



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 2 FEBRUARY 2006

AT 9.30AM

IN THE COUNCIL CHAMBER, CIVIC OFFICES

Council: The Mayor, Garry Moore (Chairperson).
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox,
Anna Crighton, Carole Evans, Pat Harrow, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

ITEM NO	DESCRIPTION
1.	APOLOGIES
2.	CONFIRMATION OF MINUTES - COUNCIL MEETINGS OF 15.12.2005 AND 20.12.2005
3.	DEPUTATIONS BY APPOINTMENT
4.	PRESENTATION OF PETITIONS
5.	CORRESPONDENCE
6.	CYCLEWAYS
7.	SOLID WASTE MANAGEMENT PLAN COSTS AND IMPLICATIONS
8.	BIOSOLIDS STRATEGY
9.	POLICY ON SIGNIFICANCE: DEFINITION OF STRATEGIC ASSETS
10.	CANTERBURY ECONOMIC DEVELOPMENT FUND: AMENDMENT OF TRUST
11.	CHRISTCHURCH CITY COUNCIL INTERNATIONAL RELATIONS POLICY
12.	PARKING METER REPLACEMENT
13.	PROPOSED ROAD STOPPING: 21 MACMILLAN AVENUE
14.	REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD - MEETING OF 13 DECEMBER 2005
15.	NOTICES OF MOTION
16.	QUESTIONS

- 1. APOLOGIES**

- 2. CONFIRMATION OF MINUTES**
 - (a) **COUNCIL MEETING OF 15.12.2005**
Attached.

 - (b) **COUNCIL MEETING OF 20.12.2005**
Attached.

- 3. DEPUTATIONS BY APPOINTMENT**

- 4. PRESENTATION OF PETITIONS**

- 5. CORRESPONDENCE**

6. CYCLEWAYS

General Manager responsible:	General Manager City Environment
Officer responsible:	Manager Transport & City Streets Manager
Author:	Michael Ferigo, DDI 941-8925

PURPOSE OF REPORT

1. The purpose of this report is to respond to the Council's 24 November 2005 resolutions on the Cycleways Moratorium report, requesting that staff provide a report to the Council on its questions and issues raised at its 15 November 2005 workshop and also report on a proposal that the Council have additional, or earlier, opportunities to consider future capital projects which might include on-road cycleways.
2. This report and information provided in the earlier seminar, workshop and related meetings covers the range of issues, questions and concerns raised – from broad strategic transport approaches to detail about the design of cycle lane widths and use of different materials. This report also aims to solicit further clarification and direction from the Council on a number of these issues by running through possible scenarios and their implications.

EXECUTIVE SUMMARY

3. On 24 November the Council lifted a temporary freeze it had placed in June on cycleway capital projects. It also called for a report to its 15 December 2005 meeting addressing cycling issues and questions previously raised.
4. The following table summarises the issues and questions raised, whether they can be considered within the existing cycle strategy and/or whether more work is required:

Summary Table of Issues & Questions

Report Ref. No.	Issue/question – description	Able to be fully considered within existing Cycle Strategy	Comments	Further report/ investigation required
1	CCC Approach to Transport Planning:			
	<ul style="list-style-type: none"> • Prior to the installation of all planned cycleways, the Council debates need for on-road (in addition to existing process inputs) 	✓	Metropolitan = duplication Local = Reduction Com Bds delegation - All projects delayed 2-4 mths	X
	<ul style="list-style-type: none"> • Road arterial congestion first, then corridors for alternative transport modes 	✓	Many Qs but very expensive (opposite of Councillors' current actions reducing sustainable transport funds) and contradictory to RLTS and MCTS direction	X
	<ul style="list-style-type: none"> • Consider safety of each road, whether safe enough to provide for cyclists? 	✓	Best practice currently incl. independent safety audits – Is it safe not to provide for cyclists?	X
	<ul style="list-style-type: none"> • Capital budget re-prioritisation for all transport modes 	✓	Essentially being undertaken each annual and LTCCP funding round	X
2	Marketing Review:			
	<ul style="list-style-type: none"> • Marketing-style review of cycling promotion and education, with focus on school-age cycling 	✓	Commenced in December 2005	Progress report Feb 2006 Trials evaluation report April/May 2006

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Report Ref. No.	Issue/question – description	Able to be fully considered within existing Cycle Strategy	Comments	Further report/ investigation required
3	Project and Facility Approaches:			
	<ul style="list-style-type: none"> On roads with alternative nearby routes – no cycle provision 	✓	Continue with project by project basis to meet cyclists' needs	X
	<ul style="list-style-type: none"> If off-road cycle facilities available, no on-road facilities to be provided 	✓	Continue with project by project basis to meet cyclists' needs	X
	<ul style="list-style-type: none"> More dual use of footpaths, bus lanes 	✓	Currently assessed on project by project basis, duty of care	X
	<ul style="list-style-type: none"> Stronger separation of different transport modes on roads 	✓	Continue assessing and introducing new separations	✓
	<ul style="list-style-type: none"> Swapping positions of on-road car park and cycle lanes 	✓	Contrary to best practice	X
	<ul style="list-style-type: none"> Creating 30kmh zones 	✓	Significant costs to widely implement - currently small scale trials to be evaluated with report back to Council	✓
	<ul style="list-style-type: none"> Wider consultation with non-cyclists. 	✓	Current consultation in projects adequate	X
4	Design Issues:			
	<ul style="list-style-type: none"> Adjusting width of on-road cycle lanes 	✓	National Design Guide specifications adhered to	X
	<ul style="list-style-type: none"> Adjusting width of traffic lanes 	✓	Current practices recognise operational and legal requirements.	X
	<ul style="list-style-type: none"> Red surfacing 	✓	Applied to best practice	X
5	Miscellaneous:			
	<ul style="list-style-type: none"> Retailers in 'Strip' shopping areas – on-road parking priorities 	✓	Consistent with existing Parking Strategy	X
	<ul style="list-style-type: none"> Cycle bells be made compulsory 	✓	Options to be reported	✓
	<ul style="list-style-type: none"> Visual mapping of the network 	✓	On project by project basis	✓
	<ul style="list-style-type: none"> Recycled rubber materials used for road construction 	✓	Best practice construction materials used in accordance with affordability.	X
	<ul style="list-style-type: none"> Develop 'cycle and ride' bus facilities 	✓	Scheduled for implementation within Strategy	✓ Report via Public Transport Strategy
	<ul style="list-style-type: none"> Provide major central secure cycle parking 	✓	Scoping investigations planned for possible 2007/08 capital	✓
	<ul style="list-style-type: none"> Funding from LTNZ 	✓		X
	<ul style="list-style-type: none"> Mobility scooters on footpaths 	✓	Will be considered in Pedestrian Strategy review	X
	<ul style="list-style-type: none"> Riccarton Road progress 	✓	Seven sections at various stages	✓ Reported sections as per development process

5. Many of these topics share an underlying concern about safety. It is appropriate to restate that ensuring new roading works provide high safety levels is a fundamental driver for all Council cycling projects. They are planned and designed to best-practice standards and guidelines which have been developed, improved and refined on the basis of international and national experience and evidence-based learning over many years. Feeding into this development are numerous studies of accident data, both before and after various initiatives and designs are put in place. It is clear that setting aside this approach would result in potentially exposing the

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organisation to claims of poor work and questions about whether what we are providing is less safe. Safety is relative, but being able to demonstrate that work is based on the best available evidence and design gives the organisation surety that the safest possible outcomes are being achieved. Finally, all capital roading projects are put through independent safety audits both before and after construction.

6. Other key issues discussed are:

- Riccarton Road: Concerns regarding potential changes on Riccarton Road will be addressed during project development. The progress of this and a programme description, included in the report, show the concerns aired will be considered in the existing process.
- The 24 November discussion asked for an opinion about what would be involved if the Council were to decide earlier in the development phase about whether any project should include on-road cycle works. The current process used for capital roading projects (August 2005 process for Local Capital Project Development flow diagram Appendix 1, attached) shows that it is only after a series of steps in the development process that specific solutions are identified. There is no added value in adding a step at the beginning of this process. The effects would also impact on the role and responsibilities of community boards and add potential delays to the capital programme implementation of two-to-four months per project. This in turn would potentially impact capital carry-forwards and cut across delegations to community boards.
- Arterials First: Prioritising work to ensure all arterial roads are flowing and afterwards developing a separate network for other transport modes would potentially be a significant variation to the approaches and priorities detailed in the Council's Metropolitan Christchurch Transport Statement (MCTS). It would require a marked upward adjustment in funding allocations from that supported in the MCTS and a major change in direction in Council transport policy to return to the ethos of trying to build our way out of congestion first, which is clearly not possible. This proposal is also clearly at odds with the current Council activity on the reduction of funding for the MCTS projects in the LTCCP.
- Children cycling: A marketing review is under way to gauge whether current cycle promotion and education resources are maximising the opportunities to contribute to the Cycle Strategy's vision and objectives. The primary focus is on school-age cycling, with reports on findings and progress on any trials early in the New Year.

7. As can be seen from the summary table, the great majority of the Council's concerns can be fully considered without the need to change its Cycle Strategy, which can remain operative.

LEGAL AND FINANCIAL IMPLICATIONS

8. There are several legal issues relating to the individual issues raised. However, there are no over-riding legal implications relating to this report.
9. The report is for information and has no direct financial implications. Any further investigations required as a consequence of this report would be identified specifically in a future report.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the report.
- (b) Confirm the existing Community Board delegations and process flow chart.
- (c) Note that further reports/investigations are required as detailed in the report.

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BACKGROUND ON CYCLEWAYS REPORT

10. In June 2005 the Council placed a temporary freeze on cycleway capital projects. Subsequently a series of meetings, including a workshop and a seminar, were held to clarify and understand Councillors' issues with the cycleways and on 24 November 2005 it was resolved that the Council:
- Proceed with the marketing review of the Cycling Strategy.
 - Note that staff will provide a report by 15 December 2005 on the issues and questions raised at the workshop on 15 November 2005.
 - Request staff to also report on a proposal that prior to the installation of any current planned or new on-road cycleway, the Council be given the opportunity to fully debate the need and benefits for the particular on-road cycleway, along with the input available through the current process.
 - Note that there is a process in place to ensure elected member input prior to roading projects being signed off.
 - Note the work on the value of cycle lanes on Riccarton Road is effectively underway.
 - Revoke the Council resolutions of 16 June and 6 October 2005 and lift the temporary freeze on cycleway capital projects.

This report is submitted in response to the above resolutions.

COMMENTARY ON ISSUES AND QUESTIONS

CCC approach to Transport Planning

- *Prior to the installation of all planned cycleways, the Council debates the need for on-road (in addition to existing process inputs)*
11. The proposal is that prior to the installation of any (both local and metropolitan) currently planned or new on-road cycleway, the Council adds an additional step in the existing processes where it debates the need for on road cycleways.
12. The current development process for projects that involve on-road cycleways is dependent upon whether the project is considered a local project, or a metropolitan project. If the Council were to progress this proposal it will need to consider the message that it sends to Community Boards. The proposal would in effect over-ride previous delegations to the Community Boards. Community Board delegations would need to be changed to specifically represent the limitations being imposed.
13. Projects that are considered 'metropolitan' are run through the same process as for 'local' projects, with the exception that the projects then proceed to the full Council for final decision making. To be clear – the Council already decides on 'metropolitan' cycle lane projects, therefore this part of the proposal is a duplication of process.
14. Overall, while it is possible to report to the Council for all on-road cycle projects, the process of doing so will slow capital project development process by anywhere between 2 to 4 months depending on access to the Council.
- *Road arterial congestion first, then corridors for alternative transport modes*
15. This approach is based on the premise that all transport modes cannot fit down one arterial network and that it is practically possible to create a secondary or shadow network to the existing arterial network that will encourage alternative transport modes. The implementation of this approach i.e. private motor vehicles network first and alternative transport modes later is at odds with the Council's stated priorities.

