

30. 6. 2004

## **ANNUAL PLAN SUBCOMMITTEE**

**Meetings of the Annual Plan Subcommittee  
were held on 1, 2, 3, 4, 8, 9, 10, 11, 14, 15 and 18 June 2004**

**PRESENT:** Councillor Alister James (Chair),  
Councillors Carole Anderton, Graham Condon, Barry Corbett,  
Anna Crighton, Ishwar Ganda, Pat Harrow, Denis O'Rourke,  
Barbara Stewart and Ron Wright.

**APOLOGIES:** Apologies for absence were received and accepted from the Mayor,  
Councillors Graham Condon (3, 9 June), Anna Crighton (4 June),  
Ishwar Ganda (4 June), Pat Harrow (1, 2, 3, 4, 8, 9, 10, 11 June)  
and Barbara Stewart (14, 15 June).

**DRAFT LONG TERM COUNCIL COMMUNITY PLAN  
OUR COMMUNITY PLAN - CHRISTCHURCH O-TAUTAHI 2004-2014  
DRAFT METROPOLITAN CHRISTCHURCH TRANSPORT STATEMENT  
SOLID AND HAZARDOUS WASTE MANAGEMENT PLAN: PART 2 - ACTION PLAN**

### **1. INTRODUCTION**

The draft Long Term Council Community Plan, entitled "Our Community Plan - Christchurch O-Tautahi 2004-14", the draft Metropolitan Christchurch Transport Statement and the Solid and Hazardous Waste Management Plan: Part 2 - Action Plan were released on 5 April 2004 and were available for public comment in printed form and on the Council's website for the statutory period of one month.

The April edition of City Scene, which was released on 6 April, highlighted the key issues in the draft documents and gave full details of the submission process.

### **2. PUBLIC SUBMISSIONS**

Collectively the documents attracted 320 submissions, with submitters raising a total of 505 issues. This is slightly more than last year but significantly lower than the 2001/02 and 2002/03 years. General satisfaction with the overall direction of the plans, the complexity of the LTCCP document and the recently adopted Council policy relating to the distribution of grants funding are the possible reasons for the comparatively low level of public participation. The number of submitters electing to present their submissions in person continues to grow, both in terms of numbers and as a percentage of submissions received. This year 141 submitters or 44% were heard by the Subcommittee compared with last year's figure of 125 (40%).

The use of electronic technology for transmitting submissions has also increased dramatically in the last three years. In 2001, 67 (8%) submitters used the web form or emailed their submissions. This year 129 (40%) submissions were received by this medium. This trend is pleasing as it results in quite significant administrative efficiencies.

This year, roading issues generated the largest number of submissions, followed by rural rates, waste, parks, community outcomes and the Development Contributions Policy. A number of submitters were also critical of the complexity of the draft LTCCP and the time allowed for making submissions.

It is pleasing to record that apart from the rural rates issue, there were very few submissions making strong generalised criticisms about rating levels and Council spending.

A breakdown of submissions by topic for the past five years is set out in the table below:

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TOPIC	2004	2003	2002	2001	2000
Art Gallery	2	1	8	2	
Central City	3	1	21	32	
ChristChurch Cathedral	9				
City Streets	113	99	204	196	145
Community/Social Issues	18	27	24	98	39
Economic Development	9	5	7	1	5
Environment	26	9	32	15	41
Financial/Rates/Council Spending	49	36	56	23	35
Flat Water Facility	30				
Grants	5	82	48	39	16
Heritage	11	8	6	12	6
Housing/Property/Urban Renewal	29	78	12	10	14
Leisure/Events	4	26	31	171	35
Libraries	7	6	8	68	1
Miscellaneous	6		18	12	1
New Civic Offices	17				
Parking	6	3	19	15	11
Parks/Waterways	36	26	227	89	47
Public Accountability	7	9			
Public Consultation	19	6			
Trading Activities	4	11			
Vision/Policy	41				
Waste/Sewerage	45	17	39	153	39
Water Services	9	4	2	3	8
<b>TOTALS</b>	<b>505</b>	<b>455</b>	<b>890</b>	<b>1,109</b>	<b>443</b>

3. **ANNUAL RESIDENTS' SURVEY**

A graphical analysis of selected results from the 2004 Annual Residents' Survey was presented to the Subcommittee on 11 June. The full results of the survey will be circulated to Councillors.

This year's survey was undertaken in March/April and highlights from the survey are attached (Appendix 1).

4. **HEARING OF SUBMISSIONS**

The 12 volumes of submissions, most accompanied by staff comments, were circulated to the Subcommittee prior to the hearings with the majority of submissions being heard on 1, 2, 3, 4, 8 and 9 June. Five submitters presented their submissions on 10 or 11 June.

A variety of issues were raised by submitters ranging from rural rates to fluoridation of the city's water supply, the Central Plains water enhancement scheme, the flat water recreational facility, Lyttelton public boating facilities, control of cats, water charges and undergrounding of power cables to mention just a few.

In its last two reports the Subcommittee has made special reference to the quality of submissions and presentations. This year's submissions were of an equally high standard and almost without exception submitters presented their requests in an articulate, non-confrontational way. The Subcommittee records its appreciation to the groups and individuals who participated in this year's consultation.

5. **POST HEARING DELIBERATIONS**

The Subcommittee met on 11, 12, 14, 15 and 18 June to consider the issues raised in the submissions and the in-house requests for amendments to the draft plan. The remainder of this report makes recommendations in respect of these issues.

The changes being recommended to the Council are contained in Appendix 2.

6. **AMENDMENTS/CORRECTIONS TO THE PLAN**

The Financial Services Manager submitted a report summarising the significant amendments/corrections required to be made to the final version of the LTCCP.

These changes, which are listed in Appendix 3, include the following major items:

**GEMS Replacement****Local Authority System Enhancement and Replacement (LASER)**

Capital expenditure of \$1.63M had been provided in 2005/06 for the replacement of the GEMS system. This figure was, however, only a 'ball park' estimate of the external costs of replacing the system.

The GEMS products support the business processes in the following areas – consents, licences, rates, cash receipting, accounts receivable, water billing, person/property and animal control.

The updated costs for the project are detailed below:

<b>Capital Budget</b>	<b>2004/05</b>	<b>2005/06</b>	<b>2006/07</b>
LASER PROJECT CAPITAL	\$1.2M	\$1.9M	\$1.71M
Less Current Provision		(\$1.63M)	
<b>Amendments to Capital Budget</b>	<b><u>\$1.2M</u></b>	<b><u>\$280,000</u></b>	<b><u>\$1.71M</u></b>

<b>Operating Budget</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
Depreciation – Hardware & Software	\$128,000	\$512,000	\$512,000
GEMS – Write off of Existing System	\$628,705	-	-
GEMS – Depreciation (Old System)	(\$37,760)	(\$151,039)	(\$151,039)
<b>Amendments to Operating Budget</b>	<b><u>\$718,945</u></b>	<b><u>\$360,961</u></b>	<b><u>\$360,961</u></b>

**Leasing PCs, Printers, Photocopiers and Facsimiles**

The Office of the Auditor General has issued a directive on how Statement of Standard Accounting Practice No. 18 (Accounting for Leases) should be interpreted.

The effect of this change is that the Council has to treat the leases of PCs, printers, photocopiers and facsimiles as finance leases rather than operating leases as they have been in the past. This prompted staff to review the cost benefit of lease versus purchase and it was concluded that it was more cost effective to purchase.

The impacts of this change are summarised below:

<b>Year</b>	<b>Additional Capex</b>	<b>Additional Depreciation</b>	<b>Lease Savings</b>
2004/05	\$1,877,233	\$367,366	(\$396,755)
2005/06	\$1,877,233	\$933,110	(\$1,072,559)
2006/07	\$1,877,233	\$1,618,855	(\$1,748,363)
2007/08	\$1,877,233	\$1,877,233	(\$2,027,412)

A consequence of this change is the need to set the economic lives for PCs, printers, photocopiers and facsimiles at three years for depreciation and replacement purposes.

**Capital Carry Forwards**

Capital carry forwards are either capital projects from 2003/04 which have been started, but will not be completed in 2003/04, or capital projects from 2003/04 that have not been started. These projects are taken out of the current capital programme and placed in the 2004/05 capital programme. Rather than specify out the individual projects, a global provision of \$25M will be added to the 2004/05 capital programme and the projects will be specified after 1 July 2004. The \$25M has been assessed on the basis of the end of year projections.

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As part of this year's carry forward proposal it is also recommended that the current unspecified carry forward provision of \$6M be reversed. Given the proposed capital smoothing, the need for a \$6M unspecified provision can no longer be justified.

