

# Organisation chart

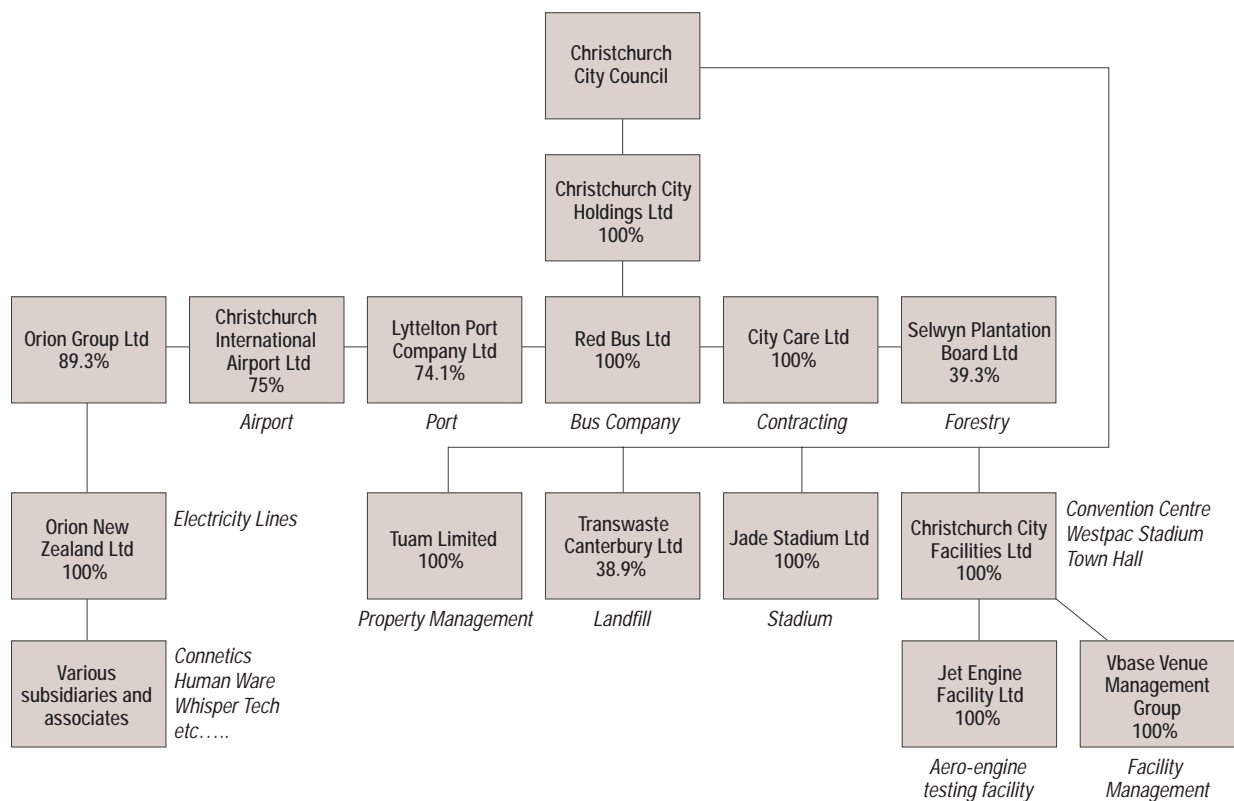
## Council-controlled organisations

The Council holds controlling stakes in a number of trading companies which form part of the city's key infrastructure, including the port and airport, electricity delivery, public transport and general city facilities such as the Convention Centre, Jade Stadium and Westpac Centre. These council-controlled trading organisations are managed for the long-term benefit of the community and aim to help ensure a healthy regional economy. Together, these companies pay over \$30 million a

year to the Council in dividends and so help reduce the Council's reliance on rates to fund its activities. Over the last 11 years, the companies have also paid to the Council some \$450 million in special dividends and capital returns.

The trading companies are run commercially, at arms' length from the Council.

