



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 5 MAY 2005

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.

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1. APOLOGIES

2. COMMUNITY BOARD AWARDS

By arrangement with the Deputy Mayor, Mrs Yvonne Palmer and Mr Phil Clearwater will be in attendance, to allow the Council to record its appreciation for the awards granted to the Shirley/Papanui and Hagley/Ferrymead Community Boards at the 2005 Community Board's Conference.

3. CONFIRMATION OF MINUTES - COUNCIL MEETINGS OF 21.4.2005 AND 28.4.2005

Attached.

4. DEPUTATIONS BY APPOINTMENT

5. PRESENTATION OF PETITIONS

6. CORRESPONDENCE

7. LOCAL GOVERNANCE STATEMENT

General Manager responsible:	General Manager Regulation and Democracy Services
Officer responsible:	Secretariat Manager
Author:	Max Robertson, Council Secretary, DDI 941-8533

PURPOSE OF REPORT

1. The purpose of this report is to seek the adoption by the Council of an updated governance statement.

EXECUTIVE SUMMARY

2. The present governance statement was adopted by the Council on 20 November 2003. To comply with the provisions of the Local Government Act 2002, the Council is required to update the present statement within six months after each triennial election.
3. This document is required to provide information to the public on a number of specified topics regarding the structure of the organisation and the Council's decision-making processes.
4. The draft updated governance statement attached to this report reflects the present Council's revised governance structure, and the other information required to be included pursuant to the Local Government Act 2002.

FINANCIAL AND LEGAL CONSIDERATIONS

5. There are no financial considerations. Adoption by the Council of an updated governance statement within six months after each triennial election is a statutory requirement under section 40 of the Local Government Act 2002, the full provisions of which are set out in clause 6.

STAFF RECOMMENDATIONS

It is recommended that the Council formally adopt and make publicly available the updated governance statement attached to this report.

7 Cont'd

BACKGROUND

6. The full requirements of section 40 of the Local Government Act 2002 relating to local governance statements are set out below:
- “(1) A local authority must prepare and make publicly available, following the triennial general election of members, a local governance statement that includes information on---*
- (a) the functions, responsibilities, and activities of the local authority; and*
 - (b) any local legislation that confers powers on the local authority; and*
 - (c) the electoral system and the opportunity to change it; and*
 - (d) representation arrangements, including the option of establishing Maori wards or constituencies, and the opportunity to change them; and*
 - (e) members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct); and*
 - (f) governance structures and processes, membership, and delegations; and*
 - (g) meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders); and*
 - (h) consultation policies; and*
 - (i) policies for liaising with, and memoranda or agreements with, Maori; and*
 - (j) the management structure and the relationship between management and elected members; and*
 - (k) equal employment opportunities policy; and*
 - (l) key approved planning and policy documents and the process for their development and review; and*
 - (m) systems for public access to it and its elected members; and*
 - (n) processes for requests for official information.*
- (2) A local authority must comply with subsection (1) within 6 months after each triennial general election of members of the local authority.*
- (3) A local authority must update its governance statement as it considers appropriate.”*

8. ELECTED MEMBERS' REMUNERATION

General Manager responsible:	General Manager Regulation and Democracy Services
Officer responsible:	Secretariat Manager
Author:	Max Robertson, Council Secretary, DDI 941-8533

PROPOSAL/PURPOSE OF REPORT

1. The purpose of this report is to submit for the Council's consideration a proposal for the allocation of the 2005/06 remuneration pool amongst the elected members of the Christchurch City Council and the six Christchurch community boards.

EXECUTIVE SUMMARY

2. The Remuneration Authority has advised that the remuneration pool for the elected members of the Christchurch City Council and its six community boards has been fixed at \$1,469,944 for the 2005/06 financial year and that the Mayor's salary has been fixed at \$146,110. In the case of the Mayor this figure represents the gross amount to be debited against the pool - the Mayor's net salary will be \$141,818, reflecting the fact that he has full private use of a car provided by the Council.
3. This represents an increase of \$44,079 (or 3.09138%) in the present pool of \$1,425,865.
4. Based on the rules and principles set by the Remuneration Authority the Council is now required to decide how it proposes to allocate the pool amongst its elected members for the 2005/06 financial year and, once agreed, to submit its proposal to the Remuneration Authority for approval. It should be emphasised that the Remuneration Authority expects the pool to be fully allocated, and it is thus incumbent on the Council to revise the current salaries to reflect the increase in the pool.
5. The Council's proposal must be approved by the Remuneration Authority before any amended salaries proposed by the Council can be implemented.

FINANCIAL CONSIDERATIONS

6. Once the allocation of the increased pool has been decided by the Council and approved by the Remuneration Authority, it will be necessary to revise the seven different budget provisions for this item (Councillors and six community boards) to reflect the increase of \$44,079.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receives the information.
- (b) Resolves to continue the salary only model as its basis of remuneration for elected members of the Christchurch City Council for the 2005/06 financial year.

Note: The remuneration framework requires all community board members to be paid an annual salary (ie there is no provision for the payment of meeting fees to community board members).

- (c) Recommends to the Remuneration Authority that the remuneration pool for the 2005/06 financial year be allocated to elected members in accordance with the figures outlined in Appendix B of this report.
- (d) Confirms the amended rules and policies for the reimbursement of elected member expenses described in Appendix C of this report and refer them to the Remuneration Authority for approval.
- (e) Notes that the Remuneration Authority must be advised of any dissent expressed by members of the Council or its community boards in relation to the Council's proposal.

