

## MEETING THE CHANGING NEEDS OF A RAPIDLY GROWING CITY

### Introduction

This 1997 version of the Council's Plan summarises the services which the Council intends to provide and the projects it plans to implement for the 12 months from July 1997. It also provides an outline of the Council's general intentions for the four years following that. At this stage the Plan has been adopted by the Council as a draft for public consultation over a period of some four weeks during May and June 1997.

We really do want to receive comments from individuals and groups on the Plan. These may relate to specific proposals or the Council's wider objectives and strategic policies: expressions of support, statements of concern and proposals for deletions, additions or changes.

Please see the inside front cover which explains the different ways in which you can express your views as part of this process.

### Plans Reflect the Wider Context

Much of the debate which occurs annually surrounding the Plan tends to focus on specific projects or programmes. This is quite appropriate and reflects the format in which the Plan is prepared, but debate on the wider underlying objectives is also welcomed. The Plan reflects the Council's vision for the future of Christchurch and its judgement as to the way in which changing needs and demands of the community should be accommodated. It provides both for 1997/1998 and subsequent years for significant improvements in the environment of the city and the lifestyle which Christchurch people enjoy.

The Council's policy making processes must take account of the changes taking place in the city, and Christchurch is changing rapidly. Two key areas of change are population growth and consequent construction on the one hand and economic activity on the other.

### 21,000 Population Growth over 5 Years

The city's population increased by 21,111 between the 1991 and 1996 Censuses. Only Auckland and Manukau Cities have increased by a larger amount and, significantly, Christchurch has grown more than North Shore and Waitakere Cities which are both regarded as key growth areas within Greater Auckland. The increase in population in Christchurch and the four Auckland Council areas is very much greater than any other cities in New Zealand.

One of the implications of this is that the City Council must ensure that provision is made to ensure that Christchurch's services keep pace with this growth so that the problems faced in the Auckland area of inadequate roads, inadequate water supply and inadequate drains and sewage treatment are not replicated in our city.

As far as it can, the Council's planning reflects this issue although there is a concern that congestion, environmental and safety problems will increasingly grow on Christchurch roads because central government agencies are giving insufficient priority to funding of transportation in this city.

The construction of new homes remains high in Christchurch. In 1996 there were 116,000 dwellings in the city and projections suggest that this will increase by almost 20% to 140,000 over the next two decades. It is becoming evident that the provision of land for urban development in existing and proposed district plans for Christchurch and neighbouring authorities is likely to be inadequate to meet needs over this period. As a result the City Council has begun working with surrounding districts and the Canterbury

Regional Council to ensure that significant future land shortages are avoided.

### Christchurch Economy Grows 19% in 4 Years

Christchurch benefited from a sustained period of real economic growth in the four years between 1992 and 1996. Estimates of the region's share of gross domestic product suggests that the Christchurch economy grew 19% in the four years to March 1996.

The growth over the last five years has been, in historical terms, very rapid and most commentators seem to believe that Christchurch will see further significant increases in its economy over the next few years.

One of the City Council's main strategic objectives is to support the growth of the Christchurch economy especially insofar as it leads to increasing jobs. Unemployment has remained stubbornly high despite the strong growth in the economy's output.

During the last four years the City Council's operating expenditure has increased in real terms by 6.6%. However the Council's share of the city's economic activity is estimated to have fallen from 2.38% in 1993 to 2.10% in the current year. That is, the share of production that the City Council must take out of Christchurch to fund its operating expenditure has fallen by 11.8% over four years.

The Council is acutely aware that its expenditure (and its rates) must not become a burden on Christchurch people and the local economy; at the same time growing pressures and growing needs in areas such as road traffic and community leisure will not be met and growing aspirations in areas such as environmental quality and safety will not be accommodated without programmes many of which will increase expenditure. The City Council is a main provider of much of the physical and social infrastructure which helps make Christchurch a great place to live and do business.

The Council must continue to meet needs and improve standards in the city sufficiently fast to encourage progress and growth.

### City Infrastructure will meet Growth Pressures

During the last 18 months a complete review has been undertaken of service standards for all of the Council's main infrastructure functions. This exercise known as the 'Asset Management Review' has involved looking in detail at the costs and benefits of different 'levels of service' for assets such as roads, water supply and parks.