### Christchurch City Council Group Structure



## Summary of financial results of consolidating council-controlled organizations

	Income		Net Result After Tax and Minority Interest	
	2006 \$000's	2005 \$000's	2006 \$000's	2005 \$000's
Christchurch City Facilities Limited	14,436	15,404	(2,710)	(1,816)
Christchurch City Holdings Limited	43,013	55,578	29,558	43,277
Christchurch International Airport Limited	75,091	71,779	15,159	16,551
City Care Limited	99,303	82,286	3,353	1,525
Jade Stadium Limited	8,631	9,632	(91)	258
Lyttelton Port Company Limited	79,308	66,547	10,059	11,826
Orion Group Limited	197,999	207,724	34,131	52,309
Red Bus Limited	28,562	24,351	821	330
Selwyn Plantation Board Limited	21,512	11,618	3,708	(1,835)
Transwaste Canterbury Limited	22,375	2,091	2,354	(298)
Tuam Limited	-	-	(2)	-

## Individual organisation descriptions

### Christchurch City Facilities Limited

Christchurch City Facilities Limited was incorporated on 27 June 1997 and is 100% owned by Christchurch City Council.

Subsidiary companies

Jet Engine Facility Limited

Vbase Venue Management Group

#### Nature and scope of activities

CCFL is a property holding and operating company for certain Council-owned specialist properties or companies. Its responsibilities include:

The Westpac Trust Centre

The Christchurch Town Hall

The Christchurch Convention Centre

Jet Engine Facility Limited

#### Policies and objectives for ownership and control

The Convention Centre, Town Hall and Westpac Centre 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.

#### Key performance indicators

Financial	Actual	Target
Net operating profit before depreciation	\$1.6M	\$0.9M

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	14,436	15,404
Operating and other expenses	16,374	16,944
Operating deficit before tax	(1,938)	(1,540)
Tax expense (benefit)	(341)	276
Net deficit for the year	(1,597)	(1,816)



## Christchurch City Holdings Limited

This company is 100% owned by Christchurch City Council.

### Subsidiary companies

- Orion Group Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Red Bus Ltd
- City Care Ltd

### Associate Companies

- Selwyn Plantation Board Ltd

### Nature and scope of activities

CCHL manages the Council's portfolio of shares in key regional infrastructural trading companies. Its activities include:

Advising the Council on strategic issues relating to its investments;

Monitoring the governance and performance procedures of its subsidiary companies and other council-controlled trading organisations 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 ownership and control

This company was 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. CCHL 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.

### Key performance indicators

Financial	Actual	Target
Dividend payment	\$47.3M	\$29.1M

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	43,013	55,578
Operating and other expenses	13,398	12,318
Operating surplus before tax	29,615	43,260
Tax expense (benefit)	57	(17)
Net surplus for the year	29,558	43,277

# Individual organisation descriptions

Christchurch International | **airport**  
Limited

## 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

Christchurch International Airport Limited operates the airport for the benefit of 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. It 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 promotes 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 for 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.

### Key performance indicators

	Actual	Target
Dividend payment	\$9.9M	\$8.8M
<i>Aircraft</i>		
Aircraft departures excluding general aviation	38,627	42,800
<i>Passengers</i>		
Domestic	3,973,139	3,906,000
International	1,499,023	1,170,000
Total passengers	5,472,162	5,076,000

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	75,091	71,779
Operating and other expenses	52,346	47,594
Operating surplus before tax	22,745	24,185
Tax expense (benefit)	7,586	7,634
Net surplus for the year	15,159	16,551



## City Care Limited

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

### Nature and scope of activities

City Care Limited manages, constructs and maintains infrastructure and amenity assets throughout New Zealand. The company is mainly involved in roads 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.

City Care Limited operates a profitable, sustainable and innovative business. It maintains a strong market presence in all areas of construction and maintenance of the infrastructure and amenity assets owned by its shareholder, the Council.

City Care ensures there is capacity in the market to meet the Council's emergency obligations.

