

This Strategic Statement sets out the Vision, Strategic Objectives and broad policy directions of the City Council. These underpin the detailed programmes and list of projects which the Council plans to implement during the 1998/99 financial year. This more detailed information is in Volume 2, "1998 Annual Plan".

Also included within this Strategic Statement is the detail of two important policy statements which the Council is now required to publish. These are the Long Term Financial Strategy—Page 27 (*much of which has been included in previous Annual Plans*) and the Council's Funding Policy—Page 49.

Plan reflects the wider context

Much of the debate on each year's Plan tends to focus on specific projects or programmes. Generally these reflect the Council's vision for the future of Christchurch and its judgement as to the way in which the changing needs and demands of the Community should best be met. It is acknowledged that the vision and strategic objectives contained in this volume are written at a level which is not always easy to come to terms with, yet at the same time this is the context against which specific programmes and projects are prioritised.

The Council's policy making processes must take account of the changes taking place in the city, and Christchurch is changing rapidly. Population growth and consequent construction are significant change drivers.

21,000 Population growth over 5 years

The city's population increased by 21,111 between 1991 and 1996 census. Only Auckland and Manukau cities have increased by larger amounts 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.

Population projections suggest that the number of residents in the city will increase by a further 13,500 between 1996 and 2001.

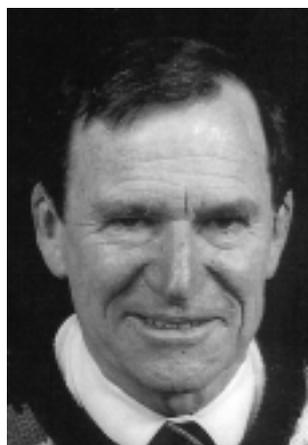
A key element of the City Council's vision is to invest sufficient in the provision and upgrading of infrastructure to make sure that Christchurch's services keep pace with this growth so that problems faced in other parts of New Zealand, such as inadequate roads, water supply or sewerage treatment, do not occur in Christchurch.

The rate of construction of new homes remains high in the city. The 1996 census showed 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.

Introduction



Vicki Buck
Mayor



David Close
Chairman
Strategy & Resources
Committee



Mike Richardson
City Manager

Introduction

continued

City infrastructure

will meet growth pressures

The City Council has completed a review of the service standards of all Council's main infrastructure assets. This exercise known as the "Asset Management Review" has involved looking in detail at the cost and benefits of different levels of service for assets such as roads, water supply and parks. A major round of public consultation was undertaken on these Asset Management Plans during 1997. It was focused around the publication of a discussion document "Your City – Your Choice". The public response to the plans was one of general support for the service standards proposed with the exception of the standard which was proposed as acceptable for kerb and channel renewal. The Council has resolved to reconsider this standard in the 1999 Annual Plan round, to see whether an increase can be funded.

What will Christchurch be like in 2005?

The current Council undertook a scenario planning process to consider 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 overriding 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 a 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 increasing 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 these issues. Central Government must also exercise leadership; and so must the community at large, a very wide range of voluntary groups, and the commercial sector.

The Council's determination to achieve good outcomes in these areas is reflected in the development of its policies on social well-being, community development and Children (See Page 13). These policies in turn have been translated into a number of specific programmes within the Annual Plan, several of which are joint initiatives with the Community Sector or Central Government.

Jobs and economic growth

The Christchurch City Council continues its strategy of seeking to be active in supporting growth of the local economy, in particular growth which leads to new jobs. The Strategic Objectives for this area are listed on Page 16. In total some \$8.4 million of expenditure is planned to be devoted to economic development and employment activity during the next financial year. Detailed policy statements and business strategies have been developed by Council's partners/contractors in these areas: the Canterbury Development Corporation, Canterbury Tourism Council and NCC (NZ) Ltd the operators of the Convention Centre/Town Hall/Westpac Trust Centre.

Environmental excellence

Council's Environmental Policy (Page 15) has been backed by a range of major initiatives at the programme and project level.

The protection of Travis Wetland, the last remaining such habitat in the city, was recently ensured by Council's purchase of a large block of land which would otherwise have seen housing development. The Wetland is 130 hectares and there are plans to link it south to the estuary and north to Brooklands Lagoon by green corridors.

The ongoing Asset Management Programme includes the return of open drains to a natural state with contouring of banks and waterside planting to restore ecological systems which had been lost for decades in the city. The return of birds and fish has been observed already in many places.