To take a simple example four different 'levels of service' were analysed for footpaths in the city. The current level of service would see all existing footpaths resurfaced in 18 years. An improved standard would be achieved by spending an additional \$280,000 each year, thereby resurfacing all footpaths within a 16 year cycle. Other alternatives such as reducing standards and resurfacing paths every 22 years, thereby saving \$300,000 per annum, were also considered. (In this particular case the Council favours the 18 year standard.)

Some of the main changes resulting from this Asset Management Review are as follows:

The major changes resulting from the Asset Management Review process includes the provision of funding for:

- A major upgrade of the capacity, discharge quality and odour control at the Bromley Treatment Plant. The Plant receives the majority of the liquid waste from residences and businesses around Christchurch.

## MEETING THE CHANGING NEEDS OF A RAPIDLY GROWING CITY

- Starting a major programme of protecting, stabilising, improving and revegetating Christchurch's waterways and wetlands to provide an environmentally sustainable asset condition.
- Increasing the rate of land purchase for new sports grounds, new cemeteries, neighbourhood parks and natural areas such as the Port Hills.

The review has also concentrated on the rate of renewal of existing assets such as kerb and channels, watermains, sewer pipes and recreation assets such as playgrounds. This has resulted in some substantial decreases in renewal programmes, as some of our major assets last longer than was previously thought.

A detailed report on the Asset Management Review and the service standards which the Council is proposing to adopt has been prepared as a basis for consultation with the community and is available in parallel with this Plan.

### What will Christchurch be like in 2005?

As part of this year's planning cycle the Council considered in a series of workshops what the city would be like in the year 2005. The exercise looked at all aspects of life in the city: people at home, work and leisure, the local economy, transportation and energy issues, the natural and built environment and relationships between individuals and groups within the community.

The over-riding conclusion was a concern that if current trends and pressures continue then a growing number of people and groups within Christchurch will find it increasingly hard to fulfil their personal aspirations for a worthwhile, healthy and happy way of life and contribution to society. This is likely to be not only unacceptable for the individuals in question but would have significant impacts on the community at large.

The concerns relate to the possibility of individuals and groups within our community having increasing difficulty in coping with the necessarily increasing pace of change in their lives. Some of the results of this would be escalating concern about public safety, crime and increased anti-social behaviour among all groups but especially children and young people.

It must be emphasised that these concerns relate to trends which are nation-wide and to some extent global. The Council's objective is to minimise the risk of escalating problems in Christchurch, even if such pessimistic scenarios eventuate elsewhere.

The City Council does not accept that it has sole responsibility for addressing this issue. It is vital that central government exercises leadership and also that the community at large, including a very wide range of voluntary groups and the commercial sector recognise that they have a role to play. The Council's primary role will be that of a catalyst and facilitator, although at the margin the Council sees its role as making targeted interventions especially to support initiatives developed within the voluntary sector of the community.

A focus on this issue will continue to be a priority for the Council for the foreseeable future. As a result of the increasing emphasis placed on it, the following new initiatives have been included in this Plan:

- Joint programmes with Central Government to provide supervised work placements for 'high risk' young people; and to 'case manage' and support mature unemployed to return to the work place.
- An initiative supported by Central Government and the Southern Regional Health Authority to provide workers attached to schools to work with 'at risk' children and their families.
- Provision of support funding for community development facilitators to strengthen community ties and support community activities.
- Provision for the establishment of a youth advocate.
- Funding (jointly with the Trust Bank Trust, Central Government and the RHA) of early intervention projects that identify and support 'at-risk' preschool children and their families.
- Working with the Crime Prevention Unit and the Trust Bank Trust to fund programmes to turn around the behaviour of primary school aged disruptive children and truants.