8 Cont'd

BACKGROUND

7. The Remuneration Authority is responsible for setting the salaries of elected local government representatives (clause 6 of Schedule 7 of the Local Government Act 2002 refers).
8. A brief summary of the remuneration framework and the rules and principles which the Remuneration Authority works under is attached as Appendix A.
9. The Council's remuneration proposal devised in December 2004 (and approved by the Remuneration Authority in January 2005) only applied for the balance of the 2004/05 financial year. The Remuneration Authority revises remuneration pools annually, and each council is thus required to review its levels of remuneration prior to the start of each financial year, based on the new pool. Therefore, this report has been submitted to allow the Council to consider the allocation of the increased pool for the 2005/06 financial year. The increased salaries proposed will thus apply from 1 July 2005.
10. It will be recalled that the Remuneration Authority modified the proposal previously adopted by the Council on 2 December 2004, to slightly improve the community boards' relativity. In coming to this view the Authority stated that it had taken into account:
 1. The need to equitably distribute the pool following the reduction in the number of Councillors.
 2. The consequential increase in representational activities for community boards.
 3. The role of the community boards as established by Government policy and the Local Government Commission's representation review.
 4. Representations made by community boards.
11. The Authority further advised that Christchurch is seen as a model for how the two arms of local representation can work effectively at the macro and micro levels.
12. The Authority's decision resulted in the allocation of the pool on the following basis:

	\$	Ratio	% of pool
Deputy Mayor and Councillors	76,136	1.0	64%
Community Board Chairs	35,000	0.45	
Community Board members	22,000	0.28	25.87%
13. The Authority has now released the Christchurch City indicative pool for 2005/06, which amounts to:

Total pool	\$1,469,944
less Mayor's gross salary	\$146,110
Net pool available for 12 Councillors and 30 community board members	\$1,323,834
14. This represents a total increase of **\$44,079** (or 3.09138%) in this Council's remuneration pool.
15. Although included within the pool, the Mayor's salary is independently set by the Remuneration Authority.
16. It should also be noted that 50% of the total remuneration paid to community board Chairs and elected community board members is paid outside the pool.
17. The following table sets out the proposals approved by the Council at its meeting on 2 December 2004, the rates finally approved by the Remuneration Authority which currently apply, and the salaries for 2005/06 recommended in this report:

8 Cont'd

Position	Council's proposal (December 2004)	Rates Approved by RA (January 2005)	Salaries Proposed for 2005/06
Mayor	\$143,236 (gross)	\$143,236 (gross)	\$146,110 (gross)
Deputy Mayor	\$78,760 per annum	\$76,136 per annum	\$89,137 pa
Councillors	\$78,760 per annum	\$76,136 per annum	\$77,977 pa
Community Board Chairs	\$32,500 per annum	\$35,000 per annum	\$35,850 pa
Community Board members	\$20,000 per annum	\$22,000 per annum	\$22,450 pa

18. Although the Mayor's salary is set by the Remuneration Authority, it is included within the pool. Where a Mayor has partial or full private use of a car provided by the Council (as is the case in Christchurch), the Mayor's gross salary is reduced by an amount which reflects both the extent of private use and the value of the car supplied.

DISCUSSION**Decisions to be Made**

19. In preparing its proposal the Council is required to make the following decisions:
- To decide whether the remuneration pool should be allocated on a salary only basis, or whether it should be a mix of salary and meeting fees.
 - To agree appropriate levels/rates for the different positions/roles on the Council and its community boards and, using that information, develop an option for the allocation of the money within the remuneration pool.

Basis of Remuneration

20. As previously advised, the Council has the choice of allocating the remuneration pool on a salary only basis, or on a combination of salary and meeting fees.
21. Straight salaries have proven benefits for both elected members and Council officers. Under this system elected members have a regular income and know what their annual income is going to be. The salary only option is also much simpler to administer.
22. It is therefore recommended that the Council continue the salary only model as its basis of remuneration for the 2005/06 financial year.

Distribution Options

23. As the present ratios and percentage allocations within the pool were only decided by the Remuneration Authority in January of this year, it is considered unlikely that the Authority would approve a significantly different allocation for 2005/06. It is therefore desirable that the pool is divided in a way which preserves approximately the same percentage allocations applied by the Remuneration Authority in its January 2005 Determination.
24. The allocation of the increased pool was discussed informally with a group of Councillors and two community board Chairs on 14 April 2005. It was agreed as a result of these discussions that in view of her high workload and additional responsibilities, the Deputy Mayor's salary should be increased by \$13,000, with the remainder of the increased sum available being apportioned on a percentage basis to the salaries applicable to the remaining positions, bearing in mind that half of the salaries paid to community board Chairs and elected community board members are paid outside the pool. The recommended salaries set out in Appendix B of this report have therefore been calculated on this basis, with some small adjustments to ensure that the pool is fully allocated.

