

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	2004
	Actual	Actual
	\$000's	\$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	2004
	Actual	Actual
	\$000's	\$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%.

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.

- 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.

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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