

One of the enjoyable features of this year's annual plan process is the many ways the Council has been able to respond to community requests.

In some cases, such as the provision of \$250,000 for an Environment Centre, the Council is responding to submissions made over several years. In other cases, such as the allocation of another \$35,000 for the autumn leaf collection, the Council is responding to many telephone calls to deal with leafy trouble spots. The proposed grants to Cricket and Hockey for capital development are comparable with the grants made in past years to Netball and Tennis.

The expansion of kerbside recycling to include various grades of plastic and paper is in response to strong public feedback in the Annual Citizen Survey.

The proposed additional \$200,000 a year for the retention of heritage buildings is a recognition that our existing heritage funds are not sufficient to meet demands.

#### Community Groups' Funding

A significant increase in expenditure is another \$50,000 a year to each of Christchurch's six Community Boards. This represents a new step in moving responsibility to local decision-makers, who are better able to assess their community needs. The new funding will let Boards provide money to groups employing community workers.

#### Sustainable Christchurch

The Council believes that if the city is to remain a good place in which to live and work then it must move to be environmentally sustainable. There are a number of moves in this annual plan which contribute to that. These include:

- **The Environment Centre.** The Council has for been working with a number of groups with an interest in the natural and built environment, to establish an Environment Centre. This will be a public information and education centre where groups can showcase new initiatives and innovations that will improve the environment of Christchurch and to move Christchurch towards being an environmentally sustainable city. The centre will be open to the public and will be used by schools and other education groups but is still subject to a feasibility study and the development of a business plan. The Council has budgeted to meet the establishment costs (in a rented building) and the first-year operating costs. It is expected that most of the operating costs will be met by the businesses and organisations which will use the centre to display and market products.
- **Transportation.** Transportation has a very significant environmental impact. Not only does it use huge fuel resources, but the roads take up a significant proportion of the City's land. This annual plan continues to make improvements to the roads, but it also includes improvements to the cycle network and to the public transport system.
- **Carparking.** Several changes are proposed, all aimed at making the central city more easily accessible. It is intended to put in more parking meters in the central city. Further, in order to avoid having the inner city streets clogged with all-day parkers, it is planned to investigate the introduction of a coupon-parking scheme in selected unmetered areas within the four avenues. Under such a scheme, cars parked for more than two hours would be required to display a parking coupon.
- **Sewage Treatment and Disposal.** The Council needs to apply for a new resource consent for its sewage effluent discharge by April 2001. The Council is taking a wide view and while aiming to meet its legal obligations it is also considering what it should do in the best longer term interests of Christchurch. An upgrade is already under way, and there is funding provided for further work to improve effluent quality.
- **Waste Minimisation.** The Council is committed to reducing the quantity of solid waste that is put in landfills even more. This plan will extend the kerbside collection to include all types of paper and household plastics. This is possible because the Recovered Materials Foundation (RMF) has developed markets for the materials. Further work is under way to find ways of taking food scraps from the waste stream.

#### Sport and Recreation

Sport and other forms of physical activity are an important part of the culture and lifestyle of Christchurch. One of the roles that the Council plays in this area is to work with sports to ensure there are high-quality playing facilities available. At present Jade Stadium is being developed. The Council also intends to work closely with the Canterbury Cricket Association in the development of the Village Green cricket facilities at QE II. The Association intends to use this venue for domestic cricket matches and possibly international tests, with international one-day fixtures continuing at Jade Stadium. The Council will make a \$100,000 a year grant for five years to the Cricket Association to help it with the redevelopment.

There is a large resurgence of interest in hockey particularly among girls and women. The Canterbury Hockey Association faces high ongoing costs in installing a second artificial turf at Porritt Park and in maintaining the present artificial pitches at Porritt and Nunweek Parks. It is proposed that the Hockey Association be given an inflation-adjusted annual grant of \$80,000.

## RESPONSIVE, RESPONSIBLE AND FAIR

### Historic and Present

Council involvement is growing in urban renewal and the retention of historic buildings. In 1995 the Council introduced a five-year programme of improving streets, footpaths and parks in the older parts of the city. This Annual Plan proposes that this programme be continued into 2001/02 and beyond at \$500,000 a year.

Many submissions on the 1999 Annual Plan raised concerns about the retention of historic buildings. Most said that the Council should be doing more to support their retention. This Annual Plan responds by proposing that \$200,000 a year be allocated to an historic building emergency fund. This fund will be used to assist with the retention of significant buildings under threat of demolition. Unused allocations will be carried forward to future years.