### **Subcommittee**

#### **Recommendation:**

1. That the amendments as detailed in Appendix 3 be approved.
2. That the economic lives for PCs, printers, photocopiers and facsimiles be set at three years for depreciation and replacement purposes.
3. That the unspecified carry forward provision of \$6M which is currently part of the capital programme be deleted.
4. That a capital carry forward provision of \$25M be added to the 2004/05 capital programme.
5. That the operating carry forwards totalling \$5.6M be approved.
6. That the Cathedral Junction contribution of \$400,000 in the 2003/04 budget be transferred from capital to operating and then carried forward as part of the 2003/04 operational carry forwards.
7. That the General Manager Corporate Services be authorised to make any corrections that may arise subsequently and to approve the carry forward specification.
8. That it be noted that the projected electricity increase has resulted in a further \$658,000 being included in the budget. (The total increase is 33<sup>1</sup>/<sub>2</sub>% over the previous year.)

## 7. ALTERATION TO THE COUNCIL'S INVESTMENT POLICY

The Director Strategic Investment reported, seeking approval to amend the Council's Investment Policy to increase the investment limits with registered banks to 33% maximum for any one bank.

Section 6.1 of the policy relating to authorised bank investments provides:

*A maximum of 30% of the total investments issued by the financial market (which is made up of short term bank deposits, promissory notes and long-term stocks and bonds, including those issued by other Local Authorities and Government Stock) may be invested with any one bank except where the total bank investments are less than \$10M, when the investments shall be made with at least two banks.*

The maximum percentage under the policy was set with a pool of at least six banks in mind. In the recent past, including ANZ/NBNZ amalgamation, there have been two other separate bank combinations and two other banks have left the New Zealand market and surrendered their banking licences. This has reduced the number of banks Council has been able to deal with to five or even four on more than one occasion. These external changes in the banking market are outside Council control but have the potential to cause a breach of the maximum limit the policy sets. A change to the limit would assist with managing this issue and could also assist with management of liquidity risks.

### **Subcommittee**

#### **Recommendation:**

- That the 30% maximum investment with any one bank set out in section 6.1 of the Investment Policy be increased to 33%.

8. **AVON RIVER BRIDGE LIGHTING PROJECT**

The Arts, Culture and Heritage Committee reported, seeking the reallocation of funding of \$40,000 2005/06 to 2004/05 for the lighting of the Bridge of Remembrance.

**Subcommittee**

- Recommendation:**
1. That the reallocation of the above funding be approved.
  2. That staff report to the Arts, Culture and Heritage Committee on the design aspects of the bridge lighting project.

9. **PARKLANDS LIBRARY  
UPPER RICCARTON COMMUNITY AND SCHOOL LIBRARY**

Consideration was given to staff reports seeking additional funding of \$471,500 and \$887,000 for the Parklands Library and Upper Riccarton Community and School Library, respectively. Escalations in building costs since the original budgets were approved are largely responsible for the funding shortfalls.

Concerns were raised by the Subcommittee regarding the significant increase in the Upper Riccarton Library in particular and the unfavourable response to the Council's approach to the Minister of Education for a 30% increase in the Ministry's \$550,000 contribution to the project. The Subcommittee is recommending that the allocation of additional funding for this project be contingent upon the Property and Major Projects Committee reviewing the project budget with a view to identifying possible cost savings.

**Subcommittee**

- Recommendation:**
1. That the Council provide additional funding of \$471,500 in 2004/05 so that the Parklands library may proceed in line with the existing project programme and with the retention of the whole site for maximum future flexibility.
  2. That the Council provide additional funding of \$887,000 in the 2005/06 financial year so that the Upper Riccarton library may proceed in line with the existing project programme, subject to the Property and Major Projects Committee reviewing the project budget to identify possible cost savings.

(Note: Councillor Stewart abstained from the discussion and voting on both items.)

10. **HALSWELL LIBRARY REDEVELOPMENT**

Staff reported in response to the following resolution adopted by the Council at its April 2004 meeting:

1. That the Council proceed with Option 2, to purchase land for a new purpose built library building within the new subdivision on Halswell Road.
2. That the Annual Plan Subcommittee be requested to:
  1. Consider the allocation of funding in 2005/06 for the purchase of land for a new purpose-built library building.
  2. Investigate revenue options, including development levies.

The report recommended that \$500,000 be provided for the purchase of land for the project.

10 Cont'd

**Subcommittee**

- Recommendation:**
1. That provision of \$500,000 be made in 2005/06 for the purchase of land for a new purpose-built library building.
  2. That revenue options including development levies be investigated.
  3. That when the new library has been completed the current building be sold.
  4. That planning for the new library be addressed in the 2006 LTCCP.

11. **NORTH NEW BRIGHTON COMMUNITY CENTRE REFURBISHMENT**

The City Solutions Manager reported, advising that costs to complete this project had increased since the budget was developed. The increases are due to contractors taking advantage of a buoyant market and pricing accordingly and to increased prices for materials.

A considerable amount of effort was put into developing a plan for the upgrade, in consultation with the local community. As a consequence, the design developed and subsequently adopted by the Council was overwhelmingly supported by the community. Completion of all the elements of the design will result in an excellent facility being provided.

Accordingly, additional funding of \$150,000 was sought to enable the project to be completed as per the design and tender documentation approved by the Council in 2003.

**Subcommittee**

- Recommendation:** That an additional \$150,000 be provided in 2004/05 for the above project.

12. **BEDFORD ROW**

Staff reported in response to the following resolution passed at the May 2004 Council meeting:

1. That the Council agree, in principle, to the streetworks expenditure and financial assistance to Mr Harwood for the same amounts and subject to conditions to be negotiated, including an expiry clause of 31 December 2004.
2. That \$150,000 be sourced from the Central City Project Operational Account (2003/04).
3. That the Annual Plan Subcommittee be requested to consider whether to commit the additional funding and the source of such funding.
4. That staff report on the concept of the Council taking an equity interest in such projects rather than making cash grants, starting with this project.

**Subcommittee**

- Recommendation:**
1. (a) That \$105,000 be allocated in the 2004/05 year for Bedford Row street improvements, with \$70,000 to be brought forward from the Major Amenity Improvements Output (2005/06 Projects to be Identified line item) and \$35,000 from the 2004/05 Urban Renewal Budget.  
(b) That the work only proceed if the refurbishment of the buildings owned by the companies represented by Mr Harwood goes ahead.
  2. That the application for additional funding to assist refurbishment of the buildings owned by the companies represented by Mr Harwood, beyond the \$150,000 agreed to, be declined.

13. **FESTIVAL AND EVENTS FUNDING**

The Festival and Events Subcommittee reported, requesting that the budgets for contracted festivals and events be adjusted for inflation in 2004/05 and subsequent years.

The Subcommittee noted that the Council discontinued this practice in respect of the major grants budget a year or two ago, on the grounds that budget increases should be based on identified needs. Given current Council policy, the Subcommittee was unable to support this request.

**Subcommittee**

**Recommendation:** That the above request be declined.

14. **RICCARTON BUSH TRUST**

The Director Strategic Investment reported in response to an approach from the Riccarton Bush Trust (RBT) for additional funding support of \$50,000 in 2003/04 and \$60,000 in 2004/05 and subsequent years. The funding sought in the current year was the subject of a report to the Strategy and Finance Committee in June. This report deals with the latter request.

An assessment of RBT's financial position revealed that the current crisis has largely been the result of the failure of the previous caterer to produce even the budgeted low case forecasts and also the slowness to achieve anticipated revenues from heritage tours.

Forecasts for 2004/05 are believed to be conservatively based and, although the revenue from heritage tours has taken some time to grow, it is considered that the \$31,000 budgeted for 2004/05 is conservatively realistic, based on current income and forecast future bookings. It is anticipated that in the following year this income could reach \$50,000. There are fixed standing costs for marketing (\$24,000) which are needed in order to grow the heritage tours part of the business. This funding is carefully applied, mostly to direct marketing to tour companies and is already proving to be effective. To drop this expenditure at this point would be counter-productive. The employment of part time heritage tour guides will also be necessary and will be largely in proportion to the through-put.

RBT is satisfied that the revised forecasts for subsequent years while conservatively-based will steadily improve as the marketing becomes more effective.

The Director Strategic Investment and the General Manager Corporate Services visited Riccarton Bush and were generally satisfied with the explanations given and impressed with the extent of the work carried out in recent years by RBT both in the house itself and also in the bush.