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Elected Member Allowances and Expenses

25. As part of its amended remuneration proposal, the Council is also required to seek the Remuneration Authority's approval for any amendments to the Schedule of Elected Member Allowances and Expenses previously approved by the Authority. The schedule attached as Appendix C (which is otherwise identical to the schedule previously approved by the Authority) has been amended to:
- Reflect the resolution adopted by the Council on 10 March 2005 that, for the balance of the current Council term, the Council approve the payment of the associated travel costs for the Mayoress to enable her to accompany the Mayor on overseas trips, where appropriate (subject to any flights associated with such overseas travel by the Mayoress being booked utilising the Mayor's accumulated air points where possible).
 - Empower the Subcommittee comprising the Deputy Mayor and Councillor Cox previously appointed with delegated power to approve attendance by Councillors at conferences, courses, seminars and training programmes etc to also approve travel, accommodation and related costs proposed to be incurred by Mrs Yvonne Palmer in her capacity as the current Chairperson of the New Zealand Community Boards' Executive Committee. There needs to be a mechanism sanctioned by the Remuneration Authority for such costs to be approved by the Council.
26. The Executive Committee comprises six members representing each Local Government New Zealand zone, elected by community boards within each of those zones.
27. Since mid-2002 the Executive Committee has been working with Local Government New Zealand and through an agreed Memorandum of Understanding has the status of an advisory committee to the National Council of Local Government New Zealand.
28. Key roles of the Community Boards' Executive Committee are:
1. To provide advice to the National Council of Local Government New Zealand on all matters involving community boards;
 2. Liaising between Local Government New Zealand and community boards to gather information on issues and matters of national interest;
 3. Keeping National Council informed of current and future issues of concern to community boards that may have implications for local government generally;
 4. Advising on training needs of community boards and their members that might be included in a national capacity building strategy.
 5. The Executive Committee meets four times a year in the Local Government New Zealand offices in Wellington, with travel costs being met by Local Government New Zealand.
29. Local Government New Zealand covers the costs of Mrs Palmer's airfares, taxi fares and lunch for four annual meetings of the New Zealand Community Board Executive Committee.
30. Currently, such travel by Mrs Palmer is a charge on the provision in the public accountability budget for travel and conference attendance by Councillors, rather than by members of the Shirley/Papanui Community Board. It is considered that Mrs Palmer's involvement with the Executive Committee provides city-wide benefits, and reflects this Council's long-standing support for community boards. Also it would be unfair for the relevant costs to be borne by one community board alone. The amendment proposed will provide a transparent process for the granting of approval for such future travel by Mrs Palmer.

8 Cont'd

31. The above proposal is to cover the cost of her remaining travel associated with her ongoing involvement in community board issues. This involvement includes the training of community board members in New Zealand. Based on past expenditure this cost is estimated to be about \$4,000 per annum. It is proposed that such expenditure in the future be met from the Councillor's travel code.
32. In addition to her role as chairperson of the New Zealand Community Board Executive Committee, Mrs Palmer is also the Zone 5 chairperson on the New Zealand Community Board Executive Committee through until February 2007. The proposed source of funding and approval mechanism would also apply to Zone 5 meetings.

Unanimity of the Council's Decision

33. In submitting its proposal the Council is required to notify the Remuneration Authority of:
 - (i) details of any dissent at Council, and
 - (ii) details of any dissent from its community boards.
34. A community board also has the ability to express any opposing views it might have on the Council's final proposal direct to the Remuneration Authority.
35. If the Council's recommendations are unanimous and reasonable it is unlikely that the Commission will withhold its approval. It does, however, have the power to amend any proposal if the level of dissatisfaction is high or if the proposal is considered unreasonable.

CONCLUSION

36. The Council is required to submit its recommended remuneration proposal to the Remuneration Authority for approval no later than 10 May 2005.
37. The new remuneration rates cannot be implemented until that approval is received.

9. BUILDING ACT 2004

General Manager responsible:	General Manager Regulation and Democracy Services
Officer responsible:	Environmental Services Manager
Author:	John Buchan, Building Control Manager, DDI 941-8687

PURPOSE OF REPORT

1. To inform the Council that the majority of the Building Act 2004 came into force on 31 March 2005.

EXECUTIVE SUMMARY

2. The new Building Act 2004 aims to improve control of, and encourage better practices in building design and construction, so that buildings are designed and built right first time.
3. The Act has introduced requirements that are designed to achieve the following:

- (i) More clarity on the standards we expect buildings to meet.

To achieve this objective the Department of Building and Housing (DBH) is required to review the building code within three years. The Code has to be reviewed against an extended list of principles that apply to the Act.

- (ii) More guidance on how these standards can be met.

To achieve this objective the DBH has been authorised to publish guidance documents to assist compliance with the Act. Guidance documents will include codes of practice for consent reviewing and inspection which will set minimum standards for areas such as drawings and specifications which form part of the consent application. The Department is also able to provide determinations where there are areas of the Code which need interpretation.

- (iii) More capable people undertaking building design, construction and building inspection.

To achieve this objective the Act provides for licensing of people involved in the industry. A licensing board is to be set up and the system will be fully in operation by 2009. The DBH has started consultation with industry to establish the parameters of the registration system. When the system is fully established, work that is prescribed by regulation will have to be done by a licensed building practitioner. The Department is also facilitating the development of a National Diploma qualification for building officials. The Diploma will set a recognised standard of qualification for building officials.

- (iv) More scrutiny in the building consent and inspection process.