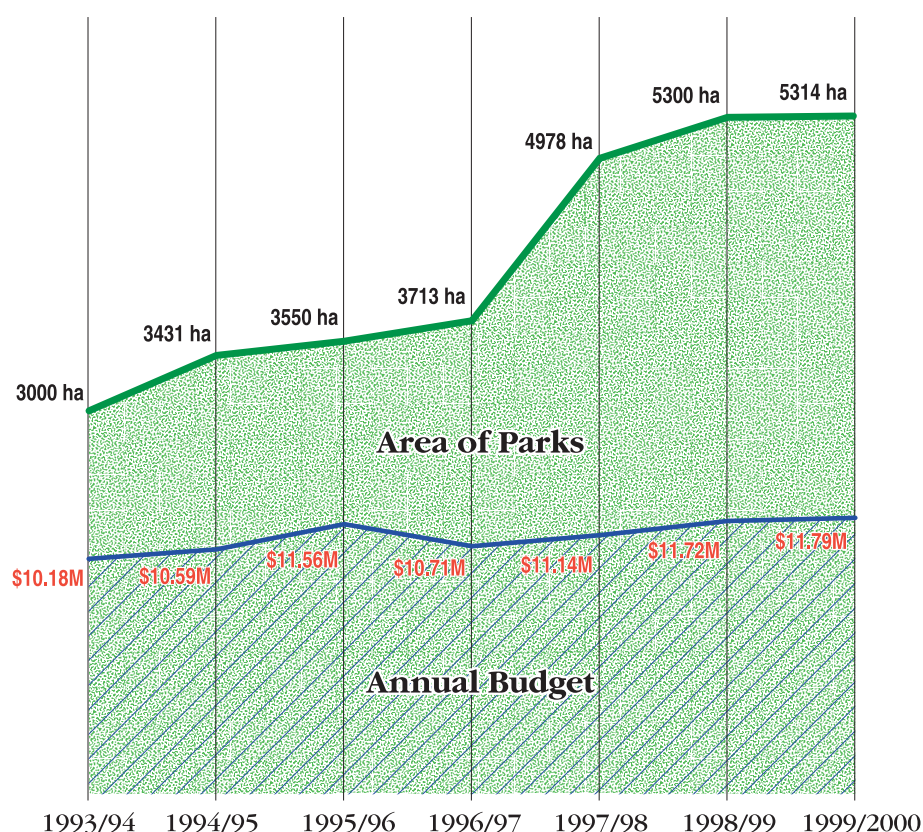
### Improved Efficiency

The first obligation on the Council is to provide good-quality services delivered efficiently and effectively. The Council is committed to looking for ways to do things better and cheaper. Everybody involved in the Council, employees and councillors, is challenged to look at what they do and assess whether improvements can be made.

This search for improvements has produced specific cost reductions of \$3.02 million in the last year, as well as increases in productivity which provide an improved service at the same cost.

The Parks Unit has managed to peg the cost of maintenance over the last seven years while the area of parks to be maintained has nearly doubled (see graph below). If the cost of parks maintenance had remained at 1993/94 levels, the annual bill would now be \$18.0 million rather than the \$11.8 million budgeted.

### Parks Operations Outputs



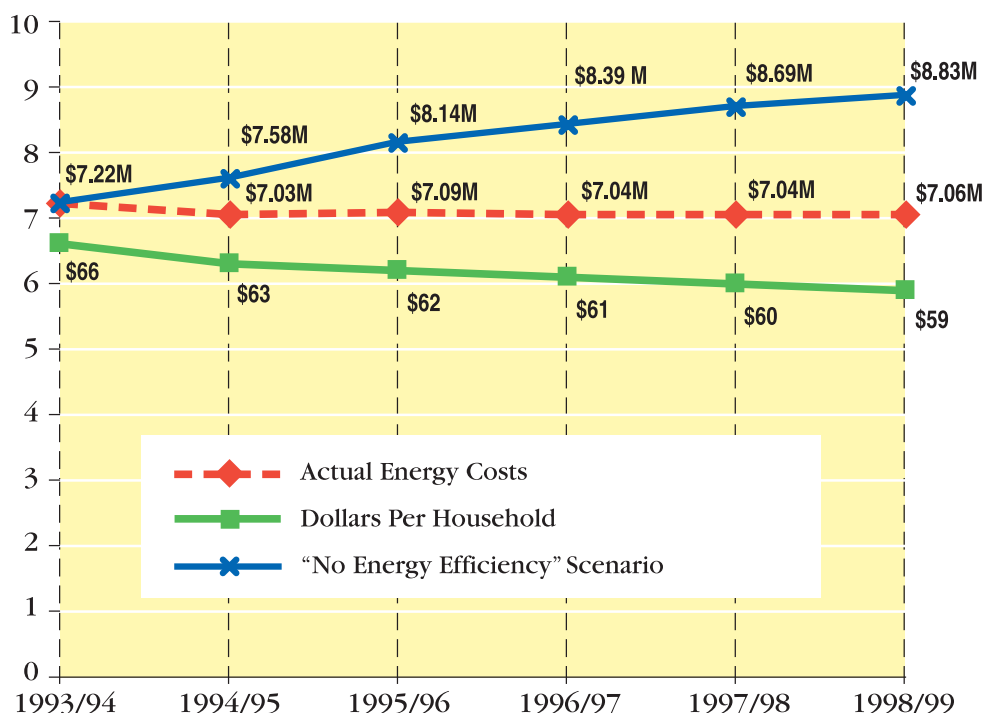
A review of the Library and Information Unit's collections service has brought savings of \$445,000 with some of the money being used to fund additional facilities at the new New Brighton Library.