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16. One assumption is that Councillors would look to work towards freeing up the flow on the arterials by not only removing any provision for cycling (and possibly other modes such as public transport?) but also by building more width and lanes into the network i.e. try to build out of congestion. Current strategies recognise that congestion levels will increase even with substantial investment therefore to try and achieve free flowing arterials would demand massive investment. Overseas experience shows the bold 'building roads more quickly' approach to keep up with growing motoring demand is a folly and actually encourages more motoring demand to the point of congestion re-occurring and being back at square one or worse.
17. If the Council was to look at pursuing the initial approach through firstly increasing the roading infrastructure for mainstream motoring on arterials and then later creating a secondary arterial network for alternative modes there is a risk that in the interim period between the two the Council would encourage more people to motor and that many of these would be from people currently using the transport modes the Council has strategies to encourage. Hence the timing used in this approach would be better aimed at firstly creating the alternative transport modes secondary arterial network and then building up the 'motoring' arterial or at the least develop them simultaneously.
18. The Council also accepted that if Christchurch was going to avoid considerably worsening levels of congestion it would also need to introduce travel demand management initiatives in the future. Arguably the opposite of what this proposal suggests.
19. If the Council were to consider it prudent to further pursue this proposal it will need to provide staff with confirmation on the assumptions made and then as a first step seek a staff report that provides a summary on the current approaches adopted at regional and city council level that this potential new approach will or may impact upon.
- *Consider safety of each road, whether safe enough to provide for cyclists?*
20. This proposal is based on several Councillors' comments that a number of roads on the network are not safe enough to provide for cyclists. The question in the proposal –"Is it safe to provide cycle lanes?" but this begs the question "is it safe not to provide cycle lanes?".
21. The suggestions in Councillors' discussions included not providing for cyclists on 'unsafe' roads – cyclists could go elsewhere but if they choose to ride on that part they were 'on their own!' This 'laissez-faire' approach to the identified 'unsafe cycling roads' could be construed as the Council not meeting its responsibilities to ensure that the roads are as safe as possible for all legal road users.
22. One of the assumptions underlying this proposal appears to be that sections of the arterial roads (carriageway) are considered unsafe for cycling and therefore if the Council provides cycle lanes on those parts it will encourage cyclists and novice cyclists to cycle on it thus increasing the potential peril. The reverse view can be argued that cyclists are presently using these sections and therefore the Council by providing cycle lanes is making it safer for them and that novice cyclists (or their guardians) will continue to choose routes to ride on that match their abilities.
23. The decision on which parts of the network a person chooses to transport themselves is fundamentally left to the user to decide for themselves. However, it is the responsibility of the Council to recognise this and to make it as safe as it can for all road users that are legally allowed to use it.
24. This then raises the issue of whether the Council should look to ban cyclists on these roads which also further raises the need for the Council to ensure there are adequate alternatives available to ensure that the Council continues to encourage cycling.
25. There are a number of major difficulties in banning cyclists from carriageways particularly where the roads in question have adjacent land uses with cycle destinations and generators such as retail buildings, offices, factories and cyclists own homes etc.

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26. On a project by project basis all the Council's roading projects, including those with cycleways, are as a matter of course audited by an independent safety auditor both prior to and after construction.
27. The suggestion of ring fencing roads for no provision for cyclists (with or without formally banning cyclists) isn't recommended by staff as an appropriate approach to encouraging cycling.
 - *Capital budget re-prioritisation for all transport modes*
28. This suggestion would need to be considered once the Council determines the direction it wishes to pursue. Certainly it is appropriate for the Council to revisit its allocations of capital funding regularly to ensure it reflects where the Council wishes to focus its efforts. The MCTS adopted by the Council in 2003 flagged that under the current transport spending approaches there was a need to give higher priority to sustainable transport modes i.e. give them more funding.

Marketing Review

29. Over the next two months the review will assess what is being undertaken and identify what has been successfully used elsewhere. It will trial initiatives in schools early in the new year i.e. February and March 2006. The Council will be kept informed of progress and a report presented at the conclusion of the review and trials.

(A brief description of the marketing review along with time lines is attached - Appendix 2.)

Project and Facility Approaches

- *On roads with alternative nearby routes – no cycle provision*
 - *If off-road cycle facilities available, no on-road facilities to be provided*
30. This proposal suggests that where there are alternative cycling routes nearby, no cycle provisions are made on-road. This is to a large degree covered in this report's earlier considerations but does raise the opportunity to clarify the issues that need to be considered.
 31. Firstly the current approach of the Council is to provide cycle facilities to meet the needs of cyclists. To provide for cyclists to the level of encouragement requires the recognition of differing types of cyclists and their needs. Hence sometimes it may appear that two facilities close to each other represents duplication however this is not the case.
 32. In the event that off road cycle facilities are available an approach raised was that no on-road facilities be provided. In addition to the issues explained above which may be applicable, the actual level of service provided by some off road paths is limited and will not by themselves adequately help the Council to achieve its cycling objectives.
 - *More dual use of footpaths and bus lanes*
 33. Whilst the proposal for cyclists to use footpaths is tempting, especially when it becomes difficult to provide for all users on busy roads, there are a number of issues to consider in addition to those already covered in this report.
 34. New Zealand Road User Rules prohibit cycle riding on footpaths (exceptions are mail deliveries), hence the Council would need to specifically reclassify the footpaths to shared paths.
 35. Generally it isn't possible or advisable to just simply nominate an average footpath to become a shared path. There are national standards on the design layouts which include safety and operational factors and also the Council's duty of care in introducing a risk to existing footpath users to take reasonable precautions to minimise the risks for all users. This approach is currently used on a case by case basis in roading projects and options put forward to the Council and/or Community Boards for consideration.

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36. The option of looking to accommodate cyclists in bus lanes is also subject to design standard considerations and will also be presented to the Council on a project by project basis for consideration as and when any bus lanes are proposed.
- *Stronger separation of different transport modes on roads*
37. This proposal may take many forms but the assumption based on some Councillors' comments are that it mainly refers to physical separation measures of providing a raised surface for cyclists to ride on with a mountable kerb to the rest of the carriageway.
38. This situation could be used in a limited number of carriageways, the introduction of such new features requires more width to operate safely. There are also a number of design challenges to meet such as drainage management especially where the raised cycle lane is not along the kerbside.
39. In addition to this there may be opportunities to provide separation by bollards, islands (such as on the corner of Northcote Road and Sawyers Arms Road) or other physical structures which are then subject to safety audits to ensure they don't on balance create more accidents.
- *Swapping the on-road car parking area with the cycle lane area*
40. Essentially this proposal suggests swapping the 1.6 to 1.8 metre width cycle lane from the usual traffic side of the on road parking area to the kerbside of the on road parking area. This option has the advantage of placing either parked cars or a 2 metre width space between cyclists and same direction motor vehicles. Based on accident records this avoids a very small percentage of accidents but introduces a larger number of hazards to cyclists from right turning traffic and passenger doors opening leaving cyclists with little room to take evasive action.
41. From an operational perspective it increases obstructions from turning traffic and motor vehicles leaving driveways and waiting to enter the traffic lanes. The layout would need to reduce the on road parking available by approximately two parks per intersection approach to allow motorists an unobstructed view of cyclists using the kerbside lanes.
42. This option has been broadly considered by staff but as an overall approach to design was rejected at an early stage due to its introduction of low safety and operational levels.
- *Creating 30 kph zones*
43. This proposal would largely match and reinforce the current network's hierarchy. To be widely developed in zones throughout Christchurch and to a level that produces the results possible would require significant capital costs. If undertaken it is expected that the returns through lower accident costs would be significant along with other environmental benefits for Christchurch.
44. Considerable success has been achieved by a number of towns and cities that have implemented 30 kph zones. The results have shown remarkable drops in the crash rates and the severity of road injuries.
45. A small number of slow streets have been trialled in Christchurch including the Square, Sumner Esplanade, streets in Charleston and in the Avon Loop. Several more are planned of which one is for a further section of Oxford Terrace. The results of these individual examples appear to provide varying levels of success in calming their environments suggesting that if this proposal were strongly pursued to complete a robust implementation in neighbourhoods, higher benefit levels could be expected. An evaluation on the current trials will be reported to the Council.
- *Wider consultation with non cyclists*
46. The proposal suggests that roading projects aren't consulted on widely enough with non-cyclists.

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47. All roading projects are progressed through a consultation process with the public – made up of cyclists and non-cyclists. On a wider basis the recent Council survey found that from the non-cycling public 95% support the Council in its efforts to promote cycling by establishing both on-road and off road cycling routes. 73% of non-cyclists think that the Council is doing the right amount whilst 19% think the Council is doing too little.

Design Issues

48. A number of comments were recorded relating to specific design criteria these are noted as follows:

- *Adjusting width of on-road cycle lanes*

49. Planned roading projects with on road cycle lanes are designed to meet the new National Cycle Design Guidelines. There are existing cycle lanes on the network that are now not up to the new current guidelines as they are too narrow. However these will generally be addressed as and when the road markings are updated. The guidelines set desirable widths and acceptable width ranges based on varying environment conditions that they are being designed into. These variables include such factors as the operating speed environment and the presence of adjacent on street parking.

- *Adjusting width of traffic lanes*

50. Traffic lanes are legally required to be no narrower than 2.5 metres in width. Generally in Christchurch the practice is that in a 50 kph posted environments, mid block traffic lanes are no narrower than 3 metres. On occasions this width has been reduced to 2.9 metres and very rarely to 2.8 metres.

51. At intersections where there are lower operating speeds and often carriageway space is at a premium the general practice is that turning lanes are reduced in width. However they are not reduced below the legal minimum width. The Kilmore Street and Madras Street intersection was raised as a concern of having too narrow a right turning lane. Its width of 2.65 metres isn't considered unusual and is within the legal requirement set.

- *Red surfacing*

52. Questions were raised on the increasing usage of red surface colouring and also about its durability.

53. In 2004 the first National Cycling Design Guide recognised pavement surface colouring and recommends its use in locations where motorists may be unaware of the likely presence of cyclists or where cyclists are likely to feel under stress from potential conflicts with motor vehicles.

54. Research has shown considerable safety benefits from the strategic use of coloured pavement markings in cycle facilities.

55. In terms of the overall network maintenance costs this is a very small item and it targets potential 'black spots' and makes them significantly safer.

Miscellaneous

- *Retailers in strip shopping areas - on road parking priorities*

56. Proposals to remove on road car parking for competing roading demands often causes consternation for retailers in strip shopping or other roadside businesses, because of the potential loss of customer parking.

57. Newer retail or business premises are required to provide reasonable levels of off road car parking under the city plan. However, many existing use situations on main roads don't.