To achieve this objective an accreditation system run by an independent accreditation organisation is to be set up and the building consent function of a Territorial Authority (TA) will have to be registered as a Building Consent Authority (BCA) and will have to gain accreditation within three years and maintain the accreditation through regular audits. It is proposed that there be two or three levels of accreditation ranging from standard single storey structures to complex buildings such as a sports stadium.

TA's will have to have procedures to deal with all types of applications and smaller TA's may use consultants or request assistance from other TA's. The Christchurch City Council may be asked by adjoining councils to provide assistance with specialist areas. Some preliminary discussion at officer level has taken place. When options have been developed a report will be made to Council. The DBH is encouraging consideration of shared resources as a way of meeting the requirements of accreditation. We expect that when the accreditation system is set out in regulations and TA's have been able to consider the implications of the accreditation system that we will need to consider requests for assistance.

9 Cont'd

- (v) Better protections for homeowners through the introduction of mandatory warranties.

From 30 November 2004 warranties are implied in all building contracts relating to household units (houses, apartments etc), to provide consumers with an opportunity for redress if work is not done properly.

The new DBH is much larger than the Building Industry Authority (BIA) that it replaced and numbers of employees has gone from less than 20 to 80 people. The cost of the increase is to be met by an increase in the Building Levy from 65 cents to \$1.97, which is charged per \$1,000 where the value of the work exceeds \$20,000. For a building costing \$250,000 the levy increases from \$163 to \$493. This increase applies to consents issued from 1 April 2005.

An important new requirement in the Act is that TA's must develop a policy on dangerous, earthquake-prone and insanitary buildings. The policy must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002 and has to be completed by 31 May 2006. The policy must state the approach the territorial authority will take in performing its functions, the TA's priorities in performing these functions and how the policy will apply to heritage buildings. Preliminary work on drafting the policy is underway and a Council seminar has been arranged for late May. Guidance information from the DHB will be available shortly.

FINANCIAL AND LEGAL CONSIDERATIONS

4. The increased cost of processing consents will be recovered from fees which are charged at an hourly rate. Longer term the costs of obtaining accreditation and the costs of audits by the accreditation company may result in an increase in the hourly rate charged. The likely costs are as yet unknown.

STAFF RECOMMENDATIONS

It is recommended that the Council receive the information.

9 Cont'd

BACKGROUND

5. In summary, the Building Act 2004 does not significantly change the philosophy of building control but puts more emphasis on the front end of the process ie at Project Information Memoranda and building consent stage, and strengthens the importance of the completion and the final sign off of a project (Code Compliance Certificate). The Building Code does not change but the emphasis is put on complying with the approved building consent. The importance of the approved consent becomes paramount throughout the process. Other provisions have been introduced such as the Certificate of Acceptance and existing provisions have been strengthened (eg the Building Warrant of Fitness). The time frame for processing has been extended from 10 to 20 days and there is a requirement for the Fire Service to be involved in some applications.
6. Now all building work is required to be completed or a decision made to allow an extension of time within a two-year period from issue of building consent. New public buildings cannot be occupied until the issue of a Code of Compliance Certificate or the issue of a certificate of public use, if it is safe to do so.

(i) Project Information Memoranda (PIM)

A Project Information Memoranda (PIM) provides information about land and about the requirements of other Acts that might be relevant to proposed building work. A territorial authority issues a PIM.

A PIM is expected to have a more important role under the Building Act 2004 than it did previously.

- The PIM must be issued within 20 working days of receiving an application.
- A PIM can be reissued where a territorial authority considers that an error or omission has occurred within the original processing time frame.
- A PIM must notify the requirement to obtain an evacuation scheme under the Fire Service Act 1975, where necessary.
- New Zealand Historic Places Trust must be notified (where applicable) that a PIM application has been received.
- A territorial authority may attach a development contribution notice to a PIM.
- A certificate noting Resource Management Act requirements must be attached to the PIM. (This was required to be attached to the building consent under the Building Act 1991, not the PIM.)

The previous requirements for PIM content continue to apply, and include:

- Heritage status and special features (eg natural hazards)
- Relevant information from other Acts that has been notified to the territorial authority.
- Storm water and waste water utility systems.
- Details relevant to a network utility operator (eg Transmission line clearances.)

(ii) Building Consents

A Building Consent is the formal approval, under section 49 of the Building Act 2004, for an applicant to undertake building work. Building work includes work in connection with the construction, alteration or demolition or removal of a building.

A person cannot carry out work except in accordance with a building consent. There are some exceptions to when a building consent is required but Section 17 still requires building work to be carried out in accordance with the Building Code even if no building consent is required.

The building consent provisions in the Building Act 2004 are relatively similar to those under the Building Act 1991. Advice from the DBH is that "the changes should only require building consent authorities and territorial authorities to amend current systems and processes, rather than introduce completely new procedures."

9 Cont'd

The main change is that a code compliance certificate is issued against the building consent documents; therefore the applicants must ensure the consent documents accurately describe what they want. Changes during construction will require amendments to the consent.

Another significant change will be the need to consult the New Zealand Fire Service Commission on some building consent applications. This will require a system to identify and separately process application which have to go to the New Zealand Fire Service Commission for comment so that the time frames within the Act are not exceeded.

- Staged Consents

An owner may apply for building consents for stages of the proposed building work. It will be important to stage work under the Building Act 2004 as under the new Act it will be an offence to use a public building that does not have a Code Compliance Certificate. This is discussed in more detail below.