Given that RBT is likely to require substantial funding support in the immediate future at least and there is currently little financial accountability to the Council, it would be appropriate to require RBT to provide, as a minimum, a Statement of Intent as part of the RBT funding submission each year, as well as regular reporting at least to officer level within the Council. RBT has indicated that at some point in the future it should be possible to reduce the level of funding support. There is potential for this if the heritage side of the business grows as anticipated. However, until more progress is made in this area it should not be anticipated in Council forecasts but rather the level of funding should be kept under review each year so that it is evaluated regularly.

As RBT has approved donee status for tax purposes, the Council is able to obtain tax deductibility for all grants it makes to RBT. It is preferable therefore that any increase in the funding continue to be treated as a grant because this has benefit to the ratepayers.

**Subcommittee**

- Recommendation:**
1. That the operating grant to Riccarton Bush Trust be increased by \$60,000 for 2004/05 and 2005/06 and reassessed after that.
  2. That Riccarton Bush Trust be advised that the Council will require the provision of an SOI in future years to justify its request for funding and for general accountability purposes.
  3. That the General Manager Corporate Services be authorised to arrange appropriate reporting protocols between the Council and Riccarton Bush Trust for the future.

15. **FLAT WATER FACILITY**

A Council seminar was held on 16 June 2004 to brief Councillors on background investigations into possible sites, site evaluation criteria, bird management strategy initiatives for the airport, and a risk assessment in relation to the Lake Isaac option.

The risk assessment carried out by Phil Shaw from Ecosure and independently reviewed by Professor David Elms concluded that the Lake Isaac proposal poses too great a risk of an unacceptable level of bird strike hazard at Christchurch International Airport and should not proceed.

While no decisions were made at the seminar, the Council will need to make a decision at the present meeting as to a future course of action.

The draft 2004/05 LTCCP made the following capital provisions:

2004/05	\$630,000
2005/06	\$3,400,000
2006/07	\$3,400,000
2007/08	\$3,570,000
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	\$11,000,000

Staff suggested at the seminar that if the Council wished to proceed with an alternative site then \$200,000 for feasibility investigations on a preferred site should be included in 2004/05 LTCCP and the \$11M should be moved out over the following three years.

The approach suggested at the seminar was generally supported by the Subcommittee but with the capital funding being spread over four, rather than three, years. Refer to the attached report (Appendix 4) for details of the seminar presentation.

**Subcommittee**

- Recommendation:**
1. That the Council provide \$200,000 in 2004/05 for feasibility investigations on a preferred site for a flat water facility, not being Lake Isaac or any other site which would pose a risk to airport operations.
  2. That the following capital funding provision be made for this facility:
 

2005/06	\$600,000
2006/07	\$3M
2007/08	\$3.6M
2008/09	\$3.8M

16. **CAPITAL REPROGRAMMING****City Streets**

The General Manager City Environment sought approval to reprogramme the City Streets capital programme. The rationale for the request was the unacceptable level of carry forwards over the past four years. The main issues which had contributed to this were: under-resourcing in the areas of planning and consultation, lack of capacity in the contracting industry, and delays caused by the Council's consultation process. Approval was sought to reprogramme the unit's commitments for the next 10 years as indicated in the table below. The table shows the programme in the draft LTCCP and the proposed changes.

	<b>Draft LTCCP</b>	<b>Proposed LTCCP</b>	<b>Change</b>
2004/05	\$43.3M	\$30.2M	\$13.1M
2005/06	\$43.2M	\$39.7M	\$3.5M
2006/07	\$43.1M	\$39.1M	\$3.9M
2007/08	\$41.9M	\$37.5M	\$4.4M
2008/09	\$47.2M	\$45.2M	\$2.0M



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	<b>Draft LTCCP</b>	<b>Proposed LTCCP</b>	<b>Change</b>
2009/10	\$48.1M	\$45.2M	\$2.9M
2010/11	\$49.7M	\$47.0M	\$2.0M
2011/12	\$51.4M	\$51.7M	(0.3)M
2012/13	\$51.4M	\$55.1M	(3.8)M
2013/14	\$51.8M	\$57.7M	(5.9)M
<b>Total</b>	<b>\$471.1M</b>	<b>\$448.4M</b>	<b>\$21.8M</b>

## Notes:

- All figures have been rounded and therefore do not always cross add.
- The 2004/05 programme (\$30.8M) is based on a realistic assessment of what can be delivered.
- The reduction in the capital programme has an impact on the level of Transfund subsidy the Council will receive. While in 2004/05, there is a reduction of \$1.7M, over 10 years the reduction is \$3.4M.
- The target is to manage carry forwards within 10%.

At the request of the Subcommittee an alternative option of including year 2 funding for the bus shelter programming and reverting to the original MCTS funding programme was presented. This option proved unrealistic as it exacerbated the delivery problems.

Over the next three years new strategies will be introduced to improve performance and increase service delivery capacity. The Subcommittee emphasised the need to review and refine the MCTS delivery programme over the next 12 months.

**Facility Assets**

In addition to the above reprogramming the Facility Assets Unit also recommended that \$3.8M be deleted from its 10 year programme.

**Subcommittee****Recommendation:**

1. That the reprogramming changes be approved.
2. That the MCTS delivery, as outlined above, be approved.
3. That, over the next 12 months, staff review and refine the delivery of the MCTS and report back a realistic programme of work.
4. That year 2 include funding for the bus shelter programme up to \$840,000.
5. That staff make it a priority to address internal resourcing issues.
6. That staff do their utmost to work positively with the contracting industry to serve the Council's needs.
7. That Community Board delegations and consultation procedures, where appropriate, be amended to support better and quicker delivery of the capital programme.
8. That indicative costs of projects be communicated to residents at an early stage of the consultation process.
9. That reference be made in the final LTCCP to the reprogramming and the reasons for it.
10. That approval be given to delete \$3.8M from the 10 year facility assets programme.
11. That staff be requested to summarise the capital programme disclosed in the LTCCP.

17. **OPAWA ROAD IMPROVEMENTS STAGE 2 (GARLANDS ROAD TO CURRIES ROAD)  
BUDGET ADJUSTMENTS**

The Asset Management Team Leader reported that based on updated cost estimates and confirmed property agreements with Transit NZ the budget for this project needs to be adjusted as follows.

		Construction (Capital)	Construction (Operational)	Property Purchase (Capital)	Property Sales (Capital)
Year: 2004/05	Budget: \$				(316,000)
Year: 2005/06	Budget: \$	180,000	280,000		(200,000)
Year: 2006/07	Budget: \$				

**Subcommittee**

**Recommendation:** That the Opawa Road Improvements Stage 2 Budget be adjusted as detailed in the table above.

18. **MAJOR HORN BROOK ROAD REALIGNMENT**

The Sustainable Transport and Utilities Committee requested that unallocated budget provision of \$75,000 in 2006/07 and 2007/08 in the seal extension output be allocated to the above project (\$150,000 in total).

This request was supported by the Subcommittee.

**Subcommittee**

**Recommendation:** That the above request be approved.

19. **DEPRECIATION ADJUSTMENTS**

The revaluation of the Transport and City Streets assets and water supply infrastructure is required to be completed every three years and is currently underway. Preliminary results are available and these show that the depreciation presently allowed in the draft budgets requires adjustment.

**Subcommittee**

**Recommendation:**

1. That the Transport and City Streets depreciation budget be reduced by \$1.35M.
2. That the 2004/05 Water Supply depreciation budget be adjusted as follows:
  - (a) Headworks depreciation be reduced by \$264,500.
  - (b) Reticulation depreciation be increased by \$662,114.
3. That, as the revaluation of assets has not been fully completed, authority be delegated to the General Manager Corporate Services to make any further adjustments to the depreciation budget.

20. **TRADE WASTE CHARGES FOR INDUSTRY - REMOVAL OF DOMESTIC ALLOWANCE**

The Sustainable Transport and Utilities Committee reported to the Subcommittee on the above issue.

In summary, the report advised that changes to the Revenue and Funding Policy rates on infrastructure assets and changes in depreciation had significantly increased trade waste charges in the last two years and there would be a further significant impact on industry costs if the "domestic equivalent" allowances were removed in one step. The submission from the Canterbury Manufacturers' Association made a plea for sudden increases in costs to industry to be avoided and for the allowance to be phased out over six years if it is to be removed.

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The Council needs to decide if this concession to industry should be removed or remain in place. Leaving the concession in place will continue the anomaly of other ratepayers subsidising these industries. Removing this concession would correct this anomaly and phasing the concession out over a period of years would go some way towards satisfying industries need to minimise unexpected sharp fluctuations in trade waste costs.

The Sustainable Transport and Utilities Committee recommended to the Subcommittee that the domestic allowance for industry be removed and that this be phased in over a six year period commencing from 1 July 2005.