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58. This issue generally arises where there is insufficient road corridor space for competing road demands. Staff are fully aware of and sensitive to the concerns of the retailers in these situations and are at pains to minimise the impacts of providing better road environments for all users. However there is an obvious priority given to the safety of people using the roads over convenience of people as customers.
59. The continuing increase in traffic demand on main roads throughout Christchurch will continue to increase the pressure for road space and those uses with higher priorities will need to be provided for at the expense of lower priority uses. These priorities have already been determined by the Council and are stated within the Parking Strategy adopted by the Council in June 2003. In all situations staff use the priorities set down by Council policies as their primary guide. It should be noted that the Council has still retained its and community boards' rights within the Parking Strategy to determine the allocation of road space in consultation with the affected property owners/occupiers.
- *Cycle bells be made compulsory*
60. In a number of countries bells on cycles are compulsory as it is recognised that cycle bells act as an effective warning to pedestrians, who might otherwise step out in front of an on-coming cyclist on shared paths or on the road.
61. In New Zealand under the New Zealand Road User Rules there is no requirement for cycles to have bells. There is also no legal requirements for retailers to sell cycles with bells in New Zealand.
62. If the Council were interested in pursuing this further staff can arrange for a report on the options available to it.
- *Visual mapping of the network*
63. A number of Councillors requested visual representations of the various user roading networks. It was suggested the maps should show the progress in current network development, the gaps, the priorities for implementation and that all the various user networks be combined to show an overall transport map.
64. These suggestions will be developed by staff towards being able to present Councillors with a quick referencing visual aid to help alongside the various relevant subjects as they are reported, particularly for assisting in the broader strategic network decisions.
- *Recycled rubber materials for road construction*
65. The suggestion raised was to look at introducing the use of recycled rubber products (car tyres) to be combined with other road construction materials when constructing roads.
66. The application can be used to improve the length of life of the road. However, this can also be achieved by adding polymers to the normal construction material. The process to 'crumb' used tyres for roading is very expensive and relies on a large market for economies of scale whereas the New Zealand market is very small. So, while there is appeal with the ability to use recycled tyres, it isn't currently considered a viable option.
67. The Transport and City Streets Unit keeps well abreast of new world wide technologies available to it and assesses their benefits for the city. Many Councillors will be aware of the very recent shared trial venture with a major roading construction contractor to trial recycled roading material in the construction of Golf Links Road.
- *Develop 'cycle and ride bus' facilities*

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68. This proposal suggests providing secure cycle parking facilities at bus interchanges at mall locations around Christchurch. The proposal involves encouraging people to be able to cycle to major bus transit nodes and using buses for the main part of their journey, knowing that their bike is securely parked and will be there when they return. This initiative has the potential to shift people from private vehicle usage to cycling and bus usage.
69. The Council has been working with Environment Canterbury to plan the future development improvements of public passenger transport in Christchurch as detailed in the 'Christchurch Public Passenger Transport Strategy'. Part of these joint plans include the provision of cycle and ride facilities at key locations either as part of suburban interchange developments or as stand alone cycle parking facilities at key bus stops.
- *Provide major central secure cycle parking*
70. This project has been identified within the cycle planning programme and a project scoping exercise is planned to further determine the demands and firming of costings. It is listed as a possible priority for cycle parking funding within the 2007/08 financial year.
- *Funding from Land Transport New Zealand (LTNZ)*
71. If the CCC follows good practice, complies with project funding application procedures and with legal requirements in its project development then no change to the current access to LTNZ funding will occur.
- *Mobility Scooters on footpaths*
72. Any issues around this concern will be addressed in the Pedestrian Strategy when it is next reviewed.
- *Riccarton Road Progress*
73. The project to improve traffic management on Riccarton Road considers Riccarton Road as seven sections:
- Sect 1: Deans to Mandeville
 - Sect 2: Mandeville to Clarence/Straven
 - Sect 3: Clarence/Straven to Matipo
 - Sect 4: Matipo to Clyde
 - Sect 5: Clyde to Ilam
 - Sect 6: Ilam to Waimairi
 - Sect 7: Waimairi to Peer & Curletts.
74. The road was considered in sections because it was recognised that the different sections service different types of adjacent land uses. Whilst it is an arterial road, it was recognised that different treatments would be appropriate for different sections. It is also easier to develop and manage a planning process for a road of this length when considered in sections.
75. Currently the investigation and consultation stages are considered complete for Section 1 and Section 6. Decision making reports are almost ready to be placed before the community board for comment and then to the Council for a decision. Each fully explores the matter of the 'value of cycle lanes on Riccarton Road.
76. Sect 4 & 5: These sections are at the initial issues gathering stage - survey leaflets have been distributed to properties adjacent to the roadway. This project will run through the full and appropriate project development process, including seminar information to the community board when issues and options have been identified.
77. Sect 2 & 3: These sections are not yet programmed or budgeted. They were placed at the end of the programme for Riccarton Road, as the Riccarton Mall expansion and Clarence/Riccarton/Straven projects were still in consideration when the programme was set. Further feasibility and programme development work is required before these items make the capital programme.

7. SOLID WASTE MANAGEMENT PLAN COSTS AND IMPLICATIONS

General Manager responsible:	General Manager City Environment
Officer responsible:	City Water & Waste Manager
Author:	Tony Moore, Senior Planner, DDI 941-6426

PURPOSE OF REPORT

1. The purpose of this report is to provide the information requested on 20 December 2005 on the Draft Waste Management Plan 2005 resolutions.

EXECUTIVE SUMMARY

2. This report sets out the costs and implications of the 20 December 2005 Council resolution on the Draft Waste Management Plan 2005. The options suggested by the Council in this resolution to reduce organic waste are presented and discussed. Staff plan to report back to the Council later in 2006 on the collection of recyclables from the inner city and apartments, on the proposal for a targeted rate for refuse collection and disposal, and with the final draft of the Waste Management Plan.
3. Key implications of the 20 December Council resolution include:
 - The revision of the Council's waste minimisation targets to reflect a lower level of waste reduction (see Table 1 and Attachment 1).
 - The likely failure to meet the organic waste reduction targets contained in the Council-adopted New Zealand Waste Strategy.
 - Under the Council's Waste Handling Bylaw operators are required to work towards the Council's waste reduction targets. A lowering of these targets would, in effect, allow these operators to send more waste to landfill.
 - Potential financial and operational efficiencies that could be gained by tendering a bundle of kerbside services will be lost (eg the ability to collect organics and rubbish in the same truck) if the Council adopts an incremental approach to the implementation of the services.
 - Because of the long-term nature of these kerbside collection contracts, it is unlikely that additional collections (eg for organics) could be added to the contracts during their life, in a cost effective way. Therefore, the 20 December 2005 decision could increase the cost of such collections and/or increase the likelihood of delaying an organics collection until 2013 or more likely 2018.
 - More waste will be disposed of to landfill (in comparison to Option 3) which will result in 3,600 truck loads and 500,000 kilometres travelled to the landfill each year, a potential reduced life for the landfill of eight years, additional burden on the landfill's host community and costs to the Christchurch community in the order of \$9m each year for the collection and disposal of organic waste.
 - Based on recent articles in the Press, the letters to the editor and letters received by staff (see Attachment 2), public confidence in the decision making process appears to have been eroded by the apparent disregard for the 47% of submitters that voted for Option 3.
4. More detailed information can be found in the body of the report.
5. This report concludes that organics will remain a significant portion (27%) of domestic and commercial waste and continue to cost the community around \$9m per year for collection and disposal, unless further options are implemented by the Council such as the construction of an enclosed compost facility and the kerbside collection of organic waste. The cost of avoiding this waste and beneficially using these organic resources (1.6% rates impact) is similar to the rate reduction achieved when the Council lowered the number of rubbish bags allocated to each household from 52 to 26 bags. A rationale for lowering the number of bags at this time was that half the contents of an average rubbish bag could be composted. The selection of Option 1 and not Option 3 by the Council on 20 December means that this is likely to continue.

Table 1. Impact of the Council decision on the waste reduction targets

Type of Waste	No more than: kg / person / year to sent to landfill		Target Year
	Original ^a	Revised ^b	
Green and kitchen waste sent to landfill	30	172	2015
Paper and cardboard sent to landfill	90	100	2015
Plastic waste sent to landfill	60	60	2015
Kerbside waste collected by Council	25	82	2015
Wood waste sent to landfill	22	22	2015
Rubble received at refuse stations	10	10	2015
Total waste to landfill	320	383	2020

- (a) Targets proposed in the Draft Waste Management Plan consulted on in November 2005.
 (b) Revised targets based on the 20 December Council resolution.

FINANCIAL AND LEGAL CONSIDERATIONS

6. Councillors would need to decide what level of service to provide for each initiative contained in clause 1 of the Council resolution. However, the following sets out related indicative costs:

Initiative	Indicative Cost (\$million per year)	Potential Rates Impact (%)
Subsidy for on-site shredding services ^a	0.8	0.5
Subsidy for kerbside organics collection services ^b	2.6	1.5
Free greenwaste drop off at refuse stations	2.5 – 3.2	1.5 – 1.8
Extra funding of Community Gardens	0.05	0.02

Notes

- (i) a and b assumes a 20% subsidy is provided from the Council for these services the remaining 80% would need to be paid for by the users of the service.
 (ii) Subject to Council approval the cost of these initiatives could be offset by the Waste Minimisation Fund (a total of \$1.5m would be available each year).
 (iii) The cost of Option 3 as proposed in the Draft Waste Plan was \$2.7m or 1.6% on the rates.

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STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the information.
- (b) Note the extent of the work already underway or included within the Waste Management Plan.
- (c) Note that Option 1 (with the Council's suggested amendments/refinements) which was resolved on 20 December 2005 has the following implications:
 - (i) the Council's waste reduction targets will be reduced to reflect a lower level of waste minimisation;
 - (ii) it is likely that the Council will fail to meet the waste minimisation targets contained in the New Zealand Waste Strategy;
 - (iii) the impact on financial and operational efficiencies as set out in this report; and
 - (iv) the resulting social, financial and environmental impacts of the continued disposal of waste to Kate Valley Landfill.
- (d) In the light of this report, confirm that Option 1 with the resulting implications is the preferred option for Christchurch City and adopt the following targets for the Council's Waste Plan:

Waste Type	No more than: Kg/person/year	Target Year
Green and kitchen waste sent to landfill	172	2015
Paper and cardboard sent to landfill	100	2015
Plastic waste sent to landfill	60	2015
Kerbside waste collected by Council	82	2015
Wood waste sent to landfill	22	2015
Rubble received at refuse stations	10	2015
Total waste to landfill	383	2020

BACKGROUND ON SOLID WASTE MANAGEMENT PLAN COSTS AND IMPLICATIONS

7. On 20 December 2005, in its deliberations on the Draft Waste Management Plan 2005, the Council resolved:
- (a) *That option 1 be adopted and that a working party comprising staff, the present submitters and other interested parties be formed to consider and report back in 2006 for 2008 on the suggested amendments/refinements to option 1, including:*
- *on-site shredding of green waste*
 - *subsidised organics collection*
 - *principles of fairness*
 - *greater emphasis on community gardens*
 - *a variety of techniques*
 - *waste minimisation*
 - *community education programme*
 - *bylaw implementation*
 - *the option of different size bins to suit the needs of the household*
 - *more focus on commercial sector*
 - *investigation of a possible targeted rate*
- (b) *That it be noted that Option 1 will result in the necessity to reduce the targets set out in the Council's Solid and Hazardous Waste Management Plan, and that it is likely that the Council will fail to meet national waste minimisation targets.*
- (c) *That staff be requested to report back with the following information, prior to the LTCCP seminars to be held during the week 13-17 February 2006:*
- *the costs and implications of the suggested amendments/refinements listed in clause 1 of the resolution*
 - *the anticipated reduction in the targets set out in the Council's Solid and Hazardous Waste Management Plan, and the resulting amendments to the associated KPIs.*

This report firstly addresses the costs and implications of the suggested amendments/refinements in clause 1, and then reviews the impact of the December resolution on the waste reduction targets.

On-site shredding service to households

8. In the 2005 Yellow Pages under Tree Services currently 63 operators exist that can chip or shred garden waste on-site and on a user-pays basis. The following is based on calls made to a selection of these operators.
9. The average price for these services is \$140 per hour with an additional charge of \$10 per metre when the resulting mulch is taken away (in one hour approximately 7 cubic metres of mulch would be produced). The collected mulch is then on-sold to landscapers by the tree shredding company. Anecdotally, 60% of customers get the mulch taken away.
10. For an average caged 6 x 4 metre trailer full of greenwaste this would equate to \$40 for shredding and leaving on the property approximately half a cubic meter of mulch. Currently the same trailer would be charged \$15 at the refuse station and the person would not need to deal with the resulting mulch, it would be composted by the Council (note that to hire a trailer from a service station for one hour costs about \$12 or \$20 for half a day).

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11. A 20% Council subsidy for this service would cost approximately \$0.9m (0.5% rate impact) if 30% of households required the service twice each year. However, staff consider that sufficient user-pays shredding services are currently available in the city and there is no need for Council intervention. Council intervention related to this service will not significantly reduce the amount of organic waste going to landfill. This option would be primarily aimed at large amounts of woody material such as branches from felled trees. It would not be suitable for herbaceous material (eg hedge or grass clippings) that can clog machinery and would not address food scraps or commercial putrescibles. Herbaceous material and food scraps are the main type of organics found in rubbish bags and wheeliebins being sent to landfill because the large woody branches do not easily fit into these containers. Consequently, this option would not address the main types of organic waste currently going to landfill.