### Policies and objectives for 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.

### Key performance indicators

	Actual	Target
Operating revenues	\$99.3M	\$87.4M
Net surplus	\$3.4M	\$3.0M
Shareholders' funds to total assets	50%	40%
ISO 9000 Quality Management	Maintained	Maintained
ISO 14001 Environmental Management	Maintained	Maintained
NZS 4801 Health and Safety Management	Maintained	Maintained
ACC Tertiary Health and Safety Management	Maintained	Maintained

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	99,303	82,276
Operating and other expenses	97,763	79,951
Operating surplus before non-recurring items and taxation	1,540	2,325
Non-recurring capital gain on sale of business	2,314	-
Operating surplus before taxation	3,854	2,325
Tax expense (benefit)	501	800
Net surplus for the year	3,353	1,525

# Individual organisation descriptions



## Jade Stadium Limited

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

### Nature and scope of activities

This company manages the affairs of Jade Stadium. This venue has a fully-seated capacity of 36,000 and a wide range of world-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 for 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.

### Key performance indicators

	Actual	Target
Exceed 500,000 visitors per annum.	414,050	500,000
Attract at least one high profile, profitable sporting fixture per annum.	1	1
Ensure a regular season National Rugby League fixture appears on the calendar of events.	1	1
Host one international class concert every two years.	Not achieved	1
Host one sporting, entertainment or cultural event on average every 2.5 days.	Achieved	Achieved

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	8,631	9,632
Operating and other expenses	8,652	9,369
Operating surplus (deficit) before tax	(21)	263
Tax expense (benefit)	70	5
Net surplus (deficit) for the year	(91)	258



## Lyttelton Port Company Limited

This company was established under the Port Companies Act 1988 and operates the Port of Lyttelton. Through Christchurch City Holdings Limited, the Christchurch City Council has 74.1% control. However, it should be noted the company is not a council controlled organisation within the meaning of the Local Government Act 2002.

### Nature and scope of activities

This 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. Its activities also include 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 for 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.

### Key performance indicators

	Actual	Target
International containers - import (TEUs)	95,717	79,300
International containers - export (TEUs)	85,404	73,000
Fuel - import (tonnes)	1,104,500	1,017,600
Coal - export (tonnes)	2,505,100	2,294,600
Cars - import (units)	44,300	48,500
Other cargo - import (tonnes)	1,027,600	989,600
Other cargo - export (tonnes)	302,200	577,900

### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	79,308	66,547
Operating and other expenses	63,287	48,499
Operating surplus before tax	16,021	18,048
Tax expense (benefit)	5,962	6,222
Net surplus for the year	10,059	11,826



# Individual organisation descriptions



## Orion Group Limited

Orion Group Limited is an energy network management company in which the Christchurch City Council has an 89.3% shareholding through Christchurch City Holdings Limited.

The network's capacity is matched as closely as possible to actual and forecast market demand for electricity.

Orion's network consists of approximately 175,000 connections, 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.

## Subsidiary companies

Connetics Ltd  
Orion New Zealand Ltd  
Orion NZ Ventures Ltd  
Orion (Whisper Tech) Ltd  
WhisperGen Ltd  
WhisperGen (U.K.) Ltd  
WhisperTech JV

## Policies and objectives for 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.

## Associate companies

Energetics Pty Ltd  
4rf Communications Ltd  
WhisperTech Ltd

## Nature and scope of activities

Orion plans, constructs and maintains a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region.

## Key performance indicators

	Actual	Target
Duration of supply interruptions in minutes per year per connected customer (SAIDI)	64	<67
Number of supply interruptions per year per connected customer (SAIFI)	1	<0.9

## Statement of Financial Performance for the year ended 31 March 2006

	2006 Group Actual \$000's	2005 Group Actual \$000's
Operating revenue	197,999	207,724
Operating and other expenses	143,443	133,920
Operating surplus before tax	54,556	73,804
Tax expense (benefit)	20,425	21,495
Net surplus for the year	34,131	52,309



## Red Bus Limited

This company is 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.

### Subsidiary company

CTL Properties Limited

### Nature and scope of activities

Red Bus Limited provides scheduled urban public passenger transport services in Christchurch. It also operates bus 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 for 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.

