/Aranui was formerly a rubbish dump. The Council lodged an application with the Ministry for the Environment for financial assistance to enable remediation of the 12 properties found to have contamination levels that exceed acceptable levels.

www.ccc.govt.nz

City Development

The Council consulted the public about options for the Greater Christchurch Urban Development Strategy from April to June 2005 through more than 30 public meetings and the wide distribution of an options discussion booklet. This is a great example of how local bodies and authorities can work well together for the good of Greater Christchurch - the Banks Peninsula, Selwyn and Waimakariri district councils, Christchurch City Council, Environment Canterbury and Transit New Zealand being partners in the project. It attracted a record 3200 submissions from all over Greater Christchurch.

www.greaterchristchurch.org.nz/

Community and Recreation

The Council delivers a range of social, cultural and recreation services to residents and visitors to the city.

Community Development highlights included:

- DriveThru – on the web at www.drivethru.info — the Council's new youth participation website, is designed to encourage young people to participate in the

Council's decision-making process

- Launching the Go Free Mobility Scooters (17 June) sponsored by TSB Bank
- Organising the Disabled Persons Assembly National Strategic Hui (17–19 June)
- Facilitating the Disability Reference Group
- Organising education sessions for community groups, e.g. 5 Easy Steps to Fundraising
- Through KiwiAble, a recreation and sports programme for people with disabilities; JOLT, a mixed-ability dance company, and "a different light" mixed-ability physical theatre are breaking new ground in New Zealand. The first of their kind, they are providing integration through the arts and empowering people with disabilities to develop their creativity. Classes and workshops have led to public performances.

Recreation, Sports and Arts highlights included:

- Coordinating the 2005 British and Irish Lions Rugby Tour in the following areas:
 - Black Out Banner Competition – more than 30 primary schools were involved and more than 230,000 votes were received
 - Footy in the Square event
 - Campervan Parking, Cathedral Square events and arrangements with hospitality industry (bars and cafes).
- Successful bids for events such as the 2006 World Wheel Chair Rugby Championships and 2008 World Super Senior Tennis
- Successful high-profile sports events held such as Maxi Basketball, Coast to Coast, IPG NZPGA Golf
- Arts Participation Guide — the first free arts guide of its kind in New Zealand, providing easy access to arts opportunities for all
- Creative New Zealand — Creative Places Award for the sculpture 'A Tribute to Firefighters'.

www.ccc.govt.nz

Recreation Facilities

Overall use of Council recreation facilities extended to three million visits for the first time. The increases came mainly from greater use of QEII's pool and indoor stadium. Also pleasing was that surveys show customer satisfaction levels remain high.

The Council reviewed and reorganised the service provided by its smaller outdoor suburban pools. The aim is to work smarter, providing better over-all service without increasing the cost.

Highlights include:

- The National Touch Rugby Championships at QEII
- Two swimmers based at Jellie Park representing New Zealand at the world championships in Canada
- A public-private partnership at QEII to develop five exciting new water slides worth \$2.6m (opened July 2005).

www.ccc.govt.nz/leisurecentres

Libraries and Information

The new library system, Unicorn, went live in November. Most libraries have extended their opening hours with an emphasis on longer, more convenient hours in the weekends and earlier opening during the week.

Library buildings:

- Building began on the new community library at Parklands in February. The library will pioneer the concept of changing spaces, focusing on different customers at different times of the day (opened August 2005)
- Work also began in February on the new Upper Riccarton Library - Te Kete Wananga o Putaringamotu, a large combined school and community urban library which will be the first of its kind in New Zealand
- Hornby Library celebrated its 25th anniversary on 22 February in partnership with the community centre.

Promotions and events:

- The Windows to the World competition, in August, received more than 3500 entries
- The Reading Crusade took place again in partnership with the Crusaders Rugby Team and covered their franchise area. More than 13,300 entries were received and just under 107,000 books were read as a result
- A number of events promoted Maori Language Week (26 July–1 August). Christchurch City Libraries won the inaugural Maori Language Week award for local body/library entries and was runner up in the Supreme Award
- May Music Month increased music collection consumption and membership; 10,840 CDs and tapes were borrowed across the libraries; a 25 per cent increase compared with the previous May
- Odyssey (July–August), an annual reading incentive programme for young adults, received more than 700 registrations
- The National Digital Strategy was launched on 16 May simultaneously at Parliament and at the South Learning Centre through videoconferencing. The strategy is about creating a digital future for all New Zealanders, using the power of information and communications technology to enhance all aspects of our lives. Planning the delivery of the strategy has begun and Council's Digital Library Services Manager, has been appointed as a member of the national committee advising the Minister on its implementation
- Any Questions, a partnership with National Library, began in November. This phone service helps school students find the information they need and is available Monday-Friday from 1-6pm
- Haneta Pierce received the prestigious Robin Hakopa Te Reo Maori Award, which recognises commitment in promoting te reo and tikanga Maori within the library profession.

www.library.christchurch.org.nz



Christchurch Art Gallery Te Puna O Waiwhetu

Corporate sponsors and private donors continue to generously support the Gallery which has established itself as a key Christchurch attraction for both the local community and visitors.

Favourable national reviews were received for both a major overseas touring exhibition of contemporary German art (The Scenic Eye), and a Gallery-generated exhibition, Coming Home in the Dark, which highlighted recent Canterbury art.

The Gallery continues to win both national and international recognition, earning special merit citations in the 2004 National Business Review Sponsorship of the Arts Awards, and internationally, with another Museums Australia Publications Design Award for its Bulletin.

www.christchurchartgallery.org.nz

Festivals and Events

Major festivals produced by the Council achieved significant increases in attendance and participation this year. Major events within the annual Showtime Canterbury festival attracted record crowds, while audiences to the city's free SummerTimes concerts, Starry Nights and Classical Sparks, increased by 30,000 over 2003-04. KidsFest ticket sales increased by 15 per cent.

Council continued to core-fund a series of city-wide events and festivals for the benefit of Christchurch residents and visitors including a rejuvenated Festival of Flowers and Romance.

A priority across all events was to promote local talent and refresh the content of existing festivals. Successful innovations in 2004 included the Great Kids Campout and Kite Day within SummerTimes, and the inclusion of more New Zealand content in the Classical Sparks concert.

A new event was The Return of the Godwits, a celebration of the oncoming of spring, which gained extensive national media coverage.

www.ccc.govt.nz

Customer Services

Christchurch residents telephoning the Council for information or services are now connecting to the organisation's new contact centre, an amalgamation of four previously separate call centres. The new centre, opened in January 2005 in a purpose-built facility, means more staff are available to answer enquiries, and callers have faster access to the information they need.

Economic Prosperity

The Council is involved directly and indirectly in initiatives that support the city's economy. An example of direct involvement is the ownership and lease back to Pratt & Whitney and Air New Zealand of an engine testing facility recently opened at Christchurch International Airport. The project will deliver jobs and foreign exchange earnings to Christchurch.

The Canterbury Development Corporation (CDC) and Christchurch and Canterbury Marketing (CCM) are two specialist service providers which the Council engages to deliver economic development initiatives.

CDC continued to work with many businesses in Christchurch, providing thousands of hours of workshops and one-on-one coaching. This included mentoring for 465 businesses, and support services for 528 start-up firms. It assisted local companies in securing \$2.03m in government grants.

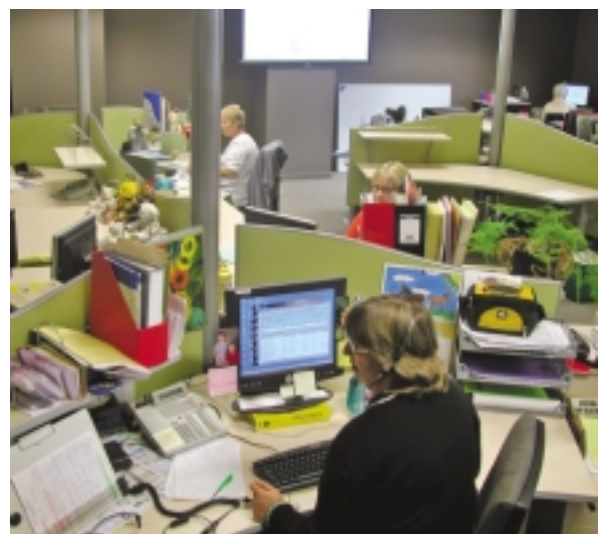
CDC continued to support the six key industry clusters it has identified; electronics, software, nutraceuticals, international education, film and fashion. The organisation was also involved in identifying or leading a number of citywide economic development initiatives and supporting business growth and new opportunities.

Tourism is a significant contributor to the Christchurch economy and key tourism indicators showed the contribution to the city's economic health made by the marketing by CCM of Christchurch and Canterbury as a tourist destination. For the year, guests nights were up 0.8 per cent in Christchurch, continuing the growth trend of recent years in both number of visitors and spend in Christchurch.

The Council's Christchurch City Holdings Limited (CCHL) continued to contribute to the economic strength of the city. Its equity increased substantially during the year, from \$761m to \$971m, in the main reflecting:

- A \$90m first-time revaluation by Lyttelton Port Company Limited of its land, buildings and harbour structures
- An \$82m revaluation by Orion Group Limited of its electricity distribution network
- An improved group net profit after tax, including a \$25m gain by Orion Group on the sale of the majority of its stake in Australian listed company, Energy Developments Limited.

Since 1995, the value of CCHL's assets has increased from \$400m to just over \$1 billion. In that same period, more than \$650m of capital and dividend payments have been made to the Council.





*“75% of residents
said they had visited a library this year”*



Financial Highlights

Parent results¹

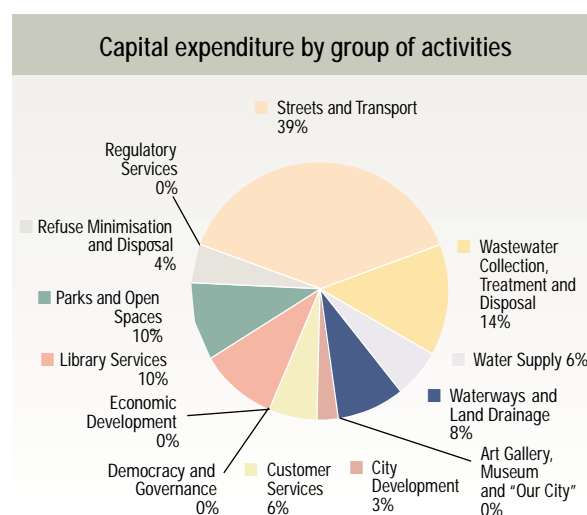
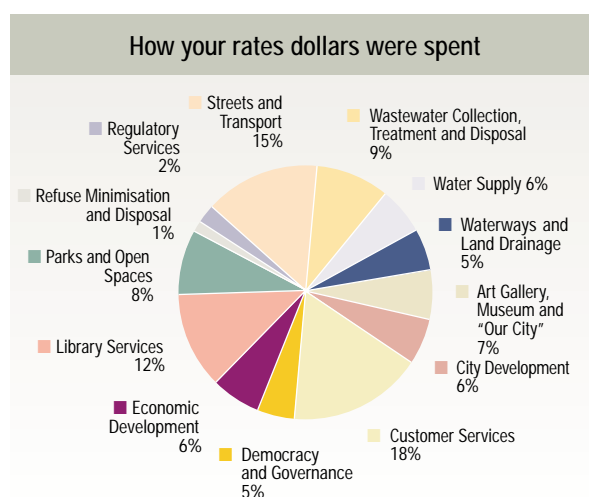
Our operating surplus before asset contributions for the year was \$45.9m, \$29.6m ahead of the estimate. Contributions to this performance are outlined in note 24 of the detailed accounts and include; interest income of \$6.5m due to delayed capital spending and higher interest rates; \$6.2m of capital contributions, consent fees and other related income due to higher than planned subdivision activity; depreciation of \$1.4m less than plan due to delayed capital spending and a decrease of \$1.4m in the closed landfill expense provision.

The Council has continued to strive to deliver cost-effective services, allocating the \$167.9 million of rates collected across the areas as detailed in the pie chart below.

Our statement of Financial Position reflects the Council's strong position with a growth in equity of over \$64 million

to a new high of \$4.2 billion. This strength supported the Council's ability to deliver \$87 million of new capital expenditure. (see pie chart below)

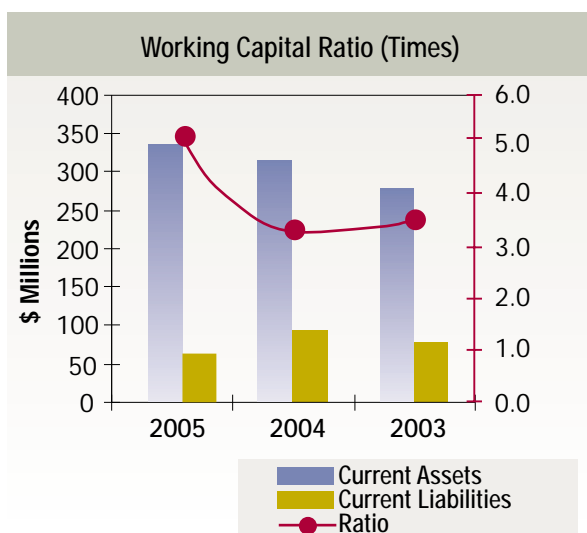
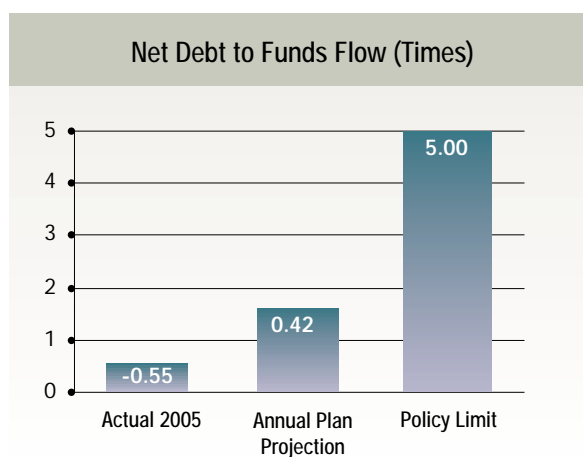
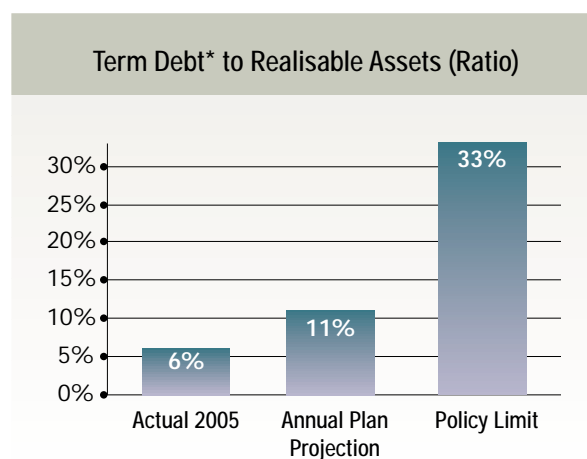
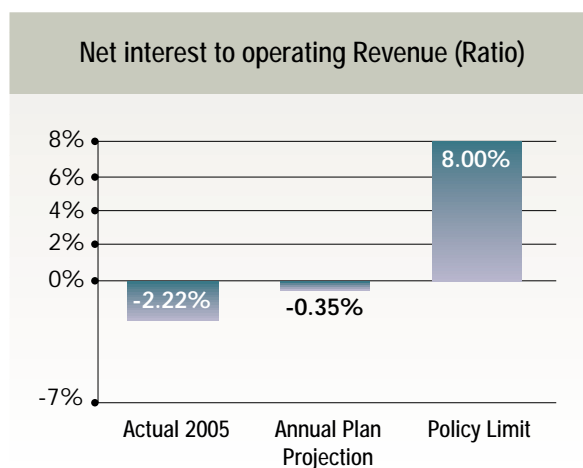
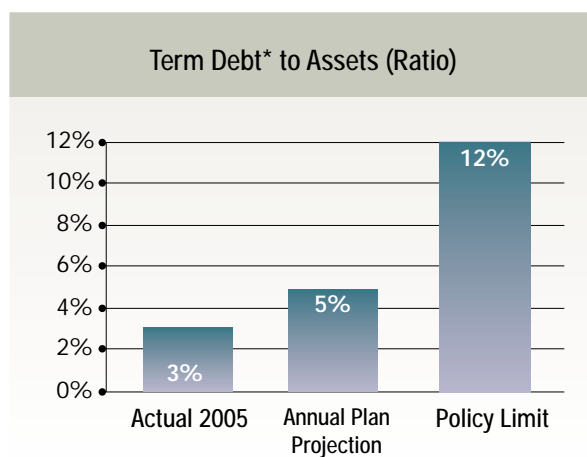
Major capital projects progressed during 2004/05 include the Parklands Library and Upper Riccarton Library (\$2.8m), the Ocean Outfall consent and investigation (\$1.6m), strategic Waterways and Wetlands land purchases (\$2.1m), and the Belfast pressure main (\$1.2m). Other significant items included additional library book purchases (\$3.6m), carriageway surfacing and sealing and footpath resurfacing (\$8.1m), and treatment plant improvements (\$1.6m).



¹ Covers the Council operations only

Financial overview

This information has been extracted from the financial statements 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 incorporated trading enterprises.



* Term Debt Annual Plan values have been recalculated to reflect a consistent basis to Actual 2005.

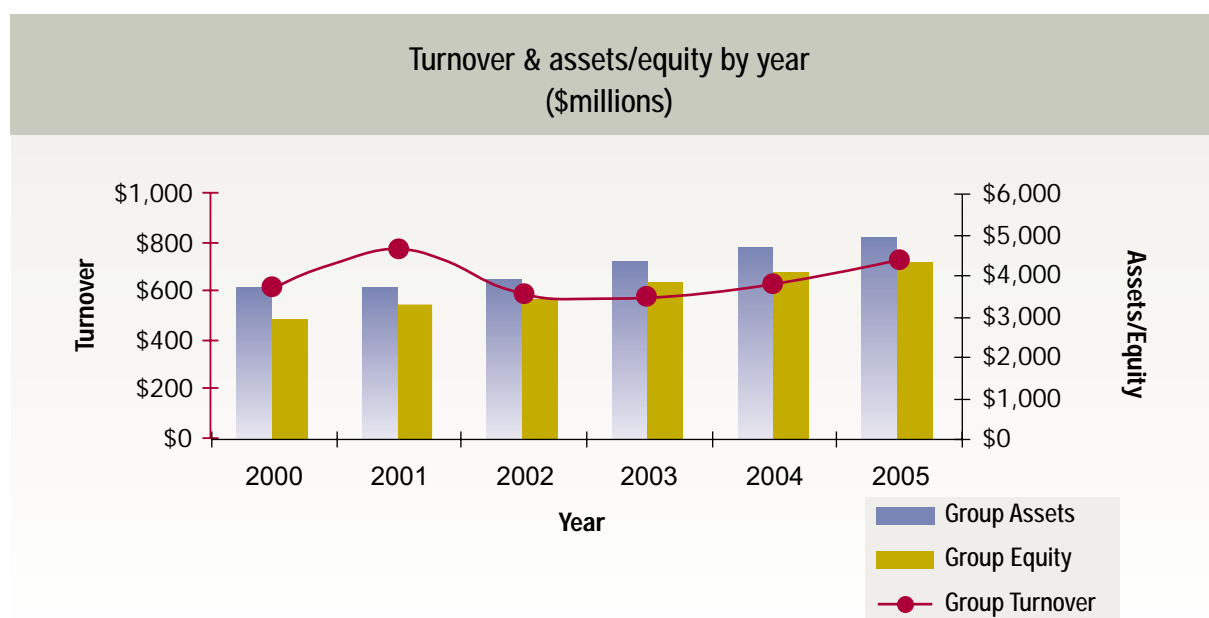
Group Result

The Group covers the Council and its trading operations (refer to page 24). The numbers, after all inter-company transactions have been eliminated, reflect the financial strength and size of the organisation as a whole.

	\$ Millions
Turnover	720
Operating Surplus	131
Total assets	4,936
Total liabilities	632
Total equity	4,304

This result continues a positive trend in results for the Group, and the increasing value of the assets held by the city.

The Council's financial strength was confirmed during the year by international rating agency Standard and Poor's (SandP). The agency affirmed the Council's and the Council's holding company, Christchurch City Holdings Limited long-term rating of AA+ and short-term rating of A-1+, and said the outlook was stable. The announcement followed a visit to the Council by Standard and Poor's officers in September 2004. Standard and Poor's said "fiscal flexibility to adjust rates and a transparent and forward-looking corporate governance structure also support the rating". The Council held a long-term rating of AA by SandP from 1994 to 2000. In 2001 this was lifted to AA+, the agency's second-highest ranking. Only three New Zealand local authorities have earned this rating or better. The short-term rating is the highest possible.





AUDIT REPORT

To the readers of Christchurch City Council and Group's Annual Report For The Year Ended 30 June 2005

The Auditor-General is the auditor of Christchurch City Council (the City Council) and group. The Auditor-General has appointed me, Devan Menon, using the staff and resources of Audit New Zealand to carry out an audit on his behalf. The audit covers the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the City Council and group for the year ended 30 June 2005, including the financial statements.

Unqualified opinion

In our opinion:

- The financial statements of the City Council and group on pages 24 to 136:
 - comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the City Council and group's financial position as at 30 June 2005; and
 - the results of operations and cash flows for the year ended on that date.
 - The service provision information of the City Council on pages 67 to 136 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
 - The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements"), including the provisions of Clause 15(f) of Schedule 10 relating to the significant acquisitions or replacements of assets.

The audit was completed on 15 September 2005, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and the other requirements. We assessed the results of those procedures in forming our opinion.



Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements and the other requirements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the City Council and group as at 30 June 2005. They must also fairly reflect the results of operations and cash flows for the year ended on that date. The Council is also responsible for preparing the information in the other requirements, including service provision information that must fairly reflect the Council's level of service provision. The Council's responsibilities arise from Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out audit related and assurance assignments for the City Council and group. Within the group, we reviewed a subsidiary's December 2004 interim financial statements and audited its 2004 summary financial statements. We also completed three audit assignments within the group, involving issuing audit certificates pursuant to the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004 and Commerce Act (Electricity Distribution Thresholds) Notice 2004, and an audit certificate pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. These assignments are compatible with those independence requirements.

Other than the audit and these assignments, we have no relationship with or interests in the City Council or any of its subsidiaries.

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 2005.

Christchurch City Council Parent Statements include:

Christchurch City Council
Various Bequest and Special Funds
Mayor's Welfare Fund

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 2005. 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 2005.

- **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 2005.

- **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 2005.

- **Lyttelton Port Company Limited**

This Company is 65.16% owned by Christchurch City Holdings Limited. The financial statements consolidated are for the year ended 30 June 2005.

- **City Care Limited**

This wholly owned Company provides construction and maintenance services for the Council and other organisations, and manufactures and supplies road paving material. The financial statements consolidated are for the year ended 30 June 2005.

- **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 2005 are equity accounted.

Christchurch City Facilities Limited

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

The financial statements consolidated are for the year ended 30 June 2005.

This company owns 100% of Jet Engine Facility Limited, a company which has been set up to construct, own and lease an aero engine testing facility.

Jade Stadium Limited

This Company is wholly owned by Christchurch City Council. It manages Jade Stadium under contract to the Victory Park Board. It owns 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 2005.

Transwaste Canterbury Limited

This Company has the principal purpose of selecting, developing and operating a non-hazardous landfill in Canterbury. The Council has 37.85% of the shareholding. The financial statements for the year ended 30 June 2005 are equity accounted.

Travis Finance Limited

This Company is a non-trading company wholly owned by Christchurch City Council, that formerly owned and maintained Travis Heritage Park, a natural reserve protecting native species. The financial statements consolidated are for the year ended 30 June 2005.



Financial Statements

Statement of Financial Performance

For the year ended 30 June 2005

		Parent			Group	
		2005	2005	2004	2005	2004
		Actual	Plan	Actual	Actual	Actual
Note		\$000's	\$000's	\$000's	\$000's	\$000's
Operating income						
Significant activities	1	113,359	102,649	107,289	131,114	118,110
Rates		167,901	166,030	156,714	164,847	153,927
Dividends	1	30,053	29,100	64,339	1,723	528
Other	1	32,576	23,376	28,989	422,240	356,753
Total operating income		343,889	321,155	357,331	719,924	629,318
Operating expenditure						
Significant activities	2	291,242	296,859	305,057	263,339	271,005
Other	2	6,794	8,044	7,891	344,876	314,414
Total operating expenditure	3	298,036	304,903	312,948	608,215	585,419
Operating surplus before asset contributions		45,853	16,252	44,383	111,709	43,899
Vested assets	26	19,540	15,000	106,638	19,540	106,638
Grants/contributions for major projects	27	190	274	542	190	542
Operating surplus		65,583	31,526	151,563	131,439	151,079
Less tax expense/(benefit)	16	-	-	-	31,058	32,724
Surplus after taxation		65,583	31,526	151,563	100,381	118,355
Minority interests in surpluses of subsidiaries		-	-	-	(13,521)	(9,142)
Net surplus for year		65,583	31,526	151,563	86,860	109,213

Statement of Movements in Equity

For the year ended 30 June 2005

	Note	Parent			Group	
		2005	2005	2004	2005	2004
		Actual	Plan	Actual	Actual	Actual
		\$000's	\$000's	\$000's	\$000's	\$000's
Equity at 1 July		4,097,794	3,973,267	3,908,359	4,038,070	3,799,959
Net surplus attributable to:						
Parent entity shareholders		65,583	31,526	151,563	86,860	109,213
Minority interests		-	-	-	13,521	9,142
Movement relating to preacquisition revaluation reserves, etc		-	-	-	-	(20)
Increases/(decreases) in revaluation reserves		(1,624)	-	37,872	136,316	121,224
Total recognised revenues and expenses		63,959	31,526	189,435	236,697	239,559
Distribution paid and provided to minority interests		-	-	-	(9,604)	(14,321)
Other movements in minority interests		-	-	-	38,894	12,873
Equity at 30 June	4	4,161,753	4,004,793	4,097,794	4,304,057	4,038,070

Statement of Financial Position

As at 30 June 2005

	Note	Parent			Group	
		2005	2005	2004	2005	2004
		Actual \$000's	Plan \$000's	Actual \$000's	Actual \$000's	Actual \$000's
Equity	4	4,161,753	4,004,793	4,097,794	4,304,057	4,038,070
Non-current liabilities	5	113,188	120,262	68,561	465,886	462,657
Current liabilities	6	64,232	53,540	93,883	166,253	160,376
Total equity and liabilities		4,339,173	4,178,595	4,260,238	4,936,196	4,661,103
Represented by:						
Current assets						
Cash at bank, and short term investments	8	299,440	211,123	287,687	336,202	317,636
Receivables and prepayments	8	35,010	32,921	24,482	59,752	47,446
Inventories	8	1,755	1,976	1,831	11,846	11,560
Fixed assets held for resale	8	-	-	-	17,437	1,773
Total current assets		336,205	246,020	314,000	425,237	378,415
Non-current assets						
Investments	9	959,239	1,006,178	953,635	120,603	151,576
Operational assets	10	552,669	605,156	549,151	1,899,296	1,687,660
Infrastructural assets	11	2,116,823	1,963,326	2,084,077	2,116,823	2,084,077
Restricted assets	12	374,237	357,915	359,375	374,237	359,375
Total non-current assets		4,002,968	3,932,575	3,946,238	4,510,959	4,282,688
Total assets		4,339,173	4,178,595	4,260,238	4,936,196	4,661,103

Statement of Cash Flows

For the year ended 30 June 2005

		Parent			Group	
		2005 Actual \$000's	2005 Plan \$000's	2004 Actual \$000's	2005 Actual \$000's	2004 Actual \$000's
Operating activities	Note					
Cash was provided from:						
Rates, grants, subsidies, and other sources		285,028	308,832	271,336	666,001	601,714
Interest received		23,729	18,443	19,412	22,649	18,324
Dividends		24,857	29,100	71,834	1,271	1,216
Subvention and tax receipts		1,782	-	-	-	-
Net GST		(565)	-	523	(672)	537
		334,831	356,375	363,105	689,249	621,791
Cash was applied to:						
Payments to suppliers and employees		235,248	269,754	215,278	461,866	401,840
Income tax paid		-	-	-	20,890	24,730
Interest paid		6,202	6,767	6,058	30,181	24,444
		241,450	276,521	221,336	512,937	451,014
Net cash flow from operating activities	15	93,381	79,854	141,769	176,312	170,777
Investing activities						
Cash was provided from:						
Sale of assets		1,467	1,849	2,099	7,111	4,545
Loans repaid		220	-	1,500	-	58
Investments realised		16,928	-	18,908	77,268	18,429
		18,615	1,849	22,507	84,379	23,032
Cash was applied to:						
Purchase of assets		85,108	130,046	86,210	194,109	166,657
Purchase of investments		10,750	1,580	26,022	8,845	21,635
Loans made/investing payments		15,281	-	-	12,097	596
Miscellaneous		(23)	-	3,484	(25)	-
		111,116	131,626	115,716	215,026	188,888
Net cash flow from investing activities		(92,501)	(129,777)	(93,209)	(130,647)	(165,856)
Financing activities						
Cash was provided from:						
Raising of loans		11,419	39,229	22,181	33,928	85,296
		11,419	39,229	22,181	33,928	85,296
Cash was applied to:						
Repayment of term liabilities		546	37,546	24,830	58,442	34,077
Payment of dividends		-	-	-	9,604	14,321
		546	37,546	24,830	68,046	48,398
Net cash flow from financing activities		10,873	1,683	(2,649)	(34,118)	36,898
Increase/(decrease) in cash		11,753	(48,240)	45,911	11,547	41,819
Inter-entity transactions between balance dates		-	-	-	7,010	131
Add opening cash		287,687	259,363	241,776	317,414	275,589
Exchange fluctuations		-	-	-	-	(125)
Ending cash balance		299,440	211,123	287,687	335,971	317,414
Represented by:						
Cash and short term investments		299,440	211,123	287,687	336,202	317,636
Bank overdraft		-	-	-	(231)	(222)
		299,440	211,123	287,687	335,971	317,414

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 24.

Measurement Base

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

Comparative Figures

Certain prior year figures have been restated to reflect the basis of presentation of the 2005 figures.

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

Trading Organisations

Subsidiaries are entities controlled by the Council and 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.

B. Property, Plant and Equipment

(i) Council Operational Assets:

(a) The following operational assets were valued as at 30 June 1991 by Harcourts Valuations Limited.

- 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 Limited 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 Limited 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 and Buildings are 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 which are revalued on a systematic basis at least once every three years.

Cost recognises the acquisition price paid on the purchase of the Airport assets from the Christchurch Airport Authority and subsequent capital expenditure. Land and sealed surfaces were revalued at 30 June 2004.

(iii) Port Fixed Assets:

All items of Property, Plant and Equipment are initially recorded at cost, and except for Land, depreciated.

Land, Buildings and Harbour Structures are stated at valuation as determined every three years by independent registered valuers. Land, Buildings and Harbour Structures were revalued as at 30 June 2005.

(iv) **Public Transport Fixed Assets:**

All fixed assets are initially recorded at cost and, except for land, depreciated. Land and buildings are revalued every three years, with additions between revaluations recorded at cost. Land and buildings were revalued as at 30 June 2005.

Buses were revalued to net open market value at 30 June 1999. These assets are no longer revalued with the carrying value being based upon this valuation.

(v) **Orion Group Fixed Assets:**

The group's property, plant and equipment are revalued on a cyclic basis at least once every three years by independent valuers to fair value. The electricity distribution network, land and buildings were revalued at 1 April 2004.

(vi) **Assets purchased since valuation**

These are recorded at cost.

C. Infrastructure Assets

Infrastructure Assets are revalued on a three-yearly rolling basis. Stormwater Infrastructure Assets were valued using the optimised depreciated replacement cost method at 30 June 2002. Sewerage Infrastructure Assets were valued using the optimised depreciated replacement cost at 30 June 2003. Roading and Water Reticulation Infrastructure Assets (including Traffic Signals and Bus Shelters) were valued using the optimised depreciated replacement cost method at 30 June 2004. Land under roads was valued at 30 June 1992. This is deemed to be cost. Additions to Infrastructure 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 e.g.

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 were valued at optimised depreciated reproduction cost at 30 June 2003 or at cost to the Council if they were recorded prior to this date or acquired after that date. The 30 June 2003 valuation is deemed to be cost.

Works of Art

Works of Art have been valued at market value at 30 June 2003.

Additions are recorded at cost for purchases and at valuation for vested assets.

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 Infrastructure Assets is intended to write off the cost of assets over their estimated useful lives.

For Operational Assets and Infrastructure Assets, the straight line method is used.

The main bases are the following periods:

Buildings	10–100 yrs
Office and Computer Equipment	4–5 yrs
Mobile Plant including Vehicles	2–30 yrs
Buses	17 yrs
Sealed Surfaces (other than roads)	9–100 yrs
Container Cranes	5–20 yrs
Harbour Structures	3–50 yrs
Electricity Distribution System	60 yrs
Gas Mains and Services	80 yrs

Meters and Local Control Equipment	30 yrs
Leasehold Land Improvements	5–100 yrs
Library Books	3–10 yrs
Vessels	5–25 yrs

Infrastructure Assets

Formation	Not depreciated
Pavement Sub-base	Not depreciated
Basecourse	40–120 yrs
Footpaths and Cycleways	20–80 yrs
Surface	2–25 yrs
Streetlights and Signs	6–50 yrs
Kerb, Channel, Sumps and Berms	80 yrs
Landscape/Medians	15–80 yrs
Drain Pipes/Culverts/Retaining Walls	20–120 yrs
Bridges	70–120 yrs
Bus Shelters and Furniture	30 yrs
Water Supply	55–130 yrs
Water Meters	20–25 yrs
Stormwater	30–120 yrs
Waterways	15–120 yrs
Sewer	50–150 yrs
Treatment Plant	15–100 yrs
Pump Stations	10–100 yrs

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

Amounts provided for landfill post-closure costs are capitalised to the landfill asset where they give rise to future economic benefits. Components of the capitalised landfill asset are depreciated over their useful lives.

The provision is calculated based on:

The estimated amount required by the Council to meet its obligations for all equipment, facilities and services. The estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation.

The estimated costs have been discounted to their present value using a discount rate of 6%.

The estimated length of time needed for post-closure care is 35 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 of meeting 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.

Land Transport NZ 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.

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 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.

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.

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 and Accounts Receivable

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.

Accounts receivable are valued at their expected realisable value. All known bad debts are written off during the financial year.

O. Leases

Finance Leases

- a. As lessee - 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.

- b. As lessor in subsidiary Jet Engine Facility Limited - From 13 May 2005, the date of practical completion of the test cell, all of the company's assets were leased to the Christchurch Engine Centre, an independent third party. The terms of the lease are such that it meets the definition of a finance lease under Statement of Standard Accounting Practice 18 "Accounting for leases and hire purchase contracts". An asset equal to the present value of the future minimum lease payments is recognised in respect of the company's test cell assets. The interest income component of the finance lease is recognised in the Statement of Financial Performance using the effective interest rate method.

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 using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts were discounted to their present value using an interpolated 10 year government bond rate.

Q. Investments

Shares in subsidiaries, apart from Christchurch City Holdings Limited (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 with this value reduced as a result of the annual impairment test. 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 of the financial instruments, including Cash and Bank balances, Accounts Payable and Term Debt are valued at fair value.

The group uses derivative financial instruments within predetermined policies and limits in order to reduce its exposure to fluctuations in interest rates and exchange 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. Any differential to be paid or received on forward rate or swap agreements is accrued as interest rates change, and is recognised as a component of interest expense over the life of the agreement.

The group does not engage in speculative transactions or hold derivative financial instruments for trading purposes.

S. Foreign exchange transactions

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Short term transactions covered by forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are recognised in the statement of financial performance.

The exchange difference on hedging transactions undertaken to establish the price of particular sales or purchases, together with any costs associated with hedging transactions, are deferred and included in the measurement of the purchase or sale transaction.

T. Cost Allocations

The costs of all internal service 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 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.

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. Plan values disclosed

The plan values shown in the financial statements represent the 2004/05 budget included in the Long Term Council Community Plan 2004/14.

X. International Financial Reporting Standards

In December 2002 the New Zealand Accounting Standards Review Board announced that all New Zealand reporting entities will be required to comply with International Financial Reporting Standards (IFRS) for periods commencing on or after 1 January 2007, with the option to comply early for periods beginning on or after 1 January 2005.

The Council and group plan to adopt IFRS from 1 July 2006.

Upon first time adoption of NZ IFRS, comparative information will be restated in the NZ IFRS compliant financial statements. Details of the impact of the adoption to comparative information will be set out in those financial statements.

The adoption of NZ IFRS involves assessing the impacts

of NZ IFRS to the Council, then designing and implementing changes required to current accounting policies and procedures, as well as systems and processes, in order to successfully transition to NZ IFRS. The project is currently in the assessment stage and as such the quantitative impacts of these changes have not been fully determined.

Y. Changes in accounting policies

(i) Port Fixed Assets:

There have been changes in accounting policies in the current accounting period in relation to the valuation of non-current assets. To reflect the fair value of non-current assets in the Financial Statements the Lyttleton Port Company Limited has opted to revalue Land, Buildings and Harbour Structures as at 30 June 2005. Previously, Land, Buildings and Harbour Structures were recorded at cost less accumulated depreciation. The change means that Land, Buildings and Harbour Structures will be revalued every 3 years at fair value or, where this could not be established the depreciated replacement cost.

The change in policy has the effect of increasing the value of Property by \$86m and equity by \$82.1m as at 30 June 2005. Previously market valuations were disclosed by way of a note to the Financial Statements.

(ii) Public Transport Fixed Assets:

There has been a change in accounting policy during the period relating to revaluations of Land and Buildings, which had previously been shown on an historical cost basis.

The change in policy has the effect of increasing the value of Property and the Revaluation reserve by \$6.7 million as at 30 June 2005.

There have been no other changes to the accounting policies. All policies have been applied on bases consistent with those used in the previous year.



*“More than 6000 potholes
were repaired this year.”*

Notes to the Financial Statements

Note 1

Income	Parent			Group	
	2005	2005	2004	2005	2004
	Actual	Plan	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's	\$000's
Significant activity income *	113,359	102,649	107,289	131,114	118,110
Dividend income					
Christchurch City Holdings Limited - ordinary	30,000	29,100	25,805	-	-
- special	-	-	38,534	-	-
Other stocks	53	-	-	53	-
Subsidiary companies investments	-	-	-	1,670	528
Total dividend income	30,053	29,100	64,339	1,723	528
Other income					
Interest income					
Subsidiaries	3,971	4,390	3,048	-	-
Loan repayment investments	387	759	653	387	653
Short term investments	12,241	11,867	9,694	12,740	11,535
Special and other fund investments	8,676	1,737	6,408	8,676	6,408
Other	-	-	-	3,830	-
Total Interest Income	25,275	18,753	19,803	25,633	18,596
Sundry income					
Petroleum tax	2,197	2,080	2,143	2,197	2,143
Internal service provider revenues	2,979	2,543	2,897	2,979	2,897
Sundry	103	-	272	30,907	5,902
Grants	240	-	296	240	296
Equity accounted earnings of associates	-	-	-	1,170	645
Subvention receipts	1,782	-	3,578	-	-
Trading subsidiaries operating income	-	-	-	359,114	326,274
Total sundry income	7,301	4,623	9,186	396,607	338,157
Total other income	32,576	23,376	28,989	422,240	356,753

* refer to summary on page 67

Note 2

Expenditure

	Parent			Group	
	2005	2005	2004	2005	2004
	Actual	Plan	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's	\$000's
Significant activity expenditure*	291,242	296,859	305,057	263,339	271,005
Other expenditure					
Levies	368	-	647	368	647
Equity accounted deficit in associates	85	-	113	2,614	4,214
Internal service provider expenses	1,964	1,907	2,143	1,964	2,143
Sundry	4,377	6,137	4,988	4,378	29,639
Trading subsidiaries operating expenditure	-	-	-	335,552	277,771
Total other expenditure	6,794	8,044	7,891	344,876	314,414

* refer to summary on page 67

Note 3

Operating expenses

	Parent			Group	
	2005	2005	2004	2005	2004
	Actual	Plan	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's	\$000's
Audit fees					
Fees paid to principal auditor	187	185	168	481	436
Fees paid to other auditors	-	-	-	40	40
Other services provided by principal auditor	-	-	-	13	18
Other services provided by other auditors	-	-	-	7	57
Amortisation of goodwill	-	-	-	3,009	5,797
Bad debts	332	-	764	511	1,312
Depreciation					
Land improvements and buildings including restricted	10,260		10,872	25,632	25,579
Plant, equipment and vehicles	7,309		7,104	20,784	16,018
Library books	3,555		3,482	3,555	3,482
Artworks and heritage assets	69		67	69	67
Roading infrastructure	21,767		22,135	21,767	22,135
Sewerage infrastructure	8,835		8,100	8,835	8,100
Stormwater infrastructure	2,459		3,447	2,459	3,447
Water reticulation infrastructure	5,519		3,592	5,519	3,592
Vessels	-		-	360	360
Buses	-		-	1,558	1,367
Sealed surfaces	-		-	2,635	1,997
Electricity distribution system	-		-	21,499	20,031
Harbour structures	-		-	1,142	1,193
Other assets	-		-	32	2,714
Total depreciation	59,773	61,199	58,799	115,846	110,082

Continued...

Note 3 (continued)

	Parent			Group	
	2005	2005	2004	2005	2004
	Actual	Plan	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's	\$000's
Interest	6,160	7,952	5,889	29,774	24,616
Leasing and rental costs	3,875	4,567	4,196	6,701	6,246
Increase/(decrease) in provision for doubtful debts	(33)	-	290	(33)	333
Councillors' remuneration	1,176	1,102	1,395	1,176	1,395
Directors' fees	-	-	-	1,195	1,115
Loss/(gain) on sale of assets	(296)	-	1,261	(2,203)	2,439
Research and development	-	-	-	1,552	348
Foreign exchange losses/(gains)	-	-	-	2,888	2,700
Donations	-	-	-	154	367
Assets written off	2,422	3,876	24,797	4,405	25,545
Orion group write-down of subsidiary company investments	-	-	-	-	2,209
Investment revaluation - EDL	-	-	-	-	2,214
Investment revaluation - other	-	-	-	-	2,000
Other operating expenses	224,440	226,022	215,389	442,699	396,150
Total operating expenses	298,036	304,903	312,948	608,215	585,419

Note 4

Equity	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
(a) Reserve Funds				
Opening balance	310,132	256,551	310,132	256,551
Transferred (to)/from retained earnings	(37,179)	53,581	(37,179)	53,581
Closing balance	272,953	310,132	272,953	310,132
(b) Capital Reserve				
Opening balance	1,733,853	1,733,853	1,733,853	1,733,853
Transferred (to)/from retained earnings	-	-	-	-
Closing balance	1,733,853	1,733,853	1,733,853	1,733,853
(c) Asset Revaluation Reserves				
Opening balance	1,460,017	1,429,721	933,647	819,999
Revaluation of shares of subsidiaries and associates	(1,559)	(41,976)	4,886	3,460
Revaluation of assets	(65)	79,848	131,430	117,764
Realised assets revaluation reserve	(823)	(7,576)	(823)	(7,576)
Closing balance #	1,457,570	1,460,017	1,069,140	933,647
(d) Retained Earnings				
Opening balance	593,792	488,234	925,033	861,845
Add surplus for year	65,583	151,563	86,860	109,213
Add transfers (to)/from reserves	37,179	(53,581)	37,179	(53,581)
Movement relating to pre-acquisition revaluation reserves, etc	-	-		(20)
Realised assets revaluation reserve	823	7,576	823	7,576
Closing balance	697,377	593,792	1,049,895	925,033
Minority interest*	-	-	178,216	135,405
Total equity	4,161,753	4,097,794	4,304,057	4,038,070

Continued...