- Producer Statements

Although no longer expressly referred to in the Building Act 2004, these could still be accepted and considered as part of the plans and specifications. This will assist the building consent authority in deciding whether it is satisfied on reasonable grounds that the provisions of the Building Code will be met if the building work is completed in accordance with plans and specifications. A formal procedure for the acceptance of Producer Statements is to be developed.

- Amendments to Building Consents

Amendments to a building consent must be applied for in the same way as an application for a building consent. It is important that any changes to the building consent are properly dealt with by an application to amend the building consent. This is because the CCC is issued by a building consent authority if the building work complies with a building consent.

- Processing Time

A building consent authority now has 20 working days to refuse or grant an application, unlike the 10 days under the previous Act. Requests for information may be made in this 20-day period and the consent can be put on hold until this information is submitted. This time is not suspended if the application has to go to the Fire Service Commission who have 10 days to comment on the application.

- Future Considerations

From 30 November 2009, if an application for a building consent relates to restricted building work the name of the Licensed Building Practitioner carrying out supervision of that work must also be stated. From that date, any plans and specifications used in an application related to restricted building work must be prepared and certified, or under the supervision of, one or more Licensed Building Practitioners.

(iii) **Code Compliance Certificates**

A Code Compliance Certificate (CCC) is a formal statement that building work carried out under the building consent application complies with that building consent.

Major changes in the new Act include that:

- The CCC is issued if the building work complies with the building consent.
- Only the building consent authority that granted the building consent can issue a CCC (unless agreement is made between the BCA and owner).

9 Cont'd

- At the expiry of 2 years from the date the consent was granted, a territorial authority must decide on whether to issue the code compliance certificate. The decision must be made within 20 days of the expiry (or a further agreed period).
- Interim CCCs can no longer be issued.
- It is an offence to use a building intended for public use that does not have a CCC or for a residential property developer to transfer a household unit without a CCC, unless under written agreement on the prescribed form that the residential property developer and purchaser agree to the sale before the issue of a CCC.

When undertaking a final inspection for a CCC, a building consent authority will need to ensure the building consent documents accurately reflect the work on the site.

The DBH warns that building consent authorities will need to be proactive in the way they handle the issuing of CCCs. This will include establishing clear expectations with applicants who apply for a building consent, and developing a clearly documented and transparent process for managing CCCs. The BCA has 20 working days to grant or refuse a CCC. A fee may be charged for the work done by the BCA.

Building owners and lessees will need to ensure any work undertaken in a building intended for public use has a CCC before any part of the building that is affected by the work is used. This provision of the new Act was introduced in response to the Cave Creek incident but the implications were not fully thought through.

Amendments have already been made to the Act and these became effective on 15 April 2005. In summary the amendments to section 363 of the Act are:

- A clear articulation that the section is to protect the safety of members of the public who are using premises intended for public use.
- Clarification that section 363 applies only to premises in a building that are intended for public use.
- Clarification that section 363 applies only to the parts of premises intended for public use that are affected by building work.
- Allowance for an owner of premises intended for public use to apply for a new safety-based certificate, called a certificate of public use, so premises intended for public use can be used or occupied prior to the issue of a Code Compliance Certificate, if it is safe to do so. This addresses issues around staged use or occupation of buildings during development (for example, hospitals).
- Insertion of a new transitional provision to provide that section 363 applies to all:
 - new buildings from 31 March 2005
 - existing buildings from 15 April 2010
 - and in respect of existing buildings, there is allowance for owners to apply for a certificate of acceptance for building work that did not have a building consent issued.

These amendments will assist administration of the Act.

These changes to the Code Compliance Certificate regime will have a significant impact on operational activities and resourcing levels. As obtaining a final CCC was not mandatory under the previous Act, we are still working through a large backlog of uncompleted consents, many of which are very complicated and have become extremely contentious because the rules have tightened since weather tightness issues have come to the fore. The demand for CCCs has risen significantly as a result of the problems.

(iv) **Compliance Schedules**

A Compliance Schedule lists specified systems and features within a building. These systems and features ensure a building is safe and healthy for members of the public to enter, occupy or work in.

9 Cont'd

The Compliance Schedule for a building must identify which systems are present, the performance standards for those systems, and how those systems will be monitored and maintained to ensure they will continue to function.

The requirements for a Compliance Schedule in the Building Act 2004 are broadly similar to those in the Building Act 1991. However, the new Act allows more options for the administration of Compliance Schedules by territorial authorities, and significantly, the ability to charge a fee for the service. The Building Act 2004 provides for the territorial authority to be proactive in inspecting these buildings and reviewing the Compliance Schedule.

(v) **Building Warrants of Fitness**

A Building Warrant of Fitness (BWof) is a statement supplied by a building owner, confirming that the systems specified in the Compliance Schedule for their building have been maintained and checked in accordance with the Compliance Schedule for the previous 12 months and that they will continue to perform as required.

The requirements of the Building Act 2004 for BWofs are similar to those of the Building Act 1991. The Act provides for the territorial authority to proactively check a building to ensure a BWof is correct, and that IQP/LBP reports are correct. A territorial authority can now charge a fee for undertaking a BWof inspection.

(vi) **Certificates of Acceptance**

A Certificate of Acceptance (CoA) is a new tool in the Building Act 2004. It can be used in situations where work has been done without a building consent, or where a building consent authority that is not a territorial authority cannot issue a CCC. It can also be used in a situation where emergency work is required.

