

Financial Overview of the Plan

Overall Expenditure

The following table gives an overview of the Council's projected operating and capital expenditure for the next ten years. A full set of projected financial statements may be found in Volume 3.

2003/04 Budget \$000's		2004/05 Budget \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Projection \$000's	2008/09 Projection \$000's	2009/10 Projection \$000's	2010/11 Projection \$000's	2011/12 Projection \$000's	2012/13 Projection \$000's	2013/14 Projection \$000's
Operating Summary											
215.99	Operating Expenditure	237.67	248.19	251.42	254.25	257.01	261.63	266.71	270.76	275.64	282.95
63.63	Depreciation	65.07	68.72	71.84	74.67	76.93	78.79	80.29	82.18	84.28	86.29
7.51	Interest Expense	6.71	6.47	7.62	11.23	15.40	18.25	20.05	21.81	23.96	26.13
287.12	Total Operating Expenditure	309.46	323.38	330.89	340.15	349.35	358.67	367.04	374.76	383.88	395.37
(85.46)	Ordinary Revenues	(93.91)	(93.07)	(93.24)	(94.07)	(93.51)	(93.38)	(93.44)	(92.84)	(92.56)	(92.60)
(18.19)	Grants & Subsidies	(19.11)	(21.01)	(21.41)	(23.62)	(24.13)	(21.96)	(22.50)	(23.62)	(24.05)	(24.40)
(28.20)	Interest & Dividends from CCHL	(29.10)	(29.50)	(45.30)	(31.30)	(32.00)	(32.80)	(33.77)	(34.62)	(35.48)	(36.59)
(14.73)	Interest Received	(18.75)	(16.29)	(14.86)	(14.62)	(14.91)	(15.48)	(16.32)	(17.33)	(18.42)	(19.27)
(154.89)	Rates	(164.83)	(172.72)	(180.06)	(188.11)	(202.00)	(216.86)	(228.15)	(236.78)	(245.96)	(257.22)
(14.36)	Operating Surplus/Contribution to Capital Projects	(16.25)	(9.21)	(23.97)	(11.58)	(17.20)	(21.81)	(27.13)	(30.43)	(32.59)	(34.70)
2.81%	Percentage Rate Increase	3.59%	3.53%	3.06%	3.32%	6.25%	6.30%	4.24%	2.88%	3.01%	3.73%
Capital Funding Summary											
97.54	Capital Expenditure	130.84	125.01	154.10	159.01	141.38	117.01	117.77	124.17	141.23	137.95
4.63	Provision for Debt Repayment	4.68	4.69	4.70	6.02	8.13	9.75	10.64	11.45	12.35	13.54
24.00	CCFL Equity/Loan Investment *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
126.17	Total Capital Cost	135.52	129.70	158.80	165.03	149.51	126.76	128.40	135.62	153.58	151.49
Funded by:											
(69.68)	Depreciation & Surplus (Deficit) on Operations	(72.31)	(68.15)	(85.52)	(75.42)	(82.64)	(88.29)	(94.19)	(98.33)	(101.44)	(104.30)
(2.19)	Capital Repayment/Sale of Assets in Total	(1.85)	(5.81)	(5.52)	(8.85)	(3.77)	(3.83)	(4.08)	(4.24)	(9.41)	(4.60)
(24.25)	Funded from Debt Repayment Reserve	(53.66)	(47.57)	(14.75)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4.70)	Reserves	(5.28)	(7.16)	(8.49)	(10.54)	(8.87)	(5.12)	(3.10)	(3.08)	(3.06)	(3.03)
(0.50)	External Funding for Capital Projects	(0.27)	(0.55)	(0.54)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24.85	Borrowing Required for the Annual Programme	2.15	0.45	43.98	70.21	54.23	29.52	27.04	29.98	39.68	39.55

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Key Assets / Liabilities of CCC

96.29	Gross Debt	97.05	97.44	141.38	211.57	265.78	294.98	322.01	351.98	391.65	431.20
(38.35)	less Sinking Funds & Debt Repayment Reserves	(80.43)	(38.66)	(28.43)	(36.02)	(46.13)	(58.42)	(72.27)	(87.70)	(104.87)	(124.18)
57.95	Term Debt	16.62	58.78	112.95	175.55	219.65	236.56	249.74	264.28	286.78	307.01
(130.56)	Less Reserve Funds	(146.21)	(147.83)	(148.36)	(147.04)	(147.65)	(152.24)	(159.15)	(166.37)	(173.90)	(181.78)
(72.61)	Net Debt *	(129.60)	(89.05)	(35.41)	28.51	72.00	84.32	90.59	97.91	112.88	125.23
4,021.48	Total Assets (CCC & CCHL)	4,456.29	4,508.36	4,586.79	4,664.09	4,726.67	4,763.06	4,798.69	4,838.84	4,893.98	4,943.82
1,943.93	Realisable Assets (CCC & CCHL)	2,153.92	2,170.88	2,187.45	2,203.62	2,219.39	2,234.76	2,249.74	2,264.33	2,278.52	2,292.31
32.18	Net Debt (CCC & CCHL)	(26.17)	14.42	68.07	131.99	175.48	187.80	194.06	201.39	216.35	228.71

* Gross debt has increased by \$24M reflecting Council borrowing to Invest in Christchurch City Facilities Ltd (CCFL). This debt including repayments will be fully serviced by CCFL.