### Continuing Progress in Priority Areas

The above comments focus on areas of changing priority and new initiative. These are additional to and not at the expense of the policy directions and initiatives which the Council has developed over the last five years. These have been outlined in some detail in earlier editions of the Council's Plan; the following is a brief summary:

- A capital programme of some \$40M per annum committed to **improving the city's basic infrastructure**. This involves hundreds of local schemes, the implementation of which is overviewed by the community boards. High quality roads, parks and basic services are a principal priority.
- **An environmentally sustainable city.** The planning of the last two years for a major kerbside recycling initiative will come to implementation during the latter half of this next year. In partnership with the private sector and environmental interest groups the Council is establishing the Recovered Materials Foundation. It will focus on finding the most effective way of reusing and recycling materials, where possible by seeding new technology and processes which will provide employment opportunities in Christchurch. Trials undertaken during the last year on use of organic and/or non chemical spray treatments for roadside weeds have indicated that there are no quick and easy alternatives to inorganic sprays; this Plan provides for the trials to be continued.
- **A child friendly city.** Implementation of the Council's children's strategy continues with further investments in initiatives such as cycle routes to schools and the Library's pre-school outreach programme.
- **A vibrant city centre.** This continues to be a principal objective of the Council and the Plan provides for a continuation of environmental improvements, notably the refurbishment of Cathedral Square, also central city marketing and other initiatives aimed at encouraging Christchurch people to continue to see the city centre as the heart of the community.
- **Facilities to meet changing demands.** The 7,100 seat Sport and Entertainment Centre is now under construction at Addington. Implementation of modern library and swimming pool facilities in those parts of the city which are currently poorly served is continuing. Construction of a new city art gallery on the corner of Worcester Boulevard/Montreal Street programmed to start in the year 2000, remains in the Plan.

## MEETING THE CHANGING NEEDS OF A RAPIDLY GROWING CITY

- **Access for All.** The Plan also continues to address some of the imbalances in the distribution of facilities and standards of services around the city, which is an important equity issue.

### Financing and Funding Issues

Funding of the Council's operating and capital programme is derived from the following main sources:

- Operating Revenues
- Dividends
- Rates
- Debt

Operating revenues have been increased in a number of areas and this source of revenue is up by 10.5% compared to 1996/97.

The Council intended to publish its Draft Funding Policy for consultation with the 1997 Plan ahead of the statutory requirement of 1 July 1988. Work is almost complete on this policy but in the interests of ensuring that it is soundly reviewed it has now been decided to publish it in August/September and have a separate public consultation process.

A significant increase is provided for dividend income this year. The majority of the Council's dividend income is received through Christchurch City Holdings Limited. The increase reflects two elements:

- increased dividends from trading subsidiaries
- dividends paid from reserves totalling \$1.9M.

The Council anticipates a growing level of dividends over the next few years due to such factors as increased ratio of dividends to profit, increased rates of return on assets employed and increased profitability. These three factors affect each company to differing degrees. While the Council

primarily holds its investment in these companies to protect the community's interest in these important utility services, it considers that reasonable rates of return should be received to ensure that the companies strive to maximise operating efficiencies and have sufficient resources to finance their own capital needs. In respect of Southpower, the Council is well aware of the public sensitivity to this issue and has taken care to ensure that for 1997 a modest 5% Accounting Rate of Profit is targeted on distribution assets. In comparison to the return expected throughout the industry, this is considered to be very modest.

Dividend projections are conservatively assessed to protect the Council from fluctuations from budget and Christchurch City Holdings Limited holds reserves to cope with such fluctuations. These reserves are now sufficient to enable special dividends of \$1.9M to be paid in 1997/98.

Although the Council continues to borrow for a portion of its capital programme, the Council has once again produced a plan which has a sustainable financial basis. The 20 year financial model maintained by the Council shows that, in spite of projected increases in interest rates, debt can be maintained within the financial parameters which were established in 1994. The Council's finances are very soundly based.

### Christchurch: A Great Place to Live

In short, the Council's main aim is to make sure that Christchurch continues to be a great place to live, not just over the next 12 months but also in the rapidly changing circumstances of the next 10 years. This is important in itself and is also important because it will continue to make Christchurch an attractive place for investment and so for growth in jobs and wealth.

Vicki Buck  
MAYOR

David Close  
CHAIR, STRATEGY &  
RESOURCES COMMITTEE

Mike Richardson  
CITY MANAGER

### Other Strategy & Resources Committee Members

Oscar Alpers  
Carole Evans  
Gordon Freeman  
Pat Harrow  
Ian Howell

Alistair James  
Garry Moore  
Margaret Murray  
Dennis O'Rourke  
Ron Wright