A Certificate of Acceptance has some similarities to a Code Compliance Certificate in that it will provide some verification for a building owner/future building owner that part or all certain building work carried out complies with the Building Code. A certificate can exclude areas that are not able to be inspected.

A Certificate of Acceptance is based on the Code **at the time application is made** rather than what was in place at the time consent was granted, should have been applied for, or when work was actually carried out.

The territorial authority, again, has 20 working days from the date the Certificate of Acceptance application is received to decide whether to grant or refuse the application. Only a territorial authority can issue a Certificate of Acceptance. All fees that would have had to be paid if a consent had been properly obtained are payable.

(vii) **Notices to Fix**

A Notice to Fix is a statutory notice requiring a person to remedy a breach of the Building Act 2004 or regulations under the Act. It is similar to the Notice to Rectify under the Building Act 1991 but, unlike a Notice to Rectify, a Notice to Fix can be issued for **all breaches of the Act**, not just building work. A building consent authority must issue a Notice to Fix for any contravention of the Building Act 2004 and building regulations (eg failing to obtain a building consent). It is issued to a **specified person** who is the building owner or the person carrying out building work or any other person supervising that work.

10. CREATION OF AN URBAN TRAFFIC AREA AND VALIDATION OF EXISTING SPEED LIMITS

General Manager responsible:	General Manager City Environment
Officer responsible:	Manager Transport and City Streets
Authors:	David Rolls, Solicitor, DDI 941 8892; and Malcolm Taylor, Traffic Engineer-Community, DDI 941-8604

PURPOSE OF REPORT

1. The purpose of this report is to recommend that the Council designate an urban traffic area and validate saved speed limits for those roads under its jurisdiction in accordance with the requirements of the transitional provisions of the Land Transport Rule Setting of Speed Limits 2003 Rule 54001.

EXECUTIVE SUMMARY

2. On 5 April 2004 the Land Transport Rule Setting of Speed Limits 2003 Rule 54001 ('the Rule') came into force. This formally passed the responsibility for the setting of speed limits on roads to road controlling authorities (RCAs). The Council is the road controlling authority for all of the roads which are within its district and which are under its control.
3. Section 10 of the Rule requires every RCA to formally preserve all speed limits, other than 100km/h speed limits in rural areas, which were lawfully imposed on their roads as at 1 April 2004. They are required to do this in two ways. Firstly they are required by section 10.1(1) of the Rule to designate an urban traffic area. This is a defined area in which roads are generally subject to a speed limit of 50km/h. Secondly they are required by section 10.1(2) of the Rule to validate all speed limits other than those 50km/h speed limits on roads within an urban traffic area and those 100km/h speed limits on roads within a rural area.
4. Section 10.1(3) of the Rule requires RCAs to designate an urban traffic area and to validate speed limits by means of a bylaw. This is one of the reasons that the Council made the Christchurch City Speed Limits Bylaw 2005 ('the Bylaw'). Clause 9(1) of the Bylaw empowers the Council, by way of resolution, to designate an urban traffic area for the purposes of section 10.1(1) of the Rule. Clause 9(2) of the Bylaw empowers the Council, by way of resolution, to validate all speed limits as required by section 10.1(2) of the Rule. These provisions of the Bylaw came into force on 15 April 2005.
5. Section 10.1(7) of the Rule provides that a RCA must designate an urban traffic area under section 10.1(1) of the Rule and validate speed limits in 10.1(2) of the Rule before 1 July 2005. On that date all speed limits which have not been preserved will revert to 100km/h.

FINANCIAL AND LEGAL CONSIDERATIONS

6. Section 10 of the Rule contains transitional provisions for designating urban traffic areas and validating saved speed limits. In effect these provisions are designed to preserve the existing lawfully imposed speed limits. Once preserved those speed limits are deemed to have been set under the Rule. They must then be formally recorded in the register of speed limits which the Council is required to maintain. This register is to be open for public inspection.
7. Section 10.1(1) of the Rule provides:

"A road controlling authority must designate an area in which roads are subject to a 50-km/h speed limit, saved under section 4 of the Transport Amendment Act 1997, as an urban traffic area."

Section 10.1(2) of the Rule provides:

"A road controlling authority must validate all speed limited saved under section 4 of the Transport Amendment Act 1997 other than:

- (a) 50-km/h speed limits on roads within a designated urban traffic area in 10.1(1); and
- (b) 100-km/h speed limits on roads within a rural area."

