

INTERNAL SERVICE PROVIDERS

The Cost of Service Statements for three significant activities which provide services to other Council business units on a user charge/internal recovery basis are set out below and on the next page.

All three activities operate on a full cost recovery basis at externally competitive rates and charges. Services provided are: design and implementation of development projects; maintenance of buildings; provision and maintenance of mobile plant and equipment; and the carrying out of physical fieldwork.

These activities are directed towards the following Council Strategic Objectives: E1, E2, E3 and F5 (see page 34).

More detailed information on the cost of these services, and the service objectives and performance indicators for 1998/99, may be obtained from the Council's Corporate Plan : 1998 Edition which is available for inspection at the Civic Offices and Service Centres.

City Design, Plant and Building Services and Works Operations Units are business units of the Christchurch City Council for the purposes of, among other things, competing for minor and ancillary works. They are subject to competitive pricing procedures. Payment of Transfund assistance is made to these Units under S28 of the Transit New Zealand Act 1989 (as amended) in accordance with the requirements of the Ministerial Determination for the Formation and Operation of Service Units.

The 1999/00 surplus shown in the cost of service statements for Plant and Building Services and Works Operations reflects a 6.6% return on capital employed. In the case of City Design the surplus includes in addition a 6% return on total cost.

CITY DESIGN

Cost of Proposed Services

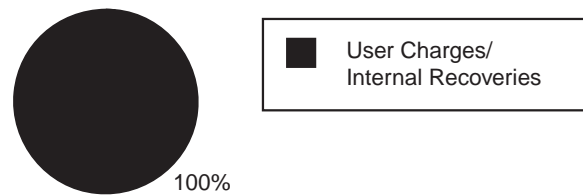
Budget 1998/99		Budget 1999/00		
Gross Cost	Operational Outputs	Gross Cost	Revenue	Net Cost
\$		\$	\$	\$
CONSULTING SERVICES				
402,562	Structural Consulting Services	512,042	(545,745)	(33,704)
1,524,492	Roading and Traffic Design Consulting Services	1,780,306	(1,897,310)	(117,004)
979,543	Water and Environmental Consulting Services	964,989	(1,028,525)	(63,536)
755,272	Land Surveying Consulting Services	903,214	(962,358)	(59,144)
788,541	Environmental and Architecture Consulting Services	680,353	(725,150)	(44,797)
142,050	Plan Records & Printing Consulting Services	144,170	(144,170)	0
185,325	Computerised Mapping Consulting Services	0	0	0
339,122	Project Management Consulting Service	250,441	(266,962)	(16,521)
304,215	Mechanical/Electrical Consulting Services	312,998	(333,553)	(20,555)
5,421,121	Cost of Service	5,548,514	(5,903,774)	(355,261)

Note: The above Cost of Service Statement includes a depreciation provision for 1998/99 of \$163,800 and in 1999/00 of \$107,164. The Cost of Capital charge for 1998/99 is \$28,416 and in 1999/00 is \$31,000. Revenue for 1999/00 includes external revenue of (\$249,254).

Projected Cost of Service 2000/01	(362,366)
Projected Cost of Service 2001/02	(369,613)

1998/99	Capital Outputs	1999/00
\$		\$
78,948	Renewals and Replacements	76,194
0	Asset Improvements	0
41,616	New Assets	41,616
120,564		117,810

Sources of Funding



INTERNAL SERVICE PROVIDERS

PLANT & BUILDING SERVICES

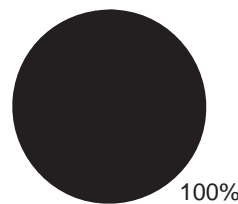
Cost of Proposed Services

Budget 1998/99		Budget 1999/00		
Gross Cost	Operational Outputs	Gross Cost	Revenue	Net Cost
\$		\$	\$	\$
285,000	Mechanical Services	292,000	(292,000)	0
11,070,625	Plant Hire Services	10,390,994	(11,633,721)	(1,242,727)
2,857,889	Building Services	2,775,900	(2,775,900)	0
14,213,514	Cost of Service	13,458,894	(14,701,621)	(1,242,727)

Note: The above Cost of Service Statement includes a depreciation provision for 1998/99 of \$4,170,859 and in 1999/00 of \$3,551,448. The cost of capital charge for 1998/99 is \$1,581,852 and in 1999/00 is \$1,242,727. Revenue for 1999/00 includes external revenue of (\$96,400).

1998/99	Capital Outputs	1999/00
\$		\$
5,790,901	Renewals and Replacements	5,468,835
0	Asset Improvements	0
185,000	New Assets	0
(926,782)	Plant Sales	(746,547)
5,049,119		4,722,288

Sources of Funding



Projected Cost of Service 2000/01	(1,267,582)
Projected Cost of Service 2001/02	(1,292,933)

WORKS OPERATIONS

Cost of Proposed Services

Budget 1998/99		Budget 1999/00		
Gross Cost	Operational Outputs	Gross Cost	Revenue	Net Cost
\$		\$	\$	\$
CONTRACTING SERVICES				
27,705,376	Services To Council Units	26,997,009	(26,997,009)	0
3,882,432	Services To CCC LATEs	3,852,180	(3,852,180)	0
1,261,754	Services to Public and Others (Excluding CCC LATEs)	1,228,267	(1,242,757)	(14,490)
32,849,562	Cost Of Service	32,077,456	(32,091,946)	(14,490)

Note: The above Cost of Service Statement includes a depreciation provision for 1998/99 of \$43,290 and in 1999/00 of \$43,290. The Cost of Capital charge for 1998/99 is \$14,490 and in 1999/00 is \$14,490. Revenue for 1999/00 includes external revenue of (\$5,080,447).

Projected Cost of Service 2000/01	(14,780)
Projected Cost of Service 2001/02	(15,076)

Sources of Funding

1998/99	Capital Outputs	1999/00
\$		\$
89,000	Renewals and Replacements	29,000
0	Asset Improvements	60,000
0	New Assets	0
89,000		89,000