The Council has also reviewed its methods of purchasing advertising and publications. It has now centralised its purchasing, the net result being savings of up to \$400,000 a year.

A review of the Animal Control Service has identified potential savings of up to \$300,000 a year while also improving the response time to complaints and emergencies such as attacking dogs. This saving is likely to be reflected in reduced dog registration fees over the next three years for those registered as Responsible Dog Owners.

Continuing efficiency gains in energy use have been made. The graph (below) shows that the annual energy-efficiency improvements made in the last five years amount to a saving in energy costs of \$6.37 million. The actual expenditure on energy the Council uses has remained fairly constant over this period, in spite of rising power prices and the city growth. The result is a reduction of 10.6% in what the average ratepayer pays towards the Council's energy costs.

## Annual Energy Efficiency Improvements



The former Works Operations Unit and part of Plant and Building Services Unit have been restructured into a Council-owned company called City Care. Savings from this move are expected to be \$2.5 million over five years.

The provision of utility mapping and Geographic Information Services within the Council has also been reviewed recently. The outcome has been the start of substantial restructuring and refocusing of these services. Through the use of new technology and changed processes, efficiencies of about of \$500,000 a year are achievable over a two-to-three-year period.

A number of other reviews are under way with significant gains expected.

### Sale of Orion Gas

In the mid-1990s Orion (formerly Southpower) acquired a North Island based gas network and retail company known as Enerco. This was a move to provide balance to Orion's income. Following the introduction of energy legislation in 1999, Orion decided to quit its electricity and gas retailing businesses and retain its electricity network business.

No provision is made in this Annual Plan for the use of the proceeds of the Enerco sale because:

- Considerable planning is needed to assess the most efficient use of these funds.
- Revenue derived from Orion assets reduces rates and therefore suitable replacement investments need to be investigated to protect the income to the Council.
- Orion needs to reduce its level of debt because of its reduced asset base.
- The proceeds are capital funds and need to be protected for the long-term benefit of Christchurch residents.
- During preparation of this plan the Enerco sale was uncertain and the proceeds unknown.

Over the next few months the Council and Christchurch City Holdings Limited (CCHL) will work through the issues with Orion before a recommendation can be made on the most appropriate use of these funds. Following this, the Council will undertake public consultation before making a final decision.

### Financial Prudence

This Annual Plan is responsible. Funding of the Council's long-term asset management plans is retained. In addition, an extra \$4 million has been allocated to roading projects over the next five years. A much larger sum, \$14 million, has been included in years six and seven of the capital works programme for the major upgrade of the wastewater (sewage) treatment system. The total provision for the upgrade over 10 years is about \$62 million. This item dwarfs all other capital projects and will not be accomplished without an impact on rates. It is one of the reasons for the blip of 5.31% and 5.40% in the projected rate increase for 2003/04 and 2004/05.

The Annual Plan is also responsible in its borrowing. The Council is proposing to fund 60% of the average capital expenditure from revenue. This change entails an increase in rates phased in from 2002/03. This has a gradual but positive impact on Council debt.


In comparison with last year's Annual Plan, net debt in 2008-2009 is now projected to be \$190.93 million compared with last year's projection of \$214.59 million, a 11% reduction. Another factor in the reduction is the decision of Christchurch City Holdings Ltd to retain a base debt within the company.

### Rates Breakdown

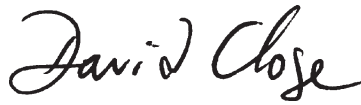
The Council has also tried to ensure that the funding of this Annual Plan is fairly allocated between residential, rural and commercial ratepayers. The overall rate increase is 2.35%, somewhat below the 2.74% projected last year. This translates into an increase of 2.48% for residential ratepayers, a reduction of 4.60% for rural ratepayers, and an increase of 2.40% for commercial ratepayers, many of whom enjoyed a decrease last year.

Christchurch residential and commercial rates are 20 - 50% lower than other major cities in New Zealand, even though the Council provides a greater range of services with fewer user charges. The increases on our existing low rates are modest in cash terms. A \$120,000 residential property will pay an extra 27 cents a week; a property worth \$160,000, slightly above the median, will pay an extra 36 cents a week. Even a \$1 million commercial property will face an increase of less than \$5 a week.

This Annual Plan for 2000/01 ensures that ratepayers will continue to receive good value for their rates.



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An aerial view of the recently redeveloped Cathedral Square.