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8. Section 4 of the Transport Amendment Act 1997 inserted a new section 52A into the Transport Act 1962. Section 52A provides that all speed limits fixed by any Act, regulation, bylaw or notice in the Gazette before 1 April 2004, (that being the date upon which section 4 of the Transport Amendment Act 1997 came into force), continue to have effect until superseded by a speed limit fixed on or after that date by:
 - (a) A road controlling authority in accordance with any ordinary rule or emergency rule made under Part 2 of the Land Transport Act 1993; or
 - (b) The Director of Land Transport; or
 - (c) A Minister of the Crown by bylaw made under section 72(1)(j) of that Act.
9. All of the 50km/h speed limits which are now sought to be preserved by the designation of an urban traffic area under Section 10.1(1) of the Rule and all of the speed limits which are now sought to be validated under section 10.1(2) of the Rule are speed limits that have been saved by section 52A of the Transport Amendment Act 1997. The instruments which created those speed limits are referred to in the documentation which is to be tabled at the meeting. It is not proposed that there be any change to any of those speed limits.
10. As noted above, section 10.1(3) of the Rule provides that the Council must designate an urban traffic area in section 10.1(1) of the Rule and validate a saved speed limit in section 10.1(2) by making a bylaw. The Council may do this by passing resolutions under clauses 9(1) and 9(2), respectively, of the Christchurch City Speed Limits Bylaw 2005. Those clauses provide:
 - “(1) The Council shall, by resolution, designate an urban traffic area as required by Section 10.1(1) of the Rule.*
 - “(2) The Council shall, by resolution, validate all speed limits as required by Section 10.1(2) of the Rule.”*
11. Once the Council has passed the appropriate resolutions, it is required, by section 10.1(7) of the Rule, to record in a register of speed limits, urban traffic areas in section 10.1(1) and saved speed limits in section 10.1(2) that have been designated or validated in accordance with section 10.1(3). That register is required to be open for public inspection.
12. The Council may, in future, change the urban traffic area or change any of the speed limits validated pursuant to Rules 10.1(1) or 10.1(2), as the case may be, by following the procedures (which include public consultation) specified in Section 7 of the Rule.
13. The area which it is recommended that the Council now designate, under Clause 9(1) of the Bylaw, as an urban traffic area for the purposes of section 10.1(1) of the Rule, is delineated on the maps numbered TG005604/1 to TG005604/4 inclusive which are tabled at this meeting. In essence this comprises most of the Council's district. All of the roads in an urban traffic area have speed limits of 50km/h except those roads for which a different speed limit has been specifically set. The speed limits for these latter roads must be validated by the Council under Clause 9(2) of the Bylaw.
14. The speed limits which are recommended that the Council now validate, under Clause 9(2) of the Bylaw, for the purposes of section 10.1(2) of the Rule are detailed in the document headed "Saved Speed Limits" and in the maps numbered SL01 to SL33 inclusive which are tabled at this meeting.
15. There are several roads which form the boundary between the Council's district and the districts of the Selwyn District Council and the Banks Peninsular District Council. In each case the boundary is the centre line of the road. Examples are Chatterton and Dawsons Road which form part of the boundary between Christchurch City and Selwyn District. These roads are clearly identified in the documentation tabled. In respect of each such road each of the RCAs must take appropriate action under the Rule to ensure that the speed limit is consistent for each side of the road. This is the case for each of the roads in question.

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16. It is considered that no further action need be taken by Council in respect of the decision making requirements of section 77 and 78 of the Local Government Act 2002. In terms of section 77 this is not matter where the Council has other options to consider. The Council is required by the Rule to designate an urban traffic area and to validate saved speed limits. In terms of section 78 this is not a matter which requires the Council to ascertain the views of its community. The Council is required to make these decisions by the Rule. Furthermore the decisions will not alter any existing speed limit on any road for which the Council is the RCA.
17. The financial implications regarding the Council becoming responsible for the setting of speed limits for all roads for which it is the RCA were considered by Council at its meeting on 17 February 2005 in the report concerning the proposal to make the Bylaw.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Resolve pursuant to Clause 9(1) of the Christchurch City Speed Limits Bylaw 2005 that all of the area delineated on the maps numbered TG005604/1, TG005604/2, TG005604/3, and TG005604/4 (each of which are tabled at this meeting) be designated as an urban traffic area for the purposes of Section 10.1(1) of the Land Transport Rule Setting of Speed Limits 2003 Rule 54001.
- (b) Resolve pursuant to Clause 9(2) of the Christchurch City Speed Limits Bylaw 2005 that all of the speed limits specified for the roads referred to in the document headed "Saved Speed Limits" and in the accompanying maps numbered SL01 to SL33 (inclusive) (all of which are tabled at this meeting) be validated for the purposes of Section 10.1(2) of the Land Transport Rule Setting of Speed Limits 2003

11. CHRISTCHURCH CITY HOLDINGS LIMITED - HALF YEARLY REPORT AND STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

General Manager responsible:	Bob Lineham, CEO, CCHL
Officer responsible:	Bob Lineham, CEO, CCHL
Author:	Richard Simmonds, Financial Analyst, DDI 941-8817

PURPOSE OF REPORT

1. The purpose of this report is to present the interim report of Christchurch City Holdings Ltd ('CCHL') for the six months ended 31 December 2004 for the information of the Council, and to seek the approval of the Council of draft Statements of Intent received from CCHL subsidiary companies Orion Group Ltd, Lyttelton Port Company Ltd, Red Bus Ltd, associated company Selwyn Plantation Board Ltd, and Council-owned company Jade Stadium Ltd.
2. The Statement of Intent of Christchurch International Airport Ltd and City Care Ltd will be presented to the Council for approval in May.

EXECUTIVE SUMMARY

CCHL Interim Report

3. A brief commentary on the results and financial position of the parent company and group is contained in the Chairperson's review on page 2 of the interim report.