### Key performance indicators

	Actual	Target
Carry 10,000,000 passengers per annum.	12,000,000	10,000,000
Operate over 50% of the current fleet with engines complying to Euro-2 emissions standards or better, with all new buses meeting Euro-111 emission standards or better.	Achieved	Achieved

### Statement of Financial Performance for the year ended 30 June 2006

	2006	2005
	Group Actual \$000's	Group Actual \$000's
Operating revenue	28,562	24,351
Operating and other expenses	27,276	23,794
Operating surplus before tax	1,286	557
Tax expense (benefit)	465	227
Net surplus for the year	821	330

# Individual organisation descriptions



## Selwyn Plantation Board Limited

This company is engaged in forestry related activities, and is jointly owned by Selwyn District Council (60.7%) and Christchurch City Holdings Limited (39.3%). 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 environmentally and commercially sustainable methods.

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 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.

### Key performance indicators

	Actual	Target
Harvesting (tonnes)	267,445	176,000
Replanting (hectares)	15	75
New planting (hectares)	14	250
Pruning/thinning (hectares)	210	185

### Statement of Financial Performance for the year ended 31 March 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	21,512	11,618
Operating and other expenses	11,301	8,396
Operating surplus before tax	10,211	3,222
Forest revaluation decrement	6,383	4,585
Tax expense (benefit)	120	472
Net surplus (deficit) for the year	3,708	(1,835)



### 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. The landfill was opened on 8 June 2005. 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 38.9%.

economically and efficiently, and in compliance with relevant consents.

Transwaste will invest in alternatives to landfills for solid waste disposal should these alternatives be more environmentally sustainable and cost effective.

#### Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

#### Policies and objectives for 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.

The company enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done

#### Key performance indicators

	Actual	Target
Operate the landfill with no breach of its Resource Management Act consents.	Achieved	Achieved

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	22,375	2,091
Operating and other expenses	20,021	2,389
Operating surplus (deficit) before tax	2,354	(298)
Tax expense (benefit)	-	-
Net surplus (deficit) for the year	2,354	(298)

## Individual organisation descriptions

### Tuam Limited (previously Travis Finance Limited)

This company is a council controlled trading enterprise, 100% owned by Christchurch City Council. After being dormant for several years, it was reactivated in June 2006. On 28 June 2006, the company changed its name to Tuam Limited, and on 30 June 2006 the company purchased the Civic offices and associated property from the Council. Tuam Limited will lease the Civic offices to the Council.

#### Nature and scope of activities

- To own and manage the existing Civic building and related Tuam Street properties, and lease them to the Council, and
- To construct, own and lease the proposed new civic building to the Council.

#### Policies and objectives for ownership and control

This company owns former Council property that the Council wants managed on a commercial and co-ordinated basis. Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

#### Key performance indicators

	Actual	Target
Ratio of shareholders' funds to total assets	3.2%	3.4%
Complete the purchase of the Tuam Street properties from Christchurch City Council and enter into an agreement to lease with the Council.	Achieved	Achieved

#### Statement of Financial Performance for the year ended 30 June 2006

	2006 Actual \$000's	2005 Actual \$000's
Operating revenue	-	-
Operating and other expenses	2	1
Operating deficit before tax	(2)	(1)
Tax expense (benefit)	-	(1)
Net surplus (deficit) for the year	(2)	-



### Central Plains Water Trust

The Central Plains Water Trust was established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of Central Canterbury's water resource.

It continues the work of the Central Plains Water Enhancement Steering Committee to develop proposals for a large scale community water enhancement scheme providing water for irrigation between the Rakaia and the Waimakariri Rivers.

Trustees of the Central Plains Water Trust were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngai Tahu.

### Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme, and to hold these consents for the use of Central Plains Water Limited.

### Policies and objectives for ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council, through its involvement with the Trust, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

### Key performance indicators

	Actual	Target
Obtain resource consents for water use and irrigation by 2009.	In progress	Achieved

# Individual organisation descriptions



City Care Limited



Orion Group Limited



Jade Stadium Limited



Red Bus Limited



Selwyn Plantation Board Limited



Central Plains Water Trust