Subsidised Organics Collection Services

12. In the 2005 Yellow Pages under Rubbish Bin Hire currently two operators provide a user-pays garden waste collection service, which compost the material collected. An additional 60 bin or drum operators exist in Christchurch that collect mixed garden and household rubbish and send it to landfill (by weight 65% in a bin/drum is organics that could have been composted). A further 36 garden maintenance businesses will take away the resulting vegetation for composting at the Council facility (strictly speaking these are not organics collection services, but gardening services, so should not be considered for any Council-based subsidy). The following is based on calls made to the two greenwaste collectors.
13. Both operators would be interested in Council support for their services – it would improve their competitive advantage. However, consideration needs to be given to whether a subsidy for these services would actually change public behaviour or reduce the amount of organics going to landfill.
14. A greenwaste wheeliebin (140 or 240 litres) collected each week or fortnight costs an average of \$3 per collection per household and a 600 litre wool sack collected on demand (fortnightly or monthly) costs \$15 per collection per household regardless of frequency.

The Cost for Private Collection Operators

Bin Size	Green Waste Only			Rubbish
	Weekly	Fortnightly	Monthly	Weekly
240 litre wheeliebin	\$165/year	\$99/year		\$295/year
140 litre wheeliebin	\$140/year			\$225/year
600 litre wool sack		\$15/collection	\$15/collection	

15. A substantial incentive currently exists for residents to use the greenwaste collection services in comparison to waste collection services. The greenwaste service is roughly half the price (45%) of a mixed waste collection service yet only 8% of the public choose these services in comparison to 20% selecting waste collection services. Based on Council telephone surveys the main reason given for having a waste wheeliebin is convenience (eg “it all goes into one bin”).
16. Because uptake is unknown it is difficult to estimate the cost of Council intervention in this market. However, if the cost of these greenwaste services was discounted 20% by a Council subsidy it would cost the Council approximately \$2.6m per year (1.5% increase on Council rates), based on a weekly collection at \$3 per collection per household with a 60% uptake. This assumes that the community would be willing to pay the remaining \$10m per year (80% share of the costs) for the service.
17. Note that the cost for the organics collection and composting service proposed in Option 3 is \$1 per collection per household. This is because it is more efficient to collect organics city-wide in comparison to collecting from only 8% of the households city-wide. Further efficiencies could be achieved if the organics were collected at the same time and using the same truck as the rubbish (potentially down to 80 cents per collection). However to be conservative, this was not used as a basis for the figures presented to Council for Option 3.

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18. Councillors would need to decide what level of subsidy is acceptable or reasonable. Staff advice is that in comparison to a 50% price incentive (currently available from private operators) a modest Council subsidy not likely to be effective. This is because price is not the main barrier or driver. According to the current situation people are willing to pay \$295 per year for a wheeliebin to dispose of rubbish, 65% of which is greenwaste. Based on the average weight of a wheeliebin, this equates to \$295 per tonne compared to the \$63 per tonne to drop off greenwaste at a Council refuse station.
19. Another option suggested by submitters and Councillors was to reduce the tipping fee for greenwaste at the refuse stations. Currently the greenwaste tipping fee is \$63 per tonne or 50% of the refuse tipping fee and 33,000 tonnes are received each year for composting. If the tipping fee was removed entirely it would cost the Council \$2.1m per year. However, with no tipping fee, it is likely that significantly more greenwaste would be received increasing this cost further, in the range of \$2.5–\$3.2m per year which translates to a 1.5-1.8% impact on rates.
20. A Council subsidy for organics collection and free greenwaste tipping would not address food scraps or commercial putrescibles, which can only be composted in an enclosed facility. No such facility currently exists in Christchurch and the Council, placing a low priority on capital for a compost plant, has effectively removed from the City Water and Waste budget the funding for such a plant. It could now only proceed if it was entirely privately funded.

Principles of fairness

21. This closely aligns with a possible targeted rate (see paragraph 35) and the principle of user/polluter pays. User pay regimes are common nationally and internationally for rubbish collection services. Experience elsewhere shows that once established, full cost pricing for rubbish disposal is seen as fair by the public (Skumatz 2002). In addition, full cost pricing for refuse disposal is a core principle contained in the Council-ratified New Zealand Waste Strategy. *“Efficient pricing policies that as far as practicable reflect the full cost of waste disposal ... are the cornerstone of this strategy.”* Christchurch is one of the few cities left in New Zealand where rubbish collection is still rates-funded.

(Skumatz, A. (2002) *Variable-rate or “pay as you throw” waste management: answers to frequently asked questions*. Reason Public Policy Institute, Reason Foundation, Los Angeles.)

Greater emphasis on community gardens

22. From 2001/02 the Council resolved to allocate \$50,000 per year to encourage and support the development of new and existing community gardens as set out in the Council's Community Gardens Policy. This funding was removed in 2004/05. Since its removal a number of submissions have been received from the Christchurch Community Gardens Association and others on the Council's Annual Plan and Waste Plan and the importance of the objectives that were met with this funding.
23. These objectives are not predominantly directed at waste minimisation, but rather a number of Community Outcomes such as social cohesion, lifelong learning and biodiversity. Past experience has demonstrated that their effect in reducing the organic waste stream is not high. However, staff would welcome additional funding to encourage more gardens and to assist the existing ones (eg for garden tools, sheds, and related facilities and services). In addition, an ongoing series of home composting workshops are planned to be run through community gardens as part of the \$30,000 per year budget allocated for the promotion of home composting.

A variety of techniques for processing organic wastes

24. Staff have been investigating organic waste processing options since 1998 (approximately \$600,000 has been spent on these investigations excluding staff time) and this has included:
 - a call for expressions of interest and after shortlisting, a request for proposal in 2001 that was not proceeded with after staff recommended the acceptance of one of the proposals. The objective was to have an enclosed compost plant operational at the time Kate Valley opened;

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- a feasibility study undertaken by the provider of an alternative waste technology in 2002;
 - the construction of a prototype HotRot composting unit at the Wastewater Treatment Plant for the processing of rag and grit;
 - an expression of interest process again in 2004, based on Council approval for the development of an enclosed compost plant as described in the 2004 Waste Action Plan;
 - site visits in Australia, Europe, United Kingdom, Japan and America; and
 - numerous presentations from composting, digestion and alternative waste technologies.
25. Staff have short-listed three composting technologies considered to meet the needs of city (that are modular, proven and reliable) and are part way through developing request for proposals documentation. This tender process is now on hold owing to the Council decision to place a low priority on the capital budget for the commercial putrescible processing plant. Note that enclosed compost facilities are now operating in Mackenzie, Kaikoura, Waitakere, Wellington and soon Timaru and Selwyn.
26. Given the above, further research into digestion, enclosed composting and the marketing of the compost products would only be warranted if the Council signalled a willingness to collect organics at a stated time in the future.

Waste minimisation

27. The Waste Management Plan (at the website below) contains more than 100 actions on how to reduce waste in the city. Further work with the submitters and other stakeholders will progress, but this is largely "business as usual" in terms of problem solving for the waste stream.

<http://www.ccc.govt.nz/Waste/PolicyReports/>

Community education programme

28. The Solid Waste Education and Communication Strategy 2004 (at the website below) contains 50 pages of information about how the Solid Waste Section plans to engage the public, schools and businesses in waste minimisation activities. These include recycling at events (\$50,000 per year), home composting promotions (\$30,000 per year), the promotion of kerbside recycling (\$125,000 per year), promotion and support for business recycling (\$80,000 per year), a contestable community waste minimisation fund (\$50,000 per year), general education and publicity (\$80,000 per year) and a postgraduate scholarship (\$5,000 per year). The Council may provide more funding into this area if they wish.

<http://www.ccc.govt.nz/Waste/PolicyReports/>

Bylaw implementation – Ban organics from the landfill

29. Bylaws are established through a legal process. Fundamental in this process is the fact that bylaws must be "reasonable and fair" in order to proceed. Staff do not believe that it is reasonable to place a blanket ban on greenwaste or kitchen waste entering the landfill without having readily available alternatives in place. This option could be pursued as a backstop measure, once alternatives are established for the public and businesses (eg an enclosed facility to process food scraps and commercial putrescibles and an organics collection service). If a bylaw was established it is likely that enforcement would be difficult (especially for rubbish bags) and costly.
30. The North Shore City Council bylaw example raised during the hearings on the Waste Plan, would not be effective in reducing waste, as it only bans whole loads of greenwaste from being tipped in refuse station pits or taken to landfill. Tipping of mixed refuse containing greenwaste is still permitted.

The option of different size bins to suit the needs of the household

31. Two wheeliebin sizes were proposed for the recycling collection service, a 140 litre wheeliebin and a 240 litre wheeliebin. These bin sizes appear to suit the needs of most residents as indicated by the submissions received on the Waste Plan (25% of submitters preferred 240 litre bin and 49% preferred a 140 litre bin). It should be noted that in Australia a 240 litre bin is the standard size for fortnightly recycling collection services and that a 240 litre bin was recommended by Terranova due to the proposed increased volume of plastics that is planned along with the introduction of wheeliebins and for future proofing the service.
32. Options will be considered and reported to the Council later in 2006, for the collection of recyclables in the inner city and from apartments.

More focus on commercial sector

33. Staff acknowledge that the commercial sector is important (it contributes 55% of the waste sent to landfill) which is why:
 - The Council's resource efficiency programme "Target Zero" is allocated \$346,000 per year to provide support to Christchurch businesses in dealing with the use of resources, electricity, water and the generation of waste.
 - \$80,000 has been allocated to promote and support recycling in businesses.
 - A Sustainable Initiatives Fund has been established to encourage new commercial waste minimisation ventures in the city. This is funded from a \$2 levy applied to all waste sent to landfill and currently \$420,000 is available for proposals that meet the criteria.
 - The Waste Handling Facilities Bylaw requires all waste facilities in the city to work towards the Council waste minimisation targets and includes the possibility of imposing a minimum level of waste separation for those sites that do not achieve an appropriate level of waste avoidance.
 - Staff work closely with the Ministry for the Environment and other organisations to develop programmes that focus on the commercial sector, such as product stewardship and the packaging accord.
 - A range of other initiatives are set out in the Draft Waste Management Plan including the sorting of commercial and construction and demolition waste at refuse stations.
34. Through the submissions received on the Waste Plan the Council received strong public support for work in this area and staff will be working with Christchurch businesses to see what else can be done.

Investigation of a possible targeted rate

35. A report put to Council in February 2004 *Targeted uniform annual charge for refuse bag collection and disposal* recommended that for purposes of clarity for residents a separate line item be shown on a property owner's rates assessment for the 26 bag refuse bag collection activity (a targeted uniform annual charge). This proposal was rejected. However, staff will now reconsider this issue as requested and report findings to the Council later in 2006.

(b) That it be noted that Option 1 will result in the necessity to reduce the targets set out in the Council's Solid and Hazardous Waste Management Plan, and that it is likely that the Council will fail to meet national waste minimisation targets.

36. Attachment 1 contains the revised targets for the Council's Waste Management Plan.
37. On page 24 of the New Zealand Waste Strategy 2002 are the following targets that relate to organic waste:
 - (a) *By December 2005, 60% of garden wastes will be diverted from landfill and beneficially used, and by December 2010, the diversion of garden wastes from landfill to beneficial use will have exceeded 95%.*

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- (b) *By December 2010, the diversion of commercial organic wastes from landfill to beneficial use will have exceeded 95%.*
- (c) *By December 2007, more than 95% of sewage sludge currently disposed of to landfill will be composted, beneficially used or appropriately treated to minimise the production of methane and leachate.*

38. It is the view of Council staff that these targets will not be met without an enclosed compost plant able to process commercial organic wastes and without the kerbside collection of organic waste.