The following amendment was moved at the meeting:

*"That the domestic allowance for industry be removed and that this be phased in over a three year period commencing from 1 July 2005."*

The amendment when put to the meeting was declared **lost** on division no 3 by 2 votes to 8, the voting being as follows:

**Against (8):** Councillors Anderton, Corbett, Crighton, Ganda, Harrow, Stewart, Wright and James.

**For (2):** Councillors Condon and O'Rourke.

The recommendation of the Sustainable Transport and Utilities Committee was then put to the meeting and declared **carried** on division no 4 by 8 votes to 1, the voting being as follows:

**For (8):** Councillors Anderton, Corbett, Crighton, Ganda, Harrow, Stewart, Wright and James.

**Against (1):** Councillor O'Rourke.

**Subcommittee**

**Recommendation:** That the domestic allowance for industry be removed and that this be phased in over a six year period commencing from 1 July 2005.

21. **PENDING LEGISLATION AND REGULATION CHANGES AFFECTED WATER SUPPLY**

The Sustainable Transport and Utilities Committee referred to the Subcommittee a report from the City Water and Waste Manager advising of pending changes in respect of water supply and the possible impact these changes may have on Christchurch.

The Ministries of Health and the Environment are both working on the introduction of legislation and regulations focused on a risk-based approach to reducing the risk of incidence of drinking water disease. Most of the likely requirements have been anticipated, and will not have a large impact on the way this Council manages and operates its public water supply system. However, there is the real likelihood that a number of Christchurch wells will be classified 'non-secure' and thus require considerably more water testing.

Staff are in dialogue with Ministry officials and will be forwarding a formal technical submission on the NZ Drinking Water Standards review. The submission will advocate solutions that support the intent of the regulations, but at the same time are not unduly onerous to implement.

However, the pending legislative changes could result in ongoing increased water supply operating costs of \$250,000 per year from 2005/06.

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The Sustainable Transport and Utilities Committee recommended to the Subcommittee:

1. That the likely increase in operating costs be noted.
2. That an increase in the City Water and Waste Unit operating budget of \$250,000 per annum be provided for from the 2005/06 year onwards to allow for any increased compliance costs associated with legislation changes in respect to New Zealand drinking water standards.

Given the uncertainties surrounding the outcome of the proposed review and the content of the proposed legislation it was concluded that the question of making financial provision for these costs would best be addressed following the introduction of the legislation.

**Subcommittee**

**Recommendation:** That provision not be made for the above costs at this time and the allocation of funds be further considered in the next budget round.

**22. CHANGES TO KEY PERFORMANCE INDICATORS**

Staff submitted a schedule of KPIs incorporating changes made since the draft was approved by the Council in March. The Subcommittee endorsed the staff changes and requested the inclusion of a number of new KPIs. Most of the changes requested by the Subcommittee have been included in the attached schedule (Appendix 5).

However, there are technical difficulties with some of the KPIs requested, especially considering that reporting on KPIs in the Annual Report is subject to audit. These difficulties, together with the staff recommendations for addressing them, are contained in the following table:

<b>KPI Requested</b>	<b>Difficulty</b>	<b>Staff Recommendation</b>
User satisfaction with quality of advice received on heritage issues.	Most recipients of advice are people seeking to downgrade or even demolish a heritage site. Scores are likely to be very low. There is no budget for surveying the customers of this service.	That this KPI not be implemented at this time, and performance measures for this service be considered when doing the detailed strategic planning work for the 2006 LTCCP.
Number of heritage buildings demolished.	The Council has no control over this – decisions on demolishing heritage sites are made by planning commissioners or the Environment Court. The Council can sometimes successfully intervene, sometimes not, within the budget parameters it has set itself.	That this KPI not be implemented at this time and that this information be included when reporting on community outcomes (and possibly the annual report).
Heritage buildings as a % of the total buildings in Christchurch.	The number is currently 0.45%. This number will fluctuate, but will decline overall as the number of new buildings increases. Again, it is something the Council has no control over.	That this KPI not be implemented at this time, that the status quo be reported in the LTCCP and the information on heritage stock be included when reporting on community outcomes.
User satisfaction with information received from the City Monitoring Team.	Most of the information collected by this team is work by other people. This KPI would be meaningless, as it would be about the quality of other people's work. There is no budget for surveying the customers of this service.	That this KPI not be implemented at this time, and performance measures for this service be considered when doing the detailed strategic planning work for the 2006 LTCCP.
All supplementary agenda items to be available no less than one working day before the relevant meeting.	The General Manager Regulation and Democracy Services advises this is a management issue.	That this KPI not be included but protocols for handling supplementaries be agreed between Councillors and staff.

## 22 Cont'd

KPI Requested	Difficulty	Staff Recommendation
Survival rates of newly planted trees.	The causes of vandalism to young trees are many and complex, and are outside the control of the Greenspace Unit. The cost effectiveness of increasing the physical protection of young trees would need to be evaluated before meaningful KPIs could be set.	That this KPI not be included at this time but this issue be part of the regular reporting from the Greenspace Unit.
Ratio of trees to cars.	The number of Council-owned trees is not known to sufficient accuracy to withstand audit.	That this KPI not be implemented at this time but information about the city's ability to absorb carbon compared to the carbon it generates, including the contribution of Council trees, be included when reporting on community outcomes.
Pollution of waterways arising from bird populations.	Not practicable. Establishing results that would withstand audit would require a carefully designed and potentially expensive monitoring system. The behaviour of bird populations would need to be much better understood than it is at the moment to design such a system.	That this KPI not be implemented at this time but that staff report on the additional work which would need to be done to manage bird populations where they could be causing pollution problems, together with budgetary requirements.
Abandoned cats.	A KPI would be meaningless at this time. No reliable baseline information exists; Council legal responsibilities are uncertain.	That implementation of this KPI be deferred pending the staff review of the Animal Control Bylaw.

**Subcommittee**

**Recommendation:** That the Key Performance Indicators, as amended, be approved.

23. **COMMUNITY BOARD SUBMISSIONS**

The Subcommittee makes the following recommendations in response to specific issues raised in the above submissions:

1. **Fendalton/Waimairi/Burwood/Pegasus Community Board**

- (a) That the requests from the above Boards for additional funding (\$87,000) to be provided from 2004/05 for the Sunday opening of the Fendalton and Shirley Community Libraries be approved.
- (b) That staff report to the appropriate Standing Committee on the possibility of incorporating a café in the Fendalton Community Library.

2. **Fendalton/Waimairi Community Board**

- (a) That a report be completed on the possible introduction of user charges at the Christchurch Art Gallery and the Canterbury Museum for the incoming Council in time for the 2005/06 Annual Plan.
- (b) That the Uniform Annual General Charge be increased from \$105 to \$115.

This recommendation was declared **carried** on division no 1 by 5 votes to 2, the voting being as follows:

**For (5):** Councillors Condon, Corbett, Ganda, O'Rourke and Stewart.

**Against (2):** Councillors Anderton and James.

23 Cont'd

3. **Burwood/Pegasus Community Board**

- (a) That the \$50,000 funding allocated in 2004/05 for the Queenspark Reserve toilets be transferred to the Burwood Park car park project.
- (b) That the Board consider funding local projects such as half basketball courts, play equipment and skating facilities from its project and discretionary funds.

The Board and two other submitters sought the allocation of funding for a library service in Aranui.

- (c) That the Libraries and Information Manager report to the Arts, Culture and Heritage and Strategy and Finance Committees detailing the expenditure in recent years on new library initiatives and budget provision for future projects.

4. **Hagley/Ferrymead Community Board**

- (a) That the request for Community Board members to be provided with the same level of information technology services as City Councillors be referred to the General Manager Regulation and Democracy Services for subsequent report to the incoming Council, noting that the current budget provides for information technology services to 24 elected members plus some provision for six Community Board chairs.
- (b) That the request for the Sullivan Avenue street renewal funding in 2008/09 to be substituted for the funding provided in 2006/07 for the Cambridge Terrace street renewal (east of Barbadoes Street) be approved.
- (c) That Community Board funding be recorded in the final LTCCP.
- (d) That the Board's comments regarding Jade Stadium be referred to CCHL for consideration for inclusion in the section of the draft SOI relating to good relationships with the immediate neighbourhood.
- (e) That the request from the Board and other submitters for funding for an east-west shuttle service and extensions to the existing shuttle service be deferred pending the outcome of the review of central city transport issues.
- (f) That the requests from the Board, Combined Inner City Residents' Group and MOA Neighbourhood Committee and other submitters for funding for the undergrounding of overhead reticulation be dealt with as follows:
  - 1. That \$200,000 per annum, inclusive of any Orion contribution, be provided from 2006/07 for the undergrounding of overhead reticulation in narrow streets across the city unsuitable for alternative enhancement options.
  - 2. That the Sustainable Transport and Utilities Committee be requested to develop criteria for the allocation of this funding.
  - 3. That the remaining requests for additional funding provision for the undergrounding of overhead reticulation be declined.
- (g) That the Board's concerns about the community use of Westpac Stadium be referred to the General Manager Community Services and the General Manager Strategic Development for consideration.
- (h) That the following requests be referred to the Central City Streets Subcommittee:
  - That the term "central city" be defined to reflect the definition in the Council's Register of Delegations.