Statements of Intent

4. The Council's subsidiary companies are required by statute (or, in the case of Lyttelton Port Company Ltd, the terms of its constitution) to submit an annual Statement of Intent ('Sol') to their shareholders. An Sol must set out the entity's objectives and performance measures, as well as certain other information, and must be approved by the shareholder.
5. CCHL is required by the terms of its own constitution to forward the Sols of the trading companies to the Council for final approval. CCHL has, however, performed an initial review of these documents and, in some cases, requested changes which have been reflected in the attached documents.
6. The draft Sols of all the above companies are attached to this report.
7. CCHL's own Sol was approved by the Council at a Council meeting in March.

RECOMMENDATIONS

It is recommended that the Council:

- (a) Approve the draft Sols of Orion Group Ltd, Lyttelton Port Company Ltd, Red Bus Ltd, Selwyn Plantation Board Ltd and Jade Stadium Ltd.
- (b) Authorise CCHL to approve any subsequent minor changes to these Sols arising from the business planning and budgeting processes of the subsidiary companies (any major changes will be brought back to the Council for approval).
- (c) Receive the CCHL interim report for the six months ended 31 December 2004.

11 Cont'd

BACKGROUND

8. The Local Government Act 2002 has imposed a revised reporting and approval process for draft Sols. Schedule 8 of the Act provides:

"2. Statements of Intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. Completion of Statements of Intent

The board must:

- (a) Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) Deliver the completed statement of intent to the shareholders on or before 30 June each year."*

9. Because of the new timing, only those CCTOs with March balance dates had completed their business planning and financial forecasts by the time they were required to submit their draft Sol. There is therefore a possibility that some CCTOs may seek to make changes to their draft Sol after they have been submitted to the Council but before the final Sol has been formally delivered to the shareholder.
10. If changes are made, and are considered to be material to the Council as ultimate shareholder, they will be brought back to the Council for further approval. If the changes are minor, it is recommended that CCHL be authorised to approve them.

Orion New Zealand Ltd Statement Of Intent

11. The Orion Sol is broadly similar to the previous year, with the main changes being:

Page 3 New section entitled "Growth in the regional economy"

Page 4 Some updating of the Governance statement

Page 4 Commentary regarding the potential impact of the introduction of international financial reporting standards

12. Section D describes Orion's key objectives, including commercial performance, security of supply, reliability, pricing, social responsibility and community interest, growth in the regional economy, environmental commitment, undergrounding and compliance.
13. Orion's trading for the year to date has been on or ahead of budget. The 2004/05 result will be boosted by a gain from the recently-announced sale of most of Orion's shares in EDL, the proceeds of which have been used to repay debt.

Lyttelton Port Company Ltd Statement Of Intent

14. Port companies are excluded from the definition of a CCTO under the Local Government Act 2002, and hence LPC's SCI is not prepared on the exactly the same basis as the other companies (in particular, it is still referred to as a Statement of Corporate Intent rather than a Statement of Intent, and there is no governance statement). The SCI is required by the company's constitution rather than by statute.

11 Cont'd

15. The main changes from the previous year are:
 - More focused wording of the company's vision and objectives;
 - New section regarding growth in the regional economy.
16. While Stock Exchange Listing Rules and securities legislation effectively prevent the company from including forecast financial information in the SCI, it is considered that within these constraints, the document appropriately reflects the priorities of LPC and its shareholders.
17. The company recently reported its half year result, which was broadly in accordance with expectations. Volumes in the port's three key trades - coal, containers and bulk fuel - grew, although profitability was impacted by additional maintenance charges that had been signalled in last year's AGM.

Red Bus Ltd Statement Of Intent

18. The content of the Sol is similar to last year's, although a new section entitled "Regional contribution" has been included on page 13. In addition to the company's commercial focus, it contains a range of measurable environmental and social objectives.
19. The company recently presented their interim report for the half year to 31 December 2003. While revenues have been maintained, profitability has significantly reduced, reflecting the highly competitive market that now exists, and an increase in fuel costs that in the short term are carried directly by the company. During the period the company was successful in winning tenders for the new Metrostar cross-suburban service and all the ECAN school routes, but lost one urban service.

Jade Stadium Ltd Statement Of Intent

20. It is considered that the Sol presents a comprehensive set of performance measures. The company is forecasting operating cash surpluses and a gradually reducing net deficit over the next three years (ahead of earlier projections), as well as principal debt repayments to the Council of between \$1.6 million and \$1.8 million per annum.
21. JSL's half year report reveals an improvement in revenues, operating cash surplus and net deficit over the previous equivalent period. The British Lions v All Blacks test match in June 2005 will make a further contribution to the company's result for the full year.

12. LTCCP PERFORMANCE MEASURES UPDATE

General Manager responsible:	General Manager Corporate Services
Officer responsible:	General Manager Corporate Services
Author:	Roy Baker, General Manager Corporate Services, DDI 941-8540

PURPOSE OF REPORT

1. To show our performance against the performance measures from the Long-Term Council Community Plan (LTCCP).

EXECUTIVE SUMMARY

2. Please find attached a report including the graphs showing our performance against the performance measures from the LTCCP.
3. We are monitoring these items monthly and overall seem to be on track to be able to deliver measures against each performance target.
4. It is my intention to provide this information on a quarterly basis. If any Councillor has a question regarding a specific measure, it is probably more appropriate to address that directly with the relevant General Manager.

STAFF RECOMMENDATIONS

It is recommended that the Council receive this report.

5. 5. 2005

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13. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD

Attached.

14. NOTICES OF MOTION

15. QUESTIONS