(c) That staff be requested to report back with the following information, prior to the LTCCP seminars to be held during the week 13-17 February 2006:

- **the costs and implications of the suggested amendments/refinements listed in clause 1 of the resolution**
- **the anticipated reduction in the targets set out in the Council's Waste Management Plan, and the resulting amendments to the associated KPIs.**

Costs

39. Councillors would need to decide what level of service to provide for each initiative contained in clause 1 of the Council resolution. However the following sets out related indicative costs:

Initiative	Indicative Cost (\$million per year)	Potential Rates Impact (%)
Subsidy for on-site shredding services ^a	0.8	0.5
Subsidy for kerbside organics collection services ^b	2.6	1.5
Free greenwaste drop off at refuse stations	2.5 – 3.2	1.5 – 1.8
Extra funding of Community Gardens	0.05	0.02

Notes

- (i) a and b assumes a 20% subsidy is provided from the Council for these services the remaining 80% would need to be paid for by the users of the service.
- (ii) Subject to Council approval the cost of these initiatives could be offset by the Waste Minimisation Fund (a total of \$1.5m would be available each year).
- (iii) The cost of Option 3 as proposed in the Draft Waste Plan was \$2.7m or 1.6% on the rates.

Implications

40. The 20 December Waste Plan Resolution has the following implications:

- The Council's waste minimisation targets have been revised to reflect a lower level of waste reduction. With this, the Council is likely to lose credibility with the Christchurch community and other organisations and councils around New Zealand (given that the Council adopted the New Zealand Waste Strategy and considers itself to be a "Zero Waste" Council) and because of the agreed Community Outcomes established in 2005. The Council's Waste Handling Facilities Bylaw also charges waste handlers to advance on the Council's targets, this will now require a lower level of commitment from these operators.
- The memorandum of understanding with Transwaste Canterbury relating to the operation of Kate Valley states in Clause 6.5.d that "*all parties contributing waste to the landfill have taken all practicable and financially viable steps to ensure there is a minimum potential of further waste reduction, reuse and recycling*" lowering the waste reduction targets and not selecting Option 3 effectively goes against this agreement.
- It is very likely that the city will fail to meet the organic waste targets contained in the New Zealand Waste Strategy adopted by the Council. If the European model was followed the Council would be fined for every tonne sent to landfill above the targets. However, in New Zealand there is no imperative or consequence for failing to achieve the voluntary waste targets set by central government.

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- If a stepwise approach to the implementation of the wheeliebin services is adopted (ie choosing Option 1 then at a later time moving to collect organics) the Council may lose an ability to tender for the entire kerbside service and lose the efficiencies that this may provide. For example, the ability to collect both organics and rubbish each week using the same truck may be lost. Timaru and Waitakere Councils experienced considerable efficiencies when their kerbside services were tendered at one time and for a reasonable period (eg 12 years, the life of the wheeliebins).
- With the expiry of both collection contracts (refuse and recycling) and the Terra Nova contract (for sorting and marketing the recyclables collected) in 2008, a significant opportunity exists for tendering for the most efficient collection and recycling services. It is unlikely that additional collections (eg for organics) could be added to the contracts during their life, in a cost effective way. Therefore given the inherently long term nature of these types of contracts, the 20 December 2005 decision is effectively putting off any likelihood of an organics collection until 2013 or more likely 2018 or increasing its costs.
- Based on recent articles in the Press, the letters to the editor and the 40 letters received by Council staff (see Attachment 2), public confidence in the decision making process appears to have been eroded by the apparent disregard for the 47% of submitters that voted for Option 3. *Note: based on the submissions received Option 1 and 2 should be considered mutually exclusive ie they should not be added together because submitters selected Option 1 primarily on basis that rates would not increase, whereas Option 2 resulted in a 3.2% rates increase. Submitters also selected Option 1 or 3 primarily because they would result in less waste going to landfill, whereas Option 1 as stated in the Waste Plan would result in a 65% increase in waste.*
- More waste will go to Kate Valley in comparison to Option 3. This will increase transportation to the landfill, shorten the landfill life and add costs the community for waste disposal and the "pre-mature" need to develop a new landfill. The costs to the community for the disposal of organic waste are covered in detail below.

Cost to community for the disposal of organic waste

41. In considering the organic waste issue it is not enough just to consider the cost impact on the Council rates, one should consider the wider costs to the community because all waste disposal, except for the provision of 26 rubbish bags, is user-pays (ie do not appear as a rates impact).
42. The table below provides an indication of the cost borne by the Christchurch community for the collection and disposal of organic waste. It should be noted that these figures would be significantly higher if paper was included (organics and paper combined would account for 51% of all the waste landfilled from the city and would amount to \$16.6m each year in disposal costs alone). In other words, it may be possible to halve the waste stream by dealing with the compostable components of what is landfilled from the city. The technologies short-listed by the Council would be able to process both organics and paper to generate quality compost.
43. Collectively the community pays about \$9m each year to dispose of organic waste to Kate Valley. Higher costs are incurred, above the landfill fee of \$125/tonne when the organics are collected from the kerbside in a rubbish bag or wheeliebin. Higher costs are also incurred for the disposal of some putrescible wastes (eg large amounts of odorous material) because they would be classed as "special waste" and need to be processed differently (this extra cost is not shown below but is approximately \$150 per tonne).
44. The 50,072 tonnes of organic waste accounts for 3,600 truck loads and 500,000 km travelled to Kate Valley each year (excluding biosolids that are currently mixed with composted greenwaste and used as cover for the Burwood Landfill). In addition to this, is the distance travelled by the 120 trucks collecting waste each week from properties around the city, 65% of which is organic waste mixed in with refuse (based on 2 trucks for each of the 60 bin operators).

Cost to the community for the collection and disposal of organic waste

Waste Source	Tonnes landfilled <i>a</i>	Composition of organics % <i>b</i>	Tonnes of organics <i>a x b</i>	Disposal cost (\$/Tonne) <i>c</i>	Cost per year (\$m) <i>a x b x c</i>
Rubbish bag	33,000	47	15,510	188	2.8
Private waste bin	18,500	65	12,025	295	3.5
Other domestic and commercial waste	190,500	Various	22,537	125	2.8
Biosolids ¹	30,000	100	30,000		
Total	272,000	27	80,072		9.1

Notes:

In this table organics includes green and putrescible wastes, but excludes paper that can also be composted.

1. Alternative options for the use of biosolids are currently under investigation and are the subject of a report to Council. The costs per tonne of processing the biosolids are envisaged to be less than the disposal costs for Kate Valley, but for the purposes of this analysis these costs are not included because this material is currently being used as cover for the Burwood Landfill.
45. Once in the landfill organics are the main source of leachate and greenhouse gases. One of the main reasons why landfills are required to have liners, leachate and gas collection and treatment systems is the organic content of the waste. The cost of this to the community is best demonstrated by comparing the price to dump waste that contains organics in a landfill (\$125 per tonne) with the price to dispose of material free of organics (inert inorganics) in a cleanfill (about \$15 per tonne). Given that hazardous waste only makes up 2% of the waste stream, the price difference of about \$110 per tonne is almost entirely due to the organic content of waste.
46. Extending the life of the landfill by avoiding waste would also reduce the future burden to the host community and to Christchurch. Avoiding 90% of the organic waste going to landfill could make the \$40m landfill last another eight years, delaying the need for a new landfill and beneficially utilising the organic resources. If 90% of paper was also avoided then the life of the landfill could theoretically be doubled.
47. Taking these costs into account, a business case can be developed that supports the option to collect organics at the kerbside on the basis that it will be cheaper for the community both now and in the long-term. The cost to collect and process the organics as set out in the Draft Waste Management Plan is \$185 per tonne. On a per tonne basis, this is about the same as collecting and disposing of rubbish bags (47% of which is organics by weight or 67% including paper), and considerably less than private wheelie bin costs.
48. The operational cost of Option 3 as stated in the Draft Waste Plan is \$2.7m per year (including repayments for capital for the bins and the compost plant) and this equates to 1.6% in the rates. This figure is lower than the costs currently paid for by the community primarily because the material collected is used as a resource and not sent to landfill at \$125 per tonne (the cost of composting the organics collected is \$90 per tonne by comparison). It is notable that the extra cost in the rates proposed by Option 3 is roughly the same as the rate reduction achieved when the rubbish bag allocation to each property from reduced 52 to 26 in 2004. A rationale for lowering the number of bags at this time was that half the contents of an average rubbish bag could be composted. The selection of Option 1 and not Option 3 by the Council on 20 December means that this is likely to continue.

8. BIOSOLIDS STRATEGY

General Manager responsible:	General Manager City Environment
Officer responsible:	City Water and Waste Manager
Author:	Diane Shelander, Senior Resource Planner, DDI 941-8304

PURPOSE OF REPORT

1. The purpose of this report is to present the final report from the Biosolids Strategy consultation process carried out for the Council by a coalition led by the University of Canterbury. Approval is sought to progress this issue by developing an issues and options report centred on the preferred outcomes of the University report (Attachment 1).

EXECUTIVE SUMMARY

2. Biosolids produced from the Christchurch Wastewater Treatment Plant (CWTP) are primarily used as cover material at Burwood Landfill. The need for cover material at Burwood will cease, once the rehabilitation of the landfill is completed in mid-2008.
3. Through a team lead by the University of Canterbury, consultation was conducted with the public on a future strategy for biosolids reuse and disposal. The University of Canterbury and associated team had a need and the funding to pilot a new type of consultation process – the Scenario Workshop method. A very successful consultation process has been completed and the Council now has a very clear community preference for the future use of biosolids. The community preference is very strongly weighted towards the use of biosolids for energy generation with land application (not on food crops) and incineration distant secondary options. A clear proviso with energy generation is the tight control of any discharge of contaminants to air.
4. Those consulted felt strongly that the Council should:
 - step up community education on the impacts of the public's behaviour and products they purchase on the waste stream,
 - have programmes that encourage the reduction in both domestic and industrial wastes and contaminants at source, continue research into potential hazards and future options for biosolids management, and
 - investigate the feasibility of decentralisation of wastewater treatment.

The support for land application was based on the desire to return nutrients to the soil and was contingent on removal of a full range of contaminants from the waste stream.

5. The Council now has a clear direction with which to assess the issues and options associated with implementing the use for energy production of the 30,000 tonnes per year of biosolids (as 20% dry solids) produced each year at the wastewater treatment plant.

FINANCIAL AND LEGAL CONSIDERATIONS

6. If other options are not implemented, the bulk of the biosolids produced at the CWTP will have to be sent to Kate Valley for disposal, at a cost of at least \$3.54M per annum at the current landfill charge and transportation costs.
7. The volume of biosolids disposed to Kate Valley will not be beneficially reused. This will result in a failure to meet, or to make reasonable progress towards meeting, the New Zealand Waste Strategy target for biosolids:

By December 2007, more than 95 per cent of sewage sludge currently disposed to landfill will be composted, beneficially used or appropriately treated to minimise the production of methane and leachate.

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8. A total capital sum of \$22M has been included in the draft 2006/16 LTCCP spend between 2006 and 2009 for construction of a facility to process the biosolids.
9. The financial and legal implications will be further assessed through the issues and options stage that is about to commence.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the report "Invitation to Design the Future - Christchurch Scenario Workshop on Biosolids Management" (Attachment 1).
- (b) Thank Dr Joanna Goven and her team for the work and report.
- (c) Request that staff now develop the issues and options for fulfilling the agreed strategy and report back to the Council with options and recommendations for implementation.

BACKGROUND ON BIOSOLIDS STRATEGY

10. Biosolids are the organic solids that have been recovered from the wastewater treatment plant processes and treated so that they are suitable for reuse in the environment. Approximately 30,000 tonnes of biosolids (as 20% dry solids) are produced per year at the Christchurch Wastewater Treatment Plant (CWTP). Currently, biosolids produced from the CWTP are chiefly reused in two ways:
 - as cover material at Burwood Landfill, which accounts for 90% of the reuse of the CWTP biosolids; and
 - as a soil conditioner, spread in designated areas of Selwyn Plantation Board forests.
11. The use of biosolids as cover material at Burwood Landfill is limited to the duration of the rehabilitation of the closed landfill. It is expected that by mid-2008 there will be no further demand for cover material at Burwood Landfill. Current consents for the application of biosolids to forest plantations will not provide sufficient capacity for the volume of biosolids now used as cover material at Burwood. There is little or no need for cover material at Kate Valley, given the abundant supply of natural cover produced from the construction of that site. This will result in at least 30,000 tonnes of biosolids (as 20% dry solids) for which an alternative must be found.
12. If new uses cannot be found for the 30,000 tonnes per year of biosolids that are now used as landfill cover material, the biosolids will have to be disposed of at Kate Valley as waste, at an annual cost of at least \$3,540,000 at the current landfill charge and transportation costs. This does not include the cost of transporting the biosolids to Kate Valley.
13. A programme for planning work is needed to prepare for the draft LTCCP 2006/16 capital budget spends of \$400,000 in 2006/07, \$10,000,000 in 2007/08 and \$11,600,000 in 2008/09. This will include an issues and options report for biosolids management to be written in early 2006.