**23 Cont'd**

- That the word “developers” in the second performance measure listed under the heading “Supporting the City Centre” be replaced with the word “residents”.
- That the phrase “support the Central City Mayoral Forum” in the second performance measure listed under the heading “Supporting the City Centre” be replaced with “the Central City Mayoral Forum work with the Community Board and relevant Standing Committees”.

**5. Riccarton/Wigram Community Board**

That as the Recovered Materials Foundation is considering introducing a free kerbside collection of large domestic appliances and furniture, the Board's request for the Council to introduce such a service be declined.

**6. Shirley/Papanui Community Board**

- (a) That \$30,000 be provided in 2005/06 for an investigation into the causes for the loss of base flow in the Upper Kaputone Stream.
- (b) That the Board's request for additional funding of \$30,000 to support local leisure projects be declined.

**7. Spreydon/Heathcote Community Board**

- (a) That staff report to the Spreydon/Heathcote Community Board and the Parks, Gardens and Waterways Committee on the availability of the Council-owned property in Strickland Street adjacent to the community garden.
- (b) That the conflicting staff responses on main street shopping areas be referred to the Urban Design and Heritage Team Leader and a further response to the Board's submission be provided.

**24. PUBLIC SUBMISSIONS ON THE DRAFT LONG TERM COUNCIL COMMUNITY PLAN, VOLUMES 1-3**

The Subcommittee makes the following recommendations in response to specific issues raised in the above submissions:

**1. Canterbury District Health Board**

- (a) That the Board's request for the Council to fluoridate the city's water supply not be pursued but that, in consultation with the Board, alternative options for improving dental health be promoted via the City Scene.
- (b) That, following a Council seminar with Community and Public Health relating to safe food practices, officers report to the appropriate Standing Committees on current resources and strategies.

**2. Golf Links Residents' Association**

That the section of the submission relating to sustainability in housing and subdivision design be referred to staff and that the topic be the subject of a future seminar; the seminar also to address concerns raised by Councillors on the provision of facilities or lack thereof in new subdivisions.

**3. St Albans Residents' Association**

- (a) That the submission relating to the abandoned derelict property be referred to the Legal Services Unit for investigation.
- (b) That the submission relating to the Orion site be referred to the staff for investigation.

**24 Cont'd**

**4. Canterbury Economic Development Fund**

This submission sought the retention of the initial formula for the allocation of interest from the Capital Endowment Fund on the basis that there was strong demand for funding for worthwhile economic development projects.

- (a) That the 70/30 ratio continue for 2004/05, 2005/06 and 2006/07 and be reviewed at that time.
- (b) That the Strategy and Finance Committee hold a seminar with representatives of the CEDF to discuss the criteria for the allocation of funds, having regard also to the comments from the Canterbury Manufacturers' Association

**5. Shirley Residents' Group Inc**

That a report on the Sabina/Hercules Street and Hammersley Avenue kerb and channel issues be completed for the consideration of the Shirley/Papanui Community Board and if the work is currently not included in the current City Streets programme the Board give consideration to a possible substitution.

**6. Te Whare Roimata**

- (a) That the Housing Strategy be completed as a matter of priority and include provision for social housing in the inner city east neighbourhood.
- (b) That the Housing Subcommittee also address this issue as a matter of priority in conjunction with the Hagley/Ferrymead Community Board, the Central City Mayoral Forum and Te Whare Roimata and Inner City East Neighbourhood Group.

**7. St Albans Educare Preschool**

That the Council's decision to carry forward the current provision of \$350,000 from 2003/04 to 2004/05 be confirmed.

**8. Federated Farmers of New Zealand (North Canterbury Province)**

That the request for a further reduction in rural rates be declined.

**9. Central City Mayoral Forum**

That the issues raised by the Mayoral Forum be referred to the appropriate Standing Committees for consideration.

**10. Yaldhurst Rural Residents' Association, Ouruhia Residents' Association and Other Rural Ratepayers**

That the action of staff in administering the long-standing Council policy of rating properties in the rural area used principally for residential purposes at the residential rate, be confirmed.

**11. Accommodate Easy Rental Property, Cashmere Park Trust, Lewis Family Trust and Other Submissions Relation to Water Charging for Non-Residential Properties**

These submissions raised concerns about the proposal to increase the above charges.

That, as the water allowance calculations in excess water charges reflect the true average cost of supplying water, the increased water charges contained in the draft LTCCP be confirmed.



**24 Cont'd**

**12. New Brighton Taskforce**

- (a) That the request for funding of \$10,000 for an avenue of trees along Seaview Road be referred to the Burwood/Pegasus Community Board.
- (b) That in view of the cost escalations which have occurred owing to the delays caused by the appeals to the Environment Court, additional provision of \$195,000 be made in 2005/06 for the New Brighton revitalisation project.

**13. Central Plains Water Trust, North Canterbury Fish and Game Council, Dam Action Group**

The Central Plains Water Trust sought funding of \$200,260 to meet a funding shortfall for the preparation and marketing of their prospectus. A shortfall had occurred because a portion of the CEDF funding was withdrawn. The withdrawal of this funding has led to an imbalance in the contributions of Selwyn District Council and this Council.

The submissions from the North Canterbury Fish and Game Council and the Dam Action Group opposed the allocation of Council funding for the Central Plains water enhancement scheme.

That a capital contribution of \$200,000 be made to the Central Plains Water Trust.

The above recommendation when put to the meeting was declared **carried** on division no 2 by 6 votes to 3, the voting being as follows:

**For (6):** Councillors Anderton, Condon, Ganda, Harrow, O'Rourke and James.

**Against (3):** Councillors Corbett, Crighton and Wright.

**14. Friends of the Christchurch Botanic Gardens**

That a report on the Friends' proposal to form an advisory board for the Botanic Gardens be prepared for the consideration of the Parks, Gardens and Waterways Committee.

**15. Cancer Society**

The Society sought the provision of shading of Council paddling pools and programmes.

That the submission be referred to the Community and Leisure Committee to consider ways in which the Council can work with the Cancer Society to promote "sun smart" behaviour.

**16. Free Beach Group Canterbury**

That the request for a special area to be provided for nude swimming or sun bathing on local beaches be declined.

**17. SPOKES Canterbury**

That the request for a review of central city speed limits be referred to the Central City Transport Working Party.

**18. Christchurch to Little River Rail Trust**

This submission requested that funding allocated in 2005/06 be brought forward to 2004/05.

That, as the project is still at the planning stage, the budgetary provision for this project remain as provided.

**24 Cont'd**

**19. Christchurch Polytech Institute of Technology**

That this submission, which sought improvements to Madras Street to enhance pedestrian safety, be referred to the Sustainable Transport and Utilities Committee.

**20. Eileen Whitmore**

This submission raised concerns about safety issues for physically disabled pedestrians.

- (a) That the Sustainable Transport and Utilities Committee consider the issues raised in this submission regarding education/promotion, extending the green light phase and reducing the flashing red light phase.
- (b) That the submitter and her supporters be invited to address the Sustainable Transport and Utilities Committee.

**21. Tim Barnett MP**

That the submission relating to the Council's EEO policies be referred to the Chief Executive.

**22. Antony Gough**

That the submission on car parking issues be referred to the appropriate staff for report to the Sustainable Transport and Utilities Committee.

**23. Banks Peninsula District Council, Canterbury Yachting Association, Naval Point Club Lyttelton Incorporated**

The Banks Peninsula District Council sought an additional \$2.9M (to the currently budgeted \$3.2M) to be budgeted in the 2005/06 and 2006/07 financial years to enable the following facilities to be provided for the boating community:

- A six lane boat ramp.
- Good parking for trailers and cars.
- A floating jetty.
- Improved access to the boat ramp, together with boat wash down facilities.
- Dinghy rigging area and wind surfer launching area.
- Public car park.
- Public toilets.