Details of the city-wide recycling scheme which starts in May 1998 and the associated work on reuse of recovered material are included in Volume 2 of this Plan.

Alongside the Strategic Planning process set out in these documents is the City Plan prepared under the Resource Management Act. Hearing of submissions on the new City Plan started in October 1996 and will be completed by September 1998. This is a huge task involving two panels of elected members, supplemented by representatives from Ngai Tahu, each sitting for 3 days a week. When the process is completed there will be literally tens of thousands of pages of analysis and argument to support the objectives, policies and rules in the new City Plan. This is one of the fundamental processes ensuring that future generations will continue to regard Christchurch as a great city in which to live.

Guarantee of

long term financial security

The City Council first included a 20 year financial model within its Plan in 1994. Following the requirements of the Local Government Amendment Act No. 3 1996 this has been supplemented and structured into the "long term financial strategy" (Pages 27–47).

The long term strategy shows that current plans will give overall rate increases of between 1.95% and 2.92% over the next four years, even after allowance for inflation at 2% per annum. With this level of rate increase Council's budget surplus

will rise to a little over \$4 million from 1999/00 onwards. This is in marked contrast to the situation Council faced when long-term financial planning started in 1994 at which stage a budget deficit of \$13 million was in prospect.

This very significant turnaround in Council's financial position has been achieved at the same time as significant new services have been introduced and projects constructed. This has been achieved largely because of two factors: ongoing efficiency gains within Council operations, and effective management of Council's trading companies.

It remains a central plank of the Council's long-term strategy to build the strength of these trading enterprises, ensuring that they have capital for investment as needs and opportunities arise. At the time of its establishment Southpower had minimal debt, the Airport debt was modest, and a significant capital injection was made into the Lyttelton Port Company to help finance the redevelopment of the container terminal. The Council has taken care to build the financial strength of the Christchurch Airport so that the company has been able to finance the construction of the major terminal expansion. Council's expectations of the companies in terms of dividends have been modest especially if compared to Central Government's demands on its State Owned Enterprises. The fruit of this long-term policy is now increasingly being reaped through strong dividends and, when appropriate, capital repatriation which can be achieved while the companies themselves maintain pricing levels which are extremely competitive.

Funding Policy

The City Council's funding policy is included on Pages 49–93. This has been developed over a period of almost 3 years and was subjected to extensive public consultation during 1997.

The Funding Policy is required by the Local Government Amendment Act 1996. This legislation requires the Council to decide who benefits from each service which it provides and how that service should be paid for. The law sets out a very complex process for the Council to follow in making these funding decisions. In order to comply with the statutory provisions the Funding Policy is presented in a manner which is regrettably complex for the lay reader to follow. A summary of the principles underlying the policy is included on Page 14–15 of Volume 2 (Rating Information).

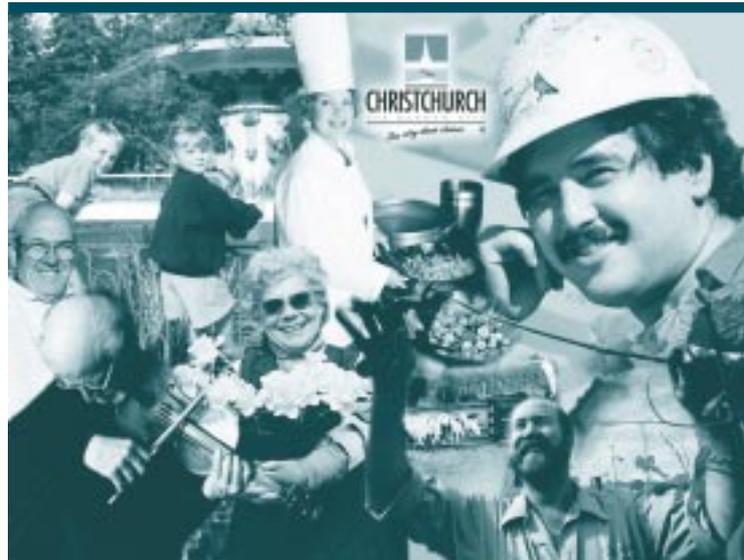
The detail of projects and programmes

The detail of Projects and Programmes which are based on the vision of the future and Strategic Objectives and Policies contained in this Volume are set out in Volume 2. This explains the way in which the context of Council policy making, set out in this volume, is translated to the specific programmes and projects.