Note 4 (continued)

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
*Revaluation Reserves				
Land and buildings	138,615	138,953	263,229	205,565
Library books	1,621	1,621	1,621	1,621
Artworks	23,936	23,936	23,936	23,936
Roading infrastructure	181,345	181,663	181,345	181,663
Sewerage infrastructure	210,073	210,183	210,073	210,183
Stormwater infrastructure	71,196	71,314	71,196	71,314
Water reticulation infrastructure	67,403	67,408	67,403	67,408
Investments	763,381	764,939	19,052	9,432
Harbour Structures	-	-	29,173	-
Electricity distribution network	-	-	169,618	130,033
Sealed surfaces	-	-	32,494	32,492
	1,457,570	1,460,017	1,069,140	933,647
*Minority Interest				
Christchurch International Airport Limited			54,761	52,657
Lyttelton Port Company Limited			46,539	17,564
Orion Group Limited			76,916	65,184
			178,216	135,405

Note 5:

Non-Current Liabilities	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Term debt - note 7	90,819	44,302	367,654	372,315
Provision for landfill aftercare - note 19	15,343	16,718	15,343	16,718
Provision for employee entitlements	7,026	7,541	7,026	7,541
Deferred tax	-	-	64,039	52,558
Other	-	-	11,824	13,525
Total non-current liabilities	113,188	68,561	465,886	462,657

Note 6

Current Liabilities	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Trade creditors	41,517	33,035	87,922	70,682
Owing to subsidiaries	7,240	8,426	-	-
Bank overdrafts	-	-	231	222
Employee entitlements	10,858	10,929	22,329	22,353
Provision for taxation	-	-	-	-
Current portion of term debt - subsidiaries	1,600	37,000	-	-
Current portion of term debt - other	83	326	30,634	46,396
Current portion of landfill aftercare - note 19	2,934	4,167	2,934	4,167
Other	-	-	22,203	16,556
Total current liabilities	64,232	93,883	166,253	160,376

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

	Group	
	2005	2004
	Actual	Actual
	\$000's	\$000's
Warranties, remedial work and site restoration		
Opening balance	403	450
Additional provision made	365	(13)
Amount utilised	(10)	(34)
Closing balance	758	403
Revenue adjustments		
Opening balance	-	525
Additional provision made	-	(267)
Amount utilised	-	(258)
Closing balance	-	-
Restructuring		
Opening balance	57	994
Additional provision made	300	57
Amount utilised	(355)	(994)
Closing balance	2	57
Closing balance of all the provisions above	760	460

Note 7

Public Debt

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
(a) Current				
Unsecured loans	-	-	30,551	46,070
Owing to subsidiaries	1,600	37,000	-	-
Other secured loans	83	326	83	326
Total current debt	1,683	37,326	30,634	46,396

(b) Non-current

Unsecured loans	-	-	346,858	351,437
Owing to subsidiaries	70,023	23,424	-	-
Other secured loans	20,796	20,878	20,796	20,878
Total non-current debt	90,819	44,302	367,654	372,315

(c) Security

Council term loans are secured either by general rates of the city, or by council income.

(d) Repayment Terms

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

Payable no later than 1 year	1,683	37,326	30,634	46,396
1 - 2 years	21,738	83	158,541	5,183
2 - 3 years	2,457	20,037	135,012	267,874
3 - 4 years	1,918	657	50,018	657
4 - 5 years	42,096	18	24,046	81,518
Later than 5 years	22,610	23,507	37	17,083
Total term debt	92,502	81,628	398,288	418,711

Note 7 (continued)

(e) Interest rates

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Loans and Debentures	7.12%	7.11%	7.29%	7.10%
The Council has loan repayment investments (sinking funds) which are to be used for repayment of Term Debt	6,619	5,670		
The Council also has a Debt Repayment Reserve to be applied to reduction of Term Debt.	101,702	147,836		

Christchurch City Holdings Limited borrowings at 30 June 2005, comprised bonds and FRNs in four tranches ranging from \$7 million to \$50 million and commercial paper with a face value of \$30 million. These borrowings mature at annual intervals until April 2010. Coupon rates are between 6.21% and 7.75%. The borrowings were effected under a \$350 million debt issuance programme. The main purpose of the debt programme is to partially fund CCHL's assets and 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 7.18% (2004 7.1%).

Orion NZ Limited 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 bank bill rates plus a margin. As at 31 March 2005, the Company had on issue interest bearing debt with a face value of \$51 million in New Zealand dollars (2004 \$75 million) and \$19 million in Australian dollars (\$A) (2004 \$A45 million). At 31 March 2005, interest rates were 7.07% (2004, 5.56%) and averaged 6.02% for \$A borrowing (2004, 5.86%).

Christchurch International Airport Limited uses a multi-

option facility of \$120 million, provided by the ANZ Banking Group NZ Limited, that is underwritten to March 2008 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 2005, the Company had on issue 90 day short term registered notes with a face value of \$89 million (2004 \$70 million) with a discounted value of \$87 million (2004 \$69 million). Interest rates are determined by reference to prevailing market rates 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 facility was renegotiated subsequent to balance date on similar terms and conditions. The effective interest rate during the year was 6.57% (2004 6.17%).

Variations/Changes to the Liability Management Policy

There have been no changes or variations to this Policy.

Note 8

Current Assets

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Cash at bank, and short term investments	299,440	287,687	336,202	317,636
Receivables and prepayments				
Rates debtors	4,687	5,196	4,687	5,196
Other trade debtors	7,205	6,567	40,013	31,015
Less provision for doubtful debts	(660)	(640)	(680)	(640)
Current portion of term investments	1,600	-	-	-
Amount owing by subsidiaries	1,389	1,580	-	-
Other receivables/prepayments	10,992	7,743	11,083	7,814
GST receivable	2,797	2,231	2,797	2,571
Taxation receivable	-	-	1,852	1,490
Dividends receivable	7,000	1,805	-	-
Total receivables and prepayments	35,010	24,482	59,752	47,446
Inventories				
General stores	1,243	1,249	11,334	10,978
Livestock and feed	168	254	168	254
Souvenirs and food	344	328	344	328
Total inventories	1,755	1,831	11,846	11,560
Assets held for resale	-	-	17,437	1,773
Total current assets	336,205	314,000	425,237	378,415

Note 9

Non-Current Assets

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Investments				
Government and local body stock	18,943	14,977	18,943	14,977
Stocks and bonds	11,979	21,008	11,979	21,008
Other term cash investments	1,391	471	1,391	471
Sinking funds other than local body stock	6,619	5,670	6,619	5,670
General investments				
Mortgages and loans	3,922	5,379	3,922	5,379
Investment in companies				
NZ Local Government Insurance Company Limited	677	677	677	677
Theatre Royal Foundation	2,300	-	2,300	-
Subsidiary companies				
Christchurch City Facilities Limited	45,826	39,193	-	-
Jade Stadium Limited	3,193	2,935	-	-
Travis Finance Limited	10	10	-	-
Christchurch City Holdings Limited (CCHL)	814,000	814,000	-	-
Associate company investments	5,406	5,491	41,112	40,233
Loans to subsidiary companies				
Jade Stadium Limited	32,423	34,243	-	-
Jet Engine Facility Limited	12,550	9,581	-	-
Subsidiary company investments		-	33,660	63,161
Total Investments	959,239	953,635	120,603	151,576

Average earnings rates	2005	2004
	Actual	Actual
Cash investments	6.7%	5.6%
Community loans	2.5%	5.2%
Loans to subsidiary companies	8.6%	8.0%
Publicly traded investments	2005	2004
	Actual	Actual
	\$000's	\$000's
Market Value of CCHL's investment in Lyttelton Port Company Limited at 30 June	119,937	109,942

Note 9 (continued)

Investment in Associates

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Carrying value of associates				
Opening balance - carrying value	5,491	5,604	37,174	31,910
Opening balance - goodwill	-	-	3,059	8,174
Equity accounted surplus / (deficit)	(85)	(113)	(1,444)	(3,569)
Purchase of shares in associates	-	-	606	5,123
Parent company share of revaluations	-	-	4,886	4,398
Goodwill amortised during the year	-	-	(2,540)	(5,115)
Dividends from associates	-	-	(629)	(688)
Carrying value at end of year	5,406	5,491	41,112	40,233

Closing balances are made up as follows:

Carrying value	5,406	5,491	39,703	37,174
Goodwill	-	-	1,409	3,059
	5,406	5,491	41,112	40,233

Equity accounted earnings

Surplus / (deficit) before tax	(85)	(113)	(1,258)	(3,277)
Income tax	-	-	(186)	(292)
Total recognised revenues and expenses	(85)	(113)	(1,444)	(3,569)

Goodwill relating to associates

Closing balances are made up as follows:

Gross amount	-	-	16,748	15,858
Accumulated amortisation	-	-	(15,339)	(12,799)
	-	-	1,409	3,059

Note 10

Operational Assets - Parent

	2005			2004		
	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's
Land and land improvements	183,137	8,217	174,920	183,041	7,974	175,067
Buildings	347,381	25,426	321,955	342,435	16,471	325,964
Plant and chattels	75,923	50,240	25,683	69,470	44,508	24,962
Library books	67,490	52,087	15,403	63,018	48,533	14,485
Mobile plant	8,781	3,258	5,523	8,369	3,266	5,103
Assets in progress - at cost						
Land improvements in progress	1,037	-	1,037	362	-	362
Buildings in progress	4,023	-	4,023	2,770	-	2,770
Plant in progress	4,125	-	4,125	438	-	438
	9,185	-	9,185	3,570	-	3,570
Total parent operational assets	691,897	139,228	552,669	669,903	120,752	549,151

Net book value of Land and Buildings as at 30 June 2005 is considered to be fair value.

Operational Assets - Group

	2005			2004		
	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's
Land and land improvements	405,726	8,217	397,509	324,095	7,974	316,121
Site improvements	3,136	697	2,439	3,136	598	2,538
Buildings	644,448	116,352	528,096	611,772	94,766	517,006
Plant and chattels	253,598	131,319	122,279	220,877	115,449	105,428
Sealed surfaces	59,631	2,635	56,996	59,075	1,424	57,651
Electricity distribution system	663,328	21,499	641,829	609,790	20,031	589,759
Buses	30,264	6,331	23,933	25,779	4,809	20,970
Harbour structures	78,147	-	78,147	41,711	13,774	27,937
Vessels	10,133	2,088	8,045	10,125	1,728	8,397
Other assets - at cost	93,733	62,895	30,838	87,178	57,297	29,881
Assets in progress - at cost						
Land improvements in progress	1,037	-	1,037	362	-	362
Buildings in progress	4,023	-	4,023	11,172	-	11,172
Plant in progress	4,125	-	4,125	438	-	438
	9,185	-	9,185	11,972	-	11,972
Total group operational assets	2,251,329	352,033	1,899,296	2,005,510	317,850	1,687,660

Net book value of Land and Buildings as at 30 June 2005 is considered to be fair value.

Note 11

Infrastructural Assets Parent and Group	2005			2004		
	Cost or		Book	Cost or		Book
	valuation	Acc depn	Value	valuation	Acc depn	Value
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Bus shelters	840	63	777	568	-	568
Roading	1,066,896	18,574	1,048,322	1,025,673	-	1,025,673
Sewers	519,303	16,025	503,278	501,959	7,667	494,292
Stormwater	240,501	7,333	233,168	235,335	4,877	230,458
Water reticulation	186,020	3,484	182,536	181,347	-	181,347
Water meters	25,882	939	24,943	24,774	-	24,774
Streetlights	26,560	1,281	25,279	23,437	-	23,437
Traffic lights	21,044	1,829	19,215	17,860	-	17,860
Water and stormwater pumping stations	35,824	1,209	34,615	33,635	127	33,508
Sewer pumping stations	16,219	918	15,301	15,263	444	14,819
Assets in progress - at cost						
Roading in progress	10,734	-	10,734	13,198	-	13,198
Sewers in progress	4,351	-	4,351	13,685	-	13,685
Stormwater in progress	2,736	-	2,736	2,586	-	2,586
Water reticulation in progress	282	-	282	551	-	551
Streetlights in progress	252	-	252	462	-	462
Water pumping stations in progress	1,555	-	1,555	2,262	-	2,262
Sewer pumping stations in progress	9,479	-	9,479	4,597	-	4,597
Total Assets in progress - at cost	29,389	-	29,389	37,341	-	37,341
Total infrastructural assets	2,168,478	51,655	2,116,823	2,097,192	13,115	2,084,077

Note 12

Restricted Assets Parent and Group	2005			2004		
	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's	Cost or valuation \$000's	Acc depn \$000's	Book Value \$000's
Art works	48,665	95	48,570	48,309	47	48,262
Library books NZ Room	5,088	-	5,088	4,970	-	4,970
Reserve land and improvements	289,135	1,367	287,768	275,659	534	275,125
Reserve land and improvements in progress	3,867	-	3,867	1,849	-	1,849
Buildings-historic	14,240	573	13,667	14,238	385	13,853
Heritage assets	15,322	48	15,274	15,242	27	15,215
Heritage assets in progress	3	-	3	101	-	101
Total restricted assets	376,320	2,083	374,237	360,368	993	359,375

Net book value of Land and Buildings as at 30 June 2005 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 highways in their entirety without any costs accruing to local authorities. As a consequence, even if the ownership resides with local authorities, in practice, Transit NZ controls the economic

resources. Pending clarification of ownership, and further consideration of the accounting issues which may arise, the Christchurch City Council has not recognised the urban portion of the State Highway network as an asset in these statements. Christchurch City Council concurs with the legal opinion that ownership of urban portions of State Highways should belong to local authorities.

Note 13

Contingencies

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
(a) Contingent liabilities				
Uncalled capital in Christchurch City Holdings Limited	488,999	488,999	-	-
Uncalled capital in Transwaste Canterbury Limited	1,514	1,514	1,514	1,514
Professional Indemnity Insurance Claims lodged with FAI (NZ) General Insurance Company Limited	400	400	400	400
Linwood outfall drain	300	300	300	300
Other professional indemnity insurance claims lodged either unresolved or not accepted	540	217	540	217
Red Bus Limited - performance bonds	-	-	945	1,075
City Care Limited - performance bonds	-	-	277	1,909
Orion Group Limited - performance bonds	-	-	200	100
Guarantees to sporting and community organisations	100	100	100	100
	491,853	491,530	4,276	5,615

- August 1999, Christchurch City Holdings Limited 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) Limited took control of FAI (NZ) Limited including the Council's outstanding claims. HIH (NZ) Limited went into liquidation on 19 July 2001 following the collapse of its Australian parent company. The purchaser of parts of the HIH (NZ) Limited'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. It is not possible to estimate the amount of any settlement that may occur.

Note 13 (continued)

(b) Contingent assets	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Vested assets- Nurses Chapel (at valuation)	400	400	400	400
Assistance to Central Plains Water Trust (CPWT)	-	494	-	494

Note 14

Capital commitments

Capital commitments	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Council Works	31,279	22,069	31,279	22,069
Christchurch International Airport Limited	-	-	7,073	22,255
City Care Limited	-	-	277	368
Christchurch City Facilities Limited	-	-	-	11,998
Lyttelton Port Company Limited	-	-	-	4,042
Orion NZ Limited	-	-	11,657	9,171
	31,279	22,069	50,286	69,903

At balance date, lease commitments were as follows

Under 1 year	-	-	2,015	2,126
1-2 years	-	-	1,673	1,381
2-5 years	-	-	850	1,473
Over 5 years	-	-	2,644	2,618
	-	-	7,182	7,598

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

Note 15

Reconciliation of Net Operating Cash Flow and Operating Surplus

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Net surplus after taxation	65,583	151,563	86,860	109,213
Minority interests in surpluses of subsidiaries	-	-	13,521	9,142
Non cash items:				
Depreciation	59,773	58,799	115,846	110,082
Increase/(decrease) in deferred tax	-	-	6,397	5,308
Goodwill written off	-	-	3,009	5,797
Other amortisation	-	-	(223)	(148)
Vested assets	(19,540)	(106,638)	(19,540)	(106,638)
Assets written off	2,422	24,797	4,405	25,545
Subsidised assets	-	-	(2,745)	(2,771)
Equity accounted earnings	85	113	1,444	3,569
Foreign exchange difference	-	-	(550)	2,700
Investment revaluations	-	-	(5,295)	4,214
Forestry revaluations	-	-	-	(530)
Investment write-downs	-	-	-	2,209
Other non-cash items	36	-	3,367	2,191
Increase (decrease) in landfill aftercare provision	(1,375)	2,185	(1,375)	2,185
Movements in working capital items:				
(Increase)/decrease in:				
Accounts receivable and accruals	(8,949)	8,439	(9,109)	4,069
Taxation receivable	-	-	(362)	994
Inventory	76	145	(286)	(3,354)
Increase/(decrease) in:				
Accounts payable and accruals	5,994	1,296	11,284	(2,410)
Non-current employee entitlements	(515)	(177)	(515)	(177)

Note 15 (continued)

Less items classified as investing:

Net (gain)/loss on sale of fixed assets	(296)	1,261	(2,203)	1,969
Profit on sale of shares	-	-	(15,330)	-
Deferred revenue	-	-	(487)	(867)
Exploration expenditure written off	-	-	(791)	8
Movement in fixed asset related accounts receivable	-	437	-	437
Movement in fixed asset related accounts payable	(9,913)	(451)	(11,010)	(1,960)
Net cash inflow from operating activities	93,381	141,769	176,312	170,777

The following items are presented as net: (a) GST (b) Short term money market investments

Cash balances at year end include Special Funds which are restricted in their use. At 30 June 2005 these were \$272,953K (2004 \$310,132K).

Note 16

Taxation

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Net surplus/(deficit) before tax	65,583	151,563	131,439	151,079
Prima facie tax expense at 33%	21,642	50,016	43,375	49,856
Permanent differences	(16,297)	(23,663)	(17,820)	(28,524)
Timing differences not recognised	-	-	653	946
Loss not previously recognised	-	-	-	1
Imputation credit adjustment	(12,243)	(31,689)	-	-
Tax losses not recognised	1,968	5,336	3,696	10,266
Tax credit re group losses	4,930	-	-	-
Write-off of tax asset	-	-	501	688
Under/(over) provision	-	-	653	(509)
Income tax expense/(benefit)	-	-	31,058	32,724
Comprising:				
Current taxation	-	-	24,481	26,796
Deferred taxation	-	-	6,577	5,928
	-	-	31,058	32,724

Note 16 (continued)

Deferred Taxation

Opening balance	-	-	52,558	47,250
Adjustment via revaluation reserve	-	-	4,904	-
Prior year adjustment	-	-	(577)	(33)
Current year	-	-	7,154	5,341
Net deferred tax liability/(asset)*.	-	-	64,039	52,558

* the net deferred tax liability is made up as follows:

Deferred tax liability	-	-	65,317	53,879
Less deferred tax asset	-	-	(1,278)	(1,321)
Net deferred tax liability/(asset)	-	-	64,039	52,558

Taxable losses for the Council of \$1,968K (2004 \$5,336K) with a tax effect of \$649K (2004 \$1,761K) and for the Group of \$7,968K (2004 \$16,452K) with a tax effect of \$2,629K (2004 \$5,429K), 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 (2004 Nil).

Tax losses of \$2,065k with a tax effect of \$682k in respect of Jet Engine Facility Limited have been recognised to offset a deferred tax liability. Subsequent realisation of these losses is subject to the requirements of income tax legislation being met. A deferred tax asset of \$547k (2004 \$143k) in respect of Christchurch City Facilities Limited has not been recognised as there is no virtual certainty of realisation.

Note 17

Imputation Credit Account

	Group	
	2005	2004
	Actual	Actual
	\$000's	\$000's
Christchurch City Holdings Limited	22,532	12,261
CCHL Subsidiaries	29,127	21,074
Other CCC Subsidiaries	6	3
	51,665	33,338

Dividend income of the parent includes dividends received from subsidiaries. These dividends, carry imputation credits when the dividend is received.

Note 18

Chief Executive's Remuneration

The Chief Executive of the Council was appointed in accordance with section 42 of the Local Government Act 2002. The total cost to the Council of the remuneration package received by the Chief Executive for the year ended 30 June 2005 was \$ 334,890 per annum plus provision for up to 10% performance pay. The performance pay component for 2005 is yet to be determined. (2004 \$335,965 including performance bonus)

Cost of Severance Payments

In accordance with the Schedule 10, section 19 of the Local Government Act 2002 the Council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made as defined under that legislation.

For the year ending 30 June 2005 the Council made payments to three employees (\$5,500; \$10,000 and \$20,000) that required disclosure under the Local Government Act 2002. (2004 Nil.)

Note 18 (continued)

Council Remuneration

The following people held office as either or both, elected members of the Council's governing body, and trustees or directors of entities comprising the Group during the reporting period.