**Subcommittee**

**Recommendation:** That an additional \$2.9M be added to the budget in 2006/07 subject to:

- (a) Before these funds are committed, a full report being prepared, setting out the detailed plans and financial arrangements with Banks Peninsula District Council; the report to be submitted to the December 2004 Council meeting.
- (b) The Banks Peninsula District Council agreeing to share the benefits of any commercial land sales arising out of the development.

(Note: Councillor O'Rourke abstained from the voting on this clause.)

**24. Cats Unloved**

- (a) That \$10,000 per annum be allocated to the Environmental Services Unit for the control and disposal of abandoned/unwanted cats.
- (b) That staff review the current bylaw with a view to including provisions for the control of the number of cats that a household may retain and to effective penalties for breaches of the bylaw.

**24 Cont'd**

**25. Christchurch and Canterbury Marketing Ltd**

- (a) That \$200,000 be allocated to CCML for a targeted campaign to increase domestic visitors to the city during the "shoulder" and "off peak" periods.
- (b) That CCML report back to the Council on the outcome of this pilot scheme.

(Note: Councillor Corbett requested that his vote against the above recommendation be recorded. Councillor O'Rourke abstained from the voting on this recommendation.)

**26. Yurie Somerville and Yasue Parker**

These submitters sought the establishment of a centre for international visitors and students which could function as an ombudsman's office and also as a drop-in centre for visitors experiencing problems.

That the submission be referred to the General Manager Strategic Development, Christchurch and Canterbury Marketing Ltd and the Canterbury Development Corporation.

**27. Christchurch Cathedral**

That the grant of \$240,000 for the Christchurch Cathedral included in the draft LTCCP be confirmed.

**28. Professor Don Beaven**

Professor Beaven sought the allocation of funding for health sciences research.

That the submission and the supporting information provided by Professor Beaven be referred to the Canterbury Development Corporation.

**29. Hearing Association of New Zealand Christchurch Inc and SigJaws**

That the above submissions be referred to the General Manager Community Services and that a report on the implementation of the Equity and Access (Disability) Policy be provided to the Community and Leisure Committee.

**30. Volunteering Canterbury**

That the submission be referred to the General Manager Community Services for consideration of the request for the Council to be a party to a memorandum of understanding with Volunteering Canterbury.

**31. New Zealand Institute of Landscape Architects**

That the Greenspace Unit be requested to develop a close working relationship with the Institute of Landscape Architects.

**32. Public Events Waste Management Initiatives Group**

That this submission be referred to the Recovered Materials Foundation.

**33. Professor Christopher Kissling, Dr Jean-Paul Thull, Mr Rex Verity and Dr Ted Pryor**

That the submission be referred to the Urban Planning and Growth Special Committee and the Central City Mayoral Forum.

**24 Cont'd**

**34. Christchurch Heritage Trust**

- (a) That this submission be referred to the Urban Design and Heritage Team Leader for consideration.
- (b) That staff report to the Regulatory and Consents Committee on the promotion of a variation to the City Plan providing for the demolition of Group 1 and 2 buildings to be a prohibited activity.

**35. Land Transport Safety Authority**

This submission sought a commitment by the Council to a road safety strategy and sought two changes to relevant sections of the LTCCP.

- (a) That the sixth bullet-point on page 115 of Volume 2 be amended to read:

“In consultation with the Police, the Land Transport Safety Authority and other stakeholders annually review a road safety strategy for the city, implemented via an annually prepared road safety action plan; and undertake works to best practice safety standards.
- (b) Insert an additional measure under “Environmental” on page 119 of Volume 2:

“A downward trend in the number of reported accidents relating to accident contributing behaviour (not wearing seatbelts, driving under the influence, not giving way etc).

**36. Tenants' Protection Association**

That this submission be referred to the Housing Subcommittee for consideration.

**37. Ngai Tahu Development**

That this submission on mechanisms for consultation with Maori be referred to the Chief Executive and the General Manager Public Affairs in the first instance for consideration and reply.

**38. Christchurch Engineering Lifeline Group**

This submission sought the inclusion in the plan of a general section of risk management as practised or proposed to be practised by the Council and a section dealing with the ongoing work in infrastructure management with reference to the associated engineering lifelines activities. This request was supported by the General Manager City Environment.

That the changes to the risk management and engineering lifelines activities recommended by the General Manager City Environment be approved for inclusion in the final version of the LTCCP.

**39. Development Contributions Policy**

The Council received some 18 submissions concerning this policy. However 10 were identical albeit from different submitters. The points raised were analysed and submitted to the Annual Plan Subcommittee. Generally, the concerns have been able to be met and recommended changes are summarised below. Some changes sought by officers were also submitted to the Annual Plan Subcommittee and the significant ones are also listed, the balance being in the nature of editorials.

The changes recommended in response to the public submissions are set out below.

**24 Cont'd**

1. That, where land is to be taken for reserve purposes, the basis of valuation will be the fair market value of the created lot as it appears in the finished development.
2. (a) That, if valuations established by the Council-appointed valuer are challenged by a developer, an independent valuer acceptable to both parties be appointed to prepare a new valuation, the costs being equally shared.  
(b) That if agreement still eludes the parties the matter go to arbitration.
3. That the period of time for which the Council will provide a credit for development contributions for reserves paid on previous development of the site be extended from five years to 10 years.
4. That where a balance lot is created as a result of subdivision and its value is markedly different from the individual values of the remaining lots, the Council, at the request of the developer, exclude it from the calculation of mean value. If such a balance lot is subsequently subdivided or developed then a full appropriate reserve contribution be required.
5. That remission criteria for instances where land provided for surface water management purposes can double as reserve land be clarified and explanatory material prepared.
6. That a misprint of 200m be corrected to 20m.
7. That the practice of charging 10% interest on contributions that are delayed through a bonding process be changed so that rate charged is the three year borrowing SWAP rate as advised at 11am on Reuter's FISSWAP page, or equivalent, on the day the bond is entered into, plus 0.1%. (This would currently be about 6.7%.) Interest to accrue from the date of the bond and the rate of interest to be reviewable three yearly, if necessary, at the Council's discretion.
8. That the Council agree to investigate a means of setting land value that would provide some compensation for development occurring in areas with very high land values. (Officers are aware of a procedure used by Auckland City Council to counter this distortion and can report to the Council in due course. A change to the policy could be implemented through the 2005/06 Annual Plan.)

The changes recommended in response to the staff report are set out below:

9. That a clause be inserted into the Development Contributions Policy clarifying the relationship between financial contributions that will still be taken under the provisions of the Resource Management Act 1991 and development contributions required through the Local Government Act 2002. Generally, financial contributions will be removed from the City Plan but three remain which cannot be taken as development contributions through the Local Government Act. These relate to parking, esplanade reserves and the conservation of heritage assets.
10. That a clause be inserted into the Development Contributions Policy clarifying that works undertaken by developers at their cost and as a part of their development and subsequently transferred into Council ownership are not development contributions.
11. That references to business contributions arising from development that occurs without subdivision be moved from within the reserves provisions to those relating to community infrastructure.

**40. Submissions Raising Local Issues**

That the submissions raising local issues be referred to the relevant Community Board for consideration.

**24 Cont'd**

**41. Remaining Submissions**

That responses be forwarded to submitters as per the above recommendations and the comments provided by staff.

**Subcommittee**

**Recommendation:** That the above recommendations be adopted.

**25. SUBMISSIONS ON METROPOLITAN CHRISTCHURCH TRANSPORT STATEMENT STAGE ONE**

The Metropolitan Christchurch Transport Statement Stage One (MCTS) was distributed with the LTCCP 2004-06 for consultation purposes following its consideration by the Council in December 2003.

The Council received 14 submissions which addressed the MCTS, and there were no submissions opposing it. The general tenor was of either implied or explicit support, with comments tending to focus on detail.

Almost all submissions supported the general change in direction of investment and improvements to the transport system, although some advocated a more significant or greater change than is proposed. Related to this were many comments that too much expenditure was still allocated to the "roading" category and that much more of that should be reallocated to active modes.

It is worth noting initially in response that the majority of funding is spent on maintenance functions rather than system supply improvements and that all categories receive a real increase in funding, including roading, despite the bulk of the increase going to other modes. This detail, whilst presented in the MCTS document, may not have been clear enough to readers.

In summary, there was general support for the directions and intentions of the MCTS. A number of useful suggested improvements have been made, which are best picked up during the pending work on the stage 2 version of the MCTS. Consequently, no changes are recommended to be made to the current stage one MCTS.