A vision for Christchurch as we want it to be

- Christchurch people enjoy belonging to their local community, to their city and to Canterbury.
- All people - of whatever background - feel welcome here.
- The unique role of the Tangata Whenua is respected.
- Children are nurtured, young people are encouraged and the elderly supported.
- Neighbours help each other and join together in community activities.
- People are free from the threat of crime or injury.
- Everyone has access to good housing, health care and education and to sufficient resources for their wellbeing.
- Everyone has opportunities for fun, sport, recreation, art and culture.
- Key heritage features - including unique central city buildings - are preserved.
- The beauties of our garden city - its parks, flowers and riverbanks - are enhanced.
- The quality of air, water and soils of hills, plains, streams and open spaces is preserved.
- Sustainability is the key principle in planning for transport, water supply, waste management, land use and development.
- Convenient and efficient transport is available for individuals and for business.
- Christchurch supports business growth and job opportunities.
- The Council delivers high quality services, consults with citizens, and is responsive to their views.
- The Council is a successful advocate for the city and its people.





Contents

1998 Plan Strategic Statements

Introduction	1
<i>Plan reflects the wider context</i>	1
<i>21,000 Population growth over 5 years</i>	1
<i>City infrastructure will meet growth pressures</i>	2
<i>What will Christchurch be like in 2005?</i>	2
<i>Jobs and economic growth</i>	3
<i>Environmental excellence</i>	3
<i>Guarantee of long term financial security</i>	3
<i>Funding Policy</i>	3
<i>The detail of projects and programmes</i>	3
A vision for Christchurch as we want it to be	5
<i>Overview of the Strategic objectives</i>	9
<i>Overview of the document structure</i>	10

Strategic Objectives and Policy Statements 11

People and Community	12
<i>Libraries policy</i>	12
<i>Social well-being and community development policy</i>	13
<i>Children's policy</i>	13
<i>Housing policy</i>	13
<i>Arts and culture policy</i>	14
<i>Recreation and leisure policy</i>	14
The Physical Environment	15
<i>Environmental policy</i>	15
The Economy	16
<i>Long term transport vision</i>	16
The Council as an Organisation	18
<i>Mission Statement of the Christchurch City Council</i>	18
<i>Equal Employment Opportunity Policy</i>	19
<i>Seeking community views policy</i>	20

Financial Policies 21

Borrowing Management Policy	22
<i>Introduction</i>	22
<i>Principles</i>	22
<i>Limits on Total Borrowing</i>	22
<i>Borrowing</i>	22
<i>Repayment of Debt</i>	22
<i>Interest Rate Exposure</i>	23
<i>Liquidity Policy</i>	23
<i>Credit Exposure</i>	23
<i>Management of the Borrowing Policies</i>	23

Investment Policy	24
<i>Introduction</i>	24
<i>Principles</i>	24
<i>Investment Categories subject to Policy</i>	24
<i>Types of Investment</i>	25
<i>Outline of procedures for management of each type of investment</i>	25
<i>Assessment and Management of risks by type of investment</i>	26
<i>Appendix 1</i>	26

Long Term Financial Strategy	27
<i>Overview</i>	28
<i>Long Term Financial Strategy Forecasts</i>	29
<i>Introduction</i>	30
<i>Factors considered when preparing the long term financial strategy (LTFS)</i>	31
<i>Appendix 1</i>	36
<i>Appendix 2</i>	38
<i>Appendix 3</i>	42
<i>Appendix 4</i>	43
<i>Statement of Financial Performance</i>	44
<i>Statement of Financial Position</i>	45
<i>Statement of Cash Flows</i>	46
<i>Statement of Movements in Equity</i>	47

Funding Policy	49
<i>Purpose</i>	50
<i>Funding Policy - General Principles</i>	51
<i>Details of Funding Policy</i>	52
<i>Summary of Funding Policy</i>	53
<i>Function Tables</i>	54
<i>Appendix 1</i>	90
<i>Appendix 2</i>	91
<i>Appendix 3</i>	92
<i>Appendix 4</i>	93

Information	95
<i>Organisational Structure</i>	96
<i>Membership of standing committees</i>	97
<i>Directors of Trading Enterprises</i>	98
<i>Christchurch Profile</i>	99