The aggregate remuneration, including non-monetary remuneration, to the twenty five Councillors and the Mayor during the year totalled \$1,178,139 and is disaggregated and classified as follows:

	Council Remuneration	Director's Fees	Total
	\$	\$	\$
Oscar Alpers	15,286	3,500	18,786
Carole Anderton	20,178	-	20,178
Paddy Austin	11,205	10,789	21,994
Helen Broughton	64,273	-	64,273
Sally Buck	70,948	-	70,948
Graham Condon	71,241	23,331	94,572
Barry Corbett	67,668	24,924	92,592
David Cox	67,256	12,500	79,756
Anna Crighton	70,321	-	70,321
Carole Evans	66,678	-	66,678
Megan Evans	14,995	-	14,995
Ishwar Ganda	16,745	4,920	21,665
Pat Harrow	65,683	6,087	71,770
Alister James	20,288	3,500	23,788
Lesley Keast	20,768	-	20,768
Garry Moore	141,910	22,196	164,106
Denis O'Rourke	23,456	5,375	28,831
Linda Rutland	13,035	-	13,035
Bob Shearing	56,472	-	56,472
Gail Sheriff	65,052	17,125	82,177
Barbara Stewart	15,375	3,500	18,875
Ingrid Stonhill	18,292	-	18,292
Sue Wells	74,298	46,109	120,407
Chrissie Williams	17,640	-	17,640
Norm Withers	68,158	-	68,158
Ron Wright	20,918	5,208	26,126
	1,178,139	189,064	1,367,203

Note 19

Landfill Aftercare Liability

The Burwood Landfill operated from June 1984 until it closed on 30 June 2005. 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.

Closed Landfills

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is \$18.3 million.

The Council participates in the regional waste disposal joint venture run by Transwaste Canterbury Limited through its Kate Valley landfill site. This site has been granted resource consent for 35 years from opening date which was 8 June 2005. The Council's ownership share of Transwaste Canterbury Limited is 37.85%

Landfill Aftercare Costs Provision

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Opening balance	20,885	18,700	20,885	18,700
Additional (reduction of) provision made	(1,436)	2,544	(1,436)	2,544
Amount utilised	(1,172)	(359)	(1,172)	(359)
Closing balance	18,277	20,885	18,277	20,885
Non-current portion	15,343	16,718	15,343	16,718
Current portion	2,934	4,167	2,934	4,167
Total	18,277	20,885	18,277	20,885

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:

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Cash, bank and short term deposits	299,440	287,687	336,202	317,636
Accounts receivable	35,010	24,482	59,752	47,446
Loans to cultural and sporting organisations	3,922	5,379	3,922	5,379
Government and local body stock	18,943	14,977	18,943	14,977
Stocks and bonds	11,979	21,008	11,979	21,008
Other term cash investments	1,391	471	1,391	471
Sinking funds other than local body stock	6,619	5,670	6,619	5,670
Loans to subsidiary companies	32,423	34,243	-	-

No collateral security is held for the above.

The fair value of financial instruments is as shown in the Statement of Financial Position.

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:

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Foreign currency forward exchange contracts	-	-	-	2,039
Interest rate swaps and forward rate agreements (FRA's)	-	-	218,000	297,818
Interest rate caps	-	-	-	5,000
Bond forward rate agreement	-	-	-	56,258

Note 20 (continued)

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

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Foreign currency forward exchange contracts	-	-	-	(170)
Interest rate swaps and FRA's	-	-	3,662	(636)
Bond forward rate agreement	-	-	-	1,678

(Figures in brackets are receivables)

Note 21

Rates Remission Disclosures

	Parent	
	2005	2004
	Actual	Actual
	\$000's	\$000's
Sports bodies	717	218
Churches	88	73
Other social and cultural organisations	1,196	164
Other	466	201
Total	2,467	656

The budget for remissions did not include remissions on penalties charged on the late payment of rates. It also did not take into account the large increase in the rateable values of some of the ratepayers who qualified for remissions. Remissions are included as a net reduction of Rates operating income in the Statement of Financial Performance.

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 was performed by National Research Bureau Limited under contract to the Christchurch City Council for 1998 to 2004 and by Opinions Market Research Limited in 2005. Where actual results from the survey are included in the Statement of Service Performance, these are based on interviews conducted with 750 Christchurch City residents in February and March 2005 and have a margin of error of +/-3% at the 90% confidence level.

Note 23

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.

Related parties and balances	2005 Actual \$000's	2004 Actual \$000's
Interest received on loans to related parties	3,972	3,048
Interest paid on loans to related parties	4,612	4,134
Dividends paid to the Council	30,000	64,339
Accounts payable to the Council	1,389	1,580
Accounts payable by the Council	7,251	8,426
Loans to related parties	46,573	43,824
Loans from related parties	71,623	60,424
Issue of shares to the Council	8,450	1,450
Services provided to the Council	49,103	47,872
Services provided by the Council	1,129	2,946
Subvention payments to the Council	1,782	3,578
Rates paid to the Council	3,054	2,787
Fixed assets sold by the Council	-	250
Transactions between subsidiaries:		
Dividends received/receivable by Christchurch City Holdings Limited	47,042	74,614
Interest received/receivable by Christchurch City Holdings Limited	325	339
Subvention payments	3,972	1,767

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. Christchurch City Facilities Limited paid legal fees to Simon Mortlock Partners, of which S G Mortlock, a director of the company, is a partner. The fees were charged on normal terms and conditions. Fees paid during the period totalled \$84,482 (2004 \$94,014). 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.

The following transactions were entered into between Christchurch City Holdings Limited and its directors:

- \$71,498 to Deloitte (Christchurch) for tax and consultancy services – (Bruce Irvine is the managing partner of Deloitte Christchurch);
- \$4,980 to David Stock - Barrister, for legal and consultancy services.

The following transactions was entered into between Jade Stadium Limited and one of its directors:

- \$4,875 to Deloitte (Christchurch) for tax and consultancy services – (Bruce Irvine is the managing partner of Deloitte Christchurch).

Note 24

Major Budget Variations – Parent

Statement of Financial Performance

Explanations for major variations from the Council's estimate figures are as follows:	\$000's
Higher than budgeted Rates Income, including penalties	1,870
Higher than budgeted Dividends Income principally from Christchurch City Holdings Limited	953
Higher than Budgeted Vested Assets Income due to higher than expected subdivision activity	4,540
Unbudgeted income from Subvention Receipts from subsidiary companies	1,782
Higher than budgeted Interest Income due to the level of capital expenditure carried forward to 2005/06 being higher than budgeted, and interest rates being higher than planned	6,496
Lower than budgeted Interest Expense due to the level of capital expenditure carried forward to 2005/06 being higher than budgeted	1,010
Unbudgeted decrease in Closed Landfill Aftercare provision	1,436
Lower than budgeted depreciation costs principally due to the delays in completing the capital programme	1,426
Higher than budgeted income from cash in lieu of reserves and similar contributions due to higher than budgeted level of subdivision activity	4,192
Higher than budgeted income from regulatory activities principally due to higher than budgeted level of subdivision activity	2,081
Higher than budgeted income from dumping fees due to higher than budgeted quantities received	2,279
Higher than budgeted payment of earnings into the Canterbury Economic Development Fund (funded from the Council's Capital Endowment Fund 2003/04 earnings)	(1,140)
Lower than budgeted Sports Promotion grants as ongoing funding for the Bishopdale YMCA redevelopment was deferred to 2005/06.	1,000
Higher than budgeted expenditure on improving the levels of service provided by the Social Housing stock (funded from the Housing Development Fund)	(1,128)
Lower than budgeted electricity charges as a result of credits received from Meridian Energy for incorrect charges over the past 5 financial years.	1,135
Land Transport NZ subsidy to be repaid on overclaimed streetlighting charges as a result of credits received from Meridian Energy for incorrect charges over the past 5 financial years.	(438)
Other variances	6,563
Total Net Surplus Variance to Plan	34,057

Statement of Movements in Equity

Apart from the increased unbudgeted income referred to above, there is a net decrease brought about by a write-down in the value of subsidiary companies of \$1.6m. The decrease in the value of ownership of subsidiary and associate companies of \$1.6m was principally due to the reduction in the value of Christchurch City Facilities Limited of \$1.8m.

Statement of Financial Position

The Net Surplus after Taxation resulted in an increase in Equity of \$64M. This plus \$11m of new debt raised within the group substantially funded the increase in assets of \$79m.

Note 25

Financial Involvement in Subsidiaries 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	Interest	Total	Total
	2005	2005	2005	2004
	\$000's	\$000's	\$000's	\$000's
Subsidiaries:				
Jet Engine Facility Limited	-	1,225	1,225	124
Christchurch City Holdings Limited	30,000	-	30,000	64,339
Jade Stadium Limited	-	2,746	2,746	2,924
	30,000	3,971	33,971	67,387

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

Note 26

Vested Assets

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Restricted land and buildings	2,398	6,470	2,398	6,470
Infrastructure assets	17,142	99,783	17,142	99,783
Artworks and heritage assets	-	385	-	385
	19,540	106,638	19,540	106,638

Note 27

Grants/Contributions to Major Projects

	Parent		Group	
	2005	2004	2005	2004
	Actual	Actual	Actual	Actual
	\$000's	\$000's	\$000's	\$000's
Grants and donations for new art gallery	190	439	190	439
Other sponsorships and contributions	-	103	-	103
	190	542	190	542

Note 28

Subsequent Events

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





Performance Reports for Groups of Activities

Summary of service delivery activities

	2005				2004
	Costs (After Internal Recoveries) \$000's	Income \$000's	Net Cost \$000's	Plan Net Cost \$000's	Net Cost \$000's
Art Gallery, Museum and "Our City"	13,243	883	12,360	12,552	10,947
City Development	11,734	1,151	10,583	11,821	9,016
Community Services	54,324	21,897	32,427	32,381	31,065
Democracy and Governance	9,354	291	9,063	9,595	9,041
Economic Development	11,420	146	11,274	10,713	10,405
Library Services	25,226	1,998	23,228	23,597	20,260
Parks and Open Spaces	25,349	9,327	16,022	20,898	16,901
Refuse Minimisation and Disposal	20,738	23,221	(2,483)	1,042	2,519
Regulatory Services	16,881	12,337	4,544	5,606	3,365
Streets and Transport	59,610	31,352	28,258	30,759	54,309
Wastewater Collection, Treatment and Disposal	23,798	5,868	17,930	19,500	16,807
Water Supply	15,518	4,371	11,147	11,638	9,703
Waterways and Land Drainage	10,720	517	10,203	10,570	10,265
Total Cost of Service Delivery	297,915	113,359	184,556	200,672	204,603
Add back internal service provider margins	(6,673)	-	(6,673)	(6,462)	(6,835)
Activity Results represented in					
Statement of Financial Performance	291,242	113,359	177,883	194,210	197,768

In 2005 the Council reorganised its Significant Activities operations in line with the Groups of Activities contained in the 2004/14 LTCCP. Prior year comparatives have been restated to reflect this change. In addition, the add back of internal service provider margins now excludes external revenues and related costs. The plan and prior year comparative have been restated to reflect this change.

Art Gallery, Museum and “Our City”

A public art museum that operates from a new gallery that opened on 10 May 2003. This facility provides 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.

The Council contributes to the operation of Canterbury Museum by providing annual operational funding towards an approved Canterbury Museum Trust Board Annual Plan; it also contributes capital funding to the Museum’s Revitalisation Project.

Our City provides information about Christchurch City, the Council, and the community. It is a venue for education, discussion and debate.

Contributions to Outcomes

The Art Gallery, Museum and “Our City” group of activities primarily contribute to a Sustainable Natural Environment, a Learning City, a Well Governed City, Strong and Inclusive Communities, and a Cultural and Fun City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Art Gallery Commercial		Actual	Target
Cultural			
A range of commercial services which support the operation of the Art Gallery.	The following services will be available during the Gallery’s opening hours: a café (Alchemy), a commercial gallery for the sale of decorative arts (Form Gallery) and car parking facilities.	100%	100%
Hours that the services are available to the public.	Open 7 days a week from at least 10 am to 5 pm; closed Christmas Day.	100%	100%

Art Gallery, Museum and “Our City” (continued)

Public Programme at the Gallery		Actual	Target
Cultural			
A broad range of public exhibitions and programmes is offered.	The Gallery is in the top five attractions for Christchurch residents to take visitors.	5 th	Yes
	There are at least 400,000 person visits to the Gallery per year.	289,097	400,000
	Work by Canterbury artists is always on display.	100%	100%
	International exhibitions are held.	1	1
The Gallery provides art education and appreciation courses for children that are relevant to their school curricula.	School groups per year taking a course at the Gallery.	324	300
The Gallery contributes towards a sense of belonging to Christchurch.	Residents who have visited the Gallery.	47%	30%

Maintaining and Improving the Collection		Actual	Target
Environmental			
The Gallery maintains the appropriate environmental conditions and standards of care for the works in its collection and on display.	Standards detailed in the Gallery procedural manual and by owners of works on loan are met.	100%	100%
Social			
The collection is conserved as resources permit. A plan is prepared each year based on the resources available.	Conservation plan targets are met.	100%	100%
Advice to the public is available on request.	All enquiries are followed up as soon as practicable.	100%	100%
Art in Public Places is conserved.	The targets in the Art in Public Places Conservation Plan are met.	100%	100%
Contributes to a sense of belonging to Christchurch.	Christchurch is identified as a great city to live, work and play by more than 95% of the respondents to the annual residents survey.	97%	95%

Art Gallery, Museum and “Our City” (continued)

Canterbury Museum		Actual	Target
Cultural			
To welcome the people of Canterbury Waitaha and our visitors to explore the diversity of the natural world and our cultural heritage; to make this a fun experience. To properly care for the more than 2.1 million heritage collection items held in trust for the people of Canterbury.	Maintain visitor numbers, and increase door donations.	535,177 \$112,632	500,000 \$150,000
	Visitors rating the Museum as an excellent or very good visitor experience.	82%	75%
	Develop, deliver and evaluate 20 special exhibitions and Public Programmes.	22 19,101	20 10,000
	Deliver curriculum-based programmes to school children and answer external written, telephone and email enquiries.	30,433 25,428	30,000 24,500
	New objects acquired for the permanent collection. Complete full verified documentation for all objects acquired in previous year.	3,356 100%	3,460 100%
	Document a further 75,000 of the two million objects acquired prior to June 2001 (total to 20%). Verify accuracy of a further 75,000 electronic records for objects catalogued or accessioned prior to June 2001 (total to 5.5%).	22,859 2,812	75,000 75,000
	Open seven days a week from at least 9 am to 5 pm; closed Christmas Day.	100%	100%
“Our City”		Actual	Target
Environmental			
Municipal Chambers and Provincial Council Buildings are used, while heritage values are protected.	Occupancy rates for the year.	54%	95%
Social			
Disseminate information to ratepayers, about current issues affecting the City, the Council and the environment.	Open on average at least 34 hours per week.	33hrs	34hrs
	Increase ratio of local residents visiting Our City.	43%	50%
	Visitor satisfaction with information – pamphlets, displays and liaison staff.	83%	85%
	Exhibits change throughout the year.	Yes (13)	Yes

Art Gallery, Museum and "Our City" (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Art Gallery commercial	700	685	15	(139)	258
Canterbury Museum	5,312	-	5,312	5,317	4,702
Public programmes at the gallery	4,163	96	4,067	4,075	3,268
Maintaining and improving the collection	2,626	68	2,558	2,722	2,282
"Our City" - Otautahi	442	34	408	577	437
Cost of service	13,243	883	12,360	12,552	10,947
Capital expenditure					
Renewals and replacements			27	20	
Improved service levels			28	540	
Increased demand			276	250	
Total capital expenditure			331	810	2,408

Explanation of Significant Cost of Service Variances

Art Gallery commercial revenues were less than plan due to lower than anticipated visitor numbers.

Non-urgent maintenance expenditure planned for "Our City" – Otautahi was deferred while a detailed business plan was developed and approved by management.

Explanation of Significant Capital Expenditure Variances

Planned expenditure of \$0.5m designated for the Museum expansion into the old Art Gallery site was not incurred. These funds have been carried forward to 2005/06.

Significant Capital Expenditure

There were no significant items purchased.

City Development

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.

Contributions to Outcomes

The City development group of activities primarily contribute to a Sustainable Natural Environment, a Prosperous City, a Well Governed City, Strong and Inclusive Communities,

a Safe City, a Cultural and Fun City, and a Liveable City.

For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

City Monitoring and Research		Actual	Target
Environmental			
Supply information and analysis on trends and issues regarding the City's built and natural environments to staff, elected members, government agencies and the general public.	Requests for information from staff, elected members, government agencies and the general public are responded to within 3 working days.	100%	100%
General			
Community Outcome Monitoring report of the LTCCP to be prepared for 2006/07.	Trend monitoring progressed in preparation for the 3 yearly LTCCP report.	On-going	
Social			
Supply information and analysis on trends and issues on the social environment in the City.	Website is updated with current data regularly. Requests for information from staff, elected members, government agencies and the general public are responded to within 3 working days.	100%	100%

City Development (continued)

City Plan Urban Renewal and Area Plans		Actual	Target
Environmental			
To make further parts of the City Plan operative by June 2005.	Report to Council on which further parts of the City Plan are ready to be made operative, and prepare and lodge application to Environment Court accordingly.	June 05 – application to Court being finalised	Feb 2005
	Decisions from the Environment Court are favourable or largely favourable to the Council's position.	60%	>66%
To promote ongoing improvements to the Proposed Plan which enhance environmental outcomes and sustainable development through the management of the City's natural and physical resources.	Address items on the defined programme of proposed variations and changes.	Not measured	
Provide advice to applicants for resource consents and planners on design and layout of new buildings and sites, landscaping, signage and subdivision design, including advice for proposed changes to the City Plan.	Advice to resource consent applicants and planners provided within 10 working days.	Not measured	90%
Promote good urban design by providing guides, advice to the public and displays as required.	Residents' satisfaction with the look of the city.	94%	80%
Prepare and implement neighbourhood and other plans for older parts of the City to renew and enhance the neighbourhood environment, and strengthen the local community.	Continue preparing and implementing community renewal plans.	Not measured	
The City's environment remains satisfactory to its residents.	Residents' satisfaction with the value for rates money spend on overall city and environmental planning.	64%	60%

City Development (continued)

Heritage Protection		Actual	Target
Environmental			
Provide advice on heritage conservation issues to applicants for resource consents and planners, and advice on heritage issues for proposed changes to the City Plan.	Heritage advice is provided within 10 working days for Resource Consent processing.	Not measured	100%
Promote and advocate for heritage conservation, including facilitating conservation covenants and providing guidelines and articles.	Advocate for heritage conservation in resource consent applications and by negotiation.	Not measured	
	Buildings, places and objects receiving a covenant,	2 signed, 1 in process	3
	or agreement.	5 finalised, 2 in process	7
	Percentage of identified Group 1 and 2 heritage listed buildings, objects and places which have a conservation plan, conservation management plan, asset management plan or cyclical maintenance plan in place.	Not measured	30%
	Residents' satisfaction with recognition and support for heritage.	Not measured in 2005	70%
Maintaining our heritage stock.	Allocated discretionary grant funding is committed for the financial year.	100%	100%

City Development (continued)

Policy Development		Actual	Target
General			
Lead the development of the Community Outcomes Report for the 2006 LTCCP.	Community Outcomes Report prepared.	Community Outcomes and monitoring prepared and waiting	31/3/05
Social		sign off	
Provide advice regarding the development of bylaws and other formal policies.	Policy and bylaw reports meet committee deadlines and LGA quality standards.	100%	100%
Prepare submissions on behalf of the Council to external agencies, on issues and legislation affecting the City.	Submissions on issues and legislation affecting the City are prepared by closing deadlines.	100%	100%
Provide evidence-based policy advice on social issues.	Reports on social issues meet committee deadlines and LGA quality standards.	100%	100%
Develop collaborative partnerships with other agencies which contribute to the quality of life of the people of Christchurch.	Relationship agreements developed between Council and other agencies regarding the identification of Community Outcomes.	Progressing	31/3/05

City Development (continued)

Supporting the City Centre		Actual	Target
Economic			
Carry out projects in the Central City that aim to encourage people to return, enjoy and spend time in the heart of the City.	Projects to be progressed or completed include the Turners and Growers site, Poplar and Ash Streets, and greening of the Central City.	Progressing in all areas	
	Increase in hourly pedestrian counts on main streets in Central City.	Next survey due Oct 2005	5%
	Residents rating the Central City area is a lively and happening place.	66%	70%
Promoting the Central City as a place to be, including advocating on behalf of businesses and enterprises that are located there.	Provide promotional displays and contact points, support the Central City Mayoral Forum, and promote living in the Central City to residents.	Promotion and support on-going	
	Additional "A" grade commercial floor space, 10,000 square metres by 2010.	2.4% of 34,587m2 of "A" grade is vacant	
	Number of people living in the city centre to be 10,000 by 2010.	7,266 in 2001. Next census is due 2006.	8,000
	Central City businesses who have confidence in the future of business in the Central City (baseline level of confidence to be established).	Survey results due August 2005	

Sustainability and Environmental Protection		Actual	Target
Environmental			
Provide advice on sustainable development to elected members and business units.	Sustainable development advice provided on issues as required.	On-going	
Develop pilot programmes in collaboration with business units to assist members of the community to adopt sustainable practices.	Pilot sustainable development programmes developed as opportunities allow.	On-going	

City Development (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
City monitoring and research	601	1	600	504	467
City plan urban renewal and area plans	6,331	135	6,196	6,647	4,979
Heritage protection	3,196	711	2,485	2,618	1,971
Policy development	595	-	595	678	402
Supporting the city centre	591	302	289	517	253
Sustainability and environmental protection	420	2	418	857	944
Cost of service	11,734	1,151	10,583	11,821	9,016
Capital expenditure					
Renewals and replacements			12	-	
Improved service levels			108	1091	
Increased demand			-	-	
Total capital expenditure			120	1,091	815

Explanation of Significant Cost of Service Variances

The variance in City plan urban renewal and area plans is a result of delays in the Wainoni Park redevelopment, and transportation strategy development. Work on the Wainoni Park redevelopment is awaiting resource consent. The transportation strategy will be included in the wider Urban Development Strategy project.