**Subcommittee**

**Recommendation:** That responses be forwarded to this group of submitters as per the comments provided by staff.

**26. SUBMISSIONS ON SOLID AND HAZARDOUS WASTE MANAGEMENT PLAN (SHWMP):  
PART 2 - ACTION PLAN**

Thirty-three submissions were received on solid waste matters, most were directed at a proposed kerbside collection service for household organics. Sixteen submissions were in favour of the service, including several Community Boards. Eight submissions were opposed to the service.

Other matters raised in the submissions related to:

- The move to 26 rubbish bags.
- Greater promotion for home composting options.
- The placement of composting facilities in a local reserve.
- Greater controls placed on manufacturers (eg the National Packaging Accord and extended producer responsibility legislation).
- Greater amounts to be recycled at the kerbside, at refuse stations and at events.
- Wanting wheelie bins for the kerbside collection of recyclables.
- The periodic kerbside collection of unwanted large household items.
- Increasing the diversion of hazardous waste from landfill.
- The use of biodegradable plastics for rubbish bags.

## 26 Cont'd

A report from the City Water and Waste Manager, which contained a summary of the recommendations on the submissions on the draft SHWMP, was considered by the Sustainable Transport and Utilities Committee on 15 June. Apart from the organic waste issue, staff recommended that only minor amendments be made to the draft SHWMP in response to these submissions.

At the Sustainable Transport and Utilities Committee meeting, motions proposing, firstly the introduction of a household organics collection service and, secondly, a home composting and kerbside collection trial were moved but were defeated. As a consequence, there was no recommendation from the Sustainable Transport and Utilities Committee in respect of this issue.

In light of this, the Subcommittee was not in a position to make a recommendation to the Council on the question of making any additional budgetary provision for the implementation of the SHWMP. Accordingly, no provision has been made in the budget for either the composting trial or the city-wide organic collection.

The Subcommittee requested the City Water and Waste Manager to report to the Council on the options for reducing organic waste in Christchurch to enable a decision to be made on how best to proceed.

The City Water and Waste Manager reports:

### BACKGROUND

As part of its deliberations on the draft LTCCP the Council at its meeting on 18 March 2004 resolved:

1. *That an enclosed compost plant be established from 2004/05 for processing food waste.*
2. *That food waste from commercial sources be collected for composting, with costs shared between the waste producer and the Council.*
3. *That a kerbside domestic kitchen food waste collection not be proceeded with at this stage, and not allowed for in the current budget.*
4. *That options for reducing both food waste and garden waste to landfill be further developed taking into account social, environmental, cultural and economic factors.*

Based on resolution 3, text referring to a proposed domestic kerbside organics collection service and the related additional capacity for an enclosed compost plant (ie above and beyond processing commercial food waste) in both the draft LTCCP and the draft Solid and Hazardous Waste Management Plan – Part 2, was deleted. Consequently, the proposal to collect household organics was not put before the public and has not passed through a special consultative procedure as required for matters of significance by the Local Government Act 2002 (LGA 2002). Despite this, 16 submissions in favour and eight submissions opposed to the kerbside collection concept were received by the Council.

The Council must now choose between three options or alternatively consider putting all proposals on hold.

### OPTION 1 – UNDERTAKE A HOME COMPOSTING AND KERBSIDE COLLECTION TRIAL

A fundamental reason why the Council at the 18 March meeting did not proceed with the proposed kerbside organics collection service was uncertainty surrounding the level of participation and waste diversion that would be achieved. The proposed initiative to implement resolution 4 is a large scale and longer-term trial (5,000 households over 10 months, see Appendix 6) to add certainty about the options under consideration and to clarify for the Council the costs and outcomes of two key options:

## 26 Cont'd

- (a) **"Decentralised Composting"**, which includes the promotion of home composting, existing commercial greenwaste collection services and community garden composting. Promotion will include offering a subsidy for compost bins, composting workshops and direct marketing approaches. This part of the trial will be carried out in two distinct ways: (i) establishing a marketing approach around existing community networks (eg 2,000 households associated with selected schools and sports groups); and (ii) marketing within a geographic area (eg 1,000 households in a selected neighbourhood).
- (b) **"Organics Recycling"** which involves the weekly kerbside collection of kitchen waste and small types of greenwaste in a hygienic 40 litre container with a biodegradable compostable liner. The organics collected from 2,000 households in a selected area will be processed at a centralised compost plant. All households in the area selected will receive the service, how they respond to it, will be up to them.

Findings and firm proposals arising out of this trial would form the basis of a Special Consultation Process (as per LGA 2002) for ongoing improvements to the city's organics waste management. This trial and consultation would determine the most sustainable and socially acceptable option for reducing household organic waste in Christchurch.

**Cost:**

- Additional opex needed in 2004/05 (one off) **\$0.324m**

**OPTION 2 – INTRODUCTION OF COMMERCIAL ORGANIC WASTE COMPOSTING**

In line with resolution 1 (as above) the 2004/05 Council draft budget retains funding to construct an enclosed compost plant for the processing of approximately 5,000 tonnes of commercial organics. This plant is timed to open late in 2007 and funding has been on the budget since 2001/02 for this to occur. This option has passed through the Council's LTCCP process and could be implemented without further consultation.

**Cost:**

- (a) Opex
- Estimated cost **\$0.665m/year**
  - Already in 2004/05 budget for commercial waste composting \$1.000m/year
- (b) Capex
- Estimated cost **\$6.550m**
  - Already in 2004/05 budget for commercial waste composting \$6.550m  
(spread over three years 2004/05 to 2006/07)

**OPTION 3 – COMMERCIAL COMPOSTING AND DOMESTIC KERBSIDE COLLECTION AND COMPOSTING.**

An increase in the 2004/05 Council budget would be needed to fund a city-wide domestic kerbside organics collection service (ie collect kitchen waste and small types of greenwaste in a 40 litre wheeliebin) and to provide an enclosed compost plant for processing both commercial and domestic organics. This option would need to pass through a special consultation process (as per LGA 2002) prior to implementation.

**Cost:**

- (a) Opex
- Estimated cost \$4.085m/year
  - Already in 2004/05 budget for commercial waste (refer option 2) \$1.000m/year
  - Additional needed in 2004/05 budget for domestic waste \$3.085m/year
- Total \$4.085 m/year**



## 26 Cont'd

(b) Capex	
▪ Estimated cost	\$15.680m
▪ Already in 2004/05 budget for commercial waste (refer option 2) (spread over 3 years 2004/05 to 2006/07)	\$6.550m
▪ Additional needed in 2004/05 budget for domestic waste (spread over 2 years 2004/05 to 2006/07)	\$9.130m
<b>Total over 3 years</b>	<b>\$15.680m</b>
<b>Cumulative effect on rates</b> (spread over years 2004/05 to 2009/10)	<b>2.29%</b>

(This is the impact of the **additional** operating and capital costs required not included in the budget.)

## ACCURACY OF COSTS

Appendix 7 contains a more detailed description of the above costs. These cost estimates are ballpark and are dependent upon the composting technology finally chosen. Order of accuracy is assessed to be  $\pm 25\%$ .

## SUMMARY

The Council must decide between the three options presented or alternatively put all proposals on hold for a period of reconsideration (perhaps in time for reconsideration in the 2005/06 LTCCP).

## Staff

**Recommendation:** That the Council discuss and decide how best to proceed.

## Subcommittee

**Recommendation:** That, based on the submissions and the Council's decision on the organic waste issue, staff make appropriate changes to the Solid and Hazardous Waste Management Plan: Part 2 - Action Plan and bring the final document to the Council for approval in August 2004.

## 27. FINANCIAL SUMMARY

Attached as Appendix 8 is a financial summary which provides a 10 year forecast of the Council's finances and details operating costs and revenues, capital expenditure, borrowing and long-term debt forecasts. This summary incorporates all the recommendations included in this report.

## 28. NET REQUIREMENT FROM RATES AND IMPACT ON RATEPAYERS

The net overall rate increase including the changes recommended by the Subcommittee is 3.59%. This represents a rate requirement of \$164,830,422 GST exclusive or \$185,434,225 GST inclusive.

The Revenue and Financing Policy as proposed in the draft LTCCP is recommended for adoption except for changing the Uniform Annual General Charge from \$105 to \$115. All other rating policies as proposed in the draft are being recommended for adoption.

A schedule of rating impacts is attached as Appendix 9.

## Subcommittee

**Recommendation:**

1. That the Council adopt a 3.59% overall rate increase.
2. That the draft Long Term Council Community Plan, entitled "Our Community Plan Christchurch O-Tautahi 2004/14, Volumes 1, 2 and 3, including:

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- the Revenue and Financing Policy, including the Uniform Annual General Charge of \$115,
- the Development Contributions Policy including the amendments contained in clause 24, sub-clause 39,
- the Investment Policy including amendments to clause 6.1,
- all other policies contained in the draft Long Term Council Community Plan,

as amended be adopted.