COMMUNITY CONSULTATION ON BIOSOLIDS

14. Earlier this year, community consultation on the management of biosolids was conducted, led by the University of Canterbury. A seminar on the process used for the consultation was presented to the Council on 4 October 2005. In brief, the consultation consisted of two stages.
15. In stage I, six "birds of a feather" workshops were held in June and July 2005. For these workshops, relatively homogeneous groups were asked to consider four scenarios. In addition, a web-based workshop was also offered for members of the public who were unable to attend the June and July workshops. From the Phase 1 workshops, preferred visions for biosolids management were developed.
16. In the second phase of the consultation, participants for all Stage I workshops were brought together to create strategies derived from the criteria developed during the Stage I workshops. Four major possible options for managing biosolids were identified:
 - thermal treatment (incineration)
 - energy production from combustion
 - land application, excluding use in the food chain
 - land application without any food chain restrictions
17. There was a very clear preference for use of biosolids for energy generation, with nearly 75% of participants supporting this option. Support for this option was tied to a provision that emission of contaminants into the air are strictly controlled and monitored. Land application (excluding use on food crops) and incineration were distant secondary options, with 17% and 10% of participants, respectively, supporting these options. There was no support for unrestricted land application.
18. Results from the stage I and stage II workshops are provided in greater detail in Attachment 1.

NEXT STEPS

19. Issues and options should be identified for the energy generation preference identified from the consultation, which will form the basis of a report back to the Council later in the year with options and recommendations for implementation.

9. POLICY ON SIGNIFICANCE: DEFINITION OF STRATEGIC ASSETS

General Manager responsible:	Director of Strategic Investment
Officer responsible:	Director of Strategic Investment
Author:	Bob Lineham, DDI 941-8411

PURPOSE OF REPORT

1. The purpose of this report is to provide advice to the Council with regard to the policy on significance, and the definition of strategic assets which forms part of the policy. This report relates to a subset of those strategic assets which are primarily Council Controlled Trading Organisations. This report should be read in conjunction with the report on the policy on significance which was held over from a meeting on 20 December 2005.

EXECUTIVE SUMMARY

2. The format of the current list of strategic assets is not clear as to whether the individual subsidiaries of CCHL are separate strategic assets or part of the CCHL asset and this needs to be clarified.
3. Provision needs to be made for the ownership of Jade Stadium Limited and Christchurch City Facilities Limited to be moved under the umbrella of Christchurch City Holdings Limited within the term of the next LTCCP.
4. Recognition needs to be given to the Council's intention to merge Jade Stadium Limited and Christchurch City Facilities Limited into one company. This is a decision which has been acknowledged in principle by the Council earlier but is awaiting legislation to wind up the Victory Park Board. Such a merger would not in any way affect control and ownership of both entities and is not considered to breach the listing of them separately as strategic assets but it is considered sensible to note this to avoid misunderstandings.
5. City Care Limited and Red Bus Limited are both contracting companies and, as such, not considered to be key infrastructure of the city. Christchurch City Holdings Limited does not consider that they need to be listed as strategic assets. Whether or not they are owned by CCHL or the Council will not affect the delivery of service by the Council. There are currently no proposals for sale of these companies but flexibility should be retained in case circumstances change.

FINANCIAL AND LEGAL CONSIDERATIONS

6. Sections 84, 90(2) and 97(b) of the Local Government Act require that assets which the Council considers to be strategic be listed in the policy on significance which is consulted on as part of the LTCCP and once adopted as part of the LTCCP those assets may not have ownership or control transferred to or from a local authority without a change to the LTCCP.
7. The purchase of the Council's shares in Jade Stadium Limited and Christchurch City Facilities Limited by Christchurch City Holding Limited could enable a financially efficient transfer of capital from Christchurch City Holdings Limited to the Council without changing effective control, retention and operation of those companies.

STAFF RECOMMENDATIONS

It is recommended that the policy on significance to be included in the 2006-16 LTCCP provide for the following:

- (a) An acknowledgement that during the period of the plan the ownership of Jade Stadium Limited and Christchurch City Facilities may change from the Council to Christchurch City Holdings Limited and that the two companies may be merged together.
- (b) Non inclusion of City Care Limited and Red Bus Limited in the list of strategic assets.
- (c) Format and wording of the strategic assets part of the policy as it relates to Council Controlled Trading Organisations be as set out in clause 11 in the body of this report.

BACKGROUND ON POLICY ON SIGNIFICANCE: DEFINITION OF STRATEGIC ASSETS

8. On 20 December 2005 the Council had on its agenda a report on the policy on significance which included a similar definition on strategic assets to that which was adopted by the Council in 2004 for the current LTCCP. As CCHL wished to have the definition of strategic assets revised, the report was left to lie on the table pending a report from CCHL on the matter. That is the purpose of this report.
9. CCHL wishes to have this policy revised from the following points of view:
 - A clearer definition of the status of companies which are subsidiaries of CCHL
 - Revision of which companies should be included in the list of strategic assets
 - Clarity over the extent of the assets which are strategic.
10. The effect of an item being listed as a strategic asset in the policy on significance is that it is restricted from having its ownership or control moved to or from the Council during the period of the LTCCP. The only way this could be achieved during the term of the LTCCP for one of these assets is by a change to the LTCCP which would require public consultation. Often changes relating to subsidiaries have a complexity and commercial sensitivity to them which would be very hard to explain in the context of public consultation. It is therefore important that this list is compiled in such a way that any changes anticipated or possible during the three year LTCCP period are provided for.

DISCUSSION

11. The strategic asset list in the policy is extensive and is attached as Appendix A in the way it is presented in the 2004/14 LTCCP. The specific assets from that list which are the subject of this report are as follows:
 - CCHL
 - Lyttelton Port Company Limited
 - Christchurch International Airport Limited
 - City Care Limited
 - Orion Group Limited
 - Red Bus Limited
 - Jade Stadium Limited
 - Christchurch City Facilities Limited
 - Christchurch Town Hall (*this asset is not actually a CCTO and no changes are proposed except that it needs to be identified separately from Christchurch City Facilities*)
 - Transwaste Canterbury Limited
12. The current structure of the clause on strategic assets is not clearly worded in respect of the companies which are subsidiaries of CCHL. This is because some of the companies are owned by CCHL and so are not directly assets of the Council. Other subsidiaries of CCHL are listed as subsets and it is unclear whether it is intended that these be treated as significant assets in their own right or treated as part of a bigger whole. The confused presentation can largely be corrected by better wording and correct bullet pointing levels. Legal advice suggests that in the normal course of events subsidiaries of CCHL are not strategic assets of the Council but it can be assumed that the Council's purpose in listing them in 2004 was to identify the fact that CCC regards them as strategic and proposed that they be constrained by the provisions of the Local Government Act, the same as other assets on the list.
13. The CCHL Board has given consideration to the assets listed above to determine which of them it truly believes should be treated as strategic. Generally CCHL believes that these should be **“those assets which provide an irreplaceable piece of the city's infrastructure”**.

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14. Two of the CCHL subsidiaries, City Care Ltd and Red Bus Limited, do not strictly fall into this category as their role is to tender for contracts which could be provided by other entities. CCHL does not currently have any proposals to sell these assets, but contends that if market conditions caused it to put them up for sale, there would not need to be public concern since there are other companies which could provide the service needed. In the case of City Care Limited, there are a multitude of other contractors in the local market and in the case of Red Bus Limited it needs to be recognised that the body responsible for the provision of public transport in the city is ECAN and not the City Council . While Red Bus Limited is a prime quality provider of bus services it could continue to carry out this function for ECAN no matter who owned it. There is also no guarantee that Red Bus Limited will always be successful in winning tenders from ECAN to be the prime bus service provider in the city. CCHL believes that in these circumstances City Care and Red Bus should be removed from the list of strategic assets. This would give no authority to CCHL to dispose of these companies without approval from the Council but it would mean that the Council would not need to consult the public on the issue over and above the consultation which will take place as part of the adoption of the new LTCCP.
15. Christchurch City Facilities and Jade Stadium are two companies that are held directly by the Council. In the medium term it is likely that CCHL should acquire the shareholdings in these companies, which would also enable a capital transfer to be made from CCHL to the Council. The timing of this will depend on the availability of capital within CCHL and the status of legislation to enable the winding up of Victory Park Board. These companies should continue to be treated as strategic assets but the wording should facilitate the ability to make this transfer without an amendment to the LTCCP and further public consultation.
16. A further aspect which needs to be provided for is the intention to merge together Jade Stadium and Christchurch City Facilities once the dissolution of Victory Park Board has been completed. The two companies are being operated with joint management already. This merger would not in any way alter the ownership and control of the companies but for the sake of clarity it is sensible that it be made clear that any successor to these companies will also remain a strategic asset.
17. The Local Government Act (section 97(2)) states that “a decision to transfer ownership or control of a strategic asset to or from a local authority” can only be taken if provided for in the LTCCP. For most of the assets listed and owned directly by the Council, the assets are discrete physical assets. However, in the case of companies, the description has to relate to the ownership of businesses which are not as clearly related to a specific asset but rather the control of an operating entity through a shareholding. The current LTCCP is inconsistent in how it describes each of the company assets. Some are described simply by the name of the company and others with the preamble “its equity in...”. The Act refers to “ownership” or “control”. The level of shareholding which Council holds in the various companies varies, some are owned 100% and some have only a partial ownership. From time to time there may also be a need for companies to restructure their capital for some reason and the important bottom line is for the entities to remain within Council “control”. To be consistent in the description it is proposed that the strategic asset be defined as the “controlling equity” in each company. An exception is needed for Transwaste Canterbury because the current shareholding is less than 50%.

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PREFERRED OPTION

18. The following table provides a comparison of the sub list of strategic assets listed in the 2004 LTCCP and those which are proposed for the 2006 LTCCP:

Listed in 2004 LTCCP	Proposed for 2006 LTCCP
Its equity in Christchurch City Holdings Ltd and its equity holdings in Lyttelton Port company	Its controlling equity in Christchurch City Holdings Ltd
	The controlling equity which CCHL holds in Lyttelton Port Company Ltd
Christchurch International Airport Ltd	The controlling equity which CCHL holds in Christchurch International Airport Ltd
City Care Limited	(Remove from list)
Orion Group Limited	The controlling equity which CCHL holds in Orion Group Limited
Its equity in Red Bus Limited	(Remove from list)
Its equity in Jade Stadium Limited	The controlling equity in Jade Stadium Limited or its successor held either directly by CCC or through CCHL
The Town Hall and the Council's equity in Christchurch City Facilities Limited	The controlling equity in Christchurch City Facilities Limited or its successor held either directly by CCC or through CCHL
	Christchurch Town Hall
The city's equity in Transwaste Canterbury Limited	Its equity in Transwaste Canterbury Limited

19. Based on the above proposal for the 2006 LTCCP it is recommended the format of the Strategic Asset list for these assets be as follows:

Section 90 (2) requires the Council to identify and list the assets it considers to be strategic assets.