Central City project delays, alongside tram operation savings have reduced the cost of Supporting the city centre. Some central city project funding has been carried forward into 2005/06.

Expenditure on Sustainability and environmental protection has been delayed due to a lack of staff resource to progress initiatives.

Significant Capital Expenditure

There were no significant capital expenditures in the current year.

Explanation of Significant Capital Expenditure Variances

The plan included provision of \$0.7m for the Wainoni Park redevelopment. This project was delayed, and the designated funds have been carried forward to 2005/06.

Community Services

To work towards the outcomes of the Council's social and other policies through liaison, assistance and advocacy with metropolitan and local community organisations and networks, and to provide general and technical Council information to the public. Implementation of the housing policies of the Council in providing tenancy and welfare services to Christchurch citizens, appropriately maintaining the Council's 2,625 housing units and conducting ongoing research and advice. 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.

Contributions to Outcomes

The Community services group of activities primarily contribute to a Learning City, a Well Governed City, and a Livable City, Strong and Inclusive Communities, Healthy and Active People, a Safe City, a Cultural and Fun City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Civil Defence and Rural Fire Fighting		Actual	Target
Environmental			
Provide a ready response with trained personnel to all rural fires in the defined rural area of the City, and ensure the public are aware of fire restrictions and bans.	Respond to all fire call-outs within 30 minutes, in accordance with the Rural Fire Management Code of Practice Standard.	100%	100%
	Have trained personnel available for fire fighting in accordance with the abovementioned standard.	80 people	65 people
	Fire restriction/ban notices are advertised by critical dates as determined by the severity of the fire season.	100%	100%

Community Services (continued)

Civil Defence and Rural Fire Fighting (continued)		Actual	Target
Social			
Personnel and services are available to respond to civil emergencies caused by natural and other disasters.	An emergency operations centre is available and an appropriate organisational structure is in place to manage civil defence emergencies and adverse events when they occur.	100%	100%
	Civil defence training is undertaken as per the annual training programme referred to in the agreement in place with Environment Canterbury. Targets:		
	A minimum of two Christchurch City Civil Defence Rescue Teams obtain Registered Responder status.	4	2+
	A minimum of 100 volunteers are trained to the CD responder level.	83 Completed 48 in training	100+
	Christchurch residents know to look in the telephone book for information during a Civil Defence emergency.	80%	50%
	Volunteers are available within the City's Civil Defence and Emergency Management Structure.	>900 in ChCh Structure	>700

Community Halls and Conveniences		Actual	Target
Social			
Community halls and cottages provide a valuable resource for the creation of local communities of interest, as meeting places and for passive and physical leisure.	Increase in the number of groups regularly using the Council's Community halls and cottages.	Not measured	5%
	Community halls and cottages which achieve 60% occupancy.	Not measured	75%
	Overall user satisfaction with Christchurch City community halls and cottages.	85%	80%

Community Services (continued)

Community Recreation		Actual	Target
Cultural			
Facilitate and promote community based art experiences for Christchurch residents, which reflect and celebrate local communities in the City.	Community arts projects or events in local communities delivered.	7	4
Support community-based Maori and Polynesian arts experiences for Christchurch residents, which reflect and celebrate the contribution these cultures make to our city.	Work with Maori community arts groups to develop business, marketing and funding skills.	10	6+
Social			
Achieve an increase in participation in recreation activities by Christchurch residents, in particular children, youth, people with disabilities, older adults and people on limited incomes.	Level of participation in Council recreation programmes.	140,305	90,000
Assist local recreation/community groups to deliver programmes and activities, which reflect their local community.	Local recreation/community groups are assisted to deliver recreation programmes which reflect their local community.	6	6
To work with the community to provide healthy, accessible and enjoyable leisure opportunities and encourage greater levels of participation in leisure.	Residents satisfied with value for money through rates on supporting sport and recreation.	72%	70%
	Level of participation in physical activity.	88%	92%
	Number of participants in leisure partnership programmes.	35,542	40,000
	Residents' satisfaction with opportunities for participating in recreation and leisure.	95%	93%

Community Services (continued)

Community Support for Individuals and Groups		Actual	Target
Social			
Staff are available to assist community groups, individuals and agencies to participate in the social development of their communities.	Residents' rating their communities as strong and thriving.	Not measured	6.5
The Children's and Youth Advocacy Team clearly articulate the needs of children and youth to the Council and provide a point of consultation on children and youth issues.	Work with other Council units to ensure that children's and youths' points of view are taken into account when planning and implementing projects.	Achieved	
To impact positively upon the safety, welfare and well-being of young people, children/tamariki and their families/whanau.	Children's and Youth Advocacy Team will complete children and youth related projects designed in accordance with the Council's Children's and Youth Policies.	31	15
To co-convene the Christchurch Housing Forum and the Refugee and New Migrant Forum.	Co-convene meetings for the Christchurch Housing Forum and the Refugee and New Migrant Forum.	6	6
Seek to supplement the capabilities and resources of community groups and structures.	Community groups are significantly assisted to build capabilities, resources and structures.	63	40
To provide information and advice on social development issues to elected members and Council staff.	Provide information and advice on metropolitan community issues to at least four Council projects or working parties.	Achieved	4

Early Learning Centres and Creches		Actual	Target
Social			
The Council provides three early learning centres.	Three early learning centres operate between the hours of 8.30 am and 4.30 pm for at least 48 weeks per year.	100%	100%
People of Christchurch have access to quality early learning education services.	Customer satisfaction with access to quality early learning education services.	90%	80%
	A clean report is received from the Education Review Office for each Early Learning Centre.	100%	100%

Community Services (continued)

Events and Festivals		Actual	Target
Economic			
To work with the Cathedral Square Stakeholders Group to develop a programme of activities events in the Square.	Activities occur in the Cathedral Square at least weekly.	100%	100%
	A calendar of events, festivals and entertainment activities being held in Christchurch is collated and promoted.	100%	100%
Social			
Plan, organise and promote the agreed programme of events.	Percentage of residents who attend key events, averaged over 5 events surveyed each year.	32%	25%
	Residents' overall satisfaction with Council events. At least five events are surveyed per year.	96.5%	80%
Provide funds for and monitor the production of all core funded events.	A formal funding agreement signed and managed for each core-funded festival/ event.	100%	100%
Events and festivals contribute to the enjoyment of living in Christchurch.	Residents consider that festivals and events contribute to the enjoyment of living in Christchurch.	95%	80%
General Information Services		Actual	Target
Social			
Provide general information about the community and the Council in response to walk-in, telephone and electronic customer enquiries.	Customers surveyed are satisfied with the enquiry services provided	94.75%	85%
Grants for Community Projects and Activities		Actual	Target
Social			
Funds are provided for city-wide projects and initiatives in accordance with the Council's Community Outcomes.	\$5.7m is available for distribution to community groups.	95%	
Residents surveyed feel part of their respective communities.	Residents' survey.	65%	65%

Community Services (continued)

Pools and Leisure Centres		Actual	Target
Environmental			
Safe, healthy and pleasant environment provided.	Maintenance of pool facilities and treatment of water to ensure 100% compliance with the New Zealand Standard 5826 Pool Water Quality.	100% (with NZ pool safe standard)	100%
	Pool supervision is provided in accordance with NZ guidelines, 100% of the time.	100%	100%
Social			
Provide a range of aquatic services including lap pools, recreation pools, learner pools and paddling pools.	Outdoor pools are available during the summer months. Five indoor pools are available from 7am to 9pm every day except Christmas and for planned maintenance.	100%	100%
	Users' overall satisfaction levels for leisure facilities to be at least 5.9 on the CERM customer survey.	5.93	5.90
	Visits to pools and leisure centres per annum.	2.8m	2.4m
Providing swimming pools that are value for money.	Residents' satisfaction that the rates money spent on swimming pools represents value for money.	71%	75%
	The cost of a swim that must be met from rates (averaged across all pools).	\$3.37	\$3.05
Pools are available for a range of activities from leisure through to serious training.	Residents surveyed have visited a Council pool in the last year.	62%	50%
Road Safety Promotion		Actual	Target
Social			
Carry out road safety education and promotion programmes based on priority areas in the Road Safety Strategy, as determined by the Road Safety Coordinating Committee.	Road safety education and promotion projects completed.	100%	100%
Conduct the Cycle Safe Programme for Year 6 students.	Year 6 students completing the Cycle Safe Programme each year.		
	Schools:	79	70
	Students:	3,659	3,300

Community Services (continued)

Social Housing		Actual	Target
Social			
A reasonable standard of accommodation is provided for people on low incomes who qualify.	Housing tenants' overall level of satisfaction.	Not surveyed	80%
	Full compliance with building safety and service specifications.	Not measured	100%
Rents are affordable for qualifying people.	Housing rents are between 25% and 30% of benefit income.	Achieved	25-30%
A reasonable number of rental units is available.	Percentage of the Christchurch rental housing stock supplied by the Council.	7.73%	>7%
	Occupancy rate averaged over all housing complexes for the year.	96.8%	97%
Tenants' abilities to live independently are reviewed periodically.	Housing tenants are visited formally at least yearly.	Achieved	100%
Tenants are treated fairly in terms of the Residential Tenancies Act.	Service requests are actioned within set timeframes, as defined in the Facilities Maintenance Management contract.	85.34%	95%
	Housing tenants lodging claims against the Council.	Nil	<1%
	Penalties or fines levied against the Council.	Nil	Nil

Community Services (continued)

Sports Support and Promotion		Actual	Target
Economic			
Promote Christchurch as a national and international sports destination for future events and activities.	Secure major future international sports events/ activities.	9	4
	Host international sports events/activities in Christchurch.	6	6
	Host national sports events/activities.	11	10
Identify the benefits of regularly hosting major sports events/activities, to the City and especially local businesses.	Economic benefit (including visitor activity) associated with hosting five major sports events/activities.	Over \$17million	\$15 million
Social			
Assist sports associations and clubs with the development of sport in the City, through the efficient management, distribution and promotion of resources.	Pre-season promotion of Canterbury summer and winter sports associations and clubs information is published twice per year.	100%	100%
Generally promote sport and recreation in Christchurch.	Residents satisfaction that the rates money spend on supporting sport and recreation represents value for money.	64%	65%
Residents are encouraged to participate in physically active sports, whether privately or organised by a club or organisation.	Residents surveyed have taken part in or trained for a physically active sport, game or lesson, or have been a member of any sports club or association.	41%	40%
Stadia and Sporting Facilities		Actual	Target
Social			
Provide stadia and facilities for a range of organised sports to lease. These include softball, basketball, soccer, rugby league, hockey, rugby union and others.	The Council complies with the terms of its leases, including maintaining the facilities' warrants of fitness.	100%	100%
	Residents have visited a Council stadium within the last year.	64%	65%
Residents are satisfied with value for rates money spent on stadia.	Residents agree the rates money spend on stadia and sporting facilities represents value for money.	72%	68%

Community Services (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Civil defence and rural fire fighting	1,400	43	1,357	1,248	79
Community halls and conveniences	2,631	109	2,522	2,523	2,165
Community recreation	2,535	287	2,248	2,111	1,776
Community support for individuals and groups	4,123	20	4,103	4,105	3,168
Early learning centres and creches	1,685	1,121	564	614	472
Events and festivals	2,670	392	2,278	2,483	2,443
General information services	2,001	127	1,874	2,722	2,419
Grants for community projects and activities	5,799	164	5,635	5,476	7,893
Pools and leisure centres	14,185	7,476	6,709	6,601	5,773
Road safety promotion	1,032	181	851	620	564
Social housing	10,527	11,093	(566)	(1,659)	(874)
Sports support and promotion	2,062	35	2,027	2,684	2,389
Stadia and sporting facilities	3,674	849	2,825	2,853	2,798
Cost of service	54,324	21,897	32,427	32,381	31,065
Capital expenditure					
Renewals and replacements			796	1,626	
Improved service levels			2,745	4,058	
Increased demand			1,988	5,170	
Total capital expenditure			5,529	10,854	5,426

Explanation of Significant Cost of Service Variances

The Social Housing surplus was less than planned for the 2004/05 financial year. After a review of standards, the decision was made to fast track the maintenance programme to ensure the housing stock met acceptable levels of service. This maintenance programme continues in 2005/06. This expenditure is funded from the Housing Development Fund and does not impact rates.

General Information costs were reduced during the 2004/05 financial year, as the Council refined its Customer Services function, funded primarily through business unit savings.

Sports support and promotion has a lower cost of service due to the Council deferring the payment of the grant for the Bishopdale recreation and youth centre. This grant was paid in August 2005.

Community Services (continued)

Significant Capital Expenditure

Expenditure of \$0.9m was incurred on construction of the North New Brighton Community Centre which is due for completion in 2006.

Similarly, the Housing development of Gowerton Place, in conjunction with Housing NZ, was put on hold while further assessment of the project was undertaken. It is expected this project will begin during the 2005/06 financial year.

Explanation of Significant Capital Expenditure

Variances

The redevelopment of Jellie Park was put on hold during the 2004/05 financial year. Costs for the project had increased significantly, so Council reviewed the scope of the project. Council voted in July 2005 to continue with a revised scope, to future-proof the facility.

The funds designated for both of these projects (\$1.5m and \$3.0m) have been carried forward to 2005/06.

Democracy and Governance

Provision for civic leadership and the democratic process of decision making by elected members through remuneration and support arrangements for the Mayor, 12 Councillors and 30 elected Community Board members.

Contributions to Outcomes

The Democracy and Governance group of activities primarily contribute to a Learning City, and a Well Governed City. For a summary of the Community Outcomes refer to

page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Elected Member Representation		Actual	Target
Social			
The public are able to participate in decision making processes.	The people of Christchurch are satisfied with the way the Council involves the public in the decisions it makes.	47%	65%
	The people of Christchurch feel the public have at least some influence on the decisions the Council makes.	90%	65%
Decisions are taken in the best interests of the City.	The people of Christchurch are satisfied that the Council makes decisions in the best interests of the City.	57%	75%
Elected Members' Projects		Actual	
General			
Details of projects to be funded by Community Boards for 2004-05 are shown in Volume 1 of the LTCCP.	The performance of the activities supported will be reported with those activities.	Accountability reports provided to Community Boards at year end.	
Media Relations and External Communications		Actual	Target
Social			
Newsletters and other material are provided to the public throughout the year.	Community newsletters (City Scene) published during the year.	10	10
	Percentage of residents who read the Council newsletter, City Scene.	40%	35%
	Residents satisfaction with the Council newsletter, City Scene.	72%	75%
	Increase in page views to the www.ccc.govt.nz web site.	13%	20%
Enquiries from the media receive prompt attention.	All enquiries from the media receive a response within 24 hours.	99.7%	100%

Democracy and Governance (continued)

Supporting Elected Member Decision Making		Actual	Target
Social			
To provide leadership in policy advice and support to elected members to enable Council to meet its Statutory obligations and comply with the provisions of the Local Government Information and Meetings Act.	Council meetings are notified to the public at least 10 working days prior to the meeting.	100%	100%
	Agendas and reports are available from the Council Office at least 3 working days prior to each meeting.	100%	100%
	Supplementary agenda items are available from the Council Office at least one working day prior to each meeting.	100%	100%

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Elected member representation	4,280	291	3,989	3,838	3,653
Elected members projects	403	-	403	608	271
Media relations and external communications	454	-	454	506	349
Supporting elected member decision making	4,217	-	4,217	4,643	4,768
Cost of service	9,354	291	9,063	9,595	9,041

Explanation of Significant Cost of Service Variances

The variance in Supporting elected member decision making was due to lower than anticipated costs incurred in the preparation of the Council's statutory reports, the Annual Plan and Annual Report.

Elected member projects show under expenditure against plan. In fact, these funds were allocated to the respective activities of Council that deliver the approved projects.

Significant Capital Expenditure

There were no significant items purchased.

Economic Development

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

Contributions to Outcomes

The Economic development group of activities primarily contribute to a Learning City, a Prosperous City, and a Cultural and Fun City. For a summary of the Community Outcomes refer to page 138. We have not yet measured

our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

City Promotion and International Relations		Actual	Target
Economic			
Promote Christchurch as a good place to live, work, visit and do business.	Suitable Christchurch City promotional material is produced and distributed.	9 distributed	
	Residents rate Christchurch City as a good or very good place to live.	97%	80%
Sister City Committees receive Council support to meet their annual business plan objectives.	Proposed Sister City activities are achieved to the benefit of the community.	12	12

Convention and Entertainment Venues		Actual	Target
Cultural			
Venues are available to provide our people with a wide variety of performances and events.	Increase in Christchurch residents who have attended a performance or event at the Town Hall, Convention, or Westpac Trust Centre.	Not available	2%
Economic			
Visitors are attracted to the City.	Increase in the number of delegate days at the Convention Centre.	Increased	2%

Economic Development (continued)

Economic Development		Actual	Target
Economic			
Mentor support is provided to small and medium enterprises to help them develop their management capability.	Matches between mentor and small enterprises per annum.	465	500
	Enterprises in the mentor programme are satisfied with their mentors.	83%	80%
Increase the number of new business startups and assist new businesses through their early growth.	New business enterprises assisted.	528	500
	Participants are satisfied with the business start-up programme.	98%	90%
Provide SMEs and Investors with a forum to source and invest equity capital.	An active investor network is operating with a minimum of 3 presentation meetings per year.	4	3
Work with key regional stakeholders to research and develop major economic initiatives of benefit to Canterbury.	At any time be actively researching, developing and delivering on at least 3 major economic development projects.	7	3
Build relations and promote increased trade between Christchurch and international markets; particularly in research, science and technology.	Companies report improved trade as a result of involvement in trade missions.	9	5
	Significant new trade, investment or research and development opportunities are identified.	4	2
Assist organisations and enterprises to secure funding to allow them to make a contribution to the Christchurch and Canterbury economies.	Value of funding sourced.	\$2,034,000	>\$2m
	Organisations which receive funds achieve the objectives for which the grants were given.	Not measured	100%
Facilitate interaction between the science and research community and the business sector.	On going involvement with human-computer interface laboratory and Ultralab research activities.	On-going	
	Work with Universities, CRIs and Industry to develop and manage a Centre of Excellence for the commercialisation of Research Science and Technology.	On-going	

Economic Development (continued)

Employment Services		Actual	Target
Economic			
To assist community groups achieve sustainable development through a range of business support services.	Community groups receiving Community Grow assistance for employment related projects.	15	15
Implement a range of workforce development initiatives that address the supply and demand for skills and talent.	People achieve part or full time employment.	2,196	1,500
	Young persons achieve part- or full-time work placements.	1731	700
	Young persons access further education and training opportunities.	3,497	500
	Initiatives implemented that support workforce capability in line with economic development objectives.	4	4
Provide opportunities for community employment by adult job-seekers.	Adults placed in community employment schemes.	172	170
CDC contributes to the creation of new apprenticeship positions.	Apprenticeships created by CDC.	36	100
CDC runs or facilitates a series of successful Careers Promotion events each year.	Career promotion events held.	3	3
	Participants' satisfaction with career promotion events.	98%	80%

Economic Development (continued)

Visitor Promotions		Actual	Target
Economic			
Coordinate and lead the marketing of Christchurch / Canterbury with a focus on sustainable growth of visitor numbers.	National growth rates for visitor numbers.	110.7% at Sept 2004.	110%
	Airlines increase their capacity into Christchurch.	Increased flights for: - Emirates - Air New Zealand -Singapore Airlines	
Provide advice and information to visitors through the i- SITE Visitor Information Centre and the organisation's Marketing and Sales Department.	Visitor Centre is open for all but one day of the year.	100%	100%
Promote Christchurch and Canterbury as the best value New Zealand destinations for conventions, incentive travel, meetings and exhibitions.	Delegate-day numbers increase.	Down 4% at Dec 2004.	5%
Increase the impact of international visitors on the Christchurch economy.	Increase in Christchurch visitor numbers, visitor-nights, visitor spending - at least matches the national average increase.	Visitor Nights up 0.8% City Spend up 2.49%	5%

Economic Development (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
City promotion and international relations	950	10	940	1,043	1,041
Convention and entertainment venues	883	100	783	836	1,986
Economic development	5,186	-	5,186	4,471	3,566
Employment services	2,354	-	2,354	2,353	2,420
Visitor promotions	2,047	36	2,011	2,010	1,392
Cost of service	11,420	146	11,274	10,713	10,405

Capital expenditure

Renewals and replacements	10	15
Improved service levels	13	-
Increased demand	-	10
Total capital expenditure	23	25

Explanation of Significant Cost of Service Variances

The variance in Economic development is a result of a payment made to the Canterbury Development Corporation, who administer the Canterbury Economic Development Fund. A grant from 2003/04 earnings from the Council's Capital Endowment Fund was paid during the 2004/05 financial year, as well as the current year's grant.

Significant Capital Expenditure

There were no significant capital expenditures.

Explanation of Significant Capital Expenditure Variances

There were no significant variances.

Library 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 1,068,546 volumes and provides services to 253,678 enrolled members and other users.