3. That the draft Metropolitan Christchurch Transport Statement be adopted.
4. That the draft Solid and Hazardous Waste Management Plan: Part 2 - Action Plan be submitted to the August meeting of the Council for approval.
5. That the Christchurch City Council Corporate Plan: 2005 Edition, as amended, be adopted.
6. That authority be delegated to the General Manager Corporate Services to make any necessary alterations to the Corporate Plan or the Long Term Council Community Plan.

## 29. SCHEDULE OF RATES FOR 2004/05

Under Section 23 of the Local Government (Rating) Act 2002 and Section 93 of the Local Government Act 2002 the rates setting process is now part of the Long Term Council Community Plan process. Rates are set by this resolution following the adoption of the Long Term Council Community Plan.

The liability for rates will be detailed on a rates assessment which will be delivered with the first instalment rates invoice.

A rates assessment is a notice to the ratepayer that they will be liable for rates on a particular rating unit. The assessment contains information on the amount of rates that will be levied on the rating unit, their type and the information that a local authority is using to calculate those rates (differential) categories, values, land area etc), and information regarding payment options, remissions and postponements (where these are operative).

The 2004/05 rate requirement is \$185,434,225 (GST inclusive) as shown in clause 28. The rates are allocated to rate types as listed below. This allocation generates the rate decimal and uniform annual general charge. Assessments will use these rate types and decimals.

**Subcommittee****Recommendation:**

That the Christchurch City Council set the following rates under the Local Government (Rating) Act 2002 on rating units within the City Council boundaries for the financial year commencing on 1 July 2004 and ending on 30 June 2005.

SCHEDULE OF RATES FOR 2004/05	CENTS IN THE \$ OF CAPITAL VALUE 2004/05 PER RATING UNIT	REVENUE SOUGHT* FROM INTENDED RATES (GST INCLUDED) \$
<b>General Rate by Differential Sectors</b>		
Sector A - Business	0.576447	34,630,556
Sector B - Residential	0.360692	80,652,023
Sector C - Rural	0.270519	2,011,841

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SCHEDULE OF RATES FOR 2004/05	CENTS IN THE \$ OF CAPITAL VALUE 2004/05 PER RATING UNIT	REVENUE SOUGHT* FROM INTENDED RATES (GST INCLUDED) \$
<b>Targeted Rates</b>		
Water Supply Targeted Rate		
Full Charge	0.050197	14,600,460
Half Charge	0.025099	262,276
Land Drainage Targeted Rate	0.043024	12,251,621
Sewerage Targeted Rate	0.078910	23,591,298
Water Fire Connection Targeted Rate	\$100	70,300
	\$ per Rating Unit or Separately Used Part	
<b>Uniform Annual General Charge</b>	115.00	17,363,850
<b>Total Revenue Sought from intended rates 2004/05 (excludes expected rates remissions)</b>		<b>185,434,225</b>

Details of each rate are provided below:

**DETAILED INFORMATION ABOUT RATES**

**GENERAL RATES**

**General Rate:**

General rates are derived on a differential basis to the following sectors:

- Sector A - Business
- Sector B - Residential and Other
- Sector C - Rural

The detail of the differential scheme is published in the LTCCP.

The General Rate is set under Section 13(2)(b) of the Local Government (Rating) Act 2002.

*Purpose of General Rate:*

To fund the general operations of the Council beyond that funded by user charges, other revenue, the Uniform Annual General Charge, and targeted rates as detailed below. The detail of the requirement is contained within the Financial Summary and the Funding Impact Summary of the LTCCP.

**Uniform Annual General Charge (UAGC) of \$115**

The Uniform Annual General Charge is a fixed amount assessed on each separately used or inhabited part of a rating unit.

The UAGC is set under Section 15(1)(b) of the Local Government (Rating) Act 2002.

*Purpose of the Uniform Annual General Charge:*

To fund the general operations of the Council beyond that funded by user charges, other revenue, general rates, and targeted rates as detailed below.

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**TARGETED RATES**

**Water Supply Targeted Rate – Full Charge:**

Rate Factor used - A capital value based rate in the dollar assessed on every separately rated property to which water is supplied.

The Water Supply Targeted Rate is set under Section 16(3)(b) and 18(1) of the Local Government (Rating) Act 2002.

*Purpose of Water Rates:*

To recover the water supply costs.

**Water Supply Targeted Rate – Half Charge:**

Rate Factor used - A capital value based rate in the dollar assessed on every rating unit situated within 100 metres from any part of the waterworks where a connection is not made.

The Water Supply Target Rate - Half Charge is set under Section 16(3)(b) and 18(1) of the Local Government (Rating) Act 2002.

*Purpose of Water Rates:*

To recover the water supply costs.

**Land Drainage Targeted Rate:**

Rate Factor used - A capital value based rate in the dollar assessed on every separately rated property, within each differential sector, which is in the serviced area.

The Land Drainage Targeted Rate is set under Section 16(3)(b) of the Local Government (Rating) Act 2002.

*Purpose of Land Drainage Targeted Rate:*

To recover the land drainage costs.

**Sewerage Targeted Rate:**

Rate Factor used - A capital value based rate in the dollar assessed on every separately rated property, within each differential sector, which is in the serviced area.

The Sewerage Targeted Rate is set under Section 16(3)(b) of the Local Government (Rating) Act 2002.

*Purpose of Sewerage Targeted rate:*

To recover the sewer drainage and sewage treatment costs.

**Water Supply Fire Connection Targeted Rate:**

Assessed as a uniform charge of \$100 per connection.

Rate Factor used - Assessed on every separately rated property which has one or more of these connections.

This Targeted Rate is set under Section 16(3)(b) and 18(1) of the Local Government (Rating) Act 2002.

*Purpose of the Water Supply Fire Connection Targeted rate:*

To recover costs of water supply fire connection on a per-connection basis.

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**Excess Water Supply Targeted Rate**

Assessed as the water meters are read on liable rating units in accordance with the full text below.

The Excess Water Supply Targeted Rate is invoiced after each reading.

Rate Factor used - Assessed on every separately rated property within the defined group, which has a water metered supply.

This Targeted Rate is set under Section 19 of the Local Government (Rating) Act 2002.

*Purpose of the Excess Water Supply Targeted rate:*

To recover water supply costs beyond those in the water-supply rates.

**Excess Water Supply Targeted Rate – Further Information**

This targeted rate is set under Section 19(2)(b) of the Local Government (Rating) Act 2002 which allows for a “scale of charges”. Invoices are raised for this rate as the result of water-meter readings on liable properties. The Christchurch City Water Related Services Bylaw 2001 outlines the intention to charge.

The scale of charges for the Excess Water Supply Targeted Rate is:

- Water used in excess of the water allowance, be charged at the rate of 38 cents per cubic metre to all consumers having an extraordinary supply, as defined in the Christchurch City Water Related Services Bylaw 2001. These are the liable rating units.
- The water allowance is determined annually by dividing the Water Supply Targeted Rate assessed on the rating unit by an allowance factor. The allowance factor unit rate will be determined by Council resolution from time to time and is now 38 cents. The water allowance is 1 cubic metre for each complete 38 cents (the factor) of the targeted water rate assessed.
- The water allowance is determined following the annual rates assessment and is expressed as a daily allowance, that is the total water allowance for the rating unit divided by 365 with a minimum of .6986 cubic metres per day.
- The daily allowance shall continue until the next rates assessment is issued for the rating unit.
- Rating units having an “ordinary supply” as defined in the Christchurch City Water Related Services Bylaw 2001, ie non-commercial consumers being principally residential single units on a rating unit, will not be charged an excess water supply targeted rate.
- Where two or more rating units share a water meter and have, in the opinion of the Council, a common usage, the readings and allowances may be aggregated, notwithstanding the charge is payable by the ratepayer of the rating unit to which the meter is attached.

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The annual rates assessment will identify and inform the ratepayers who are potentially liable for excess water charges. It will not, however, include the calculated liability as the water reading will not coincide with the assessment. Water meters will be read progressively throughout the year. Following each reading, a water-excess charge invoice will be issued for those rating units which are liable. The invoice will refer to the assessment and will 'bill' for the consumption for the period of the reading. The latest water allowance will be used, calculated on a daily basis.

The total revenue to be collected from rates, other than the Excess Water Supply Targeted Rate and rate penalties, is \$185,434,225 inclusive of GST.

**CONSIDERED THIS 30TH DAY OF JUNE 2004**

**MAYOR**