The assets that Christchurch City Council considers to be strategic assets include:

- **Its controlling interest in Christchurch City Holdings Ltd**
- **The controlling interest that Christchurch City Holdings Ltd holds in each of the following subsidiaries (each subsidiary to be treated as a separate strategic asset for the purposes of this policy):**
 - **Lyttelton Port Company Limited**
 - **Christchurch International Airport Limited**
 - **Orion Group Limited**
- **The controlling interest in Jade Stadium or its successor held either directly by Christchurch City Council or through Christchurch City Holdings Limited**
- **The controlling interest in Christchurch City Facilities Limited or its successor held either directly by Christchurch City Council or through Christchurch City Holdings Limited**
- **Christchurch Town Hall**
- **Its equity in Transwaste Canterbury Limited.**

10. CANTERBURY ECONOMIC DEVELOPMENT FUND: AMENDMENT OF TRUST

General Manager responsible:	Director of Strategic Investment
Officer responsible:	Director of Strategic Investment
Author:	Bob Lineham, DDI 941-8411

PURPOSE OF REPORT

1. The purpose of this report is to obtain the Council's approval of proposed changes to the trust deed for the Canterbury Economic Development Fund (CEDF), to clarify the purpose of the Fund and the relationship with the trustee of the Fund.

EXECUTIVE SUMMARY

2. The Canterbury Economic Development Fund was set up by the Council to distribute funds allocated by the Council from the Capital Endowment Fund to projects which will promote sustainable employment opportunities in Canterbury and generate economic transformation and sustainable economic benefits for the region. The current trustee of the fund is the Canterbury Development Corporation (CDC).
3. The CDC has been concerned that they are both the trustee of CEDF and also a promoter of applications, and sometimes an interested party in applications to the fund for assistance. They have taken legal advice on the appropriateness of CDC continuing to act as a trustee and it is now proposed that a new company be set up called CEDF Trustee Limited which would become the trustee. The sole shareholder of CEDF Trustee Limited will be CDC with CDC controlling the appointment of directors to the company.
4. The CDC has also requested the Council to approve a change in the trust deed to make it clear that CEDF has power to make loans and subscribe for shares in fledgling companies. Such transactions comprise a substantial part of the CEDF's existing operation and although the trust has general powers of distribution it would prefer to have explicit provision for these two types of transaction.

FINANCIAL AND LEGAL CONSIDERATIONS

5. The CDC has taken legal advice on this matter from Tomlinson and Paull and the legal opinions are laid on the table.
6. Under the Trustee Act 1956, the CDC as the current trustee, has the power to appoint a new trustee but it wishes to obtain approval from the Council as settlor of the CEDF trust.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Approve the CDC forming a new company called CEDF Trustee Limited and transferring its trusteeship of CEDF to that company.
- (b) Approve a variation to the CEDF trust deed to allow for the trust to make loans and subscribe for shares (of any class) in any company.

11. CHRISTCHURCH CITY COUNCIL INTERNATIONAL RELATIONS POLICY

General Manager responsible:	General Managers, Public Affairs and Strategic Development
Officer responsible:	Marketing and Strategy Support Managers
Author:	Julie Battersby, DDI 941- 8780

PURPOSE OF REPORT

1. The purpose of this report is to bring to the Council for adoption an International Relations Policy Statement for the Christchurch City Council.
2. The policy statement has been prepared to provide the Council with a framework to expand the scope of its existing international relations programme, currently based on sister cities relationships, which will enable the city to be more innovative and effective in exploiting opportunities for economic development, for learning from international best practice, or for increased cultural understanding.
3. By placing a greater emphasis on economic development, the policy statement aligns the international relations programme with the Council's draft Strategic Directions. It identifies five categories of relationship with differing objectives, levels of commitment from the city, management styles, and review processes, and defines the roles of the Council and other organisations in these relationships.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Adopt the attached International Relations Policy Statement.
- (b) Note that a business plan for the international relations programme, that will set out how the policy statement will be given effect and how its success will be measured, will be developed by June 2006.

BACKGROUND ON CHRISTCHURCH CITY COUNCIL INTERNATIONAL RELATIONS POLICY STATEMENT

4. International links between cities have the potential to enhance cultural understanding, promote social and educational exchange, and provide opportunities for economic development.
5. In the past, the Christchurch City Council's international relations programme has focussed on our sister cities relationships with Adelaide, Australia; Christchurch, England; Gansu, People's Republic of China; Kurashiki, Japan; Seattle, USA; and Songpa-Gu, South Korea. These relationships, which have been in existence for between 10 and 30 years, have provided opportunities for cultural, people-to-people, education and sporting exchanges, and the committees that manage the relationships have developed considerable knowledge and experience in international relationships. However, sister cities relationships have not generally enabled the city to make the most of international opportunities for investment, trade, the sharing of best practice and other knowledge, and exchanges in the fields of technology and tertiary education.
6. The city has also established a range of other international connections, through the development of the Intercultural Assembly, support for local cultural celebrations and commemorations, and involvement in international organisations:
 - Sister Cities International and Sister Cities New Zealand provide useful information on developing and maintaining sister city links and up-to-date information on cities seeking new relationships.
 - The Japanese Centre for Local Authorities in International Relations (CLAIR) and the Korean Local Authorities for International Relations (KLAFIR) bring local government fact-finding delegations to Christchurch to seek best practice expertise.
 - The Bertelsmann Foundation, which is based in Germany, is concerned with developing model solutions to global social problems. The Christchurch City Council won the Foundation's Local Government of the Year award in 1995.
 - The Asia Pacific Summit is a local government forum that meets biennially to consider global issues and the role of local government in dealing with them. Cities involved in the forum include Brisbane, Seattle, Chongqing (China) and Christchurch.
 - The Mayors for Peace Network aims to achieve the global abolition of nuclear weapons. It is a fast growing organisation with an increasing membership of mayors from around the world. Christchurch is regarded by the organisation as a lead city in supporting abolition of nuclear weapons. Mayor Garry Moore is a Vice President of Mayors for Peace.
7. In 1999, Christchurch City Council entered into an initial agreement with Wuhan, People's Republic of China, to explore possibilities for economic links between the two cities. This relationship is different from a traditional sister city relationship, in that its purpose is economic opportunities for both parties. Relationships have been established between agencies in both cities and there are exchanges in the areas of education, media and technology.
8. In September 2000, the Council agreed a Strategy for Sister Cities. The 2000 Strategy proposed three new categories of relationship, in addition to sister cities relationships, with different objectives, levels of commitment from the city, management styles, and review processes. Although the new categories were approved, the strategy effectively focussed only on current relationships, and did not determine a way forward.

DRAFT POLICY STATEMENT

9. Both the Government's Growth and Innovation Framework and the Canterbury Regional Economic Development Strategy recognise the importance of city-to-city links to economic growth (see paragraphs 14 & 15, below). The Council's draft Strategic Directions for the 2006-16 LTCCP also stress this aspect of international relations. The International Relations Policy Statement now makes explicit that the Council intends to refocus its international relations programme to leverage greater economic, cultural and social advantage for the city. The Policy Statement sets out:

11 Cont'd

- the principles on which the city's international relations programme will be based;
 - the links to the city's Community Outcomes and the Council's Strategic Directions, and other key strategies; and
 - the different types of relationships that the city will pursue.
10. By June 2006, staff from the Council (Public Affairs and Strategy and Planning) and Canterbury Development Corporation will develop a business plan for the international relations programme. The plan will set out how the policy statement will be incorporated into existing and new relationships, how these relationships will be resourced and managed, and how their success will be measured.

KEY ISSUES

11. There are a number of key issues to be addressed within the draft International Relations Policy Statement and the business plan that will follow next year.
- **The need for a range of different types of relationships:** Identifying a range of relationships assists in clarifying the objectives of the relationships and the resources required to support and develop them. Different types of relationships will attract commitment from targeted community and business partners and will enable well defined approaches to achieving outcomes.
 - **The introduction of relationships based on economic development:** Relationships focussed specifically on economic development offer Christchurch greater opportunities in investment, trade, technology and educational exchange. These initiatives will enable the city and region to access government support, and will also attract the support of businesses and economically-focussed organisations. Economic development relationships will require a different approach from present styles of relationship.
 - **Resourcing:** In the short term, existing International Relations resources will be realigned to reflect the change in the programme's focus. An extension of the programme to significantly increase the Council's commitment to economically-based relationships would require additional resources. Resource requirements will be identified on a relationship-by-relationship basis, in line with the proposed outcomes of the individual relationship. Opportunities to access funds from other sources such as the Government's Economic Development Fund, other central government agencies and participating organisations will be explored.
 - **The management of relationships:** The Christchurch City Council and Canterbury Development Corporation will work together to ensure that relationships are appropriately resourced, and processes, business plans and timelines are coordinated. The Christchurch City Council will take a leadership role in ensuring that international opportunities are capitalised on in a professional, strategic and well-managed way. That role will focus around civic responsibilities and protocol. As the economic development arm of the Christchurch City Council and the region, however, the Canterbury Development Corporation will be actively involved in the process, and collaboration between the two organisations will be transparent, strategically-focussed and coordinated.
 - **Review periods and processes:** All new relationship agreements will incorporate review periods and criteria. These will ensure performance of each relationship against the terms and conditions under which it was developed. Should a review indicate a relationship is no longer effective for both parties, the parties could agree to terminate the relationship. Present relationships do not have review periods or sunset clauses.
 - **Criteria for new relationships:** New relationships will align with the Community Outcomes and Council's Strategic Directions. Additional criteria will ensure economic development relationships we choose will have significant alignment with government strategy and therefore the opportunity to leverage funding.

11 Cont'd

- **Existing sister city relationships:** The historic sister cities connections will always play a very important role in the process of internationalisation. Existing relationships will not be pushed aside, but will be considered in terms of their cultural and social value and resourced accordingly. A review of existing relationships will determine future status and resourcing. It is likely some relationships will receive reduced Council support.

12. On adoption by the Council of the International Relations Policy Statement, appropriate sectors of the wider community will be consulted to assist in identifying new relationships.

LINKS TO COMMUNITY OUTCOMES, STRATEGIC DIRECTIONS, AND KEY COUNCIL AND GOVERNMENT POLICIES AND STRATEGIES

13. The draft International Relations Policy Statement makes it clear that the Council's international relations programme will contribute most strongly to achieving three of the nine Community Outcomes - A Prosperous City, A City of Lifelong Learning, and A City of Inclusive and Diverse Communities. The Policy Statement also reflects the priority given to the economic objectives of international relations in the Council's Strategic Directions, while recognising that international relations also contributes to the Council's goals and objectives relating to cultural identity and diversity.

Prosperous Economy Goal 1:

Develop business and other links to promote economic development that is consistent with the needs of Christchurch's people and environment, by:

1. strengthening international civic relationships to provide positive business links
2. taking part in national economic initiatives
3. helping businesses in key industries to work together to become more internationally competitive.

Strong Communities Goal 7:

Celebrate and promote Christchurch's identity, cultures and diversity, by:

1. providing and supporting a range of arts, festivals and events
2. supporting cultural groups and organisations.

14. The New Zealand Government's 2002 Growth and Innovation Framework signalled a continuing focus on increasing global connectedness as a major driver of economic growth. The recent Ministry of Economic Development briefing to incoming ministers highlighted key focus areas for New Zealand. Two key areas relevant to the draft Policy Statement are:

- **Innovation and Productivity:** a desire to better identify issues affecting firms' international competitiveness and the coordination of public and private investments, to improve the probability of successful innovation and help build scale through improved linkages; and
- **Strengthening International Linkages:** finding ways, through trade, movement of people, foreign direct investment and the flow of new knowledge, to maximise the benefits of access by assisting firms to identify and develop new opportunities.

15. The Canterbury Regional Economic Development Strategy (CREDS) outlines city, regional, national and international partnerships. Two high level goals identified within CREDS are:

- to develop and maintain an enterprise culture that promotes investment, growth and innovation; and
- to become increasingly globally competitive and connected into world markets.