Contributions to Outcomes

The Library services group of activities primarily contribute to a Learning City, Strong and Inclusive Communities, and a Cultural and Fun City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings. A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Building Skills for Lifelong Learning		Actual	Target
Social			
Provide programmes in libraries and in the community, which support learning and literacy.	Residents who have used a city library service in the last year.	75%	70%
	Hours used by school visits - South Learning Centre.	1,141	1,000
	Participation in programmes.	70,332	40,000
Collections and Materials		Actual	Target
Social			
A wide range of materials is available for borrowing.	Per capita number of items in the library system.	3	3.5
	Patrons are satisfied with the range of materials available.	92%	85%
	A collection will be provided in languages other than English where there are 1000 residents or more who speak that language.	Not measured	100%
Heritage collections are preserved for the benefit of present and future citizens.	Items per year are added to the Heritage collection of 63,000 items.	4,439	3,000

Library Services (continued)

Lending Services		Actual	Target
Environmental			
Collections are provided for shared use.	Turnover of the collections.	5.4	5
	Issues per capita.	16.4	17
Social			
Adequate staff and self issue machines for issuing items.	Customers satisfied with time taken to issue an item.	92%	95%
	Customers satisfied with helpfulness of staff.	96%	95%
Materials are made available within a reasonable time.	Borrowers who use the service are satisfied with waiting times for a reserved book or an interloan.	92%	75%
On-line Access to Information		Actual	Target
Social			
Public access is provided to electronic content and databases.	Increase per annum in visitor sessions via the Internet.	32%	10%
	There are enough public access computers in the libraries (target: 1 per 1,625 population).	Not measured	1 : 1,625
	Customers are satisfied with ease of finding electronic information.	92%	90%
Places for Reading Listening and Viewing		Actual	Target
Social			
Libraries are open a range of hours convenient to customers.	The range of opening hours for the 14 libraries cover between 9am and 9pm on weekdays and 10am to 4pm on weekends (closed on public holidays).	Achieved	100%
Adequate space is provided for people to read, relax and study.	Visits per capita.	9.9	10
	Customer satisfaction with facilities provided.	89%	90%
Services to Enquirers		Actual	Target
Economic			
Commercial information service tailored to business clients' needs.	Customers are satisfied with quality and timeliness of commercial information.	Not measured	95%
Social			
Persons seeking information are able to obtain what they are looking for.	Customers are satisfied with the help available when seeking information.	88%	90%

Library Services (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Building skills for lifelong learning	1,171	295	876	927	1,209
Collections and materials	9,014	177	8,837	9,138	9,192
Lending services	7,262	1,113	6,149	5,956	5,629
On-line access to information	1,248	58	1,190	1,242	1,025
Places for reading listening and viewing	2,575	-	2,575	2,691	-
Services to enquirers	3,956	355	3,601	3,643	3,205
Cost of service	25,226	1,998	23,228	23,597	20,260
Capital expenditure					
Renewals and replacements			3,872	3,907	
Improved service levels			624	741	
Increased demand			4,104	3,027	
Total capital expenditure			8,600	7,675	6,396

Explanation of Significant Cost of Service Variances

There were no significant variances.

Significant Capital Expenditure

During the year, the Libraries purchased the Unicorn Library system. This replaces the old issuing system throughout the library network.

The construction of the new Upper Riccarton Community Library began during the 2004/05 financial year. Expenditure during the year was \$2.2m. This project is due for completion in 2005/06.

Explanation of Significant Capital Expenditure Variances

Costs for the new Upper Riccarton Community Library, planned to be incurred during the 2005/06 year, were bought forward to the 2004/05 financial year, contributing to the capital expenditure variance. The project as a whole remains within budget.

Parks and Open Spaces

Planning and managing the acquisition, development, maintenance and use of the City's resource of public parks and reserves for the purposes of recreation, amenity and conservation. 787 parks (6,183 Ha) and 10 cemeteries are maintained using in-house and external contractors.

Contributions to Outcomes

The Parks and open spaces group of activities primarily contribute to a Sustainable Natural Environment, Strong and Inclusive Communities, Healthy and Active People,

and a Cultural and Fun City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Heritage Parks		Actual	Target
Environmental			
The Christchurch Botanic Gardens plant collections are preserved and displayed for education and scientific purposes. The grounds provide a pleasant environment for passive recreational use.	The Botanic Gardens remains the top attraction for citizens to take visitors within the City.	Yes – 59%	Yes
	Residents have visited the Botanic Gardens in the last 12 months.	75%	85%
Provide 39 Garden Heritage Parks that are maintained to a premium standard and contribute to the Garden City image.	Turf in the parks is maintained to a premium contract standard (40 mm maximum height). Garden areas are maintained so that weeds do not detract from the appearance, with no weeds greater than 50 mm.	100%	100%
Provide spring and summer floral bedding displays in prominent areas throughout the city.	Two displays per year in 149 plots, with a total of 212,000 plants.	100%	100%
	Residents' satisfaction with the spring and summer floral bedding displays throughout the city.	90%	80%
The City's fountains, clocks, statues, and sculptures are maintained to preserve their heritage and artistic values.	At least two heritage items have major renovation work carried out per year. Other fountains, clocks, statues, sculptures maintained to contract levels.	4	2+

Parks and Open Spaces (continued)

Landscaping the Transportation Network		Actual	Target
Environmental			
Street landscapes contribute to the character and form of the city and residents perceive this as value for money.	Residents who consider landscaping the City's streets is value for money.	71%	70%
The City's 50,000 street trees are maintained in a safe, healthy and sustainable condition.	Street trees are managed on a three-yearly maintenance cycle, with 1% of street trees being replaced in the current year.	0.75%	1%
Street landscape areas including road berms, medians, blips and islands are well looked after and help to improve the City's appearance.	Residents are satisfied that street landscape areas are well looked after.	78%	80%

Parks Customer Services		Actual	Target
Social			
The community is informed and participates in the governance and management of parks through a range of activities including education programmes, volunteer involvement, community group support and provision of information and advice.	Time spent per year on park projects by volunteers and community service people.	19,959 hrs	8,000 hrs
	Children participating during the year in the Learning Through Action Environmental Education programme.	9,165	8,000
Provide nine working cemeteries that satisfy the burial needs for the city and reflect the community's cultural diversity, including providing an Urupa.	Provide for 850 burials per year with nil complaints received relating to burial services.	844 1	850 Nil
	Customers are satisfied with cemetery information and services provided.	100%	90%

Parks and Open Spaces (continued)

Parks Reserves and Open Spaces		Actual	Target
Environmental			
The City's parks and open spaces are well looked after.	Residents are satisfied that parks and open spaces are well looked after.	91%	90%
	Satisfaction of recreational groups using parks with facilities and services provided.	100%	80%
	Residents are satisfied with value for money they get with parks and playing fields.	84%	80%
Habitat protection and enhanced biological diversity, mitigation against adverse effects of development, sustainable land use.	Diversity of bird species increases on key indicator sites.	Yes	Yes

Parks and Open Spaces (continued)

Parks Reserves and Open Spaces (continued)		Actual	Target
Social			
Park reserves and open spaces are accessible and distributed equitably across the City. They are located within easy walking distance (five to ten minutes) for all residents in the City's urban area.	Residents in the urban area of the City living within 400 metres of a neighbourhood or district park.	90.13%	90%
Provide a range of parks and open spaces that deliver a diversity of experiences, and cater for all ages and interests.	Maintain current levels of parks and open space in relation to population growth (per 1,000 population).	2.30ha 14.11ha 0.90ha	2.67 hectares sports parks 13.48 h natural area parks 0.94 hectares neighbourhood parks
	Residents are satisfied that parks cater for their respective interests. (average satisfaction across 12 categories of activities available in parks).	85%	70%
	Residents with children under 10 visit a Council playground at least once a month (annual survey and result incorrectly asked : visited a playground once in the last 12 months).	95%	70%
The City's parks are safe to use.	Comprehensive inspections of playground equipment are carried out on an annual basis, with fortnightly visual inspections.	100%	100%
	Emergency response is undertaken within two hours of notification where there is an immediate health and safety risk.	100% (989 calls)	100%
	Residents feel safe using parks during the day time.	91%	90%

Parks and Open Spaces (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Heritage parks	3,706	186	3,520	3,843	3,654
Landscaping the transportation network	4,735	267	4,468	4,862	3,770
Parks customer services	1,814	771	1,043	1,375	853
Parks reserves and open spaces	15,094	961	14,133	13,768	13,661
Capital revenue	-	7,142	(7,142)	(2,950)	(5,037)
Cost of service	25,349	9,327	16,022	20,898	16,901

Capital expenditure

Renewals and replacements	1,889	1,686	
Improved service levels	2,510	2,335	
Increased demand	4,348	3,745	
Total capital expenditure	8,747	7,766	8,020

Explanation of Significant Cost of Service Variances

Landscaped areas around the transportation network were revalued with all roading assets as at 30 June 2004. Resulting depreciation charges for this class of asset for the 2004/05 financial year were less than planned.

Capital revenue exceeded that planned due to the continued buoyancy of the building industry. Increased revenues were achieved as subdivision growth in the city exceeded the assumption base. Being mainly cash in lieu of reserves development contributions, these funds are designated for reserves capital expenditure in future years.

Significant Capital Expenditure

The only significant capital expenditure item for Parks and open spaces was the \$0.9m acquisition of strategic land. This was scheduled expenditure to allow for the continued growth and development of parks and open spaces in Christchurch and was funded from cash in lieu of reserves contributions.

Explanation of Significant Capital Expenditure Variances

Overall capital expenditure is \$1.0m more than planned. This was due to \$1.8m of uncompleted projects from the previous financial year being added to the 2004/05 capital programme. This has delayed the completion of some projects planned for 2004/05. \$1.5m of funds designated for these projects have been carried forward to 2005/06.

Greater priority and resource has gone into addressing city wide growth with the result that \$.06m extra was spent in providing new assets over what was originally planned.

Refuse 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.

Contributions to Outcomes

The Refuse minimisation and disposal group of activities primarily contribute to a Sustainable Natural Environment,

a Prosperous City, Healthy and Active People, a Liveable City, and a Safe City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings. A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Waste Minimisation		Actual	Target
Economic			
The resources recovered from the waste stream are used to benefit the local economy.	Full time jobs created from reusing, recycling and composting the resources recovered from waste received by the Council.	194	200
Environmental			
To minimise the amount of solid waste going to landfill.	Recyclables correctly presented at the kerbside are collected 52 weeks of the year.	100%	100%
	Residents' satisfaction with the green crate recycling collection service provided.	94%	90%
	The proportion of waste that is received by the Council which is diverted from landfill by re-use, recycling and composting.	26%	30%
	Annual tonnage of recyclables collected at the kerbside.	24,040	18,000
	From 1994 to 2020 the waste per person per year going to landfill is reduced by at least 65%.	771 kg	<640 kg
Businesses receive advice and support for improving their environmental performance.	Businesses actively engaged in the Council's waste minimisation programmes.	73	100

Refuse Minimisation and Disposal (continued)

Refuse Transfer and Disposal		Actual	Target
Environmental			
Refuse stations are open at convenient times.	Excluding public holidays, refuse stations are open 8.5 hours a day, 7 days per week.	Exceeded	100%
Waste generated by the community is disposed of safely.	Number of infringement notices served by Environment Canterbury for air, water or soil pollution.	Nil	Nil

Black Bag Collection and Disposal		Actual	Target
Economic			
At \$1.00 per bag the rubbish bag collection service delivers value for money.	Customers satisfied the collection service delivers value for money (at \$1 per bag).	59%	80%
Environmental			
Official Council rubbish bags placed at the kerbside are collected each week.	The collection is completed 52 weeks of the year.	100%	100%

Refuse Minimisation and Disposal (continued)

Cost of Services for the year ended 30 June 2005

	2005				2004
	Costs (After Internal Recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
Activities	\$000's	\$000's	\$000's	\$000's	\$000's
Waste minimisation	7,935	2,077	5,858	5,977	3,855
Refuse transfer and disposal	7,199	19,659	(12,460)	(8,846)	(6,398)
Black bag collection and disposal	5,604	1,485	4,119	3,911	5,062
Cost of service	20,738	23,221	(2,483)	1,042	2,519
Capital expenditure					
Renewals and replacements			1,647	1,510	
Improved service levels			2,117	4,389	
Increased demand			244	65	
Total capital expenditure			4,008	5,964	1,496

Explanation of Significant Cost of Service Variances

Refuse transfer and disposal costs were lower than planned due to increased revenues from higher volumes of general refuse processed during the 2004/05 financial year. In addition, Burwood Landfill remained open 2 months longer than expected due to the delay in Kate Valley Landfill opening. There was also a \$1.4m reduction in the provision for closed landfill aftercare when the future liability was revised at 30 June 2005.

Significant Capital Expenditure

\$1.9m was spent during the year on the Refuse Station Modifications project construction. This project is due for completion in 2006 and has a total cost of \$3.6m.

Explanation of Significant Capital Expenditure Variances

The variance in capital expenditure is largely a result of \$1.1m of uncompleted projects from the previous financial year being completed during the 2004/05 financial year, delaying the completion of current year projects. \$2m of funds designated for 2004/05 have been carried forward to 2005/06.

The Refuse Station Modifications project plan was also reduced by \$0.8m as the scope of the project was amended during the year.

Regulatory Services

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.

Contributions to Outcomes

The Regulatory services group of activities primarily contribute to a Sustainable Natural Environment, a Learning City, Strong and Inclusive Communities, Healthy and Active People, a Safe City, and a Liveable City. For a summary of

the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Animal Control		Actual	Target
Environmental			
Remove wandering stock promptly.	Where practical, wandering stock are apprehended and secured within two hours of receiving an initial request.	100%	100%
Social			
Minimise the number of unregistered dogs in the City.	Conduct house to house surveys, including properties with dogs that have not re-registered.	100%	
Investigate and resolve complaints about nuisances caused by dogs.	Respond to and investigate all complaints relating to aggressive behaviour by dogs within 2 hours.	95%	100%
	Start investigation/action of all other complaints within 24 hours.	74%	100%
	Resolve all complaints within 14 days.	94%	100%
Care for impounded dogs, endeavour to locate their owners or find suitable homes, and when necessary arrange for their disposal.	Dogs are returned to owners, found new homes or destroyed as circumstances require.	100%	100%

Regulatory Services (continued)

Building Consents		Actual	Target
Environmental			
Provide project information memoranda (PIMs) and process building consents within statutory timeframes.	Process stand-alone PIMs within eight working days (legislative requirement is ten days).	17.2%	100%
	Process building consents within the time limits prescribed by the		
	- Building Act 1991 (<\$500K 10 working days) (>\$500K 20 working days)	58.87%	100%
	- Building Act 2004 (20 working days)	84.97%	100%
	Show an improvement in customer satisfaction. (compared to base research results obtained in November 2003).	7.33	
Provide inspection services which ensure that the standards required by the Building Act are met. Minimise the Council's liability as a building consent authority.	Issue Code Compliance Certificates within the time limits prescribed once advised by the owner that work is complete.		
	- Building Act 1991 (5 working days)	94.56%	100%
	- Building Act 2004 (20 working days)	99.04%	100%
Ensure building owners maintain building warrants of fitness as required.	Follow up overdue warrants with a written reminder within ten working days after the due date.	100%	100%
	Commence enforcement action if compliance is not achieved within six months of a building warrant becoming overdue.	Not achieved	100%

Regulatory Services (continued)

Enforcing Legislation and Investigating Nuisances		Actual	Target
Environmental			
Monitor activities and projects to ensure compliance with the Building Act, Council bylaws and the City Plan, and mitigate any adverse effects on the environment and people. Inspect and follow up conditions imposed on resource consents.	Responses to complaints or requests for investigations are completed within: five working days (simple category),	37%	80%
	or 40 working days (complex category).	64%	80%
	Conditions on resource consents are monitored within the timeframe stipulated in the resource consent.	100%	100%
Respond to complaints of unreasonable and excessive noise.	Respond to complaints of excessive noise within an average of 30 minutes after receiving the complaint.	100%	100%
	In the case of unreasonable noise, commence investigations within one working day of receiving the complaint.	100%	100%
Investigate and respond to any situations likely to affect human health or safety, to be objectionable, or to cause a nuisance.	Undertake initial investigations within one working day of notification of any nuisance complaints.	100%	100%
Nuisances to residents are minimised.	Residents' satisfaction they get value for their rates money spent on regulating activities and investigating nuisances.	57%	57%
Social			
Enforce and promote compliance with the Fencing of Swimming Pools Act.	All known swimming pools are re-inspected every two years. Inspections carried out to find and record unknown pools.	2.8%	100%

Regulatory Services (continued)

Health and Liquor Licensing		Actual	Target
Environmental			
Inspect food premises, hairdressers, camping grounds and funeral directors to promote and conserve the public health and to monitor compliance with all statutory requirements.	Food premises identified as having a higher potential risk in terms of food safety to be inspected at least once per year. Action taken to ensure the safety of the food and compliance with food safety and food hygiene requirements. Other registered premises to be inspected regularly to ensure compliance with the appropriate statutory requirements.	69% (535 premises)	100%
Ensure food premises maintain the high standards required for providing safe food.	Registered food premises require compulsory closure to meet their statutory requirements to produce safe food.	6 (less than 1%)	<1%
Social			
Process applications for licences and certificates under the Sale of Liquor Act 1989.	Special Liquor licences are processed within ten working days of receiving the application.	100%	100%
	Process other Sale of Liquor Act licences within six weeks of receipt of the application (subject to other organisations supplying the required information and reports).	100%	90%
Monitor compliance with the terms and conditions of liquor licences granted.	Inspect all new premises before and after granting an initial liquor licence during their first year of operation, and report on levels of compliance.	100%	100%
	Inspect all operational premises within the Central City area (bounded by the four avenues) and report on levels of compliance.	100%	100%
	Inspect all renewals of Liquor licenses at the time of renewal, and report on levels of compliance.	100%	100%

Regulatory Services (continued)

Information on Regulatory Functions		Actual	Target
Environmental			
Provide advice on planning and regulatory matters.	Walk-in and phone-in customers are satisfied or more than satisfied with the service provided.	Not measured	85%
Provide accurate and timely Land Information Memoranda (LIMs).	Process 80% of LIMs within five working days and 100% within the statutory timeframe of ten working days.	93/100%	80/100%

Land Use and Subdivision Consents		Actual	Target
Environmental			
Administer resource consents in an efficient, timely and fair manner for landowners, developers and for the affected community and individuals.	Process non-notified land use consents, which do not require a hearing, within 20 working days.	94%	100%
	Process notified land use consents, to Council decision stage, within 70 working days.	75%	100%
	Show an improvement in customer satisfaction compared to November 2000. An average score of 7.0 for commercial applicants and 7.1 for private applicants where 1 is the lowest.	6.97	7.0
	Process subdivision applications within 20 working days.	82%	100%
Administer engineering approvals and inspections in an efficient, timely and fair manner for land owners, developers and the community which will occupy or adjoin the development in the future.	Approve engineering plans within 20 working days of receipt of accepted plans.	90%	100%
The City's environment remains satisfactory according to its residents.	Residents believe that building or land development has not made their area worse.	79%	88%

Regulatory Services (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Animal control	1,651	1,654	(3)	234	34
Building consents	4,650	4,926	(276)	72	(51)
Enforcing legislation and investigating nuisances	1,994	117	1,877	1,973	1,640
Health and liquor licensing	1,072	1,145	(73)	42	(154)
Information on regulatory functions	3,954	1,812	2,142	2,617	1,238
Land use and subdivision consents	3,560	2,683	877	668	658
Cost of service	16,881	12,337	4,544	5,606	3,365
Capital expenditure					
Renewals and replacements			26	10	
Improved service levels			15	7	
Increased demand			-	-	
Total capital expenditure			41	17	90

Explanation of Significant Cost of Service Variances

Animal control benefited from increased court recoveries for infringement notices, and lower than anticipated operating costs.

Revenue exceeded that planned due to the continued buoyancy of the building industry. Increased revenues were achieved through issuing building and subdivision consents, code compliance certificates and land information memoranda. These increased revenues were in part offset by additional staff costs and other operational costs to cope with the increased work volumes.

Significant Capital Expenditure

There were no significant items purchased.

Explanation of Significant Capital Expenditure Variances

There were no significant variances.

Streets and Transport

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 1,618 km of carriageway, 155 traffic bridges and 52 pedestrian / cycle bridges, 2,606 km of kerb and channel, and 2,299 km of sealed footpaths. Management and administration of off-street and kerbside parking facilities with city-wide enforcement of parking bylaws and regulations, utilising 2,400 metered spaces, 8 off-street parking buildings and one surface car park, and 3,348 spaces.