Capital Expenditure

The following table shows the expected capital spending for each group of activities over the next 10 years, and how that spending will be funded. More details of the capital spending planned for the next 5 years may be found at the end of this Volume.

CAPITAL FUNDING SUMMARY

Group of Activities

2003/04 Budget \$000's		2004/05 Budget \$000's	2005/06 Forecast \$000's	2006/07 Forecast \$000's	2007/08 Projection \$000's	2008/09 Projection \$000's	2009/10 Projection \$000's	2010/11 Projection \$000's	2011/12 Projection \$000's	2012/13 Projection \$000's	2013/14 Projection \$000's
1,225	Art Gallery, Museum and "Our City"	3,010	313	313	530	350	420	316	355	516	1,263
1,488	City Development	3,426	400	1,400	1,400	400	400	400	400	400	400
5,862	Community Services	10,094	11,027	6,672	11,995	8,758	4,636	3,502	3,539	13,722	3,549
3	Democracy and Governance	-	-	-	-	-	-	-	-	-	-
490	Economic Development	476	547	560	537	505	563	579	521	566	566
5,411	Library Services	7,201	8,771	5,517	5,540	5,770	5,820	5,895	6,195	6,195	6,370
6,873	Parks and Open Spaces	7,107	6,877	11,469	11,848	7,226	7,470	7,465	7,591	7,782	7,832
5,313	Refuse Minimisation and Disposal	9,347	5,531	625	635	635	635	635	635	635	635
29	Regulatory Services	17	64	67	77	77	33	65	63	33	35
15,904	Sewage Treatment and Disposal	18,546	12,446	28,549	32,855	14,639	11,960	11,461	9,679	9,126	9,823
39,075	Streets and Transport	43,381	44,112	45,297	48,960	49,138	49,509	50,782	52,846	52,318	53,944
5,302	Water Supply	5,641	5,444	5,985	5,642	5,446	5,321	5,538	5,811	5,413	5,798

6,962	Waterways and Land Drainage	6,930	7,319	7,579	7,264	7,282	7,643	7,643	7,793	7,902	8,002
3,598	Corporate	6,918	19,641	23,646	25,054	26,151	13,380	11,320	11,378	11,180	11,245
-	Provision for Inflation	-	2,359	5,386	8,893	10,264	11,029	13,090	15,608	19,564	21,001
97,535	Capital Programme	122,094	124,849	143,062	161,227	136,639	118,818	118,690	122,413	135,352	130,462
4,630	Provision for Debt Repayment	4,575	4,582	4,699	6,157	8,336	9,824	10,764	11,605	12,465	13,498
24,000	CCFL Equity/Loan Investment	-	-	-	-	-	-	-	-	-	-
126,165	Total Capital Cost	126,669	129,430	147,761	167,385	144,975	128,641	129,455	134,017	147,816	143,960

Funding Sources

2003/04		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Budget		Budget	Forecast	Forecast	Projection	Projection	Projection	Projection	Projection	Projection	Projection
\$000's		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
69,679	Depreciation & Surplus (Deficit) on Operations	108,251	67,072	84,601	75,496	82,705	88,384	94,315	98,085	100,953	103,541
2,190	Capital Repayment/Sale of Assets in Total	1,533	5,612	5,524	8,849	3,766	3,827	4,078	4,236	9,405	4,605
28,946	Reserves	16,161	52,278	8,486	10,414	8,919	5,073	3,057	3,032	3,014	2,987
500	External Funding for Capital Projects	274	550	540	-	-	-	-	-	-	-
24,850	Borrowing Required for the Annual Programme	450	3,918	48,610	72,626	49,585	31,357	28,005	28,665	34,444	32,827
126,165	Total Funding Sources	126,669	129,430	147,761	167,385	144,975	128,641	129,455	134,017	147,816	143,960

Rating

The Revenue & Financing Policy, which determines how rates will be shared among the residential, business, rural and institutional sectors, has been reviewed this year. The outcome is generally in line with previous years' Annual Plans. Full details may be found in Volume 3.

The outcome of the policy review and the Council's proposed programme is a proposed overall rate increase of 3.59%.

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Please note the following:

- The rate increase percentage is after recognition of growth in the rating base.
- Rates for the average residential property increase from \$954 to \$986.
- The decline in rural rates is due to the reduced total capital value of this sector, largely due to land development. Rural land that has been developed for residential purposes becomes classified as residential for calculating rates.

The Uniform Annual General Charge will increase to \$115.

The impact of rates on a rating units will be:

Capital Values	2003/04 Actual	2004/05 Proposed	Proposed Change
	\$	\$	%
Residential			
80,000	519	541	4.32%
100,000	622	648	4.10%
200,000	1,140	1,181	3.60%
300,000	1,657	1,713	3.41%
400,000	2,174	2,246	3.31%
500,000	2,692	2,779	3.25%
600,000	3,209	3,312	3.21%
Business			
100,000	837	864	3.15%
200,000	1,569	1,612	2.73%
300,000	2,302	2,361	2.57%
400,000	3,034	3,109	2.49%
500,000	3,766	3,858	2.44%

600,000	4,498	4,606	2.41%
Rural			
100,000	369	385	4.60%
200,000	632	656	3.78%
300,000	896	926	3.44%
400,000	1,159	1,197	3.26%
500,000	1,423	1,467	3.14%
600,000	1,686	1,738	3.06%