11 Cont'd

16. Two major regional strategies identified within CREDS that support the need for internationalisation are:
 - **Innovation, Technology Commercialisation and Globalisation:** This strategy aims to attract greater levels of foreign direct investment and corporation relocations to the region to strengthen the existing critical mass of technology companies and support services. It also seeks to develop a growing number of local technology companies able to commercialise their technology ideas in New Zealand and international markets in a sustainable manner.
 - **Primary Production – Value Chain Management – Functional Foods:** This strategy aims to increase the export competitiveness of the region's valuable foods industry.
17. Immigration New Zealand recently launched an initiative focussing on bringing skilled expatriates back to New Zealand. The key focus of the initiative is to link with the existing range of government and private sector organisations, such as "Kiwi Expats Abroad" (KEA), to provide direct links to internationally based networks to profile opportunities for expats in New Zealand.
18. Canterbury Development Corporation's priority is projects and service activity that support sustainable globalisation. They seek partnerships and alliances to gain collaborative advantage to supply larger markets and establish global relationships, to acquire and licence additional technologies, and to gain critical mass. This priority forms part of the Prosperous Christchurch Strategy.
19. The Government provides or funds significant inputs to business – particularly education and training, research, science and technology and infrastructure. Opportunity exists through CREDS and economic development agencies to work with Government agencies, tertiary institutions and large corporates to seek support funding that will enable the achievement of objectives within the new Policy Statement.

WUHAN

20. The Christchurch – Wuhan relationship initiated in 1999 (paragraph 7 above), has grown to an active commitment between economic development agencies, tertiary institutions and key businesses in both cities. Wuhan city has a desire to upgrade the relationship. The People's Republic of China in Beijing has formally agreed to the development of a strategic relationship between Christchurch and Wuhan.
21. The adoption of this International Relations Policy Statement will provide a framework for consideration of the more formalised relationship with Wuhan. Staff will provide a report in the near future outlining a proposal for a more formal Christchurch – Wuhan relationship.

FINANCIAL AND LEGAL CONSIDERATIONS

22. The reallocation of existing resources will enable the establishment and monitoring of the first three years of implementation of this policy. To supplement this funding, the Canterbury Development Corporation will apply for Government support on behalf of the Council, which will be used to support initial activities.
23. In the future, should the Council wish to significantly increase its commitment to economically-based international relationships, it will need to increase resources to support this. In the longer term resource requirements for each relationship will be identified in the development of the business plan for the individual international relationships. Monitoring of performance against the specific objectives of each relationship, as well as of the International Relations Programme as a whole, will enable the Council to evaluate the success of both individual relationships and the overall programme.

	Benefits (current and future)	Costs (current and future)
Social	The new Policy Statement provides for existing and new people-to-people exchanges to assist in breaking down cultural misunderstandings and encouraging a more healthy and inclusive community	Individual participation in social interaction is no cost to the Council.
Cultural	The new Policy Statement provides opportunities for a broader range of international connections providing for greater cultural learning.	Resources will be required to assist in some cultural exchanges. Sponsorships, grants and trust fund support can assist in meeting these costs.
Environmental	Potential for learning from best practice regarding environmental sustainability	Best practice learning will be funded from existing budgets. Any projects implemented from such learning will be funded from within or as part of project budgets.
Economic	The new Policy Statement provides opportunities to leverage greater economic opportunities for the city from its international relations programme.	Increased resources will be required should the Council decide to become more active in developing economically-focussed international relationships.
<p>Extent to which community outcomes are achieved: Primary alignment with the following Community Outcomes: A Prosperous City, A City of Lifelong Learning, and A City of Inclusive and Diverse Communities.</p> <p>Also contributes to achieving the remaining Community Outcomes.</p> <p>Impact on the Council's capacity and responsibilities: Present resources will be realigned to deal with the changes proposed. Existing relationships will be reviewed and it is expected some will be reduced in status and receive less resources accordingly.</p> <p>Effects on Maori: Consultation processes to date relate to the internal CCC and CDC management process for international relations, and as a result Te Runanga o Ngai Tahu has not been consulted. It will be consulted as part of the broader process when agencies within the city are approached for input to future relationships.</p> <p>Consistency with existing Council policies: The International Relations Policy Statement brings the Council's international relations programme more fully into alignment with the Council's draft Strategic Directions for 2006-2016, and clarifies its contribution to achieving the Community Outcomes.</p> <p>Views and preferences of persons affected or likely to have an interest: Canterbury Development Corporation staff have had input to this report and support the need to develop an International Relations Policy for Council. Sister City Committees have been informed of a desire to advance Internationalisation and are supportive of the opportunities this may mean. They are keen to see economic opportunities develop within their relationships, with the support of Canterbury Development Corporation.</p> <p>Other relevant matters:</p>		

12. PARKING METER REPLACEMENT

General Manager responsible:	General Manager City Environment
Officer responsible:	Transport & City Streets Manager
Author:	Neil Gillon, Professional Leader Project Management, DDI 941-8179

PURPOSE OF REPORT

1. The purpose of this report is to seek delegated authority for the General Manager Corporate Services to give the necessary financial approvals to put in place a strategy to ensure that Christchurch City parking meters can accept legal tender prior to the coin change proposed by the Reserve Bank of New Zealand in July 2006.

EXECUTIVE SUMMARY

2. The pending release into circulation of new 10, 20, and 50 cent coins will result in the need to make changes to the current parking meter system. As advised to all Councillors by the General Manager City Environment and Transport and City Streets Manager in their memoranda dated 13 and 19 December 2005 (attached), it is proposed to replace the current parking meters with pay and display meters. This proposal is unfunded in the current financial year but capital funding for meter replacement/renewal is provided for in the 2006/07 financial year (\$3.66m) and is programmed over a six year period in the base programme. This will need to be reprogrammed. Net additional revenue is estimated to be \$725,000 arising from an expected increase in the compliance rate as has been experienced elsewhere.
3. Until the results of the request for proposal are known it is difficult to accurately estimate the costs to replace all the meters. Based on experience in other cities and the best information available to staff at this stage it is estimated that full replacement of current parking meters with pay and display equipment will cost approximately \$3.2m and will require early write off of about \$500,000. The total cost is therefore estimated to be in the order of \$3.7m.

FINANCIAL/FUNDING

4. This proposal is not funded in the current financial year but capital funding for meter replacement/renewal is provided in 2006/07 and subsequent six financial years (totalling \$3.66m). The estimated cost of replacement of all meters is of the order of \$3.2m and will require early write off of about \$500,000. The total cost is therefore estimated to be in the order of \$3.7m.
5. Net additional revenue is estimated to be \$725,000 arising from the increased compliance rate.

STAFF RECOMMENDATION

It is recommended that the Council delegate authority to the General Manager Corporate Services to amend the current annual plan by transferring sufficient financial provision for the meter replacement from the 2006/07 and subsequent financial years to the 2005/06 annual plan and arrange for the early write-off of the remaining book value of the existing equipment.

BACKGROUND ON PARKING METER REPLACEMENT

6. Currently Christchurch has a confusing mixture of single head, double head, single two bay, Telkor and Reino multi bay, and PSA 2000 and Ezipark pay and display parking meters (seven different types). This replacement proposal will standardise all parking meters in Christchurch and improve user friendliness.
7. Existing parking meters have an average age of seven years and a remaining book value of approximately \$500,000.
8. Advanced technology provides multiple payment options not available with our existing meters. These options include paying by means of credit/smart card or cell phone using text facility (currently for Vodafone customers but expected to be extended to Telecom in the near future). In addition new systems provide on-line fault diagnosis, audit, revenue trends, and asset management information which do not exist with current parking meters.
9. The number of parking meters on street will reduce from 1,700 to approximately 350-400 thus reducing visual pollution of the streetscape.
10. New generation Pay and Display machines have been successfully installed in Auckland, Wellington, Dunedin and are being installed in parts of Nelson.
11. Currently \$3.6m is collected from parking meters annually returning a net surplus of about \$3m.

WORK COMPLETED TO DATE

12. The Council has a tight time frame to complete this work and a supplier agreement will need to be issued to an approved supplier by no later than the middle of March 2006. In order to expedite the work specifications have been developed and a Request for Proposal (RFP) was advertised on Wednesday 25 January 2006. Proposals from prospective suppliers close with the Council on 22 February 2006.

OPTIONS CONSIDERED

13. In order to fund the replacement of the parking meters the necessary funding must be provided. The current (2004/14) programme provides for the replacement of the parking meters in the 2006/07 and subsequent six years to the total value of \$3.66m as shown below.

2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total
\$663,000	\$1,000,000	\$750,000	\$500,000	\$250,000	\$300,000	\$200,000	\$3,663,000

14. This is included in the base programme proposed for the 2006/16 LTCCP. Replacement as proposed will require a reprogramming of this expenditure.
15. Options include:
 - (a) Approve transfer after tenders are approved
 - (i) Under this option the tender award will be delayed with an increased risk of not being able to implement the replacement in time. This will result in inconvenience to the public and carry a potential loss of income to the Council.
 - (b) Delegate authority to approve transfers
 - (i) Under this option the tender award can proceed without delay and the risk of non completion of the replacement programme will be reduced.

PREFERRED OPTION

16. The preferred option is to delegate authority to the General Manager Corporate Services to approve the transfer of the necessary funds to the 2005/06 year to provide for the total replacement of all current meters and pay and display machines with new generation P&D equipment.

13. PROPOSED ROAD STOPPING: 21 MACMILLAN AVENUE

General Manager responsible:	General Manager City Environment
Officer responsible:	Transport and City Streets Manager
Author:	Deborah Harris, Property Consultant, DDI 941-8940

PURPOSE OF REPORT

1. The purpose of this report is to discuss and obtain the Council's authority pursuant to the Public Works Act 1981 to:
 - (a) consent to the stopping of Section 2 on Survey Office Plan 358811; and
 - (b) dispose of the stopped road to the owner of the adjoining land at 21 MacMillan Avenue; and
 - (c) amalgamate the stopped road with the land held in Certificate of Title 325/242 at 21 MacMillan Avenue.

EXECUTIVE SUMMARY

2. The area of road proposed to be stopped comprises 3 square metres and is occupied by a single garage owned in conjunction with the adjoining property at 21 MacMillan Avenue. Attached is Survey Office Plan 258811, together with an aerial photograph of the site.
3. Under the current arrangement the garage is encroaching onto MacMillan Avenue at the goodwill of the Council in its capacity as owner of the road.
4. There was an opportunity for the subject area of road to be stopped in conjunction with the road stopping application at 23 MacMillan Avenue thus reducing the cost of surveying by way of a cost sharing arrangement between the two neighbours.
5. At its meeting on 20 September 2005 the Spreydon/Heathcote Community Board recommended to the Council that the road stopping procedure be commenced. This recommendation was subsequently ratified by the Council at its meeting on 20 October 2005.
6. A conditional Agreement for Sale and Purchase has now been negotiated and is dependent on all statutory obligations being fulfilled in respect of the road stopping process.
7. The Council is now in a position to consent to the road being formally stopped. At the conclusion of the stopping process the 3m² will be contemporaneously transferred to the owners of 21 MacMillan Avenue and amalgamated with the property title.

FINANCIAL AND LEGAL CONSIDERATIONS

Financial

8. Owing to the small area of road being stopped the cost of a professional valuation could not be justified. The purchase price of \$370.36 was established by applying the square metre rate of \$92.59 that was calculated by Simes Limited for the road stopping application at 23 MacMillan Avenue.
9. In addition to the current market value, the applicants have agreed to a 50/50 cost sharing deal with the owners of 23 MacMillan Avenue because both stoppings can be dealt with on one survey office plan, and there are inherent economies of scale as a result.

13 Cont'd

Legal

10. Section 116 Public Works Act 1981 – Stopping Roads

This section says that, subject to the written consent of the territorial authority and the owner(s) of the land adjoining the road, then the road can be declared formally stopped by notice in the Gazette.

11. Section 120 Public Works Act 1981 - Registration

This section provides for the road to be amalgamated with the adjoining land and vesting of the same in the registered proprietor for the time being of the land in that certificate of title.

STAFF RECOMMENDATIONS

It is recommended:

- (a) That the area of legal road adjoining 21 MacMillan Avenue and described as Section 2 on Survey Office Plan 358811 comprising 3m² be declared stopped pursuant to Section 116 of the Public Works Act 1981.
- (b) That pursuant to Section 120(3) of the Public Works Act 1981, Section 2 on Survey Office Plan 358811 be amalgamated with Certificate of Title 325/242 and vested in the names of the current landowners.

14. **REPORT OF THE RICcarton/WIGRAM COMMUNITY BOARD - MEETING OF 13 DECEMBER 2005**

Attached.

15. **NOTICES OF MOTION**

16. **QUESTIONS**