Contributions to Outcomes

The Streets and Transport group of activities primarily contribute to a Sustainable Natural Environment, a Prosperous City, Strong and Inclusive Communities, Healthy and Active People, a Safe City, and a Liveable City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Car Parking Services		Actual	Target
Environmental			
Off-street parking spaces are provided to remove street congestion and give motorists access to shops, businesses and attractions in the Central City.	Vehicle uses per year of the off-street car parking places.	1.76m	1.75m
	Residents satisfaction with the availability and convenience of parking within the central city.	67%	65%
Social			
Rules for on-street parking are applied fairly.	Motorists agree that the on-street parking rules are applied fairly.	51%	65%
	Paid compliance in metered areas.	51.4%	55%

Streets and Transport (continued)

Footpaths		Actual	Target
Environmental			
To provide sealed footpath networks and pedestrian areas that are safe, comfortable, convenient and clean.	Residents' satisfaction with the quality of footpaths and pedestrian areas including seats, litter bins and landscaped features.	61%	65%
	Hazardous footpath defects are made safe within 24 hrs of identification or notification. Other defects repaired within four weeks.	Not measured Not measured	100% 100%
	Renew footpath surfaces every 20 years on average.	116.1 km	113 km
	Inner City and pedestrian malls cleaned, and litter bins emptied to prevent overflowing .	94	80
Social			
Provide adequate and safe road crossing points for all users.	A downward trend in the five-year average of pedestrian casualties.	5 yr trend downward (10yr upward trend overall)	
Footpaths for recreational walking, jogging, local street events. Pedestrian amenity areas are used for entertainment and events, e.g. Cathedral Square, City Mall.	An increasing number of walking trips to work each year.	5% based on 2001 Census	
	Residents satisfied with quality of footpaths, amenity areas and furniture.	63%	60-80%

Streets and Transport (continued)

Shuttle Buses Bus Exchange and Bus Shelters		Actual	Target
Environmental			
Achieve a trend of increasing use of public transport.	Public transport usage trends upwards (trips per capita).	44	44
	Growth in public passenger transport user numbers.	3.5%	7.5%
Provide and maintain sufficient bus shelters of a suitable standard.	500 bus shelters provided by 30 June 2006.	338	350
	Residents are satisfied with the condition and appearance of the bus shelters, seats and signage.	65%	65%
Provide enough bus stops that the majority of houses in Christchurch are within walking distance.	A bus stop is within 500m of 95% of houses in Christchurch.	Achieving Target	100%
Social			
Provide a high frequency and environmentally friendly shuttle service within the Central City that is free of charge to users.	The shuttle service runs as scheduled (every 10 minutes, 7 days a week, between Hoyts 8 and the Town Hall during set hours).	Achieved	100%

Street Lighting		Actual	Target
Economic			
Efficiency of lights.	Increase in efficacy (output or Lumens, compared to input or Watts) compared to the previous year.	81.7	81.8
Environmental			
Provide a reliable street lighting system.	Percentage of lights in operation at any time.	99%	99%
Social			
Provide street lighting that improves the safety and navigation of all street users.	Residents' satisfaction with the condition and adequacy of street lighting.	78%	75%

Streets and Transport (continued)

Traffic Management		Actual	Target
Economic			
Traffic is able to move smoothly and safely.	Residents' satisfaction that rates spent on assisting traffic to move smoothly and safely represents value for money.	59%	80%
Environmental			
Provide road markings, traffic signs and traffic signals that contribute to the safety and efficiency of the roading system.	Reduction in the five year average of crashes per 10,000 people.	Achieved	
	Residents rate the City's directional signage as satisfactory or better.	85%	85%
	Broken, faded or missing signs are repaired promptly as follows: stop and give way signs within two hours, information signs within seven days and parking/bus stop signs within two weeks of identification/notification.	Achieved	100%
	Road markings are remarked every nine months.	Achieving	100%
Average response time to telephone requests for enforcement assistance.	Central City: 10-15 minutes; Suburbs: 15-20 minutes.	13 min 18 min	10-15 min 15-20 min

Underground Wiring Conversion		Actual	Target
Environmental			
Improve the streets by undergrounding of overhead wiring. Undergrounding to be done in conjunction with street renewal projects, with priority given to tourist and main traffic routes.	Undergrounding this year in conjunction with street renewal projects.	3.6 km	3km

Streets and Transport (continued)

Vehicle Ways		Actual	Target
Economic			
Roads are kept smooth to reduce the economic costs of motoring.	Portion of vehicle travel on 'smooth' roads, as defined by Land Transport NZ requirements.	87%	87%
Environmental			
Sufficient roads are provided and alternative modes of transport developed and promoted to contain congestion to acceptable levels.	Congestion on the roads does not exist outside peak periods (7-9 am and 4-6 pm), and during peak periods does not exceed 40 lane kilometres.	114 lane km	<40 lane km
Manage vehicle emissions by minimising congestion.	Volume of petrol and diesel sold in Christchurch each year increases at a slower rate than the growth in vehicle numbers.	5.8%> 2.2%	-
Roads are kept clean, contributing to an attractive landscape, and provide for stormwater runoff.	Channels, medians and islands are swept and cleaned regularly. In general, inner City roads cleaned daily, commercial areas and arterial roads once to twice weekly, urban dished channel every four weeks and urban flat channel every six weeks.	95	80
	Amount of kerb and dished channel replaced with kerb and flat channel each year, in conjunction with street renewal projects.	25.9 km	21 km
Assist in managing congestion and reducing emissions by encouraging modal change, where car use is reduced and the use of other modes of transport is increased.	Journeys to work in Christchurch city made by bus or cycle. (Actual results are estimates as Census is every 5 years).	4.7% (est.) 6.3% (est.)	6% (2011) 12% (2011)
Street renewals to improve the urban environment.	Residents' satisfaction with the results of street renewal projects.	82%	80%
Social			
Provide vehicle ways that are safe.	Hazardous defects, e.g. potholes, are made safe within 24 hrs of identification or notification. Spreading of grit for ice or bleeding bitumen within 30 min of notification. Other defects repaired within four weeks.	Not measured	100%
	Residents' satisfaction that traffic moves smoothly and safely.	71%	80%
Provide roads that are suitable for the needs of the City.	Residents' satisfaction with the quality of the carriageway, bridges and structures, kerbs and channels, and cycle ways.	67%	70%
	Residents' satisfaction they receive value for rates money spent on roads and footpaths.	76%	85%

Streets and Transport (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Car parking services	6,771	9,546	(2,775)	(3,246)	(1,086)
Footpaths	10,006	919	9,087	8,689	8,956
Shuttle, buses bus exchange and bus shelters	3,528	775	2,753	3,065	3,869
Street lighting	4,799	1,503	3,296	4,029	4,370
Traffic management	9,198	6,502	2,696	3,100	1,113
Underground wiring conversion	1,599	95	1,504	1,122	2,246
Vehicle ways	23,708	2,813	20,895	22,572	42,618
Capital revenue	1	9,199	(9,198)	(8,572)	(7,777)
Cost of service	59,610	31,352	28,258	30,759	54,309
Capital expenditure					
Renewals and replacements			26,335	16,594	
Improved service levels			7,394	11,494	
Increased demand			960	2,269	
Total capital expenditure			34,689	30,357	31,589

Explanation of Significant Cost of Service Variances

Car parking services recorded lower than planned revenues from the operations of Off Street parking facilities. This drop was partly offset by slight increased revenues for on street parking.

Streetlighting charges were also lower than plan, due to credits received from the Council's energy supplier for incorrect charges relating to the previous 5 financial years. Recoveries of traffic infringements through the Courts reduced the cost of service of Traffic management.

Higher than anticipated contract costs are the cause of the variance for Underground wiring conversion.

The significant variances in the Vehicle ways and Footpaths

activities is a result of asset write-offs and revaluations in the 2003/04 financial year. Subsequently, depreciation charges and write-offs for these asset classes for the 2004/05 financial year were well below budget. (Note - A net total of \$21.7m of Council vehicle way assets were transferred to State Highway assets, as reported in 2004 Annual Report).

Capital revenues exceeded plan as the Council delivered a higher than anticipated capital programme for 2004/05, increasing the Transfund subsidy received for the year.

Significant Capital Expenditure

There were no significant items purchased.

Streets and Transport (continued)

Explanation of Significant Capital Expenditure

Variances

Overall capital expenditure is \$4.3m more than planned. This was due to \$7.5m of uncompleted projects from the previous financial year being added to the 2004/05 capital programme. This has delayed the completion of some current year projects. \$3.3m of funds designated for these projects has been carried forward to 2005/06.

Significant differences occurred between the 3 categories of capital expenditure. The 2004/14 LTCCP included a \$13m reduction in the 2004/05 capital programme for Streets and Transport which was shown against the renewals and replacements category only. This reduction should have been spread across all categories.

Wastewater Collection, Treatment and Disposal

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 wastewater 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 22,700 manholes, 536 flush tanks and 944 km of sewer laterals. Treatment works are at Bromley and Belfast.

Contributions to Outcomes

The Wastewater collection, treatment and disposal group of activities primarily contribute to a Sustainable Natural Environment, a Liveable City, a Prosperous City, Healthy and Active People, and a Safe City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Wastewater Collection		Actual	Target
Economic			
Wastewater services are cost-effective.	Customer satisfaction that the wastewater service is value for money.	83%	90%
Environmental			
Mains blockages and overflows are responded to promptly.	Staff on-site within one hour of Council notification of blockage or overflow.	Measuring system not in place. No complaints received.	90%
Overflows are managed to acceptable environmental standards.	Incidents of wet weather overflows comply with consent conditions, that is reducing to an average of once every two years by 2013.	3	<4
Odours originating from collection system are managed and reduced.	Number of reported incidents of offensive odours from the collection system.	64	<5
Wastewater Treatment and Disposal		Actual	Target
Environmental			
Odours originating from the Treatment Plant are managed and reduced.	Number of reported incidents of offensive odours originating from the Treatment Plant.	59	<5
Discharges into the environment are managed to the appropriate environmental standards.	Quality of wastewater discharge to the estuary complies with consent conditions. No major or persistent breaches.	Persistent ammonia mass load and concentration breach	Nil

Wastewater Collection, Treatment and Disposal (continued)

Cost of Services for the year ended 30 June 2005

Activities	2005				2004
	Costs	Income	Net Cost	Plan	Net Cost
	(After Internal Recoveries)			Net Cost	
	\$000's	\$000's	\$000's	\$000's	\$000's
Wastewater collection	14,433	40	14,393	14,942	12,995
Wastewater treatment and disposal	9,362	4,090	5,272	6,028	5,493
Capital revenue	3	1,738	(1,735)	(1,470)	(1,681)
Cost of service	23,798	5,868	17,930	19,500	16,807
Capital expenditure					
Renewals and replacements			3,141	1,945	
Improved service levels			4,447	5,345	
Increased demand			4,569	3,433	
Total capital expenditure			12,157	10,723	13,185

Explanation of Significant Cost of Service Variances

Wastewater Collection costs were less than planned due to lower electricity, consultancy and maintenance costs. Wastewater Treatment and Disposal revenues were higher than planned due to additional trade waste revenues. Cost savings were generated during the year by diverting BioSolids to Burwood Landfill.

Significant Capital Expenditure

Expenditure of \$3.0m was incurred on the upgrade of Pump Station 11, along with \$0.8m on the construction of Clarifiers 3 and 4 at the Wastewater Treatment Plant. These 2 projects are due for completion in 2006.

\$1.6m was spent during 2005 on the concept and consent stages of the Wastewater Ocean Outfall Pipeline due for commissioning in 2009.

Explanation of Significant Capital Expenditure Variances

Overall capital expenditure is \$1.4m more than planned. \$3.6m of uncompleted projects from the previous financial year was added to the 2004/05 capital programme.

In addition, Council approved a further \$3.9m for Pump Station upgrade programme, as a result of significant construction cost escalations. The carryforward of uncompleted projects resulted in a delay in the completion of the current year work. As a result \$6.1m of funds has been carried forward to 2005/06

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. The water supply network comprises 1,536km of water mains, 1,457km of sub mains, 86 pumping stations and 31 reservoirs that supplies approximately 50 million cubic metres of water annually to 120,091 connections.

Contributions to Outcomes

The Water supply group of activities primarily contribute to a Sustainable Natural Environment, a Liveable City, a

Prosperous City, Healthy and Active People, and a Safe City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Supply of Water		Actual	Target
Economic			
Water supply services are cost-effective.	Water cost per connection.	\$117	<\$113
	Customer satisfaction with value for money.	94%	90%
Environmental			
High quality water is delivered to customers.	Customer satisfaction with water quality and taste.	95%	90%
	Achieving the highest Ministry of Health water grading possible without chlorination (B for source and treatment, A for the distribution system).	Not measured	B A
Managing water use to appropriate levels.	Water use is reduced to 430 litres per person per day by 2020, measured by a five year rolling average.	456 l	430 l (by 2020)
Social			
Water is delivered to customers at a suitable pressure and flow.	Customer satisfaction with pressure and flow.	90%	90%
A reliable and consistent supply of water is delivered to customers.	Customer satisfaction with the reliability and consistency of the water supply.	95%	90%
Human health is not compromised by the quality of the water supplied.	Human health incidents due to water contamination reported to the Ministry of Health.	Nil	Nil

Water Supply (continued)

Cost of Services for the year ended 30 June 2005

	2005				2004
	Costs (After Internal Recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
Activities	\$000's	\$000's	\$000's	\$000's	\$000's
Supply of water	15,533	2,137	13,396	13,274	11,814
Capital revenue	(15)	2,234	(2,249)	(1,636)	(2,111)
Cost of service	15,518	4,371	11,147	11,638	9,703

Capital expenditure

Renewals and replacements	3,327	2,865	
Improved service levels	504	689	
Increased demand	1,712	1,501	
Total capital expenditure	5,543	5,055	5,662

Explanation of Significant Cost of Service Variances

Depreciation charges for the Supply of water activity exceeded plan due to the revaluation of these assets at 30 June 2004.

Capital revenue exceeded that planned due to the continued buoyancy of the building industry. Increased revenues were achieved as subdivision growth in the city exceeded the assumption base.

Significant Capital Expenditure

There were no significant items purchased.

Explanation of Significant Capital Expenditure Variances

Overall capital expenditure is \$0.5m more than planned. This was due to \$0.9m of uncompleted projects from the previous financial year being added to the 2004/05 capital programme. This has delayed the completion of some current year projects. \$0.6m of funds designated for these projects has been carried forward to 2005/06.

Greater priority and resource has been directed into renewing and replacing assets than originally planned. This resulted in a \$0.5m variance in the Renewal and replacement category.

Waterways and Land Drainage

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. The network includes 124 kilometres of rivers, 26 pumping stations, 160 kilometres of environment asset waterway and 123 kilometres of utility waterway, 722 kilometres of stormwater drains and pipes and 44 retention basins or swales.

Contributions to Outcomes

The Waterways and Land Drainage group of activities primarily contribute to a Sustainable Natural Environment,

a Liveable City, a Prosperous City, Strong and Inclusive Communities, Healthy and Active People, and a Safe City. For a summary of the Community Outcomes refer to page 138. We have not yet measured our progress toward achieving these outcomes or identifying the effects that the activities have had on the social, economic, environmental and cultural well-beings.

A Quality of Life survey was conducted late 2004 with a national sample of 7,800 people, including 800 Christchurch residents. The results of this survey can be found at www.bigcities.govt.nz and at www.ccc.govt.nz/communityoutcomes

Performance Measures

Waterways and Wetlands Management		Actual	Target
Environmental			
Flooding is managed, to prevent inundation into dwellings, in accordance with design standards.	No dwellings constructed in accordance with design standards are inundated in residential areas.	0	0
Storm water retention and inline storage (such as ponding areas) for managing surface water are provided in new developments.	No increase in peak discharges as a result of urbanisation.	2 sub-divisions (less than 1ha) within existing urban areas where not practicable to provide stormwater storage	Nil
Managing waterways to meet drainage requirements while protecting and conserving environmental values.	Protect at least one kilometre of waterway margins per year by covenant, reserve contribution or road stopping.	940 metres	1 km
	Residents believe waterways, drains and wetlands are well looked after.	73%	70%
	Waterways cleared of vegetation at least 2 times per year, to maintain efficient drainage.	2-4 dependant on contract	2+
Social			
Provide opportunities to raise people's awareness, involve communities, and develop understanding and guardianship of waterways.	Six educational bus trips organised per year.	4	6
	At least three community groups involved in environmental monitoring and guardianship and maintenance of the WaterLink web site.	7	3+

Waterways and Land Drainage (continued)

Cost of Services for the year ended 30 June 2005

	2005				2004
	Costs (After Internal Recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
Activities	\$000's	\$000's	\$000's	\$000's	\$000's
Waterways and wetlands management	10,720	48	10,672	10,920	10,265
Capital revenue	-	469	(469)	(350)	
Cost of service	10,720	517	10,203	10,570	10,265
Capital expenditure					
Renewals and replacements			1,198	1,143	
Improved service levels			1,770	2,255	
Increased demand			4,264	3,555	
Total capital expenditure			7,232	6,953	5,748

Explanation of Significant Cost of Service Variances

There were no significant variances.

Significant Capital Expenditure

The only significant capital expenditure item was the acquisition of strategic land (\$2.7m). This was scheduled expenditure to allow for the continued growth and development of the Waterways and land drainage network in Christchurch.

Explanation of Significant Capital Expenditure Variances

More priority and resource has gone into addressing city wide growth with the provision of new assets than originally planned. This resulted in a \$0.7m variance in the Increased demand category.

Consolidating and Associated Organisations

	Income	Net Result After Tax and	
		Minority Interest	
	2005	2005	2004
	\$000's	\$000's	\$000's
City Care Limited	82,276	1,525	1,809
Christchurch City Facilities Limited	13,596	(1,884)	(2,471)
Christchurch City Holdings Limited	55,578	43,277	67,327
Christchurch International Airport Limited	71,779	16,551	14,844
Jade Stadium Limited	9,632	258	(720)
Jet Engine Facility Limited	1,808	67	(300)
Lyttelton Port Co Limited	66,547	11,826	12,020
Orion Group Limited	207,724	52,309	200
Red Bus Limited	24,351	330	1,371
Selwyn Plantation Board Limited	11,463	(1,835)	2,707
Transwaste Canterbury Limited	2,083	(224)	(298)
	546,837	122,200	96,489

City Care Limited

City Care Limited is a council controlled trading organisation, 100% owned by Christchurch City Council through Christchurch City Holdings Limited.

Nature and Scope of Activities

City Care Limited is in the business of management, construction and maintenance of New Zealand's infrastructure and amenity assets. The activities in which the company is principally involved are roading and associated services, underground services such as water and sewerage systems, parks and waterways services, facilities maintenance, waste management services and providing miscellaneous services such as project management and plant hire.

The Company operates a profitable, sustainable and innovative business and maintains a strong market presence in all areas of construction and maintenance of the infrastructure and amenity assets owned by its shareholder.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company is an important contractor to the Council ensuring that there is capacity in the market to meet the Council's emergency obligations.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Financial	Actual	Target
Net operating profit after tax of	\$1.53m	\$2.31m
Non-financial	Actual	Target
ISO 9000 Quality Management	Maintained	Maintained
ISO 14001 Environmental Management	Maintained	Maintained

Statement of Financial Performance for the year ended 30 June 2005

	2005 Actual \$000's	2004 Actual \$000's
Operating revenue	82,276	62,660
Operating and other expenses	79,951	59,935
Operating surplus before tax	2,325	2,725
Tax expense (benefit)	800	916
Net surplus for the year	1,525	1,809

Christchurch City Facilities Limited

Christchurch City Facilities Limited was incorporated as a council controlled trading organisation on 27 June 1997 100% owned by Christchurch City Council

Nature and Scope of Activities

Christchurch City Facilities Limited is a property holding and operating company for certain of the Council's specialist properties or companies. Its responsibilities include:

- The Westpac Trust Centre
- The Town Hall
- The Christchurch Convention Centre
- Overseeing the contracted management of the above facilities
- Jet Engine Facility Limited

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives for Council Ownership

The Convention Centre, Town Hall and Westpac Centre, all managed by CCFL through a contract with NCC (New Zealand) Limited, are important to the region in terms of economic development, culture and sport. The Council wishes the management of these facilities to be undertaken on a commercial and coordinated basis, and to build profitability while maintaining affordable community access. The company may also undertake other property related projects that have a commercial focus and/or a regional development impact (e.g. Jet Engine Facility Limited). Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Financial	Actual	Target
Net operating profit before depreciation	\$1.7m	\$0.9m

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Actual	Actual
	\$000's	\$000's
Operating revenue	13,596	10,661
Operating and other expenses	15,480	13,132
Operating deficit before tax	(1,884)	(2,471)
Tax expense (benefit)	-	-
Net deficit for the year	(1,884)	(2,471)

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.

Nature and Scope of Activities

Manage the Council's portfolio of shares in key regional infrastructure trading companies, including

- Advising the Council on strategic issues relating to its investments
- Monitoring the performance and governance procedures of its subsidiary companies and other council-controlled trading organizations owned by the Council
- Encouraging subsidiary companies to increase shareholder value through growth and investment.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives for Council Ownership

This enterprise is a company established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its council controlled trading organisations. The company also borrows in the capital markets to provide a cost-efficient source of funding for the Council.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Financial	Actual	Target
Dividend Payment	\$30.0	\$29.1m
Non-financial	Actual	Target
Retain at least a "AA" credit rating from the international credit rating agency Standard and Poor's.	Retained	Retained

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Actual	Actual
	\$000's	\$000's
Operating revenue	55,578	80,330
Operating and other expenses	12,318	12,869
Operating surplus before tax	43,260	67,461
Tax expense (benefit)	(17)	134
Net surplus for the year	43,277	67,327

Christchurch International Airport Limited

A 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.

Nature and Scope of Activities

The company operates Christchurch International Airport for the benefit of both commercial and non-commercial aviation users and in accordance with its aerodrome licence. The company arranges for the design, provision and maintenance of runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation of New Zealand and other airport users. The company also seeks to earn revenue by providing services and facilities meeting the needs of air travellers.

In addition to its primary business of serving the aviation industry and its customers, the company will actively market Christchurch, Canterbury and the South Island as a major

destination for overseas visitors.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Financial	Actual	Target
	\$000	\$000
Dividend Payment	9,376	8,764
Operational	Actual	Target
<i>Aircraft</i>		
Aircraft departures excluding general aviation	44,504	42,800
<i>Passengers</i>		
Domestic	4,066,665	3,906,000
International	1,489,660	1,170,000
Total passengers	5,556,325	5,076,000

Statement of Financial Performance for the year ended 30 June 2005

	2005 Actual \$000's	2004 Actual \$000's
Operating revenue	71,779	63,734
Operating and other expenses	47,594	45,060
Operating surplus before tax	24,185	18,674
Tax expense (benefit)	7,634	3,830
Net surplus for the year	16,551	14,844

Jade Stadium Limited

Jade Stadium Limited was formed in June 1998. It is a wholly owned subsidiary company to Christchurch City Council.

Nature and Scope of Activities

The company manages the affairs of Jade Stadium, a stadium with a fully seated capacity of 36,000 and wide range of international class hospitality facilities. Its activities include active promotion of the Stadium as well as its operation and maintenance.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Operational	Actual
Exceed 500,000 visitors to the Stadium per annum.	450,000+
Attract at least one additional high profile, profitable sporting fixture to the Stadium per annum.	2
Ensure a regular season National Rugby League fixture appears on the Stadium's calendar of events.	Yes
Host one international class concert every two years.	1
Host one sporting, entertainment or cultural event on average every two and a half days.	Every 2 days

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Actual	Actual
	\$000's	\$000's
Operating revenue	9,632	8,388
Operating and other expenses	9,369	9,108
Operating surplus (deficit) before tax	263	(720)
Tax expense (benefit)	5	-
Net surplus (deficit) for the year	258	(720)

Jet Engine Facility Limited

Jet Engine Facility is a council controlled trading organisation, 100% owned by the Christchurch City Facilities Limited which in turn is wholly owned by the Council. The Company was incorporated in 2003 to own and lease facilities to be used for jet engine testing at Christchurch International Airport.

The Nature and Scope of Activities and Policies and Objectives Regarding Ownership and Control are included in under these headings for Christchurch City Facilities Limited on page 127.

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Actual	Actual
	\$000's	\$000's
Operating revenue	1,808	176
Operating and other expenses	1,465	476
Operating surplus (deficit) before tax	343	(300)
Tax expense (benefit)	276	-
Net surplus (deficit) for the year	67	(300)

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.

Nature and Scope of Activities

The company provides the land, facilities, plant and labour for receiving, delivering, stockpiling, stacking and shipping a wide range of products at the port in Lyttelton Harbour; including providing facilities associated with the repair and servicing of vessels.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Operational		Actual	Target
International containers – import	TEUs*	91,620	79,300
International containers – export	TEUs*	81,110	73,000
Fuel – import	Tonnes	1,135,300	1,017,600
Coal – export	Tonnes	2,156,100	2,294,600
Cars – import	Units	51,800	48,500
Other cargo – import	Tonnes	1,107,453	989,600
Other cargo – export	Tonnes	381,748	577,900

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Actual	Actual
	\$000's	\$000's
Operating revenue	66,547	61,842
Operating and other expenses	48,499	43,727
Operating surplus before tax	18,048	18,115
Tax expense (benefit)	6,222	6,095
Net surplus for the year	11,826	12,020

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.

Nature and Scope of Activities

Plan, construct and maintain a reliable and secure electricity distribution network in the Christchurch / Central Canterbury region; a network whose capacity is matched as closely as possible to actual and forecast market demand.

The network consists of approximately 175,000 connections, approximately 12,000 km of lines and cables, and 9,500 distribution substations and pole-mounted transformers.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Operational	Actual	Target
Duration of supply interruptions in minutes per year per connected customer (SAIDI)	52	64
Number of supply interruptions per year per connected customer (SAIFI)	0.7	0.8

Statement of Financial Performance for the year ended 31 March 2005

	2005	2004
	Group	Group
	Actual	Actual
	\$000's	\$000's
Operating revenue	207,724	171,811
Operating and other expenses	133,920	151,027
Operating surplus before tax	73,804	20,784
Tax expense (benefit)	21,495	20,584
Net surplus for the year	52,309	200

Red Bus Limited

A council controlled 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.

Nature and Scope of Activities

- Providing scheduled urban public passenger transport services in Christchurch.
- Operating charter and leasing services.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The Council considers that this company is a regional strategic asset and is interested in ensuring that all its strategic assets are operated in a commercial manner, also in a way that is beneficial for the region as a whole. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To ensure that this continues the Council has a policy of maintaining a controlling interest in this company.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council, and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Operational	Actual
Carry 10,000,000 passengers per annum.	No
Operate over 50% of the current fleet with engines complying to Euro-2 emission standards or better, with all new buses meeting Euro-111 emission standards or better.	Yes

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Group	Group
	Actual	Actual
	\$000's	\$000's
Operating revenue	24,351	22,928
Operating and other expenses	24,123	21,136
Operating surplus before tax	228	1,792
Tax expense (benefit)	(102)	421
Net surplus for the year	330	1,371

Selwyn Plantation Board Limited

A company engaged in forestry related activities, jointly owned by Selwyn District Council (61%) and Christchurch City Holdings Limited (39%). Land area is 14,058HA, of which 10,177HA is stocked.

Nature and Scope of Activities

The core business of the company is to manage its forests and lands on a commercial basis using the most environmentally and commercially sustainable methods. In particular, to engage in any operations or industry relative to the planning, growing, silviculture, felling, cutting, extraction, removal, conversion, manufacture, transport, distribution, or sale of logs, timber or other forest products, and any management practices relevant to maximising land utilisation, including purchase and disposal.

The above Nature and Scope of Activities are as detailed in the Council's 2004/14 LTCCP. The activities for the year were as planned.

Policies and Objectives in regard to Ownership and Control

The City Council has a minority interest in this company and holds it for investment purposes. It does not regard it as a strategic asset.

This company has fulfilled its obligations under these policies through the provision of its Statement of Intent, as approved by Council and its half-yearly and annual reports as prescribed by Part 5 of the Local Government Act 2002.

Performance Measures

Operational	Actual	Target
Harvesting	191,208 tonnes	176,000 tonnes
Replanting	116 hectares	75 hectares
New planting	10 hectares	250 hectares
Pruning / thinning	237 hectares	185 hectares

Statement of Financial Performance for the year ended 31 March 2005

	2005 Actual \$000's	2004 Actual \$000's
Operating revenue	11,463	11,636
Operating and other expenses	8,241	8,188
Operating surplus before tax	3,222	3,448
Forest revaluation decrement	4,585	-
Tax expense (benefit)	472	741
Net surplus (deficit) for the year	(1,835)	2,707

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 construction 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%.

- Invest in due course in alternatives to landfilling for solid waste disposal should these alternatives be more environmentally sustainable and cost effective.

Policies and Objectives in regard to Ownership and Control

The City Council has a policy of maintaining a controlling interest in partnership with other local authorities in this trading activity as it is critical that it is managed to achieve not only commercial requirements, but also to achieve wider social and economic objectives.

Nature and Scope of Activities

- Develop and operate a non-hazardous regional landfill to at least the standard determined by regulatory authorities.
- Enter into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste economically and efficiently, and in compliance with relevant consents.

Performance Measures

Operational	Actual
Establish a regional landfill with all the necessary consents as soon as possible, with a target date of 31 May 2005.	8 June 2005
Operate the landfill once established with no breaches of its Resource Management Act consents.	No Breaches

Statement of Financial Performance for the year ended 30 June 2005

	2005	2004
	Group	Group
	Actual	Actual
	\$000's	\$000's
Operating revenue	2,083	-
Operating and other expenses	3,142	298
Operating deficit before tax	(1,059)	(298)
Tax expense (benefit)	(835)	-
Net deficit for the year	(224)	(298)



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WAIMAKARIRI
DISTRICT COUNCIL



RMF



ONYX
Environmental & Industrial Services

Community Outcomes

Overall the community outcomes for Christchurch are:

Sustainable Christchurch

- a city with a sustainable natural environment
- a learning city
- a prosperous city
- a well governed city

and a city

- with inclusive and diverse communities, that have a strong sense of place and identity
- with healthy and active people
- which is safe
- which is cultural and fun
- which is liveable

The tables which follow provide summary details for each outcome. The "Outcomes" column provides more detail on the outcome itself. "Challenges and Opportunities" describe the challenges and opportunities the City has for better achieving the outcome. "Council Activity Groups" describe the groups of activities the Council will provide in support of the outcome. The "Key Indicators" column identifies the kinds of indicators that will be used to measure progress towards achieving the outcomes.

A Sustainable Natural Environment

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people enjoy and value our natural environment and take responsibility for protecting and restoring it. • Our City's natural resources, biodiversity, landscapes, and ecosystem integrity are protected and enhanced. • Our people recognize that the natural environment plays a significant role in our prosperity. The whole community ensures that negative impacts on the environment are managed to maintain environmental sustainability. 	<ul style="list-style-type: none"> • Reducing what we extract from the earth's crust (fossil fuels and minerals) • Waste minimization • Protection of the natural environment • Growing motor vehicle population 	<ul style="list-style-type: none"> • Soil and water quality • Solid waste management and recycling • Climate change
	<p>Council Activity Groups</p> <ul style="list-style-type: none"> • Art Gallery, Museum and Our City • City Development • Parks and Open Spaces • Refuse Minimisation and Disposal • Regulatory Services • Wastewater Collection, Treatment and Disposal • Streets and Transport • Water Supply • Waterways and Land Drainage 	

A Learning City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people have the knowledge and skills needed to participate in society, and value lifelong learning. • Our City provides diverse opportunities for learning and innovation. • Our economy thrives on skills, knowledge and innovation. 	<ul style="list-style-type: none"> • Increase educational achievement for all • Ensure a skilled and flexible workforce • Encourage lifelong learning • Foster research, innovation and technology 	<ul style="list-style-type: none"> • Educational qualifications at all levels • Employment in research and technology • Community education and lifelong learning • Training for employment
	<p>Council Activity Groups</p> <ul style="list-style-type: none"> • Art Gallery, Museum and Our City • Community Services • Democracy and Governance • Economic Development • Library Services • Regulatory Services 	

A Prosperous City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people have access to adequate income and opportunities to contribute to the City's well-being. • Our City has the infrastructure and environment to support a job rich economy, while protecting and enhancing our essential natural capital. • Our economy is based on a range of businesses which enable wealth creation and employment opportunities for all. 	<ul style="list-style-type: none"> • Increase wealth creation • Increase number and range of quality jobs • Maintain and develop essential infrastructure • Reduce economic exclusion 	<ul style="list-style-type: none"> • Employment and income • Income and hours worked • Economic activity
	<p>Council Activity Groups</p> <ul style="list-style-type: none"> • City Development • Economic Development • Streets and Transport • Refuse Minimisation and Disposal • Wastewater Collection, Treatment and Disposal • Water Supply • Waterways and Land Drainage 	

A Well Governed City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people participate in decision making and enjoy the rights and responsibilities of living in a democracy. • Our City's infrastructure and environment are managed effectively, are responsive to changing needs and focus on long-term sustainability. • Our economy thrives on strong, proactive and ethical leadership. 	<ul style="list-style-type: none"> • Develop leadership • Improve consultation and participation • Encourage civic responsibility • Strengthen treaty relationship • Improve stewardship • Build collaborative agencies • Develop triple bottom line reporting 	<ul style="list-style-type: none"> • Community involvement in Council decision making • Council credit rating • Community confidence in Council decision making
	Council Activity Groups <ul style="list-style-type: none"> • Art Gallery Museum and Our City • City Development • Community Services • Democracy and Governance 	

A City of Inclusive and Diverse Communities

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people participate in community life, have a sense of belonging and identity and have opportunities to contribute to the City's well-being. • Our City encourages a diversity of lifestyles, and a sense of social connection, place and identity. • Our economy provides opportunities for all people to participate in wealth creation, develop a sense of belonging and make a contribution. • We recognise our bicultural heritage in our multicultural society. 	<ul style="list-style-type: none"> • Ensure a vibrant voluntary sector • Strengthen communities and neighbourhoods • Maintain and build a sense of identity and place • Reduce social inequalities 	<ul style="list-style-type: none"> • Social networks and groups • Satisfaction with the look and feel of the City, including the built environment and heritage protection • Voluntary work • Relationships with neighbours • Emotional health and well-being
	Council Activity Groups <ul style="list-style-type: none"> • Art Gallery, Museum and Our City • City Development • Community Services • Library Services • Parks and Open Spaces • Regulatory Services • Streets and Transport • Waterways and Land Drainage 	

A City of Healthy and Active People

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people live long and healthy lives. • Our City provides the natural and built environments that enable people to enjoy long and healthy lives. • Our economy is based on practices that promote and improve health. 	<ul style="list-style-type: none"> • Increase healthy lifestyles • Ensure we have healthy homes • Improve environmental health • Reduce health inequalities • Improve mental well-being • Ensure effective health services 	<ul style="list-style-type: none"> • Mortality and morbidity • Life expectancy • Air and water quality • Frequency of physical activity • Public open space, including space for sport and recreation • Confidence in the public health system
	<p>Council Activity Groups</p> <ul style="list-style-type: none"> • Community Services • Parks and Open Spaces • Refuse Minimisation and Disposal • Regulatory Services • Wastewater Collection, Treatment and Disposal • Streets and Transport • Water Supply • Waterways and Land Drainage 	

A Safe City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people are free from crime, violence, abuse and injury. • Our City's urban form and infrastructure maximise safety and security for all people from crime, injury and hazards. • Our economy invests in mitigating threats to safety and security. 	<ul style="list-style-type: none"> • Improve road safety • Reduce crime • Ensure safe neighbourhoods and children, young people and families 	<ul style="list-style-type: none"> • Perceptions of safety, including child safety • Injury and crime rates • Road safety • Environmental safety
	<p>Council Activity Groups</p> <ul style="list-style-type: none"> • City Development • Community Services • Refuse Minimisation and Disposal • Regulatory Services • Wastewater Collection, Treatment and Disposal • Streets and Transport • Water Supply • Waterways and Land Drainage 	

A Cultural and Fun City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people value leisure time and recognize that arts and leisure pursuits contribute to identity, connectedness and well-being. • Our City's infrastructure, facilities, open space and natural environments support a diverse range of arts and leisure activities. • Our economy is strengthened by the arts and leisure sectors. 	<ul style="list-style-type: none"> • Increase participation in arts and cultural activities • Encourage sense of identity through arts and leisure activities • Develop our arts and cultural infrastructure • Develop our sports and leisure infrastructure 	<ul style="list-style-type: none"> • Participation in arts and cultural activities • Size of the arts and culture industry • Availability of leisure activities
	Council Activity Groups	
	<ul style="list-style-type: none"> • Art Gallery, Museum and Our City • City Development • Community Services • Economic Development • Library Services • Parks and Open Spaces 	

A Liveable City

Outcomes	Challenges and Opportunities	Key Indicators
<ul style="list-style-type: none"> • Our people have appropriate housing and live in an attractive and well designed City and neighbourhoods. • Our City provides a choice of housing, easy mobility and access to open spaces, and a range of utilities that allow people to enjoy an acceptable quality of life. • Our economy invests in and benefits from enhancing the liveability of our City. 	<ul style="list-style-type: none"> • Ensure appropriate and affordable housing • Develop liveable neighbourhoods • Ensure an effective transport system 	<ul style="list-style-type: none"> • Housing affordability; housing crowding • Accessibility of key local services • Availability of public open space
	Council Activity Groups	
	<ul style="list-style-type: none"> • City Development • Community Services • Regulatory Services • Streets and Transport • Refuse Minimisation and Disposal • Wastewater Collection, Treatment and Disposal • Water Supply • Waterways and Land Drainage 	



“Cycle lanes were extended by 17km to about 75km around the city this year.”

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 page 50 in Volume 3 of the Council's 2004/14 LTCCP.

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 was consistent with eight of the ten Investment Objectives.

Capital Endowment Fund – Funding Allocations

	2005		2004
	Actual	Estimate	Actual
	\$000's	\$000's	\$000's
Total Available Income from Fund	3,288,819	2,582,847	2,815,310
Economic Development 70%	2,302,173	1,807,993	1,970,717
Brought forward from previous year	1,139,717	-	70,611
Available to allocate	3,441,890	1,807,993	2,041,328
Less allocated:			
Unspecified Economic Development Projects	(1,707,993)	(1,707,993)	(901,611)
CDC - New economic development initiatives	(100,000)	(100,000)	-
Prior year residual funding paid	(1,139,717)	-	-
Balance available for Economic Development Projects	494,180	-	1,139,717
Civic and Community 30%	986,646	774,854	844,593
Brought forward from previous year	593,012	-	282,278
Available to allocate	1,579,658	774,854	1,126,871
Less already allocated			
Unspecified Community Projects	-	(42,354)	-
Special Character Area Precinct Upgrade	(5,000)	-	(1,391)
City Heritage Policy	(50,000)	-	-
Canterbury Museum Trust Board Building and Development Project	(732,500)	(732,500)	(532,468)
Balance available for Civic and Community Projects	792,158	-	593,012
Total Cash Carried Forward	1,286,338	-	1,732,729

Fund Capital

	2005	2004
	Actual	Actual
	\$000's	\$000's
Fund Capital at 1 July		
Core Fund	75,353,309	75,575,200
Fluctuation Reserve	3,500,000	3,500,000
Unallocated Income	1,732,729	352,889
Total Fund Balance at 1 July	80,586,038	79,428,089
During the year:		
Total Income Received by the Fund	5,556,783	4,368,419
Less Distributed	(3,772,710)	(1,510,470)
Less Transferred to Capital for Inflation Provision	(2,230,464)	(1,478,109)
Balance to Unallocated Income	(446,391)	1,379,840
Allocation from Council's Special Dividends Received	-	(1,700,000)
Fund Capital at 30 June		
Core Fund	77,583,773	75,353,309
Fluctuation Reserve	3,500,000	3,500,000
Unallocated Income	1,286,338	1,732,729
Total Fund Balance at 30 June	82,370,111	80,586,038

CCC Equal Employment Opportunity Policy

(Reference to the Local Government Act 2002 schedule 7 clause 36(2))

Management Plan for Equal Employment Opportunities 2004/2005

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 Vision, Goals and Values. This includes eliminating barriers to the recruitment, retention, development and promotion of its employees.

Statement of objectives and service performance

Objectives

Continue focusing the organisation on diversity and its integration with the organisation's vision, goals and values.

- 1 Learning and Development
 - a. Conduct Diversity training programme for all new staff to the organisation
 - b. Develop diversity awareness tools for use in teams
- 2 Improve system for collecting EEO Statistics
- 3 Encourage a more diverse workforce within the Council
- 4 Parenting Room
- 5 Continue to support Referral Advisors.
- 6 Utilise the council's On-line recruitment system – StaffCV - to improve access to vacancies. (new)

Performance Indicators	Actual Performance
1.1 Incorporate Diversity as an element of the Healthy Workplace Strategy.	Ongoing
1.2 Profile and celebrate Diversity throughout the organisation on a regular basis.	2 events celebrated in 2005
1.3 Conduct 6 workshops by June 2005.	1 per month completed
1.4 Diversity tools are available through HR Team.	Completed
1.5 Develop web-based database. Review conducted after 6 months of operation.	Process now set up to collect and report as required on HRIS
1.6 2 Units pilot different ways of recruiting to encourage diverse groups within the community to apply for Council jobs.	StaffCV On-line recruitment system implemented
1.7 Target the advertising of jobs to a wider community base.	7 Talent Pools live on StaffCV. Every vacancy is now advertised internally or externally. New Collective Agreement now requires all selection decisions be based on merit.
1.8 Monitor and evaluate use of the parenting room.	Ongoing utilisation
1.9 Ensure that 4 meetings per year are held for information sharing, networking and skills development.	Incorporated in ongoing Learning and Development programme
Conduct Treaty Workshops on regular basis for all staff	4 Treaty Workshops delivered
Continue membership and support of EEO Trust	Hosted EEO Trust launch of Diversity Game. 45 people from Christchurch businesses attended.

Trading Enterprises and 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)	Oscar Alpers (Cr) ▼
Craig Boyce	Graham Condon (Cr) ◆
Barry Corbett (Cr) ◆	Pat Harrow (Cr) ▼
Bruce Irvine	Alistair James (Cr) ▼
Garry Moore (Mayor)	Barbara Stewart (Cr) ▼
David Stock	Sue Wells (Cr) ◆

Christchurch International Airport Limited (75% owned)

Syd Bradley (Chair)	Sue Sheldon
Jim Boulton	Phillip Carter ■
William Johnstone ☼	Denis O'Rourke (Cr)
Gail Sheriff (Cr) ✓	

Orion Group (87.625% owned)

Linda Constable (Chair)	Craig Boyce
John Dobson	Don Elder
George Gould	Peter Rae
Gail Sheriff (Cr) ■	Sue Wells (Cr) ◆

Lyttelton Port Company Limited (65.328% owned)

Barney Sundstrum (Chair)	Rodger Fisher
Alan Grant	Bill Luff
Sue McCormack	Donald Stewart

Red Bus Limited (100% owned)

Peter Rae (Chair)	Ann Urlwin (Chair) ✕
Gregory Campbell	Evan Frew
Ishwar Ganda (Cr) ◆	Barry McFedries
Christine Williams (Cr) ■	

Selwyn Plantation Board Limited (39.32% owned)

Doug Marsh (Chair)	Allan Berge
Peter Coakley	Graham Heenan
Heather Wild ▲	Christine Williams (Cr) ●

City Care Limited (100% owned)

David Spence (Chair)	Tony King
Derek Crombie	Bob Foster ⚡
Richard Lauder	Doug Marsh ⚡
Hugh Martin ■	Trevor Thornton ✕
Ron Wright (Cr) ◆	

Jade Stadium Limited (100% owned)

Hanlin Johnstone (Chair)	Paddy Austin (Cr) ◆
Vicki Buck ◆	Barry Corbett (Cr) ◆
David Cox (Cr) ■	Christopher Doig ■
Dominique Dowding ■	Bruce Irvine
Simon Mortlock ■	

Christchurch City Facilities Limited (100% owned)

Bruce Irvine (Chair) ☆	Peter Taylor ◆
Graham Condon ◆	David Cox (Cr)
Christopher Doig ■	Dominique Dowding
Hanlin Johnstone	Simon Mortlock

Jet Engine Facility Limited (100% owned)

Peter Taylor (Chair)	Paddy Austin (Cr)
Craig Boyce	Simon Mortlock

Transwaste Canterbury Limited (37.85% owned)

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

▼	resigned 8 December 2004
◆	appointed 8 December 2004
*	resigned 16 March 2005
⚡	appointed 18 March 2005
●	resigned 31 March 2005
▲	resigned 30 November 2004
◆	resigned 21 March 2005
■	appointed 21 March 2005
✓	resigned 7 March 2005
☼	appointed 1 June 2005
✕	resigned 22 October 2004
⚡	resigned 29 October 2004
✕	appointed 29 October 2004
☆	appointed 1 March 2005
◆	resigned 1 March 2005

